DEEP NEOLIBERAL INTEGRATION: THE PRODUCTION OF THIRD WAY POLITICS IN ONTARIO

Kendra Coulter

While arguments about the end of ideology and the need to find a rapprochement between Left and Right within capitalism have a long history, the most recent iteration finds expression as the Third Way. The Third Way is commonly associated with the theoretical work of Anthony Giddens and the efforts of Left Centrist social democratic parties, most particularly Tony Blair’s New Labour in Britain.¹ However, Giddens’ call for transcending both “old Left” approaches and neoliberal market fundamentalism by merging “prudent financial management” with concerns for “social inclusion” has proven attractive to more than social democrats. The Third Way has been adopted and adapted by parties of the Left, Centre, and, in some cases, the Right in the construction of so-called pragmatic and allegedly nonideological political programs.² However, as studies of governments in Canada, the United States, Britain, and other nations demonstrate, Third Way approaches privilege capitalist interests, ensure corporate power, do little to curtail growing income inequality and, in many cases, accelerate it.³ In practice, the Third Way is simply a variant of neoliberalism.

This is recognized by Peck and Tickell, who call for a global mapping of the neoliberal offensive and what they term the “rolling out” of neoliberal governments and states. They emphasize the importance of identifying local specificities and broader patterns.⁴ Accordingly, this paper examines the Liberal government of Ontario, and analyzes the evolution and deepening of Third Way neoliberalism. It is not surprising that Ontario Liberals are pursuing a neoliberal agenda, but how they are doing so enriches our understanding of the ways neoliberalism is being put into practice and
the implications of the Third Way variation.

In this paper, I show that in the production of Third Way politics, political actors not only fuse language and policies from the electoral Left and Right while reproducing neoliberalism, but also blur the distinctions between the public and for-profit sectors, conceptually and materially, in the concrete form of buildings and other infrastructure. This process involves fusing the private to the public and further for-profit encroachment into the public sector. I call this process deep neoliberal integration.

I draw the concept of deep neoliberal integration from the idea of deep integration, the extension and strengthening of US power over Canada through political, economic, and legal means. Deep neoliberal integration involves the extension and strengthening of corporate power within national borders, resulting in the ideological and material deepening of neoliberalism, and a remaking of the political terrain.

Drawing language and policies from the Left and Right is not new to the Liberals, nor is privileging corporate interests. What makes deep neoliberal integration and what makes the process noteworthy is the nature of the policies now being pursued, and their implications for the public sector. A structural shift in the relationship between the public and for-profit sectors is being envisioned and implemented by political workers, and it will have substantive, long-term consequences for the existence, shape, and autonomy of the public sector.

The ideological and material integration of the public and for-profit realms within national borders through deep neoliberal integration is also significant because it contributes to the normalization of neoliberalism. Class divisions, gender inequities, and structural inequality are avoided, capitalist interests insidiously gain new reach, and neoliberalism is actively produced as merely pragmatic, thereby deepening its social acceptance and presence.

To expose how deep neoliberal integration is constituted both ideologically and materially, I draw data from a larger ethnographic project inside Queen’s Park, Ontario’s provincial legislature. My research took place between January 2004 and May 2005 and included participant-observation, document analysis, and interviews with political workers.

First I spotlight the Liberals’ strategic language combinations, which
marry progressive allusions to neoliberal terminology and evaluative criteria. I begin with an analysis of language because the Liberals’ Third Way approach was first conceptualized and constructed discursively by political workers, and within the political cultural terrain of Ontario politics, and this is an important historical contextualization. The linguistic combinations pair collectivist, public service vocabulary with terms and evaluative criteria from the for-profit sector, thus contributing to the conceptual merger of these two areas. This interlocking is integral to cultural and ideological dissemination and to the facilitation of the underlying material agenda. In addition, I consider how the discursive strategies trumpeted a transcendence or absence of ideology to present the political project as new and different, serving to depoliticize, normalize, and secure deep neoliberal integration.

Then I will focus on how the Liberals dealt with provincial infrastructure, understood not only as a policy area, but as the literal, material structures in local communities. The approach to infrastructure pursued by the Liberals not only provides further evidence of conceptual merger, but also is important for exemplifying economic welding through the pursuit of public-private partnership (P3) funding arrangements. This strategy is used by a range of Third Way governments and is an inextricable part of their work. Notably, the Liberals launched the largest expansion of P3 arrangements for infrastructure in Ontario’s history. The construction of infrastructure using both public and private money also demonstrates the final, crucial element of deep neoliberal integration, the actual fusing of public and for-profit sectors through binding contracts and the “laying of bricks,” a concrete material manifestation of Third Way politics.

