Roll-out Neoliberalism and the Social Economy

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Draft

Paper prepared for the Annual Meeting of the Canadian Political Science Association, University of Western Ontario, June 2, 2005.

The author thanks Ashley Deathe for research assistance and SSHRC for its financial support at various stages of this research project.
INTRODUCTION

There is a growing sense that social policies are taking new directions as policy debates move from an earlier embrace of privatization and marketization, to the task of retooling the state to face new social risks and to reproduce the social (social cohesion, social capital, social inclusion, social economy). Nevertheless, some have argued that these are shifts within a broader and uneven process of neoliberalization and represent the rolling-out of new institutions and governmentalities to stabilize neoliberal accumulation strategies. This position nevertheless conceals disagreement between a view of new policies “flanking” neoliberalism through the marginal introduction of non-market logics, and those rolling out market metrics into further realms of social life.

This nevertheless poses the issue at a high level of abstraction, and risks positing a logic divorced from the messy realm of policy development. It can ultimately be criticized for underplaying the degree of diversity within neoliberalism, as well as for ignoring bottom-up influences on policy. There is thus a need to track patterns of neoliberal restructuring and make part-whole connections between local instances of policy reform and broader neoliberal discourses. This paper takes up this challenge by considering one field of policy innovation in one jurisdiction, namely the social economy in Québec. It considers how the “flanking” and “marketization” mechanisms have played out in social economy policies dealing with local development, social service delivery.

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and child-care. It concludes that while flanking policies appear to have been more successful in meeting the policy goals advanced for the social economy, they have also opened opportunities for actors seeking more profound policy changes. Roll-out neoliberalism may be more brittle than suggested, as it strives to balance policy effectiveness while limiting the scope of policy change.

ROLL-OUT NEOLIBERALISM

The rise of the vocabulary of the social (social cohesion, social inclusion, social capital, social economy) appears to telegraph an important change in political-economic visions that has occurred over the past decade. At the international level, some have portrayed this as the partial replacement of a waning neoliberalism by harder or softer versions of the ‘Third Way’. Others have been more cautious and noted that this debate is one within neoliberalism, between free-market conservatism, neoliberal structuralism and neoliberal regulationism, as capitalists adjust their strategies and projects in relation to other actors. Similar debates can be seen in the analysis of national policies, with some underlining the displacement of neoliberalism by debates over the social investment state, and others stressing how these debates still fit within the parameters of a neoliberal political economy. Both sides in these debates nevertheless agree that the existing policy climate has changed since the 1980s and early 1990s, and are seeking to understand both what is new and how the new relates to neoliberalism.

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One influential line of analysis portrays this evolution as a change within neoliberalism. Contrary to early predictions that neoliberalism was too destructive of extant institutions, practices, and identities to ever amount to a stable form of regulation, it continues to characterize the political-economic moment a quarter century later. While slower growth, higher levels of unemployment, and unused capacity may persist, Albo argues that they are ‘reproduced as part of the patterns of reproduction and contradictions internal to neoliberal globalization and societalization rather than as symptoms of economic crisis’. To explain the persistence of neoliberalism, some have proposed a historical analysis of *neoliberalization*. In this narrative, the *proto-neoliberalism* expounded by the disciples of the Mont Pellerin society gave way to a *roll-back neoliberalism* exemplified in the Reagan and Thatcher regimes. The emphasis in this latter case was precisely to roll-back the institutions and policies of the post-war welfare state. However, as this roll-back process advanced, it generated its own contradictions and illogics that required containment and redirection. Thus, by the early 1990s, one began to see the development of a *roll-out neoliberalism* that sought to stabilize or further entrench neoliberalism through the introduction of new institutions, policies and governmentalities. The roll-out phase reconstitutes neoliberalism in ‘more socially interventionist and ameliorative forms, in order to regulate, discipline and contain ‘those marginalized or dispossessed by the neoliberalization of the 1980s’. Thus, despite its persistent instabilities and vulnerabilities, Peck and Tickell emphasize the need to

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6 Gregory Albo, ‘Contesting the ‘New Capitalism’’, Mimeo, Department of Political Science, York University, April 2004, p. 27.
consider neoliberalism’s ‘ongoing dynamic of discursive adjustment, policy learning, and institutional reflexivity’.  

Objections to Roll-out neoliberalism

This narrative nevertheless raises a number of objections. First, it is not clear what is not neoliberal within this framework. Gough, for instance, argues that this reading of neoliberalism is too broad, ‘becoming synonymous with ‘interests of capital’’. As such, it ignores the variety of ways in which the capital-labour relation is being renegotiated, some of which have a class logic closer to social democracy than neoliberalism’. It likewise speaks past approaches that treat neoliberalism as a package of related policies flowing from a belief in market liberalization and the roll-back of the Keynesian welfare state. In this light, we have now moved beyond neoliberalism to new debates about retooling the state to face new social risks arising from demographic and labour market change. One emblem of this change is Esping-Andersen’s Why We Need a New Welfare State, and its themes of a social investment state that is child centred and that stresses poverty prevention through lifelong learning and the promotion of quality work.

