

The Grammar of a Just Society
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Introduction

In 1968, the Liberals ran a successful campaign behind Pierre Trudeau, which yielded a majority government, after successive Liberal minorities in 1963, and 1965. The election featured a call by Trudeau for Canada to become a “just society.” This formulation (attributed by Christina McCall and Stephen Clarkson in Volume I of their biography of Trudeau to Frank Scott) came back to haunt Trudeau when he invoked the War Measures Act, at the time of the 1970 ^{Mark}October crisis. Though his actions cost he and his party support among progressives, the just society ideal proposed by Pierre Trudeau and the Liberal party was not buried because the prime minister used the House of Commons to suspend civil liberties. To the contrary, the phrase -- just society -- was appealing enough that it lives on in the public mind. In Canada, references to a just society are fairly common; through familiarity, the phrase seems to have become part of the political culture. Longtime Liberal pollster Martin Goldfarb was reported as saying that the no political figure can ignore the appeal just society holds for Canadians.

The close association of justice and a political society, in many works, over centuries of time, suggests that as a concept, just society represents legitimate aspirations for human betterment. Being grounded in a tradition of political thought going back to Fifth century BC Greece, it can be thought of as more than the property of one prime minister, from one political party, in one election campaign, in one country.

This paper represents a preliminary exploration of what the grammar of a just society might entail. For a short account, the paper does covers a lot of ground, and therefore it does not go into issues in great depth. It is an essay in the original sense of the term, an attempt at creating interest in a topic, and revealing its significance. In this case I want to bring some ideas together about how to think about the future, never an easy task, especially when you want to satisfy your readers you have a contribution worth noting. The underlying object is to conceptualize Canadian policy in other than a neoliberal way, using progressive political economy as an analytical framework.

The paper argues that the focus for envisaging a just society needs to be on expanding the social economy, and building a new economy, not shoring up capitalism through fiscal policy, or trying to rescue an unjust society through better social policy. Indeed, though it is not yet widely seen, capital is de-legitimizing itself as the source of all knowledge and wisdom about how to run the world. Making this better known is a first task for those working to build a just society. The precepts of Karl Polanyi in *The Great Transformation* about labour, land and money as fictitious commodities, not suited to market decision-making, work in the background as it were, to support the arguments of

this paper. Importantly, the de-commodification of labour can be seen as the counterpart to a just society. On a wider scale, looking to establishing an economy based on global solidarities is what needs to be on the agenda in Canada, as elsewhere.

It is argued below that economic practices are what matters most in a political society, and that following Canadian political theorist, political economist, and historian of political ideas C.B Macpherson, democratic forms are modeled on economic practices. This means we do not need to agree on what constitutes democracy in order to posit the conditions necessary for achieving a just society; democracy itself works on that answer as part of its normal way of conducting affairs. But, it also implies that we do have to come to some understanding of about how the economy works, and how it can be made to work differently, if we want to define what a just society would look like. Because economic life has such a strong influence over political society, moving to a more just society entails identifying what is acceptable and unacceptable in economic practice. For Macpherson, representative democracy, and electoral choices were inspired by a market model of society, and earlier incarnations of democracy were fashioned by economic imperatives as well. It follows that building a participatory democracy would require making the economy more egalitarian, and putting it on a different footing than it is now, one that allows for all basic human needs to be met, and the environment to be protected.

The just society represents both an ideal and a political project. Like the underpinnings for any undertaking, the just society ideal calls out for re-definition and re-articulation. This paper proposes to do that, setting out some ideas about the relationships that would define and articulate the emergence of a less unjust, and more just society in Canada. In Part One the just society project is revisited through a summary description of how Canadian society has evolved in the last fifty years. Part Two sets out foundations of a just society; and Part Three explores what a just society would look like.

Part One: The Just Society Revisited

When Pierre Trudeau took centre stage he invited Canadians to define with him a just society. Some consider his Charter of Rights and Freedoms to represent the basic document of a just society. However, it falls short of the Universal Declaration of Human Rights, penned by Canadian jurist John Humphrey. The Canadian charter speaks to civic and political rights, but, unlike the Universal Declaration it left economic and social rights to one side.