It is important to see these two components of political action — the ideological and the material — as mutually reinforcing. Accordingly, recognizing the fusions within each component and the inextricability of the conceptual with the material integration is necessary for more fully understanding the evolution of Third Way politics. It is the depth and breadth of neoliberal expansion, the simultaneous ideological and material transformation, and the fusing of for-profit interests to public services and space that normalizes neoliberalism as it is being actively produced, and that constitutes deep neoliberal integration.
Ideological Production National and international restructuring has affected Ontario’s political economy and culture, and provincial Liberal and New Democratic Party (NDP) governments in the 1980s and early 1990s began to enlist selected neoliberal policies. As a political jurisdiction, Ontario saw the most unequivocal neoliberalism under the Conservatives, beginning in 1995. The Conservative government implemented aggressive restructuring, incorporating virtually all components of a doctrinaire neoliberal approach to government including privatization, asset sales, public-private contracts, cutbacks, user fees, tax cuts, deregulation, and outsourcing. Their agenda was justified and perpetuated through gendered and classed language stressing individual responsibility, hard work, bloated government, market efficiency, and tough choices.\(^\text{10}\)

The party won two elections offering this agenda, and consequently reworked the organization of the government, the material conditions of many people in Ontario, and the political culture in the province. Neoliberal policies and evaluative criteria were resisted in particular by unions, antipoverty activists, women’s groups, and citizens’ coalitions, yet were supported by enough voters to allow the Conservatives to win two majority governments in Ontario’s first-past-the-post electoral system, and thus were given new breadth and centrality.\(^\text{11}\) Put concisely, the Conservatives brought radical neoliberalism into the mainstream in Ontario.

Awareness of this context and of international Third Way successes influenced the way the Liberals conceptualized their electoral brand. The 2003 election was about presenting an alternative to the Conservatives’ language and policy, but an alternative that was simultaneously comfortable to Liberals and their economic supporters, and appealing to enough voters within the remade Ontario to win. The Liberals reflected on the reality of the political cultural terrain in Ontario, consulted New Labour advisors from Britain, and developed a Third Way platform, image, and approach. This is not surprising, since the Liberals were operating within a jurisdiction newly shaped by an explicit form of neoliberal restructuring and were seeking to form government, in the same way New Labour had come to power after a radical national neoliberal project under Thatcher’s Conservatives. The similarities seemed clear. In New Labour, the Liberals saw a party that had policies
with which they were comfortable and a strategic approach and “brand” that had proven electorally successful, and that could be used as a model.

The Liberals’ electoral offering was not a transformative neoliberal agenda. However, it did incorporate neoliberal terminology, corporate evaluative criteria, and a managerialist approach to government. But because it was intended to contrast with the radical restructuring pursued by the Conservatives, and because the Liberal party was comprised of social actors interested in positioning themselves in opposition to the precise sort of restructuring pursued by the Conservatives, the Liberal election brand also posited more progressive public service investment, incorporated collectivist rhetoric, and avoided references to the more dogmatic neoliberal policies. This strategy is a hallmark of the Third Way. In other words, the Liberal social actors produced an image of a political party that was part progressive and part neoliberal, a chimeric concatenation designed to appeal to a broad base of the electorate by having something for everyone.

Concepts such as “prudent management,” “fiscal responsibility,” “accountability,” and “individual achievement” were central to their approach to provincial budgeting, but also to the handling of public services. The Liberals constructed a choice between “five more years of Ernie Eves’ Tories tearing our schools down or Dalton McGuinty’s Liberals building them up” and “a Harris-Eves government that will let some buy their way to the front of the health care line or a McGuinty Liberal government that will guarantee all Ontarians access to public medicare” to position themselves squarely on the side of their prioritized public service areas. Yet, in the same documents, the Liberals included references to individual success achieved through hard work with a “ladder of opportunity” that kids can “climb,” and the need for all public investments to be efficient and provide “value for money.”¹² In other words, while the Liberals argued that their approach would differ from the neoliberal direction pursued by the Conservatives, the Liberals were still playing by neoliberal rules, and reinscribing many of the priorities entrenched by the Conservatives.