This theme has been further developed by Jenson and Saint-Martin in their claim that, at least in Canada and Great Britain, we are witnessing a new state form, namely the social investment state, along with its own citizenship regime strongly focussed around the child rather than the adult worker. While there are continuities with neoliberalism in some respects, particularly in terms of the emphasis on labour market participation and in

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making social policy productive rather than consumption-oriented, the state takes on additional active roles in investing in its citizens to ensure future social cohesion. In short, the roll-back/roll-out narrative stands accused of being posed too generally to either make sense of variation in political economic policies and strategies in space (e.g. between social democratic and neoliberal accumulation strategies) or over time (e.g. distinguishing the current policy debates around social investment from those of twenty years ago).

A second and related problem is the very high level of abstraction in the analysis, leading to very deductive, macroscopic accounts. As much as the authors emphasize the importance of agency and the role of trial-and-error experimentation in changing state forms and practices, this largely vanishes in the analyses, leaving a strongly functionalist after-taste. Despite repeated reminders of the need to study the varied forms that neoliberalization takes in particular locales, since ‘context clearly (and really) matters in the style, substance, origins and outcomes of reformist politics’, situated empirical work is in short supply. As a result, work in this tradition remains very top-down. It ignores that new identities, policies and governmentalities need to be understood equally from the bottom-up: they originate from a variety of social actors and are coupled with dominant projects in troublesome and often highly contradictory manners.

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13 This point is made by Uitermark (pp. 8-9, 14), but with a far more Foucauldian view of power than adopted here. See also Richa Nagar, Victoria Lawson, Linda McDowell and Susan Hanson, ‘Locating Globalization: Feminist (Re)readings of the Subjects and Spaces of Globalization’, *Economic Geography*, Vol. 78, No. 3, (2002), pp. 258-60. For a somewhat different take on this point, see Meghan Cope,
Some rejoinders

Part of the problem here is an issue of levels of analysis. Peck and Tickell are not treating neoliberalism simply as a package of policies or institutions, but as something closer to Albo’s idea of neoliberalism as a form of social rule. They do not treat it as a policy package, but in more systemic terms as an ‘operating framework or ‘ideological software’ for competitive globalization, inspiring and imposing far-reaching programs of state restructuring and rescaling across a wide range of national and local contexts’. In this light, when speaking of divergences or change over space and time, one must also consider the social basis of divergence. For instance, varieties of capitalism might be more accurately rendered as varieties of neoliberalism, as variations in institutional legacies and balances of social forces lead to different paths of adjustment. Similarly, policy departures such as the emphasis on poverty and social cohesion must be assessed in part in terms of their relation to the labour markets and forms of competition typical of neoliberalism. In short, discontinuities in certain national or subnational policies cannot be assumed to signal fundamental changes in global processes of competition and accumulation. Indeed, part of the value of recent work on the politics of scale is precisely to understand how local and regional social democratic strategies fit within, and maybe even contribute to the functionality, of a more broadly neoliberal political economy.

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14 Peck and Tickell, p. 380.
16 Aram Eisenschitz and Jamie Gough, ‘The contradictions of neo-Keynesian local
In taking this stance, the roll-back/roll-out argument somewhat unhelpfully repackages something that looks a lot like Jessop’s Schumpeterian Workfare Postnational Regime (SWPR) under the label ‘neoliberalism.’ I say unhelpfully in the sense that using the label SWPR allows Jessop to then employ neoliberalism at a lower level of analysis to denote one of the possible forms that the SWPR can take, representing the dominant trajectory of the Anglo-American countries. The Continental and Nordic welfare states followed their own paths of adjustment, undergoing neoliberal change only at the margins. Even in the Anglo-American heartlands of neoliberalism, Jessop argues that problems reproducing extra-economic factors of production (such as social cohesion and trust) have encouraged some modifications to policy approaches. In a not particularly felicitous phrase, Jessop refers to ‘neoliberalism with third way flanking’. This, however, is a problem of labelling, requiring further conceptual development at the institutional level in order to distinguish particular institutionalizations of neoliberalism from one another, as well as from the form of social rule as a whole.

The levels of analysis issue nevertheless does not suffice to answer the critics’ arguments about the roll-back/roll-out approach exploring issues at a very high level of abstraction and failing to grasp variations in space and time, to say nothing of localized alternatives. However, it is less clear that this is a problem with the conceptualization as will its application. Peck and Tickell have argued the need to walk a fine line between ‘overgeneralized accounts of a monolithic and omnipresent neoliberalism, which trend to be insufficiently sensitive to its local variability and complex internal constitution’ and

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‘contingent analyses of (local) neoliberal strategies, which are inadequately attentive to
the substantial connections and necessary characteristics of neoliberalism as an extralocal
project’.\textsuperscript{18} This leads to a call to ‘track actual patterns and practices of neoliberal
restructuring, and to make meaningful part-whole connections between localized and
institutionally specific instances of reform and the wider discourses and ideologies of
neoliberalism’.\textsuperscript{19} In short, concrete analyses may quite satisfactorily provide the
sensitivity to variation and to agency that is lacking in the broad roll-back/roll-out
narrative.

