ARTICLE

Collective Workers' Funds and the Rise of Neoliberalism in Sweden and Québec

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Abstract: Wage-earner funds (löntagarfonder) in Sweden and the Fonds de solidarité FTQ in Québec, both founded in 1983, are two of the most significant examples of collective workers' investment funds run by unions. This article situates the political context of their emergence in the neoliberal turn of social democracy in the early 1980s. In Sweden, the wage-earner funds were initially proposed as a radical anti-capitalist project in 1975, but the Social Democratic Party leadership developed the idea into a qualitatively distinct plan aimed at increasing investment capital available for private firms, as part of its new market-accommodating program. In Québec, the Fédération des travailleurs du Québec (FTQ) proposed the solidarity fund as it moved toward concertation and away from the democratic economic planning and autogestion (worker self-management) that it had championed in the 1970s. In both cases, pro-market forces within organized labour proposed the funds so that workers' capital could be used to stimulate private, for-profit investment, while recuperating elements of earlier labour radicalism that had sought to enhance workers' power over capital. Built with an institutional orientation toward the incorporation of workers into financial capitalism, these collective workers' funds represent a neoliberal shift within organized labour in Sweden and Québec, two places where labour is comparatively well organized.

Keywords: social democracy; neoliberalism; economic democracy; wage-earner funds; labour-sponsored investment funds; Sweden; Québec

Resumé : Le Fonds de salariés (*löntagarfonder*) en Suède et le Fonds de solidarité FTQ au Québec, tous deux fondés en 1983, sont deux des exemples les plus significatifs de fonds d'investissement collectifs de travailleurs gérés par des syndicats. Cet article situe le contexte politique de leur émergence dans le virage néolibéral de la social-démocratie au début des années 1980. En Suède, les fonds de salariés ont d'abord été proposés comme un projet anticapitaliste radical en 1975, mais la direction du Parti social-démocrate a développé l'idée en un plan qualitativement distinct visant à accroître le capital d'investissement disponible pour les entreprises privées, dans le cadre de son nouveau programme accommodant le marché.

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Au Québec, la Fédération des travailleurs du Québec (FTQ) a proposé le fonds de solidarité alors qu'elle s'orientait vers la concertation et s'éloignait de la planification économique démocratique et de *l'autogestion* (autogestion ouvrière) qu'elle avait défendues dans les années 1970. Dans les deux cas, les forces pro-marché au sein du mouvement syndical ont proposé ces fonds afin que le capital des travailleurs puisse servir à stimuler l'investissement privé à but lucratif, tout en récupérant des éléments du radicalisme ouvrier antérieur qui visait à accroître le pouvoir des travailleurs sur le capital. Construits avec une orientation institutionnelle favorisant l'intégration des travailleurs au capitalisme financier, ces fonds collectifs de travailleurs représentent un virage néolibéral au sein du mouvement syndical en Suède et au Québec, deux endroits où le travail est relativement bienorganisé.

Mots clefs : social-démocratie; néolibéralisme; démocratie économique; fonds de travailleurs et travailleuses; fonds d'investissement syndicaux; Suède; Québec

Neoliberalism has become the dominant paradigm of the global political economy since the 1980s. The primary driver of neoliberalism is the dominant classes, which have effectively deployed economic, political, ideological, and military powers to weaken the labour movement and impose market logic as the dominant principle of organizing a society.[1] But another indispensable element of neoliberalism's dominance is the acceptance and embrace of its tenets by the forces of organized labour – trade unions and political parties. Its hegemony was solidified when its most well-organized opponents accepted its basic terms. Some actively embraced neoliberal politics and ideology, as seen most notably in the British Labour Party with Tony Blair's Third Way.[2] In other countries, the process of marketization took the form of "pragmatic neoliberalism" by left-leaning forces, especially in the case of François Mitterrand's *tournant de la rigueur* in France in 1983.[3] The French socialist government abandoned the radical program upon which it had been elected in 1981 in the name of pragmatic accommodation to the global economy.[4] The worldwide hegemony of neoliberalism was built not only by its staunchest ideologues but also by acceptance of its premises by working-class and social democratic forces.

How and why did social democracy shift to embrace neoliberalism? To broaden our understanding on this question, an analysis of cases with the most well-organized labour movements can offer insights. Sweden and Québec are among the societies with the best-organized labour movements in Europe

1. David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005).

2. Leo Panitch and Colin Leys, *The End of Parliamentary Socialism: From New Left to New Labour* (London: Verso Books, 2001).

3. Marion Fourcade-Gourinchas and Sarah L. Babb, "The Rebirth of the Liberal Creed: Paths to Neoliberalism in Four Countries," *American Journal of Sociology* 108, 3 (November 2002): 533–579.

4. Daniel Singer, *Is Socialism Doomed? The Meaning of Mitterrand* (Oxford: Oxford University Press, 1988).

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and North America, respectively, and therefore can serve as critical cases of the social democratic shift to neoliberalism. Sweden is the land of social democracy par excellence. The Social Democratic Party (SAP) was in government for 44 years, from 1932 to 1976, and instituted an extensive welfare state and full employment policies in close collaboration with the powerful Social Democratic union confederation Landsorganisationen (LO); Sweden's union density was above 80 per cent.[5] Québec developed a robust welfare state dedicated to progressive modernization of society during the Quiet Revolution in the 1960s; the Québec labour movement dramatically expanded its ranks, especially among public-sector and white-collar workers, and the province's union density had surpassed the Canadian average by 1976.[6] The pro-market shift of organized labour in these societies sheds light on how neoliberalism came to be dominant everywhere.

In this article, I analyze the creation in 1983 of two collective workers' investment funds, in Sweden and Québec, as key moments in the social democratic embrace of neoliberal logic. In Sweden, the wage-earner funds (*löntagarfonder*) were created under the initiative of Social Democratic finance minister Kjell-Olof Feldt. The so-called Feldt Plan mandated the transfer of a portion of profits by highly profitable firms to the union-run wage-earner funds, which the funds would then use to purchase shares on the market. In Québec, the Fonds de solidarité FTQ (FTQ solidarity fund) – created by the Fédération des travailleurs du Québec (FTQ),[7] the province's largest union with legislative support – would solicit long-term savings from workers with a tax benefit, which it would use to invest in small and medium-sized Québec firms.

The Swedish wage-earner funds were originally proposed in 1975 by Rudolf Meidner and Anna Hedborg, economists at the LO, as a socialist plan to gradually overcome private ownership of the means of production. The plan stipulated that 20 per cent of corporate profits must be transferred to the union-run wage-earner funds every year in the form of a firm's own shares, which would lead to majority worker ownership of most firms within several decades. Despite strong grassroots support and its adoption at the LO congress in 1976, the socialist plan had been defeated by 1978 owing to opposition by the SAP leadership, which supported welfare capitalism but rejected socialism. Led by Feldt, the SAP developed the wage-earner funds in an entirely different direction, as a plan to increase the investment capital available for Swedish capitalists. Feldt was the foremost architect of the Swedish Social Democratic neoliberal turn in the 1980s, and the Feldt Plan became the cornerstone of

5. Gøsta Esping-Andersen, *Politics and Markets: The Social Democratic Road to Power* (Princeton, New Jersey: Princeton University Press, 1985).

6. Jacques Rouillard, *Le syndicalisme québécois: Deux siècles d'histoire* (Montréal: Boréal, 2004), 141.

7. Today it is called the Fédération des travailleurs et travailleuses du Québec – but still known as the FTQ.

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the party's 1981 economic program Future for Sweden, which signalled a turn toward marketization. The Feldt Plan mandated the transfer of a smaller portion of corporate profits to the funds in cash, which the wage-earner funds would use to purchase shares on the market; unlike the Meidner-Hedborg Plan, the Feldt Plan intentionally precluded a path to worker control of the economy.[8] The latter plan faced strong capitalist opposition despite this shift, without gaining much support from rank-and-file workers. The Social Democratic government finally enacted the Feldt Plan in December 1983; it operated until 1990.

In Québec, the labour movement engaged in extraordinary levels of militancy in the 1970s. Major union federations adopted radical anti-capitalist programs, and movements for *autogestion* (worker self-management) flourished. Increasingly, however, the FTQ began to shift toward an embrace of concertation (cooperative effort), promoted by the Parti Québécois (PQ) government of René Lévesque, participating in corporatist socioeconomic summits with the employers and the state. In April 1982, FTQ president Louis Laberge proposed the creation of the Fonds de solidarité to combat a severe unemployment crisis. Workers would invest in the fund for the long term, with tax credits, and the fund would invest in the local economy with the aims of job creation and economic development in Québec. The FTQ leaders were inspired by the Swedish debate on the wage-earner funds, which they had learned about during an educational visit to Sweden three years earlier.[9] Contrary to the Swedish funds, which relied on the obligatory contribution of excess profits, the Québec funds would depend on voluntary contributions of workers' own savings. The Fonds de solidarité was created in June 1983, and its example was followed by another union federation, the Confédération des syndicats nationaux (CSN), which created its similar "Fondaction" in 1995, after initial opposition to the FTQ's fund. As of 2024, the Fonds de solidarité FTQ holds $20 billion in assets and has 785,679 shareholders, while Fondaction holds $3.77 billion in assets with 221,512 shareholders; around one-tenth of Québec's population is invested in union funds.[10]

These funds in Sweden and Québec were distinct from pension funds, the most common and significant form of collective capital. Pension funds are

8. I refer to the 1975 and 1976 versions of the wage-earner fund proposals – which included a built-in mechanism of continual transfer of profit-based shares to worker-controlled funds to the point of majority ownership – as the "Meidner-Hedborg Plan." The 1981 and 1983 versions of wage-earner fund proposals, based on transfer of excess profits in cash and purchase of shares on the market, are called the "Feldt Plan" in this paper.

9. Louis Fournier, *Histoire de la FTQ 1965–1992: La plus grande centrale syndicale au Québec* (Montréal: Les Éditions Québec/Amérique, 1994), 146.

10. "Rapport de gestion annuel: Pour l'exercise terminé le 31 mai 2024," 2024, Fonds de solidarité FTQ, https://www.fondsftq.com/fr-ca/a-propos/informations-financieres; "Rapport 2024 sur la transformation positive: Le sommaire," 2024, Fondaction, https://www.fondaction.com/rapports.php.