In establishing the “grammar” of a just society -- principally its policies and rules -- what first needs attention are the practices of the society, in this case Canada, or more narrowly political Canada at the federal level. Canadians have become distanced from federal electoral politics, falling to next to last in voter turnout (on a percentage basis) on a list of 12 industrialized countries. This relative indifference stands in sharp contrast to how much influence government policies have over the citizenry in their daily lives. Labour legislation, government spending, monetary and banking policy, work themselves out through institutional arrangements, and affect Canadians, as they try to better themselves, or simply survive. These practices are subject to change, have been changed and will be changed again. What governments do matters because the conditions under which people construct their lives change when medicare arrives, or

child care becomes available, Petro-Canada is privatized, or CPP benefits are doubled. However, state policies are not adopted in a vacuum. The nature of the economy creates much of the focus for the debates over what should be done, and provides the framework for action.

When we think of how Canada measures up to the ideal of a just society, some facets of our collective life stand out. We live in a society where it has been agreed that citizens need to be protected by the state against violence, and that property needs to be protected against theft. We have eliminated the death penalty, and de-criminalized abortion. Our basic civic and political rights are protected under the Charter of Rights and Freedoms, while our economic and social rights are not. Canada was the second last country to ratify the United Nations Declaration on Indigenous Peoples.

Canadian appearances before the UN Human Rights Commission have become occasions for other nations to make apparent our shortcomings in meeting obligations under the International Covenant of Economic, Social and Cultural rights.

Once ranked first by the UNDP Human Development Index, a measure of economic well-being, Canada has slid down the scale, and in 2010 stands eighth. We enjoy access to basic medical services, but do not benefit from a comprehensive anti-poverty law. Our social insurance schemes are deficient. Retired people face certain poverty, the unemployed a crap shoot as to whether, despite paying premiums, they will qualify for the insurance. We push greater costs for post secondary education onto the smaller current generation of students, increasing their debt loads, and without debate, transform higher education from a public into a private good in the process.

Such elements of a just society that were put in place in postwar Canada can most fairly be attributed, not to Trudeau, but to the two Pearson minority governments. These just society measures would include, especially, Medicare, the Canada/Quebec pension plans, regional equalization, federal-provincial agreements for joint financing for post-secondary education, and the Canadian Assistance Plan. Even language equality legislation allowing for the access by citizens to government programmes in either official language, and credited to the Trudeau era, originated in the Pearson white paper of 1966.

Given the dominance of neoliberalism in Canada, in retrospect the creation of a modest Canadian welfare state, incubated by postwar expansion, appears almost revolutionary, even if it was primarily made up of limited social insurance measures. Influenced by social democratic forces, a modest social liberal Canada, came under attack in a counter-revolution that began with the inflationary crisis of the 1970s, and emerged full blown a decade later, following the Macdonald Commission Report in 1985. What amounted to new economic constitution based on a charter of business rights and freedoms delivered by the Canada-U.S. Free Trade Agreement gave the Mulroney government what it needed to undertake a re-making of Canada along lines more favourable to big business. Indeed the Progressive Conservative party professed a sort of business liberalism that was inimical to social liberalism.

The counter-revolution was continued by the three successive majority Chrétien governments, which in the 1995 Martin budget undid financing of the welfare state unilaterally without consultation with the provinces, validating the claims of Quebec nationalists about federalism as domination, all the while decentralizing responsibilities to the provinces. In 1995, the Chrétien/Martin Liberals decided to abandon the national

commitment to the destitute by abolishing the Canada Assistance plan (the work of Martin père) and to use unemployment insurance premiums to reduce the national debt, while denying access to benefits and reducing payouts to more and more of the unemployed. Under Liberal governments of the 1990s, the amount of U.I. premiums collected exceed benefits paid out to the unemployed by \$57 billion.

Not coincidentally, after the cuts to U.I. became known, the Liberals went on to almost lose the 1995 referendum on Quebec sovereignty. Bloc members campaigning for the yes side focused on unemployment and reductions to U.I. When the results of the 1995 vote are compared to the results from the 1980 referendum, a large swing took place: in areas of high unemployment former *No* voters voted *Yes*.

Bloc members got elected regularly in every election (until 2011) after the U. I. programme was gutted, and have always focused on the importance of improving unemployment benefits. At the very least, you would think that the Liberals would have figured out that their abandonment of the unemployed helps explain why the Bloc won seats in Quebec the Liberals used to win. They failed to do so, and in 2011 Quebec massively voted to be represented by NDP members who campaigned on protecting families from adversity.

