CHAPTER FIVE

Ontario in an Age of Austerity: Common Sense Reloaded

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Given the importance of the provincial state and the array of public institutions that compose it in providing the mechanisms for the political management of social and economic development, it is astonishing that there is so little analysis concerned with Canada's provinces. The paucity of province-focused analysis is still more curious given that the Canadian constitution, by omission rather than design, assigns to the provinces responsibility for crucially important social and public services such as primary, secondary, and post-secondary education; health; and social services. These social policy fields have accounted for between 66% and 71% of Ontario's provincial expenditures from the late 1960s through to 2006 and then jumped to roughly 80% of total expenditures as the Dalton McGuinty Liberals entered their second term of government (Public Accounts of Ontario 1996–08). Given the prominence of social program expenditures within the Ontario budget (as well as that of other provinces) and the high rate of unionization of the workers who deliver these services, it makes sense that some of the most aggressive forms of neoliberal experimentation in Canada have been observed at the level of the provincial state. Ontario's turn to neoliberalism tends to be identified with the election of the Progressive Conservatives under the leadership of Mike Harris. While the election of the "Common Sense Revolutionaries" was indeed a significant moment politically, it was, in historical perspective, a particularly triumphal episode in a process that stretched back to the late 1960s when, just as Ontario set out in earnest on a province-building project, certain voices raised alarms about the scope and cost of that project.

THE LONG ROAD TO COLLECTIVE BARGAINING IN THE PUBLIC SECTOR

In 1944, Ontario premier George Drew announced the formation of the Joint Advisory Council (JAC) to be made up of government and the representatives of provincial public-sector associations to voluntarily discuss employer–employee relations. Four years later, drawing on federal Order-in-Council P.C. 1003, which first established the provisions for union certification, legal obligations for both parties, and prohibitions on unfair labour practices, the Ontario government passed the Ontario Labour Relations Act (OLRA). OLRA extended the right to strike and bargain collectively to workers in the private sector as well as state agencies at an arm's length from core public-service workers, including those at the municipal scale. Ontario's civil servants, however, continued to be denied the right to organize and bargain collectively, just as public servants in the other provinces save for Saskatchewan. Through the 1950s, the JAC was virtually extinguished as a means of useful consultation.[1]

By the 1960s many public-sector workers' pay and benefits began to lag behind their unionized private-sector counterparts, making retention a significant concern (White 2002). This was partly due to unprecedented economic growth and militant demands by industrial unions, which raised the expectations of an incipient working class (Palmer 1992). As a result of the significant growth brought about by the extension of the welfare state – including militancy in the federal public sector, municipalities, and public-sector workers in other provinces, particularly Saskatchewan and Quebec who had recognized the collective bargaining rights of public-sector workers in 1944 and 1965 – many Ontario public-sector workers began demanding the right to unionize and bargain collectively (Hodgetts 1995).

In light of increasing labour strife in the public sector as well as tensions in the mining, auto, and steel industries, in 1967 the Conservative government of John Robarts established a special advisory committee on Collective Bargaining in the Ontario Government Service headed by Judge Walter Little. The government requested that Judge Little examine the appropriate scope of bargaining units, forms of negotiation, and methods for resolving disputes. In brief, Judge Little's report recommended giving the Civil Service Association of Ontario (CSAO) – predecessor to the Ontario Public Service Employees Union – representation rights for the entire civil service; excluding management and professionals from the scope of bargaining; and resting ultimate authority with management over the determination of merit, job classification, and pay (Little 1969). Although Judge Little believed that the right to strike and lockouts were appropriate in the private sector, he argued that these actions were inappropriate for public-sector workers by citing the ultimate sovereignty of government and the fact that the public was owed uninterrupted public services.

Soon after Little released his report, the government appointed the Committee on Government Productivity (COGP 1969–74). The ten reports published by the COGP between 1969 and 1974 put forward a catalogue of restructuring initiatives, including identifying opportunities for privatizing and outsourcing services as alternatives to direct public provisioning. The endorsement of the Little Report and COGP by the Tories signalled that the guiding minds – both political and public service – were considering how to restructure the provincial apparatus and service-delivery mechanisms to better align with fiscal capacity. Since entering government in 1943, Ontario's Red Tories – pragmatic to a fault – had lead the incremental building of the Ontario version of the welfare state. The mid to late 1960s saw major new initiatives led by the federal government that required the provinces to take up significant roles in policy and delivery – post-secondary education, social services, and of course, publicly financed health care. But the golden age of province building came with a price. Announcing the establishment of the COGP in early 1969, Ontario's Treasurer told the Legislature that this review committee was necessary, given that "During the 1960s this Legislature has approved an increasingly broad range of public services, greatly expanding its contribution in such areas as health, education and welfare" (Archives of Ontario, Records of Charles McNaughton 1969).

The COGP's ultimate concern was to reduce public spending, as this was outstripping the capacity and willingness of government to raise sufficient revenues (Ontario Ministry of Treasury, Economics and Intergovernmental Affairs 1972a, 31–2). Key members of Ontario's state and businesses saw it necessary to constrain public-sector expansion and to do so by reasserting the power and authority of the political leadership over policy formulation and decision making. The membership of the COGP included senior executives from the brewing, mining, oil, and steel sectors as well as the most strategically located senior public servants including the deputy treasurer and the cabinet secretary. The composition of the COGP may not have been precisely indicative of capitalist class control and colonization of the Ontario state apparatus, but it certainly was indicative of "decisive influence" in shaping a much more constrained expansion of public services (Barrow 2008, 91). In part the COGP sought to assert political control over policy and to establish a distinction between policy development and program delivery so that privatization and contracting could be more readily entertained (Ontario Ministry of Treasury, Economics and Intergovernmental Affairs n.d., 6). The principles expressed here of policy centralization and delivery decentralization presage David Osborne and Ted Gaebler's paean to neoliberal public administration – *Reinventing Government* – published some twenty years later. This reconsideration took place within a context of economic turmoil. From 1975 to 1980 economic growth slowed to 1.7% and then shrunk in 1980 by 0.2% as inflation swelled to 10.2%. The effect on personal income was significant as inflation nullified any gains in employment income (Ontario Ministry of Treasury and Economics 1981a; 1981b, 4). The change in economic environment was the first indication of a rupture with postwar growth. It was indeed the "beginning of a new approach to fiscal policy for the Province" (Ontario Ministry of Treasury and Economics 1981a, 5).