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typically controlled by professional fund managers, and unions' power over their operation is very limited; as many scholars have shown, pension funds have routinely engaged in investments and practices that are damaging to workers and the environment.[11] In contrast, the workers' funds in Sweden and Québec are unique in the degree of control exercised by organized labour, as they were run by boards with a majority of union-appointed members. They are among the most prominent examples in the industrialized world of collective investment funds run by organized labour.[12] As such, these funds are often seen as good examples of economic democracy, and various scholars have emphasized their democratic and emancipatory aspects. Erik Olin Wright cites the two funds as an example of "social capitalism as a pathway to social empowerment," and Michael McCarthy emphasizes the democratic aspect of the Fonds de solidarité by emphasizing its union control and prioritization of local investment.[13]

In contrast, I argue that these funds represented a neoliberal shift within organized labour in Sweden and Québec. In both cases, their establishment reflects an institutional orientation toward the incorporation of workers into financial capitalism, rather than an expansion of workers' collective power over financial capital. Proposals for the funds were led by figures who championed a shift toward accommodation of neoliberalism in the early 1980s, and these plans developed as a major component of new pro-market programs: Feldt's Future for Sweden and Laberge's concertationist turn. The political context of their emergence decisively shaped the institutional features of both funds. The funds were designed to use workers' savings (in Québec) or foregone wage increases (in Sweden) to stimulate private, profit-seeking investment, based on the neoliberal premise that economic recovery depended upon expansion of such investment. They justified such a shift as a pragmatic response to the economic crisis – that stimulating private investment could save and create jobs.

11. Robin Blackburn, *Banking on Death: Or, Investing in Life; the History and Future of Pensions* (London: Verso Books, 2002); Michael A. McCarthy, *Dismantling Solidarity: Capitalist Politics and American Pensions since the New Deal* (Ithaca: Cornell University Press, 2017); Kevin Skerrett, Johanna Weststar, Simon Archer, and Chris Roberts, eds., *The Contradictions of Pension Fund Capitalism* (Champaign, Illinois: Labor and Employment Research Association, 2017).

12. While similar plans were discussed in many European countries since the 1950s – most notably in West Germany, whose debates had inspired the Swedish – most of them were not enacted. Labour-sponsored investment funds spread to other provinces in Canada after 1983, but the FTQ fund is the original and largest fund. Åke Wréden, *Kapital till de anställda? En studie av vinstdelning och löntagarfonder* (Stockholm: SNS, 1976); Tom Croft and Tessa Hebb, "Collaboration between Labor, Academics and Community Activists to Advance Labor/Capital Strategies," in Isla Carmichael and Jack Quarter, eds., *Money on the Line: Workers' Capital in Canada* (Ottawa: Canadian Centre for Policy Alternatives, 2003), 203.

13. Erik Olin Wright, *Envisioning Real Utopias* (London: Verso Books, 2010), 233–234; Michael A. McCarthy, "Turning Labor into Capital: Pension Funds and the Corporate Control of Finance," *Politics & Society* 42, 4 (2014): 455–487.

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The investment funds run by organized labour were evidently distinct from policies pursued by doctrinaire neoliberals, such as Margaret Thatcher and Ronald Reagan, who sought to dismantle the power of organized labour itself. The goals of the funds in Sweden and Québec – local economic development and job creation – distinguished them from the extremely mobile financial capital of Wall Street and the city of London. But they were still, first and foremost, financial capital, seeking profit-generating investment; they would channel workers' savings toward financialized assets and align their interests with the profitability of capital. Meanwhile, despite union control over the investment, the funds had neither the institutional features nor the political intentions to enhance the collective power of the working class – for example, to democratize relations of production, enhance workers' power in firms, or allocate resources to socially useful production.

This neoliberal shift, the result of political choices made by leading factions within social democracy, was fiercely contested internally and implemented over strong objections from the rank and file. Organized labour did indeed face significant political and economic pressures, in the context of global economic stagnation and the rise of neoliberal politics. However, the response by labour was hardly a foregone conclusion; labour movements should not be assumed as unitary actors that pursue their objective class interest to the maximum extent that their organizational power allows. Within labour movements, many demanded an anti-capitalist political alternative, and it was through internal political contestations that the market-accommodating line prevailed.

In the process of developing these market-friendly plans, social democratic leaders recuperated major elements of labour left radicalism in the 1970s, incorporating them while denuding them of radical substance. In Sweden, the Feldt Plan was a modification of the Meidner-Hedborg Plan, the most far-reaching plan for economic transformation proposed in postwar social democracy anywhere. Feldt kept the name and certain institutional features of the original proposal, while turning it in a sharply neoliberal direction. In Québec, the Fonds de solidarité drew from the radical demands for collective ownership and economic planning made by major unions in the early 1970s, as well as movements for workers' self-management, which raised capital to take over their workplaces and democratize the labour process. Even though the concept of "economic democracy," or increased influence for workers, continued to be occasionally invoked, its transformative meaning and potential were stripped as the priority shifted to capital provision to private, for-profit enterprises.

There were also certain important differences between the two cases. In Sweden, the plan was led by the Social Democratic Party, while it was a major union federation that created the Québec fund. The Swedish funds were based on obligatory contributions at the firm level, while in Québec, capital was raised through voluntary contributions by individual workers. In

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Sweden, despite its capital-friendly shift, the Feldt Plan not only encountered massive opposition from capitalists, due to its perceived link with earlier radicalism, but also failed to gain strong support from the working-class base; both contributed to its termination after seven years. In contrast, in Québec, the solidarity fund avoided controversy and has continued to grow steadily. Despite these important differences, the similarities in the political context of each case are striking and historically significant.

Sweden: The Rise of the Meidner-Hedborg Plan

Rudolf Meidner and Anna Hedborg released their wage-earner funds proposal, the most radical program to emerge out of Swedish social democracy, on 27 August 1975. Its roots can be traced to the crisis of social democratic hegemony. The postwar "Swedish model," based on an extensive welfare state and peak-level bargaining, came under challenge from the rank and file. A wave of wildcat strikes since the late 1960s, most notably the miners' strike of 1969–70, challenged the centralized wage restraint and undermined the coordinated solidarity wage policy at the core of social democratic corporatism.[14] To reinforce the legitimacy of social democracy, at the 1971 LO congress, the delegates decided to create a research group on collective union funds, upon initiative of the leadership of the powerful metalworkers' union, Metall.

The decision to create a research group on collective union funds adhered to a traditional corporatist orientation; one of the key aims was "to ensure wage restraint from the employees' side for purposes of stabilization," which coexisted uneasily with the aim to "realize an increased wage-earner influence on the basis of such capital provision."[15] But Meidner's appointment to lead the committee turned the tables. Meidner, a renowned LO economist and one of the original authors of the solidarity wage policy, was indeed a natural choice; however, he was far more anti-capitalist than his colleagues in the LO. Having been politically active as a Marxist in late Weimar Germany, he maintained a fundamentally critical outlook on capitalism, despite his many years as a prominent researcher in strongly reformist Swedish social democracy.[16] Meidner invited Anna Hedborg, a young colleague in the LO's research department, to work on the project with him. Together, they made an innovative

14. The solidarity wage policy established a common wage scale across the country, based on the principles of equal pay for equal work. While it reduced inequality among wage-earners across different jobs and sectors, it also entailed wage restraint in profitable firms, enforced through centralization of bargaining. Peter Swenson, *Fair Shares: Unions, Pay, and Politics in Sweden and West Germany* (Ithaca: Cornell University Press, 1989).

15. Landsorganisationen (hereafter LO), *Kongressprotokoll 1971* (Stockholm, 1971), 859; Bo Stråth, *Mellan två fonder: LO och svenska modellen* (Stockholm: Atlas, 1998), 142. All translations from Swedish and French are mine.

16. Lars Ekdahl, *Mot en tredje väg II: facklig expert och demokratisk socialist* (Stockholm: Arkiv, 2005).

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interpretation of the committee's mandate and developed a plan that was much more radical than originally intended.[17]

The Meidner-Hedborg Plan proposed the creation of a collective workers' fund that would eventually lead to its majority ownership of most Swedish firms. The plan was based on the obligatory transfer of new voting shares to the wage-earner funds at a very high rate of 20 per cent of annual profits, which would lead to a rapidly increasing proportion of each firm's shares accumulating in the funds. The accumulated shares would be inalienable, ensuring that the funds' path to majority ownership would not be interrupted and reversed. Therefore, the funds would gain majority control of the firms within several decades, depending on the profit rate. Furthermore, Meidner and Hedborg proposed that all firms with (a) more than 50 employees or (b) more than 100 employees – comprising the majority of employees and the Swedish economy – would be included in the system.[18] The Meidner-Hedborg Plan was rooted in the basic analysis that capital still held the decisive power, because "[those who control] the capital holds the right to initiate and the chance positively to embark on implementing decisions," while "[i]n the last resort [those who negotiate] can only say 'No.'"[19]

How exactly would the wage-earner funds use their power as majority shareholder to democratize production? Meidner and Hedborg envisioned that it should be up to the future workers, and the long period of transition was meant to give workers the time to develop plans for a new society. Hedborg provided some ideas in her book *Det nya uppdraget* (The new task), co-authored with Per-Olof Edin, several years later. Hedborg and Edin posited that since the gains made by the labour movement had eliminated the worst forms of poverty, the labour movement had the "new task" of fostering the self-realization, actualization, and dignity of workers. Even if free from material deprivation, they argued, workers were deprived of solidaristic community and meaningful work; therefore, the movement must fight to "realize organization of work which can give an outlet for much larger parts of people's capacity and talent" and to create "an economy which cultivates labour's intrinsic value." Even though ownership of firms by the wage-earner funds would not eliminate the market pressures facing these firms, the authors envisioned that the profitability imperative could become "a mere restriction rather than a goal" in an economy whose means of production are owned by the wage-earner funds.[20]

Anti-capitalist messaging was the prevailing tone in the LO's communication of the Meidner-Hedborg Plan; the union confederation's official

17. Göran Greider, *Rudolf Meidner: skärvor ur ett nittonhundratalsliv* (Stockholm: Atlas, 1997).

18. LO, *Kollektiv kapitalbildning genom löntagarfonder: Rapport till LO-kongressen 1976* (Stockholm, 1976), 47, 71–74.

19. Rudolf Meidner, *Employee Investment Funds: An Approach to Collective Capital Formation* (London: Allen & Unwin, 1978), 78.

