



WHO BENEFITS FROM AUSTERITY?



Policy Paper
2013-2014

Association pour une
solidarité syndicale
étudiante (ASSÉ)

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LIST OF ACRONYMS

ACS:	Attestation of College Studies (French: attestation d'études collégiales)
ASSÉ:	Association pour une solidarité syndicale étudiante (Association for Solidarity Among Student Unions)
BMJ:	British Medical Journal
CBC:	Canadian Broadcasting Corporation
CCPA:	Canadian Centre for Policy Alternatives
CEQ:	Centrale de l'enseignement du Québec (Québec Teachers' Central Union)
CSQ:	Centrale des syndicats du Québec (Québec Unions Central)
GDP:	Gross Domestic Product
IMF:	International Monetary Fund
IRIS:	Institut de recherche et d'informations socio-économiques (Institute for Socioeconomic Research and Information)
HEC:	École des Hautes études commerciales (Montréal)
MEI:	Montreal Economic Institute
NAFTA:	North-American Free Trade Agreement
NEB:	National Energy Board
NFB:	National Film Board of Canada
NRC:	National Research Council Canada
OECD:	Organisation for Economic Cooperation and Development
RRSP:	Registered Retirement Savings Plan
R&D:	Research and development
SRC:	Société Radio-Canada (CBC)
UNICEF:	United Nations International Children's Emergency Fund
UQAM:	Université du Québec à Montréal
UQII:	Union québécoise des infirmières et infirmiers (Québec Nurses' Union)

INTRODUCTION

Since the 2008 financial crisis, many governments have dramatically accelerated cuts to public services, and have introduced many user fees. Acting under the influence of international organisations, some countries have introduced policies that have dramatic consequences on people: massive unemployment, increasingly precarious employment and living conditions, forced privatisations, violently repressed social movements, etc. Québec and Canada are no exception to this obsession with fiscal austerity. Although the Québec Liberal Party's plan to increase tuition fees was forestalled by an unprecedented popular uprising¹, other austerity measures being applied to a broad array of public services have not been similarly stopped, even with the election of the Parti québécois government.

Let us begin by situating these trends as part of the aftermath of the 2008 economic crisis. After a period during which the introduction of austerity measures was violently accelerated, two International Monetary Fund (IMF)² economists announced in the winter of 2013 that austerity measures – which the organisation has previously prescribed – did not have the desired effectsⁱⁱ. For example, this meant that a government that decided to reduce its public expenditures actually lost more income than what it had saved by cutting expensesⁱⁱⁱ. In fact, months after the publication of a study^{iv} that was widely cited as supporting draconian austerity measures in many European countries, an American student identified major methodological and formula errors on the part of the study's two reputable authors. For instance, data from Canada, Australia, Austria, Belgium and

Denmark were excluded when a 'critical debt level' was established. These concerns invalidate some of these researchers' findings, which had been useful to those in favour of austerity^v.

Despite the fact that the purported benefits of austerity measures have been subsequently denied by the bodies that once defended them (e.g. the IMF, World Bank and European Central Bank), some people still defend the antisocial reforms supposedly justified by the crisis. The fact that various international organisations have recognised this vicious cycle, which has dominated the decision-making of various governments, still does not seem to affect the policies of the governments of Québec and Canada. For instance: the IMF recently warned Canada against an 'overzealous' application of its austerity measures^{vi}. It urged the Canadian State to stimulate growth, pointing to the effect government programs (such as social assistance and unemployment benefits) can have in term of slowing down the effects of a poor economic context on growth. How ironic that the IMF issued such a warning, while at the same time the governments of Canada and Québec respectively cut unemployment insurance and social assistance, thus harming their own ability to stabilise the economy. This paradox begs the question: who benefits from austerity?

Over the years, ASSÉ has accumulated a diverse array of arguments and research to support its demands. The organisation's basic principles have always aimed at solidarity with all progressive struggles and at a comprehensive, non-corporatist analysis of the situation of students. As such, this position paper aims to trod off the beaten path and to broaden our analysis of the government measures that go beyond the world of education. Although we will examine the impact of austerity on education first, we will also see how policies put in place by neoliberals affect the world of work, culture, and the environment.

1 Writing for The Guardian, a journalist underlined the following about the 2012 Québec student movement: "Their achievement has been to begin to clarify for a broad swath of society that a tuition hike is not a matter of isolated accounting, but the goal of a neoliberal austerity agenda." See also footnote 3.

2 The IMF is an organization with a long history of forcing neoliberal policies onto countries in dire financial straits. It is responsible for the infamous *Structural adjustment plans* whose primary aims are to privatize public services and to open international markets to 'free trade'. The IMF's financial assistance is contingent upon the application of policies that continue to have devastating effects on the countries affected.



AUSTERITY IN EDUCATION



The effects of austerity that are the most discussed in the media are probably the easiest to quantify: tuition fees, underfunding or misfunding, budgets cuts to basic research, etc. However, these are not the only factors at play, and other consequences of austerity measures merit further discussion. For example, we could discuss impacts on pedagogy, changes to our perception of education, increased controls on academic departments and the fact that they must then divert resources into administration, etc.

TUITION FEE INCREASES

Tuition fee increases – whether we are talking about the drastic increases that the Liberal government tried to impose or the fee indexation introduced by the subsequent Parti Québécois government – are a particularly obvious example of an austerity measure. Those in power claim that students must pay their fair share by paying more to access education. They claim that education is above all a personal investment, thus setting aside the collective and emancipatory qualities of free and accessible education. They bombard us with ads to try to get us to ‘buy’ universities, CEGEPs or courses of study, since more student enrollment means more direct revenue to those doing the advertising. The result is a dramatic increase in the budgets dedicated to publicity, and to inter-university competition for star faculty hires aimed at increasing an academic institution’s reputation.

In the same vein, the Québec government’s 2011-2012 budget made provisions for 10% to 20% of the additional money obtained by raising tuition fees should be allocated to the “competitive positioning of universities in Canada and abroad”, while 5 to 15% of these resources should be used to ‘improve administration and management’^{vii}. People from outside Québec are particularly affected by the tuition increases, since they pay outrageously high fees and cannot access the financial aid provided by the government of Québec, as Québec students are able to³.

Another reality we must discuss is the harmful impact of tuition increases on women. Despite the fact that women make up the majority of people attending post-secondary institutions, women’s average earnings are still lower than that of men: in 2008, in Canada, the average income for women was about \$44 700 per year, compared to about \$62 700 for men^{4 viii}. This wage gap obviously has an important impact on

3 For more information on this subject see the study published in 2012 by ASSÉ titled *Mémoire sur les frais de scolarité des étudiant-e-s internationaux et internationales au cégep*.

4 The hourly wage for women was estimated at 84,9% of that earned by men in 2010. This percentage is somewhat better for unionized women, who earn on average 93,7% of the average wage for men. There is a discrepancy in the hourly wage gaps and the annual income gaps because many women must work less hours in order to take on domestic work.

the capacity of women to pay higher and higher tuition fees, or to pay back their student loans. Women are also strongly affected by other fee increases, since women are much more likely to be the parent in a single-parent household; a bigger proportion of student parents have a job when compared to their classmates who have no children, and in addition student parents tend to work more hours per week than the latter^x. If we take into account these persistent income inequalities and the additional financial barriers that are experienced by single mothers, the sexism inherent in the tuition increase is blatant.

This ongoing debate pits two diametrically opposed visions of education against each other. Must we consider education as a good that is shared collectively, or rather as a personal investment? Neoliberal policies gradually transform every aspect of society into quantified, objectified accounting figures. Education is no exception to this project, and fee increases of all kinds are testament to the temporary victory of the market ideology over the emancipatory ideal embodied by free, accessible education.

AUSTERITY REINFORCES A REGRESSIVE FORM OF PEDAGOGY

The context of ongoing budget cuts and user fee increases imposed by the government will have a negative impact both on post-secondary institutions and on their respective student bodies. When tuition fees are imposed, the possibility of a relation to knowledge that is free from personal economic motives is attacked, since for example internal competition for merit-based scholarships is increased. Introducing free education would reduce the competition between universities while making the student body more diverse on many levels^x. By introducing austerity measures, the government reduces the humanistic focus that education could have, by rewarding those people who stand out because of their belief in individualism, or because they demonstrate leadership or charisma when they speak in public – all aptitudes that men are encouraged to develop from an early age. The type of pedagogy that emerges

as a result not only disadvantages women: it also conveys a conservative vision of social relations by perpetuating stereotypes. In this context, we must demand the type of education that does not reinforce inequalities; we must demand accessible resources for all. For instance, the following has occurred during previous periods of austerity in the education sector:

Universities have cut services to students, for example by reducing audiovisual services, new book purchases, and library subscriptions. In this last case, the reduction may reach 50% in some disciplines with less and less clients [sic]. Combined with a reduction in the number of professors, these cuts may affect [...] the quality of teaching. Indeed, since less and less research is undertaken in Québec, students may have to rely on already limited English-language materials^{xi}.

When the government reduces the availability of resources that students need, it also creates inequalities between students – both with respect to their academic abilities at the beginning of their course of studies, and with respect to their capacity to access resources that have been budgeted out of the public system (i.e. private tutoring to compensate for the lack of paid time that professors and teaching assistants have at their disposal; book purchases, as well as journal article purchases that may be necessary for university-level research, to compensate for the cuts to library budgets).

Austerity does not only have effects on academic resources or on the type of pedagogy that is used. Scarce resources encourage university administrations to reduce the types of content that do not immediately lend themselves to use in the labour market. Given these conditions, the unselfish study of areas of knowledge that do not allow for any *immediate* progress begins to look like a luxury, and the development of skills that can be applied quickly is preferred. This lack of resources also forces universities to ask for private donations, which in turn forces universities to create programs of study that respond to the needs of the labour market.

More and more changes are introduced in universities where programs that are useful from a scientific standpoint are replaced by programs that bring money into the university. For instance, in 2008, during a budget crisis, UQAM's administration submitted a recovery plan that proposed to close over sixty programs that were considered 'unprofitable'. Since then, UQAM has created a number of programs, citing potential high enrollment in these programs as the main factor motivating these decisions. The critical perspective set forth in many programs has also been reduced compared to what was once offered. In this respect, a report issued after consultation with the UQAM community mentioned the law program as an example of this phenomenon:

The Bachelor of Laws program, to cite one example, no longer holds the promise of a critique of the law. The reality is that [...] the success of UQAM students in Bar School, and the impact of this success on future enrolments in the program, has significantly sidelined the critical perspective in which the program was supposed to be grounded since its inception^{xii}.

The fiscal austerity measures our government advocates have real consequences on the way we perceive the environment in which we study as well as on the way we perceive its function. We should be wary of the government's intentions, which aim to dramatically change our relation to knowledge.

