

**From Bad to Worse**  
**Twenty More Years of the Assault**  
**on the Public Sector**

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## **From Bad to Worse: Twenty More Years of Assault on the Public Sector**

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### **ABSTRACT**

For almost forty years, the ideology of neoliberalism consisting largely of a faith in the rationality of market-driven economies, the prudence of minimalist government and the wisdom of slashing social programs in the interest of maximizing individual choice has dominated the Anglo-American democracies and become the preferred political and economic approach not only in liberal democracies but, increasingly in developing nations as well. In this context, public sector innovation has been assessed mainly in terms of promoting efficiencies and “customer satisfaction” rather than public investment and citizen participation. This reversal of post-World War II priorities and an expanding role for the public sector in both building infrastructure and providing social services has come at the insistence of private sector interests and has resulted, for example, in the popularity of the “new public management” in which government was to be judged according to its success in mimicking the “business models” of for-profit corporations. The results have included the demoralization of the public service, a decline in public services, labour, health and environmental regulations, widening gaps between rich and poor and a degradation of democracy itself. The restoration of the public interest and not the enhancement of corporate interests as the prime focus of public sector innovation is now overdue.

### **Introduction**

“Innovation” is a concept that many people believe exists in an inherently normless world. Although like “technology,” it constructs, carries and conveys what are popularly called “values,” innovation is considered to be mainly an instrumental term. A reading of the literature suggests that it concerns methods more than objectives, that it is procedural more than substantive, that the means are more important than the ends.

When assessing innovations, we commonly consider questions of efficiency and performance. Just as we can judge an automobile according to criteria such as fuel consumption and speed, so we can judge innovations according to the specific outcomes we expect them to achieve. Just as we do not judge the technical capacities of an automobile by the quality of the destination a driver chooses, so we do not judge the efficacy of an innovation by the wisdom, ethics or morality of the policy objective it was designed to fulfill. We are mostly interested in whether it did the job. Did it work?

So, for example, innovations meant to redress educational inequalities among demographic groups can be evaluated in terms of statistical student retention and graduation rates. Likewise, innovations meant to reduce waste in government procurement programs can be objectively appraised in terms of the costs and quality of the materials purchased. As well, innovations meant to improve a country’s geopolitical status can be measured in terms of the

observable effects of starving an opponent into submission using economic sanctions or bombing a rival into surrender (or oblivion) using a massive military invasion, targeted assassinations or drone strikes launched from half a world away. Whether any of these projects is ethically defensible does not necessarily enter the equation. Innovations can be evaluated using both qualitative and quantitative data. Whether the innovation was used for good or evil is a matter of *political* debate.

Guns don't kill people. People kill people.  
– National Rifle Association

To a man with a hammer, everything is a nail.  
– Abraham Maslow

The preference of innovation theorists to focus on empirical measures of effectiveness and on how innovative techniques contributed to the success of programs but not on “political” decisions about the normative quality of policy aims has always perplexed me. Innovation, I believed (and continue to believe) cannot or, at least, ought not to be contemplated in a “value-free” world. Although, like technology, innovation is thought to be conceptually separate from the purposes to which it is put, in my view this is ontologically naïve, epistemologically unsupportable, and ethically, morally and politically absurd.

The dispassionate, detached, value-neutral approach to innovative policy initiatives is, I believe, both an intellectual and a practical fraud. While some people may take it as a mark of professionalism and administrative neutrality to find the most effective means to achieve an objective without considering its ethical and moral implications, I do not think that contemporary circumstances afford us the luxury of disinterest, innocence or irresponsibility (call it what you will). The political system does not merit it and the stakes are too high to permit it.

In making this assertion, I know that I am inviting criticism and maybe condemnation from many sides, but I also believe that I am addressing a dilemma that has been suppressed for too long and that needs a more sustained airing and some serious debate. At the very least, I wish to argue that, although governments that are elected to office in a representative democracy have the putative right to govern with, as some say, a “mandate” from the people, there is an obligation on the part of public servants to provide pertinent information to the public and not only those elected to govern in their name. (This, of course, is often called “transparency,” especially by people who talk about it, but seldom practice it.)

I further wish to argue that the obligation to contribute to public debate is especially important today. That is because political decision makers have revealed their biases toward some social and economic institutions and against the wider public interest with such frequency and intensity that citizens can be forgiven a certain amount of cynicism and drawing the conclusion that the “political game” is rigged. When, therefore, public sector innovation is designed to support certain entrenched interests and to exclude adequate attention to the wider public good, the pretence of public sector objectivity can too easily become a matter of collusion that is corrosive of the very democratic values to which everyone (at least publically) subscribes.

Even more important is the global context in which this dilemma must be faced. The gravity of a range of public issues demands that we confront the possibility (perhaps the inevitability) of several converging crises that pose what is now fashionably called an existential threat to social stability and civilizational sustainability. This, as I shall later contend, is not wanton hyperbole, wanton fear-mongering or reckless exaggeration. It is nothing less than a rational and evidence-based conclusion that can be reached by anyone with access to the relevant data—an accessibility that is less and less available from authoritative public sources.