20. Anna Hedborg and Per-Olof Edin, *Det nya uppdraget* (Stockholm: Tiden, 1980), 23, 55, 81.

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newspaper proclaimed in a headline, "Then we will deprive capital owners of power!"[21] The plan's release was followed by an extensive campaign of member education organized by the LO. Some 18,000 workers participated in the study groups, and nearly 90 per cent of them concluded that it was essential for the workers to gain "ownership rights in the firms to increase their influence."[22] The plan also gained strong support among Social Democratic voters broadly.[23] The enthusiastic reception by the grassroots shifted the LO leadership toward an endorsement of the Meidner-Hedborg Plan, and at its 1976 congress, the union voted to endorse its principles. The delegates famously celebrated the decision by singing "The Internationale."[24]

Social Democratic Party Leadership's Opposition

THIS AMBITIOUS PLAN to radically democratize the Swedish economy did not succeed. Why did it fail? In the literature on the wage-earner funds, its failure is commonly attributed to strong counter-mobilizations by organized capital. There was indeed a massive campaign of historic proportions against the "wage-earner funds" between 1981 and 1983 by the Swedish Employers' Confederation (SAF), which many scholars have analyzed as a pivotal event.[25] However, by the time of this spectacular counter-mobilization, the Meidner-Hedborg Plan had already been defeated and replaced by the Feldt Plan. Indeed, the anti-capitalist phase of the funds' plan was largely over by the time the first public counter-campaign by businesses began in 1978. Therefore, if we understand the "failure" of the early plan for wage-earner funds to be failure of its distinctively radical aspects – namely, the systematic mechanism toward worker-majority ownership – it must be attributed to factors internal to social democracy. As historian Lars Ekdahl argues, "the defeat of the wage-earner funds … was first and foremost the labour movement's own deed."[26]

Despite strong support from the LO and its base, the SAP leadership flatly rejected the anti-capitalist elements of the Meidner-Hedborg Plan because the party supported capitalism in principle. SAP leader and Prime Minister

21. "Så ska vi beröva kapitalägarna MAKTEN!," *Fackföreningsrörelsen*, no. 19, 1975.

22. LO, *Kollektiv kapitalbildning genom löntagarfonder,* 168.

23. Mikael Gilljam, *Svenska folket och löntagarfonderna* (Lund: Studentlitteratur, 1988), 162. In 1976, 55 per cent of SAP voters supported the plan, while only 18 per cent were against.

24. LO, *Kongressprotokoll 1976* (Stockholm, 1976), 704, 733.

25. Mark Blyth, *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century* (Cambridge: Cambridge University Press, 2002); Rikard Westerberg, "Swedish Business as a Social Movement? Mobilising the Masses against the Wage-Earner Funds, 1975–1991," *Business History* 67, 4 (2025): 1043–1062; Jenny Andersson, "Neoliberalism from Within: The Business Fund and the Struggle for Market Ideology in Sweden," *Contemporary European History* (2025): 1–17.

26. Ekdahl, *Mot en tredje väg II*, 301.

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Olof Palme objected to socialization of the means of production, calling it a "slow strangulation of the market economy and private capital"; he noted that "this party has never decided that we want the wage-earners to have a majority in this country's firms." Further, Palme argued that the Social Democrats had no alternatives to the capitalist mixed economy: "What would the labour movement do, if capitalism collapses now? So far, capitalism has been manageable … if it disappears, what would we do? That, we have not reckoned with."[27] Many other party leaders shared a similar view; for example, party secretary Sten Andersson wrote that the SAP should reject any plan similar to the Meidner-Hedborg Plan because it could lead to a radical transformation of the economy.[28] Palme's position was rooted in the dominant idea and practice of postwar social democracy – that is, that capitalism could be effectively managed to serve the working-class interests – as opposed to Meidner's view that capitalism set definite constraints on what social democracy could achieve within it.[29]

The SAP leadership had, instead, an entirely distinct vision of the wage-earner funds as a tool for capital formation, and they sought to shape the funds in their own image. A young, ambitious politician who was newly appointed as shadow finance minister, Feldt was the most prominent advocate for the wage-earner funds as a tool for capital formation, to increase investment capital available for Swedish firms to improve future economic growth and export competitiveness.[30] He argued that the Swedish economy was consuming too much and saving too little at an unsustainable rate, as a result of rapid expansion of the welfare state in the 1970s, and that this was leading the country to a trade deficit and a declining rate of investment. A social democratic path out of economic stagnation would necessitate a shift from consumption to savings, while ensuring that such a path would not result in a "new privatization of the savings, primarily through an increased share of profits," which meant that collective funds could be a solution.[31]

Feldt saw the wage-earner funds as the ideal vehicle for such capital formation. Collective savings should be "a more integrated part of industrial policy,"

27. Sveriges socialdemokratiska arbetareparti (SAP), "Protokoll fort vid sammanträde med socialdemokratiska partistyrelsen torsdagen den 16 juni 1978," Sveriges socialdemokratiska arbetarepartis arkiv (hereafter SAPA), 1889/A/2/A/25, pp. 48, 62, Arbetarrörelsens Arkiv och Bibliotek, Stockholm (hereafter ARAB).

28. Sten Andersson, "I hela folkets eller i det arbetande folkets händer?," 7 January 1978, Landsorganisationens arkiv, Anna Hedborgs Handlingar (hereafter AHH), 2964/F/22/B/3, ARAB.

29. Ekdahl, *Mot en tredje väg II*, 281–283.

30. Anna Hedborg, "Förslag till arbetsplan för sortsatt arbete med löntagarfonderna," 20 April 1977, Rudolf Meidners arkiv (hereafter RMA), 401/72, ARAB.

31. Kjell-Olof Feldt, "Arbetspapper 3: PM ang löntagarsparande," 8 August 1977, Landsorganisationens arkiv, AHH, 2964/F/22/B/2, ARAB.

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he asserted, and it could not be done through pension funds, which were bound to lower-risk assets and would not necessarily allow for more economically strategic investment.[32] Therefore, union funds could better act as the "patient capital" concerned with investing strategically to stimulate export, reduce the trade deficit, and promote long-term capitalist development of the country. Thus, Feldt declared, the wage-earner funds were the way to solve "the question of capital formation in the industry … one of the most important questions facing Swedish society."[33]

The contradictory and diametrically opposed aims clashed in the LO-SAP joint committee in 1977, which was intended to create a consensus plan acceptable to both sides. The result was a bifurcated model with two parallel funds, with one part aimed at economic democracy and the other part at capital formation.[34] The former was based on the Meidner-Hedborg Plan's obligatory transfer of shares but weakened owing to SAP pressure – notably, by restricting it to firms with more than 500 employees and requiring a review every five years. The latter fund would receive mandated transfers from firms in cash to be invested, but the joint committee anticipated that workers would in fact end up paying, since these transfers would reduce the scope for wage increases (*löneutrymmet*).[35]

The proposal announced in February 1978 was an attempt to reconcile the unreconcilable, and as a result, it was excessively complex and satisfied few. Meidner himself was hardly enthusiastic about the various compromises made to the plan, and his endorsement was perfunctory. Many rank-and-file activists protested against the 500-employee threshold, as it meant many of their employers, and even entire industries, would be excluded from eventual worker control.[36] Meanwhile, the SAP leadership refused to support the new plan because of its persistence in pursuing worker-majority ownership. At the decisive party board meetings in June 1978, Palme presented this line. While the LO leaders were disappointed and shocked to hear the party side's rejection, they prioritized maintaining a close relationship with the party and demanded a symbolic concession: that the SAP affirm the "principles" of the LO congress decision. They agreed to formulate a broad and vague statement,

32. Feldt, "Arbetspapper 3," 8 August 1977, ARAB.

33. Lotta Sellberg, "Löntagarfonder – makt eller kapital?," BA thesis, Stockholm University, 1982, 13, SAPA, 1889/Ö/1/A/319, ARAB.

34. Anna Hedborg, "Löntagarfonder: Arbetspapper 4, Organisation och inflytande," 18 August 1977, AHH, 2964/F/22/B/2, ARAB.

35. Leif Gustafson and Elisabet Höglund, "Pressmeddelande," 23 February 1978, AHH, 2964/F/22/B/3, ARAB.

36. Lars Ekdahl, ed., *Löntagarfonderna – en missad möjlighet?* (Stockholm: Södertörns Högskola, 2002), 51; Michel Jernewall, "SAP inför nytt ATP-val? Inte med detta fondförslag?," *Grafia* 7 (1978); Tommy Hellström, "Jönköpings län berörs knappt av löntagarfonderna – nu säger facket Stoppa Familjevälde," *Smålands Folkbladet*, 3 June 1978.

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as the SAP side sought to "buy time" to develop a proposal that prioritized capital formation.[37]

The June 1978 statement was the first time that the SAP publicly and officially communicated its rejection of the Meidner-Hedborg Plan, and it provoked a massive outcry from the rank-and-file militants, who strongly supported the plan. Indignant letters and articles criticizing the party's retreat filled newspapers in the following days and months. But the grassroots opposition was too little and too late to put any meaningful pressure on the party leadership. At the SAP congress in September, various groups – one centred around the party's youth league, another around the Metall union – sought a change of course, but this congress also ended with an affirmation of the SAP board's position and only a symbolic concession to the militants.[38]

The Feldt Plan and Social Democratic Neoliberalism

The Meidner-Hedborg Plan had been decisively defeated by the summer of 1978, and the Feldt Plan dominated from that point forward. In 1979 Feldt became the chair of the next iteration of the LO-SAP working group, which pursued a plan with capital formation as the primary goal.[39] The group's members rejected the principle of obligatory and directed transfer of shares, which they now called "the forcible line" (*tvångslinjen*), because it would be "confiscation of private ownership rights" and because such a "brutal interference in our economic system" could cause severe disruption in the economy.[40] They instead chose a "market-conforming" option, in their words: transfer of a portion of profits to the funds in cash. Instead of owning an increasing proportion of inalienable shares in each firm, the funds would purchase shares on the stock market. In addition, the amount of profit transfer was reduced from 20 per cent of all profits to 20 per cent of "excess profits" only, significantly reducing its size. Furthermore, the Feldt Plan tied the wage-earner funds to the existing public pension fund (ATP fund) system, and a portion of the dividends from the wage-earner funds was to be used to augment the pension funds.[41]

37. SAP, "Protokoll fort vid sammanträde," 49, ARAB.

38. Dick Ljungberg, "Enighet om fonder men inget beslut," *Dagens Nyheter*, 26 September 1978; SAP, *Kongressprotokoll 1978* (Stockholm, 1978), 481–482.

39. "Ledamöter i arbetsgruppen om löntagarfonder utsedda av partistyrelsen den 29 mars," RMA, 401/71, ARAB.

40. Kjell-Olof Feldt, "Diskussions – PM ang. löntagarfondernas aktieförvärv och tillgången på aktier," 28 November 1980, RMA, 401/74, ARAB; Per-Olof Edin, "Var står vi idag?," 3 April 1980, SAPA, 1889/Ö/1/A/240, ARAB.

41. LO and SAP, *Arbetarrörelsen och löntagarfonderna: rapport från en arbetsgrupp inom LO och socialdemokraterna* (Stockholm: Tiden, 1981).

