

Quebec Liberal government plans sweeping privatization

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With the opening of the fall session of the Quebec National Assembly, the province's six month-old Liberal government has reiterated its resolve to "redefine the role of government" and "re-engineer the state." Between now and the tabling of the 2004-05 provincial budget, the Liberals have pledged to create mechanisms to radically restructure the provincial government and the provision of public, social and municipal services, including education and health care. "Everything is on the table," Quebec Premier Jean Charest has repeatedly declared.

While the specifics of the changes have, for the most part, not been made public or even decided, the Liberals have made it abundantly clear that they intend to gut environmental, occupational health and safety and other workplace regulations, privatize government operations wholesale and contract out vast numbers of public sector jobs.

In an unusual move, Premier Charest published an open letter in most of the province's dailies on Oct. 14 that outlined the steps his government is taking to scale back a state "whose reach [has] delved too far into the economy and business sector." Charest reported that his government has completed "an inventory of every government organization, each of their branches, and every associated program," and is now re-evaluating each and every one to determine which should "still fall within the role of government." Those deemed an appropriate government function are then to be scrutinized to determine if they are still affordable, could "be offered differently, at less cost," and who "is best responsible for" their delivery—the government, "municipalities, community organizations or private enterprise."

The Liberals are trying to put some rhetorical distance between their "re-engineering" of the state and the "Common Sense Revolution" implemented by the recently defeated Ontario Tory government. The Tories' ideologically-driven campaign to privatize and deregulate precipitated a series of public safety crises including the Walkerton water poisoning tragedy. According to the Treasury Board Minister Monique Jérôme-Forget, the Charest government is carrying out the work of "an architect, not an accountant."

But the aim is the same as that of the Ontario Tories: to boost corporate profits and the income of the rich and super-rich, by reducing public and social services and transferring an ever-

greater share of the cost of the services that remain onto the working and middle classes. The Liberals' restructuring of government goes hand-in-hand with their plan to reduce taxes by an additional one billion dollars per year for the next five years, or a total of \$15 billion. Charest has insisted his government will proceed with these tax cuts even though Quebec is facing a worsening fiscal crisis, including a projected \$3 billion budget deficit in 2004-05. Like the Bush administration in the US, the Liberals are plunging the state into a fiscal morass, so as to increase the pressure to drastically reduce social spending.

Business is also hoping that through the privatization, so-called public-private partnerships and contracting out, it will be able to profit from the provision of vital public services. The government is known to be considering delegating to big business the construction, maintenance, and management of vast parts of public infrastructure, including highways, hospitals and schools; the provision of mass transit; the management of hospitals; and the provision of non-medical hospital operations, including cafeteria and laundry services. According to Gilles Taillon, president of Quebec's *Conseil du Patronat* (Business Council), one hundred thousand new jobs could be created, "60 percent of them of good quality." In fact, this job "creation" is to be accomplished by destroying an even greater number of public sector jobs, with businesses making their profits by squeezing increased labor from smaller workforces and at reduced rates of pay.

So as to pave the way for wholesale contracting out, the Liberals will introduce legislation in the coming weeks that will modify Article 45 of the province's labor code. Although this article does not forbid contracting out, it has proven a barrier, because it stipulates that any existing union contract, including union accreditation, must continue to apply for the first year that an operation is contracted out. It will also be necessary for the Liberals to gut job security guarantees in the collective agreements governing the more than 400,000 workers in Quebec's public and para-public sector. The contracts for virtually all of these workers expired last summer.

Within Quebec's economic and political elite, there is strong support for Charest's plans to re-engineer the state. During the last election campaign, the Liberals' principal rivals, the then-

governing Parti Québécois (PQ) and the ultra right-wing Action démocratique du Québec (ADQ) advanced their own proposals to downsize the government. In his open letter, Charest made sure to cite a report written by former PQ cabinet minister Joseph Fascal calling for a diminished public sector.

Even if the PQ government, with the fulsome support of the trade union bureaucracy, succeeded in imposing billions of dollars in public spending cuts and thus balancing the provincial budget, there exists within Quebec business and political circles a profound belief that they are losing competitive ground vis a vis Ontario, Alberta and the US.

Nonetheless, there are serious apprehensions among the Quebec elite that the further dismantling of public and social services will provoke mass popular opposition. While Charest never ceases to claim he has a mandate for his right-wing program, the truth is he was elected by appealing to popular anger over the deplorable state of the province's public education and health care system. Moreover, opinion polls already show high levels of dissatisfaction with his government.

In particular, there are concerns that Charest may be moving too aggressively to marginalize the trade union bureaucracy. The press has taken note that since coming to power the Premier has only met two or three times with the head of the Quebec Federation Labor (QFL), Henri Massé, and only once with the president of the Confederation of National Trade Unions.

For a decade, from the mid-1960s through the mid-1970s, Quebec was convulsed by a radical working-class upsurge—an upsurge that through the union bureaucracy was ultimately limited to trade unionism and politically subordinated to the pro-capitalist Parti Québécois. In response, the Quebec government established a series of tri-partite structures, modelled on those in Scandinavia and other West European states, and provided the union bureaucracy with various sops, including special tax concessions for union investment funds.

Some sections of the ruling class now view these structures as a costly encumbrance. Others favor reducing them, but not scrapping them entirely, for they recognize the pivotal role the union bureaucracy has played in policing the working class, including in the imposition of the last major restructuring of government operations under the PQ. Not only did the unions endorse the PQ's making the elimination of the provincial deficit its first priority; it was the unions that initiated the early retirement scheme through which tens of thousands of public sector jobs were eliminated.

In response to a section of Charest's open letter in which he attacked the unions for putting their "corporate bias" and "excusive self-interest" before the "historic interests of all Quebecers," a *La Presse* editorial questioned the wisdom of goading the unions. For its part, the *Montreal Gazette* urged the Liberals to make a centerpiece of their restructuring plan a scheme, currently under government consideration, whereby

unions, ostensibly on behalf of their members, would compete with the private sector for contracts to deliver services. "Change," declared the *Gazette*, "is urgently needed. Charest can best deliver it by explaining the benefits of competition while making sure he doesn't demonize unions."

The union bureaucracy for its part is eager to collaborate with the Liberals. QFL President Massé welcomed their election last April, saying that they were a party with which the unions had worked in the past and would be able to work in the future. In reply to Charest's open letter, Massé expressed indignation that the unions should be described as defenders of the status quo: "We have done a lot more to advance the cause of Quebec than certain politicians." He concluded by proclaiming, "We are ready to accept change, only good changes."

Workers must draw the lessons of the past quarter century of rollbacks and defeats. The union bureaucracy in Quebec, as elsewhere in North America, has responded to the deepening assault on the working class by integrating itself ever more closely with government and big business. Repeatedly it has suppressed militant struggles that challenged the Quebec government's drive to dismantle the welfare state—most importantly the strikes of the teachers in 1983, the Quebec teachers and hospital workers in 1989, and the nurses in 1999. Any opposition movement left to the leadership of the unions will be politically tied to the big business PQ and used by the bureaucracy to try to maintain its privileges, by demonstrating to the ruling class its continuing utility as a means of smothering working class opposition. What the working class needs is an entirely new strategy: the fight for the independent political mobilization of workers in Quebec, the rest of Canada and North America in support of a socialist program providing for the radical restructuring of economic life so as to place the provision of vitally needed public services before the profits of the few.



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