



# Neoliberalism in Context

Governance, Subjectivity and Knowledge

*Edited by* Simon Dawes · Marc Lenormand

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*For Couze Venn*

# Introduction

Debating the merits of naming or not naming neoliberalism is not new. But naming ‘neoliberalism then’ involved debating the term itself; not just, that is, whether or not it was an appropriate term to describe the then and there, but whether there even was such a thing as neoliberalism. In these post-2008 days, even the IMF has belatedly acknowledged that we were neoliberal *then* (Ostry et al. 2016). Naming ‘neoliberalism now’ is more about whether we’re *still* living in neoliberal times: with the rise of neo-fascism, white supremacy and the so-called alt-right throughout liberal democracies, with the rise of so-called populist political parties breaking the monopoly of the centrist political establishment, and with the rise of so-called fake news supposedly undermining the no longer trusted, liberal public sphere, are we still neoliberal *now*, or are we living in *post*-neoliberal times?

Of course, from the state terrorism and crimes against humanity of the Pinochet government in 1970s Chile, to the violent police clamp-down on the ‘Yellow Vests’ protests against Macron’s fiscal policies in France at the time of writing, neoliberal regimes have hardly been immune to authoritarianism; implementing neoliberal reforms has often required it. Propaganda, racism and violence, not to mention

isolationism, nationalism and state-centrist interventions, have gone hand in hand with ideological anti-statism and recognizably neoliberal policies. Rather than suggesting an end to the neoliberal era, recent trends should perhaps instead be taken to illustrate the extent to which neoliberalism should not be understood purely in contrast to what it purports not to be, any more than it should be accepted on its own terms, with any failure to meet its self-proclaimed goals being pounced upon as proof of its failure or its inherent contradictions. There has never been a quintessentially neoliberal moment, any more than there has ever been a neoliberal core; it thus matters little whether a particular spatial-temporal conjuncture is *more* or *less* neoliberal than another. And there is no pure, unadulterated model of neoliberalism, with which more diluted variants can be compared and contrasted; its inherent and inevitable contradictions make it what it is.

Because of and in spite of this, 'neoliberalism' has always been a contested term. It is ubiquitous and promiscuous, reductive and overblown, totalizing and eliding of other histories while lacking in geopolitical specificity. And yet, it has consistently proven itself to be analytically convenient for researchers and politically necessary for activists, possessing enough common features to warrant at least a provisional conceptual identity (Hall 2011, p. 706). The *neo-* prefix has caused its fair share of trouble, particularly for those analyses of free markets and property rights that have conflated neoliberalism with classical liberalism, ignoring neoliberalism's emphasis on competition rather than exchange and on an active role for the state and not only rolling it back (Foucault 2010; Venn and Terranova 2009). And the *-ism* suffix has also encouraged presumptions of neoliberalism as a thing, an entity, a coherent bundle of homogeneous policy prescriptions that can be imposed from above on a diversity of otherwise and hitherto unique configurations. A recent preference for the term 'neoliberalization' has sought to remedy this reductiveness, substituting an emphasis on the *processual* and *relational* nature of the object of study for earlier assumptions of its stability and singularity. Concomitant developments in the writing of the history of neoliberalism have helped bolster this reframing of neoliberalism as process, revealing a much longer and nuanced account of the becoming neoliberal of various sectors, domains and identities,

while close, critical and occasionally comparative interrogations of the practices of everyday neoliberalism in particular contexts have exposed the hybrid nature of actually existing neoliberalisms.

Tensions have persisted, however, between those that emphasize the need to bear in mind the bigger picture and the undeniable trends that have transcended context, and those that focus on the minutiae of contextual variation; between broadly structural and poststructural accounts of neoliberalism and neoliberalisms; between those that critique neoliberalism as an ideological and hegemonic project, and those that analyse it as a form of governmental rationality. For the former, neoliberalism is a project to disembed financialized capital from the constraints of Keynesian interventionism (Harvey 2007, p. 11) and to oversee 'the shift of power and wealth back to the already rich and powerful' (Hall 2011, p. 721; Harvey 2007, p. 42). For the latter, it is but one of many strands of a complex of individualized governmentalities, and never more than a flexible assemblage of technologies, routines and conducts (Peck 2013, p. 3). Whereas the former often dismiss the latter as relativist nit-pickers who fail to account for the role of power, and the latter tend to deride the former for a mistaken emphasis on misrepresentation and a purposeful project, adherents of both perspectives do tend to agree on one thing: that their respective approaches are irreconcilable.