In addition to the increasing standardisation of education at the university level, we may also notice significant changes in the programs people choose. As part of a study conducted in many different Québec universities subsequent to heavy budget cuts in the early 1980s, a team of researchers asked departmental chairs about the consequences of austerity on the teaching environment. They discovered an increased level of administrative control as well as competition for student enrolment:

In one university in our sample, a complex formula to determine the productivity of departments was developed. Budget cuts were then carried out according to the performance of



each department; departments with a lower score then had to undergo a larger percentage of budget cuts. The opinion of the department chairs of this university is that this strategy is unfair. According to them, comparing a linguistics department and a chemistry department does not take into account the specificities of each discipline. [...]

The persons interviewed questioned the negative effects of these productivity criteria, which create an incentive for departments to raise the student-to-faculty ratio at the expense of pedagogy. [...]

According to many department chairs, universities' desire to keep better track of expenses has significantly increased the level of administrative control. The need to obtain authorizations, finicky bureaucratic controls, and the need to lobby authorities has been eating away at the time which directors have at their disposal^{xiii}.

This increased level control is not something that can easily be brushed off. It is the direct result of government policies – of which an important one is the decision to fund universities according to the size of the student body, whether in CEGEP or university – and of a type of governance that aims for profitability instead of the emancipation the world's peoples.

As for the CEGEP level, it is worth remembering that during the last summit on higher education, a working group was struck to “optimize the types of courses of study offered at the college level in Québec in order to allow for more coordination between CEGEPs and their environment^{xiv}” (read, to tie CEGEPs to local markets even more strongly than they currently are). In the eyes of the government, linking education to the development of specific ‘aptitudes’ allows for an increase in the number of people available to join the workforce with a specific qualification; if this process is strategically orchestrated on a geographical level, it may then bring specific benefits to the economies of Québec's various regions. Past attempts of this kind have led to the creation of a large number of shortened programs, which quickly lose their relevance – for

example, Attestation of College Studies (ACS) programs are created which do not include the general education components (e.g. language, physical education, philosophy) that are normally an integral part of college-level programs^{xv}.

When the government decides to provide economic stimulus to regional economies by changing college-level course offerings, it makes these institutions deviate from their educational vocation, towards a strictly utilitarian vision of education which penalises the student body and society in general. The recent, and heavily mediated attempt to convert the literature and humanities program (*Arts et lettres*) into a culture and communication program is but one example of the increasingly professional orientation of college-level education.



RESEARCH

University-level research is also on the receiving end of austerity measures, whether provincial or federal. The PQ government hasn't yet ventured to say what type of research it sees more favourably. Instead, in an ideologically motivated move, it has cut the budgets allocated to the provincial granting bodies⁵. On the federal level, the current government openly stated that "The National Research Council of Canada (NRC) has transformed into an industry-focused research and technology organization^{xvi}."

A large proportion of funding for university-level research comes from public granting agencies. These may have a focus on a specific field of study or may attribute their funds when there is evidence of close ties to the private sector⁶. The reason this type of funding is important to the academic community is that only the State can support research that is motivated only by the idea of public interest. This is often the case for basic research, which allows for the advancement of particular disciplines and paves the way for future discoveries that may be useful later on; this may also apply to certain types of applied research. For instance, it is preferable that some applied social science research on human behaviour should not fall into the hands of private interests or businesses. The latter have interests that stray very far from the notion of public interest and the advancement of knowledge, instead putting profits above all. The State acts as a counterweight to business, to the benefit of everybody, since the State can then benefit from this research. For example, when universities are attempting to find a cure or to develop a new medical technology without acting in partnership with a pharmaceutical company, hospitals can then use these innovations at a low cost. Open software similarly provides an alternative to the costly proprietary software distributed by businesses. One final example: if

5 The bodies granting funds for university-level research in Québec are the three *Fonds de recherche du Québec* : Nature and Technology, Health, and Society and Culture. They fund research centres, professors, postdoctoral fellows and masters and doctoral level students via bursaries.

6 For example, the Natural Sciences and Engineering Research Council of Canada (NSERC) offers larger bursaries to students who accept to work with industry as part of their studies, thanks to the Industrial Postgraduate Scholarships Program.

there were no public funding of research, there would be much less information available on environmental issues. We will return to this issue in the section on the impacts of austerity measures on culture and the environment.

The way in which the current provincial and federal governments apply austerity measures doesn't only affect university-level research. Although the government has not touched research and development (R&D), it has cut the budget for Statistics Canada. This has spelled the end of many studies, and has been accompanied by the end of the obligation to fill out the long-form census. This census was important to assess the make-up of the population in order to evaluate the necessity of introducing certain community or public services in a given area. According to Munir Sheikh, former director of Statistics Canada, a major problem created by these changes is that of comparison across time:

Given the magnitude of change from the 2006 census, it is not clear whether the NHS data [the NHS, or National Household Survey, is the longer and voluntary version of Statistics Canada's twice-a-decade survey] reflect a real change in outcomes or simply a statistical artifact due to the change in methodology^{xvii}.

The impact of these changes is felt by researchers in universities, which can no longer access important data. One notices that these changes within Statistics Canada are not only justified using an economic rationale, but also using ideological reasons, as the federal government has stated more than once, stating that the long-form census was a violation of privacy^{7 xviii}.

On the other hand, private funding is allocated according to selfish motives: the aim is often to turn a profit, for example when a company invests in R&D. However, another type of funding exists, called participatory funding⁸, when it is possible to "sell" a specific cause. A number of people then attempt to develop a brand for this cause to the detriment of other

7 According to Tony Clement, then Minister of Industry, "Our government's reason for replacing the mandatory census with a voluntary national survey on the long form is clear. We do not believe it is appropriate to compel Canadians to divulge extensive private and personal information."

8 Participatory funding relies on philanthropic contributions from individuals and businesses.

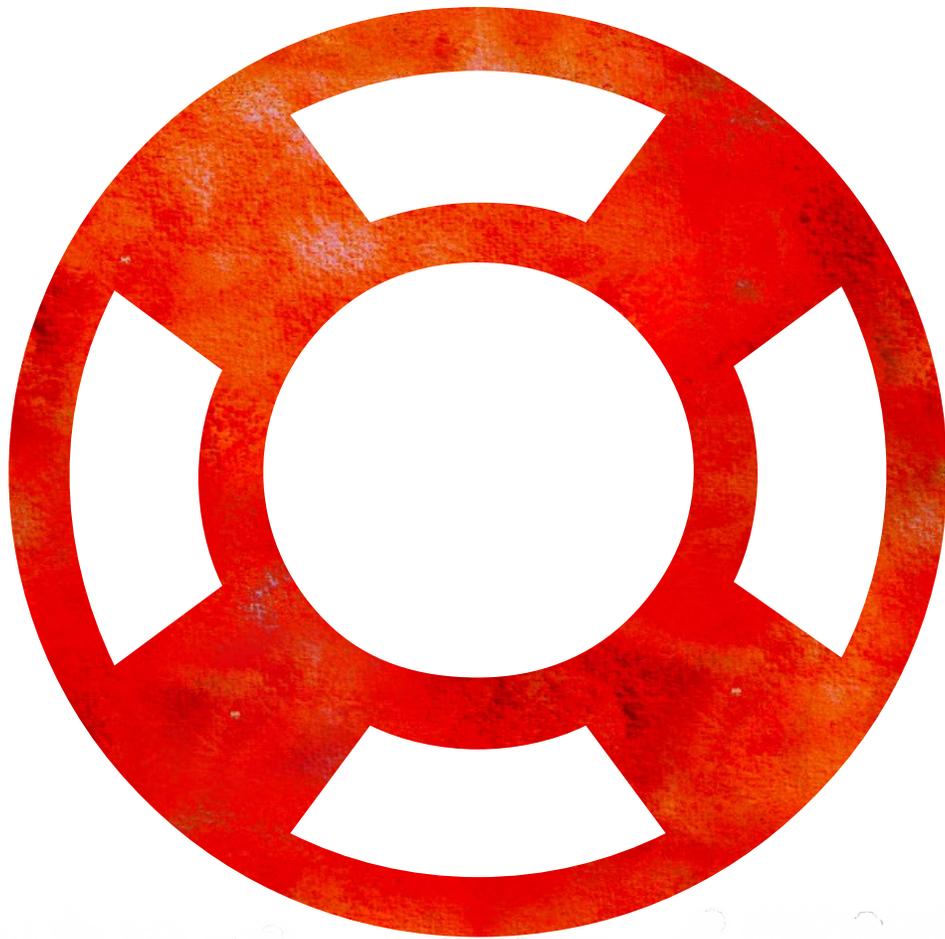
potential research subjects. This explains the large amount of funding available for breast cancer research than for malaria, a disease whose victims most often live in developing countries, or for hepatitis C, which many intravenous drug users could benefit from.

Austerity is not only a way for the government to direct what universities research: it also forces departments to find new sources of funding. In this way, many businesses or other organizations make their way into the university as part of a process that appears to be the solution to a problem. One will notice that "many departments have elaborated 'offensive' strategies: they make their labs available to the private sector and increase the number of research endeavours funded by sources outside the university^{xix}." Some people have voiced concerns about the potential consequences of these trends – what kind of job prospects will exist for researchers who have just graduated if the research that is done within universities is faced with stagnating public research funding? Who will the intellectual property belong to ^{xx}?

As students, we also have reasons to oppose cuts to research budgets, since these funds also support the future generation of researchers, namely master's and doctoral students^{xxi}. In addition to the fact that the number of student jobs is declining, given the fact that teaching and research assistantships are also affected by budget cuts, more and more students are ending up in precarious situations. In our eyes at ASSÉ, this confirms the necessity, amongst other policy changes, of converting student loans into student grants available for any student with outstanding financial needs.



**AUSTERITY AND
PUBLIC SERVICES**



USER FEES AND THE DETERIORATION OF PUBLIC SERVICES

A study published in 2012 by the Organisation for Economic Co-operation and Development (OECD⁹) revealed that income disparities have accelerated in most wealthy countries, including Canada and the United States since the middle of the 1980s^{xvii}. In a document published with the Canadian Centre for Policy Alternatives (CCPA), the *Institut de recherche et d'informations socio-économiques* (IRIS for short, tr.: Institute for socioeconomic research and information), observed that Québec is no exception to this trend:

The income gap in Québec has widened dramatically because of job losses during the recessions of the 1980s and 1990s. However, this gap has continued to widen at a surprisingly fast rate during the last 10 years, even after people starting have jobs again^{xviii}.

