Quebec’s New Politics of Redistribution 
Meets Austerity

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In the late 1990s, wrote Keith Banting and John Myles in their *Inequality and the Fading of Redistributive Politics*, Quebec represented “the road not taken by the rest of Canada” (2013, 18). While the redistributive state was fading across Canada, the province bucked the trend and improved its social programs, preventing the rise of inequality observed elsewhere. The key, argued Banting and Myles, was politics. With strong trade unions, well-organized social movements, and a left-of-centre partisan consensus, Quebec redefined its social programs through a politics of compromise that conciliated efforts to balance the budget with social policy improvements. In this respect, Quebec’s new politics of redistribution in the late 1990s and early 2000s seemed more akin to the coalition-building dynamics of continental European countries than to the more divisive politics of liberal, English-speaking nations (Banting and Myles 2013, 17).

Quebec’s Quiet Revolution, in the 1960s and 1970s, was a modernization process, whereby the province sought to catch up with the rest of Canada and meet North American standards. The Quebec government insisted on defining autonomously its own social programs, but overall its policies converged with those pursued elsewhere in Cana-

1. I am grateful to the editors and to Denis Saint-Martin for comments and suggestions.
Quebec's welfare state and its redistribution model did not diverge markedly from that of, say, Ontario. Following the 1995 referendum, however, Quebec social policies took a distinct turn. A host of innovative public policies were introduced that were akin to the reforms many European countries were undertaking at the time, in the name of social investment (Hemerijck 2013). These reforms concerned notably family, labour market, and poverty reduction policies. Family policy was pivotal. Changes included a strong investment in low-cost regulated daycare spaces, a new, more generous Quebec Parental Insurance Plan, and improved family allowances. Labour market policies were also transformed, with the introduction of a law on pay equity, a public prescription drug insurance plan, which is still unique in Canada, a higher minimum wage, better labour standards, and enhanced working income supplements meant to make work pay. Finally, measures were taken to reduce poverty, with an end to penalties for social assistance recipients, a modest improvement in welfare benefits, and a new institutional framework to keep poverty reduction on the agenda. Together, these policy innovations contributed to prevent the rise of inequality observed elsewhere in Canada (Noël 2013).

This idea that Quebec chose a “road not taken” elsewhere in Canada and forestalled the rise of inequality was based on a reading of Quebec politics in the late 1990s and early 2000s, and it relied on data that went up to 2009 or 2010 (Haddow 2015; Noël 2013; van den Berg et al. 2017). Just as this argument was developed, however, a turning point occurred that had the potential to change, once again, the redistribution game. In September 2008, the bankruptcy of the Lehman Brothers investment bank signalled that the recession that began in 2007 would become a dramatic downturn, the worst global recession since the 1930s (Hemerijck 2013, 335). In the short term, OECD countries collectively and successfully turned to expansionary policies, but this Keynesian moment did not last. Financial bailouts and stimulus packages magnified already high public debt and, with the fears of contagion raised by the 2010 Greek sovereign debt crisis, most countries reverted to austerity policies (Hemerijck 2013, 348).

Even though it was a time-limited shock, the recession brought to the forefront long-running structural constraints. First, in ageing societies with deindustrialized economies, growth was likely to remain slow, making the politics of redistribution more akin to a zero-sum game (Bermeo and Pontusson 2012, 24; Hemerijck 2013, 340). Second, over the years public debt had generally risen relative to gross domestic
product (GDP), making further state intervention more difficult and controversial (Hemerijck 2013, 339). Public debt rose precisely during the years when neo-liberal prescriptions triumphed and, as Armin Schäfer and Wolfgang Streeck noted, it may have had more to do with insufficient revenues than with over-ambitious expenditures (2013, 9). Whatever the case, debt remained a hard constraint, and almost everywhere politicians diagnosed the problem as one of excessive spending (2013, 10). Third, the recession further increased unemployment and poverty, hitting in particular labour market outsiders such as the young, immigrants, or the unskilled (Hemerijck 2013, 339; Rueda 2012, 383–91). Fourth, already frayed political coalitions and arrangements were undone, as old class and social identities appeared increasingly irrelevant, leaving room for new political cleavages to be exploited by populist or alternative parties (Bermeo and Pontusson 2012, 25–26; Hemerijck 2013, 340). Slow growth, heavy public debt levels, rising unemployment and poverty, and broken political coalitions: conditions which indicated perhaps, observed Anton Hemerijck, that we finally have reached the era of permanent austerity long foreseen by Paul Pierson (Hemerijck 2013, 333).