## I

When Eleanor Glor invited me to compose a reflection on public sector innovation in the twenty years since *The Innovation Journal: The Public Sector Innovation Journal* commenced publication I was honoured, of course, but it didn't take long for the worrisome nature of the task to become obvious and not a little disturbing. From Moscow to Mexico City, from Berlin to Baghdad, and from São Paulo to Singapore, events have not proceeded along any common line that could have been accurately predicted a scant two decades ago. And many of the lines that our collective history has followed are more than distressing. A few simple examples will show what I mean.

Regarding the degradation of the environment, we are experiencing the greatest extinction of animals and plants since the dinosaurs took their leave a little over sixty million years ago, yet concrete and measurable innovations to slow (never mind stop or reverse) the deterioration of the biosphere are avoided by almost all governments; their leaders prefer to mouth some reassuring platitudes, take half-measures and set guidelines for objectives that they must surely and therefore hypocritically know they will not meet.

Among the sciences, there is one little fellow named Ecology, and in time we shall pay him more attention. He teaches us that the total economy of this planet cannot be guided by an efficient rationale of exploitation alone, but that the exploiting part must eventually suffer if it disturbs the balance of the whole.  
– Kenneth Burke, 1937 (1961): 150

On economic matters, although some formerly poor countries are prospering particularly around the Pacific Rim, domestic and global economic gaps in wealth and income are increasing. What's more, the stampede toward international agreements such as the Trans-Pacific Partnership (TPP), the Transatlantic Trade and Investment Partnership (TTIP), the Trade in Services Agreement (TISA), the North American Free Trade Agreement (NAFTA), the Central America Free Trade Agreement (CAFTA), the Comprehensive Economic Trade Agreement (CETA) as well as dozens of customs unions, monetary unions, integration systems and partnerships are being run under the false flag of "free trade." What is really taking place is the application of a template for corporate roll-backs of domestic and multilateral environmental, social and labour policies that annoy the global finance, commerce, manufacturing, and resource extraction industries. The current crisis in European Union-Greece relations is a prime

illustration of the consequences of ill-conceived, incompetently planned and badly executed exercises in multilateral trade and financial relations. The secrecy attending other impending innovations in multilateral agreements sensibly amplify, once more, the presumption that the game is rigged—more firmly, broadly and consequentially than ever before.

The bourgeoisie... has set up that single, unconscionable freedom – free trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation.  
- Karl Marx & Friedrich Engels, 1848

With respect to questions of war and peace, in the seemingly permanent hostilities in North Africa, the Near and the Middle East, violations of the most elementary human rights are taking place whether in ritual beheadings or in anonymous drone strikes guided from half-way around the world. Meanwhile, real or threatened conflict along the periphery of Russia's perceived sphere of influence from the Baltic Sea to Luhansk and Donetsk, in the increasingly contested South China Sea, and soon, perhaps, in Sub-Saharan Africa ensure that, in the unlikely event that tensions involving the several strains of Islam world are relieved, there are ample additional areas of antagonism and potential aggression to make armaments manufacturers and military advisors endlessly happy.

In sum, the litany of affronts to human dignity and decency is vast. The legacy of occasionally successful norm-based innovations such as the UN Peacekeeping Forces is being submerged in bellicose posturing and short-sighted national selfishness. Meanwhile, the inventory of useful solutions is meager and unlikely to grow in the absence of authentic commitments to mature dispute resolution and the authentically innovative approaches to international relations that they would require.

In military slang, Predator drone operators often refer to kills as 'bug splats', since viewing the body through a grainy video image gives the sense of an insect being crushed. - notabugsplat.com/ quoted in Kroker & Kroker, 2015

Meantime, whether locked into affluent surveillance societies or desperately seeking to sustain life in the growing number of “failed states,” we can observe the systematic degradation of human rights and enormous human suffering. As geopolitical fault lines are further fractured, we witness the intensification of fundamentalist religion and nativistic xenophobia that are implicated in more than their share of enforced ignorance and hideous brutality.

Seeing so much that is dismaying around us, many people are adopting an apocalyptic attitude: some are fatalistically choosing quietism and a retreat into the idiocy of private life while anticipating some version of “end times” and some are succumbing to the temptations of nihilism or terrorism. Everywhere there is talk of existing and incipient crises, but no sensible person seems sure where workable solutions are to be found—if it is sensible to talk of solutions at all. In any case, there is plainly ample evidence of an environmental crisis, an energy crisis, an economic crisis and an ethical crisis at the top levels of business and government that sometimes catastrophically engulfs and sometimes merely trickles down upon the populations below. The

temptation to take our stage directions from Shakespeare and proceed with “alarums and excursions” is strong.

So, reflecting on Eleanor’s invitation, I found myself thinking that to sum up *anything* in such ominous circumstances is difficult, but to address such an elusive concept as “innovation” in such the elastic arena of the “public sector” is quite impossible. Therefore, I took the only rational approach. I enlarged the field even further not to court further danger, but to try to put the matter in perspective. If I can’t see individual trees clearly, I might at least be able to identify the parameters and sense the topography of the forest.

## II

### Perspective

Sometimes I wish I was about twenty-five years younger, though not only for the usual and most obvious reasons. Specifically, Eleanor’s commission could have been more easily completed if I had been born in 1970. In that case, I would have only begun to be politically conscious when Ronald Reagan, Margaret Thatcher, the entire roster of neoliberal politicians and their overbearing corporate sponsors began their concerted assault on the public sector. I would have had little personal memory of what life was like before President Reagan’s First Inaugural Address in which he famously, foolishly and fallaciously declared that “government is not the solution to our problem; government is the problem” (1981).