In 1970 the OLRA was amended, paving the way for binding arbitration. Two years later, the shift toward a more formalized and confrontational approach to collective bargaining for core public-service workers was codified with the establishment of the Crown Employees Collective Bargaining Act (CECBA 1972). Introduced against the backdrop of striking hydro workers and Toronto civic workers, for the first time public-service workers were granted the right to collective bargaining. However, the legislation included significant restrictions and thus was far from a real breakthrough.[2] In response to the Davis government's unwillingness to bargain with teachers' unions, as well as unilaterally imposing wage ceilings, layoffs, school-board mergers, increases in workloads and class sizes, and the cancellation of school programs, in December 1973, 80,000 of Ontario's 105,000 primary and secondary teachers went on strike. Striking teachers employed work-to-rule tactics and letter-writing campaigns, held large demonstrations at Queen's Park, and submitted mass resignations. As Richter (2006, 7) noted, teachers "demanded free collective bargaining, the right to negotiate any term or condition of employment, and the right to strike."

While Davis's government had tried to compel workers into accepting binding arbitration without the right to strike, mass public sympathy backed by teachers and support from the broader labour movement subsequently pressed Davis to extend collective bargaining with the right to strike to teachers. In 1974, the Davis government amended the CECBA to include casual and temporary employees and expanded the scope of bargaining to include issues related to promotion, transfers, layoffs, job evaluations, reappointment, pay, and successor rights. However, issues related to classification, merit, performance evaluation, and pensions remained the exclusive domain of management (Carson 2011). As a result of ongoing protests, work-ins, walkouts, and solidarity strikes by education, health care, utilities, administration, and transport workers, the right to strike was extended to other public-sector workers throughout the decade. The right to strike continued to elude the Ontario civil service proper, as there were no major changes to the CECBA legislation until the 1990s.

In 1975, Premier Bill Davis appointed the Special Program Review Committee (SPRC) "to enquire into ways and means of restraining the costs of Government, through examining issues such as the usefulness of programs, alternative lower costs means of accomplishing objectives, and the problem of increased public demand for services in an inflationary period" (Special Program Review Committee 1975, ix). The work of the SPRC set the primary objective of Ontario's budget policy for the remainder of the 1970s as one of controlling inflation, a serious problem at the time, and reducing the costs of government that were being driven by inflation. The rate of growth in public expenditures decelerated significantly from a high of 24.7% in 1974–75 to 6.4% in 1978–79. This fiscal policy agenda was concerned with slowing the rate of public expenditure growth, not reducing public expenditures in and of themselves and not a wholesale attack on public services. This is a crucial political and ideological difference between this period of restraint and the neoliberal austerity that would emerge in full force in 1995. Nevertheless, the Ontario Tories did reduce the rate of public-sector spending growth, increased industrial incentives, froze the salaries of senior public-service staff, and discharged over 1,000 civil-service staff. As well, highway maintenance and snow plowing services were contracted out, psychiatric hospitals were closed down, the number of available hospital beds was reduced, and health labs were sold to the private sector. Between 1975 and 1980, 7,000 public-sector jobs were eliminated along with real reductions to health care and educational spending (Roberts 1994; Ontario Ministry of Treasury and Economics 1981). In sum, while important reductions with real impacts, these hardly amounted to a Thatcherite assault on public services. Indeed, the Davis government years were also marked by progressive interventions and legislative reforms to occupational health and safety, post-secondary education, environmental regulation (specifically, regulations governing acid rain), rent controls, and changes to employment standards.

But fiscal restraint proved unpopular as the Conservatives lost their legislative majority in the 1975 election and failed again in 1977 to win more than half the seats. Indeed, the period of minority government from 1975 to 1981 saw many of the above-mentioned reforms tabled and passed. Yet, it was increasingly clear, if not fully recognized, that the postwar political-economic foundations that enabled the success of Ontario's pragmatic Conservatives was coming unhinged (Brownsey and Howlett 1992). Through this period, the Canadian Union of Public Employees (CUPE), Ontario Public Service Employees Union (OPSEU), and other unions continued to organize workers at universities, colleges, and administrative services, as well as in utilities, medical, and correctional facilities. Over the next decade major strikes by both private- and public-sector unions would galvanize the province, enshrining the mandatory adoption of the Rand formula in the labour code in 1980. The composition of public-sector unionism also shifted with women now comprising some 50% of membership, although they continued to be largely under-represented in private-sector unions (Warskett 1997). Once-marginalized issues, such as maternity leave, child care, health and safety concerns, sexual harassment, and sex discrimination related to pay and promotion, were increasingly understood as part of the broader catalogue of bargaining issues. Women also challenged traditional leaderships to become more accountable and democratic, organized women's committees, and pushed unions to be more representative across race and gender (Briskin 2010).

In 1980–81, roughly 10,000 health care workers at fifty Ontario hospitals organized by CUPE struck against mandated arbitration and laws prohibiting strikes by hospital employees. The strike was ended one week later and resulted in thirty-four workers being fired and 3,400 suspensions. Three union leaders, including CUPE president Grace Hartman, were jailed for contempt of court for supporting striking workers. Later that year, 11,000 striking hospital workers at Riverdale Hospital organized with CUPE were legislated back to work; the union was charged with criminal contempt and fined $250,000.

The Conservatives fought the 1981 election on a platform that sought to deploy the powers and capacities of the provincial state as an instrument for economic development and to reassemble the "One Ontario" politics that had served the "red" Tories so well since 1943.[3] With the Conservatives returned to power with a majority government, the province was engulfed by the "Reagan recession" of 1981 (MacDermid and Albo 2001). Unprecedented interest rates reaching 21% in 1981 and explosive energy costs fueled by the second oil shock pushed Ontario into an even deeper recession. Between 1979 and 1982, Ontario recorded double-digit inflation that peaked at 12.1% and drove unemployment up to 9.8% in 1982. The 1982 *Inflation Restraint Act* suspended the right to strike and extended all collective agreements by one year. The *Act* also prohibited wage increases in excess of 5% for roughly 500,000 broader public-sector workers. In 1983, the *Public Sector Prices and Compensation Review Act* mandated that arbitrators consider employers' ability to pay in the arbitration process and made all collective agreements subject to review by the Restraint Board. This was a blatant intervention by the state that not only undermined free collective bargaining but also sought to shift the burden of recession from the private to the public sector as convenient scapegoats of economic recession. The seeds of the Common Sense Revolution were beginning to be sown, as the attack against the welfare state intensified and the postwar class compromise came unhinged.