Despite increasing levels of inequality, the report underlines that “during the last three decades, the effect of government intervention on the part of the Québec State has systematically reduced income disparity within its jurisdiction, in a more efficient manner when compared to the rest of Canada.^{xvii}” Specifically, the fact that Québec has managed not to be entirely swept up in the trend towards increasing income disparity is attributed to our more progressive taxation system, which allows for a better redistribution of wealth through our public institutions.

These findings can be interpreted both as encouraging and as a warning. They demonstrate that the model we have developed¹⁰ is more faire than the one chosen by our american or canadian neighbours. However, in spite of the report’s conclusions, we cannot ignore the fact that cracks have been forming in our public institutions since the 1980s (as in the majority of

developed countries), and that these institutions are no longer able to contain, on their own, the hoarding of our wealth by a smaller and smaller group of people.

The very real deterioration of our health-care system constitutes a striking example of the detrimental effects of austerity in Québec. This process begins in earnest in 1990, when the federal liberal government, and will be reinforced by the zero deficit policy adopted by the provincial government in 1999. The faults in Québec’s healthcare system are not caused by the purported inability of the public sphere; rather, they have been caused by deliberate attacks on this public service, at budgetary and administrative levels, which has continued ever since. A document published in 1999 by the *Centrale de l’Enseignement du Québec* (CEQ¹¹), Québec’s teacher’s union federation) in cooperation with other organisations, such as the *Union québécoise des infirmières et infirmiers* (UQII, Québec’s nurse’s union at the time), summarized the set of reforms that had just been introduced in the health system, which it calls the “ambulatory shift”:

- draconian budget cuts;
- hurried and improvised restructuring of the healthcare network;
- lack of ressources needed to ensure the delivery and quality of services;
- denial of the impacts on human ressources;
- denial of the impacts on the population^{xv}.

A major consequence of these attacks on public services is the fact that the actual costs of these cuts is passed on to those who benefit from these services. As far as healthcare is concerned, the document notes that “in the majority of cases, patients must take on a large part of the cost of their medication follow-up¹² and of medical supplies (bandages etc.) during their recovery period, costs that were once covered by hospitals.^{xvi}” This type of collateral damage disproportionately affects low-income households, which are left out to dry by insufficient

9 The OECD is made up of the 34 richest countries.

10 Namely: a public healthcare system, free CEGEP and relatively low university tuition fees, a nationalized electricity system, unemployment insurance and social assistance/welfare.

11 Now called *Centrale des Syndicats du Québec* (CSQ).

12 Similarly, the Parti Québécois recently took advantage of a reform allowing pharmacists to prescribe certain medication in order to transfer the cost of these services to users. Réjean Hébert, the Health minister, claimed he wished to “respect our mixed public-private system.”

public services. The additional costs of insufficient services, such as those related to bandages or medication, have significant impacts on already overstretched household budgets.

to be angered by these barriers that are erected between ourselves and public services, barriers which turn us into mere consumers of healthcare or education?

Individual, corporate and sales taxes as percentage of GDP

Year	Individuals		Corporations	
	Individual incomes	Federal taxes (incl. income)	Corporate profits	Federal taxes (incl. income)
1964	50,6%	4,9%	11,4%	5,2%
1984	52,8%	6,3%	10,2%	4,2%
2004	49,9%	9,9%	13,6%	2,4%

Source: BERNARD et al., "L'autre déséquilibre fiscal", Chaire d'études socio-économiques de l'UQAM, Table 4, page 9

Efforts deployed by government after government to create a 'competitive fiscal environment', of course, inevitably end up emptying the State's coffers. The table shown above clearly demonstrates that corporations contribute less and less to the public purse (as a proportion of Gross Domestic Product or GDP) when compared to individuals. The trend is simple: although the percentage of GDP which is made up of corporate profits has been rising since the mid-1960s, taxes have been decreasing dramatically. The reverse trend is observed for individuals, whose taxes have steadily increased – thus funding a series of policy decisions that benefit the economic elite.

When the draconian cuts imposed by governments are no longer sufficient to make up for the shortfall created by tax credits and other gifts to corporations, the State introduces user fees to public services, citing a lack of funds. This regressive way of making people pay twice for the same service is making inroads everywhere. For example: daycare fees were raised from 5\$ per day to 7\$ per day, a flat 'health tax' was introduced, and tuition fees are increasing at a rate of 3% per year. In every case, the fiscal load taken on by the less well-off is increased, and meanwhile the quality of public services deteriorates. What's more, these regressive measures are often couched in a discourse of preventing "waste", as was the case when a proposed (but never implemented) introduction of a fee for every visit to the emergency room was being discussed in 2010. Are we expected not

In this context, the private sector is increasingly involved in our public services. There are particularly revealing examples of this to be found in the healthcare system:

[In the context of the ambulatory shift], the government has introduced new legislative incentives towards privatisation, for instance, the ability to contract services out to private establishments has been decentralised towards regional health agencies. More and more private healthcare establishments are being reimbursed for services that should be offered by the regulat network, while patients are being preferentially transferred towards private establishments, while there is a push to conclude service agreements, and while the door towards subcontracting ancillary, technical, professional and administrative services is left wide open. Yet in a public system, the recourse to private services should be an exceptional measure whose use is determined at the national level^{xxxvii}.

The deterioration of services caused by the implementation of austerity measures naturally pushes administrations to choose partnerships with the private sector, without providing any opportunity for a real debate to happen in society. Governments claim that opening the public healthcare system to the private sector can help reduce the purportedly exorbitant costs of the public system. However, many studies tend to

prove the opposite^{13 xxviii}. In the end, the population has to pay, both in terms of money and in terms of the quality of public services, for a transfer of funds – via fiscal policy – which only encourages the growing concentration of wealth.

INTERGENERATIONAL EQUITY

Neoliberal ideologues, who defend the idea of 'intergenerational equity', often mobilize arguments centered on public debt levels to do so¹⁴. However, there is no need to take a close look at public debt to apprehend the effects austerity measures will have on future generations. These tangible effects will be far removed from the mathematical straw-man arguments that governments point to. For instance, UNICEF published a report on the well-being of children in 2013 that expressed concerns about austerity measures that have been introduced since the 2008 crisis

According to M. Neubourg, in the context of austerity such as the one currently experienced by many countries, we wish to issue a warning about eventual policy decisions to reduce health care or education expenditures or family allowances, decisions that may have an important impact on the well-being of children.

The consequences of austerity in Québec, in particular in the health sector, already fall in line with UNICEF's claims. The CEQ report effectively underlines such negative impacts, which are already compromising future generations :

¹³ One example of such a study is an analysis carried out by André-Pierre Contandriopoulos, a professor in the health administration department at the University of Montreal. His study, which uses data published by the OECD and the Québec Ministry of Health and Social Services, shows that there is a strong correlation between the total host of a health care system and the place the private sector takes up in such a system. He underlines that "the opportunity for a society to manage the pressures that are brought to bear on the health system and to control the growth of expenses is greater when funding is public."

¹⁴ As will be demonstrated in another section of this document (*The ideological foundations of austerity*), public debt is a long way from being as alarming as some claim.

Before [the ambulatory shift], it was possible for adults to access a psychologist or a social worker when there was a need for early intervention in cases of relationship or family difficulties (violence, abuse, divorce); now, this has become impossible, and even difficult situations end up on waiting lists. This is cause for worry : the impact a single divorce is significant, amongst other things, on the growth of a child or a teenager or on the heavy increase in the suicide rate amongst young men.^{xxx}

This shows there is no need to look ahead three or four generations to realize that intergenerational equity is threatened by austerity measures, since the younger generation is already living with its effects. Intergenerational equity must be premised on a strong social safety net, which austerity measures are currently undoing. The dismantling of our public institutions, much more than the spectre of public debt, is the real threat to intergenerational equity.

CUTS TO SOCIAL ASSISTANCE

Soon after the federal government made changes to employment insurance in 2012, the Marois government – which had strongly denounced these changes – decided to cut social assistance payments (a.k.a "welfare"). Ironically, the government of Québec had expressed concern that "a number of seasonal workers who will no longer be able to qualify for employment insurance are likely to turn to the [provincial] social assistance program."^{xxxi} So while an anti-poor witchhunt began in Ottawa, by forcing the unemployed to accept worse conditions than those they may have had in a previous job, it continues in Québec, where a heavy blow is inflicted on those who have had to turn to social assistance.

These reforms are insidious, since they reinforce the false idea that people who already live "well under the poverty line as defined by Statistics Canada"^{xxxii} are lazy. By claiming that the cuts are intended to provide an incentive

to re-enter the labour market, the government attacks people who are nevertheless very vulnerable. For instance, research has shown that more than half of those on social assistance don't have any diploma whatsoever^{xxxiii}. The cuts to social assistance announced by Agnès Maltais, minister for Social Solidarity, will affect families with very young children, people living with drug addictions, and people who are close to the age of retirement – three categories of people who certainly did not need the State to add insult to injury.

Beneficiaries of social assistance are no doubt the most affected by austerity and the neoliberal mentality. The State no longer plays a supportive role; instead, it facilitates, invests, incubates businesses. Cuts are made to social assistance, which already does not cover basic needs, based on the belief that beneficiaries will see the light and will suddenly be welcomed with open arms by employers – the same people who continue to hold all the prejudices that circulate about people on social assistance^{15 xxxiv}. The impact of the cuts to social assistance will be major: 10% of children in Québec are raised in families that depend on social assistance^{xxxv}.

CONSEQUENCES ON PUBLIC HEALTH

In 2009, a meta-study¹⁶ published in the British Medical Journal (BMJ) concluded that the number of deaths related to income inequality had reached 1.5 million annually in the 15 most unequal countries in the OECD alone^{xxxvi}. Another study was published in 2013 in the same vein, with an evocative title: "Why Austerity Kills." According to the authors, there is a causal link between austerity and suicide, alcoholism, and even the spread of infectious disease. Their findings were summarized in a *New York Times* article:

One need not be an economic ideologue – we certainly aren't – to recognize that the price of austerity

15 A study conducted by the Ministry for Labour and Income Security showed that 87% of employability service workers has a negative or very negative opinion of people living on social assistance.^{xxxiv}

16 A meta-study collects and analyzes information contained in other studies.

can be calculated in human lives [...] What we have found is that austerity – severe, immediate, indiscriminate cuts to social and health spending – is not only self-defeating, but fatal.^{xxxvii}

The failures of the health system in Québec, which has been sucked dry by successive administrations, have similarly had real impacts on public health. The impacts are mostly felt by families but especially by women, both of which most often play a caregiving role. Women are abandoned by a threadbare health system; on top of having to pay for the new health care tax, they must compensate for austerity measures. The CEQ report underlines this fact:

[...] when the State gets rid of some of its responsibilities, families most often end up having to pick up the slack. Families have virtually become a part of the health and social services system. Increasingly heavy and complex service-provision responsibilities are handed over to them, responsibilities that would have to be carried out by specialized personnel. In an article published in Le Soleil in July 1998, Jacques Roy, a sociologist at the Centre de recherches sur les services communautaires de l'Université Laval (Laval University Centre for Research on Community Services), predicted that the health care reforms would encounter dire straits given that families are too small and its members too tired to adequately support its new responsibilities. It is difficult at this stage to measure the impacts this will have on the mental and physical health of caregivers, who are mostly women.^{xxxviii}

Other heavy burden can be added to this picture, including electricity fee increases, tax increases, and transit fare increases. The exact consequences of these reforms are difficult to assess. On the one hand, they are dispersed: they will affect hospital staff as well as the sick and their families. Other factors will tend to attenuate these consequences: education levels are on the rise, there are technical advances in medicine, better medication is being introduced, etc. However, many warning signs are coming out of countries that have rigorously applied the

austerity measures applied in Québec with less zeal. To be sure, Québec still does well in comparison with other countries where the social safety net has deteriorated much more and where user fees are used to reduce public debt. This being said, do we really want to continue comparing ourselves with the worst cases?