When the Liberals gained government power, both their linguistic and material work revealed an even stronger allegiance to neoliberalism. To demonstrate the recurring imbrication of selected language from the electoral
Left with an overarching soft neoliberal approach, the vast majority of Liberal public statements could be used as evidence. I highlight, for example, Finance Minister Greg Sorbara’s introductory comments on the first Liberal budget delivered in 2004. They so clearly exemplify the chimeric fusing of Left/Right discourse, served as an early foundational speech, and are directly connected to the material allocation of financial resources.

Minister Sorbara began by describing the current state of Ontario’s public sector, in particular crumbling schools, a shortage of doctors and nurses, and deteriorating infrastructure. “We are assuming our responsibility to be prudent managers of the public purse… We have said no to irresponsible tax cuts for some, so we can assume our responsibility to provide public services for all,” he said, illustrating the conceptual fusion of neoliberal notions of fiscal restraint alongside a critique of neoliberal tax cuts and a rhetorical allusion to the importance of universal public programs. He outlined the Liberals’ intention to eliminate the provincial deficit in the coming years, and to make investments to reduce class sizes and lower wait times for certain medical procedures.

However, this was quickly followed by “Mr. Speaker, our plan flatlines or reduces the operating budgets of 15 ministries.” Ministries facing budgetary reductions included the Ministries of Agriculture and Food, Culture, Energy, Public Infrastructure, and the Native Affairs Secretariat. Then, Sorbara announced that all government ministries, and all public servants and political workers contained therein, had been given instructions about the future of additional cutbacks: “If a given priority doesn’t reflect the priorities of Ontarians, delivering satisfactory results for the money that is being spent, we will either find a way to do it better or we will stop doing it altogether.”

In other words, included in the first few minutes of the budget speech were progressive nods to the importance of universality and commitments to make certain public investments, bundled with neoliberal rhetoric about tough choices, cutbacks to the budgets of 15 ministries, and warnings about additional service reductions. A similar pattern was evident in many Liberal media releases, speeches, and other public statements. The specific substance and combination of rhetorical devices would vary somewhat,
but the production of a conceptual merger, positioning neoliberal political language alongside collectivist, public service sentiments, was consistent.

A similar linguistic interweaving illustrating the conceptual interlocking was evident among the Liberal political workers themselves. The Liberals I interviewed did not explicitly self-identify philosophically or ideologically, but described themselves as “people in politics trying to do good,” and often as “trying to undo some of the damage of the Tories.” They highlighted a “mix of Left- and Right-wing ideals” as comprising their beliefs, most often articulating this as “taking a little from the Left and a little from the Right.” One young but senior staffer in the Premier’s Office described his approach in these precise terms, and added “just like most people in Ontario,” a noteworthy and conscious contextualization of his strategy within the province’s contemporary political culture.

A long-serving senior Liberal, exemplifying the active conceptual fusion of political views common among Liberal interview subjects, said:

We’re here to do things collectively individuals can’t do themselves. Build hospitals. Some people can’t look after themselves. [Former Conservative cabinet minister] Flaherty was half-right about government not doing anything that can be found in the phone book, but some people offering services out there are not doing them in the public interest... We’re here to do a bit of building, a little regulating, protecting individuals. We go both Left and Right, and I go Left and Right, depending on the issue, for example, I’m more Right wing on law and order.

A senior communications staffer articulated the Liberal approach as follows:

We need to focus on health, education, and the economy — all of them. Those win elections. Things were changed because of the Tories, but [we] can never go back to that. It won’t work anymore. People see they need government to do things. You can’t build a sidewalk in front of your house by yourself. But they want to get good value for money.

His awareness of the impact Conservative restructuring had on Ontario is noteworthy, but so is the way in which he less consciously reproduces
neoliberal evaluative criteria given centrality by the very government he critiques.

The comfort with which Liberal actors blended “Left” and “Right” into their political outlook is key to the conceptualization of Third Way politics, and these terms often stand in for understandings of the political terrain as involving the public and for-profit sectors. Ideas and policies from the Left and the Right were seen as blendable because ideological and material strategies from the for-profit sector were seen as compatible and appropriate for use in the public sector.

My specific queries about the role of the private sector in relation to government and the public sector were seen as unexpected by the Liberals, and often elicited responses such as, “I don’t know, I don’t really think about that.” Perhaps for the workers who responded in this way, the for-profit sector was seen as a necessary and obvious presence, so normalized and interwoven with society and government that it was not in need of special acknowledgment or consideration.