Nevertheless, while both Marxist and Foucauldian approaches have questioned 'template' models of neoliberalism that tend to reduce it to a list of explanatory attributes, neither alarmist presumptions of a singular and global monolith, nor ambivalent or agnostic accounts of diverse techniques that share no more than a 'family resemblance', offer a satisfactory account of neoliberalism (Peck 2013, p. 15; Springer 2012). A third way (if you will) exists, however, that aims to bridge the theoretical and methodological gap between these contrasting approaches, privileging the 'context of context', emphasizing the links between the local and the global, and seeking to trace the relations between 'hybrids among hybrids' (Peck 2013). Along with Nik Theodore and Neil Brenner, Jamie Peck has made the most concerted attempt to find a compromise between contrasting approaches to the study and critique of neoliberalism (Collier 2012, p. 188), accommodating a fluid and variegated appreciation of contextual difference while maintaining a structural approach that recognizes



the ways in which local differences and contextually embedded forms are shaped by wider processes (Brenner et al. 2010). This is the processual, relational and contextual framework adopted for this particular collection, and the book ends with an interview with Jamie Peck on the ongoing elaboration of his own approach to critiquing neoliberalism.

As for the authors of the various chapters, some apply explicitly Marxist, others explicitly Foucauldian, accounts of neoliberalism, but all were encouraged to engage with contrasting perspectives and to consider the links between their analyses of particular contexts and wider, structural trends. The focus is limited to the global, English-speaking north (that is, north in the sense of wealth and power rather than geography), primarily for practical reasons, but also for coherency's sake, and to encourage the teasing out of difference within often-assumed homogeneity on a thematic plain, rather than aim for a comprehensive but unwieldy collation of geographically and culturally diverse contexts. The book is split into four main sections, beginning with a direct engagement with the contemporary, transitional moment and the difficulty of naming neoliberalism now. The second section focuses on neoliberal governance, with chapters focusing on variation in the relation between state and market within the Anglo-Saxon model, offering comparative, historical accounts of the neoliberalization of various countries and sectors within the Anglophone world; as well as chapters on the failure of historians to rise to the challenge of writing the history of neoliberal governance; on methodological differences between the various schools of neoliberal thinkers on how to apply economics to govern the social; and on the importance of contracts and contractual relations rather than markets and market-like mechanisms to neoliberal theory. The third section deals specifically with the neoliberalization of culture and media, and the construction of neoliberal forms of subjectivity. There are chapters on competing racisms and racial neoliberalism; on the limits to the neoliberal inclusion of disabled and queer subjectivities; on the affective dimension of neoliberal subjectivity, gender inequality and the mediation of affective solidarity; and on the extent to which fake news and public service media today are as neoliberal as corporate and commercial media. The final section focuses on the specific context of higher education, knowledge production and critique, and on the challenges posed

to academic freedom, critical thinking and the public good by the neo-liberalization of universities, academic study and scholarly labour.

## Neoliberalism Now

The chapters in the opening section of the book address the contemporary, post-2008 context and the extent to which we are still living in neoliberal times. Thierry Labica begins with the deep analytical and conceptual unease with identifying the contemporary conjuncture, whether as still neoliberal or not, approaching it in terms of an engagement with earlier intellectual conjunctures in which a ‘transitional imagination’ is brought to bear upon complex and fragmentary epochs. Labica asks whether ‘neoliberalism’ sufficiently captures today’s nationalisms, fascism and protectionist tariff wars, as well as renewed projects of democratic socialism and multiplying experiments in alternative, non-capitalist models of organization and ownership, or whether we are better off considering this a period of post-neoliberalism until a more apt term presents itself. In considering concomitant others and alternative labels, such as neo-fascism, and contextualizing the critique of neoliberalism within that of capitalism and exploitative labour more generally, the author demonstrates our lack of epistemological tools to successfully capture the contemporary transitional moment. Ultimately, he also suggests the need to rethink the concept of ‘transition’ itself if we’re to understand this contemporary moment of transitional neoliberalism.

Emma Bell and Gilles Christoph, in their chapter, examine the case of the UK today, highlighting, on the one hand, how the governing Conservative party have repackaged neoliberalism as austerity in the wake of the financial crisis, and exploring, on the other, how the Corbyn-led Labour party has broken with the neoliberal consensus, proposing policies that explicitly challenge the hegemony of corporate power (Crouch 2011). At the same time, they argue that Labour’s proposals are not radical enough to present a serious challenge to neoliberalism itself, although they offer a way of at least taming neoliberalism and halting further neoliberalization. Rather than going beyond neoliberalism, therefore, the authors suggest that we could instead be moving

towards a period of post-neoliberalism, whereby the core features of the project—namely the power of global finance—remain clearly discernible. In examining this contemporary conjuncture and critically interrogating the premature and over-enthusiastic claims of the end or death or retreat of neoliberalism post-2008, their chapter reminds us that neoliberalism must be understood as a mongrel phenomenon and as an ongoing, never-finished process, regardless of whatever crises, of its own making or not, may challenge it.