When they retook power in 1993, the Liberals were intent on reclaiming the business liberal agenda from the Progressive Conservatives, who were reduced to a caucus of two following the 1993 election, and keeping the new Reform party at bay. The old Tory party never regained its footing, eventually being absorbed by the Reform/Alliance Party. Under the makeshift banner of the Conservative Party of Canada, the Reform party, born in Alberta and created by Preston Manning, and inherited as the Canadian Alliance, by Stephen Harper, joined up with prominent representatives of the Ontario Harris Conservatives. In spirit and in policy, the CPC owes more to the American neoconservative movement, than it does to the historical pre-occupations of the Canadian Progressive Conservatives. Significantly the Conservative name has proven a valuable brand electorally, as well as providing camouflage for neoliberal objectives.

A Progressive Approach to Justice

Despite a growing number of setbacks over the years from 1984 to the present, as Harper succeeded Martin/Chrétien, following eight years of Mulroney, much progressive political energy has been channeled into recreating the welfare state environment: social conditions where no one is left behind, everyday risks are well insured, and new initiatives such as child care, home care, and dental insurance become reality.

Operating under conditions of economic integration with the U.S. and the domination of the bond market over fiscal policy, the social policy efforts, however well intentioned, and laudable have yielded nothing of significance for anyone looking for further development of a just society. The neoliberal project remains ascendent. Canada has seen the further degradation of the social safety net in every change of government.

Under the two Harper minority governments, a comprehensive list of shutdowns of agencies, removal of senior officials, government cutbacks, reductions in services, and withdrawal of funding for civil society runs to a few dozen pages.

In the broad left conception, progressive gains come from social movements. It is expected political change will be initiated by organizations grounded in the working class, and policy advances won by mobilization of social forces in a context of growing

economic crisis. In a more radical formulation, the internal contradictions of capitalism are revealed, and more energy is released, culminating in more open class opposition. Socialist and even social democratic conceptions of justice are inspired by Marxian claims of justice for the proletariat as the object and motivating force for political action. Famously, there is no fully developed description of what a just society would look like in what Marx wrote, though it can be inferred it would be a classless society. What we do have is the idea of communist society -- from each according to his or her abilities to each according to his or her needs -- without a conception of how it would deliver justice.

Scholars have credited John Rawls with recreating interest in normative political theory within American political science, after the behavioral turn of the discipline in the late 1950s. Rawls used thought experiments such as imagining oneself in an original position within a society, not knowing where one stood in the social stratification, to demonstrate the principles of justice. The Rawlsian conception of justice as fairness has certainly encouraged others to try and produce a workable over-arching theory of justice. In *Justice for Hedgehogs*, Ronald Dworkin offers his interpretation of how a society could best organize itself around the notion of value. Michael Sandel has attempted to synthesize years of teaching about justice into a unified account. Amartya Sen, the acclaimed economist, has published a major work engaging with Rawls, but rejecting his approach, and taking injustices as a starting point. These represent only the more prominent of various attempts to proscribe what a society founded on justice would look like. It is beyond the scope of this paper to engage directly with the arguments of these distinguished thinkers, or explore how they contribute to the theory of justice. Here the focus is on what justice means in practice, not on the important thought experiments introduced by Rawls, and debated by other philosophers.

Part Two: Foundations of a Just Society

To put it as simply as possible, the people who own the country run it. The political skills acquired and demonstrated by corporations in dominating public policy count greatly in understanding how public policy has been shaped. But the point is not so much to change the public policy orientation, as important as this may be at any time, the goal is rather to see how the control of the economy by corporations is changing, and can be changed further. The study of corporate practices by economic sociologists or business school academics yields insights into how the economy is dominated by a financial manipulation, and how work is divided on a global basis. No one can deny the existence of market forces, but holding out the perfectly competitive market as an ideal to which all societies should subscribe is less persuasive. The goods and services economy where some people spend their time producing value, and the fruits of common work are divided up, with part of the value created being appropriated by owners, and another part by governments, and where most workers receive only what they need for survival, if that, is where the rules of daily existence are established for many. Transforming the social relationships within the economy is where reflections on creating a just society necessarily leads. What is happening in the economy as social inequalities are growing? What actions contribute to worsening conditions of daily life, and what, if anything, is being done to reverse the trend?