Quebec was not immune to these twenty-first century shocks and transformations. The unemployment rate, for instance, jumped from 7.2 percent in 2008 to 8.6 percent in 2009 (in 2013, it was back to 7.6 percent; Institut de la statistique du Québec 2016). The recession, however, was not as brutal as elsewhere. And the unfolding of events proved different. This chapter argues that the effect of the 2008 economic downturn remained muted because in Quebec the evolutions at work were far from new. What really changed around the end of the first decade of this century was the political formula underlying the Quebec model. The evidence of corruption in public affairs, in particular, undermined public confidence in government and in collective action. More broadly, the decline of the nationalist agenda and the fragmentation of partisan politics weakened the political coalition that had made the Quebec model possible in the first place.

The first part of the chapter considers Quebec in the wake of the 2008 recession, and discusses economic and social trends, to conclude that Quebec’s redistribution model proved relatively resilient in the 2010s. The second part presents recent policy choices, to assess the possibility of a turn that could undermine this redistribution model in the coming years. Again, the situation seems marked by continuity more than by path-breaking transformations. The third part turns to politics, and
points to changes that may be of more consequence in the long run, and for the party system in particular. In many ways, Quebec society is now more divided than it was following the 1995 referendum, and thus less prone to adjust its redistribution model in a consensual or optimal way.

**Stress-Testing the New Model: Quebec After the Recession**

The 2008 recession was global, and Quebec did not escape its impact. The effects, however, remained relatively muted. As can be seen in Figure 4.1, Quebec’s economic growth slowed down and became negative in 2009, but the drop was less profound than that of Ontario.

In part, this was the case because the industrial and forestry sectors were already struggling with adjustment prior to the recession, making the downturn less significant. More importantly, housing construction and investments in public infrastructures remained strong. In the latter case, it helped that the collapse of a bridge in a Montréal suburb in September 2006 triggered a strong public reinvestment in road renewal, which reached full speed just as the recession started (Aubry 2009, 206–7). There was a bump in the unemployment rate, but it was neither acute nor very long. As can be seen in Figure 4.2, this downturn did not jeopardize the progress accomplished since 1995, which practically closed the gap between the Ontario and Quebec unemployment rate.

This remarkable long-term improvement in the unemployment rate was associated with a growing labour force participation rate. In 1995, the Quebec participation rate for persons over fifteen years old remained three percentage points below that of Ontario (62.2 percent compared to 65.5 percent). By 2015, the Quebec rate had become practically identical to that of Ontario (64.8 percent compared to 65.2 percent; CANSIM 282-0002). For women at the age to have young children, the evolution was even more striking, as can be seen in Figure 4.3.

This spectacular increase in the employment rate of young women clearly was associated with Quebec’s new family policy, which provided more access to affordable, quality daycare, as well as better financial conditions for young families (Baker, Gruber, and Milligan 2008; Fortin, Godbout, and St-Cerny 2013; Lefebvre and Merrigan 2008; Lefebvre, Merrigan, and Roy-Desroisiers 2012; Lefebvre, Merrigan, and Verstraete 2009). Figure 4.4, which presents the evolution of daycare public expenditures per capita between 1995 and 2013, illustrates how important the difference was between the investments made by the Quebec and Ontario governments. According to Pierre Fortin, Luc Godbout and...
Suzie St-Cerny, these large investments were so beneficial in terms of employment and economic growth that they paid for themselves (2013; see also Alexander and Ignjatovic 2012).

Quebec’s new redistribution model was still effective after the 2008–2009 recession. Policies favourable to young families still contributed to a rise in the employment rate and they prevented the rise of inequality observed elsewhere in Canada. The road taken by Quebec society remained different, and it yielded distinctively durable outcomes. Figure 4.5, which plots the evolution of the Gini coefficient of after-tax income in the two provinces indicates that the distinct trajectories outlined by Banting and Myles proved resilient in the 2010s.

What about poverty? If we consider the low income measure (LIM), the standard international measure of poverty, which defines poverty
Figure 4.2

Unemployment Rate, Ontario and Quebec, 1995–2015

Source: Statistics Canada (CANSIM 282-0002).

Figure 4.3


Source: Statistics Canada (CANSIM 282-0002).
as having less than half the median after-tax income, progress appears limited but inter-provincial differences remain. Figure 4.6 displays the LIM rates of poverty for Ontario and Quebec between 1992 and 2014.

