

What Women Should Know About Economic Fundamentalism

Marjorie Griffin Cohen

ABSTRACT

This paper argues that the policies implicit in economic fundamentalism are not inevitable because of the logic of capitalism, but are policies that have been actively promoted by the corporate sector in its own interests. The ideology of economic fundamentalism presents a rigid conditioning framework which affects economic and other public policies which have been important for women's equality and consequently, has undermined feminist successes in Canada.

RÉSUMÉ

Cet exposé soutient que les politiques implicites dans le fondamentalisme économique ne sont pas inévitables à cause de la logique du capitalisme, mais qu'elles sont des politiques qui ont été promues de façon active par les grandes compagnies, pour leurs propres intérêts. L'idéologie d'un fondamentalisme économique présente un cadre de conditionnement rigide, qui affecte les politiques économiques et d'autres politiques publiques qui ont été importantes pour l'égalité des femmes et par conséquent, ont amoindri les succès féministes au Canada.

THE POWER OF ECONOMIC FUNDAMENTALISM

Economic fundamentalism, unlike religious fundamentalism, has gained such widespread credibility in Canada and other wealthy nations that it is now the driving force behind public policy changes associated with globalization and restructuring. While religious fundamentalism is still treated with some skepticism because it appears dogmatic and rigid, economic fundamentalism has become accepted as a sensible framework for understanding the changes which are occurring in the world. The ideas of economic fundamentalism are remarkably simple: they are based on a philosophy of individualism and the pursuit of self interest in which buying and selling on "the market," regulates the ways in which human needs are met. The quaint term, "the market," belies the far-reaching implications of how this mechanism, as a regulator of human behaviour, has supplanted in our collective subconscious, other, gentler notions of morality, citizenship, and relations between people.

Economic fundamentalism is as dangerous for women as any other form of fundamentalism because it establishes a rigid framework for the thinking of society. During the past one-hundred and fifty years, feminists in western industrialized nations have challenged the idea of an unregulated market as the best and most efficient way to meet human needs. The market is good at allocating resources under certain circumstances, but these are limited: it is very selective about what it values and the less the value is related to hard cash, the more suspicious the market becomes of its veracity. Women did not need lengthy analyses of economic theory to realize that the acts of buying and selling on the market were not sufficient to meet their needs: the market could not recognize the value of their work, eliminate discrimination and oppression, or overcome chronic unemployment and poverty. Women had experienced first-hand the power of the market to keep them in their place and knew that only attempts to control the market could begin to rectify their circumstances of oppression. The efforts to humanize capitalism have been the great projects of the twentieth century and while

feminists have been dissatisfied with many of the results, those gains we have made are in much jeopardy with the recent successes of economic fundamentalism.

Our world is getting meaner and as we reach the millennium, ideas about collective ways of solving social problems have lost ground to arguments that the rules of competition are inevitable in the face of globalization. The apparent inevitability of a meaner world is reinforced by the remarkable ideological convergence of political and economic institutions around the world. Where diversity in economic and political institutions was once tolerated, uniformity is now demanded by international institutions. This uniformity has such strength that politicians no longer feel the need to convince people that the future could be better or specifically, that their political parties' policies could bring about greater equality and economic security. The critical difference between economic dislocation now and economic hard-times in other eras is this grim message for the future. For the past fifty years, widespread economic hardship usually has been viewed as a temporary aberration in a system which, in the long run, would work. In contrast, the restructuring associated with globalization promises little to those traditionally disadvantaged in our society: the unemployed cannot expect jobs, the poor cannot expect prosperity, and the disadvantaged cannot expect equality. The justification for economic change focuses almost solely on the competitive benefits for business internationally. Social and economic well-being is subordinate to the well-being of the corporate sector and harmonization downward (for people) is perceived to be necessary so that the corporate sector will be in a position to compete internationally.

How did we get to a point where as a society, we have more or less given up on the notion of controlling greed? How did freedom become so narrowly constrained to mean only economic freedom? How did human society become so decidedly an accessory to the economic system? And, how did the logic of the welfare state get broken?