At the heart of market liberalism is the idea that individuals should compete for jobs, and incomes, and that winners should reap material benefits, virtually without limit. The best get their due, and society as a whole benefits. For economic liberals, astonishing rewards in the form of salaries, stock option gains make sense because they insure incentives to do well remain central to Canada. It is noteworthy that in Canada today about 50 percent of the workforce earn low wages. Overall, as CCPA economist Armine Yalnizyan has documented after tax median income was about \$46,000 in 2007, and has not increased (in real terms) since the late 1970s.

If competition is the engine of the economy, what happens to those left outside the job market? Social liberals have argued, since the time Mackenzie King was Deputy Minister, and later Minister of Labour, over one hundred years ago, that the winners need to compensate the losers, otherwise the whole system makes no sense.

It is not enough to ensure everyone should have a chance at great riches, no one should do without either. As we have seen above, Lester Pearson enacted most of the measures that made up the Liberal commitment to building a society where people were insured against social risks, in minority parliaments (1963-68) where they needed NDP backing to succeed.

Markets as Justice

Kenneth Boulding famously quipped that economics was about how people make choices, and sociology was about why people did not have choices to make. If you assume the economy is a set of markets made up of consumers and firms, you paint one picture. If you see that people are working together to meet each other needs, you can paint quite a different portrait. Agreeing on what kind of economic order dominates is a pre-requisite to recognizing how it shapes our lives.

Markets allocate resources properly. This proposition underlies much public policy. It is derived from neoclassical economics. Upon closer examination the proposition appears to be a tautology, based on circular reasoning. Markets allocate resources, yes they do. Properly? Meaning efficiently? Productively? Well that depends what we mean by efficient or productive. It turns out the efficient or productive outcome is built into the neoclassical assumptions that go into constructing the market model. Instead of a model, what is needed is a telos (an acorn that becomes an oak tree so to speak) an over-riding economic purpose that cannot be derived from assumptions internal to a model.

Other than the philosophy of John Rawls and those debating his formulation of justice as fairness, the closest thing we have to an all encompassing account of what is good, and what is just, is general equilibrium theory, the foundation of modern mathematical economics, first laid down by Leon Walras. As a socialist one can only imagine how Walras would have reacted to the modern interpretations given by the Arrow-Debreu theorem to the world we inhabit. Suffice it say whether it be a pure theory, as exemplified by Paul Samuelson and his doctoral thesis, the celebrated "Foundations" volume, or whether it be operationalized in a computable general equilibrium (CGE) model, this way of looking at the world is not what non economists generally have in mind when thinking about what it would mean to establish a just society.

General equilibrium theory suggests that, through price formation, all things can be measured, and made commensurable. Concert piano recitals, or nuclear waste, or

sporting events are all supposed to have measurable costs and benefits that can be established accurately through competitive market prices, and represented fully in a CGE model. However, outside economics, an over-whelming doubt remains about how much sense the whole one dimensional project of reducing what we value to market prices makes.

Without an overarching theory of justice like the one proposed by general equilibrium theory, most thinkers are discussing, but likely not agreeing. Each of us is forced to set out in each research paper what we are about, before we can explain what we have done, and what kind of findings (if any) we can report. The business of policy making relies on ethical judgments about what to study, and how to proceed.

The general equilibrium theorists maintain that their mode of analysis is founded on science and can be expressed in laws. Market prices exist whether we recognize them or not. Scarcities decide how goods are priced. However market mechanisms are historically constituted. In *Wealth of Nations*, Adam Smith was describing a society that was emerging out of the feudal order. He focused on the practices of that society. Famously he was a moral philosopher, before becoming the inventor of British political economy. His inheritance was changed by Walras, and his followers, who re-interpreted markets, stripping them of ethics, and transformed them into universals.

Postwar economic policy was animated by a central proposition -- productivity gains are the source of increases in the standard of living --- and it calls out for critical examination. Labour productivity is defined as output divided by labour time, where output is Gross Domestic Product, and labour time is hours worked. The problems with equating GDP with the common good have been well documented. A decrease in car accidents calculates out as a fall in output, for example. Standard productivity analysis builds on two very significant assumptions. First, that the current distribution of income is fixed; and second, that the existing form of ownership and control over production is a given. These two postulates point to where advocates for a more just society need to look in order to change the existing order. Thinking about new forms of social ownership of production, and expanding on older forms of social ownership such as co-operatives becomes a priority when the current economy is not working for employees or communities. Re-thinking about how income and work are related makes great sense when productivity increases do not translate into income gains. De-connecting income from work needs discussion; it has become evident that much of what we need to exist can be produced by fewer people. Re-distribution of income through government transfer payments is efficient, reliable, and makes economic sense, but it has not facilitated equality in recent decades.

