
Introduction and Overview

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*Le rôle principal de cette introduction est de présenter les articles des différents auteurs du volume *Quebec and Canada in the New Century; New Dynamics, New Opportunities* (*Le Québec et le Canada en ce début de siècle : de nouvelles dynamiques et de nouvelles possibilités*). Puisque plusieurs chapitres portent sur différents aspects du « modèle québécois », dans la dernière partie de cette introduction, on compare ce qu'on appelle désormais « le capitalisme individualiste » de la variété américaine et « le capitalisme communautaire » de la variété européenne continentale. Le modèle québécois se situe du côté du capitalisme communautaire, ce qui, entre autres, rend compte du leadership québécois sur le plan des mesures progressistes prises en matière de politique sociale. Tel que démontré par plusieurs auteurs, le débat et les préoccupations concernant l'avenir du modèle québécois, qui ont également cours dans d'autres sociétés pratiquant le capitalisme communautaire, ont joué un rôle dans les élections de 2003, et ils joueront sans doute un rôle encore plus important au cours des prochaines (au moment de la rédaction) élections en 2007.*

INTRODUCTION

In the fall of 2003, Queen's University's Institute of Intergovernmental Relations hosted *Quebec and Canada in the New Century: New Dynamics, New Opportunities*, a conference held under the aegis of the Institute's Director, Harvey Lazar, and organized by Michael Murphy and Daniel Salée. As it turned out, and as reflected in the analyses of many of the chapters, the early years of the new century represented an eventful period in Quebec. Lucien Bouchard had recently resigned as Premier of Quebec and was replaced by Bernard Landry. The ensuing April 2003 election saw the defeat of the PQ at the hands of Jean Charest's Liberals. At the pan-provincial level, this led to the creation, under Charest's guidance, of the Council of the Federation (COF) and, again with Quebec's urging, the first priority of the COF was the restoration of vertical

fiscal balance in the federation. While the rest of Canada (ROC) presumably took some comfort in the defeat of the PQ, almost immediately the support in Quebec for the Charest Liberals dropped dramatically, and equally dramatically the support for sovereignty rose above the 50 percent mark. One proximate cause of this collapse in Liberal support was their commitment to roll back some key aspects of the “Quebec model.” Indeed, so sure was the PQ of regaining power at the next election that word was out that there would be yet another referendum by decade’s end. This was the political environment in Quebec that prevailed as the conference participants prepared their contributions.

However, the current (January 2007) political environment in Quebec is markedly different – the Harper Conservatives are in power federally, replete with a political breakthrough in Quebec; Harper has embraced “open federalism” and is committed to redress vertical fiscal imbalance; and parliamentary legislation has recognized that the Québécois form a nation within a united Canada. Beyond this there is a widespread presumption that the 2007 federal budget will cater to Quebec and will be a direct lead-in to the Quebec election, an election that the Quebec Liberal Party (PLQ) may well win since they are now neck-and-neck with the PQ in the polls, a dramatic turnabout from the reality at conference time. Given this remarkable shift in the underlying political environment, it is important to again remind readers that the authors drafted their papers in the earlier time frame and that virtually all of the final drafts were completed before the appearance of the Harper Conservative minority government.

Because the events surrounding the forthcoming Quebec election are bound to be subjected to an intense research effort, this arguably makes the contributions in this volume all the more valuable since the period in question – from the election of the Charest government in 2003 to the events culminating with the Bouchard *et al* manifesto *Pour une Québec lucide* (2006) – will likely end up being relatively under-researched. And this is in spite of the fact that this was the very period in which Quebec’s *concertation* or consensus model became the centre of much of the societal debate, as evidenced by the fact that the Quebec model is the focus of several of the ensuing papers. Moreover, there are many aspects of the papers that provide insight or understanding to the recent turn of political events in Quebec.

With this backdrop, this introduction to the Institute’s 2005 version of its *State of the Federation* series proceeds, first, by summarizing (often in the authors’ words) the main thrust of each of the ensuing nine chapters and, then, by embarking on a brief interpretative commentary on the relationship between the Quebec model and the typical Anglo-American model, or between communitarian capitalism and individualist capitalism.

OVERVIEW OF THE AUTHORS’ CONTRIBUTIONS

CHANGING ATTITUDES: 1996–2003

In Chapter 2 (*A New Chapter on the Same Old Story? Public Opinion in Quebec from 1996-2003*), Matthew Mendelsohn, Andrew Parkin and Maurice Pinard assess the evolution of polling results on a range of Quebec/Rest-of-Canada socio-political issues. Drawing from the polling results, the authors advance six observations that have had an impact on the evolution of the province over the 1996–2003 period, and that capture the current state of play within Quebec and between Quebec and ROC. The first is a “demobilization” around the national question (*la question nationale*) as well as a “depolitization” of the Quebec electorate on issues relating to Quebec’s place within Canada, albeit with a caution not to interpret this as a rejection of sovereignty. Second, Ottawa’s focus on rules, processes and terms of future referendums and possible secession (including the 2000 Clarity Act) has helped federal forces in Quebec. Nonetheless, and their third point, some traditional grievances remain, justifying the above cautionary note. Fourth, the consensus around Quebec’s distinct economic and social model is being contested, an issue that will be addressed in much more detail in several of the following chapters. Fifth, in addition to making French the working language of the province, Bill 101 has also succeeded in facilitating the integration of newcomers into Quebec society. Finally, Premier Charest’s model of more cooperative intergovernmental relations with ROC (e.g., the Council of the Federation) has polling support. These conclusions lead the authors to argue that “the public opinion environment has undergone a shift, featuring a comfort with a multicultural and pluriethnic French-speaking Quebec, a questioning of the consensus around the Quebec social and economic model, and a decline of salience of and interest in the national question as it has been defined since 1970.”