The trends displayed in Figure 4.6 are consistent with the evolution of inequality tracked in Figure 4.5. The story appears to be less one of Quebec lowering overall poverty than one of Quebec avoiding the fading of redistribution observed in Ontario. While the Ontario LIM poverty rate went from 9.0 percent in 1992 to 13.8 percent in 2014, the Quebec rate moved little, going from 13.4 percent to 13.7 percent. At first, this evolution may seem akin to that of unemployment rates, except that it is Ontario, in this case, that converges toward the Quebec rate. The poverty story, however, is a bit more complex. First, the Ontario and Quebec trends for children are quite different, with the Quebec rate going down while the Ontario rate goes up, the two provinces more or less shifting places between 1992 and 2014. Like the data on
the employment rate of young women, this evolution in child poverty appears consistent with the idea that Quebec’s new model of redistribution in favour of families made a difference. One may question, however, the overall impact of this model for low-income persons, given that, by 2014, the Quebec and Ontario poverty rates for all persons end up being almost identical (13.7 percent in Quebec; 13.8 percent in Ontario). Were Quebec’s efforts to lower poverty really effective? To answer this question, we need to consider the way Statistics Canada calculates the Low Income Measure (LIM). The Canadian LIM is useful for international comparisons because it relates a person’s income to the median income of her own country, thereby neutralizing the effect of cross-country differences in real living standards (e.g., the United States vs. Romania). Statistics Canada’s provincial low-income rates, however, are determined on the basis not of provincial median incomes, but of a pan-Canadian median income. For inter-provincial
comparisons, this approach introduces important distortions. In 2014, for instance, when the Canadian median after-tax income for economic families and persons not in economic families was estimated at $55,600, it stood in fact at $47,600 in Quebec, $58,100 in Ontario, and $71,200 in Alberta. To escape poverty, according to Statistics Canada, all Canadians needed an after-tax income above $27,800. To stand above this Canadian low-income line, a Quebecker needed to earn 58.4 percent of the Quebec median income. For an Albertan, it was sufficient to get 39 percent of the province’s median income. This is a double standard that makes comparisons across provinces perilous. If the European Union used the EU median income to measure poverty, there would hardly be any poverty in Western Europe (2 percent in Belgium, for instance) but more than half of Poland’s population (58 percent) would be deemed poor (Burkhauser 2012, 85). These figures would say something about national disparities within the EU, but they would not inform us about
“those individuals or households whose resources are so low as to exclude them from the minimum acceptable way of life in the country where they live” (European Commission’s definition of poverty; quoted in Maquet and Stanton 2012, 62).

To resolve this difficulty, Quebec’s Centre d’étude sur la pauvreté et l’exclusion (CEPE) calculates a low income measure with a Quebec median income for Quebec and an equivalent for the rest of Canada. For 2010, this measure gives a low-income rate of 8.9 percent in Quebec, compared to a rate of 12.2 percent for the rest of Canada (CEPE 2014, 27). Clearly, the choice of median income makes a difference.

Another option is to use the market basket measure (MBM), which establishes starting in 2002 a poverty line based on the cost of a basket of basic necessities in a given region. By design, the MBM is sensitive to differences in the cost of living across provinces. Figure 4.7 presents the MBM poverty rates in Ontario and Quebec between 2002 and 2014.

Figure 4.7 confirms that, contrary to the impression left by the LIM based on Canadian median income, the poverty rate is significantly and consistently lower in Quebec than in Ontario. This figure reinforces, as well, the LIM message about child poverty. In Ontario, the risk of poverty is always greater for children than for the general population, while in Quebec, the reverse is usually true. The careful analysis of these poverty trends conducted by Axel van den Berg and his co-authors (2017) concurs in linking these outcomes to differences in provincial redistribution policies (see also Godbout and St-Cerny 2016; Haddow 2015).

Insofar as we can tell from 2014 data, there was, thus, no breakdown of Quebec’s new model of redistribution after the 2008–2009 recession. Economic growth recovered, albeit at a rather slow pace, the unemployment rate went back to its long run declining trend, inequality remained lower than in Ontario and rather stable, and the rate of poverty stayed relatively low, especially for children. Between 2008 and 2012, some ground was lost regarding poverty, at least as measured by the MBM threshold, but a similar decline took place in Ontario and there was some evidence of progress in 2013 and 2014. The rising cost of basic necessities may explain these fluctuations, which do not appear when the rate of poverty is assessed with the low-income measure (LIM). Meanwhile, however, public policies were changing.
Austerity Policies

Quebec spends and taxes more than other provinces and, not surprisingly, its public policies are often more interventionist, ambitious, and redistributive (Haddow 2015). If anything, over the last twenty years this gap between the provinces has widened (Noël 2013). In a recent book, Axel van den Berg and his co-authors speak of a social-democratic evolution that took place in Quebec just as the rest of Canada was becoming more market-oriented (2017, 164–74). In the same vein, taking into consideration the fact that provincial governments control only half of the country’s fiscal resources, Rod Haddow estimates that the distance between Quebec’s welfare state and that of other provinces has become more important than the distance between welfare regimes within the OECD (Haddow 2014, 728; 2015, 270).