AUSTERITY AND LABOUR



AUSTERITY AND UNEMPLOYMENT

As students, we have a direct stake in the the workers' struggles that aim to improve and maintain quality of life at work¹⁷. In the context of the 2008 financial crisis and the alleged overindebtedness of governments, a series of ideological attacks seem to be mounting, whose shared goal is to scale back some of the social progress won by workers' and feminist movements. Expressions used to describe neoliberal reforms, such as reducing 'rigidities in the labour market' or increasing 'the flexibility of labour' usually mean that working conditions are under attack, as well as that the ability of workers to acquire a position of power through organizing with their union. Let's delve into some of these austerity measures affecting labour.

GROWING PRECARIETY IN THE JOB MARKET

One of the most direct attacks orchestrated in the last few years has been the scaling back of the employment insurance (EI) program. The changes introduced by the federal government are reducing access to EI benefits and create three categories of people. The government has made it harder to access benefits, and has even forced people seeking a job while on EI to accept a job with lower pay than their previous job. In addition, EI payments are cut for people who turn down a job offer or don't follow the new rules. Worse, if a person living on EI is only available for a short period of time, "whether by reason of a contemplated move to another area, pregnancy, [or] a pending return to former employment"^{xxxix}, this is considered equivalent to turning down a job offer.

Recall that the unemployment insurance program, as well as the social assistance program that was mentioned earlier, were never designed to help people come out of poverty. They create a pressure to work which renders invisible the structural difficulties faced by many people pushed into precarity, difficulties which they cannot challenge alone. Examples include difficulties accessing daycare spots for their child or children; employment discrimination faced by aging people; as well as the requirements of the labour market and seasonal work^{xl}. The pressure to take almost any job will ensure low wages and poor work environments remain abundant. The intentions behind the EI reforms were clearly voiced by Diane Finley, the federal minister for Human Resources and Skills Development: in relation to the EI reforms, she said, "what we want to do is make sure that the McDonald's of the world aren't having to bring in temporary foreign workers to do jobs that Canadians who are on EI have the skills to do."^{xi}. The EI reforms are meant to push us into a race to the bottom that is profitable for corporations. Instead of pulling people out of poverty and providing an incentive to work (as is purportedly the reason for these programs to exist), these measures will trap people into precarity.

For many people, in particular for women, austerity leads to reductions in job security and coverage by benefits; it also makes juggling a job and a family more difficult. The most recent changes to EI makes feminized job categories even more precarious and contributes to economic insecurity by forcing the unemployed to accept worse conditions than before, during their job search process. As well, since 70% of part-time jobs in Canada are held by women^xⁱⁱ, the decision to increase the number of hours needed in order to access unemployment insurance benefits disproportionately affects women. Part-time jobs are also perceived as being temporary solutions, which means they are undervalued, underpaid, and often provide no benefits.

¹⁷ For instance, holding down a job while studying has become the norm, and the number of hours worked is constantly on the rise. For more information on the harmful impact of working during one's studies, one can consult page 12 of ASSÉ's document, *Pourquoi la gratuité scolaire*, published in December 2012, which is available online: <http://www.asse-solidarite.qc.ca/document/memoire-sur-la-gratuite-scolaire-2007>.

'GROWTH' ON THE BACKS OF WOMEN

There is no doubt that social and economic inequalities between men and women still exist in Québec. The average income for women is still only 76% of the average income for men,^{xiii} and women are more likely to have a precarious job (contractual and/or part-time). Women are poorer, but the austerity measures introduced by the governments in Québec City and Ottawa aren't about to make things better. Many studies tend to show that one of the primary effects of austerity measures is to reinforce gender inequality^{xiv}. Since most women work and since they are the primary users of public services, mainly through the health system (women's health is heavily medicalized : pregnancy, sexual health, weight, hormonal issues, etc.). Public sector funding cuts also force people to make up for the missing assistance. This means that an increasingly large proportion of the work once taken on by the State is passed on to community organizations – groups that often provide more precarious work conditions. Obviously, many women who work in the community sector are also under pressure, following this neoliberal trend, to cut their own expenses.

In December 2012, the OECD published a report^{xv} warning against the negative impacts that austerity measures would have on gender equality. According to the OECD's analysis, women are more affected by mass layoffs, mainly in the public sector, where they make up the majority of employees. Indeed, the economic stimulus plans that are introduced following crises are generally designed to create jobs in traditionally male fields. Construction and extraction megaprojects, such as the *Plan Nord*, renamed *Le Nord pour tous* (the North for all) by the Parti québécois, are one example among many of projects that are supposed to help the unemployed find jobs after an economic crisis. In Québec, the Conseil du statut de la femme (Council on the Status of Women) has raised concerns that women will generally be relegated to the least well-paid jobs as part of this

northern development project, namely, maintenance, accommodations and administrative tasks. Less than one percent of extraction workers are women.^{xvi}

Although it seems clear, as is reported in the study, that the more precarious conditions faced by women will only continue to worsen as State expenditures are cut, it is also clear that the OECD's main goal is not to promote gender equality. The arguments they use are actually of a strictly economic nature. They reason that an increase in the number of women in the labour market would allow "compensate for the decline in the labour supply that is the result of an aging population"^{xvii} and that such an increase could in fact significantly contribute to growth.^{xviii} In short, the OECD used its study on the causes of economic inequality between men and women and the impact of austerity on gender equality in order to advocate for policy measures whose primary aim is to generate economic growth by pushing more women into wage slavery. One such policy measure, believe it or not, involves cutting unemployment insurance benefits:

Taxes and unemployment insurance benefits can create a negative incentive to search for a job or provide work effort, for the primary breadwinner [in a heterosexual couple] as well as for a secondary breadwinner. Means-tested unemployment benefits, which are reduced when one partner starts to earn more money, may have negative impacts on womens' participation in the labour market.^{xlix}

In this way, the OECD proposes to worsen the living conditions faced by the unemployed, in order to boost job figures. One notices that they also fail to call into question the structural conditions that invisibilise womens' work and work against them in the professional world. This organisation formulates an argument that is based on the premise that unemployment insurance, as well as income taxes, are incentives to stay out of a job and to be lazy when one does have a job. A concern for the conditions faced by women probably did not motivate the OECD to create this report. If anything, the neoliberal ideas about the impact of unemployment

insurance that are expounded in this report reveal that what is at stake here is rather the interests of one class, which stands to benefit from a larger pool of available labour.

Indeed, the larger the number of people looking for a job and a paycheck, the more the bosses are able to worsen the conditions offered at work and the less they have to worry about the capacity of workers to engage in collective action. What employer will listen to their demands when hundreds more aspiring workers are lining up behind them?¹⁸

RETIREMENT

While the rich and powerful could care less about their age, the rest of us are coming to understand that more and more attention is being focused on the idea of 'generations', to the extent that questions of power and social class are being neglected. Is there nothing left to complain about than 'youth', no one left to bother but 'the elderly'?

We have already touched upon the issue of intergenerational equity to discuss the impact of austerity measures on children and future generations. We did not, however touch upon the impact of austerity measures on future retirees. Those who defend the neoliberal project say we must make do with less and accept austerity measures because an aging population is about to cost the State a lot of money. This is revealed to be hypocritical, since the same neoliberals have no qualms about reducing the quality of life and benefits for retired workers. For example, the retirement age in Canada will change from 65 to 67 in 2023. A recent study by IRIS^{li} also underlines that private retirement plans such as Registered Retirement Savings Plans (RRSPs), where the employee is the only person contributing to their savings¹⁹, are increasingly promoted by the economic and political elite. These types of plans are of course different from

¹⁸ For further reading on the question of unemployment and the available labour pool, see chapter 13 of Jim Stanford's book, *Economics for Everyone: A Short Guide to the Economics of Capitalism*. This book is also a very good introduction to neoliberal economics.

¹⁹ Unlike the *Régie de rentes du Québec* or public retirement programs, to which both employers and employees have to contribute.

collective plans in that the financial risks are taken on solely by their (eventual) beneficiaries. These plans are based on voluntary participation and constitute a lucrative source of money for banks. We are witnessing a shift away from a system where mandatory contributions are pooled and managed by the State^{20 iii} towards a system where workers become the ones responsible for investing in their own retirement. This shift is likely to reinforce gender inequality between men and women, since women are more likely to work part time and earn smaller incomes, which makes it much more difficult for them to pay into their retirement plan (when they can afford it) the way men are more likely to be able to. Choosing to contribute to a retirement savings plan when one doesn't have a sufficient income may be a difficult or even an impossible choice. If this trend is not stopped, we will soon begin to notice the impacts on the quality of life of elderly people.

BREAKING THE UNIONS

Although these measures obviously deteriorate the lives of most people, the economic elite still tries everything to force them onto us. One method used is legislative and other direct attacks against the union movement. During the 2012 student strike, strikers were faced with the legislative violence of Law 12, which aimed to defend the 'right to education' of those people who felt this right had been taken away from them by the student associations with strike mandates - as the law's title indicates²¹. The arguments used by the liberal government at the time were quite similar to the ones used by American neoliberals when they defend

²⁰ While this model helps generate income for the State which it can subsequently redistribute (for instance, in 2012 alone, the *Régie des rentes du Québec* collected payments totaling about 11.9 billion dollarsⁱⁱ), this model also helps reinforce the financial sector. Since pension funds are managed by the *Caisse de dépôts et de placements du Québec*, they allow pension managers to invest in some speculative sectors, and to make risky investments. Public retirement funds have paved the way for a massification of finance (alongside a rapid expansion of consumer credit), to point that the mass of people has become one of the main actors in the financial sphere, albeit indirectly, and without having any say over this. For more information on the subject of pension funds and their financial impact, see the IRIS research report mentioned above.