These broad generalizations mask a wealth of relevant detail relating to the attitudes of Quebecers. For example, even “[b]y 1999, Quebecers were overwhelmingly likely to believe that following a referendum victory for the ‘Yes’ side, secession would be quite difficult, even with a large and clear majority.” Or, “Quebecers were more likely than Canadians in any other province to support more privatization in the health care field.” And beyond these and many other implications, the authors append a lengthy data appendix which treats readers to much more detailed polling information presented in ways that can track changes over time.

This synthesis of Quebecers’ attitudes over 1996–2003 is the appropriate underlying context for the later papers dealing with the internal social, political and institutional patterns of representation in Quebec. In order to provide

similar backdrop to the final two papers dealing with Quebec/Canada relations, we need a broader sweep of the evolution of the national unity issue, to which we now turn.

REFLECTIONS ON LA QUESTION NATIONALE

In *One Never Knows ... Sait-on-jamais?* Guy Laforest appraises the long sweep of Canada/Quebec relations and particularly the lessons deriving from the sovereignty referendums. His initial point is that while the *Constitution Act 1982* marked the end of all forms of subordination of Ottawa to London, it left in place much of the former imperial remnants in the form of the Ottawa/Quebec relationship (and more generally the Ottawa/provinces relationship). In particular, it did not and still does not embrace the shared-rule, self-rule vision of federalism, in part because there is no provincial input at all in the governing institutions at the centre and also because the 1982 constitution has served to promote “a logic inimical to the political freedom and the distinct identity of Quebec” and, relatedly, has served to defederalize “the political culture of the country.” In this context, it is only “natural” that many Quebecers, deeming the degree of political/constitutional recognition with Canada to be inadequate, would look toward the option of independence which, as Laforest notes, is “the highest, most advanced level of political fulfilment.” This perceived failure of the federal idea led to the 1980 and 1995 “rebellions.” This reference to “rebellions” is appropriate, Laforest asserts, since, in the sociology of political behaviour, “rationally and logically a referendum is a democratic political rebellion.”

Laforest’s second theme is that failed referendums have quite dramatic consequences: the sequence tends to be “rebellion, failure, tightening of the system, negative consequences for the losers.” The negative consequences for Quebec of the 1980 referendum included the *Constitution Act, 1982*, and of the 1995 referendum included the *Clarity Act*. Additionally, in both cases Quebec and the sovereignty movement suffered setbacks, including for 1995 the demise of Parizeau and later, arguably, of Bouchard as well.

In terms of the immediate future, Laforest takes some comfort from the emergence of the Council of the Federation and from Harper’s embracing “open federalism,” recognizing fiscal imbalance and enlarging the role of Quebec in the international arena. At the same time, he suggests that Quebecers ought to become pro-active as well: “we should first recognize ourselves as Québécois, strengthening the backbone of our political community by placing some of our key laws (*Chartre des droits et libertés de la personne, Loi sur les consultations populaires, Loi 101*) in a fundamental document that would have its own amending formula and could possibly be ratified by the population in a referendum.” By way of a concluding comment, Laforest notes that it is clearly possible that there will be a third referendum in the foreseeable future which,

depending on the question, he may well support. His parting comment, however, is a cautionary one: “we Québécois should integrate better in our public sphere my basic historical point [that] there are drastically negative consequences for a political community whenever those who organize a referendum happen to lose it.”

Meanwhile, the political landscape within Quebec may well be undergoing a significant alteration, which could have implications for the likelihood of another referendum, as Tanguay informs us in Chapter 4.

REALIGNING QUEBEC’S PARTY SYSTEM

In *The Stalled Realignment: Quebec’s Party System After the 2003 Provincial Election*, A. Brian Tanguay addresses two questions. The first is whether the 2003 Quebec election results imply that the anticipated surge of Mario Dumont’s *Action démocratique du Québec* (ADQ) and the predictions of a “great realignment” of political parties have simply been postponed for another election cycle or were somehow grossly overestimated. The second part of Tanguay’s contribution focuses on the prospects for the PQ and the sovereignty movement in the aftermath of the 2003 election.