This paper attempts to take up this challenge, by assessing one policy field (the
social economy) in one jurisdiction (Québec). More specifically, it attempts to make the
part-whole connection, by situating the development of social economy policies in
Québec within the field of roll-out neoliberalism. In so doing, it will probe some of the
ambiguity around the term ‘roll-out neoliberalism’. On the one hand, this can refer to the
introduction of new policies and governmentalities seeking to spread the use of market
metrics to ever broader realms of the social world. A stylized example of this process
might be the introduction of contracting regimes with third sector organizations that force
the latter to adopt the processes, organizational forms and values of for-profit firms if
they are to obtain the funding they need to survive. On the other hand, Jessop’s idea of
‘flanking’ suggests that roll-out neoliberalism may in fact require the adoption of policies
with other than market logics in order to manage the problems of reproduction raised by

\footnotesize{\textsuperscript{18} Peck and Tickell, p. 382.} \\
\footnotesize{\textsuperscript{19} Peck, ‘Geography’, p. 396. Peck himself recognizes the need for empirical verification of his claims,
noting the need to ‘add content’ to his assertions.}
neoliberalism.\textsuperscript{20} It should be noted that authors working within the Social Investment State approach also raise this dual possibility. Saint-Martin, for instance, notes that this form of state can lead either to a resocialization of the economy or a growing marketization of social relations.\textsuperscript{21}

These two forms of roll-out neoliberalism nevertheless stand in tension, at least to the extent that claims about neoliberalism’s difficulties with social reproduction hold. After all, if neoliberalism has these difficulties, the first form of roll-out, which I will call ‘marketization’, threatens to exacerbate the inequality and exclusion that ‘flanking’ strategies attempt to correct through using non-market mechanisms. At the same time, as flanking strategies re-introduce logics breaking with neoliberalism, openings arise for challenges to the neoliberal project that attempt to re-define the terms of acceptable debate in terms of labour markets, public provision, and the centrality of competitiveness.

ROLL-OUT NEOLIBERALISM AND THE SOCIAL ECONOMY IN QUEBEC

The Marketization and Flanking Approaches Described

Like other descriptors arising from the ‘rediscovery of the social’ such as social cohesion and social inclusion, the social economy remains a contested and fuzzy concept. Rather than cutting through the tangled knot of definitions, this paper will take up Ash Amin et al.’s (1999, 2033) view of the social economy as ‘centred around the provision of social and welfare services by the not-for-profit sector.’ It follows that ‘social economy organizations are understood to represent a break from the ‘binary choices’ of


conventional socioeconomic strategies that present market and state as mutually exclusive spheres of economic growth and regeneration’. It is worth underlining that the paper will follow this definition in its understanding of Québec’s social economy policies, even if what the Québec government ends up defining as ‘social economy policy’ refers to only a subsection of this field.

The rise in policy interest in the social economy is widely recognized as a response to the rise of unemployment and poverty accompanying neoliberalism, as well as an increase in the diversity of life courses that allow an increasing number of excluded to fall through the cracks of standardized and bureaucratized welfare state services.

The social economy is presented as a holistic solution to these problems: it encourages collective self-help and capacity building through socially useful production; it enhances democracy and participation through the decentralization of policy to local communities and through the joint construction of supply and demand between users and providers; and it creates employment by responding to unmet needs.

While there is a utopian strain in social economy thinking, similar to certain ideologies of the early cooperative movement, Amin et al. rightly classify its use in policy discourses as ‘part of a new

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governmentality that seeks to defuse and control proposals for radical change rather than becoming a conduit for promoting such change.  

While the third sector can be seen as a new governmentality being rolled out under neoliberalism, there is a good deal of national variation in how it is conceptualized and operationalized in public policy. Hudson, for instance, distinguishes between policies adopted in the UK and by a number of continental states that create intermediate labour markets as a means of reinserting the unemployed into the formal labour market (albeit often in the nether regions), and the policies adopted by Scandinavian states that attempt to make the social economy into a complement to the mainstream economy. In this latter case, policies create demand (often via subsidization) for socially necessary work carried out by those who would otherwise be unemployed. This sort of distinction maps loosely onto the marketization/flanking difference drawn earlier, but I wish to clarify the distinction for what follows. There are at least two common strands of policy that fit within the marketization category. The first of these is the emphasis on social enterprise development and social entrepreneurship. In this vision, seen for instance in the European Commission’s report on tailor-made jobs, the role of public policy is to support social entrepreneurs seeking to develop new markets in personal and care services. This approach involves extending and adapting traditional small business development policies to the social realm. There is a hope that this will allow social entrepreneurs to mobilize otherwise untapped resources (such as voluntarism), and in the process meet