When I persisted with this line of questioning, many Liberal workers said they did not explicitly shun the private sector “like the NDP,” and saw that it needed regulation, but also that it could work with government, in partnership. One legislative assistant said that “they have too much power, I don’t like it. They do affect everything: social policy, minimum wage, environmental protections, and stuff like morals and materialism in society.” In literally the next breath, however, this young man then said “But then again so do unions. They can affect things in a bad way too. You need balance.”

Another legislative assistant responded to the question about the role of the private sector in relation to government by arguing that government had a role to play in helping business, both creating the economic climate for successful business and for helping small businesses. Reflecting further on the power of the private sector, this woman, clearly alluding to the previous Conservative and NDP governments, responded: “This government has not had time. It’s too soon to tell. In the past few years, business had too much [power]; before that, not enough.”

A senior Liberal had a markedly different view, likely indicative of the political consciousness of the more senior and powerful decisionmakers in
the government. He was not at all surprised by questions on the role of the private sector in relation to government:

They fund it, through taxes. Without corporate taxes, there would be no government. They keep government honest and challenge government to do things better, not get lazy and fat, and the importance of deficit control. They have the power to stop government and what they don’t like. Credit ratings are real. And they can partner with government, lessen the risks, leverage additional cash. Yes, you need to make sure the public interest is first, with accountability and transparency... The 407 is a great example. Not a bad idea, but if you don’t have protections, why not jack it through the roof, they’ll say.

And they challenge us to innovate. They have some great expertise. The private sector could run circles around government around transportation. In health, on fraud, there is a world expert on this stuff and government should be talking to him. There are features government doesn’t even know exists. You know, in opposition I loved the civil service, now in government I realize they give the problems, not solutions. It’s the culture in there.

This statement reveals not only comfort with enlisting corporate strategies in the public sector, but a privileging of them.

The active conceptual merging of for-profit and public ideals is also coupled with another strategy central to the conceptualization and dissemination of Third Way neoliberalism and the ideological production of deep neoliberal integration: the active denial of ideology. For example, Liberal leader Dalton McGuinty’s biography on the party’s 2003 election web site, “choosechange.ca,” said this:

Leader of the Ontario Liberals since 1996, and the MPP for Ottawa South since 1990, McGuinty has watched both the NDP and Tories govern Ontario. ‘One was an economic disaster, the other a disaster for the social fabric of our province,’ McGuinty says. ‘It strengthened my belief in new ideas, instead of old ideologies. I want to move Ontario forward, not to the Left or Right.’

Language about moving “forward” and eschewing “ideology” has been used by Third Way proponents around the world, including Tony Blair in the United Kingdom and Paul Martin in Canada.
The two most commonly expressed unifying features among the Liberals I interviewed were “balance” and “pragmatism.” “Balance,” a term used repeatedly, was seen to be both an approach and a real political goal that could be achieved. The political workers themselves posited the importance of seeking “balance” at conceptual and at very precise levels — between the electoral Left and the Right broadly, between management and unions, between tenants and landlords, between spending on social programs and “fiscal restraint,” between conservation and development, and so on. The positing of “balance” was not accompanied by any critical analysis of oversimplified binaries, class, or even a questioning of whether the two groups or issues highlighted had equal power, resources, influence, or status. The two groups or issues were seen equally, as manageable and as capable of coexistence with the Liberals mediating, or “finding the balance.” This emphasis on finding the “middle ground” and “managing” divergent interests was both an official agenda regularly expressed publicly, and a personal sentiment felt by Liberal political workers that, they argued, differentiated them from the other two parties.

In addition, the Liberal workers did not seek to thoroughly analyze causality or alternatives, and instead regularly iterated a prioritization of being “realistic.” “Sure I don’t have a lot of love for big pharma or big oil or whatever, and there are lots of idealistic things that could be better, but this is the real world,” said one senior ministerial communications director.