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With its prioritization of the goal of capital formation, the Feldt Plan intended for the funds to behave more like other capitalist funds than a project for worker control, on the basis that "the profit interest is the only clear guarantee that resources are used effectively."[42] The link to the pension fund would further put pressure to seek high returns. The fund's design precluded any realistic possibility of generalized worker control of firms; the amount to be transferred was far from sufficient, and the possibility of acquiring shares of firms not listed on the stock exchange would be "entirely dependent on the existing owners' willingness to sell their shares, and their will to issue new shares to the funds."[43] Palme and Feldt argued that the shift toward the goal of capital formation would enable them to "build an argument for the wage-earner funds around job security," since it would stimulate capital investment, compared with the Meidner-Hedborg Plan's "undesirable effects on firms' willingness to invest and expand."[44]

The Feldt Plan formed a part of the new, comprehensive Social Democratic economic program Future for Sweden (*Framtid för Sverige*), also known as the "crisis program," released in 1981. It was drafted by the Crisis Group of the SAP, which had been created to analyze and develop policies to deal with the country's economic crisis, including budget and trade deficits, high inflation, and low levels of industrial investment. The group, composed of market-leaning young economists led by Klas Eklund, enjoyed the support of powerful figures in the party's upper echelons, such as Feldt and the future prime minister Ingvar Carlsson. Eklund's group saw the economic crisis as "a radically different economic world that required a fundamental rethinking of major elements of postwar social democratic ideology." Its members claimed to seek a social democratic adaptation to the situation, as a "third way" between neoliberalism and traditional social democracy, which in fact meant a significant shift toward neoliberalism. The group identified the problem as Sweden's inefficient and costly public sector and thus signalled a policy shift toward prioritization of private capital growth, which would require cuts in wages and consumption.[45] As Feldt noted, the program's prioritization of a more profitable industry would mean an increase in the value of shareholders' capital and significant wage restraint for workers.[46] Unsurprisingly, the crisis program provoked outraged protests by party members.

42. Kjell-Olof Feldt, *Alla Dessa Dagar* (Stockholm: Norstedt, 1991), 28.

43. LO and SAP, *Arbetarrörelsen och löntagarfonderna*, 92.

44. SAP, "Protokoll fort vid socialdemokratiska partistyrelsens sammanträde fredag-lördag 27-28 oktober 1978," SAPA, 1889/A/2/A/25, p. 31, ARAB; LO, *Kongressprotokoll 1981* (Stockholm, 1981), 834.

45. Jenny Andersson, *Between Growth and Security: Swedish Social Democracy from a Strong Society to a Third Way* (Manchester: Manchester University Press, 2006), 108, 93; Feldt, *Alla Dessa Dagar*, 24.

46. Feldt, *Alla Dessa Dagar*, 29.

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The wage-earner funds would align with the crisis program, as they provided a source of investment capital for profitable and productive industry. Feldt argued that organized labour could do a better job of providing investment capital, because it had an interest in protecting jobs, long-term economic development, and efficient use of resources.[47] In other words, workers were more likely to accept the channelling of surplus toward investment and away from consumption if it were to accrue to union funds rather than corporate profits. "How can such enormous redistribution of resources from consumption to savings, from wages to profits, occur without hard and bitter struggles on the labour market?" Feldt asked; the solution was the wage-earner funds.[48] Capitalists were failing to invest sufficiently in productive sectors, instead diverting profits toward speculation; workers' capital funds could function as better guarantors of capitalism than capitalists themselves.[49] For these reasons, at the LO and SAP congresses in 1981, leading figures in the union and the party argued that "the funds are an important component of our crisis policy" and that "a condition for realizing Future for Sweden is the wage-earner funds."[50]

The Social Democratic leadership accordingly appealed to its members that the new wage-earner funds would not only help to combat unemployment and inflation through promoting investment but would also protect pensions and reduce inequality in asset ownership.[51] The main emphasis was on job security, as they argued that this new source of capital could save threatened jobs, especially in regions and industries with depressed economic prospects.[52] Through the union's educational campaign on the wage-earner funds based on the Feldt Plan (i.e. the "Feldt funds"), members of Metall were told that "we must also acknowledge a great responsibility for employment in our local union work," which meant that "we must simply make sure that the firms do well" in order to secure employment.[53] While the Feldt Plan retained union majority on

47. "Fonder för samarbete," *LO-Tidningen*, 25 February 1982.

48. Kjell-Olof Feldt, "Varför behöver Sverige löntagarfonder? Anförande i riksdagen den 3 februari 1982," SAPA, 1889/Ö/1/A/243, ARAB.

49. "Historiskt beslut," *Värmlands Folkblad*, 1 October 1981; SAP, "Protokoll fort vid sammanträde med socialdemokratiska partistyrelsen fredagen den 28 mars 1980," SAPA, 1889/A/2/A/25, p. 14, ARAB.

50. LO, *Kongressprotokoll 1981*, 831; SAP, *Kongressprotokoll 1981*, 9–10.

51. SAP and LO, "Fakta & Information om löntagarfonder. Ett svenskt sätt att lösa svenska problem," 1983, RMA, 401/73, ARAB.

52. SAP, "Protokoll fort vid socialdemokratiska partistyrelsens sammanträde fredag-lördag 27–28 oktober 1978," SAPA, 1889/A/2/A/25, p. 31, ARAB; Benny Carlsson, "Facket vid Öresundsvarvet – Hade vi haft en löntagarfond då hade vi räddat våra jobb," *Skånska Dagbladet*, 1 February 1980; Göran Sten, "Värmland hade behövt löntagarfonder redan för 10-15 år sedan," *LO-tidningen*, 1982.

53. Metall, "Återvinn Sverige: Talarmanus," 1982, SAPA, 1889/F/10/D/1, ARAB; Kjell Östberg,

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the boards of the five funds and some discourse of economic democracy, its meaning was inverted; workers were now meant to exercise their power to become good capitalists.[54]

Creation of the Feldt Funds

The Feldt Plan failed to gain strong support from the rank and file, despite the appeals from above. What would workers actually gain from the funds that would be created in their name? They would neither gain power over capital collectively nor make any material gains as individual workers; moreover, the link with job creation was rather tenuous. Lacking support from workers, Social Democratic leaders repeatedly appealed to capitalists for support, but organized capital ferociously opposed the plan, attacking it as if it was no different from the original socialist plan. The Feldt Plan sought to attract the support of workers and capitalists at the same time, and it got neither.

The visions of worker control of the economy and of overcoming capitalism had animated rank-and-file enthusiasm for the Meidner-Hedborg Plan. After they failed to reverse the SAP's rejection of the plan, disillusionment and malaise set in among the grassroots. Demand for the original plan persisted among activists. The SAP's youth wing (SSU) continued to advocate for the principle of obligatory share transfers as a path to worker-majority ownership, issuing a public statement for such "pure wage-earner funds" in October 1980.[55] The announcement of the Feldt Plan met with no groundswell of enthusiasm, despite an extensive promotional campaign that emphasized jobs; officials admitted that "one cannot say that people are beaming with enthusiasm with the proposal."[56] The leadership's emphasis on moderation and prudence – that nothing much would change, and the firms would continue to be led by the same managers – scarcely helped.[57]

Some local unions and parties launched a scathing criticism of the Feldt Plan. A coordinated open letter, signed by dozens of local parties and unions, rejected the Feldt Plan and demanded obligatory, directed share transfers, which they saw as part of a broader strategy toward "production for need" in which the role of the market is drastically reduced, together with other forms of democratic ownership including worker and consumer co-operatives, the public sector, and municipal and state firms.[58] Demoralized and scattered, the

När vinden vände: Olof Palme 1969–1986 (Stockholm: Leopard Förlag, 2009), 253.

54. Sven-Ove Hansson, "Organisationsformer för löntagarfonder i anknytning till AP-fondsystemet," 28 April 1980, RMA, 401/74, ARAB.

55. "SSU varnar Feldt," *Dagens Nyheter*, 8 October 1980.

56. Claes Hermansson to Per-Olof Edin, 3 March 1981, RMA, 401/74, ARAB.

57. SAP and LO, "Fakta & Information om löntagarfonder," 1983, RMA, 401/73, ARAB.

58. "Upprop om löntagarfonder," *Arbetet*, 13 June 1981.

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radical opposition was easily defeated by the united leadership support. The Feldt Plan easily carried at the LO and SAP congresses in September 1981 – but that was hardly a reflection of enthusiasm for the new plan.[59]

As the plan lost the Left, it also faced critique from another direction. Metall board member and soon-to-be-president Leif Blomberg criticized the plan for missing *raka rör till planboken* (direct links to the wallet) of each individual worker.[60] In the Feldt Plan, assets would accumulate in the funds, which would be controlled by unions, but no worker would be able to touch the assets; the supposed benefits, such as job creation and strengthening of pension plans, were too indirect. Blomberg's demand was that individual shares of the funds be allocated to each worker, instead of being perpetually inalienable; workers could then sell and cash in their part of the funds after a certain period. It was a stinging criticism of the plan that his own union had been championing for a decade, and *raka rör* became a major theme in the debate on the Feldt Plan. Blomberg's demand was also something that neither Meidner and Hedborg nor Feldt could accept – the former because it undermined their vision of collective class power and societal transformation, and the latter because it went against capital formation, which would be diminished when individual workers cashed out of the funds.

Feldt's priority for capital formation squelched the aim of collective emancipation (Meidner and Hedborg) as well as that of individual material gain (Blomberg), the two possible visions that could best gain mass support. The weakness of support among the SAP's base contrasted with the intense opposition by capital. Feldt argued that "the wage-earner funds must win the confidence of the industry" and even suggested that the funds should be substantially modified or even abolished if capitalists were to maintain staunch opposition after their creation.[61] The SAP leaders solicited the support of capitalists by assuring them that the funds would be run by competent administrators and would follow the existing rules of the market economy, emphasizing the fundamental differences between the original and new wage-earner fund plans; they noted further that the funds could stem an excessive increase in wages and generate more investment capital without conflict with workers.[62] Feldt wrote, in an open letter to business owners in late 1981,

> It is true that in the earlier proposal, the funds were given the right to forcibly acquire shares. But many years of research and debate have led us Social Democrats to a settled position – the wage-earner funds can fulfil their tasks to increase investment and promote

59. "Enigt om fonder," *Västgöta-Demokraten*, 25 September 1981.

60. Anne-Marie Forsell,"Nu är det 'raka rör': SAP och LO överens om löntagarfonderna," *Stockholms Tidningen*, 1 October 1981.

61. Lennart Lund, "Fonderna måste ha företagens förtroende," *Göteborgs-Posten*, 16 March 1981; "Feldt och fonderna," *Arbetet*, 8 July 1981.