The new economic orthodoxy is, in some ways, very familiar but its "inevitability," and the fundamentalist zeal with which it is pursued gives it a disturbing new dimension. The world is certainly changing, but that is something which in itself is not new: economic restructuring has been the very defining feature of capitalism. Even the acceleration of change is so familiar that change is expected and anticipated. The ideas associated with the new economic orthodoxy too are familiar. These ideas have dominated the world of economists and public policy makers for a few hundred years. What then, is different?

I will argue in this paper that the shift to the right at the end of the twentieth century was not inevitable because of the logic of economic forces, but was a carefully planned occurrence. Ideas about the moral superiority of personal responsibility and the freedom of individual choice have gained ascendancy through deliberate strategies of control and dissemination of ideas on behalf of the corporate elite. These ideas have, then, become the foundation for shaping international political institutions which have provided a rule book, or conditioning framework, affecting future decision-making. Throughout this process the nation state has shifted its role from one which at least tempered the ability of the rich and powerful to dominate, to one which followed the path of least difficulty, by championing mainly the interests of the powerful. The changing nature of the state was itself made possible by the conditioning framework put in place by international political institutions. My focus on the state will be important because it relates to my final point, which is that the neo-conservative direction is not an inevitable one and collective political action could force governments to respond to ideas substantially different from those of the neo-conservative elites. This is of crucial importance to women and other disadvantaged groups because it has been through the logic of the welfare state that major advances in redistribution have been advanced in our society. These ideas and economic institutions have been critical in shaping the egalitarian successes of feminism in Canada and as the rise of fundamentalist ideas force the dissolution of the institutions of

redistribution, the work of feminists becomes more precarious.¹

THE BREAK IN THE LOGIC OF SOCIAL WELFARE

In its first issue for 1997 the *Globe and Mail's* publication *Report on Business* featured an article on the United States, "Big Brother Bows Out." The article's lead seemed to breathe a sigh of relief: "at long last, jolting reforms are in store for formerly untouchable institutions, including social security, public education and welfare."²

Just a few years ago to express this kind of sentiment would have been unthinkable. Newspaper editors, as well as politicians, knew that people appreciated and loved their social programs. Welfare may always have been suspect, because it was the down and out who needed it, but public education, public health care, and public old age pensions were needed by everyone. They're still revered, at least in Canada, according to the most extensive and recent surveys on the issue.³ Despite the popularity of social programs, the media relentlessly pushes the need for change and politicians, even those in NDP governments, are echoing the sentiment, although usually these politicians are more circumspect and do not directly advocate privatization, but rather refer to the need for "public/private partnerships" and "deregulation." With prisons and even publicly funded welfare schemes being run by private enterprise in the U.S., the ideas about reducing, redesigning, privatizing and eliminating social programs, which were once shocking and untouchable in Canada, now seem not just reasonable, but necessary. It isn't even unthinkable, as the market invades all spheres, for sense to be made of the idea that companies should make profits out of poverty.⁴ When confronted with the continued insistence that we can no longer afford expensive social programs, people in Canada quite sensibly, then, feel it is time to explore other alternatives.

The shift in the logic of capitalism which leads people to begin to abandon their support of the public sector required both the idea that the public sector could no longer be adequately

supported collectively through taxes, and the erection of an apparatus internationally which assured that this thinking would appear logical. These two developments are inseparable, but I will proceed to develop the argument by first discussing the ways in which the increased economic integration of nations, through trade liberalization, broke the logic of the cooperation of business, government, and people in the welfare state.

