How the State Changes Its Mind: A Gramscian Account of Ontario’s Managerial Culture Change

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Neoliberalism’s relationship to New Public Management is well known but less is understood of how these ideas have become embedded in the state. This article explores one dimension of ‘how the state ‘changes its mind’ by exploring the ideological and cultural transformation within the senior management ranks of Canada’s largest provincial state, Ontario. A broadly Gramscian framework is used to develop greater insight into the process of cultural change within the state and the specific role of senior managers as the ‘organic intellectuals’ of the neoliberal revolution.

The construction of the state apparatus which managed the post-war order was broadly informed by Keynesian ideas. However, ideas require human agents in order to be operationalised. A previous generation of Keynesian trained economists and policy analysts came to the fore and populated a growing state apparatus and institutionalised a ‘state ideology’ in the 1940s. Keynes had legitimated state intervention and in doing so ‘shifted civil servants away from the, more passive conception of their role towards an active interest in planning’. In the 1980s and 1990s this project of state building gave way to a rather different endeavour - the shrinking and restructuring of the Keynesian welfare state and the political compromises upon which it was constructed. The ascendant neoliberal project was about much more than the structural dismantling of the public institutions and policies which composed the post-war order. Ideas, ideology, and structures are intimately linked. Australian Michael Pusey has noted ‘along with elected politicians and some types of intellectuals, top public servants are the ‘switchmen’ of history; when they change their minds the destiny of nations takes a different course.’

In such a spirit, this study is concerned with the ‘changing of minds’ in the Ontario context. Employing a broadly neo-Gramscian analysis, this paper examines the role of senior managers within the Ontario public service as organic intellectuals of the new type. Their project within the state is to lead the process of restructuring of the Ontario public sector and to build a different kind of provincial state, one which is consistent with the key characteristics of a neoliberal policy regime.

What prompted this study was a personal observation while working as a policy manager in the Ontario Public Service that the culture, and in particular that of the managerial leadership cadre, began a process of transformation in the years of the Progressive Conservative Party’s ‘Common Sense Revolution’ (1995-1999). The term ‘Common Sense Revolution’ was the title of the Ontario Conservative Party’s 1995 provincial election manifesto. The platform was a distillation of various proposals the key pieces of which included a reduction in taxes, a cut in social assistance benefits (welfare), a shrinking of the provincial state bureaucracy, and general deregulation (referred to as red tape). Harnessing the capacity of the provincial state was central to a project where public management reform was synonymous with ‘a more far reaching political project to reduce the role of government in the Ontario political economy.’

2 Dennis Olsen The State Elite Toronto, McClelland and Stewart 1980 p 10
Months before the June 8 1995 election which brought ‘Common Sense Revolution’ Conservatives to power, the party assembled a transition team that included former senior public servants to lay the groundwork for taking control of the Ontario government apparatus. In January 1995, the transition team reported to party leader and soon-to-be-Premier Mike Harris on how to deal with the public service and in particular its most senior leaders. Their recommendations were based on two criteria: competence and comfort with the policy direction of the Common Sense Revolution. Between 1995 to 1999 - the first and most ‘interventionist’ of the Progressive Conservative Party’s two consecutive four-year terms - it appeared that the senior leadership of the public service became much more engaged in the achievement of a political vision. In this time a new type of functionary began to emerge: the New Public Management Organic Intellectual. Was the Westminster model of political non-partisanship abandoned in this process? The answer is no. However, neutrality became much more nuanced, where the political leadership recognised the need to align the public service leadership with its project. Managerialism facilitated this process by providing an ideological cover articulating a new ‘common sense’.

Managerialism was a means to enlist the state and its leadership in implementing neoliberal restructuring in Ontario. The 1995 election manifesto of the Progressive Conservatives identified the problem facing Ontario: ‘The political system itself stands in the way of making many of the changes we need right now. Our political system has become a captive to special interest groups. It is full of people who are afraid to face the difficult issues…it is full of people doing all too well as a result of the status quo.’ This situation was far from irretrievable as the manifesto went to say, ‘There is nothing wrong with Ontario that a new vision, a new direction and turn-around management can’t fix.’ The Common Sense Revolution policy proposals envisioned salvation from the ‘special interests’ and the hegemony they threatened, a hegemony rooted in the organic crisis of Ontario’s version of the Keynesian welfare state.

1 Hypothesising a Neoliberal Conquest of the Keynesian Welfare State: A Gramscian Framework

Readers unfamiliar with the Canadian context may ask what generalisable insights respecting neoliberal state transformation can be derived from a Canadian provincial state? The most straightforward answer is that the Ontario Public Service is the largest, most complex and sophisticated public service in Canada second only to the Federal public service. The Commonwealth Association for Public Administration and Management has recognised Ontario on several occasions as an international leader in public service innovation. Ontario, moreover, is home to more than twelve million citizens and encompasses a diverse economy which generates forty percent of Canada’s total Gross Domestic Product. Within the highly decentralised form of Canadian federalism, the provinces have primary delivery and financing responsibility for key components of the welfare state such as health, education, social services, and labour and workplace policy. How Ontario’s senior public managers view macro policy is obviously very significant.

Ontario’s variant of Andrew Gamble’s thesis of ‘strong state and free economy’ was, as elsewhere, a response to the Keynesian collapse and asserted itself as a force to establish a new arrangement of hegemonic relationships. Within Ontario, the political ascent of neoliberalism was slow but yet real, present and emergent in the wake of what has been described as ‘the end of the post-war economic development model’ characterised by continental economic integration, increasing employment instability, and flexibilisation, thus eroding the class compromises that provided the political cohesion of post-war Ontario and resulting in a degeneration into a period of ‘open class warfare.’

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5 David R Cameron and Graham White Cycling Into Saigon: The Conservative Transition in Ontario Vancouver, University of British Columbia Press 2000 pp 86
7 Ibid pp 12-13