²¹ The title of this law was: "An Act to enable students to receive instruction from the postsecondary institutions they attend".

right-to-work legislation. This type of legislation aims to "allow workers who are against joining a union to benefit from negotiations undertaken by the union without actually being a member and without funding this union".ⁱⁱⁱ Since under these laws there is no stable funding for unions, these have quite a bit of trouble finding the resources to establish a position of power vis-a-vis the State and employers. In American states that have adopted this type of legislation, average salaries are lower, and the number of work-related deadly accidents is 54% higher than in other states.^{iv} These laws are currently on the books in 24 out of 50 US states, and their effect has been harmful enough that even president Obama has strongly criticized them:

You know, these so-called right-to-work laws, they don't have to do with economics. They have everything to do with politics," Obama said. "What they're really talking about is giving you the right to work for less money."^{iv}

Apart from their critique of the negative impact of these laws, Obama's words should also remind us that we are not so much up against economic realities that require us to tighten our belts, so much as we are up against the opportunism of a certain elite. Right-to-work legislation is currently being discussed in Canada since provincial parties in Saskatchewan, Alberta and Ontario^{vi} are thinking of introducing this idea north of the border.



AUSTERITY IN THE ENVIRONMENT AND CULTURE



Austerity is applied to environmental and cultural issues in many ways. Budgets are cut, people are laid off, granting agencies and research chairs are closed, etc. Just as these issues are becoming central in the current sociopolitical context of environmental crisis and globalization, the governments of Québec and Canada are making decisions that only seem to make the situation worse than it already is.

AUSTERITY AS APPLIED TO CULTURE

In the context of austerity, cultural expenses seem to be the first in line for the chopping block. The arts and the promotion of culture seem to be constantly harassed by the threat of austerity justified by a 'rationalisation' of State expenditures. Of course, the benefits of arts and culture are not only measurable according to the metrics of profitability. However, following the neoliberal logic, critical, humanist and emancipatory goals are pushed aside.

In Québec, the current government has made private patronage of culture and the arts a major part of its political program. Patronage consists of the support given by a corporation, a private foundation or individuals to cultural or artistic projects. Direct State funding keeps declining; however, it manages increasingly large sums given by private donors that are redistributed using the *Mécénat Placement Culture* program. Given the context of austerity, patronage emerges as a miracle solution to make sure the arts and culture are funded. The problem with patronage is that it offers discretionary powers to corporations or wealthy patrons over the artistic and cultural projects that are undertaken. In other words, those with more money decide what projects are funded, thus imposing a certain culture on much less wealthy consumers of cultural production.

The introduction of neoliberal policies also has direct effects on the very nature of culture and the arts. Since the role taken on by the neoliberal state is to create a good environment for business by privatising its activities, arts and culture are also called upon to help increase productivity. In Québec, these transformations are exemplified by the *Culture in Business* program. This program aims to facilitate exchange between the artistic world and the corporate world by bringing the arts into workplaces. The idea is to "revitalize"²² these workplaces so as to create a sense of "belonging" and to "stimulate the creative drive" of employees, with the overall stated goal of increasing their productivity :

²² The clearly stated goal of the *Culture in Business* program is to "Revitalize your Workplace with Art and Culture" ^{lviii}

Thanks to its diverse array of activities, this program helps introduce a cultural dimension into workplaces in order to respond to the needs of businesses wishing to stimulate the creative drive, reinforce employees' sense of belonging, and reach out to the community.

The *Culture in Business* program imagines employees to be an important, productive resource; in this mindframe, it makes sense for businesses to contribute to their personal development through art. What this project hides is that, in the context of the *Culture in Business* program, artists are actually closer to being technicians that are tasked with improving employees' potential. The humanist or critical values embodied by creative work are thus completely set aside in order to leave all the room for businesses' bottom line. Art is instrumentalized in this way to reproduce and reinforce the established order of things.

The Canadian context is not much better. Many Canadian cultural organizations are currently faced with the austerity measures enacted by the federal government. A well-known example is the National Film Board (NFB), whose funding was cut about 10%, or \$6.68 million. This organization was forced to terminate 73 jobs, to close the CinéRobothèque in Montréal and some theatres in its Toronto Mediatheque, to reduce the financial support given to videographers, and to end the funding given to festivals and cultural events.²³ The fact that the NFB is one of the pillars of documentary film, animation, and independent film in Canada, and that its reputation is international, does not seem to have bothered the Canadian government, whose purse-strings still remain open for other types of expenses (for instance, military ones).

The attitude of the federal government towards the Société Radio-Canada (SRC) and its English-language counterpart, CBC, also demonstrates their intentions. Heavy cuts to this crown corporation²³ have led to a substantial reduction of radio content, as well as to local and regional news coverage and journalism. About

²³ Amounting to about \$115 million over a period of three years starting in 2012.

650 positions have been abolished. In 2013, the French-language alternative music show *Bande à part* bit the dust, thus reducing the reach of new musical acts.^{lxvii}

AUSTERITY AND THE ENVIRONMENT

At a time when it seems increasingly urgent for humanity to reduce its ecological footprint and to change its relationship with the environment, austerity is negatively affecting the efforts that have been made to fight against pollution and environmental destruction. Austerity measures lead to gradual deregulation, enacted in the name of the free market, rationalizing State expenditures, and stimulating the economy, that prevents the State from acting to protect the environment.

For instance, as early as 2007, the government of Québec sold Hydro-Québec's oil and gas subsidiary to private interests. Those who champion neoliberalism see hydrocarbons as merely profitable resources. The State must then create the type of business climate that will ensure these resources are profitably extracted – in spite of the fact that it is generally recognized that even small-scale hydrocarbon extraction has widespread environmental and social effects. In a 2011 report, the Montreal Economic Institute (MEI) argued in favour of oil extraction in Québec while clearly choosing to leave environmental issues out of their discussion:

Actually, a country should not develop an industry in order to reduce its imports or to reduce its dependence on an imported product like oil. [...] An industry should be developed rather because some new activity makes use of scarce resources in an efficient manner and hence is profitable.^{lxviii}

Although we know for a fact that oil production is extremely polluting and damages the environment, the State in Québec only disrupts an already weakened environment by withdrawing from the management of natural resources in Québec by selling control over them. The same neoliberal logic is visible across multiple

controversies : from shale gas exploitation to the sale of hydrocarbon extraction rights on Anticosti Island, to the proposed reversal of the Enbridge pipeline, the government is not acting to protect the interests of the population, but rather as a favour to 'the economy'.

The Canadian State has also changed its outlook on natural resource exploitation, on regulation against pollution, and on oversight of natural ecosystems. For instance, two Omnibus²⁴ bills (C-38 and C-45), which passed through the House of Commons in 2012, were justified using the argument that urgent budget cuts were needed in the form of cutting regulatory bodies and that there was a need to stimulate the economy by reducing the scope of environmental protection laws.

²⁴ An Omnibus Bill is proposed legislation that would bring about changes to many pre-existing laws.

SOME CHANGES INTRODUCED BY BILLS C-38 AND C-45^{LXIV, LXV}

- The *Kyoto Protocol Implementation Act*²⁵ and the *Canadian Environmental Assessment Act* were repealed;
- The Canadian Environmental Assessment Agency was given shorter delays to decide whether or not a project requires environmental assessment; furthermore assessment is no longer necessary for projects receiving federal funding;
- Protections for bird and aquatic species were reduced;
- The National Round Table on the Environment and the Economy was abolished and environmental groups can no longer receive federal funding on account of their political activities;
- The government now has veto power over decisions handed down by the National Energy Board (NEB), and the length of studies carried out by this body is now capped at two years; the NEB no longer has the obligation to impose conditions that aim to protect natural habitats;
- The *Navigable Waters Protection Act* was completely rewritten, and renamed to become the *Navigation Protection Act*, which now only protects three oceans, 97 lakes, and 62 rivers out of the more than 35,000 bodies of water in Canada.

The mechanisms that allow us to assess the impacts of pollution and natural resource over-exploitation are also affected by austerity measures. Over the last years, the government has considerably weakened the public and academic bodies responsible for carrying out research on environmental issues as part of

²⁵ The opposition of the Conservative Party towards the Kyoto Protocol is nothing new. In a 2002 letter that Stephen Harper wrote when he was leader of the Canadian Alliance, he stated that "Kyoto is essentially a socialist scheme to suck money out of wealth-producing nations. [...] Implementing Kyoto will cripple the oil and gas industry, which is essential to the economies of Newfoundland, Nova Scotia, Saskatchewan, Alberta and British Columbia. As the effects trickle through other industries, workers and consumers everywhere in Canada will lose." He also wrote that the treaty was against Carbon dioxide, "which is essential to life," and that scientific proof for climate change was "tentative and contradictory." Source : Climate Action Network Canada. *Stephen Harper Talks Kyoto Accord*. Accessed online, December 16th 2013, <<http://climateactionnetwork.ca/archive/e/issues/harper-talks-kyoto.html>>

budget cuts. For instance, Environment Canada decided to fire 776 employees in 2011 – about 11% of its staff.²⁶ Many federal bodies' missions have also been changed so that their main purpose has become serving the interests of industry as opposed to the public interest.²⁶

²⁶ This is the case of the NRC, which was discussed in the chapter on *Austerity in education*.

THE IDEOLOGICAL FOUNDATIONS OF AUSTERITY



Austerity and budget cuts are an integral part of neoliberalism. In this section, we will summarise its ideological foundations in order to respond to one of the main arguments put forward by the supporters of austerity, which is that public debt levels are too high.

Neoliberalism is often talked about as a political doctrine that aims to reduce the size of the State in order to benefit the private sector. To be sure, businesses are at the heart of the neoliberal model; this being said, some nuances must be brought to the idea that neoliberalism only aims to reduce the size of the State. In fact, it aims to effect a transformation of the State from a welfare state whose function is to bring about a certain level of social justice and to counteract the effects of cyclical crises, to a state whose only function is to ensure the economic well-being of the private sector. As such, the neoliberal State takes on three forms: the Distributive State, the Enabling State, and the Competitive State.²⁷

As the name would indicate, the Distributive State collects public money through taxes, and transfers these funds towards the private sector by handing out profitable contracts. These contracts used to be given to Crown corporations or other public bodies, often at a cheaper cost. The Distributive State usually uses baseless claims about rationalisation and efficiency in order to privatise public corporations, to the delight of the companies that buy them up. The Greek example is particularly eloquent. The further the Greek State falls into the trap of austerity and stagnation²⁸, the IMF imposes the privatisation of large swathes of the public sector, thus imposing new owners on the people. Contrary to the State, businesses are not accountable to the people, and have no obligation to ensure its well-being. This massive wave of privatisation is nothing new, however. The IMF, alongside the World Bank and other similar institutions, were responsible for privatisations in South Africa in 1993^{lxvii}, in Russia in 1996^{lxviii} and more recently, in Irak in 2001^{lxix}, to mention but a few.