In terms of the likelihood that the ADQ would achieve a breakthrough in the 2003 election, Tanguay lists the following favourable factors that were in play in the election run-up: “[c]onstitutional fatigue and depolarization of the sovereignty issue; Mario Dumont’s personal popularity as [ADQ] party leader; widespread dissatisfaction with the incumbent PQ government; deepening cynicism among voters about traditional political institutions [including aspects of *concertation* or the Quebec model]; [the ADQ’s] neo-liberal ideology that had a distinct appeal for certain segments of the francophone population; and disproportionate strength among the most politically engaged and aware sections of the electorate, those between the ages of 45 and 64.” These factors are in addition to the four ADQ by-election wins in 2002, all previously held by the PQ. While the ADQ did increase its popular vote in the 2003 election from 12 percent to 18 percent and its number of seats from one to four, this was not the realignment predicted by Pinard and others. Tanguay concludes the “Quebec’s two-and-a-half party system is likely to consign the ADQ to the margins of power in the province.”

In terms of the fortunes of the PQ and the national question, Tanguay notes that support for sovereignty in May 2005 registered 54 percent, compared to only 40 percent at the time of the 2003 election, much of this resurgence due to the fact that “the Charest government has seen its popularity plummet as it has haltingly embarked on its project of ‘re-engineering’ the provincial state.” Since this may be attributable to voter unhappiness with the Liberals rather than an embrace of sovereignty, Tanguay then turns to addressing the set of

challenges that have to be addressed if the sovereignty movement is to recapture its former dynamism. Among these is the challenge of holding the sovereignty coalition together:

This party has always been a coalition of forces – social democrats, *bleus*, dysfunctional Liberals – held together by the glue of charismatic leadership (Lévesque, Parizeau, Bouchard) and by a common commitment to some notion of independence for Quebec ... Increasingly, unhappy social democrats in the province are opting out of the PQ, and they continue to attempt to create new, more progressive parties.

Related, but more succinctly, “the Parti Québécois itself is showing signs of its age, and party elitists are finding it increasingly difficult to hold together the centrifugal forces within the sovereigntist coalition.” This is a prescient observation since in February of 2006 (after Tanguay had completed his paper) a new left-wing party, *Quebec Solidaire*, came into being. More to the point, the PQ have tumbled in the polls.

The next four chapters address the various ways in which external (principally globalization) and internal forces have been brought to bear on the nature and role of what has come to be called the Quebec Model, beginning with Éric Montpetit’s interpretation of the essence of this model.

THE QUEBEC MODEL

The Quebec model, and especially its industrial policy variant, often referred to as Quebec Inc., has come under criticism from a variety of quarters. In *A Policy Network Perspective on the Quebec Model*, Éric Montpetit draws on a wide range of relevant literature to distill the essence of what he perceives as the Quebec model and he then mounts a defence of this vision against all critics. This essence, writes Montpetit, is a *policy network perspective*: “a pattern of interconnection between organized civil society and state actors during the development and the implementation of a specific policy.” In more detail:

From a policy network perspective, interest groups are not blamed for carrying specific policy interests, but are valued for this contribution ... the public interest is not conceived as being somewhere out there waiting to be discovered by technical expertise, statistics or social movements. Rather, the public interest results from deliberation over interests brought into the policy process, notably but not exclusively, from interest groups.

Montpetit goes on to argue that among the various models of policy networks, the corporatist version (“[r]elatively closed to new actors; anchors

relatively cohesive policy ideas; state and civil society actors are closely interconnected; policy capacities are evenly distributed between state and civil society actors”) is the preferable perspective. This is so because corporatist networks are best at organizing deliberations which engage a manageable set of actors holding a diverse range of ideas. These deliberations are likely to deliver outcomes which represent a balance between cohesion and efficiency and are also likely to be deemed to be in the public interest, i.e. the corporatist model achieves “output-oriented legitimacy.” Montpetit does recognize, however, that it does not fare all that well in terms of “input-oriented legitimacy” because, relative to other types of policy networks, it is closed to new actors. Indeed, he notes that “several of the attacks on the Quebec model ... have their origin in the exclusionary nature of corporatist policy networks.”

Finally, with respect to industrial policy, Montpetit argues that, once implemented, industrial strategies then tend to generate corporatist policy networks and not the reverse. Specifically, corporatist policy networks did not generate the new strategy of clusters, but the implication would seem to be that these industrial clusters will now lead to new corporatist policy networks.

GLOBALIZATION AND NATIONAL QUESTION

Pascale Dufour’s contribution, *Globalization as a New Political Space: The End of the Quebec-Quebec Debate?* assesses the impact of globalization from the perspective of a force that is serving to create a new political space which has “challenged the relationships between social forces (including the state) and has altered the framework of the nationalist debate in Quebec.” Specifically, from the middle of the 1990s, globalization has progressively become a distinct political space, indeed a “field of political action, particularly for social actors who protest against globalization.” One sees this coalition of progressive social forces in Quebec’s 1996 economic and social summits, in the Quebec Peoples’ Summit associated with the FTAA meetings in Quebec City, and also in support of Bill 112 (the law against poverty and social exclusion). Thus in this globalization playing field “[n]ew enemies are identified, new battlefields are designed, new actions take place, and new relationships are built between the various actors involved, including the state.” A key conclusion from this perspective is that this rallying of social movements around the poverty, exclusion and anti-globalization nexus of issues has led to the situation where the internal debate in Quebec (i.e., the “Quebec-Quebec debate” alluded to in the title of the paper) is today “more accurately depicted in terms of a right-left problematic than in terms of a federalism-sovereignty problematic.”