Knowing next to nothing about the quality and promise of life *before* the likes of Reagan and Thatcher occupied positions of power and authority, I could have discussed today’s issues within limited and more manageable boundaries. A coherent narrative could have been offered with nothing more complicated than a few degrees of difference, some subtle shades of meaning and barely noticeable nuances all contained within the same conceptual scheme. No stark contrasts would need to have been identified, much less criticized, and I could quietly have deferred to reality as it is presented in the specious present.

<p><i>Power to the People!</i> – slogan used by the Conservative government in Ontario to announce their innovative public electricity producer in 1906.</p>
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As it happens, however, my memory is larger than that. For instance, I vividly recall when public sector innovation engaged the imagination, attempted large and at least superficially noble projects, and were part of the post-World War II promise of political, economic, social and technological progress that few people, at least in North America (abstract expressionists, be-bop musicians and generic beatniks excepted), were forced to view with sustained skepticism.

I recollect when US President Eisenhower authorized the construction of the American Interstate Highway system—officially as a means to deploy troops across the continent in the event of a Soviet invasion, but in effect mainly to promote unprecedented levels of domestic tourism. I remember when Canada enjoyed public enterprises such as a national railway, a

national airline, and a national energy program complete with a national petroleum company all of which were denatured and eventually sacrificed on the altar of privatization.

I can also call to mind the cautious but unmistakably progressive development of the welfare state, the enthusiasm for public investment in infrastructure, the rigorous regulation of food, water, industrial health and safety, and the dramatic enlargement of the public education and health care systems. Now *those* were public sector innovations truly worthy of the name.

I was, in fact, one of the early beneficiaries of the transformation of “elite” to “mass” education and became the first member of my working-class family to graduate from university—thanks largely to the common belief among governments of various ideological hues that a mixed private-public economy would bring general prosperity to what would soon be known as the “post-industrial” society (Bell, 1974). In the shiny, happy future, it was commonly thought, high technology would make most dirty, dangerous drudgery redundant. Instead, work would become more intellectually stimulating, lucrative, abundant and efficient.

In those days, moving from job to job and from career to career was seen as an exciting adventure, not evidence of being locked in a maelstrom of precarious and perpetual underemployment. Well-paid jobs were expected to be abundant and only the least educated and least imaginative would have to accept lifetime work at the same old mine, mill, smelter, shop or office. So, for example, although Bennis and Slater (1968) worried some about rootlessness and loneliness in a fast-changing society, they remained confident that the impending triumph of democracy (which they anticipated world-wide by the dawn of the twenty-first century) would more than compensate for the loss of stability, continuity and tradition. It was, moreover, generally prophesied that the main social problem would be an overabundance of leisure time, and it would be only thanks to added public support for libraries, museums, theatres and orchestras that people would avoid terminal boredom.

These worries were expressed, of course, by conservatives who assumed that the masses would be unable to cope with freedom. Absent the necessity of overcoming permanent scarcity, they would surely sink into debauchery (“Idle hands are the Devil’s workshop” Titelman, 1996). These fearful fantasies of civilization in free-fall were, however, more than met by latter-day radicals following Weber, Heidegger and the many members of the Frankfurt School—most notably, Marcuse (1964), who fretted that people would experience “meaninglessness” in a technological society characterized by *ennui* and *anomie* in the context of “hyperreality” and “cyberlife” (Baudrillard, 1993; Borgmann, 1994; Kroker & Weinstein 1994). On balance, however, there was general optimism that careers in public sector planning, systems design, technological invention, education, cultural work, health care and other humane, meaningful, creative fields would ensure a comfortable and contented (not to say complacent) and increasingly long life for the majority of people and, presumably, effective counseling and therapy for the rest.

Meantime, notwithstanding the insanity of the arms race and the Armageddon threatened by thermonuclear war, there was genuine hope that global politics would become progressively more stable. Thanks to an anticipated “convergence” between the USA and the USSR, the Cold War would come to a fitting close (Kerr, Dunlop, Harbison and Myers, 1955). We would find

ourselves cheerfully wired into the “global village” and we would alter our senses and sensibilities to plug into the new electronic age (McLuhan, 1964). Thereafter, humanity would no longer be plagued by pernicious totalitarian ideologies; moreover, having solved problems of economic scarcity and established overarching programs of government support and assistance in most aspects of life, we would no longer quarrel about politics. There would, indeed, be no need for political philosophers and competing political theories at all; in Seymour Martin Lipset’s heady phrase (1961: 403), we would behold “the good society in operation.”