There were always partisan differences about the development of Quebec’s welfare state, the Parti Québécois being generally more inter-
ventionist and redistributive than the Liberal party (see, for instance, Gabriel Arsenault’s account of the emergence of the social economy in Quebec, 2018). These differences, however, remained within the bounds of a broad consensus over the welfare state itself, which the two parties contributed to build. Albeit on the centre-right, the Quebec Liberal party (QLP) never advocated a radically pro-market, neo-liberal agenda, probably because there was not much appetite for such an agenda in Quebec society (Haddow 2015, 40).

Immediately after it came to power in April 2014, however, the Liberal government of Philippe Couillard committed to reach a balanced budget rapidly, and in due course to reduce taxes. Couillard insisted that his policy stance was merely inspired by fiscal rigor and did not represent a turn toward “austerity.” Austerity, he repeatedly argued, would imply budget cuts, whereas rigor simply demanded a reduction in spending growth. Whatever the case, his government undertook to bring Quebec closer to the Canadian average. Some aspects of the Quebec model were altered directly. Parental contributions to daycare, for instance, were increased and redesigned, to encourage middle-class parents to use private providers rather than the better quality not-for-profit, public daycare centres. Overall, however, the government’s agenda was defined by across-the-board budgetary restrictions more than by an upfront transformation of public services and transfers.

In two years, the government balanced the budget, and in fact generated a small surplus, which made possible modest reinvestments in healthcare, education, regional development, and infrastructure, as well as the elimination by 2017 of the individual health contribution, an unpopular and regressive healthcare tax introduced in 2010 (Ministère des Finances 2016). The cost of this modest surplus, however, proved important.

First, the government’s will to balance the budget undercut short-term economic growth and employment. Economists Jean-Pierre Aubry, François Delorme, and Pierre Fortin (2016a) estimated that the rush to attain budget balance in 2014 and 2015 withdrew 4.7 billion dollars from the Quebec economy, through reduced spending and higher taxes and tariffs, contributing to a slow down in economic growth from an expected rate of 3.8 percent per year to only 2.0 percent. About 40,000 jobs may have been lost in the process. To apply the brakes, only to re-invest two years later, was “contrary to all principles of good management,” these economists argued (Aubry, Delorme, and Fortin 2016b).

Second, blind, across-the-board budget restrictions contributed sig-
significantly to the deterioration of public services. Program spending barely increased, and the consequences were necessarily important in healthcare, education, and social services. It is hard to keep track and measure the consequences of such a broad stroke strategy, but many signs pointed to problems in daycare centres, public schools, hospitals, and social services. Parents protested to defend their neighbourhood school, healthcare personnel denounced their working conditions, and a number of social service beneficiaries expressed dismay at deficiencies in delivery. In September 2016, Raymonde Saint-Germain, Quebec’s ombudsperson, presented a sombre annual report where she pointed to numerous “failings in terms of service quality” and deplored that “cumulative budget cuts (...) have, in the end, been less daunting for bureaucracy than for vulnerable people.” (Protecteur du citoyen 2016a and 2016b, 8). Public administration, she noted, tended to focus more on the bottom line and on procedural compliance than on “the ability of the various programs and services to meet citizens’ needs” (2016b, 9).

Third, even though the government focused on overall budgetary objectives, slowly growing expenditures reinforced an unstated but manifest bias against many of Quebec’s recent social policy innovations. Consider daycare policy. In 2008, the Charest government improved the tax credit for childcare expenses so as to make the cost of purely private options equivalent to that of $7 a day public daycare centres, contributing to a spectacular shift toward the private sector. Between 2007 and 2015, the number of places in commercial non-subsidized daycare centres jumped from 4,538 places to 51,843, an increase of 1042 percent (Couturier and Hurteau 2016, 14). These non-subsidized private providers, which barely existed in 1998, offered 19 percent of daycare places by 2015. Between 2007 and 2015, they accounted for practically all the growth in daycare places (Couturier and Hurteau 2016, 15–16).