Instead of promoting productivity gains through freeing up market forces, which has been the main goal of economic policy in Canada, what about making it facilitating new forms of social ownership, reducing waste, and narrowing income inequalities instead? Framing the economy as a market may be a useful way to teach the principles of the price system, but it does not get us very far in mapping economic practice. Looking at the economy as a profit driven, corporate capitalist economy, dominated by owners that employ labour, corresponds more closely to the way economic actors see their world. Stated summarily, and critically, our economic lives are dominated by corporations that value growth above all else, and to that end manipulate their clients, exploit their workers, give little regard to the built or natural environment, and expect governments to

both provide needed infrastructure, and clean up the mess left behind by corporate production. While not all enterprises in Canada operate like heavy oil producers in the Alberta tar sands, none reject the idea that the corporation is the highest form of economic life.

Citizens, on the other hand, need less and less convincing that something is seriously wrong with our economy. While Canada may not be France, where the majority want to see something better than capitalism, there are signs of serious concern about the direction our economy is taking our society and the natural world. Globally there is nothing in current capitalist practice to suggest the world is moving towards a just society, because of the expansion of markets, and the increase in waged labour. To the contrary the ecological indicators suggest the opposite, and the existence world wide of a pool of subsistence agricultural families suggest that wages will remain low for the foreseeable future.

Positive action to reduce social inequalities, and protect the environment is neglected. Improvements in basic economic security can be made easily through an improved system of taxation and better unemployment insurance, pensions, and minimum income schemes. Instead, social spending has been demonized as creating disincentives to wealth creation, while public credit has been mobilized to buy \$69 billion of bad mortgages from the Canadian banks. As Noam Chomsky has pointed out: "Systemic risk in the financial system can be remedied by the taxpayer, but no one will come to the rescue if the environment is destroyed."

Political Change

In the West, parliamentary socialists once aspired to see an election result in the replacement of our unjust economic system. No one thought through exactly how the new government would make the people who control the economy disappear quietly; it was simply assumed that parliamentary sovereignty would over-ride private ownership rights. Both nationalization of the commanding heights of the economy, and legislation to bring in comprehensive economic planning were thought to be sufficient to engineer a peaceful transition out of capitalism.

However desirable it would be for democratic take-over of the corporate economy to occur, today, not even a diehard parliamentary socialist (not easy to find) asserts that an election result could have such a prized outcome. Unfortunately for us, the opposite is quite true. Whatever the result of the next election we expect to continue to live under corporate capitalism. Corporate criminals may go to jail or not, the unjust and dangerous system continues. We look to our political leaders to address the serious problems facing us as Canadians. By and large, we are disappointed in what we hear. The real issues generated by economic practice, do not seem to be part of electoral democracy.

Part Three: What a Just Society Would Look Like

A just society needs to know what to do about the economy. To some extent, the outlines of the next economy can be observed within the structure of the present economy. And while new governments can facilitate changes, the impetus comes from within. While the main argument of this paper is that changing economic practices create social transformation, and create the conditions for political change, it is important to recognize that control over the means of communication has great

importance to social discourse, and outcomes. It is not enough to know what goes on in society, widely implanted erroneous understandings have to be overcome as well. This becomes difficult when the people who own the country, also tell us what goes on in our country.

In twentieth century mass society, obvious solidarities among workers, women, peace-loving religious communities, environmentalists, farmers, aboriginals, parents, young, and old did not go away. However, they were overridden by a way of life that encouraged people to live alienated from each other. This started in the workplace where labour was exposed to Taylorism and other techniques designed to destroy the sense that workers created what was produced, had power in the workplace, and could act to overcome alienation from each other. The scenario of alienation won out over the activist ideas that relations of production would generate a collective class consciousness, and lead workers to act to overturn exploitative social relations. Instead, workers, watched powerlessly, as co-workers were tossed aside, wages and benefits cut and restricted, in the name of fighting the recession, or the deficit, or inflation or whatever it was the “economy” was supposed to require. Seeking solace as individuals in movies, television, paperbacks, spectator sports, music, and other form of entertainment did not change society, but certainly made it more palatable. Through control of the media, the neoliberal economic story was always told from the point of the investor where labour was a cost of production. That Canadians lived in an global economic system seeking to exploit low wages for expanded profits by establishing a new international division of labour was not unknown, it was simply carefully hidden from view.