PROGRESSIVE COMPETITIVENESS AND THE LAST GASP OF SOCIAL DEMOCRACY

Frank Miller replaced Davis as leader in 1985. His leadership convention victory was seen as a rejection of the "Red Tory" politics that had served the Conservatives well over the postwar period (Speirs 1986). Of course, the Ontario Progressive Conservatives, as with any party, was a broad tent encompassing various ideological tendencies. The memoirs of Darcy McKeough, Ontario's treasurer through much of the 1970s, reveal that serious political differences were present in the party during that decade. McKeough sought to balance the budget through public expenditure restraint while key figures around Premier Davis preferred to raise corporate taxes (McKeough 2016, 159). In this respect, Miller too was closely identified with restraint. He served as treasurer as well; however, his restraint legacy was not a formula for electoral success. On 2 May 1985, the Progressive Conservatives saw their share of the popular vote plummet from 44% to 37%. Twenty-eight seats were lost, leaving them with only fifty-two seats, still the largest party in the Legislature. The Liberals won 37.9% of the popular vote to the Conservatives 37.0%. They gained fourteen seats for a total of forty-eight. The New Democratic Party (NDP) finished with twenty-five seats, thus holding the balance of power with significant leverage.

In the wake of the election, Miller reassembled a government under his premiership; however, this would be short-lived. On 28 May 1985, the two opposition leaders, Liberal David Peterson and New Democrat Bob Rae, co-signed a common program referred to as the "Accord." It was derived from shared campaign themes and marked a departure from the era of restraint. Instead, the Liberals and NDP were both committed to forging an enabling state with a capacity to guide Ontario's social and economic development. Several proposals captured this: a priority to create employment and training programs aimed at young workers who had been left behind by the long recession, new employment security legislation, significant new investment in co-operative and non-profit housing, employment and pay equity, and new environmental regulations (Peterson and Rae 1985).

The Liberals came to government just as the full effect of the 1983 to 1989 mini-boom took hold and Ontario growth and unemployment rates achieved levels not seen since the 1960s. The Liberals did little to change the Ontario state's structure, but they did seek to provide it with greater policy and coordinative and program delivery capacities that were evident in fairly significant growth in both the broader public sector and the core Ontario Public Service (White 2002). Between 1985 and 1989, the Ontario public-sector workforce grew by 131,300 workers (15.2%), while the Ontario Public Service expanded by more than 8,000. This increase in the public-sector workforce corresponded to a 50% increase in provincial public expenditures over the same period (Ontario Ministry of Finance

1989). The Peterson government sought "to restructure Ontario's industrial base to meet high-tech competition on world markets, plan for an aging society, check rising health care costs without reducing the quality of care and improve the education system to produce the highly skilled workers" (Gagnon and Rath 1992). The Liberals established a new corporatist structure to provide policy advice and build consensus – the Premier's Council – comprised of representatives from business, labour, government, and the universities.[4] Peterson's new chief public servant said that Ontario's recent good economic fortune had "spared the province the budget-slashing and continued restraint seen in other jurisdictions," but he warned that the welfare state "can no longer be afforded, unless a new entrepreneurial economy can greatly increase a jurisdiction's productivity" (Carman 1988, n.p.). In response, the production and delivery of public services required reconsideration where direct service delivery by the state could be replaced with greater use of contracting out in the non-profit and for-profit sectors. Doing so required a new style of public-service leadership, one armed with a "corporate" and global perspective and an understanding of business.

With the Accord exhausted in terms of its legislative agenda, Peterson called an election for 10 September 1987. The Liberals captured 47.3% of the popular vote and took ninety-five of the Legislature's 130 seats. The New Democrats became the official opposition while the Conservatives lost thirty-four seats and were reduced to just sixteen. The stock market crash of October 1987 presaged a changing economic environment; layoffs in Ontario's industrial sector began to mount through 1988–89. Peterson opted for an early election before the political situation became unmanageable. But this was seen as a rash of political opportunism, and the 6 September 1990 election unexpectedly made Bob Rae the premier and the New Democrats the majority government just as a recession was firmly taking hold. The New Democrats continued the work of the Premier's Council by seeking to deepen multi-class consensus toward adjustment (Jenson and Mahon 1995). The objective was to adapt Ontario to a more competitive economic context by promoting "a highly qualified labour force, strategic investments by firms in higher-value-added activities, and investment by government in the necessary social and physical infrastructure" (Rachlis and Wolfe 1997, 349). The NDP also amended both the *Employment Standards Act* (ESA) and the OLRA, improving workers' ability to recover unpaid wages, enhancing pay equity provisions, expanding the rights of domestic and agricultural workers to organize, placing restrictions on the use of replacement workers, increasing the remedial powers of the Ontario Labour Relations Board (OLRB), and extending the rights of unions to "combine" bargaining units within the same company. They also reformed the grievance arbitration process, expanded successor rights, extended the right to first contract arbitration, expedited the hearings process, and lowered the threshold for triggering certification.

But before these efforts could fully take hold, the Rae government dramatically shifted its focus toward controlling the deficit and all but abandoned the experiment with progressive competitiveness. In 1992, provincial expenditures shrunk $3 billion (the largest proportional decrease in expenditures since 1953), and by 1993 finance ministry officials projected a deficit of $17 billion (Rae 1996, 204). Ontario social democracy would respond through an aggressive and unprecedented reduction in public expenditures. The objective was to control the deficit by both reducing expenditures by $6 billion and increasing revenues by $2 billion. This included a three-year wage freeze for 900,000 workers and a 5% reduction in wages through twelve unpaid days off, known as the social contract, and an Expenditure Control Plan that would potentially result in a loss of 9,000 to 11,000 jobs (Walkom 1994, 137).

The Public Services Coalition, comprised of public-sector unions, rejected the government's invitation to participate in the cost-cutting exercise "because the only matter on which the government was prepared to negotiate was on how cuts could be made, and even on that issue some felt there was little flexibility" (McBride 1995, 50). On 14 June 1993, the government introduced the *Social Contract Act*. The legislation empowered the cabinet and the minister of finance to impose outcomes where negotiations failed (Sack Goldblatt Mitchell 1993). By the deadline to complete negotiations in August 1993, 30% of public-sector workers had not agreed to a sectoral agreement (Hebdon and Warrian 1999, 199). Consequently, the finance minister moved to impose agreements overriding existing collectively bargained contracts. The NDP also amended the *Crown Employees Collective Bargaining Act*, extending the right to strike to the core public service. The great irony was, however, that soon after the NDP passed the Orwellian-titled *An Act Respecting the Collective Bargaining Rights of Employees of the Crown*, they statutorily prohibited workers from exercising those very rights.

