

**Down with Elites and Up with Inequality:  
Market populism in Australia and Canada**

Marian Sawer,  
Australian National University

David Laycock,  
Simon Fraser University

for presentation to the 2007 meetings of the  
Canadian Political Science Association  
University of Saskatchewan,  
Saskatoon, June 1, 2007

## **Down with Elites and Up with Inequality: Market populism in Australia and Canada<sup>1</sup>**

Australian and Canadian politics have been the subject of fruitful comparative analysis of the evolution and dynamics of their federal systems, their electoral systems and their treatment of Indigenous peoples. There has been far less comparative analysis of Canadian and Australian political discourse. This deficiency is particularly notable now that the two countries have federal governments voicing strikingly similar themes. The time seems ripe for an inquiry into the distinctive yet comparable features of the two countries' versions of "market populism." Our paper is a contribution to such comparative analysis.

We conceive market populism as a flexible and potentially powerful variant of populist ideology that has its origins in the United States but has become increasingly influential in countries such as Australia, Canada and New Zealand over the past 20 years. Like all populism, market populism provides a view of society as divided between elites and "ordinary people" and seeks to mobilize the latter against the former (Canovan, 2002). But while market populism deploys the traditional semantic grammar of populism, the target has shifted from financial elites to the welfare state elites and special interests responsible for big government at the expense of taxpayers.

With policy emphases on economic liberalization and welfare state downsizing, market populism differs from other forms of current right-wing populism, most of which feature some combination of economic nationalism, selective elements of cultural conservatism and xenophobia (Mudde, 2007). But differences among right-wing parties and movements utilizing populist discourse are a matter of degree and sometimes strategy, not absolute. Some elements of market populist discourse may come to the fore in the search for political power and be pushed into the background once government has been secured.

Our conceptualization of market populism is distinct from that of Thomas Frank, who coined the term when examining the re-framing of democracy in public life and popular culture in late 20<sup>th</sup> century America. Frank argues that through this reframing, entrepreneurs and corporate leaders became democratic heroes and the marketplace replaced politics as the instrument of the popular will (Frank, 2000a; 2000b). He presents the central premise of market populism as follows:

...in addition to being mediums of exchange, markets are mediums of consent. With their mechanisms of supply and demand, poll and focus group, superstore and Internet, markets manage to express

---

<sup>1</sup> We would like to thank Natalie Brown and David Petroziello, both Political Science students at Simon Fraser University, for their excellent research assistance and the Canadian Government for the Canadian Studies Award that brought Marian Sawer to Canada to work on this project.

the popular will more articulately and meaningfully than do mere elections. By their very nature markets confer democratic legitimacy, bring down the pompous and the snooty, look out for the interests of the little guy, and give us what we want. ... [In 1990s America] these ideas came together into a new orthodoxy that anathematized all alternative ways of understanding democracy, history and the rest of the world. (Frank, 2000b: 1)

This portrayal of a changed democratic narrative offers compelling insights into the power of populist appeals to legitimize enhanced corporate power and deepening social inequality. But rather than adopt the idea of market populism as a mega-conceptual short-hand for overlapping transformations in political communications, party competition and corporate colonization of popular culture, we wish to adapt the concept for more modest and analytically precise purposes. We propose that when more clearly linked to the political sphere, a conceptualization of market populism can aid an assessment of ideological dynamics in countries where the impact of American political/cultural and discursive shifts is keenly felt. The Canadian and Australian polities lend themselves to this type of assessment.

One obvious rejoinder to the application of the market populist label is that populist discourse is not matched by the practice of Australian and Canadian governments that keep tight control over power and information. However, market populism incorporates the idea that its practitioners use populist discourse as a calculated strategy for achieving larger political and economic ends, which do not include the democratizing of power or information. In this sense it shares some key characteristics with what Canovan referred to as “politicians’ populism” (Canovan, 1981: Ch. 7) or to what has been referred to elsewhere as “insider populism” (Sawer and Hindess, 2004). So the sidelining of parliamentary process or the press gallery is of a piece with a distrust of elites and of representation that market populism fosters. Preferring to appear on favoured talk-back radio shows rather than holding press conferences, or foreclosing the work of parliamentary committees that insist on holding government to account (Hamilton and Maddison, 2007; Clark, 2007) reinforces the view that government should not be held back by latte elites who do not share the real concerns of taxpayer citizens.

This paper begins with a brief discussion of how resentment of “elites” has been mobilized in two different national contexts and how a discourse that comes from “outside” is successfully indigenized. This includes a quick review of the main vectors of market populism in Australia and Canada, including think tanks, political parties and media conglomerates. The remainder of the paper considers

evidence from Australian and English Canadian<sup>2</sup> application of three central propositions of market populism:

1. Market activity is the purest form of democratic choice, and the market itself as the only system through which people can make choices without interference from 'social engineers' (Frank, 2000a). Institutions and policies that reduce the scope of markets are inherently undemocratic, and contrary to popular sovereignty and hence to the real will of the people (Laycock, 2005).
2. The welfare state is a project of elites, including a cluster of rent-seeking special interests that share vested interests in public spending and a barely disguised contempt for popular preferences (Sawer and Hindess 2004; Johnson, Patten and Betz, 2005; Laycock, 2001). The public spending and market regulation sought by these groups are contrary to the interests of citizens as besieged taxpayers and seekers of freedom through market choice.
3. Intermediary institutions such as courts and tribunals are strongholds of non-elected elites who distrust and over-ride popular opinion. These non-elected elites promote jurisprudence that constructs equal opportunity as requiring recognition and accommodation of group difference rather than same treatment.

Our evidence will be drawn from the discourse of the Howard government (1996–2007) in Australia, and associated think tanks and media supporters, and from a brief sampling of Conservative party and government arguments in Canada since 2004. We are not seeking all or nothing verdicts in these assessments, nor do we wish to suggest that market populism is the only important feature in the ideological makeup of these parties and governments. Rather, our intention is to suggest how an inquiry through the analytical lens of market populism can shed useful comparative light on political shifts and orientations to governance.