62. LO, "Sanningen om löntagarfonder," SAPA, 1889/Ö/1/A/243, ARAB.

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development of the Swedish industry only under the conditions of their co-operation with the industry built upon mutual trust. [63]

But this overture was completely rebuffed; unlike the Social Democrats, the capitalist class at this point was strongly committed to class struggle. The SAF had once considered a compromise by proposing its own Waldenström plan for the wage-earner funds, but hardline factions around Curt Nicolin took over in 1977, opposing all forms of collective funds.[64] Despite Feldt's neoliberal shift, the organized capitalists attacked the Feldt Plan as if it was a socialist project because doing so served their strategic purposes. The wage-earner funds served as a convenient target because of their earlier association with Meidner and Hedborg. Furthermore, they served to unite the entire capitalist class, from small businesses to large export-oriented firms, when there were in fact many divisions among them around economic policies and collective bargaining strategy.[65]

After the SAP officially supported the plan in 1981, employers' associations, led by the SAF, organized gigantic campaigns against the funds. They organized hundreds of local meetings to mobilize small business owners, counter-mobilizations within unions, and an extensive media campaign to stoke fear of a Sweden run by the wage-earner funds. Their campaigns culminated in a mass demonstration against the wage-earner funds on 4 October 1983, in which 75,000 business owners, managers, and supporters marched across Stockholm. The 4 October demonstration was a "greater success than what the most optimistic of us could have anticipated," as SAF organizer Sture Eskilsson recalled.[66] In total, the SAF spent 60 million kronor on the anti-fund campaigns, an unprecedented sum of money for a political campaign and more than the combined expenses of all parties in the 1982 election. The campaigns were aimed at pushing the entire political and ideological landscape in a further neoliberal direction, at which they succeeded.[67]

Because of the unappealing design of the Feldt Plan, as well as the employers' massive anti-fund campaign, the wage-earner funds had become even more unpopular by 1982.[68] Nevertheless, after the SAP electoral victory in 1982 that brought Palme back as prime minister, the government proceeded to implement the plan, making further market-friendly modifications in the spring of 1983. Most notably, the accumulation of capital in the funds was to cease after seven years; an upper limit on ownership of each firm was set, to prevent the

63. Kjell-Olof Feldt, "Till Sveriges företagare," SAPA, 1889/Ö/1/A/240, ARAB.

64. Blyth, *Great Transformations*, 209–215.

65. Ilja Viktorov, "Fordismens kris och löntagarfonder i Sverige," PhD thesis, Stockholm University, 2006, 240.

66. Viktorov, "Fordismens kris och löntagarfonder i Sverige," 247.

67. Blyth, *Great Transformations*, 210.

68. Gilljam, *Svenska folket och löntagarfonderna*, 162.

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possibility of attaining majority ownership (a maximum of 8 per cent for each of the five funds); and the funds were tied more closely to the public pension fund system, with 3 per cent of the capital to be sent to the pension funds every year.[69] Finally, despite unfavourable conditions, the wage-earner funds passed in the Swedish Parliament in December 1983. The final parliamentary debates were dominated by the anti-fund side: 66 MPs from the bourgeois opposition spoke against it, in contrast with just 18 Social Democratic MPs who spoke in favour.[70] The vote was close, though, with 164 in favour and 158 against. Only the Social Democrats voted for it, while the three non-socialist opposition parties (the Moderates, the Centre Party, and the Liberals) voted against, and the Left Party Communists (VPK) abstained.

The wage-earner funds operated during the years of Sweden's neoliberal turn, from 1984 to 1990. The funds' boards with a union majority made investment decisions that were primarily driven by the simple goal of maximizing returns. In this era of the rising prominence of the stock market in the Swedish economy, the wage-earner funds' "performance" came to be measured in terms of the market value of their portfolio.[71] The unions could boast success in that regard, as they increased their assets by 15 per cent per year on average between 1984 and 1991.[72] The wage-earner funds benefitted spectacularly from the stock market boom in the late 1980s, fuelled by the Social Democrats' market deregulation policies. In some situations, the funds benefitted directly from the wave of privatization of state-owned firms in the same period, as they bought shares of those newly privatized firms.[73] The five funds accumulated around 15 billion kronor between 1984 and 1991, which was not a trivial sum, but it was a small portion of the Stockholm Stock Exchange's market capitalization (550 billion kronor in 1990).[74]

While the wage-earner funds made a considerable profit from their investment in neoliberal Sweden, what they did not gain was influence. Because their shareholdings were very dispersed, the share of the funds' vote in each firm ranged from 1 to 3 per cent on average.[75] While they gained a greater share in some firms, the funds' overall pattern of investment was decidedly not

69. Viktorov, "Fordismens kris och löntagarfonder i Sverige," 108.

70. Adam Cuibe, "Löntagarfonderna – En fråga om ekonomisk demokrati," MA thesis, Linköping University, 2017.

71. Jonas Pontusson, *The Limits of Social Democracy: Investment Politics in Sweden* (Ithaca: Cornell University Press, 1992), 207.

72. Philip Whyman, "An Analysis of Wage-Earner Funds in Sweden: Distinguishing Myth from Reality," *Economic and Industrial Democracy* 25, 3 (2004): 427.

73. Pontusson, *Limits of Social Democracy*, 215.

74. Pontusson, *Limits of Social Democracy,* 200, 202.

75. Pontusson, *Limits of Social Democracy*, 212.

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pursuing concentration of voting power in certain companies.[76] In contrast with the previous years of contentious debates, the funds' macroeconomic or political impact was rather limited, and their end was unceremonious. When the seven-year period of accumulation into the funds ended in 1990, hardly any call was made to extend it. The funds were soon dissolved, and their assets were divided into creating a new pension fund and scientific research funds.[77]

Québec Labour's Radicalism: Nationalization and *Autogestion*

Québec's period of significant, progressive social transformations in the 1960s, called the Quiet Revolution, began with the modernization program by the Liberal government of Jean Lesage. The Liberal reforms included full nationalization of Hydro-Québec in 1963 and creation of various public financial institutions, including the Caisse de dépôt et placement du Québec (La Caisse), which sought to develop investment capital for Québec's economic development.[78] But social mobilizations from below quickly emerged to challenge and accelerate the social transformations. Québec workers were intensely militant, and the general strike by the Front commun (Common Front) of public-sector workers in 1972 marked a decisive moment in Québec labour history. During the 1970s, Québec workers went on strike at a rate many times higher than did Swedish workers in the same period.[79] Labour radicalism was part of the broader social uprising in the province. The militant feminist movements, which played a pivotal role in the transformation of Québec society as a whole, were rooted in critique of capitalism, as they fought against the economic system reliant on unpaid, invisibilized, and feminized housework.[80] The flourishing anti-capitalist Left was strongly tied to the cause of Québec independence, articulated in anti-colonial terms.

As Québec's working class gained power and momentum, they began to make more ambitious demands; the major unions openly denounced capitalism and demanded an alternative economic model. The CSN, formerly a conservative Catholic union, became the vanguard of new radicalism. With the new slogan of the "second front," the union confederation began to

76. Whyman, "Analysis of Wage-Earner Funds," 430.

77. Klas Eklund, *Stiftelserna ett kvartssekel: En hisnande resa från löntagarfonder till forskningspengar* (Stockholm: Mistra, 2019), 11.

78. Christian Pépin, "Public Financial Institutions, Industrial Policies, and Quebec Capitalist Development, 1960-2018," PhD diss., York University, 2023, 100–108, https://hdl.handle.net/10315/41380.

79. Rouillard, *Le syndicalisme québécois*, 207; Christer Thörnqvist, "Arbetarna lämnar fabriken: strejkrörelser i Sverige under efterkriegstiden, deras bakgrund, förlopp och följder," PhD thesis, Gothenburg University, 1994.

80. Camille Robert, *Toutes les femmes sont d'abord ménagères: histoire d'un combat féministe pour la reconnaissance du travail ménager* (Montréal: Éditions somme toute, 2017).

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collaborate closely with radical community groups and social movements, expanding labour struggles to communities beyond the workplace.[81] The CSN's 1971 manifesto, "Ne comptons que sur nos propres moyens" (We can only count on ourselves), was a decisively anti-capitalist one. The manifesto declared that the fundamental cause of the many miseries of capitalism – including "unemployment, inflation, insecurity at work, shortage of housing, hospitals, and schools" – was that workers did not own the means of production. Analyzing the Québec economy as being under imperialist control, the CSN also denounced Québec's national bourgeoisie and the developmentalist state, which complemented rather than challenged the system. It demanded nationalization of "all dominant industrial sectors" of the economy and socialist economic planning, aiming for a shift toward production based on need.[82]

While the CSN was at the forefront of the Québec labour movement's radicalization, the traditionally reformist FTQ approached the CSN's position, as Laberge called for "breaking the system." In the 1971 manifesto *L'État, rouage de notre exploitation* (The state: Cog of our exploitation), the FTQ denounced "the bourgeois liberal state" as the essential cog that supports capitalism and considered the structural problem of unemployment as inherent in capitalism; therefore, it called for "replacing the capitalist system and the liberal state by a social, political and economic organization based on the satisfaction of collective needs." It demanded public, collective control over "the economic surplus produced in Québec" in order to counter the province's economic dependence on foreign capital, which meant nationalization of the collective savings and its channelling toward La Caisse. The FTQ also demanded more resources for the Société générale de financement (created in 1962 to provide finance for development of Québec industry and bolster local firms in need) and that it prioritize the goal of full employment and further invest in the co-operative sector.[83]

Alongside a systemic critique of capitalism by the union centrals, a movement for *autogestion*, or workers' self-management, spread among the grassroots. Autonomous actions from below flourished during strikes, especially following the state repression of the general strike in 1972; in Sept-Îles, for instance, workers occupied factories, streets, and radio stations, taking

81. Rouillard, *Le syndicalisme québécois*, 177; Sean Mills, *The Empire Within: Postcolonial Thought and Political Activism in Sixties Montreal* (Montréal and Kingston: McGill-Queen's University Press, 2010), 166–168.

82. Confédération des syndicats nationaux (CSN), *Ne comptons que sur nos propres moyens* (1971; Montréal: M Éditeur, 2012), 85, 91–92. The manifesto was published in English with the title *It's Up to Us!*

83. Fédération des travailleurs du Québec (FTQ), *L'État, rouage de notre exploitation* (1971; Montréal: M Éditeur, 2012), 24–25, 28, 114–115, 124–126, 121–123; Pépin, "Public Financial Institutions," 110.