²⁷ We are basing ourselves on a characterisation of the neoliberal State that was expounded by IRIS in a series of short videos aimed at discussing neoliberalism in plain terms.

²⁸ Stagnation is an economic situation corresponding to slow growth. The trap of austerity measures is to make us believe that they can remedy the situation even though they're having the exact opposite effect, requiring even more austerity. For more details on this concept, we recommend the study by Éric Pineault, available at www.iris-recherche.qc.ca/wp-content/uploads/2013/06/Reprise-WEB-09.pdf.

The second, enabling role of the neoliberal State is similar to the first. In order to ensure economic prosperity, the Enabling State uses its resources in order to create a good business climate for the private sector. In order to facilitate the work businesses do, it provides them with sizeable tax credits and other tax breaks, thus increasing their competitiveness on the world scale. In 2002, the government of Québec levied \$3 billion of taxes from corporations and businesses, and redistributed over \$4.2 billion using different transfer mechanisms. The result is that 139% of the monies acquired by taxation were redistributed to the private sector – after leaving out administrative expenses. Ontario only seems to have taxed \$6.5 billion, while distributing \$800 million to the private sector – only 12% of the taxes levied during that period.^{lxx} Have businesses moved to Québec from Ontario as a result? Of course not.

The Enabling State also throws all of its political might into the drafting of new free-trade agreements that benefit commerce, even if this erodes the sovereignty of the country. Chapter 11 of the North American Free Trade Agreement (NAFTA) allows businesses to sue States that follow a protectionist policy, by refusing shale gas extraction on its territory to use a recent example.^{lxxi}

A new type of subsidy for the private sector has also emerged in recent years as part of the commodification of education. While businesses used to mostly engage in research and development using their own resources, they now appear to prefer subsidizing research in CEGEPs and universities. This is obviously a lower-cost option for these businesses, since the State already takes care of most operating expenses for this research. As was mentioned in the section on pedagogy, the financial side of things is not the only aspect of commodification. This being said, the bottom line is very clear for the Enabling State, since measures that increase the prosperity of businesses necessarily lead to the prosperity of the country and its inhabitants.

A final function of the neoliberal State is to create competition – the Competitive State. Sometimes, it is impossible to sell public corporations to the private sector. In Québec, privatizing the entire health-care system is still inconceivable, since public opposition would be

too strong. For neoliberal governments, nevertheless, these currently protected sectors of the economy must be transformed into exact copies of private-sector businesses. In order to carry out this project, private-sector management models are applied to public bodies. As was touched upon earlier in the section on austerity in the public sector, this has huge consequences on the people who benefit(ed) from the actions of these bodies, and on the staff of these bodies. A cynical observer might add that the privatisation of public services will be that much easier when they are essentially the same as private businesses.

THE 'SHOCK DOCTRINE'

There is an important link between neoliberalism and austerity as it applies to government budgets. The way austerity is implemented can be seen as a tool used by the neoliberal elite to try to impose its ideology. Economists have noted that it is easier to impose a series of large-scale political changes when the people is in a state of shock. In a 2007 book, Canadian author Naomi Klein pieces through this strategy, which she calls the 'shock doctrine'^{lxvii}. A state of shock can be created by natural disasters, like a hurricane, or by human intervention – a *coup d'État* for instance. This strategy succeeds when it is able to profit from this state of shock in order to introduce desired changes all at once. Even if the populace that is in a state of shock is able to mobilize against one change, it cannot effectively mobilise against all the other changes.

One example of the use of the shock doctrine in Québec is the budget tabled in 2010 by Raymond Bachand, who was then the Finance minister²⁹. The 'shock' used by the Liberals at the time was constructed almost out of thin air in the minds of the citizens of Québec. A purported crisis was invented – quick, we must act! For months prior to this budget being unveiled, media sources were obsessed with the idea that Québec's financial situation was in dire straits, that its debt was too high, and they suggested that if nothing was done to counteract this tendency then Québec might end up like Greece.

²⁹ Bachand referred to this budget as a "cultural revolution".

This situation then required the intervention of the State, which had to 'trim the fat'. In keeping with the Shock Doctrine, the Bachand budget introduced many anti-social reforms, including : increases to Hydro-Québec fees, the introduction of user fees as well as a flat tax for health care, the Plan Nord, and of course an increase in tuition fees. Faced with all these changes at once, the people were hard pressed to mount a comprehensive resistance movement. This is exemplified by the focus on tuition fees in the recent mobilisations.

Austerity, then, is not necessarily correlated to certain to the current economic situation. This situation is in fact used to justify the implementation of a right-wing political agenda. Austerity measures are nothing else than the neoliberal policies that existed before the crisis, i.e. since the 1980s. There is nothing new about the changes away from the State's role as guarantor of the social fabric and towards the role of benefactor of businesses and financial capital. One columnist for *La Presse*, who was quite apparently let down by the end of a climate in which the dominant classes could introduce whatever policies they pleased (at least in Europe), commented that reforms hostile to workers had to continue:

We are faced with a great peril: that the reforms launched thanks to the crisis would slow down. These reforms are the key to sustainable prosperity in Europe. Let us remember that austerity is not the root cause of recession and unemployment. Rather, the 2008-2009 financial crisis struck so many countries in Europe so hard since it exacerbated structural weaknesses. These include excessive public debt, an inadequate taxation regime, a rigid and stagnant labour market, etc. If the affected countries do not bring about the necessary changes, their economies will remain uncompetitive and vulnerable to future shocks.^{lxviii}

Reading this column, it seems as if we should be glad the financial crisis happened, and glad that it threw millions of people out onto the street, since it allowed for the implementation of neoliberal reforms. This type of argument sheds light on the fact that a certain social and political class has been able to profit from a crisis which continues to tear lives apart.

ON DEBT

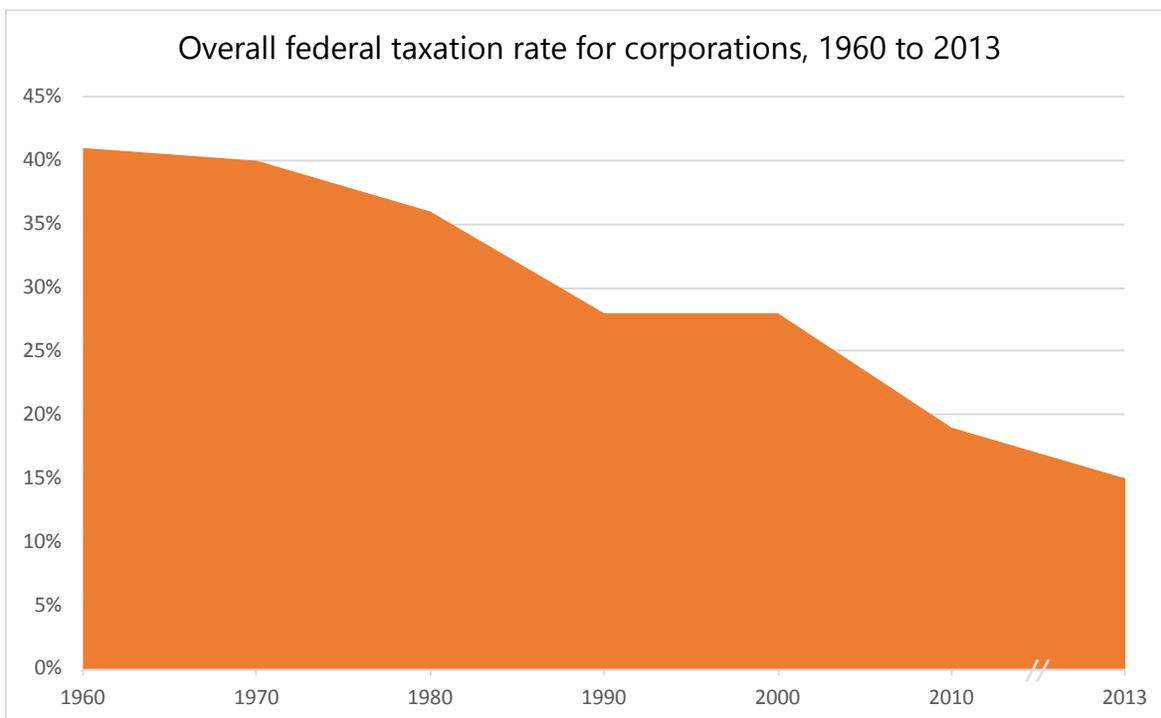
Neoliberals often drum up fears about the concept of debt in order to achieve their goals. There is indeed nothing good about personal debt, and individuals tend to avoid debt as much as possible. However, personal debt and the debt incurred by a State are not quite the same thing.

First, let us specify what the idea of public debt entails. There are two major types of debt : gross debt and net debt. Gross debt is calculated as a percentage of a country's GDP; net debt subtracts a country's total assets from the equation. For example, Norway had a gross debt equivalent to 56% of its GDP in 2008. However, Norway has accumulated financial reserves amounting to a few hundred billion dollars thanks to its oil resources, which means that Norway's net debt is actually equivalent to *negative* 125% of its GDP. It doesn't take much to come to the realization that gross debt is not a good indicator of a country's level of indebtedness. Nevertheless, gross debt is the figure used by right-wing groups and governments attempting to create false fears by manufacturing the impression that debt levels are higher than they really are. All things being equal, if one were to consider Québec's gross debt in 2013, we would appear to be the 134 most indebted country out of 186, while if we use net debt we would place 85th^{lxxiii lxxiv} a considerable difference.

Another way of calculating Québec's debt is to add a portion of Canada's debt to it. This does take into consideration the fact that the Canadian federal state collects its own taxes and redistributes wealth between provinces. As well, the political choices that have reduced Canada's debt can hardly be passed on to Québec for the sake of a political argument. We are not as indebted as a certain elite is trying to make us think we are. Finally, it is relatively easy for these elites to make these numbers say what they want them to say when it comes to discussions of debt. Creditors are quoted the amount of net debt to give a good impression, but when comes the time to cut many public services, the spectre of combined Québec and Canadian gross debts begins to haunt us once again.^{lxxv}

Although we know how much debt there currently is, it is difficult to assess exactly where this debt is from since there are not studies on this topic. We can, however, make some estimates. While some people have a tendency to view Québec's financial problems as a problem of overspending, ASSÉ interprets this situation as a voluntary decision by the State not to tap into some sources of revenue. We need not cut public services, since it would suffice to go get the money where it already is. As will be explained below in a section on fiscal alternatives to austerity, the money is out there. Worse, some sources of revenue had even been used in the past by successive governments in order to adequately fund public services. The fact that the government got rid of these sources of income as a result of political choices can be held responsible for the fact that debt is at the current level. The same understanding applies to the attempts made by the Marois and Harper governments to eliminate the deficit. Cuts to social services, culture and the environment are not good ways of balancing the government's books. These policies only stigmatize the poor, while the rich continue to profit from the neoliberal State in order to become even richer.