By way of elaborating on this point, the PQ government adopted two positions with respect to globalization: first, Quebec would gain from and,

therefore, the PQ supports globalization and the opening of markets; second, if Quebec wants a voice in this globalization, it needs independence. In contrast, the social movements (at least those referred to by Dufour as the “progressive activists”) view globalization and free markets as threats to their social agenda, whether Quebec is part of Canada or not. As a result it is increasingly difficult for social actors to be on side with the PQ since their support of free markets represents a “constraint” that prevents the [PQ] government from responding to social claims.” Therefore, the development of globalization as a political space in Quebec has influenced the reappearance of the division between left and right, and the delegitimization (at least partially) of the traditional federalist-sovereignist debate.

Along similar lines, Dufour concludes that for the *Union des force Progressistes* and for the movement *Option citoyenne* (which united in February of 2006 to form a new political party, *Québec Solidaire*) “the question of the political status of Quebec is at best a secondary objective to the project of forging a more just and progressive society,” and this, Dufour continues, “explains why today the PQ sovereignty platform looks like a political project with a very low probability of success.”

We now turn to the two generic groups – civil society and labour – that are integral players, alongside the state, in the Quebec model.

LABOUR AND THE QUEBEC MODEL

State Restructuring and the Failure of Competitive Nationalism: Trying Times for Quebec Labour is Peter Graefe’s contribution of the recent evolution of the Quebec labour movement. His analysis begins by situating labour in relation to the state:

[T]his essay will argue that [the unions (FTQ and CSN)] did manage to articulate a new strategic agenda in the late 1980s and early 1990s, which provided a means of renewing their intervention in a variety of spaces of economic and political governance, including the national question. The unions adopted a “progressive-competitive” political economy that argued for social partnerships or forms of “conflictual concertation” in the workplace and in forums of economic and social governance, on the grounds that this could lead to positive-sum class compromises. This led into an embrace of “competitive nationalism,” wherein the nation [Quebec] could provide additional cultural resources and social solidarity to ease and reinforce such positive-sum compromises ...

While this strategy did bring initial successes, the paper goes on to highlight how competitive nationalism has handcuffed the labour federations, as the national imperative of competitiveness was taken up by firms and by the state

to justify one-sided deals or inaction that served to hobble the transformative potential of the unions’ project. With labour thus having cast its voice with the government, the women’s and community movements have started to take on the mantle of articulating an alternative left-wing project.

By way of more detail, in a highly competitive environment a “progressive competitiveness” strategy offers capital a deal that is hard to refuse: unions can “agree to cooperate in enhancing productivity in return for employment guarantees, workplace democratization, and the maintenance of high wages and working conditions.” The approach enabled a rapprochement with the PQ (i.e., the “competitive nationalism” alluded to earlier). And in the 1995 referendum, the federalist/sovereignist split closely mapped the right/left split, suggesting that a sovereign Quebec would be a more inclusive Quebec. Post referendum, however, this competitive-nationalist strategy pulled the unions in the Quebec government’s direction of concluding that competitiveness required a significant reduction in public spending and government services: “competitiveness went from a shared objective that allowed for a renewal of the labour agenda around themes of democratization and participation, to a binding consensus that attacked the interests of their members.” And of course, matters got considerably worse for the unions with the election in 2003 of the Charest Liberals and their intention to review aspects of the institutions inherited from the Quiet Revolution, especially the corporatist elements:

Important changes in late 2003 included changes to the labour code facilitating contracting out, a partial reduction of the scope of the training tax ... and the reduction in the number of bargaining units in the health sector. More generally, the government has studiously bypassed existing mechanisms of shared governance and consultation.

Graefe concludes by noting that the unions’ buying into the PQ’s national competitiveness agenda made the union federations’ projects look old and tired, and offside vis-à-vis the Quebec left. As a result, they are engaged in a rebuilding mode, such that over the medium term the challenge of “redefining the articulation of a mainstream nationalist project with progressive demands may nevertheless reduce conflict along the Quebec-Canada cleavage by reducing the salience of the sovereignty issue.”

By way of a bridge to the civil society paper, Graefe notes that another result of the unions’ embracing of competitive nationalism is that they came to “lose some of their dominance in setting the program for the Quebec left.” The result was that civil society (the women’s movement and the community movement) “overtook them as the leaders in articulating ideological alternatives to the government’s restructuring policies.” But even civil society was falling on hard times, as Rachel Laforest elaborates in her chapter.