The development of the social welfare state, particularly in the shape it took after World War II, required the cooperation of the corporate sector. For a long while -- from the end of the depression of the 1930s until the mid-1980s, -- economic policies which focused on full employment, high wages, and social support systems made sense to the corporate community as a group.⁵ Individually each business knew that it could make higher profits than its competitors if it could reduce costs by paying low wages to its workers and avoiding taxes. But collectively the corporate world understood that if selling products or services meant a reliance on people within the nation to buy them, it would be important for these people to have the money to do so. The welfare of the people within a nation was intrinsically linked to the ability of mass production to find a mass of customers to purchase the things produced. Individually corporations could do well if unemployment rates were high because then workers would be competing for jobs and wages would fall, but this low-wage strategy could not work for all producers simultaneously if they wanted to sell all they produced. A similar logic prevailed for the provision of public works and social programs: individually firms would have higher profits if they did not pay taxes, but collectively they would suffer if the state could not afford an infrastructure to support business activities.

With the uncoupling of the production of a nation from its markets, which is the objective of trade liberalization, the logic of maintaining a high standard of living within a nation begins to lose its saliency. The growth in the significance of export markets means that higher rates of unemployment and lower wages can be tolerated, since the people

within the country will not be required to buy all that is produced within that country in order for the corporate sector to maintain itself. This dynamic has been spectacularly obvious in Canada since the introduction of free trade. Historically, Canada has been a more export oriented country than most, with between twenty-five and thirty percent of its national income coming from selling things to other countries. This is in contrast to other countries like Japan, which derives only about fifteen percent of its national income from trade. The trade related proportion of the U.S. income is even less--about twelve percent a year. ⁶ Since the introduction of NAFTA the significance of trade has increased substantially for Canada so that by 1995 thirty-eight percent of the national income came from trade. Under these circumstances the logic of a Keynesian welfare state became easier to undermine. The result is an export-led economy with unemployment and inequality its permanent defining features. From the perspective of corporations, not having to rely on selling what they produce within the nation is ideal because costs can be lowered significantly without danger of creating economic conditions which would negatively affect the ability to sell, as would be the case in a more closed economic system. Internationally the corporations can become "more competitive," as we've seen occur within Canada.

**THE INTERNATIONAL CONDITIONING
FRAMEWORK, OR, HOW
GLOBALIZATION MAKES WOMEN
POORER**

For some time women have been conscious of the distinct implications of globalization and restructuring for different groups of women throughout the world. Initially the reactions focused on the effects on women's work as international systems of production and distribution became more dominant. As Swasi Mitter's classic book *Common Fare/Common Bond: Women in the Global Economy* indicated, women's work in both poor and wealthy countries was being adversely affected by the increased power of international corporations to shape the

world according to their own needs.⁷ Women in poorer countries were among the first women to understand the immense power of international organizations like the World Bank and the International Monetary Fund to insist, through programs of "Structural Adjustment," on establishing the market and export-oriented growth as the organizing principles for development. While in theory, the focus on export markets was supposed to make nations richer, women knew they were becoming much poorer.⁸ In Canada the dangers of globalization were first politically recognized by feminist organizations when discussions of free trade emerged in the early 1980s.⁹ Our initial concern, as was the case with women in poor countries, was first triggered by the implications for women's jobs, particularly the threat to those women whose employment positions have usually been more precarious.¹⁰ But as we learned more about free trade, we began to understand that its effects were more all-encompassing. Globalization has become a metaphor for the conditioning framework which shapes all of our choices, not just those for our work. Most significantly, it entrenches values which provide a view of the world in which the interests of the powerful are defined as necessity, while the demands of the poor appear as greed which undermines economic success.

The ideology underpinning globalization focuses on the efficacy of trade for improving the conditions of people everywhere. It is an old idea which sees the increasing integration of international economies as a positive step and one which would inevitably occur, if markets are not unduly hampered by governments. It is based on the nineteenth century notion of comparative advantage. The argument is that trade between nations will always benefit all parties involved. Earlier trade theory understood that trade would occur when one country produced something that either another country could not, or could produce only at great cost, (the least-cost theory) and that the objective for every country was to encourage exports and restrain imports in order to bring more gold or silver into the country: any benefit to one nation was matched by costs to other nations, so that there were no net gains from trade. In contrast,

the theory of comparative advantage understood trade to be to the advantage of both trading partners, even when one country produced everything more cheaply than the other. The explanation for this is that each country, by using its resources to produce and trade things in which it had a "relative" advantage, all countries would be better off and total production in the world would increase.