Of course, contemporary partisan actors do not tend to overtly argue that they are ideological. But many New Democrat and Conservative workers I interviewed recognized that different ideologies affected other political groups and the broader social context, and some did self-identify as socialists (New Democrats) or libertarians (Conservatives). In addition, the two opposition parties did not expend substantial political labour denying their political positioning. In contrast, and even though Liberals articulated their approach as “drawing from both the Left and the Right” privately, these Third Way actors, through an emphasis on “pragmatism” and “balance,” actually sought to be viewed as not even situated on the ideological spectrum at all. This was exemplified well by a Liberal worker who said “I’d hate to think you can be a Liberal and be ideological.”
In the neoliberal present, Liberals are not seeking to merely broker competing interests as they rhetorically stress balance. They are reproducing for-profit ideals as foundational but depoliticized elements in their political thinking, thereby contributing to the normalization of neoliberalism. Seeking to obfuscate ideological allegiance and erase an ideological agenda is a strategy enlisted by Third Way social actors seeking to produce the appearance of a new, flexible, and responsive approach ready-made for selection by individuals in the neoliberal political marketplace. It is also about trying to remake the political terrain by proposing technocratic solutions to problems, inadequacies, and inefficiencies, not identifying and certainly not challenging structural or systemic causes. Neoliberal politics is repackaged as softer, kinder, even as “smiley [and] happy.” In other words, this very denial of ideology is an ideological act, intertwined with the deepening of neoliberal political culture. We should recognize that it is the further narrowing of political possibility, the active collapsing of analyses and historically divergent approaches into an integrated, normalized neoliberalism. Critical inquiry is denied and avoided, and replaced with abbreviated sound bytes and spin, with “issue management.” This denial of ideology is hegemonic work. It is about managing both expectations and results within a narrow understanding of political possibility, and, at the same time, reaffirming this narrowness and reduction. Thus, such discursive strategies are interwoven with reproducing a hegemonic neoliberal common sense, and producing existing neoliberal values and priorities as new and different. This is a central component of the ideological construction of deep neoliberal integration.

**Material Integration** The ideological strategies served to facilitate and further the Liberals’ material agenda. As indicated through Sorbara’s 2004 budget comments, the Liberals did not embark on dramatic, aggressive restructuring of government, but instead pursued an insidious Third Way pattern. First, while there was some public investment, a narrowing of focus caused a deprioritization of areas, such as environmental protection, First Nations services, agricultural support, and housing provision. Policy approaches combining modest public investment were coupled with strategies of partial privatization in the form of delisting health services, such as
optometry, physiotherapy, and chiropractics services, and through institutionalizing fundraising from private sources for women’s shelters. These individualizing forms of privatization contribute to both the ideological and material normalization of the commodification of public services, and the continual encroachment of neoliberal approaches in “softer” forms, strategies that are common to Third Way politics.¹⁵

Yet Liberal budgeting also facilitated a gradual and not-headline-worthy economic weakening of the public sector. The Canadian Centre for Policy Alternatives observed:

On the revised accounting basis begun by the Liberals in the fall of 2003, program and capital spending in 2003–4 comes to 13.1% of GDP. By the end of 2007–8 at the end of the government’s planning horizon, program and capital spending will be down to 12.2% of GDP compared with the 1975–6 to 1995–6 average of 14.9%... The government is responding to Mike Harris and Ernie Eves’ shrinking of the public services in Ontario by shrinking them still further.¹⁶

In other words, not only did the budget fiscally stifle more than a dozen ministries, it also reduced the overall percentage of public service spending and the relative size of the public economy, thereby undertaking a longer term retraction and weakening of government. This retraction serves as both an effect and a cause of deep neoliberal integration — an effect of the encroachment of private interests into territory previously the sole responsibility of government, and a simultaneous cause of the “need” for private delivery.

Related and significant evidence of the material side of deep neoliberal integration was introduced in the 2005 budget. The budget included the rhetorical reestablishment of three priorities — education, health care, and the economy — alongside a celebration of “fiscal discipline.” This again translated into the budgets of 15 ministries being flatlined, reduced, or increased at rates less than inflation. The budgetary allocations were deemed “necessary” for the Liberals to be able to focus on their priorities, and were highlighted in a separate table, not buried or denied.¹⁷

The budget also launched a multiyear, $30 billion infrastructure expan-
sion and improvement plan in partnership with the for-profit sector. The P3 model, called the Private Finance Initiative in the United Kingdom, was renamed Alternative Finance and Procurement (AFP) for use by Ontario Third Waysers. It was not just for roads, but also schools, colleges, universities, hospitals, and public transportation.