In 2015, the Couillard government went further by increasing parental contributions for subsidized daycare places, making the commercial option cheaper for families with incomes above $50,001 a year (Couturier and Hurteau 2016, 23–24; Conseil du statut de la femme 2014). By 2016, for the first time in decades, public and subsidized private daycare centres posted vacancies, and struggled to convince parents to choose their services (Zabihiyan 2016). The model created in 1997, which favoured universal, quality public daycare, was gradually replaced by one that gave pride-of-place to cheaper commercial services. A recent study estimated that 45 percent of public daycare spaces for children between 18 months and 5 years of age were of high quality,
while 51 percent were acceptable, and 5 percent were unsatisfactory. In commercial daycares, only 10 percent of places appeared good or excellent, and 36 percent were deemed unsatisfactory (Bigras and Gagné 2016, 15; Gingras, Lavoie, and Audet 2015; Lavoie, Gingras, and Audet 2015). With this incremental shift toward a commercial model, a social economy approach that gave a role to parents in the design and management of services also gave way, gradually, to a top-down, market-based model (Vaillancourt 2017, 77).

A similar evolution took place in health and social services. In just a few months, the Couillard government introduced major reforms to reorganize and centralize the health and social services network, to raise the income of doctors and regulate their practice, and to modify the role of pharmacists (Paquin and Brady 2015, 95). In a context of budgetary restrictions, these reforms contributed to shift most additional resources toward the remuneration of doctors, at the expense of healthcare and social services. Never before, observed Damien Contandriopoulos, have we seen budgetary restrictions as drastic in hospital and public clinic budgets, in home care services and in public health (2016). In the process, other healthcare professions were largely left unsupported, and many consultation and participation mechanisms were dismantled (Vaillancourt 2017, 37). As they reduced the social services and public health components of the healthcare network, these reforms also reinforced the tendency to concentrate resources on medical and curative interventions, at the expense of social and preventive measures (Contandriopoulos 2016; Vaillancourt 2017, 38). Finally, the well-documented drift toward private sector providers and user fees continued, and the trend was only slowed in September 2016 by an impending legal challenge, based on the Canada Health Act (Dutrisac 2016).

Social assistance reforms were also undone, with a November 2016 law that reintroduced penalties for new recipients, against a consensus established in the early 2000s and anchored in the 2002 law against poverty and social exclusion (Labrie 2015).

In education, the process was more incremental, because the successful 2012 student strike against a steep increase in tuition fees made any attempt to raise student contributions unlikely. The agenda was thus determined solely by budgetary restrictions, which were felt more vividly in primary schools (Doray 2016). Some critics also began to raise concerns about a long-standing, and less egalitarian, feature of the Quebec model: the importance of private schools in secondary education. More than 20 percent of Quebec students attend a private high school
subsidized by the government (Lessard 2016, 39). In well-to-do neighbours, this proportion can be much higher. For middle class families, paying for a good quality high school education is now practically the norm. Inequalities in opportunities are thus reproduced early in school (Conseil supérieur de l’éducation 2016; Lessard 2016, 41–42).

The austerity turn of the Couillard government challenged important elements of the Quebec model. If anything, proposes Yves Vaillancourt, austerity tended to freeze progressive innovations, as social actors became primarily focused on defending existing rights and services and resisting further encroachments (2017, 77). As we saw in the previous section, it is too early to see the impact of these policy shifts, and thus difficult to tell whether they amount to a genuine break. The most important, however, may be happening on another front: Quebec politics.

**Quebec’s Fragmented Politics**

Quebec is an organized society, with a strong labour movement, a cohesive business sector, and solid social movements representing women, students, the poor, or various causes or preoccupations. Major policy shifts, such as the 1997 family policy or the 2002 law against poverty and social exclusion, were thus born out of broad public deliberations, and sometimes in the context of socio-economic summits. Quebeckers, however, writes Institut du nouveau monde director Michel Venne, seem to have lost the ability to deliberate (2016). Participation and regional mechanisms have been dismantled and replaced by bureaucratic, top-down governance, social factions have hardened, and parties have increasing difficulties building consensus. Business, trade unions, social movements, and interest groups function in their own bubbles, and communicate mostly with their members. The capacity to reach out and build compromises that were instrumental in creating and updating the Quebec model seems to be vanishing. The 2012 student strike, for instance, proved very divisive, and so was the Marois government’s sorry attempt to adopt a charter of Quebec values.

It is often surmised that the rise of social media leads to the fragmentation and polarization of public opinion. While such an effect cannot be excluded, a recent experiment indicates that citizens’ prior views contribute more than social media interactions to the polarization of attitudes (Leeper 2014).

In Quebec, three underlying factors transformed the political alignments generated by the Quiet Revolution and eroded the capacity to
compromise and develop consensual institutions: the relative decline of nationalism as a unifying ideology, the erosion of confidence in politics and in public institutions, and the emergence of new divisions typical of contemporary post-industrial societies.