### **The rise of market populism in Canada and Australia**

The establishment of the Fraser Institute in Canada in 1974 and the Centre for Independent Studies in Australia in 1976 signaled a quickening promotion of market liberalism. The apparent failure of traditional Keynesian remedies to deal with economic downturn created opportunities that free-market think tanks were quick to grasp, with increasing success and in conjunction with sympathetic media conglomerates like Rupert Murdoch's and Conrad Black's. New Right political forces in both countries presented largely Hayekian liberal ideas in more popular forms, often in combination with neo-conservative rhetoric concerning family and nation (Sawer, 1982; Laycock, 2001).

---

<sup>2</sup> For some initial clues to Mario Dumont's Action Democratique du Québec's market populist leanings, see <http://www.adq.qc.ca/programme>

Meanwhile an even more dynamic mix was emerging in the United States, which spoke even more directly to insecurity and resentment generated by rapid economic and social change and the pressures of “globalization.” We now refer to this mix as market populism — a discourse that identified who was responsible for the current state of affairs and channelled resentment towards these newly identified “elites”. In Australia, although not in Canada, the quasi-Marxist concept of the “new class” developed by Daniel Bell, Irving Kristol and other American neo-Conservatives became one way of describing the university-educated elite that had emerged from the social movements of the 1960s. This new class was alleged to speak a language of public interest and equal opportunity while securing for itself well-paid public sector jobs (Dymond 2004). It owned cultural capital and shared a class interest in maximising redistribution from taxpayers.

One theme that became increasingly important in the structure of market populist discourse was the attribution to the new class of contempt for ordinary people and their values (Lasch, 1995). This contempt was expressed through the new class’s cosmopolitanism and its imposition of “political correctness” inspired by feminism, environmentalism, multiculturalism and Indigenous rights movements. For example, in Australia new class contempt for mainstream values was allegedly expressed through “black-armband history”, which contended that Australians should apologise for the past treatment of Indigenous people.

The idea of a new class that despised ordinary Australians and imposed political correctness on them, while spending their taxes and selling out the national interest, was central to *Pauline Hanson: The Truth*. This book was published when Pauline Hanson’s One Nation party was launched in Australia (1997). This party acted as a lightning rod for resentment over a range of issues from Indigenous rights to immigration, family law and gun control. For Hanson and her supporters, the preceding Labor government had pandered to multiculturalists and to feminist influence over family law and child support, and had sold out Australian national interests through free-trade policies. Internal problems (and unsympathetic treatment of One Nation’s “old populist” attacks on free trade and competition policy) led to the party’s demise. Many of its populist themes, and even its policies concerning asylum seekers and the treatment of Indigenous peoples, were picked up by Liberal Leader John Howard.

In Canada, anti-elite discourse has had fewer “new class” elements, and has generally avoided linking ownership of cultural capital to class and class exploitation. The rise of the populist Reform Party in the 1990s was linked to Western Canadian resentment of official bilingualism and of proposed Constitutional recognition of Quebec as a distinct society. Like Pauline Hanson’s One Nation, Reform also took credit for rupturing an existing party consensus on multiculturalism and immigration (Kirkham 1998). As in Australia, multiculturalism was framed as state-fostered special interest politics that encouraged ghettoization of distinct communities outside the “mainstream”. In both countries

populist parties emphasized draconian action against ‘illegal entrants’, while seeking to limit family reunification and promote business migration.

Canadian and Australian variants of market populism have a shared account of the “special interests” associated with new class or welfare state elites. Derived ultimately from public choice theory, this narrative suggests that social movement organisations in both countries were motivated by self-interest rather than the public interest. These “special interests” colluded to expand budgets at the expense of taxpayers, and were best understood as rent-seekers, looking for returns from the public sector that they could not obtain through the market. Free-market think tanks in Australia and Canada specialized in public choice analyses of “special interests”, portraying, for example, environmental groups as exaggerating environmental threats so as to increase research budgets and government regulation at the expense of business. Equality-seekers were also unmasked as rent-seekers, more interested in equality agency jobs than real equality (Sawer, 2007). Feminist groups, ethnic groups, official language minorities and unions all became special interest groups. As a 1992 Reform party pamphlet put it: “in Ottawa, every special interest group counts except one, Canadians” (Laycock, 2002: 61).

### **Vectors of market populism in Australia and Canada**

While the way had been prepared by free-market think tanks, market populism obtained impetus in Australia with John Howard’s election as Prime Minister. Many interpreted Howard’s victory in his own terms, as a defeat for the feminists, multiculturalists and Aboriginal advocates (Sawer, 1997). In a headland lecture before winning government, Howard had claimed that under Labor a new class bureaucracy had taken over. “Mainstream” Australians felt powerless to compete with the noisy vested interest groups that had come to dominate decision-making. His goal was to reverse this trend and institute government for the mainstream (Howard, 1995).

Part of governing for the mainstream involved the Howard government demonstratively turning its back on non-Government organizations (NGOs). Public support for NGO advocacy was now regarded as giving undue access to elites and special interests at the expense of the mainstream. Prime Minister Howard promised that his new government would be “owned by no special interests, defending no special privileges and accountable only to the Australian people” (Howard, 1996). He promised to govern, instead “For all of us”. As we mentioned earlier, the rise and fall of a more grass-roots populist party (One Nation) over the late 1990s also left a particular policy legacy to the Howard government.

In Canada populism enjoyed an electoral surge in 1993 when the Reform party opposed the ‘elite-driven’ Charlottetown Accord on constitutional reform. This

enabled Reform to mark itself off from the elites in older parties who were portrayed as conspiring to impose a new Constitutional settlement on the people. Then began a series of party transformations and mergers that eventually resulted in Stephen Harper becoming Leader of a new Conservative Party in 2004. It won (minority) government in 2006 thanks to a scandal in the incumbent Liberal party and government, but it also used a discourse similar to John Howard's ten years earlier, promising to govern for "mainstream" Canadians and accusing other parties of putting special interests' demands ahead ordinary working families' needs for tax cuts. Seconded as an adviser to Harper's campaign, the Federal Director of the Australian Liberal Party, Brian Loughnane, explained how Howard's targeted tax cuts and family tax initiatives had been the secret to his electoral success. In addition to the developments leading to the Conservative Party, regional parties with strong market populist elements emerged in Canada, including the Saskatchewan Party and the Action démocratique québécois.