Instead of promoting divisions that weaken all, a just society builds on another principle: what we have in common exceeds what separates us from each other. A just society wants to reduce inequalities, not increase the powers of the over-privileged. Such a society is about targeting and eliminating waste, not enhancing the powers of giant producers. The just society is about extending economic and social rights, not accumulating capital; it wants to improve co-operation, not force competition. The just society is about community, not selfishness. In a just society people work together to meet each others needs, not to enrich a few. Consumption is environmentally conscious.

Standard economic models, divide the economy into a private and public sector, where only the private sector is productive. It is but a short step to the conclusion that the public sector is a burden to be reduced in order to improve productivity. Indeed, the standard two sector model of the economy leave out much of what is new, innovative, and important in transforming society that originates in the public sector. However, instead of thinking of the economy as a profit driven private sector that creates wealth, and generates the productivity gains necessary to support its subsidiary, the public sector, it is worth thinking about the example given by the superior productivity performance of Northern Europe states where the highly developed public sector is so prominent in overall economic policy. Increasingly we have to account for the role being played by a Third Sector, the social economy (or popular sector) neither wholly private or public, made up of many organizations meeting basic human needs, providing employment, and generating economic activity.

The two sector model has not been static. Both the nature of business and of government have evolved significantly in Canada over time. With the establishment of the Glassco Commission in 1960, and following its 1962 report, the federal government looked to the private sector as a model for public administration. Ironically this occurred just after the successful prosecution of the Second World War led by the public sector, and about halfway into the thirty golden years of postwar expansion, where the public sector played a decisive role. In the years following the implementation of private sector management techniques of incentive and performance pay, contracting out, privatization, de-regulation, the public sector became virtually unrecognizable for someone accustomed to the postwar spirit of modest personal rewards accepted for the privilege of contributing to the greater good. The so-called new public management paradigm based on market driven incentives accentuated personal rivalries, and upset the spirit of co-operation that is necessary in running large scale projects. The most recent tendency in Canada is the creation of a shadow public service, the out-sourcing of public administration to the private sector on a large scale, at great expense. The spirit of serving ones country does lives on. The idea of doing patriotic duty is highly publicized as a recruitment devise for the military, and (post ante) to justify combat death, and war-making in general. What has been obscured is public service as a vocation: the desire of many is to work on behalf of their community for the good of the community. For public employees reasonable job security, and good working conditions are sufficient to attract their loyalty.

In the private sector an ethos of excess -- whatever you can get away with -- emerged that led to widespread corruption and indiscipline in corporate practices epitomized by the Enron adventure. The creation of derivatives, financial products called Fool's Gold, by Gillian Tett (and documented by the Financial Times journalist in her book of the same title) represented commodification gone wild, installing speculative finance at the centre of capitalism. Apart from establishing a billion dollar lifestyle style among the hedge fund managers of financial capitalism, the contribution of securitization of bank assets, and other financial manipulations to economic well-being were not obvious. Mainstream economists were left bereft of explanations for how the top one per cent of one per cent of income earners captured virtually all of the income gains in the U.S. after the Reagan revolution. A leading Harvard economist was puzzled that the financial sector which was charged with linking savers and investors, was taking over 30 percent of all corporate profits to carry out what should have been done for much less. According to Bloomberg News the public sector rescue of the U.S. financial sector following the 2008 collapse of Lehman Brothers cost \$12 trillion. The investment banker took the public money, but saw no reason to change their structure of bonuses and incentive pay.

The overall economic performance of the Western economies suggests that economic stagnation is the norm for the financial form of capitalism. As the private sector moves decisively in the other direction from a just society, and society itself becomes less egalitarian and more unjust, the role of the public sector as an enabler of corporate capitalism appears less tenable. It would make more sense for the public sector to be promoting the social economy, than contributing to corporate excess. Instead faux populists have exploited the obvious contradictions in a world where private sector risks

are socialized, and individuals left to fend for themselves, to demonize government and public spending.