Consider, first, the relative decline of nationalism. The national question, note Valérie-Anne Mahéo and Éric Bélanger, has been a dominant cleavage in Quebec politics for about forty years and it has strongly shaped electoral competition (2018). The debate over Quebec sovereignty drew a sharp dividing line between the two main parties and consolidated a bipolar party system. This debate, however, was about means more than ends. Federalists believed Quebec’s fate as a nation was more secure within Canada, but they did not question the need to protect and affirm Quebec’s national identity. Over time, distinct social programs, like language policies, came to be associated to this national identity, and for the centre-right, federalist Liberal party, defending autonomous and progressive social policies came to be seen as a litmus test of nationalist credibility (Béland and Lecours 2008, 71–2 and 91). Very divisive with respect to sovereignty, Quebec nationalism thus facilitated a bipartisan consensus around a distinct social model. The national question, however, is no longer the overarching super-issue it once was. Support for Quebec sovereignty has declined gradually, and so has the idea that the national question should be a constant, defining political concern (Grégoire, Montigny, and Rivest 2016, 79–91). Among the younger generation, in particular, this question does not mobilize voters as much as the more universal left-right cleavage (Mahéo and Bélanger 2018). Quebec sovereignty remains a critical issue, as the 2014 electoral campaign once again demonstrated, but its declining salience loosens the consensus on the Quebec model and opens up political space for other parties, defined more by the left-right cleavage. The Coalition Avenir Québec (CAQ) is federalist, but it defines itself primarily by its centre-right policy positions; Quebec solidaire (QS) supports Quebec sovereignty, but it stands first and foremost as a leftist alternative to a Parti Québécois (PQ) seen as too moderate. In the 1985 election, the Quebec Liberal Party (QLP) and the PQ still gathered 95 percent of the ballots; by 2014, they only obtained 66 percent of the total vote. For the first time since 1878, Quebec also had minority governments in 2007 and 2012 (Grégoire, Montigny, and Rivest 2016, 69–70). The collapse of the Bloc québécois and the sudden but fleeting emergence of the New Democratic Party (NDP) in the 2011 federal election reflected as well the declining salience of the national question in Quebec politics, and
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the emergence of new, but still unstable dividing lines (Gauvin, Chhim, and Medeiros 2016).

Quebec politics has become more fragmented and volatile, making the achievement of a stable multi-party consensus difficult. This fragmentation is particularly damaging for the PQ, which has in effect lost its status as a regular social-democratic government party. Indeed, because it is fuelled by the decline of popular support for sovereignty, partisanship fragmentation mostly occurs at the expense of the PQ, which loses votes to the CAQ on the right and to QS on the left. The Liberal party, for its part, maintains an almost complete hold on the non-francophone electorate, combined with a rather stable share of faithful francophone voters, to win repeatedly with a little more than 40 percent of the votes. This Liberal party dominance gradually moves political discourse to make the national question even less relevant, except at election time, when the sovereignty question is brought back momentarily to rally the federalist vote. Over time, the dominance of the QLP also fosters arrogance, and a disregard for Quebec’s distinct social programs. This gradual erosion of political support for Quebec’s redistribution model has been clearly in evidence since 2014, with the government of Philippe Couillard.

The second factor that contributed to weakening the consensus about the Quebec redistribution model was the emergence of numerous corruption scandals, undermining public trust in politics and institutions. Largely associated with the Charest government, these scandals concerned primarily the construction industry, engineering firms, and the municipal sector, and they gave rise to a major commission of inquiry, the Charbonneau commission. For years, corruption remained in the news and, as Denis Saint-Martin underlines, it affected key tenets of the Quebec model (2015). Scandals involved engineering and construction firms as well as construction trade unions and the labour movement’s financial institutions, all closely associated with economic nationalism. The political ramifications of these scandals connected mostly to the Liberal party, more often in power and closer to business than the PQ (Saint-Martin 2015). The impact on public opinion was broader, however, and it undermined trust in all parties, in politics as such, and in the institutions inherited from the Quiet Revolution (Kanji and Tannahill 2013; Noël 2011). Negative perceptions extended to federal politics as well (Fournier et al. 2013, 884). The proportion of respondents who saw the Quebec state as a source of pride dropped from 54 percent in 1976 to 23 percent in 2016 (Grégoire, Montigny, and Rivest 2016, 83 and 142),
and the idea that the state could manage social change, provide good services, and redistribute fairly became more difficult to sustain. As is suggested in the comparative literature, a drop in the perceived quality of government probably undermined support for redistribution and for the Quebec model (Dahlström, Lindvall, and Rothstein 2013; Rothstein, Samanni, and Teorell 2012).