The Social Contract may not have marked a concession to the ideology that "there is no alternative" to globalization and free markets, but it did fracture the electoral base of the NDP and particularly its trade-union allies who were thrown into civil war. The failed effort at negotiating an agreement between many of the public-sector unions and the government spoke as much to a flawed process as it did to the capacities of the various parties to engage in a large-scale experiment in social concertation. Regardless, the result was a slowing in the rate of growth for Ontario's public expenditures. For the first time since 1942, there was an absolute shrinkage in government expenditures: in 1990–91, program spending grew by 14.7%, but by 1993–94 spending had contracted by 3.4% (Ontario Ministry of Finance 2010, 69). It was a historic turning point in the history of Canadian social democracy that reached beyond Ontario (see, for instance, Sweeney and Hicks in this volume).

NEOLIBERAL ONSLAUGHT: THE COMMON SENSE REVOLUTION MOVES CENTRE STAGE

On 8 June 1995, the Conservatives, led by Mike Harris, formed a majority government. An era of aggressive neoliberal assault by the Conservatives, whose campaign manifesto was provocatively titled "Common Sense Revolution," was about to begin. The PCs' platform contained six key themes that sought to remake the Ontario state: (1) cut the provincial income tax rate by 30%; (2) cut "non-priority" government spending by 20%; (3) rescind and reduce various regulations, laws, and taxes deemed to impede economic growth; (4) reduce the size of the Ontario Public Service; (5) introduce performance standards; and (6) balance the budget (Ontario Progressive Conservative Party 1994). The sweeping reforms were concerned with more than technical legislative tinkering; they committed to a deep transformation in the very logic of the Ontario state. Critical to this commitment was the dismantling of important regulatory and redistributive functions of the welfare state. Prosperity could only return by reorienting the role of the Ontario state to better facilitate capital accumulation. This included repealing the *Employment Equity Act*, which had provided Aboriginal people, people with disabilities, members of racial minorities, and women – all social categories that had experienced higher rates of unemployment than the population in general – with some special consideration in public-sector employment.

The PCs also introduced Bill 7, *An Act to Restore Balance and Stability to Labour Relations and to Promote Economic Prosperity*, which repealed the amendments to the OLRA introduced by the NDP. This included substantially rewriting Ontario's labour and employment laws to make the province "open for business" by replacing automatic certification following card signing with an election model using secret ballots, eliminating the prohibition on replacement workers during strikes, reducing the threshold to trigger decertification, putting limitations on when unions could call a strike vote, removing successor rights for public-sector unions, imposing a twelve-month ban on a lost certification vote and repealing the rights of agricultural and domestic workers to unionize. Similarly, the employee wage protection fund under the *Employment Standards Act* that ensured workers would receive their unpaid wages when an employer went bankrupt was also rolled back.

By the end of 1995, the PCs had also introduced the omnibus Bill 49 *Savings and Restructuring Act*, which proposed amendments to more than forty pieces of legislation. This included reductions to social expenditures, the introduction of workfare, and an expected loss of 13,000 public sector jobs; the Act stipulated new powers that unilaterally allowed Queen's Park to restructure municipalities and hospitals, as well as new constraints on the scope of arbitrators' adjudication powers, limitations on the remedial powers of the OLRB, and freezing of the minimum wage at $6.85 (Sinclair, Rochon, and Leatt 2005, 19–20). Bill 49 also reduced the time limit for workers to register formal complaints with the OLRB from two years to six months, and capped awards at $10,000 regardless of the damages incurred (Thomas 2009). There were also numerous rule changes that resulted in tens of thousands of recipients becoming ineligible for social assistance.

On 26 February 1996, over 50,000 OPSEU members went on strike to protest the changes made by the Mike Harris Conservatives. For the first time, core public-service workers in Ontario were able to strike as a result of the 1993 amendments to the CECBA. Despite wages being frozen at 1991 levels, the union did not ask for a wage increase. Instead, OPSEU was most concerned about issues related to job security, successor rights, and retraining guarantees. The strike reached a turning point on 18 March, at the start of the spring parliamentary session, when union activists and protestors violently clashed with the Ontario Provincial Police (Reshef and Rastin, 2003). The government used the legal system to undermine OPSEU job actions by filling out more than thirty applications at the OLRB and eighty-two court actions seeking to reduce the visibility of strikers and limit picketing. Within a year, the Conservatives laid off upwards of 11,000 staff; however, arbitration awards in favour of the union would slow further attempts at privatization (Reshef and Rastin 2003, 64).

In light of the experiences of the OPSEU strike – the government had accomplished its goals and not suffered serious political blowback – the PCs continued along the path of privatization and contracting out. In 1997, the provincially run temporary employment agency GO Temp was privatized. At the same time, dozens of meat inspectors were laid off and later rehired as self-employed workers prohibited from unionizing, while the government increased its reliance on part-time and temporary contracts. The PCs also passed the *Public Sector Accountability Act* to "ensure that the private sector has an open opportunity to compete to provide services," which included setting new private-sector performance benchmarks for the public sector (Ontario Ministry of Finance 1997). Before the end of Harris's first term, more than 126,000 teachers across Ontario took part in extra-legal job actions in protest to the *Education Quality Improvement Act*. The *Act* unilaterally centralized control over education curricula, repealed employment equity initiatives, abolished Grade thirteen, standardized testing and report cards, and amalgamated school boards while reducing the number of trustees (MacLellan 2009).[5]

By 1999, the Conservatives had introduced ninety-nine different tax cuts, with income taxes reduced by 30% compared with pre-1990s levels. The Tory government also moved quickly to privatize water analysis and health care laboratories, including the elimination of twenty-nine hospitals, over 10,000 hospital beds, and more than 6,000 nurse jobs. Power was also significantly concentrated in the hands of the premier and his closest advisors in the Premier's Office. Ontario public expenditures as a proportion of the total economy shrank dramatically. In 1995–96, Ontario government expenditures comprised 19.2% of the gross provincial product (GPP), but by 2000–01 they had dropped to 14.8% of GPP and remained in that range until 2005 (Ontario Ministry of Finance 1997; 2003). On a per capita basis, provincial expenditures were essentially frozen between 1990 and 2005.

