20 The Meristonic Society: Restructuring and the Future of Canada outside Quebec

MARJORIE GRIFFIN COHEN

Just north of Ottawa in the Gatineau Hills there exists a lake which is an ecological oddity. It consists of distinct layers which do not interact in any way: the very ancient forms of life at the bottom have never been exposed to sun or air or even to the forms of life at the upper levels of the lake. The life forms nearer the top do receive a lot more oxygen and light, but these advantages are not transmitted to the lake's bottom layers. Because the various layers of this lake have no interaction, this lake has not evolved over time and has remained virtually unchanged for eons. It is called a meristonic lake.

In this paper I am using the term "meristonic society" to characterize the type of society toward which Canada is moving as it responds to the imperatives of economic restructuring. The irony of restructuring is that while economic, political, and social systems are becoming more homogeneous throughout the industrialized world, the inequalities in social systems are solidifying. We are in the process of creating a type of social organization, the *meristonic society*, which is highly stratified with little possibility of movement between those on the bottom and those on the top. My interest is in understanding the distinct form that restructuring will take in Canada and what it will mean for disadvantaged groups – for disadvantaged women and for disadvantaged minorities.

THE INSTABILITY OF CANADA OUTSIDE QUEBEC

The main task of the contributors of this book has been to examine the impact of recent trends in Canada outside Quebec. We were asked

specifically to look at the extent to which economic fragmentation has been offset by political, social, and cultural forces of mobilization and integration. I want to respond to this by focusing on the ways in which the tools for mobilization and integration are being destroyed: the normal political tools of democracy are less directly applicable to the sweeping changes under way than we are accustomed to acknowledging. As a result, there appears to be an inevitability to the political fragmentation of our social order, as typified through the welfare state, despite the homogenization of economic policy.

Throughout this process the public has not been passive, but has actively participated in the debates about the future directions of this country. People identified with the left have espoused support for a strong central government which would maintain inclusive social programs and shape the economic directions of the country in the future. Those identified with the right have argued for less government altogether, but with specific emphasis on more autonomy for local and provincial governments. They favour more reliance on market forces not only for easily identifiable economic activity, but also for supplying and delivering activities associated with social welfare. The most successful efforts at mobilization (in practical terms, that which leads to changes in public policy) have been those that advocate policies which tend to accentuate the fragmenting tendencies of the social order. For example, the privatization and "free market" theme of the Reform Party accentuates fragmentation of the social order because its proposed solutions to social program failures necessitate the dismantling or downsizing of programs and their removal, in most cases, from federal control.

All groups recognize a need to respond in some way to the enormous changes which are under way. That these changes are dramatic is indicated by the very terms used to describe them: globalization, restructuring, the new international economic order, post-Fordist regime, new international division of labour, information based society, post-welfare state, age of global capital, new world economy, and so on. These are all terms which convey several things: the vastness of what is occurring as well as the inclusiveness of this change (involving everybody in the world) and also its inevitability. The political message associated with change – the arguments we are repeatedly given by politicians and business leaders – is that the timid (who we might call the "economically challenged" if we were to use this kind of language) shy away from the dislocations that retructuring brings. But those with courage understand that whatever pain is caused is part of a necessary process. While Joseph Schumpeter's words aren't used, the notion of "creative destruction" is the justification for moving in very unpalatable directions (Schumpeter 1950). The old order might be falling

apart, but this destruction has a silver lining because along with this tearing down of the old institutions is a simultaneous building up of new and better forms of organization. Destruction becomes a part of the growth process and the old familiar pain, but gain reasserts the belief in the positive and progressive features of change.

My basic point is that Canada is headed on a specific course, and whether or not Quebec is part of the country will not markedly change this reality for the rest of Canada. I certainly do not mean that whether or not Quebec is part of Canada is irrelevant or unimportant to us. Stephen Clarkson says this very clearly in the beginning of his contribution: the economy, polity, and even culture of the rest of Canada bears the imprint of Quebec and there is no denying that. Rather, I see the forces pushing Quebec in a specific direction, toward greater homogenization of its economic and social institutions to conform to international imperatives, as essentially the same as those which are shaping the future of the rest of Canada. The political reality is that through the Canada-U.S. Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA), Canada's sovereignty has been circumscribed to an unwarranted degree. As the opponents of these trade agreements have argued, the U.S. government can now determine the legitimacy of government polities in Canada (Drache and Gertler 1991; Cameron 1993). The question then is, What remnants of control can Canada maintain and how can this country continue to determine how best to meet the needs of its own people? We may be compelled to accept what appears to be obvious, which means that policy makers will have to accept globalization and all its ramifications, simply because "Canada cannot opt out of this process" (Globerman and Walker 1993). But this does not mean that it is impossible to confront threats to the nation posed by globalization.