A Canadian development without a direct parallel in Australia was the key role played by "Calgary School" political scientists in new right party politics and free-market think tanks like the Fraser Institute. In Australia a number of economists have played a prominent role in promoting public choice frames of analysis, but largely via think tanks rather than through direct involvement in party politics. Members of the Calgary School reproduce the main features of US right-wing anti-elite discourse, including a contrast between elite fashions and mainstream traditional values, a campaign against the tyranny of political correctness, and an attack on self-styled equality seekers—feminists, anti-poverty groups, the gay-rights movement, natives and other ethnic and racial minorities.

The role played by Conrad Black/CanWest and Rupert Murdoch in promoting market populism through their newspapers has striking similarities. They have provided similar access to think tanks such as the Fraser Institute in Canada or the Institute of Public Affairs or the Centre for Independent Studies in Australia. The *Australian*, the Murdoch-owned national newspaper has been the major media vector of anti-elite discourse in Australia (Scalmer and Goot, 2004). It not only routinely denounces the opponents of welfare or industrial relations reform as elites and special interests but has also has run numerous editorials denouncing elites (or "the moral middle class") who parade their superiority over ordinary Australians through their concern for moral issues, despite relying on government-effected wealth transfers from the very people they despise (e.g. *Australian* Editorials 29 December 2003; 19 October 2005).

The major role of talk-back radio in Australia presents a striking difference between the vectors of market populism in Australia and Canada. As Prime Minister, Howard made unprecedented use of talk-back radio to communicate to the public, appearing on it every morning. Other media were reduced to reporting on statements the Prime Minister had made to sympathetic talk-back radio hosts. In this way he evaded the more critical and well-informed press gallery

journalists. Talk-back radio rather than Parliament or press conferences became the forum for important political statements. It was the ideal medium for populist politics, ensuring unmediated communication between leaders and the people. In his keynote speech as new chair of the International Democratic Union, Howard stressed the tremendous importance of talk-back radio in his electoral success in Australia and of reaching around the preponderance of those of “gentle centre left disposition”, in the rest of the media (Howard, 2002).

Talk-back radio in Canada has not attained the importance that it has in Australia as a medium for the transmission of populist politics. One vector of populist discourse in Canada without an equivalent in Australia, however, is the National Citizens' Coalition. Since the late 1960s, the NCC has promoted a libertarian agenda, speaking directly to Canadians through “well-organized, targeted advertising campaigns, using newspaper ads, radio commercials, TV spots, billboards and direct mail” (NCC, 2003). Current Canadian Prime Minister Stephen Harper was President of the NCC from 1998–2002.

### **The market as democratic choice**

Market populism works to present market activity as the purest form of democratic choice, and the market as the system through which the people can most thoroughly trust their will to be rationally expressed. Political institutional and policy change that gives more people more access to more forms of choice in more aspects of their lives are thus democratic changes; institutions and policies that reduce the scope of markets in public and personal choices are inherently undemocratic, and contrary to the will of the people.

Evidence for the presence of this element of market populism in the “new Government of Canada” is mixed but tends towards confirmation. Perhaps the most bizarre evidence is found in the government's recent campaign to de-legitimize the Canadian Wheat Board and provide “choice” within the marketplace to Canadian farmers.<sup>3</sup> A prominent Calgary Fraser Institute complaint (Cooper 2002) was converted into federal government policy, complete with the Agriculture Ministry's distribution of an advocacy piece to all CWB permit holders.<sup>4</sup> Barry Cooper's advice to farmers ends with the promise that “Competitive markets can do for the prairie grain industry what they have done wherever they have been allowed to operate: provide enhanced economic returns and sustain political liberty” (Cooper, 2006).

---

<sup>3</sup> [http://www.chuckstrahl.com/view\\_page.php?id=791](http://www.chuckstrahl.com/view_page.php?id=791)

<sup>4</sup> Cooper was one of “three independent specialists in the field ... retained to write a short, objective description of each [plebiscite] question, [to be] provided in the package sent to producers”. See [http://www.agr.gc.ca/cb/index\\_e.php?s1=n&s2=2007&page=n70122](http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2007&page=n70122). The other specialists were Murray Fulton, an Agricultural economist at the University of Saskatchewan, and Rolf Penner, ‘Agricultural Policy Fellow’ at the Fraser Institute-affiliated Frontier Centre for Public Policy in Winnipeg.

Other evidence of the new Canadian government's acceptance of this aspect of market populism comes from another regulatory body. In June 2006, the new Industry Minister had tabled a policy direction calling on the Canadian Radio and Telecommunication Commission to rely on market forces "to the maximum extent feasible" in regulating the sector. Maxime Bernier<sup>5</sup> explained that "[t]he principle of this government is ... to believe in people. People are in a better position to decide what to do with their money ... ." (Yakabuski, 2006: B12-13)

This directive has been recently been passed on by CRTC Chairman Konrad von Finkelstein, who told broadcasters in May 2007 that "[W]e must avoid suffocating the forces of the market. In fact, we must give fuller play to the energy and creativity of market forces. ... There is no doubt that a new wind is blowing. We have a government that is very keen on less regulation, and that has directed us to accept market forces as the default and regulation as the exception." (Robertson, 2007: B1-2)

The federal government has reiterated the democratic significance of markets in major statements, such as the 2006 Speech from the Throne, which explained that Canadians voted for a government "that treats their tax dollars with respect, ... puts ordinary working people and their families first, ... believes that Canadians pay too much in tax, and will promote a more competitive, more productive Canadian economy." (Government of Canada, 2006). The Prime Minister's reply to the Speech underscored these themes (Harper, 2006).

At the Office of the Prime minister's web site, the first line on the "Priorities" link announces that "Prime Minister Stephen Harper and Canada's New Government will continue to get things done for families and taxpayers."<sup>6</sup> This message was reinforced in a *Globe and Mail* Op Ed comment by Tom Flanagan, one week after the 2007 Budget speech. Conservative critics of purported government profligacy were told that because the Budget's major tax breaks supported families, conservatives should offer "praise when the government does deliver something conservatives have demanded for years." (Flanagan, 2007: A13) Harper's targeted tax cuts were similar to the Howard government's family tax initiatives in Australia.