Social Ownership

When we characterize different economic entities by their form of ownership, a surprising diverse enterprise culture can be identified. Capitalist business can be under sole or family ownership, partnership, franchise, subsidiary of a foreign (or domestic) corporation, or publicly listed and traded as a joint stock holding. Public enterprise can be wholly state owned crown corporations, public private partnerships, or operating agencies, as well as public administration vehicles. The social economy is made of non-governmental agencies of every type: voluntary agencies, membership groups, church operated social agencies, and many others. It includes trade unions, professional associations, learned societies, women's groups, farm, senior and youth organizations, and others living from some combination of government grants, dues, and like Oxfam, sales in the marketplace. In the case of Universities, hospitals, and other such public agencies, they are government sponsored and operate through representative boards, and rely for funding on donations, government grants, and (for Universities especially) user fees. One of the most visible areas of the social economy are the arts and cultural organizations, including small publications, and web based endeavors, as well as the major bodies such as the ROM, AGO, and Stratford Festival.

What emerges when examining an NGO such as the Red Cross, or a hospital, a government funded Third World development group, or a ballet company is these entities operate as public trusts. No one owns them, but people who work for these agencies or support them, believe in what they are doing, and expect the entities to continue to exist and flourish well beyond the immediate time frame. Cost recovery is essential for survival, but extracting a surplus is not. Labour is employed, and the terms of employment incorporate a market dimension, but the employees negotiate the terms of their "exploitation" by coming aboard as volunteers, or as individual contractors, or as unionized employees covered by collective agreements. In some sense, in the workforce of the social economy, the workers own the work. The exchange of labour for income may have market characteristics, but it is not primarily market driven. Rather work is about realizing something other maximizing income. It may be about artistic creation, self-image, feeling a part of something important to future well-being, researching the world, sharing knowledge, or have any one of many complex motivations.

In short, we have in Canada, and other countries, established economic practices centred on the Third Sector which incorporate forms of ownership that do not match those of the private sector. These entities employ labour but not under conditions strictly set out by profit making incentives. Interestingly, we have an economic form which suggests ways in which participatory democratic practices could evolve.

In reality, the growth of the social economy has been fueled by both the short-comings of the private sector as a provider of jobs and income, and the failure of the neoliberal model to meet basic human needs. Social economy ventures include teaching people to read and write, provide meals, offer shelter, and give first aid to the homeless. But the Third Sector also houses basic research into how people live (and how to live), courses in perfecting cooking skills, improving fitness, enjoying sports and recreation, and

developing artistic talents. Third sector groups are producing plays, films, dance performances, concerts, producing podcasts or videos, creating websites, and facilitating art exhibits. People go to work every day with the objective of protecting the environment, enhancing human rights, helping the less fortunate, advancing the cause of women, seniors, children, youth, natives, farmers, fishers, and others, all on a not-for-profit basis.

With the exception of the very large, well heeled, business and trade associations (think Canadian Council of Chief Executives, or Canadian Chamber of Commerce), funding for Third Sector organizations is problematic. Partly supported by donations, soliciting (and less often receiving) direct grants, often offering services on a user pay basis, sometimes selling directly into the market place in competition with for profit giants (Bridgehead coffee, Mountain Equipment Co-op, Vancity, Co-op Atlantic) the vast majority of Third Sector organizations live from donated or volunteer labour. Existence is precarious. Trade unions because they are dues based organizations have steady (but not necessarily stable) income, and either through their organizations or because of member interest, support voluntary agencies financially. Corporations make charitable donations, and support arts, and sports, not just their organizations, and play an important role in United Way campaigns. Whereas public sector trade unions see the Third Sector as the less expensive alternative to proper government programmes, created by the failure of government to adequately protect citizens, business groups prefer the charity model of social spending to social insurance, or the entitlement model in business speak.

Thinking of government sponsorship of Third Sector activities has revolved around the social liberal model of grants made through agencies for deserving projects. We would see the Canada Council, or the Research Councils as operating in this way. The grants model was widened in the early 1970s by the former Secretary of State under Trudeau, Gerard Pelletier, to include programmes for youth, seniors, women's organizations and others not likely to attract donors, but able to contribute countervailing views to business and giant corporations in public debate and discussion. In other words the grants programmes run by Secretary of State (now Heritage Canada) included an explicit commitment to build a just society. This component of the grant culture has now been lost along with the economic activity generated by the direct funding. Supporters of grants have can make the case that through generating consumption and income taxes many Third Sector organizations contribute as much or more back to government revenues than they ever received in grants (this was the case for Canadian Forum magazine which lost Ontario Arts Council funding when the Harris government took power). But it is not the mostly small amounts of money that it is the issue for the CPC. It does not believe in government "handouts." Liberal governments of the 1990s initiated many cuts, because they were tired of giving ammunition to critics of their neoliberal agenda. Unfortunately direct government support for non scientific, and non cultural activities has all but disappeared except for a few favoured groups. The exception, until recent cutbacks, was CIDA which supported a large number of Third World development NGO's.