CIVIL SOCIETY AND THE STRUCTURE OF REPRESENTATION

In *The Politics of State/Civil Society Relations in Quebec*, Rachel Laforest focuses first on the pivotal role that civil society has come to play in Quebec politics and policy making, and second on the dramatic transformation that this civil-society model is undergoing at the hands of the Jean Charest Liberal government. In terms of the first of these, Laforest argues that the “structure of representation” is the key to assessing the place of these community organizations within the broader society:

[The structure of representation] directly affects the terms of access to policy making, the routes of political representation, the forms of political expression through which claims are made, and perhaps more importantly, it affects the legitimacy and credibility of the actors involved in the policy process.

Laforest argues that this web of civil society associations has championed a vision of society that recognized community participation as a fundamental exercise in citizenship and democracy and as a means of empowering citizens, often with the aim of developing “a *projet de société* to shape values, to develop a vision for society and to bring about social change.” The capstone of this civil society role came with the creation of the Secretariat for Autonomous Community Action which, among other things, assured civil society organizations of core funding “to support their original mission, to cover basic infrastructure needs (rent, staff, and equipment), and to cover the expenses for activities of consultation, representation, education and advocacy.” What is particularly unique about this is that advocacy organizations will not have to rely on the ministry in their policy field in order to receive this funding. In other words, the “autonomy of the sector is protected by this distance between organizations and their lead departments.”

The second part of Laforest’s chapter (“The Dawn of a New Era”) focuses on the reforms introduced by the Charest Liberals early in their mandate. Her views here are as straightforward as they are forceful and merit quotation in full:

Since becoming premier, Jean Charest has publicly called into question the Quebec model of interest representation and consensus building which has come to symbolize the distinctive character of Quebec politics. Plans announced by QLP to re-engineer and modernize Quebec government call for a reconfiguration of the prevailing structure of representation and a reformulation of the forms of legitimate representation. These reforms have the potential to profoundly transform the internal political dynamic in Quebec by closing off access to the political arena for community organizations, by undermining their credibility and legitimacy, and by rendering them more dependent on contracting and partnership. These are real and significant changes, which may affect the very nature of the

relationship between state and society that has contributed to Quebec’s distinct social and economic development.

Laforest then reviews the implications of the Liberals’ agenda for negatively influencing the traditional roles for cross-sectoral concertation and consensus building, for aggregating collective interests, for citizen engagement and for advocacy. This too is a Quebec/Quebec debate. Laforest’s parting caution is: “[w]ith the polls showing a rise in the support for the sovereignty option, placing it at the highest level since 1998, and the historical link between the community movement and the nationalist movement, Charest may have taken on more than he had bargained for.”

The final two chapters take leave of the Quebec/Quebec debate and direct attention to the old chestnut – Quebec/Canada relations.

QUEBEC AS A NATION

In *Quebec and the Canadian Federation: From the 1980 Referendum to the Summit of the Canadas*, Thomas J. Courchene highlights the political and institutional developments that are progressively allowing Quebec to become a nation within the Canadian state. The two major external forces driving this evolution are a) the shift toward cross-border economic regions operating in NAFTA economic space (which implies policy asymmetry across the regions and, hence, more tolerance for Quebec to also march to its own policy drummer) and b) the knowledge/information era which serves to make provincial powers (education, health, day care, training) the essence of 21st century nationhood. This sets up an intriguing jurisdictional tug-of-war – Ottawa attempting to infiltrate provincial jurisdiction (via what Courchene calls “hour-glass federalism) in order to access these nation-building provincial powers on the one hand, and Quebec eschewing further powers, (except on the international front) but pursuing, along with other provinces, access to revenues sufficient to implement these same nation-building provincial powers. Along the way, Courchene addresses and assesses the many interprovincial and federal/provincial signposts of this evolution – among others, AIT, SUFA, the APCs, the Calgary Declaration, and the Council of the Federation (COF).

The endpoint of the analysis is what the author refers to as the Summit of the Canadas – the June 2004 COF meeting and the First Ministers’ Conferences on health and equalization in the fall of 2004. The important symbolism emanating from the COF was the proposal for Ottawa to take over pharmacare, with the formal recognition by all ROC provinces that Quebec would maintain its existing program with federal compensation. Likewise, the First Ministers’ 2004 Health Accord recognized Quebec’s distinctiveness in the form of a signed Canada/Quebec addendum that recognized Quebec’s jurisdiction in this area. The bottom line is that these and other federal/provincial and

interprovincial initiatives are pointing in the direction of ROC allowing Quebec to become its own nation in the Canadian state. In this sense, the 2006 Parliamentary confirmation that the Québécois form a nation within a united Canada is but the latest step in Quebec's evolution toward formal if not constitutional recognition.