Whenever politics and public administration were discussed, a certain ebullience graced the topic of democracy. Beginning with the revitalization of democratic theory (Pateman, 1970), the student radicals of the 1960s (Hayden, 2012) popularized the slogan of “participatory democracy” and found that it was even selectively adopted by certain sections of the “establishment.” Canadian Prime Minister Pierre Trudeau embraced the concept (Litt, 1982) and even the Conservative government of Ontario flirted with the notion. Its untypically *avant-garde* Committee on Government Productivity toyed with idea of mass involvement in various areas of provincial planning. It’s report included exhilarating texts that painted pretty pictures of a citizen involvement (Szablowski, 1971), participation (Thayer, 1971) and program effectiveness due to the adoption of innovative communications technology (Axworthy, 1971). Innovative avenues for public consultation in public sector initiatives would ensure not only that general social needs would be met, but that local adaptations would be suited to particular communities. There would be no need to orchestrate taxpayers’ buy-in for there would be democratic citizen involvement from the outset.

For a few brief moments, it seemed as though John Stuart Mill had joined forces with Marshall McLuhan as visions of sugar plums danced in certain cybernetics-besotted heads ... and to think, a couple of decades would have to pass before we became familiar with words such as the “Internet” or were able to spell “http” or www.

The buoyancy and confidence were, of course, all or mostly nonsense. Despite or, perhaps, partly because of massive technological innovations in economic production and distribution, communications and transportation, and military hardware, we have experienced growing ecological demolition, economic inequity, social disruption, and continuous overt and covert war. The long-promised secure work week of thirty-five, thirty or even fewer hours never materialized; instead, even in allegedly advanced societies, we (and our children and their children) face a future of permanent part-time employment that makes the troubles of the old industrial proletariat seem almost enviable. Optimism is now in short supply as we are relentlessly told that intense global competition will destroy everyone who fails to restructure or possibly blend their working and their private lives. And, underlying everything remains the unpleasant reality that the Earth is now well beyond its carrying capacity for human passengers.

We are revisiting Malthus and understanding more and more that his turn-of-the-nineteenth century prediction of doom owing to overpopulation was a trifle premature, but we are also realizing that, perhaps, its time has finally come. It is no longer alarmist hyperbole to forecast a degree of ecological degradation that will menace the biosphere and what is left of civilization as we think we know it.



### III

#### The Problem

Fortunately for those of us who recoil at the notion of inevitability and choose to decline the invitation to a global “pity party,” we do have a word for what went wrong. Being able to name the beast implies at least the possibility that it can be described, analyzed, explained and maybe overcome. The possibility that it is neither natural nor predestined allows for the further possibility that it can be slowed, stopped, reversed or, at least, managed until an opportunity for decisive corrective action can come along. The beast, as I construe it, is *neoliberalism*—both in theory and in practice, belief and behaviour, attitudes and action.

For about thirty-five years after World War II, the Western world experienced remarkable quantitative and qualitative economic growth. The “grand bargain” among business, government and labour brought prosperity and a rising middle class not only to North America, but also to much of Europe and elsewhere. Expansion of public sector services did wonders for social equity. Open class conflict was largely dissolved as trade unions gained legitimacy as the legal representatives of workers and came to mutually beneficial agreements with business owners. A living wage was won in exchange for a disciplined workforce. Most people lived noticeably richer lives than their parents had endured during the Great Depression and they also had every expectation that their children would do still better than them.

Even the Cold War had its apparent and perversely beneficial consequences as the munitions and aerospace industries flourished and the military became a prime fount of science, technology and mass education. (Although many Americans do their best to deny it, apart from the Social Security program, the most successful “socialist” policy in the United States was the “GI Bill” (formally, *The Servicemen’s Readjustment Act of 1944*), which allowed an entire generation of American soldiers in the “greatest generation” (Brokaw, 1998) to go to colleges and universities, purchase their own homes and join the burgeoning middle class.

<p>One thing we’ve learned in the years since the financial crisis is that seriously bad ideas—by which I mean bad ideas that appeal to the prejudices of Very Serious People—have remarkable staying power. No matter how much contrary evidence comes in, no matter how often and how badly predictions based on those ideas are proved wrong, the bad ideas just keep coming back. And they retain the power to warp policy.</p> <p>– Paul Krugman, 2015</p>
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In addition, under the leadership of the United States of America, what passed as the “Free World” became convinced that a practical path to “development” awaited all those in the “Third World” who chose to eschew the “communist” option and replicate the material successes of North America and Western Europe through the process of “modernization.” This, of course, was to be accomplished through the uncritical acceptance of “market” economies monitored and enforced by organizations such as the World Bank and the International Monetary Fund, but I am not so churlish as to believe that the people committed to this global strategy were insincere.

They truly imagined that prosperity plus a modicum of freedom and democracy was available to those who would embrace Western values.

It would take the failure of Lyndon Johnson's proposals for "the Great Society," which was lost to the stink of napalm in Vietnam to set the stage for abrupt and ultimately devastating ideological and structural change. It would take the "social turmoil" of the 1960s—the American Civil Rights Movement, the "counter-culture" and rise of the Parisian *soixante-huitards* in May, 1968, and the birth of feminism's second wave—to launch a corporate offensive that combined misogyny, racism, xenophobia with the interests of the hegemonic corporate sector.

Two months before he was nominated for the US Supreme Court by President Richard Nixon, corporate lawyer Lewis Powell wrote a memo to Eugene Sydnor, Director of the US Chamber of Commerce (Powell, 1971). This was a rallying cry to American corporations to extend their influence in political life and assert their interests in government policy formation. It was the symbolic beginning of a dramatic turn away from progressivism in the United States, a reversal of direction that was to be copied in many advanced industrial societies and to have dramatic effects on the global political economy.

