

COVID-19 didn't kill neoliberalism; we must do it ourselves^[1]

It is becoming increasingly clear that our 40-year nightmare is not over. It's up to us, argues Tranjan, to end it once and for all.

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EXCERPTS

Neoliberalism is a broad term used to describe a ruthless variant of economic thinking that weakens a country's immune system, making its population vulnerable to poverty and other social malaise. Margaret Thatcher's U.K. (1979–90) is widely known as patient zero, while Ronald Reagan (1981–89) was responsible for bringing the variant across the Atlantic to the United States, from where it spread across the globe. Most cases detected in Latin America and Africa have been traced back to travellers originating from Washington, D.C., especially the World Bank and the International Monetary Fund compounds.

In Canada, the Macdonald Commission meetings (1982–84) were the first superspreader events. By the mid-1990s, cuts to public services, anti-labour policies, tax breaks for the rich, privatization and other common symptoms of the malaise were seen everywhere. Unemployment insurance became inaccessible to most of the working force. In 1989, 83% of workers were eligible for benefits compared to 42% in 2018. Provincial social assistance programs were gutted across the country. Ontario's Mike Harris government cut social assistance rates by 22% in 1995, pushing many of the province's residents into deep poverty.

For some 20 years (the mid-1960s to mid-1980s), the Canadian government led the way in the financing of social housing, with fairly positive results. By the late 1990s, Ottawa had decided housing was no longer its problem and downloaded it onto the provinces, some of whom downloaded responsibility further onto municipalities. The upshot: social housing construction slowed down significantly and the existing stock fell into a state of disrepair in many places.

Governments doled out public infrastructure to the private sector: a national railroad (CNR), a highway (407), a hydro company (Ontario Hydro), a ferry service (B.C. Ferries), just to name a few. They were awful deals, by many standards, as Linda McQuaig has pointedly explained.

A neoliberal outbreak has also been documented in post-secondary education. In the 1988–89 academic year, tuition fees accounted for an average of 11% of university revenues, compared to 28% in 2017–18. In the same period, the share of government funding dropped from 71% to 47%, leaving post-secondary institutions to rely on increasingly unaffordable tuition fees.

These are just some examples of a longer list of casualties.

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It has been a brutal ride for political activists and social justice advocates who came of age as neoliberalism gained momentum. The struggle often consisted of narrating a never-ending tragedy, orchestrating defence tactics and trying to salvage pieces of our welfare system. In the wicked context of a neoliberal consensus, where the ground constantly shifted to the right, any social policy or program that wasn't ravaged stood out as a symbol of successful resistance.

By the 2010s, a new variant of neoliberalism had become prevalent. Political philosopher Nancy Fraser named it progressive neoliberalism since it couples economic policies that ultimately spur financialization with a recognition agenda focused on "empowering" marginalized groups and promoting "diversity" without actually addressing structural racism and discrimination. This highly contagious variant acknowledges the existence of a climate crisis, a housing affordability problem and other socio-economic challenges, but the solutions proposed are invariably more free market, more financialization.

Internationally, Bill Clinton, Tony Blair and Barack Obama are probably the most studied cases of progressive neoliberalism. In Canada, Justin Trudeau is the most prominent example of this variant in action; less visible cases include former NDP leader Tom Mulcair and Toronto's mayor John Tory.

When COVID-19 struck, governments acted with a level of resolve not seen in decades. The Canada Emergency Response Benefit (CERB), rolled out in less than a month, addressed shortcomings of the unemployment insurance system that had been documented for 20 years. Excitement over CERB threw kindling on the fire of a basic income debate that had been building in Western countries since the Great Recession. The horrendous state of long-term care homes shocked the country, triggering additional funding and the criticism of profit-making in a vital social service. Low-wage workers were praised as essential workers and received temporary raises. Many provinces enacted temporary eviction bans, some froze rents. Several public health measures were put in place to ensure people's safety and wellbeing, reminding us that governments are capable of regulating but have simply chosen not to do so for decades.

There were reasons to believe that neoliberalism could be eradicated. Trading one deadly disease for another is no cause to celebrate, but at least we wouldn't have to deal with both.

COVID-19 didn't kill neoliberalism. The policy agenda for the future remains fundamentally the same. So how do we rid ourselves of this thing?

As the dust of the 2021 election settled, it became clear that this 40-year nightmare is not over. With the exception of the \$10-a-day child care—a feat that can be credited to a generation of devoted advocates—little has changed. Justin Trudeau rolled back CERB instead of making the long-due changes to unemployment insurance permanent. His party's platform mentions a new insurance program for the self-employed that leaves out precarious workers. In the housing file, the Liberals continue to focus on making mortgages more accessible and providing loans to private developers. To address the climate crisis, the winning party is promising more of the same inadequately funded, incremental approach that hasn't worked so far. The proposed corporate tax increase targets banks and insurance companies, leaving out all other industries. The earlier promise to implement a national pharmacare plan fell off the map, perhaps because it requires upsetting the pharmaceutical industrial complex. In fact, to ensure vaccine supply in the future, Canada plans to throw money at big pharma rather than going back to its successful experience with publicly owned laboratories. Shamefully, Canada is also resisting international calls to waive patents on COVID-19 vaccines—privileging corporations rather than ensuring more rapid and equitable production for residents of lower-income countries.

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Political organizing is the most effective inoculation against conservatism. Nothing compares to the gains unions and social movements have made for the working class and other marginalized groups. A hard job on a good day, organizing was even more difficult during the pandemic as convening people became unsafe. But organizers have continued to plough through, unionizing new workplaces, supporting migrant workers and fighting evictions. It is not my place to say what organizers should do next. The role of progressive researchers is simply to contribute however we can to their efforts.

In our own spheres of influence, research and policy types should refuse to go back to the defence tactics that marked the 2000s and 2010s. No more pretending the Centre is a lesser evil than the Right: the Centre is the new Right. A less wealthy Canada created a universal health care system, expanded public education to all children and implemented a de facto basic income for seniors. Now we can't even talk about free child care.

No more arguing investments in poverty reduction, equity, health and well-being are good for the economy. Monetizing life is exactly what neoliberalism does. We should assess how well the economy is serving people, not whether lives are worth saving.

No more legitimizing endless consultations on a plan to plan. As I discuss at length elsewhere, government-designed participation doesn't always serve progressive agendas. They are often a decoy. Our time and resources are better spent supporting organizers directly.

No more assuming there is a win-win solution for every issue and that we can build consensus around it. Take housing for example: some pay too much for it, others profit from it. One side will have to give. Pick a side and stand by it.

The world has changed, but neoliberalism is still here. It won't go away if we just ask nicely. We have to push it over the cliff. And we have better chances if we all push at the same time.

Region: Canada ^[3]

Tags: neoliberalism ^[4]

COVID-19 ^[5]

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