Finally, Quebec is not immune to the political tensions characteristic of politics in advanced, post-industrial welfare states. Over time, globalization, neo-liberalism, and technological and social change have modified the balance of social and political forces, and contributed to the rise of a new cosmopolitan-particularistic cleavage, cross-cutting the old left-right division (Beramendi et al. 2015). This emerging cleavage opposes those, on the left and on the right, who have a positive view of globalization, diversity, and multiculturalism to those, on both sides, who see the opening of borders as economically and socially threatening. In the United States, the activation of this new cleavage has led to the election of Donald Trump; in Europe, to the rise of various types of populist right-wing parties. So far, Canada has been relatively immune to this transformation, except for a few echoes within the Conservative party (Prest 2016). Likewise, in Quebec there is no political party expressing an explicitly protectionist, anti-immigrant stance. The CAQ can at times lean in this direction, and so can the PQ, especially on questions related to immigration, but so far this type of discourse has remained politically ineffective. The debates of recent years on reasonable accommodations and on a Quebec charter of values nevertheless indicate how salient, controversial, and divisive the politics of identity can become.

Quebeckers are not that different from other Canadians in many of their attitudes toward minorities. They are more progressive on gender relations, more open toward sexual minorities, and less favourable to the death penalty, about the same regarding the acceptance of existing levels of immigration, but somewhat less comfortable with racial minorities (Bilodeau, Turgeon, and Karakoç 2012; Léger, Nantel, and Duhamel 2016, 80 and 123; Turgeon and Bilodeau 2014). They have, however, less tolerance for organized religions, and are less keen about special accommodations dictated by religious prescriptions (Léger, Nantel, and Duhamel 2016, 124–25). Unlike English Canadians, they do not see multiculturalism as a core component of their national identity (Bouchard 2012). There is, therefore, an opening for Quebec nationalism to become less encompassing than it has been up to now, and for the political expression of negative attitudes toward diversity. At the
very least, there are new cleavage lines that emerge, dividing cosmopolitans and supporters of particularism, often within the same parties, and these new divisions further complicate the political scene. Opinion leaders and parties will play a key role in the expression of these new preoccupations, and they will determine how exactly political debates will unfold. Overall, however, the new cleavages generated by globalization and post-industrialism, and the international discourses around these cleavages, are likely to influence Quebec political debates.

To sum up, Quebec politics is now more fragmented than ever, and it is unlikely to revert to the old, familiar duopoly, where two single opponents who agreed on most policies clashed over a single encompassing question (Grégoire, Montigny, and Rivest 2016, 197). In this sense, Quebec’s model of redistribution rests on more fragile political foundations than before. The retreat of nationalism as an overarching issue, the decline of confidence in politics and politicians, and the challenges of globalization and post-industrialism all contribute to make Quebec politics less consensual and organized than it was in the recent past. Quebec simply cannot escape the trials that, in all advanced welfare states, place social democracy on the defensive (Economist 2016).

**So Why Are Quebeckers So Happy?**

There is, however, an intriguing trend pointing in a more optimistic direction. In recent years, a few observers have noted that Quebeckers seem particularly happy with their life, more so than other Canadians and more so in fact that most peoples in the world (Léger, Nantel, and Duhamel 2016, 48). This is a remarkable finding, especially given that this relative happiness is a recent phenomenon. Figure 4.8, based on subjective well-being data collected, harmonized, and kindly shared by Christopher Barrington-Leigh tracks the evolution of attitudes in Quebec and Ontario between 1985 and 2010.

In 1985, when asked whether they were satisfied with their life as a whole, Quebeckers were less likely than Ontarians to respond positively. But this subjective evaluation of personal happiness evolved over time. Quebeckers gradually became more satisfied, and Ontarians less so. In the beginning of the twenty-first century, the two trend lines crossed, and Quebeckers became collectively happier than Ontarians. The trajectories of other Canadian provinces paralleled that of Ontario; only Quebeckers went from less to more satisfied with life (Barrington-Leigh 2013).
To explain Quebec’s surprising trajectory, Barrington-Leigh tested a number of hypotheses (income growth, unemployment rates, income distribution, social spending) but no simple explanation emerged. He concluded, without being able to fully validate empirically this interpretation, that Quebec’s new-found happiness was probably due to its enhanced self-determination and to its “Scandinavianization of social norms and fiscal policy” (Barrington-Leigh 2013, 213–14). Quebec, he argued, “has undergone a shift, as compared with the rest of Canada, towards a more Nordic set of institutions, including low after-tax income inequality, low religiosity, less formal marriage, and strong family and social supports provided by the government ... it may be that Quebec is reaping higher benefits of extra social supports afforded by its higher spending” (2013, 213). Jean-Marc Léger and his co-authors, who observed the same trends, also attributed much weight to a better income distribution and to more generous social programs (2016, 51).
The empirical confirmation of this interpretation is difficult to establish because with ten provinces and surveys for only twelve years between 1985 and 2010, there are not many data points. But the “Scandinavian” conclusion of Barrington-Leigh and Léger et al. is consistent with the comparative literature, which establishes a significant statistical link between social protection and collective happiness (Anderson and Hecht 2015; Flavin, Pacek, and Radcliff 2014; Radcliff 2013).