The 2007 federal Budget speech also suggested that market-liberating policy change is fundamentally democratic activity, supporting the interests of non-elites. Finance Minister Jim Flaherty told Canadians that "our Tax Back Guarantee ... will mean ... lower taxes. ... That's our Canada. ... Taxes in Canada are way too high. ... [the] Working Families Tax Plan [made possible] under our Tax Fairness Plan [creates] Tax fairness for everyone. That's our Canada." (Government of Canada, 2007)

---

<sup>5</sup> Before running for the Conservatives, Bernier had been vice-president of the Fraser Institute-affiliated Montreal Economic Institute.

<sup>6</sup> <http://www.pm.gc.ca/eng/feature.asp?featureId=5>

In light of the above, the Conservative Party's "Founding principles" can be seen as more than sops to party activists. An excerpt confirms an enthusiastic endorsement of the "democracy as markets" dimension of market populist discourse. The party believes that:

- ... the best guarantors of the prosperity and well-being of the people of Canada are: the freedom of individual Canadians to pursue their enlightened and legitimate self-interest within a competitive economy; the freedom of individual Canadians to enjoy the fruits of their labour to the greatest possible extent; and, the right to own property;
- ... a responsible government must be fiscally prudent and should be limited to those responsibilities which cannot be discharged reasonably by the individual or others;
- ... it is the responsibility of individuals to provide for themselves, their families and their dependents, while recognizing that government must respond to those who require assistance and compassion;
- ... the purpose of Canada as a nation state and its government, guided by reflective and prudent leadership, is to create a climate wherein individual initiative is rewarded, excellence is pursued, security and privacy of the individual is provided and prosperity is guaranteed by a free competitive market economy. (Conservative Party of Canada, 2007)

### **Market populism vs. the legitimacy of the welfare state**

Building on this idea of markets as effective guides to and often substitutes for democratic citizenship, market populism depicts the welfare state as the project of elites with vested interests in public spending and contempt for popular preferences.

As Thomas Frank has pointed out, Frederick Hayek "provided market populism with some of its basic myths" (Frank, 2000: 35-36). Hayek's *Law, Legislation and Liberty* attacks post-war normative rationales for the welfare state, and condemns a system in which the "tyranny of minorities" extorts expensive state program and policy favours from legislators and bureaucrats. Even if they see this corrupt system for what it is, citizen-taxpayers are powerless to stop it (Hayek, 1976; 1979). But Hayek did not take this story in a populist direction. Happy to inveigh against the "special interests" of an inherently socialist welfare state, and intent on freeing the market from regulatory and redistributive constraints, he showed no real interest in working within a political narrative that pitted "the people" against "elites" or promised to return power to the people.

American conservatives eventually did see the potential of a populist, anti-elitist narrative in a campaign against constraints on markets. And rather than shy away from engagement with liberals and social democrats over the meanings of democracy and equality, these conservatives took the offensive on both fronts. This required an audacious rhetorical move. Those once seen as the tribunes, agents and beneficiaries of democracy and equality—trade unions, social movements, and designers of state-based redistribution—were portrayed as its implacable enemies. Business elites and an unfettered marketplace were re-styled as the agents and field of aspirational equality and democratic promise.

Neither Canada nor Australia has witnessed the flights of entrepreneur-boosting fancy that Frank describes as central to American market populism in the 1990s. Cynicism regarding the objectives of business elites, as well as support for basic state-supported social goods, especially health care, has remained relatively high among Australians and Canadians. The key factor enabling market populism to take off in each country was party leaders willing to exploit economic insecurity, endemic political disenchantment and a new media environment, and able to see that in such conditions the welfare state could be made to appear as the problem, while market-friendly solutions could seem more democratic and consistent with the people's interests than had been true since WWII.

Political luck was also kind to market populism. In Australia, high interest rates under Labor Prime Minister Paul Keating in the early 1990s and a seeming disconnect with fears over the effects of free trade in the Asia Pacific region (APEC) fuelled an election campaign portraying Keating as the captive of special interests, more concerned with issues such as Aboriginal reconciliation, the Republic and the arts than with the welfare of ordinary Australians. The Howard-led Liberal Party promised to be much closer to ordinary Australians because, unlike Labor, they were not the captive of special interests such as the feminist, multicultural and Indigenous rights lobbies. Howard won government by reassuring voters of his policy moderation, promising a return to the security of the past. His 11 years in government have been characterized by similar caution, although he has achieved big-picture changes in terms of tax reform, the deregulation of the labour market and a change in the federal compact to centralize power in the hands of the federal government. While tax incentives have been created to shift people into private health insurance, Medicare has survived more or less intact although there is no longer a federally funded dental health program. Operational subsidies were removed early on from community-based childcare programs, opening the way for a great expansion of for-profit childcare and the emergence of the biggest childcare corporation in the world, 'ABC Learning'.

In the Canadian Conservatives' 2004 federal election campaign we can see hints of the older Reform-style antipathy towards the welfare state, and its partisan and other proponents. Announcing his candidacy for the new Conservative party's leadership, Stephen Harper provided the basic rationale for a major reduction in Canada's welfare state: "To secure our economic future, our federal government

must, first and foremost, aim to make this the lowest taxing country, not the highest spending one.” This would mean “lower taxes for the many, not special subsidies for the few.” He asked his fellow Conservatives to “imagine if, after the next election we had the kind of government that Canada deserves ... [a] country of freedom and rights for ordinary people, taxpayers and families, not just for criminals, political elites and special interests” (Harper, 2004).

Harper’s libertarian populist attack on political elites was echoed in the 2004 Conservative election platform, “Demanding Better,” promising to end “forced taxpayer subsidies of political parties” (Conservative Party of Canada, 2004: 11). But while the 2004 Platform promised to “not establish any new cost-shared programs in areas of provincial jurisdiction unless it has the support of at least seven provinces with 50% of the population,” (15) in other respects the platform was careful to avoid controversial claims. It thus supported the Canada Health Act, a recent First ministers’ Accord on Health Care Renewal, promised to renew health funding to provinces, and to hold all governments accountable to their Health Accord promises (25-27).

Public moderation of the Conservative’s policy agenda, a softening of Stephen Harper and his party’s images, the Conservatives impressive agenda-setting and message control during the 2005-06 campaign, and a supportive daily print media in English Canada were all important to the Conservatives’ 2006 victory. But none of these boosted the Conservative vote as much as the collapse of Liberal party credibility following the Quebec advertising scandal and its investigation in a public inquiry (Fournier, Blais, Gidengil et., 2006).