We will undoubtedly argue about the best ways to deal with globalization, but it seems clear to me that having a strong, unified, articulate sense of nationhood is a prerequisite for any action to protect the interest of people in this country. This absence of a strong sense of nationhood in Canada (without Quebec) has contributed to the destabilizing effect of the new trade-centred regimes.

In saying this I realize that I am going against the general tenor of most of the contributions to this volume. Throughout our deliberations of the topic of Canada outside Quebec, there has been a tremendous sense of optimism: even with Free Trade and with Quebec gone, things will probably stay the same – or almost the same or not too different. There have been some exceptions to this, but my general perception is that most of the contributors want to believe that the future will be a bright one and that all the doomsday scenarios of the anti-free

traders or the federalists are neglecting the inherent resiliance of the rest of Canada. I think this is a dangerous line of thinking. Things can get a lot worse and they can stay a lot worse. There is nothing inherently positive about the globalization process, and for many nations which have got caught up in its web, the results have been anything but positive.

Canada without Quebec is not an inherently stable entity. The logic which is leading to economic integration within North America is the logic which also leads to political disintegration and fragmentation. The supremacy of market forces over political ones makes strong central governments obsolete, and Quebec's efforts to gain independence from the centralizing aspect of federalism have established a precedent for the rest of Canada – not exactly to separate, but certainly to disengage. As each province attempts to achieve some kind of distance from federal control, the sense of a need to stand together as a nation evaporates. There are not too many reasons for various sections of this country to hang together if our collective politics is replaced by the market. The reduction of federal political institutions to a couple of Thatcherite and Reaganite functions – mainly the administration of justice and the protection of property – can occur without the overarching control of a nation state.

As the market becomes the sole arbiter of economic and social policy, certain sections of the country are likely to exhibit even more impatience with what is perceived as the liability of Atlantic Canada. Whatever sentiment exists toward a unified continent will disappear when Atlantic Canada is physically separated from the rest of Canada. (Nor is the international precedent for happy outcomes for countries which are physically divided encouraging.) In the west, particularly in British Columbia, there is much more discussion of north-south links than there has been in the past. B.C. Premier Harcourt talks about the "evergreen corridor," and the notion of a whole new region encompassing the U.S. and Canadian pacific northwest, "Cascadia," has captured some attention as a plausible new direction for political and economic viability in the region. While this notion is not yet part of any party's political platform, granting distinct status to B.C. has considerable public appeal. Harcourt went out of his way, during the debate over the Charlottetown Accord ~~debate~~, to maintain that the federal system is too centralized in certain aspects. And his insistence, during recent discussions about Quebec and sovereignty, that nothing be accorded to Quebec that is not given also to other provinces, was well received within B.C. and elsewhere in the West. My point in raising this is not because I believe that the current B.C. government has separatist tendencies, but rather to demonstrate that in the West the

prospect of disengaging from central Canada is popular. In some parts of western Canada the hostility to Ontario is as strong as and sometimes even greater than the hostility to Quebec. It is hard to imagine how this western hostility would accommodate Ontario if Quebec is no longer part of the nation.

THE REST OF CANADA AS A NATION STATE?

It is always difficult to describe what it means to be Canadian, mainly because we usually define the term by reference to what we are not. But it seems to me that we are more than an economic entity characterized by a market mechanism, more than a geographic space, and certainly more than Viv Nelles' characterization of the nation as a "state of mind." What stands out and makes this nation a cohesive unit relates to all these things, but it also has something to do with the culture which has built up around the market-correcting institutions that have been established to protect the people in this country. The very existence of these institutions enables Canada to be a nation state, rather than simply a nation. I make this distinction because a nation can be a "state of mind," in the way that Scotland is a nation, where the idea of cultural distinctness is retained, but political and social autonomy is absent. In contrast, a nation state is a place where people can actually determine the way they live and how they interact with each other. It is a political entity which is autonomous, which exercises self-determination without undue pressure from outside forces. In Canada self-determination and autonomy have resulted in establishing a whole set of policies and institutions which have produced results the economic system could not have achieved on its own. The very existence of these policies rests on the necessity to correct and supplement the way the economic system works and is guided by a morality which does not coincide with the objectives of a market system. Canada is a nation state which binds diverse people together because a social policy exists which, in varying degrees, meets people's needs.