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26 Amin et al., Placing, p. 29.
social needs that are too expensive for public provision, and unprofitable for for-profit provision. This position has also been emphasized in a number of OECD publications.28

In addition to this ‘entrepreneurial’ social economy, the marketization approach can also be seen in the contracting out of public service delivery. In this context, public policy is used to create a new regulatory framework to impose market-like discipline on providers, through various forms of regulation and control. In this context, social economy organizations are chosen to provide services because they reduce the transaction and control costs of privatization. The partial convergence of aims between non-profits and public authorities allows for the development of trust in contractual relations.29 This form of marketization results in an instrumentalization of social economy organizations, and there is no shortage of studies of how such approaches transform these organizations by emptying out their participatory and advocacy roles in favour of professionalization and service delivery.30 Indeed, this professionalization is precisely one of the goals sought by the OECD, in order to increase productivity and efficiency.31

As this suggests, the marketization response is a complex one, because even as it mobilizes community resources to deal with exclusion, it also threatens to exhaust those resources by squeezing the participatory and democratic impulses behind their creation.

29 Borzaga and Santuari, pp. 47-48; Ascoli and Ranci, pp. 235-37.
31 OECD, Social Enterprises, p. 58.
This has led some jurisdictions to experiment with what might be termed flanking policies. One policy in this vein involves the development of compacts between the state and the civil society organizations. These compacts seek to recognize and partially institutionalize the autonomy of social economy organizations by providing them with greater voice in policy development and implementation, and through funding schemes that recognize that their mandate extends beyond the service-provision roles sought by the state. With contracting and compacting, the line between marketization and flanking is blurry, as the real sphere of autonomy depends on the details of funding agreements, representation in policy-making, and indeed the character of state-organization relationships at the implementation level. In addition, we could treat as a flanking response state policies that seek to generalize and institutionalize particular social innovations, particularly in services to people. The idea here is of the state investing in community action to create quasi-universal services, albeit ones retaining a degree of community governance absent from most post-war universal social programmes. Here again, the line between marketization and flanking is a blur as this could take the form of co-opting community action, so attention to detail remains essential.

*The Social Economy in Québec*

Uitermark’s suggestion that we need to look at the bottom-up origins of many new policies is vindicated in the case of Québec’s social economy. While the economic recession of the 1980s speeded the shift in the centre of gravity of Québec’s community

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movement from mobilizing political demands to providing autonomous services, it was only in the 1990s that the term ‘social economy’ entered the policy lexicon. While the term was in limited circulation at the beginning of the decade, for instance in a union federation’s reflection document, the 1995 Women’s March Against Poverty is generally credited with putting it onto the policy agenda. In its original form, it appeared as part of a broader demand for public investment in ‘social infrastructures’. The idea was to mimic traditional public-works programmes, with the twist that monies be spent to recognize and consolidate a range of female-dominated jobs in the community sector, and particularly those involved in providing services to those in need. This demand was situated in the realm of flanking mechanism in the sense that it posed the issue of reducing poverty through the recognition and support of a new realm of quasi-public services. It nevertheless pushed beyond flanking at a number of points to more directly challenge neoliberalism. Implicit in the social infrastructures demand was the idea of placing meeting needs above the competitive imperative. More substantially, the idea of social infrastructures emerged from debates within the women’s and community movements about work and autonomy. The introduction of a proto-workfare programme in the late 1980s had created an ‘employability carrousel’ where recipients moved from assistance to various subsidized employment programmes and back to assistance, and led many women’s groups to complexify their demands concerning the labour market beyond those of access to work, training and non-standard occupations. One important element of the social infrastructures demand was precisely to convert existing employability placements into permanent, lasting, quality jobs. The social infrastructures demand thus sought not only to strengthen services for those in need, but also to
participate in a generalized re-regulation of the labour market in terms of higher minimum wages, pay equity, and improved labour standards.\textsuperscript{34}

The issue of social economy moved into official discourse as the government responded to the 1995 March by creating a committee on the social economy (COCES) drawn from women’s organizations and various government departments. The use of the term ‘social economy’ rather than ‘social infrastructures’ represented a slippage, but the women’s organizations around the March were motivated to occupy whatever spaces opened in response to their demands, even if these spaces were not constructed entirely in their terms. Relations within the committee were nevertheless strained, as the government had a narrower vision of the social economy, looking for projects that might become self-financing over a relatively short period. There were also difficulties in maintaining a shared vision among the women’s representatives, as those from provincial organizations were more strongly attached to the social infrastructures view and sought to win minimum guarantees around pay and labour standards, while those drawn from the regions were more aligned with the state’s priorities and willing to discuss concrete projects.\textsuperscript{35}

At the same time as the committee was deliberating, the Québec government convoked two summits on public finances and employment in order to forge a social consensus on eliminating the government’s deficit and on tackling stubbornly high levels of unemployment. The first summit, held in March 1996, struck a series of working

\textsuperscript{34} Interview with a former director of a provincial women’s organization, Montréal, April 11, 2005; Françoise David and Louise Marcoux, \textit{Du pain et des roses: cahier des revendications et guide d’animation} (Montréal: Marche des femmes contre la pauvreté, 1995), pp. 3-6.