Evidence that the Conservative party under Stephen Harper has attempted to delegitimize the welfare state as the project of elites and rent-seeking special interests has been harder to see since the June 2004 election than it was in his National Citizens’ Coalition days, when he mused about “Canada [as] a northern welfare state in the worst sense of the term.” (Galloway, 2006: A10 & A15) Under Harper’s leadership and discipline, the Conservative party has kept a lid on problematic statements by MPs, party officials and fellow travelers. Voices from the Prime Minister’s National Citizen’s Coalition, Reform party and “firewall” pasts have even recently registered public disgust at his apparent abandonment of the faith (Nichols 2007; Byfield 2007; Galloway 2007).

Once in power, the “Harper party” could not afford to threaten potential seat gains in suburban Ontario or anywhere in Quebec by displaying its animus against the welfare state. Polling data from both the 2004 and 2005–6 campaigns showed that those who did not vote Conservative found the party’s social and economic agenda “extreme”. Converting a minority into a majority government would not be assisted by Hayekian fulmination against a “northern welfare state”.

However, Conservative antipathy to the welfare state is still visible. For example, Prime Minister Harper’s reply to the 2006 Speech from Throne characterized citizens as besieged taxpayers whose true wishes had been ignored by special

interests, government bureaucrats and a national government too responsive to both. “Canadians are tired of directionless government, endless meetings, and a political culture of entitlement. ... By focusing on the needs of honest, ordinary Canadians rather than allowing friends of the regime to feather their nest, Mr. Speaker, we have heard Canadians” (Harper, 2006). His childcare program was presented as family-friendly and the antithesis of a big government, special interest-driven program: “we’re going to provide parents with real choice in childcare ... The idea here is to help parents pay for childcare that makes the most sense to them—not to some bureaucrat or special interest group in Ottawa” (Harper, 2006).

The Harper government spoke more with actions than words when it came to dealing with the “special interests” that Reform and other new right forces once pilloried. The April 2006 Budget withdrew all funding for the Court Challenges Program and the Law Commission of Canada, changed the funding criteria and programming agenda for Status of Women Canada, and rejected the Liberal’s proposed childcare program, with its assistance to institutions and delivery organizations, in favour of monthly payments to individual parents.

### **NGOs under the Howard and Harper governments**

In Australia and Canada the legacy of Whitlam and Trudeau was a belief that NGOs had a central and legitimate role to play in promoting more inclusive and active citizenship. A widely-shared desire to include all sections of the community in public debate and policy development meant that public funding was provided to strengthen “weak voices” that otherwise would not be heard. Bodies to represent marginalized groups such as women with disabilities, immigrant women or sex workers were often created for the first time. Such bodies engaged in advocacy but also performed deliberative and other functions, enabling the mobilization of group identities and crystallization of group perspectives.<sup>7</sup>

The demand for “consultation” in policy development became normal at all levels of government, as support for representative bodies to participate in such consultation became common at all levels of government in Australia and Canada. In 1991 a House of Representatives inquiry in Australia reflected the established view that public support for community advocacy was needed to balance the strength of business and professional advocacy. Its report said of the funded peak bodies that: “An integral part of the consultative and lobbying role of these organizations is to disagree with government policy where this is necessary in order to represent the interests of constituents” (HORSCCA, 1991).

Subsequent discursive shifts engendered by market populism rendered such an approach to extra-parliamentary representation increasingly vulnerable. As we have seen, the political right in Canada and Australia has sought to reposition equality-seeking groups as special interest groups, inimical to the interests and

---

<sup>7</sup> See Young (2000) for a normative account of such aspects of group activity.

values of the mainstream. If public interest groups were really special interest groups, then governments ought to subject them to much greater control. Peak bodies critical of government were de-funded or had their funding sharply reduced, as happened with a range of organizations, particularly those representing sections of the community—such as the homeless or old-age pensioners—most likely to be critical of government policy. Peak bodies representing the interests of the poor, or native peoples, were increasingly referred to as “industries”—as in the “welfare industry”—which allegedly had an interest in perpetuating poverty to guarantee the jobs of social workers.

In 2000–02 alone, over 20 nationally funded peaks were de-funded in Australia. Where organizations were still funded this was increasingly through project rather than operational funding, with contracts that restricted engagement in advocacy. Threats were also made regarding charitable status. While NGOs were funded to do good works filling the void created by smaller government and were encouraged to enter government-NGO partnerships, this was at the cost of “giving up the democratic role of contributing to public policy” (Staples, 2006: 7). As the government froze out NGO perspectives from the policy process, it closed down research programs focusing on gender and other inequalities. In Australia the Howard Government moved quickly to abolish the Employment portfolio’s venerable Women’s Bureau, including its well-respected research program, while in Canada the Harper Government had closed down Status of Women Canada’s enviable research wing within a year of taking office.

Free-market think tanks further stepped up their attacks on non-government organizations after the successful international mobilization over the Multilateral Agreement on Investment and after a World Economic Forum survey showed that the public trusted NGOs far more than business. The (Australian) Institute for Public Affairs set up a joint NGO Project with the Heritage Foundation in the USA. The legitimacy of peak bodies was undermined through suggestions that they did not represent their supposed constituencies, that they distorted grassroots opinion, and that they were unaccountable. In Australia the Howard Government de-funded conservation councils and other environmental, youth and women’s groups that engaged in policy advocacy; in Canada, women’s advocacy was similarly de-funded by the Harper Government. The dismissive attitude towards the democratic role of NGOs was extended to United Nations human rights bodies, portrayed as overly influenced by the evidence of NGOs rather than by the evidence provided by democratically elected governments.

These attacks on NGOs had their basis in several philosophical components of market populism. First was the public choice argument suggesting that involving relevant groups in policy design led invariably to “agency capture”. To avoid agency capture, and the consequent growth of state expenditure, government had to distance itself from demands for participation in the policy process by groups that would be claimants on the public purse. Such participation could only lead to excessive expectations and be detrimental to the economy. Second was

the ontological position adopted in neo-classical economics and public choice theory, according to which the self and its interests were pre-political, rather than developing within a context of active citizenship. Because interests were pre-given, there was no need for a deliberative process within which interests could be arrived at—rather interests could simply be aggregated.