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control of the entire city for several days.[84] In many workplaces, organized workers sought to take control of their own labour process, beyond negotiating with the employers.[85] The expanding practices of autogestion led the CSN to officially support and demand it in 1976.[86] Compared with social democratic and corporatist Sweden, the autogestion tendency was much stronger in Québec, resulting from the higher level of militancy and more decentralized structure of union organizations in the province.

The long struggle at the Tricofil textile factory in Saint-Jérôme became emblematic of the period's autogestion struggles. Tricofil workers had developed a militant union, with frequent strikes and a culture of active rank-and-file participation for many years.[87] To counter the firm's attempt in 1972 to downsize production and fire 310 of its 520 workers, the workers began a factory occupation in November 1972. The occupation became a widely celebrated cause, and workers across the factory developed strong ties of solidarity during the three-week-long takeover.[88] Despite these actions, and negotiations, the owners announced definitive closure of the factory in June 1974, attributing its unprofitability to workers' demands for salary indexation and to the hourly wage.

The workers resolved to resist by organizing production on their own, re-establishing the factory as the "Société populaire Tricofil inc." in February 1975.[89] Rooted in strong solidarity built through struggle, Tricofil workers developed a democratic and egalitarian structure that included regular general assemblies; election of supervisors in each department and the board of directors by the workers; greater equalization of salary for the low-paid; a less rigid division of labour; and active, direct participation of workers in the production process.[90] They enjoyed widespread public support. The Left saw this as a model and called for "two, ten, a hundred Tricofils." The *péquistes* (PQ supporters) applauded it as a national struggle; as PQ minister Lise Payette said, "the liberation of Québec happens through Saint-Jérôme."[91]

84. Diane Ethier, Jean-Marc Piotte, and Jean Reynolds, *Les travailleurs contre l'État bourgeois: avril et mai 1972* (Montréal: l'Aurore, 1975).

85. Marc D. Lachapelle and Dan Furukawa Marques, "Commun et autogestion: redécouvrir les pratiques émancipatoires du Québec des années 1960–1980," *Recherches sociographiques* 64,1 (2023): 29–61.

86. Rouillard, *Le syndicalisme québécois*, 160.

87. Marcel Simard, "L'Autogestion à Tricofil: lutte sans avenir ou avenir d'une lutte?," *Esprit* 15, 3 (March 1978): 45–59.

88. Paul-André Boucher, *Tricofil, tel que vécu!* (Montréal: Éditions CIRIEC), 26.

89. Gabriel Gagnon and Marcel Rioux, *À propos d'autogestion et d'émancipation: Deux essais* (Québec: Institut québécois de recherche sur la culture, 1988); Boucher, *Tricofil*, 102.

90. Simard, "L'Autogestion à Tricofil," 46–47.

91. Louis Gill, *Le Fonds de solidarité de la FTQ: un Tricofil national* (Montréal: Département

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As a worker-run enterprise operating in the capitalist market, Tricofil faced significant financial problems throughout its operation. Through active mobilizations and public support, the workers had managed to raise funds from multiple sources, including the FTQ, the financial co-operative Desjardins, government agencies, and members of the public, enabling them to purchase the factory in 1976.[92] But the chronic problem of access to capital prevented investment in more modern production machinery, which further decreased profitability; moreover, conditions of the global market for textiles were unfavourable at the time. By the late 1970s, Tricofil workers had to start investing their own salaries through wage reduction, which still did not prevent the dismissal of workers – a major blow to solidarity.[93] Because alternative capital sources were limited, the worker-owners were compelled to seek private investors to try to raise sufficient capital, which put significant constraints on the democratic practices.[94] Finally, economic difficulties forced the factory to close in 1981.

The FTQ was involved in the Tricofil struggle to support the affiliated local union, and its involvement deepened as the factory's crisis worsened. Jean-Guy Frenette, an FTQ economist, had worked with Tricofil from the beginning, in 1974, and he was elected as the president of its board of directors in 1978.[95] The Tricofil case demonstrates that autogestion is difficult to sustain without significant democratization of finances, which could potentially sustain such projects without the pressure to achieve immediate profitability or the need for hierarchical structures. But the conclusion drawn by the FTQ from this experience was one of skepticism toward both workers' self-management and use of their funds to invest in unprofitable enterprises.[96] The Québec Left developed ideas and practices for radical economic democracy in the 1970s, consisting of nationalization of firms and finance, expansion of co-operatives, and autogestion. Their limited political power and the worsening conditions of global capitalism prevented further realization of their aims.

Concertation and Socioeconomic Summits

THE FTQ HAD A MOMENT of radicalism with its publication of *L'État, rouage de notre exploitation* and the 1972 general strike, but the labour federation soon

des sciences économiques, UQAM, 1984).

92. Simard, "L'Autogestion à Tricofil." The shares were structured so that only the shares held by Tricofil workers entailed voting rights.

93. Boucher, *Tricofil*, 255, 281; Gill, *Le Fonds de solidarité*.

94. Boucher, *Tricofil*, 282–291.

95. Boucher, *Tricofil*, 262.

96. Ian MacDonald and Mathieu Dupuis, "Limites et obligations de l'intervention syndicale dans le domaine de la finance," *Nouveaux Cahiers du socialisme* 19 (2018): 32.

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began to shift in a social democratic direction, toning down its radicalism and supporting the PQ.[97] The PQ's electoral victory in November 1976 appeared to offer the FTQ an opportunity, with Premier Lévesque proclaiming a "*préjugé favorable aux travailleurs*" (pro-worker bias).[98] The government passed some pro-labour reforms, such as the 1977 Labour Code, which outlawed use of scabs during a legal strike, but its pro-labour tendency was limited.[99] The PQ was not a social democratic party in a classical sense; its relationships with unions were far more contentious. Nevertheless, as a nationalist party with certain social democratic leanings, the PQ regarded European corporatism as positive; corporatism could bolster Québec's economic development through collaborative relationships between the national bourgeoisie and organized labour. The government advocated for developing a permanent "economic and social council" based on a tripartite structure.[100] In order to promote concertation, or social dialogue, it organized numerous socioeconomic summits with organized labour and capital. Three peak-level summits took place, in 1977, 1979, and 1982; numerous other summits were held at the sectoral level.

A significant segment of Québec's labour movement was strongly critical of concertation and the summit itself, most notably the CSN and the Centrale de l'enseignement du Québec (CEQ).[101] The FTQ leadership was more enthusiastic about concertation, but skepticism remained strong among the membership. The union's participation in the summits was subject to a heated internal debate; in 1977, for example, the vast majority of militants in the union's Montréal council demanded rejection of any forms of negotiations that could weaken the union's demands, as well as non-participation in subsequent summits.[102] The 1977 FTQ congress approved the FTQ's continued participation in the summits by only a bare majority after a contentious debate, during which Laberge repeatedly assured members that simple participation in the summits was not about "launching into a great dream of social concertation."[103] These summits nevertheless had the effect of shifting the frame of discourse toward valorizing social dialogue and discrediting confrontation. The FTQ leadership's engagement became more openly concertationist over time; their enthusiasm

97. Jean-Marc Piotte, *Du combat au partenariat: Interventions critiques sur le syndicalisme québécois* (Montréal: Éditions Nota bene, 1998), 188.

98. Rouillard, *Le syndicalisme québécois*, 194.

99. Piotte, *Du combat au partnariat*, 138.

100. Rouillard, *Le syndicalisme québécois*, 196.

101. Michel Vastel, "Seules la CSN et la CEQ boudent la concertation," *Le Devoir*, 27 May 1977; Gilles Gauthier, "Investissements: le patronat et la FTQ en vedette," *La Presse*, 17 March 1979.

102. "Le Congrès du CTM," *Le Monde Ouvrier*, May 1977.

103. "Non à la concertation 'tripartite,'" *Le Monde Ouvrier*, January 1978; André Leclerc, *Fernand Daoust: 2. Bâtisseur de la FTQ: 1964–1993* (Montréal: M Éditeur, 2016), 287–288.

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was noted at the 1979 summit, as Laberge took a moment to recognize that private enterprises "have the right to make profits."[104]

The labour federation's shift toward social dialogue was accompanied by an increasing interest in Sweden as a model. Métallos (United Steelworkers in Québec), which played a pivotal role in the FTQ's social democratic shift away from radicalism, sent a delegation to Sweden in 1977.[105] The delegates interpreted many examples of Sweden's success – a very high union density due to favourable laws, an extensive system of union education, full employment policies – as triumphs of reformism, and they interpreted the wage-earner funds debate similarly, focusing on the LO's willingness to compromise.[106] A larger delegation of the entire FTQ leadership, including Laberge, Frenette, and vice-president Robert Dean, visited Sweden in March 1979. They met with the LO leaders and learned about the wage-earner funds. Laberge would later recall that this was the trip that made the biggest impression on him in his union career.[107]

At the 1979 summit, the FTQ leaders, influenced by the Swedish debates, proposed to create tripartite sectoral investment funds (*caisse de stabilisation de l'emploi*) to protect workers targeted by mass layoffs; in contrast, the CSN proposed nationalization of savings.[108] The CSN's demand was refused by both employers and government, while all parties responded favourably to the principle of the FTQ's proposal.[109] The government nevertheless made no progress on this fund, despite continued union pressure and approval by the PQ congress itself in June 1979.[110] The following summit, held in Québec

104. Piotte, *Du combat au partnariat*, 187; Gauthier, "Investissements."

105. "Michel Blondin en Suède," *Le Métallo*, October 1977; Piotte, *Du combat au partnariat*, 188.

106. "Michel Blondin en Suède," *Le Métallo*; Jean Gérin-Lajoie, "Pour la construction démocratique d'une société libre au Québec: Assemblée annuelles des Métallos du Québec," 1978, p. 19, Fonds Louis-Fournier (hereafter FLF), Collection P19, Centre d'histoire et d'archives du travail, Montréal (hereafter CHAT).

107. Louis Fournier, *Louis Laberge: Le syndicalisme, c'est ma vie* (Montréal: Les Éditions Québec/Amérique, 1992), 287.

108. Gauthier, "Investissements"; Roger Leroux, "Le sommet: un succès," *La Presse*, 17 March 1979; Jean-Claude Roc, "L'analyse du discours de la FTQ sur les changements intervenes dans l'organisation du travail des entreprises: 1970–1998," PhD thesis, Université du Québec à Montréal, 2003, 84–86, https://crises.uqam.ca/cahiers/tm0305-lanalyse-du-discours-de-la-ftq-sur-les-changements-intervenus-dans-lorganisation-du-travail-dans-les-entreprises-1970-1998/.