This idea of comparative advantage was a revolutionary notion and, since it was basically counter-intuitive, was not automatically taken up throughout the world. But during the nineteenth century when British imperialism was at its height, Britain's ideological dominance in trade and ideas about trade began to prevail. It was not until very recently in the twentieth century, however, that the apparatus to entrench the ideology of free trade internationally was put into place. The objective of free trade has been the governing principle of international economic organizations since the Bretton Woods conference in 1944. The threat of the return of conditions of the 1930s, which were believed to have been caused by excessive trade protectionist measures of nations, was the justification for the pursuit of the ideal. The plan was for the move toward free trade to proceed incrementally and with each "round" of the General Agreement of Tariffs and Trade (GATT), which occurred at ten year intervals, further measures liberalizing trade were introduced. The whole free trade initiative was accelerated with the Canada/U.S. Free Trade Agreement (FTA, 1989); the North American Free Trade Agreement (NAFTA, 1991); and the last General Agreement on Tariff and Trade which replaced itself with the World Trade Organization in 1995.

Free trade is pursued because international corporations want to create conditions for the free movement of capital and freedom from the ability of nation states to inhibit business transactions. According to the U.N. Centre on Transnational Corporations, between 80 and 90% of the exports of industrialized countries are in the hands of giant international corporations with sales of over \$1 billion annually. There are 6000 of these throughout the world and they are responsible for twenty-five percent of everything

produced in the world, yet they employ only three percent of the world's labour force. The main point to understand from this is that the international economy has been designed with these giant players in mind and the rules for action accommodate their best interests. The narrow interests this free trade regime favours is startling when one considers Canada's export situation. A recent World Trade Organization report pointed out that only fifty companies in Canada account for about half of the country's total exports. Many of these are the U.S.-owned automotive companies which dominate exports in Canada.¹¹

The ideology of free trade is a very powerful tool for international capital to shape the world according to its advantage. The belief that the pure workings of the market at the international level will ultimately sort out all human needs has almost evangelical proportions and is quite at odds with the more pessimistic message at the national level about the effect of increased competition. As one recent commentator, Will Hutton, put it, "...aggressive free trade is good. Busy sea-lanes and teeming ports are the handmaidens of prosperity for all..."¹² However, even for some supporters of free trade, it is now becoming clear that the real world is not as neat as traditional trade theory would like us to believe. Even Hutton recognizes the profound dislocations caused by international competition and calls for some kind of international regulation of financial markets. Trade can bring huge benefits, but also can have tragic consequences for the shape of a nation's future. This has been most obvious in nations in Africa and Latin America which have been encouraged (or forced) to specialize in export production to the detriment of feeding their own people. In many of these areas small-scale household production carried on by women becomes displaced by large-scale export production owned by men.

The shift to crops or manufactured items which command lucrative prices on international markets fits squarely into the notion of comparative advantage. According to trade theory, it is rational to shift resources from small-scale, largely self-sufficient individual household production to large-scale production of products

for the export market. The higher incomes from trade can then be used to import cheaper food from western countries. It is all rational until foreign markets turn sour for the specific export (something which occurs with depressing regularity) and the price of importing food to feed the people who no longer have an income becomes ruinous. This effect of export-led growth is the common trajectory of poor nations who are hopelessly in debt to banks in wealthy countries, as they borrow during global economic downturns just to feed their populations. The need to borrow from wealthy countries has been good business for banks in countries like Canada and the U.S. According to a recent Oxfam report, Africa has repaid what it borrowed one and a half times over. Last year alone poor nations paid the International Monetary Fund (IMF) \$1 billion more than was lent them in new loans.¹³ The logic of an integrated international production and distribution system benefits western corporate interests but results in desperate poverty for many parts of the world.