The conservative model of building the economy favours tax exemptions in place of direct grants, though the two have equivalent effects. A dollar saved in taxes paid, is the same as a dollar received in grants. Whether you reduce the amount on the cheque you

send, or you get a cheque for the same amount, the effect is the same. The debate has centred around whether exemptions should be targeted (the R&D tax credit) or general (corporate tax reductions). The specific exemption such as the “job creator” reduction for small business that Jack Layton and the NDP proposed in the 2011 campaign, relies on government knowing and identifying the “good” (job creation) and being able to reward it efficiently and fairly without abuse. The general exemption operates on the assumption that changes to the tax system should be neutral in their effects, and therefore treat all market participants in the same way. It is easy to spot the neoliberal postulate underlying tax cuts: markets allocate resources efficiently therefore governments should not influence their operation; and the weakness: not all corporate and business undertaking have equal effects in contributing to economic well-being. Thanks to the work of Neil Brooks of Osgood Hall, fiscal policy analysts now recognize that Canada has not only an expenditure budget (the blue book tabled shortly after the budget speech), and an revenue budget (presented with great fanfare in the Spring), it has a permanent set of tax expenditures. When the tax exemptions that are so popular with conservatives are totaled up for individuals and corporations, the sums rival the total of government programme spending.

The tax system does not recognize directly the job creation and general potential of the Third Sector. While charitable status is available for “non-political” organizations, and issuing charitable receipts is an important way of establishing a donor base, not all Third Sector organizations are attractive to the wealthy and corporate donors who are most prominent in charitable giving. One way of enhancing public sector support for the Third Sector would be to institute a general tax credit, modeled on the political tax credit, available to all taxpayers who wished to support a Third Sector organization in lieu of paying tax. Like the political tax credit which allows a citizen to make a \$125 donation to a political party and receive credit for taxes paid (i.e. not just a deduction from income when calculating tax payable) of \$100, a Third Sector tax credit would create a “market” for refundable (anyone regardless of income could make this contribution) tax credits that NGO’s and other Third Sector organizations could draw upon for resources. Unlike the commercial market where consumers have unequal purchasing power, using a ceiling and making the tax credit refundable would allow all citizens to be equal when making their decision as to who to support.

Conclusion

The way ahead to a just society is not on any map. Few believe that it will come about as a result of revolutionary political action initiated by a vanguard party, or, as we have seen, through electing at the ballot box a parliamentary socialist party. A peaceful revolution happens when mobilization occurs; it does not require a designated agency operating on the basis of instrumental reason. A just society project needs a well defined notion of where we are coming from, and where we should be headed; but this in itself is not enough to mobilize large numbers of people.

This essay argued that people are being mobilized through the Third Sector, that a new economy is emerging out of the corporate economy. The structural changes wrought by the crisis of financialized capitalism have widened inequalities and disaffection in Canada. Some 600,000 manufacturing jobs were lost in the 2008 recession. Economic disruptions of this nature can send Ontario voters into the “safe” hands of the CPC as in

the 2011 election, or, as in Quebec, to the NDP which calls for more action to promote economic security for families. Bad times can induce quietism; hardship can also generate activism.

Any serious efforts at political change are rooted in attempts to understand how to occupy the democratic space opened up by deep seated economic tendencies.

Conservatives have used tough times to blame government for crisis. Social liberals retort that changes in government policies are needed to enable economic changes to be fulfilled. In either case it is the economic changes that drive the political agenda.

The ongoing struggle for economic power can result in greater injustices or lesser injustices, foreshadow reactionary political movements, or movements towards a just society. The marxian formulation was that the new society is forming in the womb of the old. But, what happens afterwards is not foreordained, not by Marx, or by anyone else.

Knowing this should not prevent people from laying out what one can hope and expect to see transpire politically out of economic changes. Forward looking analysis is part of the just society project. Those who identify with the just society ideal as a broad social project worthy of wide support have legitimate aspirations that need to be discussed, and debated.