\textsuperscript{35} Interview with a former director of a provincial women’s organization, Montréal, April 11, 2005. For a discussion of the tense debates of 1996-1998 between the government, women’s groups and social economy promoters, see Denyse Côté, ‘Le débat québécois sur l’économie sociale: “Mais que sont nos politiques devenues?”’ in Dominique Masson (ed.) \textit{Femmes et politiques: L’État en mutation} (Ottawa: Presses de l’Université d’Ottawa, 2005).
groups to report back to the October 1996 summit with plans for creating employment. The community representatives at the summit managed to secure a working group on the social economy. The working group was composed of actors from many sectors, including leading businessmen, and proposed a version of the social economy that was far more entrepreneurial in outlook. Indeed, in part to secure political buy-in by the Québec Premier, the head of the work group developed a partnership approach reminiscent of her experiences in community economic development councils. In the process, many of the demands being formulated by women’s representatives in the more political forum of the COCES were bypassed.  

While the group’s report took up some of the women’s concerns over wages, working conditions, and protecting public sector jobs, its main emphasis was to suggest a portfolio of concrete projects that could immediately create jobs and meet needs provided public funding were made available. This report redefined the social economy for policy-making purposes, eclipsing the discussions and the report of the COCES. The working group, reconstituted after the summit as an independent entity called the Chantier de l’économie sociale, became the key interlocutor for the state in pursuing this entrepreneurial approach.

**The Official Social Economy: Social Enterprise Development**

The result, at least at the level of policies labelled as ‘social economy’ by the state, was a strong emphasis on marketization strategies. This did not take the form of moving social assistance recipients into the lower-end of the labour market, which Hudson associates with many liberalized political economies. Indeed, if the Chantier’s emphasis on entrepreneurship effectively closed down the idea of social infrastructures, it

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36 Interviews with an official of the Chantier de l’économie sociale, Montréal, March 8, 2005, and with a former director of a provincial women’s organization, Montréal, April 11, 2005.

also moved debate away from workfare, despite the intentions of the provincial ministry responsible for social assistance. Following from the consensus at the 1996 summits, policies labelled as ‘social economy’ revolved around projects proposed by social entrepreneurs that had a reasonable capacity to become self-financing. This was also the logic of the regional social economy committees created in the wake of the 1995 Women’s March, and of social economy policies developed within the then Ministry of the Regions. These policies were not without controversies as the state differed with regional women’s representatives and the Chantier over expectations of government support, of levels of self-financing, and of reasonable wages and work conditions. They also ran into difficulties as officials in the regional development councils had difficulty making sense of the social economy, and thus of promoting or providing suitable technical assistance to projects.

This social enterprise orientation could be seen in the government’s 1998 industrial policy document, which portrayed the social economy as a flanking mechanism. It argued that the social economy serves as a necessary complement to Québec’s competitiveness strategy, looking after those unable to find work in high productivity export sectors. It ensures that the province’s cutting edge economic policy also reproduces solidarity and social cohesion. However, with solidarity and social cohesion largely defined as working to ensure everyone is in the labour market, it is perhaps not surprising that the government’s policy goal was to consolidate the ‘virage

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38 Interview with a former director of a provincial women’s organization, Montréal, April 11, 2005.
entrepreneurial’ in order to support job creation. Proposed policy tools included increased access to financing for individual initiatives, as well as a series of tax credits for homecare users in order to create a quasi-market for services.\textsuperscript{41} The degree to which these measures departed from traditional small business development measures was often slim, particularly given bureaucratic resistance. For instance, the Chantier was disappointed by a 2001 capitalization initiative that was neutralized by being placed into an investment agency that ran a very ‘straight’ loan programme.\textsuperscript{42}

This tendency was confirmed by the social economy strategy included in the 2003 provincial budget. This strategy was never officially adopted, as the government presenting it lost the subsequent election, but it nevertheless telegraphs how the state conceived of the social economy. It is worth noting that the document was drafted in close consultation with the Chantier sur l’économie sociale, and was largely consistent with their aims.\textsuperscript{43} The document underlined how the government supported the entrepreneurial trajectory taken by the sector in the sense of adopting or adapting the business practices of the most successful firms and of increasing their financial autonomy by collecting a significant share of autonomous revenues from the private or public sector.\textsuperscript{44} The policy instruments that flowed from this vision were those of providing financing and expertise to social entrepreneurs, analogous to traditional small business