Third, the distrust of the role of extra-parliamentary forms of representation and deliberation was consistent with the broader populist distrust of representative and intermediary bodies, as never really representing the interests of their constituencies.

### **Market populism vs. the courts**

Market populism is also strategically advanced by sowing public distrust in intermediary institutions such as courts, tribunals and commissions, portrayed as strongholds of non-elected elites who distrust popular opinion. A key problem with such elites is that they uphold values such as the rule of law or human rights that get in the way of populist themes such the ‘war on terror’, ‘tough on crime’ or ‘stronger border protection’. They also promote jurisprudence that constructs equal opportunity as requiring recognition and accommodation of group difference rather than same treatment. In doing so, they offend against real democracy, which grants citizens rights as equal as those offered consumers in the market.

Populist distrust of “non-elected judges”, allegedly out of touch with or dismissive of popular opinion on matters such as national security and sentencing, has been compounded in Australia by the failure of successive Attorneys-General to defend the judiciary from attack. A noted human rights advocate on the High Court, Justice Michael Kirby, was even defamed under parliamentary privilege by a parliamentary secretary to the Prime Minister. A forged record was produced as evidence that the judge had misused a Commonwealth car to pick up rent boys, As the Clerk of the Senate pointed out, the police investigation of this forgery strangely did not result in any charges against the Commonwealth car driver who allegedly concocted the record (Evans, 2005). Instead the Howard Government has shown its view of “activist judges” by its pattern of court appointments as well as by its disparagement of international human rights standard-setting.

In Canada there has been a much more developed populist critique of the courts, due in part to the significance of the Canadian Charter of Human Rights and Freedom, something lacking in the Australian Constitution, and in part because of the writings of the Calgary School described earlier this paper. The Calgary School’s extended critique of Canadian judges and their accomplices in the “court party” has been promoted vigorously through the Fraser Institute (Morton and Knopff, 2000; Brodie, 2002). According to Morton, thanks to the courts the Canadian Constitution had become a “Victim’s Constitution” with women’s claims being preferred over men’s, non-Europeans over Europeans, homosexuals over

heterosexuals, the disabled over the able-bodies, the poor over the not-so-poor, visible minority immigrants over other citizens and First Nations over all (Morton, 1998: 55). Shortly before the Conservatives gained power, Morton singled out the Supreme Court as the post-materialist left's favourite vehicle for by-passing the democratic process and imposing "progressive" policies by means of judicial fiat. This has been made possible through an alliance between the Court and official advocates of feminism, aboriginal rights, gay and lesbian rights, multiculturalism and immigration rights (Morton, 2005, A19).

Judges were not only out of touch with public opinion in their interpretation of the Charter and the Constitution, they were also impeding a dismantling of the welfare state, and promoting a destructive moral relativism at odds with traditional Canadian values. On the second front, Morton warned in 2002 of the implications of three Ontario court rulings declaring several elements of Ontario's Conservative government social and labour policy unconstitutional: "...in the coming decade, it will not be enough to defeat tax-and-spend political parties in elections. Unless these Ontario precedents are reversed, the clientele groups of Canada's bloated welfare state will be able to retreat to the courts and effectively obstruct attempts to reform health, welfare, or labour policy" (Morton, 2002: 9).

The deeper moral problem with judicial activism was the social agenda it facilitated. Stephen Harper discussed it at considerable length in an address to a 2003 conservative conference.<sup>8</sup> Harper opined that

"the real challenge is not economic, but the social agenda of the modern Left. Its system of moral relativism, moral neutrality and moral equivalency ... leads to views ranging from radical, responsibility-free individualism, to tribalism in the name of group rights. [Liberal policy-making] is ... a rebellion against all forms of social norm and moral tradition in every aspect of life ... ." (Harper 2003, 74-75)

The problem with recent developments in Canadian "judge-made law" then, can only partly be reckoned in populist terms by outside analysts. The case presented for public consumption has been anti-elitist in the manner of "politicians' populism" and our conceptualization of market populism. However, its Burkean foundations (Harper, 2003: 76) were anything but populist. In Canada market populist opposition to judicial activism was impassioned because judges were offending against a natural order. The natural moral order is implied in Harper's comments above; the natural economic order was Hayek's spontaneous order of free-market capitalism.

These three dimensions of market populist concern over the social agenda of the courts fed into Steven Harper's forecast on the eve of the 2006 election that his

---

<sup>8</sup> A conservative organization formed by William Gairdner that sponsors conferences and colloquia, a resource web site, and has featured participation by Conrad Black, Tom Flanagan and David Frum. See <http://www.civitassociety.ca/public/>

Conservatives could not exercise “absolute power” because Liberal appointees dominated the judiciary, the civil service, and the Senate (Woods, 2006: A1 & A5; Galloway, 2006: A1 & A5). It also provides the context for the Harper Government’s abolition of the Court Challenges Program (CCP), which had provided funding for test cases before the Court. As explained by a journalist close to the Conservative Government:

... no other federal program ... has done more damage to Canadian democracy. No other has so fundamentally altered Canadian society without recourse to Parliament. Although its funding comes entirely from taxpayers, the CCP was hijacked early on by leftist cause-pleaders at odds with the broad Canadian public ... CCP-funded groups have achieved through the courts new rights and laws they would never have been able to win democratically. In that way, the CCP is fundamentally anti-democratic. (Gunter, 2006: A16)

Asked about criticism of his government’s cuts to the Court Challenges Program, Prime Minister Harper took up a favorite “court party” thesis, dismissing the CCP as merely benefiting lawyers: “Instead of paying lawyers, this government is acting to protect the rights of citizens.”<sup>9</sup>

In Australia both Pauline Hanson’s One Nation and the Howard Government advanced a similar critique of, for example, the Family Court, which was seen as implementing a feminist agenda. They also suggested that new-class elites, the courts and international tribunals were in league to overturn measures (such as mandatory detention) taken to discourage asylum seekers from arriving on Australian shores. Howard had deplored the way in which the domestic affairs of Australia had been influenced by the fine print of international treaties and the deliberations of “foreign” (that is, United Nations) committees: “there is an overwhelming view in this country that Australian law should be governed and determined by Australia alone” (Howard, 1994: 25).