ONE MARKET, MANY STATES

Within industrialized nations the ability of the state to control the actions of corporations appears to have been seriously restricted by the new international context of globalization. The great advantage of the new international rules of trade to multinational corporations is their ability to escape regulation of nation states. The trade agreements work toward establishing one giant global market, while, at the same time, limiting the nature of the supranational institutions to market-creating activities. These are mainly actions designed to create greater capital mobility and to expand international markets in general. Unlike the work of nation states, which over time have developed institutions either to correct the economy when the market did not function in an optimal way, such as during times of depression, or to control business, such as through labour or environmental legislation, the international replacements that are being created neither exert discipline on the market nor function as instruments of market-correction. These functions are still the responsibility of nations, but as

multinational corporations become more mobile, the ability of corporations to escape the regulation of states increases. As nations compete with each other to have businesses locate in their own countries, the ability to control corporate activity comes into direct conflict with the increased mobility of these corporations. Unless all nations agree to behave in the same way with regard to corporate behaviour, the corporations will not be disciplined at all. Any one nation, by insisting on greater standards of corporate behaviour, will be disadvantaged and its corporations will claim that they are being made uncompetitive relative to other corporations in the international market. Since there is no mechanism for the nations to act collectively, individual state action is critically weakened. The new international trade agreements have facilitated the creation of a single market without a single state to regulate it. In this sense the growth in power of the corporate sector places nations in about the same stage of control over capital as they had at the dawn of the industrial revolution because national institutions are not equipped to cope with the nature of the changes which have taken place. The important point is, however, not that these changes in the control over capital were inevitable, but that the corporate sector worked hard, over the years, to see that they would occur.

DEBT/DEFICIT

The broad sweep of economic fundamentalism in the international context is often more abstract for women than is its effects in national contexts. In economic restructuring within countries women are conscious that the acts of reduced social spending, reducing taxes for the wealthy, and increasing corporate competitiveness directly and adversely affect their well-being. Economic fundamentalism has created a public paranoia about the debt and deficit: the impression is that our economy is in trouble because government wildly overspent on social programs we could not afford. The usual argument from the business elites and their political supporters is that expensive social programs should be "downsized," privatized, or eliminated altogether. The argument

is that taxes to finance programs are too high and these high taxes are bad because they increase costs for the corporations. High corporate taxes make Canadian products more expensive on international markets and also mean less money is in the hands of consumers for buying things on the private market. Shifting services now provided by the public sector to the private sector has obvious appeal to the corporate sector, which now claims it has to compete with public provision of some services. In this way, increasing privatization is directly linked to the debt and deficit hysteria in Canada.

Social programs which have long been secure in Canada very rapidly are being dismantled. The most recent example of how quickly and devastatingly the redesigns in programs can occur in Canada is reflected in the changes in unemployment insurance. Women have known for a long time that any redesign of the unemployment insurance program would target their work, mainly because the characteristics of a substantial portion of women's work could fairly easily be targeted as non-standard employment.¹⁴ Because women are more likely to have different types of work patterns than men who work full-time, full-year, the attempts to restrict U.I. benefits to those with "standard" jobs, would eliminate many women.¹⁵ The argument of the right, that unemployment insurance was too expensive and contributed to unemployment, won out over those of feminist and trade union groups, who argued for the necessity for the continuation of this income protection. The results are dramatic: while 88% of the unemployed were covered by unemployment insurance in 1989, only 31% are in 1997.¹⁶ Workers most affected, as predicted, are those (like many women) who have "non-standard" work. In the process of eliminating huge numbers of people from receiving benefits, the government has saved a great deal of money and thereby increased the surplus in the Employment Insurance account to \$12 billion.