The destabilizing political tendencies in the rest of Canada are directly related to the forces threatening this social policy. Three of these are most significant.

The first are the forces associated with Quebec's struggle for greater autonomy. The main problem here is not so much Quebec's action, but the ways in which the rest of Canada reacts to Quebec. We have seen how the will to retain a federal concept, and specifically a national social policy, has evaporated as each premier and each province outside Quebec pursues separate and distinct jurisdiction over the same areas as Quebec.

The second is the desire of the central government to disengage from its obligations to the rest of Canada. This shift in political will is related to Canada's international competitive position initiated by trade liberalization. The severe debt crisis has made decentralization and privatization more attractive, and this has been bolstered by a shift in ideology whereby the market is perceived as the most efficient way of ordering almost all social institutions. Since politicians see raising taxes as political suicide, and all governments seem to have to prove to the public their seriousness by instituting deficit-reduction measures, shifting costly programs like health and education to the provinces or privatizing and deregulating transportation and communication systems makes sense.

The third threat to social programs and a strong national social policy is the international trade agreements. Through the FTA and NAFTA a single market has been created but without a corresponding political institution to exert discipline on this market. These agreements have been established to the great advantage of international corporations, primarily because while they used to have to deal with national governments within the confines of any market in which they operated, this form of control is rapidly losing its force. The trade agreements have established one market, but the only supranational institutions being created related to this market are those which facilitate the formation of the market itself and which lead to greater capital mobility. These new institutions are not being created to exert discipline on the market, in the way in which nation states were able to do over the course of the development of the welfare state, and their objective is not to function as instruments of market correction. All the market-correcting functions are left to nations, and since the major purpose of the trade agreements has been to limit the power of these national entities, their ability to prevent some of the greatest dislocations and unhappy consequences of the "free market" is considerably reduced.

TOWARD THE MERISTONIC SOCIETY

I want to focus on the impact this ideological shift will have on democracy and the ways in which embracing a "free market," through the international trade agreements, affects the redistributive goals of the disadvantaged in Canada.

Most of the political activity of marginalized and disadvantaged groups has centred on correcting the unequal results which are brought about when the market operates without restraint. For many groups the expansion of political institutions to greater reflect the diverse nature of people's experiences in the society has been an im-

portant political exercise. In some respects, this has succeeded, particularly as greater numbers of people representing women, Native people, and different races and ethnic backgrounds have achieved political recognition. However, now it seems that just as these groups have begun to understand how to be effective within the existing political institutions, the significance of these institutions themselves is waning. So, for example, while there may be more women and people from racial minorities in parliament than ever before, the nasty reality is that because of the constraints of the international trading agreements, parliament is less and less able to pursue policies which can benefit these disadvantaged groups.

Since the power of nations over the market is not being replicated in the international arena, the target for political activity for popular sector organziations has become very nebulous. There is no international mechanism which must respond to democrative demands of citizens. At best international institutions are comprised of bureaucrats who are appointed by national governments. But these bureaucrats, as is the case of those appointed to adjudicate disputes arising through NAFTA, have no contact with the public and are not accountable to public desires, pressure, or disapproval.

As Janine Brodie says in her chapter, within nations popular sector organizations have become caught up in issues that are really superceded by international events and the traditional forms of protest become less and less relevant. The feminist involvement in the debate over the Charlottetown Accord is a case which reflects this. The feminist movement's position on the constitutional issue was incredibly important for giving people who were progressive in their political outlook a rallying point against the Charlottetown Accord. Because all political parties and the trade unions supported the accord, and because the main voices against it were either identified with separatists from Quebec or right-wing Reform Party types, the position of the women's movement was significant for those who worried about the consequences for a strong federal government. In particular, women's groups (as articulated through the National Action Committee on the Status of Women) focused on the dangers of decentralizing important social institutions and the ways in which this would occur, should the referendum on the Charlottetown Accord be won. My point in raising this is not to say that the position of women's organizations was a misguided one, but rather that the very consequences which were feared would occur through the Charlottetown Accord, are coming about because of the free trade agreements. The lesson to be learned from this is that even though groups may have considerable success within the national political arena, this may ultimately have little effect on what

happens within the country. This success may make absolutely no difference to the ability of disadvantaged groups to bring about a more democratic society and to have their wishes translated into political action.