The budgets of key ministries were also cut by significant amounts. Some of the most egregious included economic development (cut by nearly 79%), municipal affairs and housing (reduced by 73%), labour (cut by 58%), environment (cut by 37%), natural resources (reduced by nearly 31%), community and social services (shrunk by nearly 20%), and education and training (reduced by 14%). As such, employment in the core Ontario Public Service fell from 81,300 in 1995–96 to 54,952 in 1999–2000. From 1,042,000 employees in 1992, the broader Ontario public-sector workforce had been reduced to 938,500 by 1997 (a decline of nearly 10%). For the Ontario Public Service this meant a return, in terms of numbers, to dimensions not seen since 1967–68, despite the massive demographic growth of the province over the same period. The proportion of public-sector workers as compared to the overall Ontario workforce fell from 21% in 1992 to 15.9% in 1998 (Statistics Canada 2001). This was an astonishing decline of more than a quarter of the public-sector workforce. In 2002, Harris stepped down as premier and was replaced by Finance Minister Ernie Eves. Eves's premiership was a short eighteen months and was characterized by significant policy indecision, especially with regard to privatizing Ontario Hydro and the Liquor Control Board of Ontario (LCBO).

The PCs deployed the power of the state to create new laws, regulations and institutions "designed to reproduce a neoliberal future" (Hackworth 2008). The Harris-era 30% cut in the tax rate and the elimination of several dozen taxes on various business-related activities left in place a more regressive tax regime, and by the 2003 election the Common Sense Revolution had reached an impasse. In the run up to the election, the largest private- and public-sector unions explicitly campaigned against the PCs while implicitly supporting the Liberals through non-partisan campaigns such as, and most notably, the Working Families Coalition. Offering both financial and third-party campaigning support, the shift toward Liberal support symbolized the political realignment of labour in Ontario. This shift was also symptomatic of an ideological divide expressing trade unions' adaptations to the conditions of neoliberalism in turning to defensive strategies and tactics. In October 2003, the Dalton McGuinty–led Liberals won a landslide electoral victory, gaining seventy-two of 130 legislative seats, while the Conservatives were reduced to only twenty-four seats and seven remained for the NDP.

COMMON SENSE REDUX: THE MCGUINTY-WYNNE LIBERALS

The Ontario electoral landscape had shifted decisively toward the right since 1995. However, rather than reversing the core of the Common Sense Revolution, the Liberals moved to deepen and extend the conflagration of neoliberal policies. The first two terms (2003, 2007) of the McGuinty government were concerned with embedding existing reforms and avoiding a direct assault on public services and confrontation with public-sector unions. However, by the Liberals' third term (2011) the writing was on the wall; confrontation loomed. The Liberals had campaigned as "centrists" promising to reinvest in public services, particularly health care and education. But rolling back the fiscal legacy of the Conservatives was not an option. They promised to hold the line on taxes for consumers, reduce corporate taxes, and balance the budget (Ontario Liberal Party 2003).[6] In prioritizing the reduction of the $5.6 billion deficit inherited from the PCs, the Liberals intimated their affinity to neoliberalism.

In a telling sign of things to come, three months before the Liberals introduced their first budget in 2004, Premier McGuinty raised the possibility that public-sector workers might be subjected to a wage freeze or required to take unpaid days off if wage demands were not moderated. In delivering their first budget, modest savings were made through the privatization of services formerly covered by the Ontario Health Insurance Plan, like chiropractic therapy, physical rehabilitation, and optometry exams. The McGuinty government also spearheaded the expansion of private health care clinics. The Liberals also announced the introduction of a graduated health care premium, which would exclude individuals with a taxable income of less than $21,000 and then rise from $60 to $900 per year depending on income level (see also Conrad in this volume). Thus, rather than overturn the regime of tax cuts and marketization put in place through the Common Sense Revolution, the Liberals streamlined it.

As the tailwinds of the 2008 recession swept across Ontario, the Liberal government responded by calling for a decade of austerity. The major policy plank of this program was the Open Ontario Plan (OOP), which called for tax relief, a wage freeze for public-sector workers, the privatization of public assets, and regressive reforms to employment standards legislation (Fanelli and Thomas 2010). The OOP signalled a new era of austerity in the course of reorganizing neoliberalism in an effort to reassert its legitimacy as a political philosophy, economic program, and social policy framework. The general corporate income tax (CIT) rate was reduced from 14 to 10% by 2013. The CIT rate also decreased from 12 to 10% for manufacturing and processing firms, and there was a reduction of the preferential small-business CIT rate from 5.5 to 4.5%, along with the elimination of the small-business deduction surtax. The tax rate on the first $37,106 of personal taxable income was also reduced by more than 16%, from 6.05% to 5.05%, while those earning up to $80,000 per year saw a tax cut of 10%. This made Ontario's tax regime among the lowest among the countries belonging to the Organisation of Economic Co-operation and Development (OECD).[7] The OOP also called for the marginal effective tax rate to be cut in half by 2018, equivalent to some $4.6 billion in tax cuts on income and capital (Ontario Ministry of Finance 2010).

The omnibus *Open for Business Act* marked the revival of state coercion in the form of a legislative assault that introduced over a hundred amendments to legislation across ten ministries, and its stated objective was to create a more competitive business climate (Gellatly et al., 2013). The climate of restraint was further amplified through less-than-genuine consultative negotiations with the Ontario government over 2010, which sought to develop an austerity "framework agreement" that would see private- and public-sector unions moderate their bargaining demands (Evans 2011). This dynamic stifled free collective bargaining by using the recession as an excuse to extract concessions while extending new forms of corporate welfare and furthering the neoliberal remaking of the state.

The Liberals also enacted the *Public Sector Compensation to Protect Public Services Act* and *Broader Public Sector Accountability Act*. The Acts imposed a two-year wage freeze for 350,000 non-unionized public-sector workers, while also indirectly affecting 710,000 unionized public-sector workers through a proposed "voluntary" two-year wage freeze, and concentrated new powers in the Management Board of Cabinet. The Liberals clearly stated that they would not fund net compensation increases to operational costs associated with collective agreements. Throughout the consultations, they maintained that all options were on the table, including legislated wage freezes and furloughs, as well as a 5% reduction to local transfers if municipalities failed to hold the line on expenditures (Fanelli 2016). Following the two-year freeze, wage increases were to be kept below inflation and not exceed the province's 1.9% cap on expenditure growth. The Liberals also solicited CIBC World Markets and Goldman Sachs to come up with a plan to monetize the province's $60 billion worth of public assets. The idea behind "SuperCorp" was to combine Ontario's Crown assets, including nuclear power plants, power generation facilities, 29,000 kilometres of electrical transmission and distribution lines, and over 600 liquor stores and gaming operations. The politically sensitive task of liquidating Ontario's assets was put on hold, however, to deal with the more immediate issue of reducing the deficit through public-sector service and employment cuts.