109. Jean-Claude Picard, "Consensus sur une caisse de stabilisation d'emploi," *Le Devoir,* 17 March 1979.

110. "La FTQ demande à Québec de créer un fonds minier avant la fin de 1980," *Le Devoir*, 17 June 1980; Paule des Rivières, "Une coalition syndicale presse les partis de se prononcer sur l'inflation et le chômage," *Le Devoir*, 6 April 1981; Rodolphe Morissette, "Un Québec souverain et associé adhérerait à l'OTAN et au NORAD," *Le Devoir*, 4 June 1979.

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City in April 1982, took place in a more difficult climate. The PQ had veered sharply to the right in the wake of the defeat of the 1980 referendum on "sovereignty-association" and amid a worsening fiscal situation. The government was determined to reduce the budget deficit on the backs of workers and thus demanded a 20 per cent salary reduction and removal of salary indexation for public-sector employees.[111]

Even as the PQ government turned hostile against the working class, the FTQ deepened its commitment to concertation. At the 1982 summit, the FTQ proposed another iteration of an industrial investment fund, the Fonds général pour relancer l'emploi, on a tripartite basis, even offering to accept the demanded salary reduction in exchange.[112] With the business associations opposed to it and the government lukewarm, the proposal went nowhere. In the course of the public-sector negotiations, some unions also proposed that the wages cut be saved in the collective funds managed by the unions and the government; despite support from some prominent PQ ministers such as Louise Harel, Pauline Marois, and Denise Leblanc, this was also rejected by the government.[113] But a limited form of such a program in the construction sector, Corvée-Habitation, was agreed upon at the summit and implemented. Employers and construction unions would contribute to the sectoral fund to provide for construction of new housing, and cheaper mortgages would be provided for homebuyers, financed through a special tax on financial institutions.[114]

Rise of the Fonds de solidarité

THE PROJECT THAT BECAME the Fonds de solidarité FTQ was first proposed by Louis Laberge after the 1982 Québec City summit. Facing a lack of interest in a tripartite agreement for investment funds, Laberge decided to go it alone; the FTQ would simply create its own fund from its own members' savings. As we have seen, the idea of using collective savings to invest in economic activities in Québec had been invoked in the union milieu in multiple guises over many years – as a radical plan of public control of collective savings in 1971, toward autogestion at Tricofil and other factories, and as a tripartite plan proposed at the 1979 summit. Laberge criticized employers for failing to invest in Québec and said that, instead, the union should "count on our own means"

111. Martin Petitclerc and Martin Robert, *Grève et paix: Une histoire des lois spéciales au Québec* (Montréal: Lux, 2018), 98.

112. MacDonald and Dupuis, "Limites et obligations de l'intervention syndicale," 32.

113. Petitclerc and Robert, *Grève et paix*, 107.

114. Louis Fournier, *Solidarité Inc.: Un nouveau syndicalisme créateur d'emplois* (Montréal: Les Éditions Québec/Amérique, 1991), 26–27.

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(*compter sur nos propres moyens*).[115] The same phrase, used a decade earlier in working-class resistance against the capitalist state, was now being used to foster working-class participation in the market.

Frenette led the research work on developing the plan. He later recalled the need for urgency in the process, noting that Québec's unemployment rate had reached a peak of 15.8 per cent in October 1982.[116] At the FTQ's general council in Jonquière in November 1982, the fund was adopted in principle, with the name of Fonds de solidarité, and designated as the union's priority for 1983. The main goal of the fund was to save jobs by supporting firms in good health that fell "victim to credit institutions" due to lack of liquidity.[117] It would be financed by voluntary contributions of workers' savings, while the government would give tax benefits in return.[118] Frenette continued the research work over the winter, and the plan was approved for public release at the meeting of top FTQ leaders in February. At the same time, the PQ government was engaging in a draconian repression of public-sector unions; it imposed severe austerity, including the 20 per cent salary cut, through an unprecedented "atomic bomb" of repression, banning strikes and imposing exorbitant punishment on striking workers.[119]

The FTQ officially and publicly presented its plan for the Fonds de solidarité on 3 March 1983 at a public press conference. Laberge announced the principles of the fund as follows. The fund would collect investment from workers through a voluntary and collective subscription, to be deducted at the source from their salary, with a resulting tax advantage. The union envisioned registration at the union level; the general assembly of a local union could enrol it in the fund, and all members would automatically contribute, similarly to the Rand Formula for union dues. The fund would have a mandate for profitability and to "assure a return to its investors"; it would "not be a charity or a provider of subsidies," but at the same time, its profitability "must be subordinated" to the aim of job creation.[120] The fund would primarily invest in small and medium enterprises in Québec, which can face relative difficulty obtaining capital in the market in a high-interest rate environment. The fund would be under FTQ control, with the participation of the state and business and financial sectors. The FTQ would seek "partnership" with firms rather than

115. Fournier, *Solidarité Inc.*, 28.

116. Fournier, *Solidarité Inc.*, 45; "Unemployment Rate in Quebec, January 1976 to December 2017," Statistics Canada, accessed 29 September 2024, https://www.statcan.gc.ca/en/dai/btd/othervisuals/other017.

117. "Rapport de Fernand Daoust – Congrès FTQ," December 1983, FLF, P19, CHAT.

118. "La FTQ met de l'avant un 'fonds de solidarité,'" *La Presse*, 10 November 1982.

119. Petitclerc and Robert, *Grève et paix*, 113–116.

120. Fournier, *Solidarité Inc.*, 39.

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majority ownership, and the union could gain more information about the firms it would invest in, which, it argued, would improve labour relations.[121]

The FTQ leaders proclaimed the historical significance of the plan; secretary general Fernand Daoust called it a "turning point in the history of Québec's labour movement."[122] The FTQ sent a letter to Premier Lévesque on the same day, officially notifying him of its plan and seeking government support.[123] Contrary to earlier plans for an investment fund that would involve employer contributions, this plan was received with enthusiasm. It quickly found a positive reception in Finance Minister Jacques Parizeau and Industry Minister Rodrigue Biron, who held repeated meetings with Frenette and Daoust to coordinate development of the fund.[124] Biron even offered his ministry's significant technical and human resources, sending ministry economist Paul-Arthur Tremblay to the FTQ to work on the project.[125]

The Fonds de solidarité was a great victory for the concertation that the PQ had long promoted, and the government embraced the FTQ's conciliatory approach as promoting class harmony, as opposed to the militant position of the CSN.[126] The government saw the fund's profitability imperative as a positive indication, framing it favourably against the case of Tricofil.[127] The Liberal opposition leader, Robert Bourassa, concurred that it was a "sign of lucidity and maturity" of the FTQ in its rejection of the aim to "break the system," even though the PLQ (Liberal Party) questioned whether the fund was the best investment for workers.[128] Celebration of the proposal as a product of the FTQ's "more constructive unionism," an "unprecedented gesture of concertation," and a promising sign that "an attitude of concertation is increasingly replacing the habit of confrontation" was also common in the media.[129] Some commentators situated the fund as part of the global trend toward neoliberalism, calling it "an initiative that would be considered right-wing in another era."[130]

121. Rodolphe Morissette, "La FTQ veut mettre sur pied un fonds d'investissement de $200 millions," *Le Devoir*, 4 March 1983.

122. Fournier, *Solidarité Inc.*, 38.

123. Louis Laberge to René Lévesque, 3 March 1983, FLF, P19, CHAT.

124. "Biron emballé par la decision de la FTQ," *La Presse*, 5 March 1983; Pierre Vennat, "Biron rencontre la FTQ afin d'appuyer la creation d'un Fonds de solidarité," *La Presse*, 21 March 1983.

125. Pierre Vennat, "Fonds de solidarité: Un haut fonctionnaire du gouvernement prêté à la FTQ," *La Presse*, 26 April 1983.

126. Vennat, "Fonds de solidarité."

127. Vennat, "Biron rencontre la FTQ."

128. Fournier, *Solidarité Inc.*, 28.

129. Vincent Prince, "Un syndicalisme plus constructif," *La Presse*, 18 May 1983; Jean-Guy Dubuc, "Le mot se répète: la concertation," *La Presse*, 14 June 1983; Prince, "La FTQ dans le capital de risque," *La Presse*, 7 March 1983.

130. Pierre Vennat, "Le salut par une revolution conservatrice," *La Presse*, 6 August 1983.

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This perspective was shared by employers. While opposition was voiced by the president of the predominantly anglophone Montréal Board of Trade, the main employers' federation, the Conseil du patronat du Québec, chose to support the Fonds de solidarité, as long as it would "respect the normal rules of financial groups and act within the parameters of economic liberalism" and not seek to exercise more power.[131]

The most significant opposition to the proposal came from the broad left of the labour movement. The CSN flatly rejected the idea, based on its opposition to the concertation line, and was devastated by the government repression. It argued that the unions' role was not to defend firms in a capitalist society, and that the union "already has a *fonds de solidarité*[, which] is the strike fund."[132] The CSN's focus in the fight against mass unemployment was a reduction in working time.[133] But as the leaders of other union federations (the CEQ and the Central des syndicats démocratiques [CSD]) supported the FTQ's plan, the CSN was isolated.[134] Similarly, the Mouvement socialiste, a new party founded by left activists including the former CSN president Marcel Pepin, proposed alternative anti-capitalist solutions: a 35-hour workweek without pay cuts, public investment funds financed by the wealth tax, capital control (together with Québec independence), nationalization of finance, and the right of workers to take control of the assets of failing firms.[135] While the Mouvement socialiste represented a coherent set of anti-capitalist policies against the crisis, the party failed to gain any traction.

Creation of the Fonds de solidarité

As the Fonds de solidarité plan was supported or tolerated by much of the establishment, the process of its creation was brief and relatively smooth. Dissidents within the FTQ criticized the breakneck speed with which the plan was progressing, but the majority in the general council were in favour of creating it as soon as possible.[136] Robert Dean, a PQ deputy and the former FTQ vice-president, introduced Bill 192 to create the Fonds de solidarité on 10 June 1983. The bill noted four official objectives of the fund: to invest in Québec enterprises to create and protect jobs, to promote economic training

131. Rodolphe Morissette, "Le fonds de solidarité de la FTQ plait au CPQ," *Le Devoir*, 17 May 1983.

132. Fournier, *Solidarité Inc.*, 39.

133. CSN, "Dossier CSN: Document d'étude préparé pour les états généraux sur la crise économique," January 1982, FLF, P19, CHAT.

134. Fournier, *Solidarité Inc.*, 39.

135. Mouvement socialiste, "Rapport du comité sur le programme d'activités et de lutes pour le congrès d'organisation du Mouvement socialiste," November 1982, FLF, P19, CHAT.

136. "Rapport de Fernand Daoust."