As framed by market populism, liberal elites are always prone to selling out the national interest. The Howard government’s Chair of the Australian Broadcasting Authority described such betrayal in the following terms: “if the people will not accept your agenda, the elite guardians can have it adopted through the back door by a consensus among the international elites” (Flint, 2003: 162). The same kind of censure is not, however, applied to free-trade agreements that will constrain the ability of governments to implement popular mandates.

---

<sup>9</sup>[http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20070417/dion\\_charter\\_070417/20070417?hub=Politics](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20070417/dion_charter_070417/20070417?hub=Politics). A February 2007 report of the House of Commons Standing Committee on Canadian Heritage rejected this view, and urged the government to restore funding to the CCP. (Standing Committee on Canadian Heritage, 2007)

## Conclusion

In both Australia and Canada a market populist discourse with origins in the USA made fundamental inroads in the 1990s. There are striking similarities in the ways this discourse was disseminated, but also some marked differences, such as the relatively minor role of talk-back radio in Canada and the lack of a Calgary School equivalent in Australia. In both countries insecurities over economic and cultural change were channeled into resentment of so-called elites, alleged to be responsible for social engineering and the imposition of political correctness. These elites were not the financial elites of older populisms but rather supporters of the welfare state and of equality and rights agendas. Resentment of these elites was fostered through the suggestion that they had a vested interest in the welfare state and contempt for the tax-payers who paid for their privileges.

This anti-elite discourse had slightly different foci in the two countries. While the Charter and its judicial interpretation was a major focus in Canada, the lack of a Bill of Rights in Australia meant a greater focus on international human rights bodies and alleged backdoor alliances between liberal elites at home and abroad to frustrate the views of electoral majorities'. In both countries the attack on elites and associated special interests helped de-legitimize the role of NGOs in democratic policy deliberation. The attack on NGOs has been taken further in Australia than in Canada. Australia has experienced a "silencing of dissent" as NGOs have been either de-funded or constrained by provisions limiting rights to public commentary.

In Australia a government articulating market populist themes has enjoyed 11 years in power including control of both houses of the federal parliament since 2005. Concern for public morality or truth in government has increasingly been dismissed as part of the moral vanity of elites out of touch with those struggling with mortgages in the suburbs. Concern over welfare reform and labour-market deregulation has also been framed as the agenda of self-seeking elites and special interests wishing to perpetuate various welfare industries at the expense of tax-payers. Drawing attention to issues of inequality, social justice, human rights or threats to the environment is sufficient to earn the label of "elite".

Canada has a shorter experience with a federal government drawing on populist discourse, and so far none with such a government enjoying a parliamentary majority. Nevertheless, the Conservative tenure in office has shifted the ground of politics and closed off policy options directed to addressing group rights and social justice. As in Australia, the framing of concerns with inequality as the domain of self-interested and contemptuous elites helps justify, or at least distract attention from, policy settings that increase inequalities. Hence, as suggested in our title, market populism's anti-elitism has become an invaluable discursive strategy behind which an actual increase in inequality can take place. So while populism is of strategic value in gaining and sustaining electoral victories, it is changing key relationships between state, market and citizens at the core of this species of new right ideology.

## References

- Byfield, Link. 2007. "Has Stephen Harper been 'Ottawa-washed?'" Citizens Centre for Freedom and Democracy, 4 April.  
[http://ccfd.ca/index.php?option=com\\_content&task=view&id=419&Itemid=308](http://ccfd.ca/index.php?option=com_content&task=view&id=419&Itemid=308)
- Clark, Campbell. 2007. "Tories' feud closes bilingualism body," *Globe and Mail* A4, 16 May.
- Canovan, Margaret. 1981. New York: Harcourt Brace Jovanovich.
- \_\_\_\_\_. 2002. "Making Sense of Populism." In Yves Mény and Yves Surel (eds). *Democracies and the Populist Challenge*. Houndmills, UK: Palgrave.
- Conservative Party of Canada. 2004. "Demanding Better." Platform 2004.
- \_\_\_\_\_. 2007. 'Founding Principles,' at <http://www.conservative.ca/EN/1141/>
- Cooper, Barry. 2003. "Canada's Unlikely Freedom Fighters," *Fraser Forum*, January, 19–20
- \_\_\_\_\_. 2006. "The CWB should not have any role in marketing barley," [http://www.agr.gc.ca/cb/index\\_e.php?s1=ip&page=ip60908a\\_q3](http://www.agr.gc.ca/cb/index_e.php?s1=ip&page=ip60908a_q3).
- Dymond, Tim. 2004. "A History of the 'New Class' Concept in Australia." In Sawyer and Hindess, *Us and Them*.
- Evans, Harry. 2005. "Executive and Parliament." In Chris Aulich and Roger Wettenhall (eds) *Howard's Second and Third Governments*. Kensington: University of NSW Press, 42–56.
- Flanagan, Tom. 2007. "Family tax breaks: Give credit where credit is due," *Globe and Mail*, 26 March, A13.
- Flanagan, Tom 2000. *First Nations, Second Thoughts*. Montreal: McGill-Queen's University Press.
- Flint, David. 2003. *The Twilight of the Elites*. Melbourne: Freedom Publishing.
- Frank, Thomas. 2000a. *One Market Under God*. London: Vintage.
- \_\_\_\_\_. 2000b. "The Rise of Market Populism", *The Nation*. 30 October  
<http://www.thenation.com/doc/20001030/frank>
- Fournier, Patrick, André Blais, Elisabeth Gidengil, Joanna Everitt and Neil Nevitte. 2006. "Harper can thank federalist voters," *Globe and Mail*, 8 February 2006, A17.
- Galloway, Gloria. 2006. "Harper warns of activist judges," *Globe and Mail*, 19 January, A1 and A5.
- \_\_\_\_\_. 2007. "Disgruntled Tories consider rebuilding Reform Party," *Globe and Mail*, 12 May, A4
- Government of Canada. 2006. *Speech from the Throne*. April 5.  
<http://www.pm.gc.ca/eng/media.asp?id=1090>
- \_\_\_\_\_. 2007. Budget Speech.  
<http://www.budget.gc.ca/2007/speech/speeche.html>
- Gunter, Lorne. 2006. "Kill the Court Challenges Program," *National Post*, A16, 8 September.
- Hamilton, Clive and Sarah Maddison (eds). 2007. *Silencing Dissent: How the Australian government is controlling public opinion and stifling debate*. Sydney: Allen & Unwin.
- Harper, Stephen. 2003. "Rediscovering the Right Agenda," *Report Magazine*, June, 73-77. Initially presented as opening remarks to Civitas Society Annual