LANGUAGE AND CANADA/QUEBEC RELATIONS

John Richards' contribution, *Breaking the "Vicious Cycle:" A Retrospective and Prospective Examination of Quebec-Canada Relations*, begins by addressing an omitted feature of the Courchene paper, namely the linguistic dimension of the evolution of Quebec. Richards takes readers through the rationale for, and passage of, *La Charte de la langue française* (Bill 101, as it has come to be known), with emphasis on the role of French as a language of work, instruction, communication, commerce, and business on the one hand and its associated attempt to ensure respect for ethnic minorities on the other. (Note that the contribution by Mendelsohn and his associates emphasised that Bill 101 has indeed played a role in making Montreal a pluralistic, multilingual community). Among the implications arising from Quebec's language policy was the 1988 *Ford v. Quebec* (sign law) decision rendered by the Supreme Court. This triggered Quebec's resorting to the notwithstanding clause, which in turn arguably played a role in the demise of the Meech Lake Accord. Richards' intriguing argument here is that the "patriation of the constitution in 1982, with minority language rights provisions of the Charter as drafted, unnecessarily exacerbated Quebec/Canada relations." The problem here, continues Richards, is that "Bill 101, an innovation of iconic importance to contemporary Quebec, received no constitutional sanction [in the Charter]."

In the context of his overview of more recent Quebec history, Richards highlights the "manifesto" *Pour un Québec lucide* signed by several high profile Quebecers (including Lucien Bouchard, André Pratte, Pierre Fortin ...) drawn from all walks of Quebec life. The signatories recognized that the Quiet Revolution allowed Quebec to close much of the income gap with ROC, but that this catch-up has now stalled. Beyond singling out public sector unions, Richards summarizes their concerns as follows: "Quebec must embrace efficiency enhancing changes to public policy, such as higher university fees, combined with income-contingent loans, ... reforms that shift taxation from income to consumption, and an end to cheap electricity so as to raise public revenue and lower the provincial debt."

All of this analysis is sandwiched between an opening and closing quotation from an impressive set of articles by Alain Dubuc of *La Presse*, the essence of which is that Quebec's next national project must be to succeed in education, culture, and in the new economy, with Montreal the crucible for this knowledge-based society. For this to happen, Dubuc suggests that this requires

(as Richard's title indicates) "breaking the vicious cycle" that for too long now has constrained Quebec.

COMMUNITARIAN VS INDIVIDUALIST CAPITALISM

What is presumably new for many ROC readers in these papers is the prominent role played by the "Quebec model." Yet in international context, Quebec is hardly unique. Much of continental Europe as well as Japan embraces some version of this "communitarian" approach to capitalism, where the comparison is with the Anglo-American or "individualist" capitalism. Given that communitarian capitalism achieved its full blossoming in the post-war Federal Republic of Germany, Michel Albert in his 1993 book *Capitalism vs Capitalism* labels this as the "Rhine model" so named because Bonn, the then capital of Germany, is situated along the Rhine. In terms of the contrast between the Rhine model and the Anglo-American model, or between communitarian and individualist capitalism, Lester Thurow (1992, 2-3) reflects as follows:

In the Anglo-Saxon [individualist] variant of capitalism ... since shareholders want income to maximize their lifetime consumption ... firms must be profit maximizers. For profit-maximizing firms, customer and employee relationships are merely a means to the end of higher profits for the shareholders. Wages are to be beaten down where possible and, when not needed, employees are to be laid off ... Job switching, voluntary or involuntary, is almost a synonym for efficiency.

The communitarian business firm has a very different set of stakeholders who must be consulted when its strategies are being set. In Japanese business firms employees are seen as the number one stakeholder, customers number two, and the shareholders a distant number three. Since the employee is the prime stakeholder, higher employee wages are a central goal of the firm in Japan. Profits will be sacrificed to maintain either wages or employment. Dividend payouts to the shareholders are low.

Communitarian societies expect companies to invest in the skills of their work forces. In the United States and Great Britain, skills are an individual responsibility ... Labour is not a member of the team. It is just another factor of production to be rented when it is needed, and laid off when it is not.

Beyond this, communitarian societies tend to have their companies financed by credit markets whereas in individualist capitalist societies companies tend to focus on equity finance. Relatedly, communitarian societies tend to have

universal banking systems that operate in all of the traditional pillars (banking, insurance, trusts and securities markets) whereas, until recently at least, Canada's chartered banks were restricted to banking. Moreover, by the very nature of credit-based finance, communitarian systems tended to be characterized by complex webs of cross-ownership of firms, replete with the mixing of finance and commerce. This makes it very difficult for outsiders to take over dominant firms in communitarian societies. For example, to attempt to takeover a major German firm in the heyday of the Rhine model, one would first need to take over most of the big German banks.

There is an analytical reason, beyond mere protectionism, why communitarian societies are not fond of company takeovers, namely that companies are part of the "organic" nature of these societies:

... communities to which a person belongs – whether company, town, trade union or charitable organization – are regarded as crucial; they are the structures that protect the individual and provide stability for the whole society (Albert, 1993, 124).

and

That the company should enjoy its exalted status in Rhine countries is a logical outgrowth of the economy culture. Unlike the neo-American view of the company as, at best, a collection of the contractual arrangements between temporarily convergent interests or, at worst, as a 'cash flow machine', the Rhine model sees the company as a social institution and an enduring community deserving of the loyalty and affection of its members, who can expect a measure of company care and protection in return (Albert, 1993, 146).