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of workers to enable them to increase their influence on Québec's economic development, to stimulate the Québec economy, and to promote development of enterprises by inviting workers to participate in them. Workers would enrol individually or collectively through local unions (if collectively, with the possibility of individual opt-out), receiving tax benefits, for long-term investment in the fund. In addition to the tax benefits, the government would assist the launch of the fund with a $10 million low-interest loan.[137] On the fund's board, a majority would be nominated by the FTQ's general council, with further representation from business and financial milieus. The fund would be limited to 5 per cent ownership of each firm, "to diversify the investment to protect the shareholders from risks of concentration."[138]

The opposition PLQ was critical of various aspects of the fund, such as the possibility of collective affiliation that restricts individual choice, the FTQ's majority control, restrictions on withdrawals, the potential of weak returns for investors, and tax benefits.[139] While the PQ had a comfortable majority in the National Assembly of Québec, the government needed the consent of the opposition for an expedited procedure, owing to the short time remaining in the parliamentary session. The PQ agreed to withdraw the possibility of collective affiliation of local unions to the fund at the very last minute, in exchange for the PLQ not blocking swift passage of the bill.[140] The bill was adopted on 23 June, less than two weeks after its introduction and less than four months after the FTQ released the proposal.

By the time of the biennial FTQ congress in December 1983, the Fonds de solidarité was already a fait accompli. It was officially created by law in June, it had already acquired an office, and the board of directors had been appointed and begun to meet.[141] Since the fund had not even been proposed at the time of the previous congress, its formation was propelled entirely by the general council, designated as the highest decision-making body in the time between congresses. Yet there was by no means a consensus within the federation, or even within each member union. In some unions, intense debates took place before the decision to support the fund was reached; in the Québec council of the United Auto Workers, for example, the debate lasted for seven hours.[142] Particularly strong opposition emerged from public-sector unions, such as

137. Gilles Lesage, "Le Fonds de solidarité des travailleurs compte investor $200 millions en trois ans," *Le Devoir*, 11 June 1983.

138. Assemblée national du Québec, Commission permanante du travail, *Journal des Débats: Commissions parliamentaires*, 32nd Leg., 4th Sess. (22 June 1983), B-6850.

139. Assemblée national du Québec, *Journal des Débats.*

140. Gilles Lesage, "L'Assemblée nationale ajourne ses travaux au 18 octobre," *Le Devoir*, 25 June 1983.

141. "Rapport de Fernand Daoust"; Fournier, *Solidarité Inc.*, 41.

142. Fournier, *Solidarité Inc.*, 62.

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the Canadian Union of Public Employees (CUPE) and the Canadian Union of Postal Workers (CUPW), as well as the FTQ's Montréal council, with its robust radical representation.

The FTQ leaders appealed to congress delegates by stressing the horrors of mass unemployment and visions of full employment; Laberge strongly advocated for concertation.[143] Opponents argued that the fund would weaken militancy, place union workers in a contradictory situation, and amount to taking workers' money to benefit the capitalists.[144] The debate was heated and lasted multiple hours, as 19 of around 50 speakers spoke against the fund. In the end, a strong push by the FTQ leadership and the private-sector unions, including Métallos and the construction unions, prevailed; 80 per cent of the delegates voted in favour of the fund.[145]

The most decisive element of the Fonds de solidarité was its financing through voluntary contributions by workers, rather than through obligatory contributions from employers or the state. Even though this proposal had emerged out of the FTQ's embrace of concertation, it was also a consequence of a failed attempt at proper corporatism; consequently, the solution became more individualistic. The system of voluntary adhesion necessarily entailed profitability pressures, since individual workers who chose to "invest" their own money in the fund were bound to be sensitive to its returns. The FTQ leaders had repeatedly emphasized that the "funds must be profitable."[146] Indeed, such a voluntary fund can only be exercised within the strict limits of capitalist profitability, as the direct material interest of the worker-"investors" depends on it, and thus so does the survival of the fund itself. The government's last-minute compromise with the PLQ, which removed the possibility of collective affiliation at the local union level, steered it further in a neoliberal direction.

Worker participation is listed as one of the fund's official objectives, and occasional references were made to it at the congress, especially in an appeal to members. To the delegates of the 1983 FTQ congress, the leadership wrote that the fund meant "a greater control by workers over the means of production" and that it was "a collective means to participate in the management and prosperity of firms and the economy."[147] Frenette later said, "We are entering the traditional domain of the management rights on the same level," adding that

143. Clément Trudel, "FTQ: les délégués approuvent le Fonds de solidarité," *Le Devoir*, 7 December 1983.

144. Fournier, *Solidarité Inc.*, 60.

145. Fournier, *Solidarité Inc.*, 59–60; Clément Trudel, "FTQ: les délégués approuvent le Fonds de solidarité."

146. "Le Fonds de solidarité des Travailleurs du Québec (FTQ): Dossier d'information," December 1983, FLF, P19, CHAT.

147. "Le Fonds de solidarité des Travailleurs du Québec (FTQ): Dossier d'information," CHAT.

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the fund could facilitate "the meeting of the interests of firms and unions."[148] As we have also seen in the Swedish case, however, the goals of economic democracy and capital formation are contradictory, unless it is assumed that the workers' collective power should be used to pursue capitalist goals.

Contributions by the Fonds de solidarité to economic democracy have been limited. As Ian MacDonald and Mathieu Dupuis have demonstrated, while the fund takes a long-term "patient capital" approach and invests in Québec's national economy, it has not attempted to influence the firms whose shares it owns in a worker-friendly direction. It has developed *responsables locaux*, a network of local activists involved in soliciting investment in the fund and educating workers, but its investment decisions are made by professional investment managers with little commitment to the labour movement; as a result, there has been investment in firms engaging in anti-union and anti-social practices.[149] On this fundamental point, the Fonds de solidarité are more similar to than different from the Feldt funds in Sweden. In debates in Québec, both Jean-Guy Frenette and Jean-Marc Piotte – a leading proponent and a critic of the FTQ's fund, respectively – believed that the Swedish funds were far more ambitious and advanced.[150] But this perception underestimates the fundamental difference between the Meidner-Hedborg Plan and the Feldt Plan in Sweden.

In fact, the Fonds de solidarité was more successful on its own terms. Unlike the Feldt funds, which lasted for only seven years, the FTQ fund continued to grow for four decades, by giving individual stakes to worker-investors. While its size in 1990 was several times smaller than that of the Swedish funds that year, it has since exceeded its counterpart by far, significantly benefitting from the rise of the stock market.[151] The FTQ fund also served as a model; in 1984, the Canadian Labour Congress congratulated the FTQ for "its foresight in supporting the establishment of the Solidarity Investment Fund," and labour-sponsored investment funds have spread to other provinces.[152] While the CSN initially opposed it from the left, its commitment to labour radicalism and autogestion gave way to greater acceptance of concertation over the course of the 1980s, leading to its creation of a similar fund, Fondaction, in 1995.[153]

148. Jean-Guy Frenette, "Le Fonds de solidarité et notre action syndicale," 16 November 1984, FLF, P19, CHAT.

149. Ian Thomas MacDonald and Mathieu Dupuis, "Managing Workers' Capital? Limits and Contradictions of Labour Investment Funds," *Economic and Industrial Democracy* 42, 3 (August 2021): 573–598; MacDonald and Dupuis, "Limites et obligations de l'intervention syndicale."

150. Fournier, *Solidarité Inc.*, 46; Jean-Marc Piotte, "La FTQ et la solidarité à l'américaine," *Le Devoir*, 1 December 1983.

151. Fournier, *Solidarité Inc.*, 226; Pontusson, *Limits of Social Democracy*, 202.

152. Denis McDermott to Louis Fournier, 4 September 1985, FLF, P19, CHAT.

153. Piotte, *Du combat au partnariat*, 142–143.

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It appears counterintuitive that the collective workers' fund was much more contentious, unpopular, and short-lived in Sweden than in Québec, even as the former had a much stronger social democracy and far more entrenched corporatism. The Fonds de solidarité in Québec was more "successful" than the Swedish wage-earner funds because it conformed better with the individualist logic of neoliberalism. Paradoxically, the Québec unions' comparative weakness ended up aiding the plan, in that the FTQ proposed a voluntary model to minimize opposition as much as possible, which gave benefits to individual workers as investors. In contrast, the Feldt Plan was the worst of both worlds, since it gave up the collective working-class power of the Meidner-Hedborg Plan without offering individual benefits to workers.

Conclusion

The wage-earner funds in Sweden and the Fonds de solidarité in Québec were both founded in 1983, as neoliberalism was being consolidated globally. These collective workers' funds should be understood as a particular type of response by organized labour to the ascendancy of market forces. Certainly, as collective investment funds controlled by organized labour, they were distinct from both dominant forms of financial capital owned by the capitalist class and institutional pension funds controlled by professional managers. That these collective funds could be created in Sweden and Québec owed much to the institutional strength of the labour movement in these societies.

At the same time, the funds also represented a shift in social democratic forces toward accommodation of neoliberalism, away from class struggle and toward class collaboration. In the long 1970s, as labour militancy exploded, radical currents of the labour movement sought to overcome capitalism through democratic economic planning and workers' self-management. The Meidner-Hedborg Plan in Sweden and autogestion at Tricofil in Québec are expressions of this anti-capitalist tendency. The obstacles on this path were immense. Even if the wage-earner funds came to own a majority of shares in most Swedish firms, and even if organized workers had seized many more Québec firms to implement autogestion, they would still have faced the contradictions associated with controlling the means of production in an economy integrated to global capitalism and, hence, the pressure to ensure profitability. They were very far from reaching that point. Nevertheless, the existence of these historical alternatives demonstrates that a social democratic response to the crisis of Fordism was not an automatic and predetermined one, but rather an outcome of political contestations within organized labour.

The Feldt funds and the Fonds de solidarité developed out of a recuperation of certain elements of earlier radical projects, but with the political meaning completely inverted. Instead of seeking to transform the relations of production in favour of the working class, they affirmed the centrality of private, profit-seeking investment and conceived of organized labour's role as active

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contributors to such investment. The funds were developed and championed by the staunchest advocates for a pro-market shift in the labour movement. Their proponents' appeal to workers and the public was that these funds were pragmatic and viable solutions to mitigate unemployment and the economic crisis, meaning that they could be implemented without radical transformation of the economic system. They managed to overcome strong internal opposition, through these discourses of pragmatism and control of the organizational apparatus.

Today, after many decades of deepening neoliberal financialization, collective labour investment funds can appear as a relatively egalitarian alternative. But they represented a step toward marketization in the context of social democratic politics in the long 1970s. Both of these cases are emblematic examples of social democratic adaptation to neoliberalism in societies with well-organized labour movements, which constitute a part of the global history of neoliberalism's ascendence.

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