The Powell memorandum set out a clear strategy. It began with a claim that American business was under vicious attack by people such as consumer advocate Ralph Nader, criminal lawyer William Kunstler, "Marxist faculty member" Herbert Marcuse of the University of California and others who were evidently corrupting American youth. In their place, Powell recommended the establishment of think tanks filled with "highly qualified scholars in the social sciences who believe in the [capitalist] system." They would, he hoped, counter the corrosive power of leftists who, he believed, dominated the colleges and universities. These loyal Americans could be sent out to spread the message. They would be empowered to "evaluate social science textbooks, especially in economics, political science and sociology" and to "insist upon equal time on the campus" for corporate-friendly messages.

Relying on FBI documents that provided an annual "list of speeches made on college campuses by avowed communists," he went on insist on the necessity of ensuring "quality control" in high schools, reaching the general public through coordinated efforts to sway television news and public affairs programs, infiltrate scholarly journals and put on a media blitz including paperback books and pamphlets as well as paid advertisements celebrating the American way of life as he saw it. Soon enough, Mr. Powell was on the Supreme Court, allegedly making unbiased and dispassionate decisions, but his enduring legacy lies less in jurisprudence than in the tremendous success which his corporate communications strategy was to have in the succeeding decades.

No thoughtful person can question that the American economic system is under broad attack ... There always have been some who opposed the American system, and preferred socialism ... But what now concerns us is quite new in the history of America. We are not dealing with sporadic or isolated attacks from a relatively few extremists or even from the minority socialist cadre. Rather, the assault on the enterprise system is broadly based and consistently pursued.

– Lewis Powell, 1971

Part of the Powell strategy involved a concerted effort to denigrate the public sector, to disempower trade unions, to disenfranchise voters and to eliminate public space, public discourse and public services.

## IV

### **The Implications for the Public Sector**

Without having lived through the era of “liberalism” (now, bizarrely, a term of opprobrium in the USA), I would be very much like the majority of young people today. I would have no memory before the age of neoliberal triumphalism. I would not understand that the hegemonic neoliberal ideology hadn’t always defined social, economic and political reality. The supremacy of the corporate sector sustained by its relentless attacks on public investment and public service would be taken at its face value and simply assumed always to have been so. After all, a critical part of the neoliberal strategy has been to debase history, to promote social amnesia and to wash collective experience down the Orwellian memory hole.

It is, however, a basic awareness of this relatively recent past (1945-1980) that provoked the title of this reminiscence. Reaganite rhetoric merged with Thatcherite dogma to produce in many lesser leaders a taste for the same destructive social and economic policies, often accompanied by a cherry smile and a reassurance that a growing number of countries that had shared the progress of the post-war era were now “open for business again.” When, therefore, I said that we had gone from “bad” to “worse,” I meant the “bad” to refer roughly to the period 1981-2001.

For the public sector, it was the time of the “new public management,” the admonition that government and its agencies adopt a business model, and the emphasis on accountability, efficiency and consumer satisfaction. It was the time when “citizens” were quietly transformed into “taxpayers” and “customers.” Governance became a matter of ensuring social order while maximizing the opportunities for individual economic risk and the promise of the accumulation of capital. “Greed,” we were told, “is good.” A “rising tide,” we were assured, “floats all boats.” And, in case it seemed that the common good was being sacrificed to the interest of the wealthiest among us, we were treated to the comforting notion that increased production that seemed to benefit only the elites would eventually “trickle down” to the middle and working classes and to the poor.

The Corporate Advertising, Marketing & Lobbying Fog Machine has bamboozled the American people into misguidedly blaming government alone for our problems instead of recognizing the complete fusion of corporate power and government decision-making ... Corporate strategy now dominates our government and dictates all government policy.

- Dennis Weiser, 2015

In the meantime, deficit hawks, obsessed with inflation, made it clear that we had been “living beyond our means,” that we could no longer afford the best in education and health care, that we must show restraint, tighten our belts and endure cut-backs in social services from public

pensions to sewage pipe replacement and collapsing roads and bridges at the same time as the most massive transfer of wealth from moderate income earners to the wealthiest tiny fraction (much smaller than the widely publicized “1%” was taking place. The fact that many of the most strident proponents of reduced government budgets from American President Reagan to Canadian Prime Minister Harper ran up some of the largest deficits in history seemed to escape unnoticed. Rhetoric prevailed over reality.

All of this and more was happening in the last two decades of the twentieth century and the process was almost complete when *The Innovation Journal* first came on the scene.

Things were already bad. They would get worse. The reason for such blatant pessimism has mainly to do with the comprehensiveness, internal consistency and dominance of neoliberalism. So effective has it been that even public servants, the people most immediately, directly and negatively affected by this ideology, have largely colluded in its spread either through a false sense of its legitimacy, a misplaced belief in its inevitability or a careerist opportunism prompted by a wish to be on the cutting edge of the very sharp sword that was slashing budgets and devastating essential programs.