As part of the OOP, Bill 68 replicates Alberta's and British Columbia's "self-help" model for complaints and enforcement under the *Employment Standards Act* (see Brownsey and Whiteside in this volume for background and context). Under the changes, employees are required to address employment grievances directly with their employer in advance of government intervention. In other words, employees are expected to make all "reasonable efforts" to resolve the dispute individually on a case-by-case basis. The implications of this amendment to the ESA are twofold. First, it promotes voluntarism by creating the potential for employers to resist the process if they feel it will not work in their favour. Second, it privileges a mediated settlement over an actual award, which may expedite the claims process but could reduce the value of the settlement achieved by a worker. Regardless of the outcome of individual settlements, this orientation represents a transformation in the role of Employment Standards officers from those who make judgments based on fact-finding to mediators in a process that assumes two equal parties when, in fact, the parties are far from equal (Fanelli and Thomas 2011).

It is equally telling to review what the McGuinty government chose not to do. Avoiding the question of raising taxes meant explicitly agreeing to allow Ontario's public economy to shrink. The Liberals had made reinvesting in public services a central policy plank of their campaign, yet a year-over-year review of the province's five principal social policy ministries (health, education, post-secondary, social services and children's services) reveals modest enhancements: aggregate program spending increases (2003–07) varied from 6.5 to 8% through their first term (2003–07) and tended toward less than 7%

in their second (2007–11) (Ontario Ministry of Finance 1996–2011). By the 2011 budget, the Liberals had come full circle back to the Common Sense Revolution. They pledged to restrain expenditure growth to 2% annually which, given inflation and population growth, continues the aggressive restraint measures that had been a hallmark of the Harris regime. The budget also vowed not to raise taxes and to freeze non-priority program spending by reining in union wages. Finance Minister Duncan indicated a hardening climate of austerity when he suggested that upwards of 1,500 positions in the Ontario public sector could be eliminated (Ontario Ministry of Finance 2011). Tax cuts amounted to the second largest platform item in their 2011 budget, estimated to cost the treasury $327 million by fiscal year 2015–16 (Mackenzie 2011).

The McGuinty government also established the Commission on the Reform of Ontario's Public Services, headed by former TD Bank chief economist Don Drummond.[8] The Commission argued that without new forms of revenue generation (their mandate explicitly prevented them from exploring these options), program spending would need to be cut "more deeply on a real per capita basis, and over a much longer period of time, than the Harris government did in the 1990s" (Commission on the Reform of Ontario's Public Services 2012, 10). Released the same year – to much less fanfare – the Social Assistance Review Commission's report recommended over a hundred reforms to the way public services, particularly social assistance, could be enhanced through realigned and integrated service arrangements, from child care and long-term care to income and employment reforms, as well as supportive public housing (Lankin and Sheikh 2012). The public policy decisions made since 2011 have reinforced pressures for "competitive austerity" (Albo and Fanelli 2014), and seems to confirm Hackworth's (2008) hypothesis that "soft edge" neoliberal governments may actually be able to go further than its most aggressive proponents (see also Graefe and Ouimet as well as Clancy in this volume).

The 2012 Liberal budget implemented a range of austerity measures: Children's Aid societies were restructured and wages frozen in order to find $9 million in efficiencies; Social Assistance and Disability payments were to be reduced by $200 million over three years, resulting in benefits that were less in real dollars in 2015 than they were in 1986; correctional services and legal aid were to be cut by 1.6% every year until 2017–18; municipal and local infrastructure funding was to be cut by $48 million from 2011 levels; hospitals lost $1 billion and OHIP another $1.5 billion in cuts and wage freezes, despite having the highest out-of-pocket health expenses and fewest hospital beds per person than any other province; primary and secondary schooling were to be cut by $660 million over three years, while post-secondary education transfers stagnated and fees rose as much as 3% annually (Ontario Ministry of Finance 2012). From 2010 to 2012, Ontario fell from seventh to last place among Canada's ten provinces in total social program spending (Ontario Common Front 2012).

As Mackenzie (2012) has noted, the crowning irony of McGuinty's ninth budget was that it completed the job of cutting government down to the size it was during Harris's tenure. The budget increased fiscal capacity by increasing revenues to the treasury by $1.6 billion but also cut $10.7 billion (equal to 1.5% of GDP) from expenditures. With inflation, by 2012–13 social assistance had lost 5.5% of funding and disability lost some $200 million when compared with when Harris left government (Mackenzie 2012). The budget also legislated a pay freeze for 1.2 million broader public-sector workers, nullifying some 4000 agreements. All said, the 2012 budget took $17.7 billion out of the economy over the next three years (Walkom 2012). Citing the sale and lease-back of eight government buildings, the end of Ontario Northland Transportation Railroad Commission, and the need for more private-sector involvement in the Ontario Lottery and Gaming Corporation, Finance Minister Dwight Duncan said, "I expect to see a lot of people [protesting] on the front lawns here [at Queen's Park]" (Benzie 2012). The 2013–14 budget further reduced expenditure growth to 1.5% (below the rate of inflation and expectations to meet new population growth) and back-end loaded austerity measures, with each year of restraint being more aggressive than the last. From 2014–16, program spending growth was to be held to 1.1% and 0.4%, and by 2016–17, as the final year of the government's fiscal plan shows and based on trends observed by fiscal forecasters in 2013–14, Ontario would need to freeze program spending and then cut spending by an additional 1% in 2017–18 to meet its stated goal of budget surpluses (Ontario Ministry of Finance 2013). As others have shown, these reductions to public spending were not an economic necessity but a political choice, as Ontario's budgetary deficit has been on track to surplus without the additional austerity targets (Mackenzie 2014).

On 3 January 2013 the Liberals imposed concessionary contracts on the province's teachers, which followed 2012 legislation restraining spending in the education system. This included wage controls, layoffs, and the freezing of pension contributions for five years. Teachers responded with a number of one-day strikes, work-to-rule campaigns, the withdrawal of extracurricular activities, and mass protests. Despite the labour discontent, the job actions did not see a repeat of the Harris-era confrontations. Some teachers have since raised questions about the capacities of educational workers and organized labour more broadly to fight back against concessionary demands (Hewitt-White 2015). Amid mounting unpopularity, Dalton McGuinty stepped down as party leader in early 2013. This was followed by the resignation of McGuinty's long-time finance minister, Dwight Duncan, in what was portrayed as a period of renewal. In McGuinty's place, Kathleen Wynne emerged as new party leader and premier of Ontario. Wynne positioned herself as the "social justice" and "activist" premier against the old guard. In power, however, much of the McGuinty legacy has continued uninterrupted.