\textsuperscript{41} Ministère des Finances, \textit{Québec objectif emploi}, pp. 158-160.
\textsuperscript{42} Interview with an official of the Chantier de l’économie sociale, Montréal, March 8, 2005.
\textsuperscript{43} Interview with an official of the Chantier de l’économie sociale, Montréal, March 8, 2005. See also Chantier de l’économie sociale, \textit{De nouveau, nous osons: Document de positionnement stratégique} (Montréal: Le Chantier, 2001).
\textsuperscript{44} Ministère des Finances, \textit{Vers le plein emploi – Volet économie sociale} (Québec: Ministère des Finances, 2003), p. 23.
development policies. A preferential purchasing policy was also proposed in order to help these firms develop markets.\textsuperscript{45}

After some initial hesitation, the new government elected in 2003 largely followed these steps, albeit giving the sector a much lower public profile.\textsuperscript{46} Responsibility for social economy policy has moved from the Finance Ministry to the Industry and Regional Development Ministry, but this seems simply to have re-affirmed the general entrepreneurial direction noted above.

\textit{Community Organizations and Autonomous Community Action}

While the state’s use of the social economy increasingly referred to social enterprises, in popular usage the term initially also applied to community organizations that sought to fulfil unmet needs. At the time of the Women’s March and the 1996 Summits, an important issue was the increased recourse to contracting with community organizations within the context of the province’s ambulatory health care reform. The issue here has often been posed as a continuum between autonomy and complementarity, depending on the extent to which organizations define their orientations, as opposed to being integrated into a continuum of services offered by the state in a logic of increasing the efficiency and functionality of health and social services delivery. At the complementary pole, the community sector risks simply promoting ‘a cooler, less authoritarian management of the social’, stripped of any identifying community features.\textsuperscript{47} A large qualitative study of community organizations revealed that

\textsuperscript{45} Ministère des Finances, \textit{Vers le plein emploi}, p.40.
ambulatory care reform placed significant pressure on community practices. Beyond certain tendencies to professionalization and institutionalization, the report identified a number of worrying trends related to external pressures. For instance, the weight of managing a partnership with the state changed the use of time, increased specialization, and created knowledge cleavages within organizations. It also led to changes in languages and approaches, as these became glued to institutional norms and thereby moved away from contextual knowledges and the defence of rights. Another tendency was for demands made by funders to further promote the specialization of organizations, with increasing demands for evaluation and accountability requiring the hiring of employees with more credentials. In the process, the ability of the community sector to serve as a space for citizenship and experimentation, to say nothing of advocacy, declined. These results were similar to earlier studies, albeit somewhat more nuanced in terms of recognizing the capacity of the sector to negotiate with the state, and underlining how bigger and more institutionalized organizations often remained very involved in collective action for protecting rights.

The extent to which this is a marketization strategy should not be overstated, however. While policies remade community organizations around a professionalized model and circumscribed spaces of democracy and participation, they never adopted the model of competitive bidding between non-profits, to say nothing of encouraging the competition between nonprofits and for-profits, that occurred under the neoliberal provincial government in neighbouring Ontario during this same period. In many ways,

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48 René et al., pp. 188-192, 197-98.
49 Regroupement intersectoriel des organismes communautaires de Montréal, _Leur équilibre, notre déséquilibre_ (Montréal : RIOCM, 1998); Association féminine d’éducation et d’action sociale, _Who Will Be Responsible for Providing Care? The Impact of the Shift to Ambulatory Care and of Social Economy Policies on Quebec Women_ (Ottawa: Status of Women Canada, 1998).
this policy was reminiscent of a flanking mechanism, as the government attempted to create a basin of stable and professional organizations that could competently manage work previously done within public establishments. Funding was nevertheless inadequate to fully backfill the reduction of institutional care in this period, such that increased use of the social economy occurred in parallel with the increase of out-of-pocket expenditure on health care.\(^{50}\)

In addition, while the ambulatory care reform placed significant pressures on community organizations, the latter had never been better organized to shape change through a comprehensive network of provincial federations organized on both sectoral and geographical bases.\(^{51}\) They could also make use of their leverage with the party in power up to 2003, which had made increased recognition of autonomous community action part of its platform. The result in this case was a framework policy setting out how the state was to relate to community organizations, and describing mechanisms for providing them with core funding. The policy was not without its detractors, who felt it instrumentalized the sector in the pursuit of state aims. Yet it was generally embraced for its recognition of the importance of the autonomous political and advocacy roles of the sector, and for providing recurrent core funding. It was felt that this might allow for a renewal of the participatory practices that are sidelined when organizations are heavily reliant on programme specific funding and contracts.