The budget included language suggesting that there could be actual asset sales. Indeed, Jim Flaherty, former Conservative Finance Minister and devoted neoliberal, asked the government in legislative debate on the budget “Why didn’t you just say ‘fire sale?” However, although the Liberals toyed with the idea of selling the Liquor Control Board of Ontario, ultimately they rejected outright asset sales. Perhaps this was in part because they realized they could pursue privatization through the P3 strategy, rewarding investors and distributing resources to capital without using the more politically heated approach of explicit asset sales.

Indeed, the nature of the infrastructure “partnerships” introduced with the 2005 budget was complex and obfuscating. The Liberals claimed the end result of their AFP strategy would be government ownership, albeit after paying private financiers to borrow the necessary capital at a higher rate than government is charged. But the approach was marked by convoluted legalistic language and secrecy, and a more complex dynamic of ownership and privatization. Activist groups and unions — including the Ontario Health Coalition, the National Union of Public and General Employees, and the Canadian Union of Public Employees, as well as the opposition NDP — had critiqued the P3 model as expensive, dangerous, and a form of privatization when it was introduced under the Conservatives for use in hospitals in Brampton and Ottawa. These groups also identified the Liberals’ infrastructure strategy as a continuation of the P3 model, and continued to resist this approach to hospital financing, battling for access to the contracts in order to scrutinize the nature and duration of the arrangements, and educating communities about the approach. The contracts envisioned and proposed by the Liberals were for more than hospitals, however. Resistance to the breadth of the infrastructure projects pursued under the AFP model was and is minimal, largely because the plan itself is not widely known, nor is the precise nature of the partnerships or their impacts.
Historically, governments have paid private contractors to build or refurbish roads, bridges, or buildings, but it was clear that these were public assets and that the for-profit firm was to provide its service and then move on. For-profit investors benefitted from public infrastructure expansion undoubtedly, but were not partners in it. The public-private contracts conceptualized and implemented in the neoliberal present mark a shift in both the nature of the relationship between government and for-profit companies, and in the breadth of possible “shared” endeavours. Government is no longer the undisputed owner of the asset, as the roles of the private and public investor have been actively changed by neoliberal governments themselves, including Third Ways.\(^{20}\) This form of neoliberal material production fuses the public and private, and blurs the border between the two. Roads, bridges, hospitals, schools, postsecondary education facilities, and other buildings are being constructed because of a combination of public and private financing, thus literally cementing together the public and for-profit sectors. Convoluted, complex contracts bind the government to for-profit investors, establishing rights, requirements, and legal links that lock the public and private interests together for decades. The public sector is bound to the fate of capitalist interests and made vulnerable to transnational neoliberal trade rules. For-profit investors gain new reach. Public wealth is redistributed to capital. The public sphere is eroded, and simultaneously welded to for-profit interests.

The details of these AFP arrangements are largely unknown to members of the public, and, even for those in the know, difficult to understand. And because of their multiyear duration, the true results will not be known for decades. The material agenda being pursued by Third Way actors is a concrete part of furthering and normalizing for-profit encroachment without a controversial “for sale” sign in sight.

Even for government workers not directly employed in the Ministry of Public Infrastructure Renewal, this infrastructure policy approach was simply another ministry’s plan, the details and significance of which were not familiar, nor seen as exceptionally momentous. Public and private partnerships were common and becoming more so, and were unquestioned even though the Liberals had condemned P3s as privatization by stealth while in
opposition and during the election campaign. Reorganizing the taxation structure to raise the necessary revenue to build fully public infrastructure is not seriously contemplated. Ceding public services and space to for-profit interests was simply accepted. And despite international and pan-Canadian evidence of cost ineffectiveness, service quality risks, and the cost overruns of such arrangements, the model remains a favourite of Third Way governments. The easy acceptance of this neoliberal encroachment is both a significant result of, and a key contributor to, the production of deep neoliberal integration. This simultaneous appearance and blurring of for-profit initiatives in the public domain is another contradictory yet expanding component of deep neoliberal integration.

A fundamental characteristic of capitalist expansion is the continual search for new markets, commodities, and profit-making opportunities. Deep neoliberal integration involves conceptualizing the public sector as another profit-making opportunity. The significance and the danger of potential widespread applications of this remodelled, obfuscated form of for-profit empowerment and encroachment cannot be overstated.