The Liberals continued to put forward the privatization and contracting out of public services, assets, and employment as a testament to New Public Management. Having launched the largest expansion of public–private partnerships (P3s) in Ontario history (Coulter 2009), in 2014 the province was engaged in over eighty P3s (known as Alternative Financial Procurement). However, of twenty-eight P3s undertaken between 2007–10, Siemiatycki and Farooqi (2012) found them to be 16% more expensive than traditional public procurement. Likewise, a major report undertaken by the Auditor General (2014) found that of the seventy-four completed P3 projects between 2003 and 2014, Ontario could have saved up to $8 billion through traditional public procurement.[9] In June 2013, Wynne launched a blue-ribbon panel headed by president and former CEO of TD Bank, Ed Clark. The panel was created to advise the government how to get more than $3 billion through the "recycling" of public assets. Reporting in late 2014, the panel suggested the sell-off of Ontario's estimated $3.3 billion lottery, which brought in $883 million in revenue in 2012–13 alone (Benzie 2014). Following the panel's recommendations, lottery and LCBO lands were put on sale, as well as Hydro One Brampton and Hydro One Networks' distribution arm, worth some $2-3 billion in one-off monies, although the government expects to retain a 40% majority stake. In doing so, the Wynne government completes the sell-off of Hydro One started by Harris and revives the idea behind "SuperCorp" first raised in 2010.

Upon the recommendation of Wynne, on 2 May 2014, Lieutenant Governor David Onley called an election after the NDP announced it would vote against the minority Liberal government's proposed budget. Throughout the election, the Liberals made a concerted effort to emphasize that they had implemented 80% of the Drummond Commission's recommended austerity measures. Throughout the election, Wynne promised to eliminate the deficit in three years without cuts to public services or staffing levels (Babbage 2014). The election saw the NDP move sharply right, while the Conservatives raised the spectre of so-called "right-to-work" laws and cutbacks to the public service. The Liberals, who had characterized their 2014 budget (which the NDP voted against) as "the most progressive budget in decades," were not only re-elected but surprisingly regained a majority in the Legislature by winning fifty-eight seats. In 2010–11, total public program spending represented 17.9% of GDP in Ontario. Wynne's 2014 budget plan aimed to cut this to 14.6% by 2017–18 – equivalent to roughly $20 billion in public sector spending cuts, or some 3.3% of GDP (Mackenzie 2014). At the same time, the share of Ontario's public health care paid by employers though the Employer Health Care Tax dropped, having decreased from 17.2% in 1991 to 12.4% in 2014. John Stapleton of Open Policy Ontario notes that welfare incomes adjusted for inflation have dropped by 34% and disability support payments have fallen by 14% since the Liberals took over in 2003 (Goar 2014). With population growth and inflation, the 2017 Liberal budget decreased total program spending by the largest amount per person since 1995.[10] Wynne's 2014 budget reduced per capita spending by $179 in 2017 compared with 2013 levels (Alstedter 2014). With roughly half of each ministry's budget going to wages, that will put more pressure for departments to choose between fewer staff, lower wages, or fewer services.

The 2015 budget emphasized public expenditure reductions, of which a key component was a continued "net zero" policy in public-sector labour negotiations, meaning that no budget would be allotted to departments for increased wages. A financial accountability officer was also hired "to provide independent analysis to the legislature about the state of the Province's finances, including the Ontario Budget" (Ontario Ministry of Finance 2015, 222). The "net zero" policy was tested in a labour dispute between the provincial government and the Ontario teachers' union in September 2015. The tactics of teachers included a reframing of "net zero" as austerity budgeting. For example, the Elementary Teachers' Federation of Ontario (ETFO) released a poster brief titled "Top 10 Reasons Why Ontario's Austerity Budget Is Misguided." The document argued that Ontario's program spending was the lowest per capita in the country, and that Ontario's financial situation was not a crisis given that its debt-to-GDP ratio was still quite low. In reality, Ontario's debt-to-GDP ratio was the highest of all provinces with the exception of Quebec. Ultimately, the Ontario government caved on the "net zero" policy, mostly due to the timing. Kathleen Wynne had placed her support behind Justin Trudeau's Liberal party during the federal election and a prolonged labour dispute would affect their chances in a large number of Ontario seats.

In June of 2015, the Wynne government also set out a plan to sell parts of Hydro One – Ontario's largest power utility – and use the funds to expand transit and roads (Morrow 2015). On 5 November 2015, 15% of the company would be sold on the stock market and further portions at regular intervals until the Government of Ontario held only 40% of the stock. No single entity could obtain greater than 10% of the company, meaning Ontario would continue to control the majority of operations in the company. The Premier's Advisory Council on Government Assets argued that while selling the Crown corporation would lead to lost revenue, such costs needed to be measured against the opportunity costs of not spending on road, bridge, and transit infrastructure (Premier's Advisory Council 2015). This recommendation was surprising because the focus of stakeholder engagement activities by the Council was originally on a merger of Brampton Hydro and three smaller local distribution units (LDUs) to increase economies of scale in the local distribution of electrical energy. In a report examining the fiscal impacts of the Hydro One sell-off, Ontario's former financial accountability officer Andre Leclerq noted: "In years following the sale of 60% of Hydro One, the Province's budget balance would be worse than it would have been without the sale. The Province's net debt would initially be reduced, but will eventually be higher than it would have been without the sale" (Financial Accountability Office 2015, 1). The report went on to note how Hydro One brings in close to $750 million annually, making its sale roughly equivalent to five years of continued public ownership.

The results of these measures were mixed. Ontario had an increase in revenues of about $10 billion dollars over 2014–15, but expenses in health care, social services, and justice were above spending projections. The more discretionary general government expenses account, targeted as a source for budgetary constraint, was reduced but at a lower rate than what was projected. Nonetheless, the tightening of expenses was sufficient for Wynne to announce a removal of the "net zero" policy for labour negotiations in September of 2016. But Premier Wynne, who ran ostensibly to the left of the NDP and claimed the progressive ground, was looking to increasingly overt neoliberal solutions to her government's fiscal challenges.

CONCLUSION: CONSOLIDATING AUSTERITY

Although the Common Sense Revolution is over, the neoliberalization of the Ontario state and its public policies is not. This chapter has outlined the long and often painful transformation of the Ontario public sector over the postwar period. However, despite the Peterson-Rae interregnum, the transformation of the Ontario Progressive Conservative party in the late 1980s into an explicit vehicle for neoliberal politics and policies and the election of that party to government in 1995 marked the definitive end of Ontario's particularly slow turn toward neoliberalism compared to several other provinces and especially Alberta, British Columbia, Manitoba, and Saskatchewan. The ensuing eight years would be transformative, as the pragmatic centrist politics that had marked Ontario since the 1940s were replaced by an unprecedented polarization.