As is demonstrated in the table below, the federal government once taxed up to 41% of corporations' incomes through taxation. Over time, the State has voluntarily withdrawn from this source of income thanks to the pressure of lobbyists, since the latter have the means to persuade the political class. This situation is all the more unjust when we compare corporate taxes with taxes on individuals : the latter have been increasing as the former decrease.



The political right is, however, correct to point out that interest on debt is problematic. We can reasonably ask ourselves what percentage of Québec's debt exists because of interest. How many times over will we pay the original debt because of excessive interest rates? We know that the government pays over \$8.6 billion in interest per year on a total debt of \$117 billion^{xxvi}. One can imagine that if interest rates were not as high, we might already be less in debt.³⁰ It is clear, in every case, that debt is not simply a question of accounting, so much as the direct result of the management of our collective resources by the State and by the lobbyists that directly influence it. If the State had not given such fantastic fiscal privileges to the economic elite in the past two decades, we might be able to paint a very different picture of Québec's debt today, and the extra means that this would make available could be used to fund a strong network of public services.

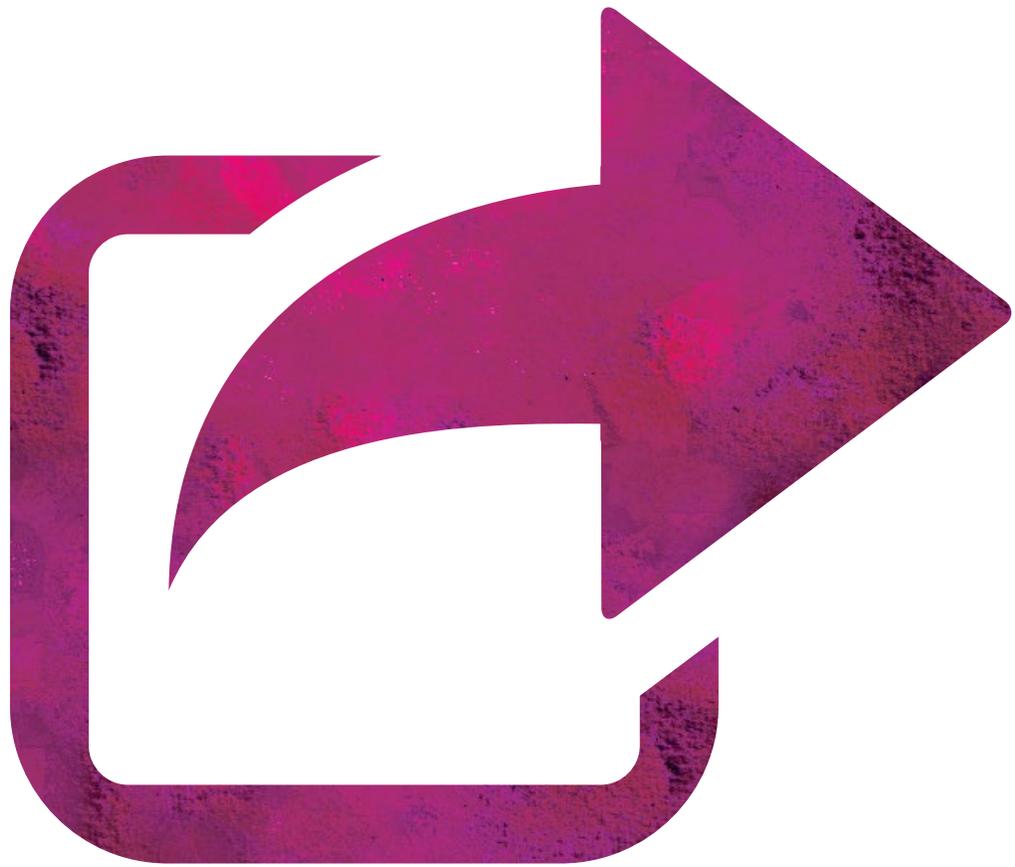
Certain people even question the legitimacy of Québec's debt, which, they claim, is not so much the result of society's choices as it is the result of decades of neoliberal governance. Although Québec has a monetary debt to some

³⁰ With the following nuance : Québec owes part of its debt to retirement funds and State corporations. Although the interest on this debt is lumped in with the rest, the positive effects of servicing this debt should be considered differently.

large banks, we could also consider that we have a social debt towards the less privileged, and a mounting ecological debt as well. We still have not put a stop to problems such as poverty and poor access to social housing and education, which affect a growing part of the population. Furthermore, our way of life borrows more and more from nature, without taking any steps to reduce our ecological footprint. Would it not be more wise to spend the money currently being used to reimburse the rich to try to solve these major problems? A realistic solution could be to demand a citizen's audit of public debt, in other words, to be given the tools to identify where this debt came from. If the people could truly know how the current debt was incurred, they might have a better idea of things and could therefore exercise civic pressure in order for the illegitimate portions of this debt to be cancelled.³¹

³¹ For instance, we could refuse to pay debts created by construction-related contracts that spiralled out of control because of corruption and the effect of organized crime.

ALTERNATIVES TO AUSTERITY



ASSÉ'S PROPOSALS FOR A MORE JUST TAX SYSTEM

One of ASSÉ's demands is for a more just taxation system. We also argue in favour of proposals that would allow the State to finance social initiatives by reclaiming large amounts of money from the fortunate, instead of cutting public services using a lack of funds as an excuse.

ASSÉ demands, amongst other things, that the 1% tax on capital for financial institutions and the 0.5% tax on capital for other businesses be reintroduced. The tax on capital, which was gradually reduced since 2006,³² and finally abolished in 2011,³³ was a tax on the capital held by a certain business.³⁴ If we were to reintroduce this tax, we could obtain about \$600 million per year. This tax was gradually abolished, since it was argued that it hindered economic development and limited the capacity of businesses to invest, especially in manufacturing. Those who support abolishing this tax forget to mention that financial corporations are taxed at a higher rate than other companies. Since financial corporations actually tend to pay less taxes³⁵, a tax on capital gains ensures they participate in further social goals more fairly. The capital tax was lower for other types of businesses in order to ensure they had the necessary leeway to invest and develop themselves. We can also wonder whether the capital tax truly hindered economic development. In 2005, although the capital tax was the highest in all Canadian provinces, Québec had the highest rate of investment and business creation. Perhaps the decision to abolish the capital tax was motivated not so much by actual economic constraints than by ideological motives. Reintroducing this tax would allow us to ensure a higher, more just level of participation by businesses in society.

³² In 2005, the scope of this tax had already been reduced by limiting the types of businesses that were taxed. However, in 2006, the actual tax rate started to go down.^{xxxxvii}

³³ It is worth noting, however, that insurance companies still have to pay a type of capital tax – for now.

³⁴ The term 'capital' refers in this context to investments, assets, loans, and dividends. A capital tax takes money regardless of a business' income and independently from its performance.

³⁵ Financial corporations move around, and invest, very large sums of capital. This process of capital circulation makes it very hard to recover part of this capital using income taxes.^{xxxx}

ASSÉ also works towards a more progressive tax system, which would include reintroducing the ten tax brackets that once existed in Québec. When taxation rates increase proportionally with income, the taxation system can be described as progressive since it allows each taxpayer to participate in society according to his or her income. How does this system work? For example, if someone has an income that spans two tax brackets, their income is taxed in the following manner: the part of their income that is in the first and lowest bracket is taxed at the first bracket's rate; the remaining part of their income is then taxed at the higher rate of the second bracket.

Although a higher number of tax brackets would allow for progressive taxation according to income, things have worked out differently in practice. Since 1988, the provincial government has steadily reduced the number of tax brackets as well as the rate of taxation of each bracket³⁶ – a decision only the rich have benefited from. This trend is part and parcel of the neoliberal logic: as the State divests from the public sphere, it no longer seeks to achieve a fair and more egalitarian taxation system for all citizens. In other words, those members of society who are more fortunate pay less and less into society, while poorer people are forced to foot the bill. In order to move back towards ideals of justice and equality, wealthier people should pay more taxes: according to the *Coalition opposée à la tarification et à la privatisation des services publics*, it would be possible to get an extra \$1 billion this way.

Finally, ASSÉ argues in favour of any steps that could make our public finances more just and more progressive by reducing socio-economic inequality. Reintroducing the capital tax and ten tax brackets are two concrete measures that could further this goal. Other measures, when combined to those described above, could

³⁶ "Québec's taxation system is less and less progressive. In 1988, there were 16 separate income tax brackets – today there are only 4. In 1988, the first tax bracket, applied to the lowest incomes or portions of income, was 13% whereas today this brackets is 16%. In comparison, the rate of taxation for high-income taxpayers (i.e. for the portion of income above \$100 000) has decreased during this period, going from 33% to 25.75% in 2012. [Figures are for the provincial level only and do not include federal taxation rates]."^{xxxxiii}

bring in almost \$10 billion.³⁷ The money is out there, and it is in the pockets of those who have the lowest sense of obligation towards society : the richest individuals and corporations.

ECONOMIC INTERVENTIONISM AND THE KEYNESIAN CRITIQUE

Economic interventionism is a set a policies whereby the State is directly involved in the economy. Almost every country practices a form of interventionism on some level. Interventionism is a pivotal aspect of the economic doctrine of Keynesianism.³⁸ This doctrine posits that the economy does not have a tendency to stabilize itself, but instead tends to undergo cyclical crisis periods. Keynesianism holds that job creation and retention, as well as consumer spending, must be boosted. It then follows that the State must invest in the public sphere by creating social safety nets, by creating public corporations, and by implementing stabilising and job-creating measures in order to begin a new period of economic growth and prosperity. The intention of Keynesian economics, then, is to give spending power back to the mass of salaried workers through protective and job-creating policy measures funded by direct government investement in social infrastructures. This is how Keynesianism promotes growth during periods of economic instability. A practical example of this type of policy were the creation of Hydro-Québec and the harmonisation of hydroelectricity fees.

Keynesian interventionism is interesting mainly since it allows us to formulate a powerful critique of neoliberal economics and austerity measures using economic jargon. While the champions of neoliberalism defend budget cuts in times of crisis, the Keynesian critique argues that State investments should instead be promoted as a crucial means to end the crisis. This being said, we should not forget that although the Keynesian doctrine appears as a better

³⁷ See Appendix A for a comprehensive list of the policy proposals that the *Coalition opposée à la tarification et à la privatisation des services publics* argues in favour of. ASSÉ is a member of the Coalition.