The best exemplars here are the Japanese Keiretsus and their policies of lifetime employment which at their zenith effectively became an integral, albeit unofficial, component of the Japanese social security system.

By way of a final, and personal, reflection on these two types of capitalism, not enough attention is paid to the fact that individualist capitalist countries tend to be underpinned by English common law while communitarian societies are governed by civil law. Actually, if there is a causation here it presumably runs in the other direction. The very process of codifying civil law necessitates an ongoing dialogue and relationship between the state and civil society, a dialogue that is not required in the precedent-driven evolution of the common law. The presumption would be that it becomes more natural in civil law than in common law regimes to carry this enhanced role of the state over to the socio-economic spheres. Indeed, one might take this comparison further by noting that it is in individualist-capitalist and common-law countries that one tends to still find first-past-the-post electoral systems. The prevalence of

coalition governments in proportional representation systems would seem to accord better with civil-law philosophy than common-law philosophy. What readers should take from these speculative comments is that this common-law/civil-law comparison and the implications that flow from it have not received the research attention that they merit.

This caveat aside, it is important that readers be apprised that the above comparisons between individualist capitalism and communitarian capitalism have been couched in rather stark terms. It is not so much that they are misleading; rather it is that these contrasts have been eroding over time. For example, continental Europe is rapidly trying to develop equity markets to compete with London, while America has now done away with its Glass-Steagall Act which prohibited commercial banks from owning securities firms. At a much deeper level both communitarian and individualist capitalism are under strain. The broad shift toward "socialist" regimes in South America represents a turning away from the Anglo-American model. And under the pressures of advancing globalization, the traditional communitarian economies are facing challenges:

The social consensus characteristic of the Rhine model is also in jeopardy. One by one, the priorities that underpin this consensus – the primacy of collective over individual interests, the power of trade unions and the voluntary sector, co-responsibility in company management – are proving vulnerable to new and destructive forces. (Albert, 1993, 172)

These "destructive" forces are, of course, globalization and the heightened mobility of capital.

With this comparison of communitarian and individualist capitalism as backdrop, the remainder of this introductory chapter focuses on how all of this relates to the Quebec model in the Canadian context.

CANADA AND THE QUEBEC MODEL

Beyond restoring to the Province of Quebec the right to maintain its religion, the 1774 *Quebec Act* also granted "his Majesty's Canadian Subjects within the Province of Quebec... [the right to] hold and enjoy their Property and Possessions, together with all Customs and Usages relative thereto, and all their other Civil Rights," where such property and civil rights were to be determined by the then laws of Canada (i.e., by pre-revolutionary French law). Indeed, the *Quebec Act* phrase, "property and civil rights," found its way into the *Constitution Act, 1867* as s.92(13) and also in s.94. That "property and civil rights" would assume the role as the most effective source of residual power in the Constitution is less surprising when one considers its expansive sweep under the *Quebec Act*.

Irrespective of whether Quebec became a more communitarian society because of a desire to preserve and promote its linguistic and cultural identity within a North American “sea of Anglos,” as it were, or because of the collective nature of its civil-law legal framework need not detain us here. All that is required in what follows is that Quebec falls, relative to the rest of North America, into the communitarian capitalism camp. The issue then becomes: What effect have Quebec and the Quebec model had on the evolution of Canada?

Elsewhere (1995) I identified a potential range of such influences. Given that this was written in the time frame leading up to the second Quebec Referendum, the analysis comes at this issue from the opposite perspective: were Quebec to exit the federation, what would be the implications for ROC? My conclusions were along the following lines:

- Quebec brings legal and institutional pluralism to Canada. The former relates primarily to the civil law tradition, while one aspect of the latter related to Quebec’s “opting out” of various policy areas. Thus, absent Quebec, at the margin ROC becomes much less legally and institutionally pluralistic or, in the way that we are used to expressing this, Canada becomes more symmetric. This may not be good news for the First Nations. How much of our apparent willingness to accommodate alternative institutional/constitutional arrangements for the First Nations is a reflection of the existing degree of pluralism? With Quebec gone, will ROC remain as accommodating?
- The taste for regional redistribution is likely to erode. The argument here is that the magnitude of interpersonal and interregional transfers has been influenced in no small way because Quebec, one of the “founding nations,” is also a “have-not” province.
- ROC will probably become more centralized. Quebec is the clear leader in terms of decentralization, whether in terms of revenues (with its own separate personal income tax system) or expenditures (with its continuing requests for greater powers). It is true that there are other decentralist provinces in the federation. With oil at \$60 US per barrel, Alberta is obviously tilting in a decentralist direction. But while Quebecers are decentralist, Albertans (as distinct from Alberta) are not, or at least not yet.
- With Quebec in the family, the tensions in the federation revolve around federal/provincial or territorial axes. With Quebec gone, these may become eclipsed by pan-ROC and non-territorial cleavages – that is, the tensions will relate more to Charter interests vs vested interests. While this is related to the issue addressed in the previous bullet, it is conceptually distinct.
- Canada’s embracing of multiculturalism is, in part at least, a response to “official bilingualism.” This support for multiculturalism will presumably erode were Quebec to exit.
- More to the core of communitarian capitalism, Quebec is a bastion of “collective rights.” With Quebec out of the federation, the focus will tilt toward

individual rights. I recognize that the collective rights in the Charter may appear to contradict this, but I agree with the conclusion of Seymour Martin Lipset (an eminent US commentator on things Canadian) that the Charter is inherently a “republicanizing” document.