The federal government deficit (the difference between government revenues and what it spends) is large, but the impression that the deficit problem arose because of uncontrolled government expenditures on social programs is a

wild exaggeration or even deliberate misinformation designed to serve the interests of those who want the programs eliminated.¹⁷ The government has a deficit only because it pays a huge amount of money in interest payments on the debt (the sum of past deficits). In 1996 this is the largest single item on the government's books, accounting for about \$47 billion, or about 35% of all the revenues it receives. Without these interest payments there is a substantial surplus in government accounts. In fact in all but two years since 1988 the government has taken in more money in taxes and other revenues than it has spent on all government programs and administration. In some years the operating surplus has been over \$10 billion, but over the period between 1988 and 1995 the government has received a total of over \$31 billion in revenues above what was necessary for expenses on social programs, other programs (like defense) and government administration.¹⁸

Canada's debt began to become a problem in the mid-1980s for specific reasons related to the government's very conservative ideas about how the economy should be managed. The rise in government deficits in the 1980s was a response to a severe recession, one which affected Canada more than any other developed country. During this period unemployment rates soared to 12% and remained high, averaging over 10% for most of the time since then. Certain government programs which are designed to kick-in when the economy is not functioning well, that is those cyclically-sensitive components of program spending like unemployment insurance and social assistance payments, caused government expenditures to rise more dramatically than revenues during this period. This is quite a normal occurrence during a depression period and this excess government spending would not have caused a problem, in fact it undoubtedly prevented the recession from being considerably worse than it was. A debt was being created, but it would not have escalated and become the problem it has become were it not for the excessively tight monetary policy pursued at this time, together with the reduction in taxes for corporations.¹⁹ The government's obsession with fighting inflation through high interest rates meant

that each year the government paid more in interest payments for the money it had borrowed in the past. These high interest rates created problems with chronic unemployment and considerably more control of government policy from outside the country. The increased attractiveness of Canadian bonds to foreign investors because of their extraordinarily high yield meant that more and more money was owed to people outside the country. Less than 3% of Canada's government debt was foreign-held in 1970. And although this had increased to about 10% by 1980 as a result of the inflation-fighting policies of the late 1970s, this was still moderate compared to the proportion of the debt held outside the country now, which stands at about 25%.²⁰ The increased foreign debt holdings further accentuates the need to keep interest rates high as foreign bond holders' opinions of appropriate Canadian economic policy has increasing significance with policy makers.

The restrictive monetary policy, that is the focus on inflation as the most serious economic policy, was a severe over-reaction to a problem which did not really exist. The inflation rate in the early 1980s was high, but it fell from 11% in the early 1980s to about 4.5% when the Conservative government took power in 1984. That is, by this time inflation wasn't a problem but inflation fighting through high interest rates remained a crucial part of economic policy. Even today the *threat* of inflation guides the Bank of Canada's interest rate policy. Real inflation does not and has not existed for over ten years.

The deficit did not arise from reckless government spending. The deficit exists because of an ideologically driven, recklessly restrictive monetary policy which has created conditions resulting in both higher costs for government and reduced revenues. The cure, of reducing spending on counter-cyclical programs, like unemployment insurance, cannot solve either the deficit problem or the economic morass experienced by most of the country. Controlling the deficit without solving the underlying weaknesses in the economy will only mean years and years of economic hardship for some, and high rates of unemployment, and a decline in the standard of living of most

Canadians.

This is where the policy procedures bog down. Economic orthodoxy suggests that just letting the market take its course will ultimately right a dismal situation. Perhaps some external event could occur to stimulate economic activity, but waiting for this to happen is not a wise strategy. An active economic strategy to ensure full employment and to meet other social and economic goals, as so often has been said, is needed.

The differences for governments now is that the ability to act takes a great deal more political courage than it ever did. This is because the economic tools to discipline the market are not as readily available as they were in the past and the decision to reassert the right to use these tools requires a bold political step. But because the tax burden has shifted more onto people than onto corporations at the same time that people are experiencing a reduction in the kinds of services they are used to receiving from government, there is a general lack of support, or even distrust of government in general. Under these circumstances, the policies which are so against the interests of the general public and in the interests of the corporate sector, seem to gain more and more support.

WHY DO PEOPLE SEEM SO RESIGNED?