³⁸ Named after the American economist John Maynard Keynes, 1883-1946.

economic model than neoliberalism, it is no magical cure : social progress is always obtained thanks to solidarity among unions and thanks to political actions by citizens. We should also be critical of the pursuit of growth which motives both the keynesian and neoliberal models, since growth often occurs at the expense of the environment and our quality of life.

ECOLOGICAL LIMITS TO GROWTH

Our industrial practices and consumer society have brought us to the ecological brink, and austerity measures are not helping to improve this situation. The ecological difficulties which we are faced with are leading to difficult social problems : increased illness due to pollution including cancer, asthma or congenital disease, loss of food sovereignty and difficulties accessing drinking water in many locations, displacement and uprooting, armed conflicts over essential ressources... the list goes on. Deforestation and pollution have resulted in the extinction of an incalculable number of species of fauna and flora. Desertification, a process whereby ecosystems are changed and even destroyed, is only encouraged by our industrial practices and by intensive agriculture. It seems obvious that many ecological or human tragedies, such as the recent oil spill in the Gulf of Mexico in 2010 or, more recently, the rail accident in Lac-Mégantic, are the direct result of government deregulation and the sweeping freedoms given to multinational businesses.

In this context, it is crucial for social movements to re-evaluate their relation to the notions of growth and consumerism: demanding better social conditions should not mean that our current, devastating relationship with the environment goes unchanged. If these movements are going to be truly beneficial, whether on the social or environmental level, they need to take steps away from the destructive practices enacted by the market economy.

While the idea of going back to the welfare state model certainly means that some social victories would be reintroduced, this idea does not challenge an economic model whose limits

are quite apparent and which entails the unlimited exploitation of national resources and of the populations subjected to it. Instead of trying to squeeze out the maximum benefit from the industrialized exploitation of natural resources, we should reflect on alternatives that would reduce the human impact on ecosystems and on biodiversity.

DEGROWTH

Since the 2008 economic crisis, more and more intellectuals have called into question the very foundations of the perpetual growth paradigm.^{lxxxvi} Those who argue in favour of 'degrowth' don't have that much in common, however, except for a rejection of growth.

Those who argue in favour of degrowth aren't simply aiming for a decrease in economic indicators such as GDP, as the name of this movement might indicate. They advocate a break with economic thinking, whereby everything is measurable, in order to begin considering the other possibilities that are open to the world's people. Degrowth works towards the possibility of a form of social organization that is free from economic imperatives. The ultimate goal of this movement would be the creation of a society conducive to living together (in French: *conviviale*). This idea, which was developed by thinker Ivan Illich in the 1970s, focuses on mutual aid, and aims to recreate the relations binding people who are part of the same social unit and to "make mutual understanding between humans, and their capacity to act freely, into priorities that would replace the growth of their natural wealth."^{lxxxvii} The unhappiness generated by consumer society would as such be abolished, and it would become possible to satisfy our needs while respecting the ecological limits of the Earth.^{lxxxviii} The proponents of degrowth wisely acknowledge that this change in behaviour towards others is not as easy as it may seem.^{xxxix} The reasons that lead people to set aside the possibility of living together are related to the growth paradigm in which they live. This paradigm of existing together is a goal, and not the way out of our productivist societies.

It is hard for someone used to living in a growth-oriented society what a degrowth-oriented society might look like. Yves-Marie Abraham, associate professor in the management department at HEC in Montréal, believed that this is the first step towards degrowth, which he calls a "decolonization of our imagination."^{xc} This step assumes that our imaginations are tainted by the logic of growth and that in order to escape this logic we must first realize that this social model is a choice, not a necessity. Rethinking the values that are central to growth, such as "cut-throat competition, individualism, endless accumulation" in order to replace them with "altruistic values, reciprocity, and respect for the environment"^{xcii} is a necessary task if we wish to work towards degrowth.

Degrowth does not point towards a pre-defined political project, but rather towards a set of possibilities. It is important to understand that we don't need to continue on the current path, and that other options exist which may well be better than the ones we've always experienced.

RESISTANCE AND THE STUDENT MOVEMENT

The resistance of people around the world to austerity measures is inspiring. Some movements have stood out because of their sheer size, both in terms of participation and geographic scope : from *plaza* occupations, such as the famous Tahrir square protests, in North Africa during the Arab Spring, to the *indignados* movement that began in Spain and spread to Europe and then the world, to the Occupy Wall Street phenomenon that proliferated all over North America. The effects of these movements are multifaceted, and it is hard to identify their scope at the moment. It is safe to make the following statement about the ambient discourse in North America: "thanks in part to Occupy Wall Street, it has become more acceptable – even in mainstream media – to criticize capitalism, at the very least in its neoliberal form."^{xcii} It is also interesting to note that anti-austerity movements have adopted, in most cases and in a manner similar to ASSÉ, a relatively horizontal model with few elements of hierarchy. We can also point to a growing refusal to use institutionalized political structures to put present demands (apart from the recent rise in popularity of the greek party Syriza). For instance, one person has remarked that "a noticeable mistrust for traditional partisan politics " was present amongst *Occupy Wall Street* and the *indignados*, and another observer has highlighted a "critique of representative democracy and traditional organizations such as political parties and even, sometimes, labour unions."^{xciv}

Of course, an increase in repression by the powers that be followed on the heels of this social uprising. This repression took on legal forms, as was the case for Bill 78 during the student strike, but also includes police repression,³⁹ and military repression as some people have experienced during the Arab Spring. The sustained use of civil disobedience, which describes most of the tactics used during the 2012 strike, seems to have worked in certain respects. In spite of the large number of wounded and those traumatized by State violence, and in spite of the fact that thousands of people now face legal proceedings, we must affirm the legitimacy of our struggles and of the tactics and means that have worked time and time again.

What we've experienced during the 2012 strike, as the Chilean movement experienced before we did and continues to experience, is a part of this wave of struggle against austerity measures that is shaking up the world. Even if the heady days of social struggle in Québec seem to be behind us, we can instead think of the strike as the starting point of a broader-based mobilization, affecting thousands of people, that can include education-related issues just as it goes beyond them.

³⁹ For a detailed analysis of police repression during the strike, see the document titled *Repression, Discrimination, and the Student Strike* produced by the Ligue des droits et libertés, the Association des juristes progressistes and ASSÉ. Available online: <http://liguedesdroits.ca/wp-content/fichiers/repression-report-2012-final-web.pdf>

CONCLUSION

Although it is impossible to touch upon every issue and policy related to austerity, this position paper has aimed to provide a general idea of austerity while focusing on specific policies. Reading this document should help activists understand the logic underlying policies that may not seem related to one another and which may be justified using different sets of arguments by different governments. Austerity and neoliberalism, whether they are applied to education, labour, public services, culture or the environment, are based on a vision of the world and of humanity⁴⁰ that is opposed to the notions of solidarity, equality and social progress that many civil society organizations defend, including ASSÉ. Resistance to a social order that is increasingly regulated by the economy has been picking up at an impressive rate in the last years. The student movement has a crucial role to play in challenging the antisocial measures that are raining on us – as it did during the 2012 strike. Armed with democratic and combative practices, our movement's demands can be borne by a critical mass of people who are committed to turning the tide. In order to reach this level of mobilization, we need to dissipate the fog that surrounds austerity and its real impacts, in order to show who pulls the strings and who really benefits from these policies.

⁴⁰ For more information on this subject, please see ASSÉ's 2010-2011 policy paper, section 1: Origins and foundations of neoliberalism. Available online: www.asse-solidarite.qc.ca/wp-content/uploads/2012/11/argumentaire-2010-2011.pdf.

APPENDIX A

Coalition Against Privatisation and User Fees in Public Services TABLE OF FISCAL SOLUTIONS AND COST-CUTTING MEASURES JUNE 2013

Cost-limiting measures (in millions of \$ saved)			
Additional income from taxation (in millions of \$)			
A - Make income taxes progressive again			
1	Introduce 10 tax brackets (as shown below)		\$100 M
	15% = \$10,295 to \$24,999	26% = \$60,000 to \$69,999	
	16% = \$25,000 to \$34,999	28% = \$70,000 to \$99,999	
	18% = \$35,000 to \$39,999	30% = \$100,000 to \$149,999	
	20% = \$40,000 to \$49,999	32% = \$150,000 to \$199,999	
	24% = \$50,000 to \$59,999	34% = \$200,000 and above	
2	Abolish the tax credit for personal capital gains		\$556 M
3	Decrease the RRSP limit from \$23,820 to \$12,000		\$300 M
4	Reduce the dividend tax credit (50% of \$315 M in 2012)		\$157 M
5	Adjust consumption taxes to the type of good or service purchased		\$745 M
B - Rebalance the level of personal income taxes vs. corporate taxes			
6	Increase the corporate tax rate to 15% (currently 11,9%)		\$1,220 M
7	Increasing the tax contribution of financial institutions, for instance, reintroduce the capital tax on financial institutions		\$600 M
8	Revise the tax measures that affect businesses: 8.1 Abolish the tax credit for capital gains (\$402 M); 8.2 Get rid of deferred taxation policies (\$568 M); 8.3 Revise tax holiday policies (\$238 M)		\$1,210 M
9	Reduce subsidies to corporations		\$500 M
10	Increase natural resource royalties (while respecting the demands of indigenous peoples and taking income redistribution with local communities into account) (e.g.: mining industry - hybrid royalty structure on gross value (3 to 8%))		\$410 M
11	Get rid of Hydro-Québec's secret contracts		\$890 M
C - Combat fraud			
12	Combat tax evasion and tax avoidance		\$500 M
13	Combat corrupt practices in the attribution of government contracts (e.g.: in the construction industry)		\$600 M
D - Various policy proposals			
14	institutions		\$71 M
15	Adopt cost-limiting measures for medication, including the introduction of a fully public pharmacare program		\$1,000 M
16	Use open software throughout the government		\$266 M
E - Other possible tax solutions being studied			
The Coalition does not have the data required in order to estimate the savings generated by these proposals.			
17	Stop using PPPs in public infrastructure		?
18	Stop using specialized medical clinics (30 to 40% savings)		?
19	Introduce a maximum earnings policy for administrators of public institutions, as well as parapublic institutions and public corporations (e.g. Hydro-Québec, Loto-Québec, CSST, universities, CEGEPs, hospitals, etc.)		?
PROJECTED TOTALS			\$6,075 M \$3,950 M
GRAND TOTAL (tax incomes + cost-limiting measures)			\$10,025 M

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