The move to recognize autonomous community action hived this sector off from the state’s official social economy policies. Community action came to be portrayed as ‘social’ and was emptied of the ‘economic’ content that the women’s organizations had


attempted to underline with the social infrastructures concept. This result is very much in keeping with Martine D’Amours reading of Québec’s social economy policy, whereby the social economy tag was over time relegated to this entrepreneurial stream, while separate policies were elaborated for increasing the international competitiveness of cooperatives and for supporting autonomous community action. In other words, the more social economy rose as a government priority, the more it was defined narrowly around the form of a firm, for which limited state support may be given to help make markets.52

The exception to this two-track tendency in the broader health and social services system was the government policy encouraging the creation of a network of just over one hundred (103) non-profit home care firms to do light house-keeping for the frail elderly and the disabled. It provided a significant subsidy to individuals making use of one of these firms, in part justified on the basis that these firms would train and employ a number of former social assistance recipients. This was more clearly a case of market-making, as the government’s regulations about what work these firms could perform coupled with the levels of subsidy heavily structured the operation of the firms including their pay and working conditions. In the short-run, this programme was for some the crown jewel of the social economy, since it led to the rapid creation of 5,000 jobs in the sector. However, these jobs remained among the worst paid within the social economy, at $9 per hour for production workers (compared to a sector average of roughly $11).53

In addition, the firms have had a difficult time developing demand outside of the subsidy

programme, even as certain start-up funding programmes have come to an end. A study of the financial statements of the 103 firms’ 2002-2003 financial statements revealed that 21 were in major difficulty, 24 were in difficulty, as compared to 26 that could be said to be in good financial health. Solutions suggested by the study included increasing the hourly rate charged, reducing service costs, and re-evaluating the relative pertinence of service provision as compared to training social assistance recipients. All of these suggestions involve a thinning of the social outcomes of the organizations in order to retain their financial viability within the existing system of quasi markets.

*Social Infrastructures Revisited: Child Care*

The perverse aspect of this, however, was that in terms of spending, and indeed of employment, Québec’s child-care programme was the crown jewel of the social economy. The government’s own figures show that child care centres alone consumed roughly $1B of the $1.2B the government spent on social economy in 2002-2003, and represented 9,000 of the 44,000 jobs in the sector (64,000 if cooperatives are included). This was perverse, because the policy instruments in this latter case looked very little like the emphasis on entrepreneurship seen in the official policy. Instead, state intervention and funding ensured the extension of a particular model of universal and affordable child care services, delivered by non-profit organizations. Much about the policy was reminiscent of earlier universal social programmes, but it was linked with neoliberal purposes as it was tied to social assistance reform that pushed mothers of young children into the paid labour market. While the emphasis on the social economy did not necessarily impede the development of the child care policy, it was scarcely a central

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contributor. The real driver was a coalition of women’s organizations, femocrats, family policy advocates and demographers, building on existing structures of child care subsidization and provision. White makes the similar point that while the government’s definition of the social economy has been progressively narrowed, the real growth of provision and employment has been in community organizations financed through social programs. Beyond the childcare example, she notes the cases of homecare, mental health, and employability programmes targeted at groups like the disabled. In other words, the development of the sector has proceeded from the development of other social policies, each with their own logic, wherein nonprofits come to the fore as the preferred agents of delivery.

In the case of child care, the result evokes the social infrastructures demand, in the sense that state subsidization serves to consolidate jobs and services meeting social needs. Furthermore, the institutionalization of a universal programme has permitted the development of collective bargaining, and hence the upgrading of wages, working conditions, and access to skilling. As such, it participates in the re-regulation of the labour market, and the recognition of care work.

The child care programme is regularly trotted out both by the state and by the Chantier as a social economy success story, even as they emphasize social enterprise development as the policy formula. There might be some logic to these claims, in the sense that many childcares started out as isolated social innovations, funded through

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57 White, p. 135.
58 Jenson, ‘Against the Current’. Collective bargaining long pre-existed the universalization of the programme in the late 1990s, but even in the 1980s it relied on the structures of state financial support to build negotiating strength and leverage.
federal government community programmes in the early 1970s. These innovations required a quarter century of incremental development to attain their current stage. It nevertheless remains that the consolidation of these services required a policy framework with a conception of universality and infrastructure building, rather than one based on developing financing and expertise tools to support individual projects of social entrepreneurship.

DISCUSSION

The brief outline of the development of the social economy in Québec uncovers the great variety of policies being rolled out to respond to the shortcomings of neoliberalism and to the diverse development projects of community actors. There is evidence of policies following the marketization path (e.g. development of social enterprise), of policies tending more towards flanking (e.g. child care), and of policies skirting both (offloading care services to the community sector, yet with recognition of autonomous community action and without the competitive bidding processes seen in neighbouring Ontario). In terms of the marketization/flanking distinction, these results suggest that it is mainly the flanking approaches that make an aggregate impact on social exclusion. What state actors call ‘social economy’ remains a marginal budget item and source of employment, regardless of the important concrete impact it can have in particular localities. In health and social services, the partial instrumentalization of the sector through privatization has been somewhat counterbalanced by alternative means of recognition and financing through the policy on autonomous community action. Finally, the budgetary and employment weight of child care is directly related to a policy logic of
creating a universal social programme, as opposed to equipping social entrepreneurs to make markets out the need for such a service.