## V

### **Innovation as Public Sector Suicide**

Examples abound, but one of the most obvious cases of public sector immolation was the Government of Canada’s financial policy in the 1990s. The claim was made that it was necessary to eliminate the federal deficit. Finance Minister Paul Martin was appointed as the “deficit dragon slayer” and tasked with “saving us from our profligate, self-indulgent, entitlement culture and getting us back on the road to solvency” (Dobbin, 2015). One mechanism was to cut forty percent of the federal support for social programs. The explanation that we were up against a “debt wall” was, in Murray Dobbin’s opinion, “built exclusively of hyperbole and hysteria over the three years preceding the 1993 election.”

“Do more with less!” – Neoliberal slogan

Martin’s innovative, cost-cutting and long-term fiscal reforms have been widely credited with salvaging the Canadian economy; what actually happened was that the 1990s became “the worst decade of the century (except for the 1930s) in terms of growth, productivity, productive investment, employment and standard of living. “The cost,” Dobbin continues, “was brutal ... Martin’s excessive unemployment cost the country’s GDP \$77 billion just in 1993 [and] \$400 billion by 1996” (Dobbin, 2015).

Other means could easily have achieved the same fiscal objective, but that was not the point of the exercise, merely its excuse. Martin’s real aim was to “redesign the very role and structure of government itself.” In his 1995 Budget Speech to Parliament, Martin echoed Ronald Reagan saying that “fiscal progress can only happen if we redesign the very role and structure of government itself.” In effect, that meant abandoning much of the traditional role of the public

sector to market mechanisms and desiccating the public service ethic. The aim was to “ensure *durable* fiscal progress [and to secure] that reform — *irrevocably*” (Martin, 1995).

In the past decade, the obsession with cutting social programs has been joined by concerted efforts to degrade democratic governance. Aided and abetted by the hysterical reaction to the events of September 11, 2001, the preoccupation with “terrorism” and the launch of the astonishingly ineffective “war on terror” has resulted in the creation of a “national security state” in Canada, the United States, the United Kingdom and elsewhere. From constant electronic surveillance of citizens to the targeted assassination of American citizens by its own government, a fundamental shift in political values has taken place at the highest levels.

The events of the past decade have included the efforts of the current Government of Canada to silence censor/censure dedicated professional public servants, to suppress science, to abandon evidence-based policy making by cancelling the long-form census and to govern by ideology—sometimes in open defiance of the Supreme Court of Canada and the Canadian *Charter of Rights and Freedoms*.

These and related events have taken the precepts of neoliberalism to a new level, but it is important to acknowledge that the basis for implementing Prime Minister Harper’s ideological agenda did not arise *ex nihilo*; it was being put firmly in place from

the time when Prime Minister Brian Mulroney presented the Economic Club of New York a much appreciated Christmas gift by announcing that “Canada is open for business again” (Murphy, 1984, December 24). Thereafter, there has been a relentless drive toward *faux* “free trade” agreements that now include provisions for the Government of Canada to be sued for speculated lost profits by foreign countries if domestic labour laws, environmental protections and social programs are deemed to have harmed their “bottom lines.”

In terms of the actual policies, processes and procedures of the public sector, neoliberalism found its purest expression in the far-famed New Public Management. By means of privatizing assets, commercializing and marketizing programs and, where possible, creating private-public partnerships (P3s), governments of all political stripes have fundamentally undermined what politicians had come to see as a privileged public sector with an attendant elitist culture. In the alternative, they have replaced it with a Walmart mentality in which manipulated market mechanisms introduce low-quality goods under the banner of efficiency and reduce social benefits under the flag of popular demand.

## VI

### **The Implications for the Public**

Whether in the form of privatization, P3s, and preferences for private sector consultants over public sector experts, the simple cessation of services, curtailment of public sector research that contradicts political policy or the embarrassing exposure of abnormally high levels of incompetence and corruption by auditors and ethics commissioners, the attack on the public sector has fit hand-in-glove with other aspects of the neoliberal agenda.

It goes/should go without saying that privatization and cessation of services have profound implications for social equity. By privileging private sector profits and stripping government of its responsibilities for providing effective, efficient and economical health care, education, transportation, communications, energy and environmental protection, we have witnessed the transformation of a robust and responsible public service.

Shunting responsibility onto the private sector or simply letting such duties as monitoring and regulating health and safety in everything from railway traffic to food and water inspection to poverty reduction, the quality of life—especially for economically marginalized aboriginal Canadians, recently identified as victims of “cultural genocide” (Truth and Reconciliation Commission of Canada, 2015)—has visibly declined and is especially noticeable when the socio-economic status of the poor is compared to the obscene wealth of the now infamous 1% (or, more accurately, the 1% of the 1%).

Now, of course, it falls within the mantra of neoliberalism to object that personal prosperity is the responsibility of the individual and not the pejoratively dubbed “nanny state.”

Neoliberalism has many forms, but these forms share a number of characteristics. Not only is it the latest stage of predatory capitalism, but it is also part of a broader project of restoring class power and consolidating the rapid concentration of capital, particularly financial capital. More specifically, it is a political, economic and political project that constitutes an ideology, mode of governance, policy and form of public pedagogy. As an ideology, it construes profit making as the essence of democracy, consuming as the only operable form of citizenship, and upholds the irrational belief that the market cannot only solve all problems but serve as a model for structuring all social relations. It is steeped in the language of self-help, individual responsibility and is purposely blind to inequalities in power, wealth and income and how they bear down on the fate of individuals and groups. As such, it supports a theater of cruelty that is scornful of any notion of compassion and concern for others. As a mode of governance, it produces identities, subjects, and ways of life driven by a survival of the fittest ethic, grounded in the idea of the free, possessive individual, and committed to the right of ruling groups and institutions to accrue wealth removed from matters of ethics and social costs.