**Conclusion** This paper analyzes elements of the ideological and material production of a Third Way project pursued by the Ontario Liberals, and exposes the active fusing of the public and for-profit sectors conceptually and literally as part of that approach. Discursive mélanges presenting certain strategic progressive ideals with cross-class appeal alongside managerialist priorities and evaluative criteria were ubiquitous. The language bundles were pieced together and disseminated by political workers themselves comfortable with drawing from divergent political approaches and for-profit ideals, while simultaneously constructing their approach as new, and merely pragmatic and realistic. The ideological project reflected and furthered a material agenda that constricted public spending and expanded forms of privatization, while giving corporate interests greater reach into public space. Recognizing the inextricability of the ideological with the material in practice is key, and constitutes the emerging form of neoliberalism being pursued under the Third Way banner.

There are significant theoretical and political consequences of this shift
in neoliberal form. Certainly, the conceptual merger serves to depoliticize the neoliberal offensive and normalize the use and expansion of corporate strategies within the public sector. This reproduces existing hegemonic neoliberal ideals and simultaneously produces a localized form of neoliberal common sense as “balanced” and merely pragmatic. This strategy and combination defuses antagonism, disaggregates opposition, and seeks to cool the political temperature while reaffirming that capitalist emphases should be, and are, omnipresent. The ideological component of deep neoliberal integration involves a contradictory yet effective construction of a neoliberalism that is both banal and elusive — a simultaneous normalizing and masking.

The material agenda welds the for-profit to the public sector, in the present and in the future binding government, public interests, and the collective resource pool to the rules, needs, and failures of private investors. The fusion is blurred, both in the erection of physical structures with dual, complex funding sources, and in convoluted contracts where the true impacts are not easily identifiable or known. Thus, the distinctions between public and for-profit are being obfuscated, conceptually and literally. The public sector loses and for-profit investors gain ground. Third Way political workers in government facilitate the corporate colonization of government and public institutions, use public policy to reward investors, and contribute to a hegemonic neoliberal takeover.

This paper shows how neoliberalism is being modified and adapted by real political workers under a Third Way banner, and put into practice in a provincial context. Valued but still inadequate public institutions and services are being threatened — not improved or expanded — but in murky and elusive ways. Political ideals about universality and collectivity are being replaced by the normalization of capitalist values and culture, but in nonaggressive ways that camouflage the real agenda. The Third Way is a dangerous neoliberal shape-shifter.
Notes


6. Ethnography is understood as a methodological approach to studying social actors’ behaviour through immersion in everyday activities. Data collection techniques include direct observation, participant observation, and formal interviews, as well as textual analysis. The researcher seeks to collect data on what social actors say and do. See, for example, American Anthropological Association Executive Board Statement on Ethnography and Internal Review Boards (2004); Alexandra Ouroussoff, “What is an Ethnographic Study?” in Eric Hirsch and David N. Gellner, (eds.), *Inside Organizations: Anthropology at Work* (Oxford: Berg, 2001). Government projects are inconsistent, contested, contradictory, and often messy, and an ethnographic approach provided a valuable methodological lens for probing the active, multifaceted production of policy and communications in context, and for garnering the perspectives and experiences of political workers themselves — as expressed in daily work and in formal interviews. Because of the length of my participant-observation immersion, I collected substantial ethnographic data, but for this paper I highlight that which most clearly exposes different components that form deep neoliberal integration and the different elements of emerging Third Way politics.

7. My spatial base inside Queen’s Park was in an office of the New Democratic Party (NDP) caucus, Ontario’s small social democratic party. This location provided a form of “insider” status in the legislature and enhanced my ability to study the daily life, social interactions, and work of political actors, both those who were elected and those who were employed as staff. I collected participant-observation data from a broad range of locations within the legislature. These included the daily question period and debates in the legislative chamber; committee hearings and public consultations; formal legislative events such as budget and throne speeches; media conferences; daily media scrums in the hallways following question period, or as members entered meetings; encounters over meals in the cafeteria; and social/political functions including lobbying receptions. I also conducted semistructured interviews with political workers. The political staff included a range of executive and legislative assistants, ministerial issues managers,
stakeholder relations managers, caucus researchers, communications directors, press secretaries, political advisors, and strategists. Although some members of the civil service contribute to the dissemination and institutionalization of neoliberalism, I did not interview bureaucrats.


19. <http://www.web.net/~ohc/P3s/P3s.htm#P3Facts>.

20. Arestis and Sawyer, The Economics of the Third Way.