The functions of the state are being reduced considerably and are likely to centre on controlling its own population's behaviour to conform to international rules. With a reliance on the market as the main international regulator of social interactions, states are less and less likely to act as advocates on behalf of the interests of popular sector groups. This function for states coincides very well with the Thatcherite and Reaganite notions of the minimalist state and what the state should and should not be doing. Most notably the redistributive functions of state actions will have fewer and fewer ways of being effective. The results will be the confirmation of rigid economic and social distinctions between groups of people with little chance of movement between groups.

OTHER POSSIBILITIES

People in Canada have been aware of the dangers of globalization for sovereignty and democracy. This has been evident through the vigorous ways in which the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement were opposed by popular sector groups. However, since these agreements where entered into without popular support, progressive groups have found it increasingly difficult to argue on behalf of national sovereignty: it becomes almost contradictory to push for the sovereignty of a state in an international arena when the state itself is not responding to popular sovereignty. The major issue then becomes finding ways to ensure that the domestic government responds to the will of the people. Without the entity of the state as the advocate for national sovereignty in the international arena, the possibility is remote for Canadians having any influence in bringing about international rules which would either exert sufficient control over capital or would allow for diverse economic policies within countries.

The mose dramatic opposition to the dictates of the international trading regimes is coming from the actions of the very poorest people in the world, not from protests by people in wealthy countries like Canada. The threats to the very poor on this earth are life threatening, in that they affect the very ability to grow food. In this respect, it is not surprising that it is the people in Chiapas, Mexico, and farmers in India who recognize the dangers of ways in which international trade agreements like the GATT and NAFTA restrict their ability to feed

themselves. These groups are protesting both the morality of the agreements and the substance of their restrictive requirements for national economic policies. So far these groups have not had much success in changing the direction of international policy, but the important first step of dramatizing the problem has been made.

In Canada and the U.S. some hope is given to the possibility of enacting some kind of governance over international capital through the establishment of supplemental codes of conduct, such as the Social Charter in Europe. While virtually everyone who is concerned about the effects of free trade on labour and the environment recognizes the ineffectiveness of NAFTA's supplemental agreements on the environment and labour, the hope is often expressed that at least this is a first step from which we might build. I do not think this will ever be an effective route. These supplemental agreements do not set up any international institutions to compel any nation to behave according to a set of international regulations. Rather, they merely require that each country enforce its own laws! Even the Social Charter in Europe, which goes considerably further than anything proposed for North America, is not binding and is less effective than an old document like the ILO Labour Convention, which has considerably more power than the Social Charter.

So far there are no international institutions to govern capital and there is no avenue through which these institutions can be developed right now. I would argue that trying to create international institutions to govern capital is not the best route to take. At best the process will be too slow to eliminate the very worst features of exploitation internationally. At worst the regulatory institutions will never really materialize. The most important direction for action now is to influence international trade laws in such a way as to permit diversity among nations' economic policies. It is the insistence on uniformity in economic policy that is at the heart of the free trade agreements. As a result of this, there is no way in which poor countries can compete internationally if they must abide by employment and environmental standards of wealthy countries. Yet they have no way to organize their society other than through the neo-liberal institutions which are insisted upon by the trade agreements.

The real task of the future is to find ways to democratize our own countries so that they, on behalf of people, can insist on tolerance for variation in social and economic policy internationally. Obviously this is not a short-term project, particularly considering the strength of international capital to force nation after nation of capitulate to its logic. But there is something which politicians, business interests, and even academics cannot predict: how people are able to change their own

circumstances. The point of the trade agreements is to limit the effect people in the future can have on government policy: as Michael Walker, of the Fraser Institute approvingly noted, "A trade deal simply limits the extent to which the U.S. or other signatory government may respond to pressure from their citizens." Setting up institutions which govern people's lives and which cannot be controlled by national governments, changes in ideology (as a result of elections), or pressure from citizens contravenes most people's notion of what governments should do. It will not be long before people see the effects of this, and particularly feel the effects of the rigidities of inequalities in society. Perhaps then governments will be forced to take seriously the demands for a different social order and for change.

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