Under neoliberalism, desire is wedded to commodities and the private addictions of the market. As a policy and political project, neoliberalism is wedded to the privatization of public services, the dismantling of the connection of private issues and public problems, the selling off of state functions, the elimination of government regulation of financial institutions and corporations, the elimination of the welfare state and unions, liberalization of trade in goods and capital investment, and the marketization and commodification of society.

As a form of public pedagogy, neoliberalism casts all dimensions of life in terms of market rationality. One consequence is that as a form of casino capitalism it legitimates a culture of harsh competitiveness and wages a war against public values and those public spheres that contest the rule and ideology of capital. It saps the democratic foundation of solidarity, degrades collaboration, and tears up all forms of social obligation.

What is new about neoliberalism, especially in the United States is that it has abandoned the social contract and any viable notion of long-term investments in social goods. It is indifferent to human fragility and suffering, and remakes everything into commodified objects or reified financial transactions. It creates emotionally bleak landscapes for the 99% and excessive fantasies of greed and power for the 1%. Its vision of the future is dystopian, and it is driven by machineries of social and civil death. Given the scope and power of neoliberalism, the book attempts to illustrate how it works politically, economically and pedagogically.

Henry A. Giroux, 2014

Any argument in favour of establishing a minimally livable wage, expanding so-called “entitlements” such as “pharmacare” and a national “child care” program is either pre-dismissed as unaffordable or finessed into cash payments to subsidize private sector providers. These claims, however, lack veracity. Objections to public service, public investment, public regulation and the public sector in general have no basis in economics as healthier societies such as those in Scandinavia amply attest. The attack on the public sector arises from the political imperative of limiting government and social programs in the interest of private sector capital accumulation. More evenly balanced mixed economies not only achieve equal or greater productivity, but uniformly demonstrate greater equity. It is plainly in the interest of the infamous “1%” (or the 1% of the 1%) to eviscerate the public sector in order to maximize its own wealth, power and overall cultural hegemony.

## VII

### What Is To Be Done?

The limitations of representative democracy are well-known. In many countries, for instance, election finance rules give wealthy donors enormous influence on party policies and election campaigns. The United States of America is, perhaps, the iconic case, especially following the “Citizens United” Supreme Court decision (*Citizens United v. Federal Election Commission*, No. 08-205, 558 U.S. 310). That judgement held that corporations were to be treated as individual citizens and to enjoy all the rights normally accorded to persons under the *Constitution of the United States*. Since one such right is “freedom of speech” and since the court ruled that “free speech” included the right to spend unlimited amounts of money on political campaigns, the result has been that most meaningful restrictions on campaign financing have been dropped. It has therefore become legal for financial, commercial, industrial and resource industries as well as unimaginably wealthy individuals to “buy” elections and, of course, to deny any candidate or party from fair competition unless about ten million dollars can be raised to finance a US Senate campaign or at least one hundred million dollars for a credible presidential attempt.

Other limitations such as the “first-past-the-post” electoral systems that apply most prominently in Canada, the United Kingdom and the United States also prejudice democratic outcomes by ensuring distorted results—not least the regular creation of “artificial majorities” which, in parliamentary systems, can give almost dictatorial powers to prime ministers and

political parties that win less than forty percent of the vote (Couture, 2014). And, of course, there are regular efforts to suppress voting by such tactics as requiring excessive documentation, a method that helps exclude by people such as the homeless, the poor, aboriginal people, students living away from their homes and so on; in short people who are unlikely to support governing parties of a neoliberal persuasion (American Civil Liberties Union, 2015; Canadian Civil Liberties Association, 2015; Mayrand, 2014; Mire, 2014).

Despite such (growing) restraints on democracy, however, it is one thing to understand how power corrupts and corrodes democratic decision making and quite another to contemplate practical action to remedy the situation, especially for people who are employed as public servants working for the governments involved. It is, after all, one

of the principal tenets of democratic governance that the public service should be accountable to elected officials and, through them, to the electorate. Although there is obviously an important research and advisory role, especially for senior civil servants, in deliberations concerning legislation and regulations, the prospect of power and authority residing in the bureaucracy and not in the people's representatives is anathema to any legitimate form of democratic governance.

Public service impartiality is a cornerstone of our democracy ... this does not preclude active political participation by our members." – Robyn Benson, 2015

At the same time, individual Canadian public servants who were once totally barred from partisan political activity now have some options. In 1991, a Supreme Court decision (*Osborne v. Canada (Treasury Board)* [1991] 2 SCR 69) held that Section 33(1) of the *Public Service Employment Act*, which prohibited federal employees from engaging in work for or against a political candidate or party or from standing for election themselves, violated the *Canadian Charter of Rights and Freedoms*. As a result, the Public Service Alliance of Canada (PSAC), the largest federal public sector union and the Professional Institute of the Public Service of Canada (PIPSC) have taken fresh steps toward political action.