The style and strategy of the "Common Sense" Conservatives, aggressive and uncompromising, was new to Ontario. Ontario's public sector shrunk in terms of workforce and economic size to a level not seen since the 1960s. The McGuinty Liberals offered an alternative in tone and style and an interest in rebuilding health and education. While not anti-neoliberal, the strategy was different. The sharp edges of the "Revolution" were dulled and investment in key social programs were noteworthy, but this was all part of the normalization of the neoliberal project along "Third Way" lines. The ideological legacy of the Common Sense Revolution essentially prohibited any mature discussion of the need to increase taxes to adequately fund public services. The Wynne government's neoliberal practices and policies have proven themselves to be flexible and perhaps even opportunistic in navigating public opinion. In this regard, the 7 June 2018 general election, and what follows in terms of fiscal and other policy directions, will demonstrate if the Wynne government exercises more continuity with the Third Way–ism of McGuinty or charts a different, perhaps slightly more redistributional course.

NOTES

1 The OLRA established Ontario's first independent labour relations board, which was given the power to certify and decertify unions as well as remedial powers of reinstatement. Moreover, the OLRA established new procedures for certification, mandated bargaining in good faith, prohibited strikes and lockouts during the terms of a collective agreement, defined unfair labour practices, and established new conciliation protocols, although mandatory automatic dues check-off was still three decades away (Hodgetts 1995).

2 The CECBA provisions designated the Management Board of Cabinet as the employer of the public service and outlined twenty-one exclusive managerial rights such as training, classification, job evaluations, staffing levels, technical changes, and pensions. Drawing on the recommendations of Little's report, the Act also excluded professionals and management, as well as casual, contract, and temporary employees (less than six months' experience), from the provisions of the CECBA (Carson 2011).

3 The term "One Ontario" used here draws on the nineteenth-century "One nation" doctrine within British Toryism. At its heart, the doctrine suggests that class and other sectional interests are to be overridden by appeal to social unity and a rejection of polarization. In the Ontario context, the doctrine accurately characterizes the style of governing that marked the Progressive Conservative dynasty of 1943 to 1985. In essence, it was a political practice that sought to dullen class and other sectional conflicts and to integrate elements of the working class, peripheral regions, and other subordinate socio-economic sections into a non-ideological, declassed, and consumerist social consensus. With the notable exception of the Common Sense Revolution, the dominant political narrative across the twentieth century has been that of "One Ontario" (revived by the McGuinty-Wynne Liberals).

4 The objective of the Premier's Council was to design a broadly acceptable progressive competitiveness strategy that rejected a "race to the bottom" dynamic caused by international competition and the continual cutting of

wages and work standards. The strategy of progressive competitiveness accepts the inevitability of globalization but seeks to enact policies that increase a region's competitiveness within the international marketplace, particularly in those sectors most exposed to global competition. To the highest ranks of the Ontario executive, a different kind of state was required.

5 Minister of education at the time John Snobelen spoke of "creating a crisis" in the education sector as a means of achieving political goals: weakening teacher unions and reducing education expenditures. Moreover, under the provisions of the Act teaching and staff positions were reduced by nearly 7,000 positions, upwards of 8,000 principals and vice-principals were removed from bargaining units, and the government retained absolute power to determine class sizes, teacher preparation time, student-teacher ratios, and the length of the working day and school year (MacLellan 2009).

6 At the same time, the Liberals suggested a return to some of the progressive competitiveness economic policies that characterized the Peterson and Rae governments. It was in some respects an homage reassembling of Red Toryism and "One Ontario" ideology, which glossed over class, ethnic, linguistic, and other divides cutting through Ontario society, and it appealed to a vision of an inclusive and ever-prosperous province. However, despite some modest investments in support of skills and knowledge, including generous financial incentives for firms in key economic sectors (e.g. automotive, pharmaceutical and biotechnology, financial services, agriculture and food processing, information and communications technologies, and entertainment and culture), there was no going back to the era of progressive competitiveness; industrial strategy largely focussed on supply-side incentives, absent an industrial strategy and long-term economic planning.

7 The corporate minimum tax was reduced from 4 to 2.7% in 2010, with more small- and medium-sized businesses made exempt. Likewise, the capital tax was completely eliminated. This was a small surcharge of 0.3% on the first $400 million of taxable capital, 0.54% for non–deposit taking financial institutions with taxable capital over $400 million, and 0.67% on deposit taking financial institutions with over $400,000 million in taxable capital. Together, this translates into $500 million per year in lost in revenues (Ontario Ministry of Finance 2010).

8 In a poignant subsection titled "Reforming Public Service Delivery," the 2011 budget pointed to increasingly aggressive austerity measures: "Just because a government department is delivering a program or service today does not mean it should deliver that program or service in the future. The

government will focus on outcomes and results as opposed to how programs and services are delivered … the [Drummond] Commission will examine long-term, fundamental changes to the way government works. The Commission's work will include exploring which areas of service delivery are core to the Ontario government's mandate, which areas could be delivered more efficiently by another entity and how to get better value for taxpayers' money in the delivery of public services" (Ontario Ministry of Finance 2011). The report put forward over 600 recommendations suggesting the elimination or reduction of a range of services, with the private sector filling any remaining voids. The report was harshly criticized for its "lack of evidence or data to support its recommendations" (OCUFA 2012, 1–2), flawed methodology, accounting oversights, exaggerated spending increases, and fidelity to neoliberal policy making (Noonen 2012).

9 The report also went on to criticize the Liberals' continuing practice of "high risk" loans, particularly the $308 million loan to the research incubator Medical and Related Sciences as part of a failed real estate deal. The report also criticized the Liberal government for not acting on leftover recommendations from the Walkerton Water tragedy, tracking vaccinations, duplicitous physician billing, weak childcare oversight, lack of services for people with developmental disabilities, and ineffective energy "smart meters."

10 The deputy minister of finance during the Harris years, Bryne Purchase, noted, "She's [Wynne's] not talking about war with the public-sector unions, but that's what those numbers imply to me. I think the reality is a lot of strikes in the public sector." Don Drummond added that he "wouldn't be surprised" to see 100,000 fewer public-sector workers in 2017 if the Liberals achieve the spending targets that they have put in the budget (Siekierski 2014).

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