- Relatedly, Quebec has distinguished itself as a member of the communitarian capitalist camp. Apart from the West’s experimentation with cooperative capitalism (consumer and producer co-ops), from the Antigonish Movement, and from Canada’s earlier enchantment with Crown Corporations, Quebec is the leading exponent of communitarian capitalism. In particular, the Quebec state is a much more important economic player in its economy than is the case for other provinces (or US states).
- Only Quebec fully engages its civil society institutions – labour and the third sector – in interest-group representation and social consensus mechanisms toward the end of developing and implementing public policy. This is an integral part of the essence of communitarian capitalism. While Saskatchewan was an early pioneer in terms of creative innovations in the social envelope (e.g., Medicare), the mantle of social policy innovator has clearly shifted to Quebec – the CLSCs, universal day care and, very recently, parental leave, to mention just a few examples. This is the Quebec model in action.

What is striking about these influences is that each of them has moved Canada away from the dictates of the American Creed, i.e., away from “Life, Liberty and the Pursuit of Happiness” and toward “Peace, Order and Good Government,” (or, in the words of the *Quebec Act*, toward “Peace, Welfare and Good Government”).

Intriguing, perhaps, while Canadians have embraced, and largely taken for granted, these defining features of Canada, several of the authors in the chapters that follow express concern that the Quebec model in the early years of the 21st century appears to be falling on hard times. As John Richards notes in his paper the most dramatic instance of this questioning has taken the form of the 2006 “manifesto” *For a Clear-eyed vision of Quebec (Pour un Québec lucide)* issued by a dozen prominent Quebecers from all parties and all walks of life (Lucien Bouchard, Pierre Fortin, André Pratte, Guy Saint-Pierre ...). Among their concerns would appear to be the very interest-group representation and consensus building that is part of the essence of the Quebec model:

Social discourse in Quebec today is dominated by pressure groups of all kinds, including the big unions, which have monopolized the label “progressive” to better resist any changes imposed by the new order...

and

Unfortunately, at the very moment when we should be radically changing the way we view ourselves and the world around us, the slightest change to the way

government functions, a bold project, the most timid call to responsibility or the smallest change to our comfortable habits is met with an angry outcry and objections or, at best, indifference. This outright rejection of change hurts Quebec, because it runs the risk of turning us into the republic of the status quo, a fossil from the twentieth century.

This is not that different from the concerns aired above with respect to the operations of the Rhine model. Yet the challenge from the manifesto's perspective is not to do away with the Quebec model. Rather it is to introduce some degree of flexibility into the operations of Quebec's version of communitarian capitalism in order that the province can accommodate the dictates of the new global order.

If there is a message in all this, it is that while Bay Street tends to take a dim view of the operations of the commercial variant of the Quebec model (i.e., Quebec Inc), it is nonetheless the case that the civil society operations of the Quebec model have left their imprints on Canada and Canadians in myriads of ways and places. And some of these qualify as *les acquis* of 21st century Canada. For this reason alone, the ensuing papers and their grappling with the future of the Quebec model are of importance well beyond the borders of Quebec.

By way of some concluding comments, it is instructive to view aspects of the forthcoming Quebec election from the perspective of the conference papers. The earlier-noted formation of a new party on the left – Québec Solidaire – would not surprise Pascale Dufour because the “progressive activists” are more interested in a social agenda than they are in the PQ agenda (which from the author's perspective adheres to a sovereignty agenda in a free trade context), and because Québec Solidaire embraces a social justice agenda for Quebec. Indeed, the looming four-party contest is especially interesting. As if responding to Rachel Laforest's warning that the Liberals were losing support because of their hard line on the Quebec model, Charest and company have pulled back on their earlier efforts to unwind selected aspects of the Quebec model. As already noted, Québec Solidaire on the left would like to deepen the communitarian aspects of the Quebec model whereas Mario Dumont and the ADQ on the right now have the individualist capitalism platform to themselves (unlike the 2003 election where the platform of the Liberals contained planks that embraced aspects of Anglo-American capitalism). What remains the same is that the sovereignty issue still divides the PLQ and the PQ. But even here there is an important new factor – the Harper Conservatives adoption of “open federalism” and the commitment to redress the federal-provincial fiscal imbalance. Other things equal, this has to favour the Charest Liberals. Finally, given the apparent revival of the ADQ, Brian Tanguay's paper will merit a second round, as it were, to again assess whether the ADQ achieves

the “great realignment” of Quebec parties or gets squeezed out in yet another election fought around *la question nationale*.

Stay tuned.

NOTE

I wish to thank Marc-Antoine Adam for valuable comments on an earlier draft. However, full responsibility for the views that follow rests with me.

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