The most obvious answer is because they are afraid. What is happening to our society is unfamiliar and the reasons for change are complex and difficult to explain. People are conscious of living on the edge of the unknown, a state which not only produces anxiety, but also social paranoia. Because the reasons for the rapid and unsettling change are so complex, representing innumerable social factors interacting in a way which appear, for the most part, inexplicable, people look for clear answers. This is the attraction of fundamentalism: the relationship between cause and effect is understood as something simple and clear.

The message of the inevitability of neo-conservative change is the strongest political argument of economic fundamentalism. This idea,

that there is some kind of organic-type growth which is inevitable is not just an idea which is confined to the political maneuverings of the right-or even to its ideology, rather, it is something which is recognizable in the ideologies of both the left and the right. The classical liberal economic model was founded on the notion that there was a natural order to social organization, something akin to the natural order of the physical world. Science could uncover the rules which bound people together. The logic of this led to a sense that social relationships could be self-regulating through the market. Not too dis-similarly, the anti-utopian socialism of Marxists led to the belief that one could discover the logic of history and while people could make a difference, ultimately, it was only at the right moment -- at the moment when it would, in a sense, be inevitable.

The pervasiveness of our notion of the inevitable march of history is one of the reasons why the idea embodied in the phrase Margaret Thatcher used so skillfully, "there is no alternative," is so seldom challenged. The other reasons have a lot to do with the sheer power of those in control and the real difficulties of confronting that power. But power alone, without the supporting apparatus of the idea of what is inevitable, has been, historically, more easily challenged. Changing the thinking of people so that they believe in the inevitability of what the elites want is the real triumph.

This change in the underlying ideology, or subconscious of a nation, requires planning, careful strategies, and the exercise of power: it does not happen spontaneously. This has been carefully orchestrated in Canada to such an extent that ideas that not only were unpopular but also were bad for the country, like free trade and restrictive monetary policies, are now realities which seemed inevitable. These ideas are dangerous. John Maynard Keynes' oft-quoted message at the end of *The General Theory* point to the problem: "...the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else." If this is true, the main focus for change to reflect egalitarian principles will not be

technological or economic imperatives, but different ideas. While I seldom quote the right-wing institute, The Fraser Institute, to bolster my arguments, I do think it is right when it says, "if you are going to change the ideas of a society then you have got to be in the ideas business."²¹

CONCLUDING REMARKS

Feminists are in the ideas business. It was not because of an internal logic in our social or economic systems, but by pursuing the ideas of women's equality, that feminists have been able to reach some of their goals. These ideas about eliminating women's subordination have been advanced, over long periods of time, in the face of extraordinary odds and against the self-interests of the most powerful in society. For this reason, that is the ability of feminists to succeed despite overwhelming odds, I feel feminists are well-placed to advance the ideas for egalitarian projects in the twentieth century.

The major issue to be understood and reversed, is the ability of international institutions to insist on uniform economic policies regardless of the historical, cultural, or geographical problems of any country. While differences in economic and political institutions were tolerated internationally in the past, now uniformity through the discipline of the market, is required as a condition of international trade regulations. Uniform economic policies greatly aid the mobility of capital, but they also greatly undermine the power of people to shape societies in their own interests. Women have struggled with the necessity of recognizing distinct conditions among different groups women: we know that women's experiences are not uniform and a single analysis reflecting women's conditions is inadequate. We know too that the notion that "one policy fits all" does not work, simply because different cultural and political realities are at the heart of our experiences in the world. This is the idea that we, as feminists, need to advance at the international level. Women's interests cannot be met as long as we cannot be part of the governing structures of our individual societies and we have everything to lose when power shifts away from

people who are responsible to us. The shift in power in favour of corporations and capital mobility distorts ideas--our ideas--like freedom and equality, which tend to get defined in limited ways to reflect narrow notions of self-interest,

efficiency, and productivity. The economic fundamentalist revolution is not just about economics: it sets up economic structures as the most significant structures to shape all aspects of our lives.