Quebeckers’ relatively high level of satisfaction with life suggests that the political foundations of the province’s new redistribution model may be sounder than it appears when one considers the ebb and flow of partisan politics. With improving incomes, levels of unemployment at unprecedented low rates, and relatively fair income distribution patterns, a purely negative, neo-nationalist politics of resentment seems unlikely in Quebec. Then again, one has only to look at today’s Denmark, the world’s happiest country (Helliwell, Huang, and Wang 2016, 20), to find a worrying combination of Nordic success and right-wing populism, which translates into a rather sorry politics of welfare chauvinism (Delman 2016; Thelen 2014, 198–99).

Conclusion

When he presented his economic and financial update in November 2015, Quebec finance minister Carlos Leitão stressed that there never was “a demolition of the Quebec model, a toxic austerity, or otherwise.” His government, he explained, simply slowed down the growth of spending (Leitão 2015). The minister’s statement was not wrong, but his need to say that his government had not purposely destroyed the Quebec model was telling of widespread worries. In fact, the Quebec redistribution model held rather well. The impact of the 2008 recession remained relatively muted and growth resumed rapidly, albeit at a slower pace. The unemployment rate also went back to its long declining trend, to reach by the end of 2016 an all-time low. For about fifteen years, this improving employment record was fuelled by the growing labour market activity of women of child-bearing age, itself a product of Quebec’s family policies (on the importance of participation subsidies in fostering women’s employment rate, see Kleven 2014, 91). The boost created by the integration of women into the labour market could not, obviously, last forever (Nieuwenhuis et al. 2016). The recent growth of the Quebec employment rate, however, became broadly based, with the highest participation rate in Canada for individuals aged between
From the standpoint of equality, the Quebec model also seemed resilient. The Quebec-Ontario redistribution difference established in the 1990s was still present, and the poverty reduction record of Quebec remained better than that of Ontario, at least for families with children (Haddow 2015, 239). For low-income childless households, the situation remained more difficult. The market basket measure rate of poverty also suggested that Quebec, like Ontario, lost ground after 2008, probably because of the rising price of basic necessities. With respect to poverty, at least, there was no ground for complacency.

Quebec public policies did change in the 2010s, and it may take time before gradual modifications in social programs have an impact. The effort to balance the budget that followed the 2014 election did contribute to a deterioration of public services. Important tenets of the Quebec model were also challenged. Family policy was reoriented to encourage the development of lesser quality commercial daycare places, health and social services were centralized and oriented toward medical and curative approaches, and user fees and private practices were increasingly tolerated, and sometimes encouraged. Community and regional consultation mechanisms were weakened or dismantled. The core consensus against penalties applied to the basic social assistance income was abandoned. Tight budgets also had consequences in education and, of course, Quebec’s unique two-track, public-private system for high school students remained unchallenged. If the Couillard government reduces government revenues, as it promised, these gradual evolutions could become perennial.

Most important, however, is the gradual transformation of Quebec politics, from a rather consensual and organized framework to a more fragmented and divisive configuration. The long lasting cleavage over the national question has weakened, and it no longer unites and divides parties and voters along a singular line of conflict. Corruption scandals have undermined trust in politics and in public institutions. And the challenges of post-industrialism and globalization may create new lines of fracture.

Quebec’s redistribution model nevertheless remains relatively solid and effective, and its quasi-Nordic character probably contributes to make Quebec one of the happiest nations on earth. As recent Danish politics shows, however, a high level of satisfaction with life does not prevent divisive political debates and regressive choices. Even in Sweden, where the populist right remains boycotted by mainstream parties, traditional
political arrangements may be eroding, at the price of growing inequality (Svallfors 2016). The ground underlying Quebec’s redistribution model is still fragile, and future directions remain uncertain.

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