The apparent need to step back from marketization if these policies are to have an impact on reining in social exclusion, raises the issue of politicization within flanking strategies. Once social provision is pulled out of a market logic and is more visibly linked to other logics, the capacity to contain social demands is somewhat reduced. When state intervention moves from the individualizing emphases of quasi-markets or of developing social enterprises to efforts to create a network of services across the political jurisdiction, it is easier to then raise debates about the pay and working conditions of those doing the work, and the relative importance of meeting needs as opposed to focussing on the competitive needs of firms. In short, there is a possibility of having a broader debate about social citizenship, taxes, services, and the conditions in which care work is performed that goes beyond individualizing and marketizing solutions, or of how best to adjust society in order to underwrite economic competitiveness. In short, flanking mechanisms slowly open the door to a new debate about universal programmes and social rights, albeit in a complex governance environment including non-state organizations in the third sector. At the limit, the recourse to social economy policies may contribute to the democratization of the state, if certain principles of user and employee participation that are purportedly central to third-sector organizations are conserved even as universal services like child care are delivered in a new manner, or as learning occurs across the state/third sector interface.59

Of course, the possibility of debates pushing the limits of neoliberalism does not automatically translate into their actuality. One cannot ignore the continued salience of neoliberal ideologies about the relative efficiency of market incentives, and related anti-tax, anti-public service discourses. Nor can one ignore the persistence of gender ideologies that challenge the extension of public provision in the sphere of personal care services, and undervalue the work involved. In the Québec case, it is really only in the realm of child care that the questions of wages and skill have had much traction. It is perhaps in part for this reason that the right of centre Liberal government elected in 2003 initially proposed to open the programme to new private providers and to move the parental contribution from a flat rate ($5 per day at the time) to an income-tested contribution. These moves might have unsettled a bargaining dynamic where both the broader population and the community boards running the child care centres had largely backed the centres’ employees in their negotiations with the state. Income testing and private providers may well have weakened the strength of support behind demands for higher wages, by changing the calculus of who would bear the costs.\textsuperscript{60} In the end, the government was forced to back down in the face of public pressure, and to replace the proposed income-testing with an across the board $2 per day increase in the parental contribution.

CONCLUSION

This paper has taken up the debates about new directions in social policy, and the attempts to relate these new directions to the preceding period. More specifically, it has

\textsuperscript{60} This point is made as a conjecture, rather than as a claim backed with evidence.
worked within the roll-back/roll-out neoliberalism approach, which places these new directions within a broader and uneven process of neoliberalization, whereby new institutions and governmentalities are developed to respond to the shortcomings and dislocations of earlier phases of neoliberalism. In recognition of the critiques made of the high level of abstraction used in the approach, as well as its somewhat underwhelming application in empirical studies, this paper has attempted to apply it to one policy area, namely the social economy, in one political jurisdiction, namely Québec.

The various policies dealing with the social economy each in their own way related to shoring up or deepening neoliberalism in Québec. The formal social economy policy sought to provide social cohesion for those excluded in the wake of international economic competition, while the child care policy was in its way related to a workfarist reform of social assistance, and relations with community groups tied to a budget-cutting ambulatory care reform. However, the term roll-out was too all-encompassing to allow for an adequate appreciation of the varied approaches and institutions on offer. As a tentative cut, this paper sought to distinguish between ‘marketization’ strategies that pushed market and quasi-market mechanisms ever deeper in the life-world, and ‘flanking mechanisms’ that attempted to stabilize neoliberalism through the use of non-market mechanisms at the margins. This distinction itself may be too coarse-grained, but it does raise questions about the potential of marketization strategies to stabilize and consolidate neoliberalism, since these strategies appear to have difficulties in generating aggregate effects in terms of creating employment or providing services. This certainly seemed to be the case for what successive Quebec government termed ‘social economy’ policies. By contrast, certain flanking approaches, such as child care, appear to have a broader
aggregate impact. However, in bringing about a far more visible political determination in the social distribution of resources, these policies may encourage a re-politicization of social provision and lead to renewed demands on the state reminiscent of social citizenship claims based on universal services. Indeed, one benefit of this limited case study is to again stress the necessity of empirical work within the roll-back/roll-out approach, since it uncovers a series of tensions and places of agency largely lacking from the more abstract expositions of the theory.

Nevertheless, the roll-back/roll-out approach maintains its use in its reminder of the need for restraint in treating the transformative potential of these broader debates. Clearly, the development of flanking mechanisms provides opportunities for equality-seeking actors to make a difference within neoliberalism and to begin to develop bases for alternatives to neoliberalism. These mechanisms nevertheless fail to directly challenge important aspects of neoliberalism as a form of social rule, particularly in its international dimensions that set issues of development within a context of intense competition. Flanking mechanisms at the level of the domestic social policy remain part of a roll-out neoliberalism, at least until they are coupled to additional flanking mechanisms in the global economy that might allow for a greater diversity of national and local developmental paths.