ENDNOTES

1. I develop this point about the significance of the welfare state to feminism more fully in my article entitled "From the Welfare State to Vampire Capitalism," in *Remaking the Welfare State: Canadian Women's Experience*, ed. by Patricia Evans and Gerde Wekerle (Toronto: University of Toronto Press, 1997).
2. Michael Prowse, "Big Brother Bows Out," *Report on Business*, January 1997.
3. Ekos Research Associates, *Rethinking Government* (Ottawa: 1996).
4. See, for example, Nina Bernstein, "Giant Companies Entering Race to Run State Welfare Programs: Powers Like Lockheed Martin Vie for Contracts," *The New York Times*, September 15, 1996.
5. Full employment was often an idea more related to political opportunism than to reality in Canada. Unlike countries of Western Europe, where full employment policies were actually implemented, Canada, in the post-war period, was always more conservative in its approach. Nevertheless, the rhetoric about full-employment meant that governments in the past felt compelled to shape public policy in this direction. Today not even the rhetoric of full employment exists in policy statements.
6. For a discussion about the structural problems this creates and how it relates to high rates of unemployment in Canada see Marjorie Griffin Cohen, "Exports, Unemployment and Regional Inequality: Economic Policy and Trade Theory," in *The New Era of Global Competition: State Policy and Market Power*, edited by D. Drache and M. Gertler, (Montreal: McGill-Queen's, 1991), pp. 83-102.
7. Swasi Mitter, *Common Fare/Common Bond: Women in the Global Economy* (London: Pluto, 1986).
8. See, for example, June Nash and Maria Patricia Fernandez-Kelley, eds. *Women, Men, and the International Division of Labour* (Albany, NY: State University of New York, 1983); Maria Mies and Vandana Shiva, *Ecofeminism* (London: Zed Books, 1993).
9. Political debates about free trade have periodically surfaced in Canada in the past, although in the twentieth century no attempts to pursue this policy were successful until the Canada/U.S. Free Trade Agreement in 1989.
10. This perspective was reflected in my initial writings on free trade, e.g., *Free Trade and the Future of Women's Work: Manufacturing and Service Industries* (Toronto: Garamond, 1987).
11. Madelaine Drohan, "Dependency on U.S. Leaves Canada Vulnerable: /WTO," *Globe and Mail*, November 20, 1996, B6.
12. Will Hutton, "Relaunching Western Economies: The Case for Regulating Financial Markets," *Foreign Affairs* (November/December 1996), p. 8.
13. For an interesting discussion in the popular media of the ways in which the international economy is making the rich richer and the poor poorer see Paul Vallely, "Famine With All the Trimmings," *The Vancouver Sun* December 28, 1996.
14. See, Leah Vosko, "Irregular Workers, New Involuntary Social Exiles: Women and U.I. Reform," in Jane Pulkingham and Gordon Temowetsky, eds., *Remaking Canadian Social Policy: Social Security in the Late 1990s* (Halifax: Fernwood, 1996); National Action Committee on the Status of Women, *The Problem is Still Jobs...Not Unemployment Insurance* (Toronto: NAC, 1989).
15. This pattern is much less typical of male employment also, although it continues to be the model used by the government as the

yardstick by which appropriate labour market participation is measured.

16. Eric Beauchesne, "Jobless pay continues to plummet," *The Vancouver Sun*, February 28, 1997, A3.

17. A great deal of progressive analyses of the debt hysteria has come out in recent years. For a good, readable account of the ways in which the right has manipulated the debt debate see Linda McQuaig, *Shooting the Hippo: Death by Deficit and Other Canadian Myths* (Toronto: Viking Penguin Books, 1995).

18. Bank of Canada, *Bank of Canada Review* (Winter 1995-96).

19. For a good discussion of the shift in tax burden away from corporations see W. Irwin Gillespie, "A Brief History of Government Borrowing in Canada," in Lars Osberg and Pierre Fortin, *Unnecessary Debts* (Toronto: James Lorimer & Co., 1996), pp. 1-25.

20. Bank of Canada, *Bank of Canada Review* (Autumn 1995).

21. For a more thorough discussion of the effectiveness of the Fraser Institute see my article, "Neo Cons on Campus," *This Magazine* 29, 1 (July 1995).