- Conference, Toronto, 25 April, See [http://www.civitasociety.ca/public/event\\_info/17](http://www.civitasociety.ca/public/event_info/17)
- \_\_\_\_\_. 2004. "One Conservative Voice," Notes for Address by Stephen Harper, MP, Ottawa Leadership Launch, January 12.
- \_\_\_\_\_. 2006. "Notes for an Address by The Right Honourable Stephen Harper, Prime Minister of Canada. In Support of the Measures Contained in The Speech from the Throne: 'Turning a New Leaf,'" at <http://www.pm.gc.ca/eng/media.asp?id=1090>
- Hayek, Frederick. 1976 and 1979. *Law, Legislation and Liberty*, vols. 2 and 3. Chicago: University of Chicago Press.
- House of Representatives Standing Committee on Community Affairs (HORSCCA). 1991. *'You Have Your Moments': A Report on Funding of Peak Health and Community Organisations*, Canberra: AGPS.
- Howard, John. 1994. "Some Thoughts on Liberal Party Philosophy in the 1990s." *Quadrant*, July–August: 22, 25.
- \_\_\_\_\_. 1995. "The Role of Government: A Modern Liberal Approach." The Menzies Research Centre National Lecture Series, June 6.
- \_\_\_\_\_. 1996. 'The Liberal Tradition: The Beliefs and Values which Guide the Federal Government', *1996 Menzies Lecture*, Sir Robert Menzies Lecture Trust, <http://www.menzieslecture.org/1996>
- \_\_\_\_\_. 2002. Keynote address to the International Democratic Union. Washington, DC, 10 June, <http://www.australianpolitics.com/news/2002/06/02-06-10.shtml>
- Johnson, Carol, Steve Patten and Hans-Georg Betz. 2005. "Identitarian Politics and Populism in Canada and the Antipodes." In Jens Rydgren (ed.). *Movements of Exclusion, Radical Right-wing Populism in the Western World*. Hauppauge/N.Y: Nova Science.
- Kirkham, Della. 1998. "The Reform Party of Canada: A Discourse on Race, Ethnicity and Equality." In Vic Satzewich (ed). *Racism and Social Inequality in Canada: Concepts, Controversies and Strategies of Resistance*. Toronto: Thompson Educational Publishing.
- Lasch, Christopher. 1995. *The Revolt of the Elites: And the Betrayal of Democracy*. New York: W. W. Norton.
- Laycock, David. 2001. *The New Right and Democracy in Canada*. Toronto: Oxford University Press.
- \_\_\_\_\_. 2005. "Visions of popular sovereignty: Mapping the contested terrain of contemporary western populisms." *Critical Review of Social and Political Philosophy*, 8:2, 125–44.
- Morton, F. L. .1998. "The Charter of Rights: Myth and Reality." In William Gairdner (ed.), *After Liberalism: Essays in Search of Freedom, Virtue and Order*. Toronto: Stoddart.
- Morton, Ted. 2002. "Activist Judges Attack Common Sense Revolution," *Fraser Forum*, October, 7–9.
- \_\_\_\_\_. 2005. "Damn the LawProfs! Stephen Harper makes sense," *Globe and Mail*, 27 January, A19.

- Morton, F. L. and Rainer Knopff. 2000. *The Charter Revolution and the Court Party*. Peterborough: Broadview Press.
- Mudde, Cas. 2007. *Populist Radical Right Parties in Europe*. New York: Cambridge University Press.
- National Citizens' Coalition (NCC). 2003. <http://www.morefreedom.org>, accessed 10 June 2003.
- Nichols, Gerry. 2007. "They might as well join the Liberals," *Globe and Mail*, 12 April, A13
- Robertson, Grant. 2007. "Major change coming for radio, TV rules," *Report on Business, The Globe and Mail*, 11 May, B1-2.
- Sawer, Marian (ed.). 1982. *Australia and the New Right*. Sydney: Allen & Unwin.
- \_\_\_\_\_. 1997. "A defeat for political correctness?" In Clive Bean et al., *The Politics of Retribution: The 1996 Federal Election*. Sydney: Allen & Unwin.
- \_\_\_\_\_. 2007. "Framing feminists: Market populism and its impact on public policy in Australia and Canada". Forthcoming in Yasmeen Abu-Laban (ed.), *Gendering the Nation*, Vancouver: University of British Columbia Press.
- Sawer, Marian and Barry Hindess (eds). 2004. *Us and Them: Anti-Elitism in Australia*. Perth: API Network.
- Scalmer, Sean and Murray Goot. 2004. "Elites Constructing Elites: News Limited's Newspapers 1996–2002." In Sawer and Hindess, *Us and Them*.
- Standing Committee on Canadian Heritage. 2007. House of Commons, 39<sup>th</sup> Parliament, 1<sup>st</sup> Session, Fourteenth Report, [http://cmte.parl.gc.ca/cmte/CommitteeHome.aspx?Lang=1&PARLSES=391&JNT=0&SELID=e22\\_1&STAC=1682553&SourceId=191533](http://cmte.parl.gc.ca/cmte/CommitteeHome.aspx?Lang=1&PARLSES=391&JNT=0&SELID=e22_1&STAC=1682553&SourceId=191533)
- Staples, Joan. 2006. "NGOs out in the cold: The Howard Government policy towards NGOs." Discussion Paper 19/06, Canberra: Democratic Audit of Australia.
- Woods, Allan. 2006. "'Absolute power' not possible: Harper," *Vancouver Sun*, 18 January, A1.
- Yakabuski, Konrad. 2006. "How far will this free marketer go?" *Report on Business, The Globe and Mail*, 26 September, B12-13.
- Young, Iris Marion. 2000. *Inclusion and democracy*. New York: Oxford University Press.