PSAC president Robyn Benson (May, 2015) declared, for example, that while "public service impartiality is a cornerstone of our democracy ... this does not preclude active political participation of our members, the vast majority of whom should not be subject to any limitations on their political expression." Similarly, but somewhat less stridently, PIPSC president Debi Daviau committed her members to taking "all necessary" political action "short of becoming overtly partisan" which, in effect, meant that it will stop short of endorsing a particular opposition party or specific candidates, but that it would oppose the ruling Conservative Party in an "issue-based" campaign.

The "duty of loyalty" to the government is now balanced with the "civil rights" of individuals and of public sector unions. The balance is achieved by prohibiting public servants from partisan activity on the job and from wearing their uniforms, identification cards or other work-related markers while engaging in partisan activities on their own time. Apart from that, public servants are permitted to volunteer to assist in political campaigns, participate in peaceful demonstrations, publically endorse a candidate or party and seek election for political office.



Active political opposition, of course, is not to everyone's taste. Instead, it is important to focus as well on the notion of professional responsibility. Here the question is the freedom of public sector administrators, scientists and other professionals as well as ordinary public sector workers to comment on economic, social and environmental issues within their respective fields of experience and expertise. According to the science promoting interest group, Evidence for Democracy (2015), "cuts to important government research monitoring programs, reduced funding for basic scientific research, and the restrictive nature of government communications policies for federal scientists" have increased to a critical degree.

Science must therefore develop strategies to "withstand the attacks against it and overcome ideology" in the hope of returning to evidence-based and not ideologically controlled public sector decision making. Distorting and destroying information in order to pursue political gain is simply unacceptable in any democracy worthy of the name. Forcing information and analysis to conform to predetermined policy positions raises questions of loyalty, to be sure, but the question is whether the test of the public sector should be loyalty to a rigidly dogmatic government or to empirical and rational discussion in the public interest.

A published PIPSC survey (2013) of Canadian federal government scientists has found that 90% of its members felt that they are "not allowed to speak freely to the media about the work that they do" and that, "faced with a departmental decision that could harm public health, safety or the environment, nearly as many (86%) would face censure or retaliation for doing so. Moreover, according to the survey, "nearly half (48%) are aware of actual cases in which their department or agency suppressed information, leading to incomplete, inaccurate, or misleading impressions by the public, industry and/or other government officials." The survey, incidentally, "is considered accurate + or - 1.6%, 19 times out of 20."

Bad men need do nothing more to encompass their ends, than that good men should look on and do nothing. – John Stuart Mill, 1867
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The ethical question raised for public servants is analogous to what's sometimes called the "grocery clerk's dilemma." Suppose a food store employed a produce clerk who told customers that better quality fruit and vegetables could be found at lower prices at the store across the street; in such a case, the employer would probably be entitled to fire the clerk for behaviour contrary to the interest of the enterprise. The dismissal would be motivated by the employer's desire to maximize profits which is, after all, the principal purpose of opening such a store in the first place. But, government is not (so far) primarily in the business of making a profit. At some level, government is in place to be a force for the good of the community; so, the well-being of the citizens should surely be its highest priority. Accordingly, if government leaders (political or bureaucratic) behave in a manner counter to the public good, does not the public servant have a moral obligation to bring this malfeasance to public attention?

There is no easy answer. After all, complaining public servants may not have all the facts, may be otherwise disgruntled, or may have political motivations of their own. Nonetheless, as intimated earlier, the gravity of contemporary problems is such that there may be a special need

for care and courage on the part of people entrusted with some part of the common weal. It is for this reason that “whistleblower” protection is now widely available to employees who detect wrong-doing including negligence on the part of their employees. It is becoming increasingly clear that such protection should be part of employment contracts in both the public and the private sectors. It is also for this reason that a restoration of the culture of *public service* and not simply *customer satisfaction* in the relations between public sector workers and the *public interest* they have been recruited to serve.

I am aware that the opinions offered here may appear “radical,” in the current ordinary sense of the word. It has become synonymous with “extreme,” “fanatical,” “revolutionary” and the like. I prefer an older meaning, namely to return to the root. Neoliberalism has as one of its main themes the destruction of public spaces, public discourse, public service and the public sector. It is my view that this overall program is toxic to society as it exists and lethal to the kind of social innovations that the public sector and civil society must undertake in the interest of the whole of the human community.

Let me give the last words to the American literary critic, Burke. First, he said:

So, far, the laws of ecology have begun avenging themselves against restricted human concepts of profit by countering deforestation and deep plowing with floods, droughts, dust storms, and aggravated soil erosion;

Then, he went a significant step further:

And in a capitalist economy, these trends will be arrested only insofar as collectivistic ingredients of control are introduced....

Public sector innovation cannot mean the further surrender of public goods to the corporate sector and its profit fetish no matter what the cost in natural destruction or human suffering. This emphatically does not mean a break from our traditional ways of governance. Instead it implies an extension of democratic engagement and the establishment of broad-based concepts of social well-being, political equality and economic equity, all within an ecologically sustainable environment.

The challenge for citizens is to reclaim control of the public decision making. The challenge for public sector innovators is to inform and respond creatively to expressed public needs. Nothing less will do. Nothing else can do.

### **About the Author**

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