Johnna Montgomerie and Ruth Cain then engage with the efficacy of one particular nomenclature drawn upon in the critique of policy responses to the financial crisis. The ‘zombie’ has proven to be a popular metaphor to critique neoliberalism as an undead project and the post-2008 economy as a contradictory mix of public bailouts for the rich and reckless culprits on the one hand, and austerity and punishment for the poor and already most affected on the other. Embodying both economic decay and monstrous violence, the zombie was chosen by the scholars and activists at the centre of the chapter as an initial counterweight to the metaphor of the ‘household’ that has been so effectively used (despite its numerous critiques) to justify the need for austerity and debt reduction. In focusing on the lived experience of neoliberalism as practice, and on the inequalities of that experience, Montgomerie and Cain use the metaphor of the zombie to explain and critique austerity. Ultimately, however, they abandon the metaphor in favour of a more creative common agenda for resistance, change and concrete alternatives to austerity and financialization.

Taken together, the chapters articulate the issues at stake in critiquing the contemporary moment, and the difficulties of defining or naming neoliberalism in the age of financial crisis, Brexit, Trump and neo-fascism.

## Neoliberal Governance

Early accounts of the rise of neoliberalism tended to privilege its period in political power from the Thatcher and Reagan years onwards, with a nod to UK and US support for Pinochet’s earlier coup and subsequent

regime. We now know a lot more about neoliberalism's pre-history (from the 1920s) and intellectual consolidation phase (from the 1950s), thanks to the recent literature on the history of neoliberalism (Burgin 2012; Davies 2014; Mirowski and Plehwe 2009; Peck 2010; Jones 2012). We are also more knowledgeable about the differences in neoliberal governance from one country to another, in the contrasts between the application of neoliberal policies from one industry to another, and to the ways in which the process of neoliberalization develops in divergent ways depending upon what other processes are also at play in particular contexts. Further, an increasing engagement with the work of neoliberal thinkers themselves has helped us to appreciate the various debates and different strands of thought within the neoliberal approach, leading to further refinement of the tools we use to critique neoliberalism.

In their chapter, Guy Redden, Sean Phelan and Claire Baker offer a comparative account of the history of neoliberal governance in the local contexts of Australia and New Zealand, offering us examples of ongoing neoliberalization within the Anglophone world that reveal significant differences between each other as well as the more dominant accounts of the Anglo-Saxon model that privilege the New-Right configurations of American and British contexts. In contrast, the emergence of neoliberal governance down under was enacted by centre-left governments that articulated structural economic adjustments alongside more progressive forms of social and welfare policy. Such a comparison reveals how neoliberal projects form, adapt and reproduce through variations of their constituent elements, as well as how they produce faultlines that ensure that local articulations remain contingent and contestable.

Comparing the neoliberalization of particular industries—finance in the United States and energy in the UK—Bradley Smith and Lucie de Carvalho examine the extent to which state intervention has accompanied deregulation, liberalization and privatization. Demonstrating the differences between these two sectors and these two countries—deregulation of US finance, privatization of UK energy, liberalization of both—as well as the ongoing existence of earlier forms of governance throughout the neoliberal period, their chapter encourages us to nuance the periodization of economic paradigms and to problematize epochal accounts of neoliberalization.

While we can be thankful for critical interrogations of the history of neoliberal thought and practice, it is curious that we do not have historians to thank for these insights. Instead, it is geographers who have primarily been at the forefront of such studies. In his chapter, Andrew Diamond explores the history of US urbanism and the long-term neoliberalization of the political cultures of US cities, and of the slow rise of market values and economizing logics at the local level from the 1920s onwards. In doing so, he takes to task those historians working in particular on the postwar city and on the rise of modern American conservatism for not engaging with the history of neoliberalism, seemingly because of their aversion to the explicitly Marxist work of geographers like David Harvey and the often polemical and partisan way in which the term is usually used more widely.

As well as the history of neoliberal governance and practice, we also need to look at the history of neoliberal thought, and this section also features two chapters that engage directly with this literature. In Jacopo Marchetti's chapter, he argues that different historical moments and distinctions coincided with different political and economic proposals within neoliberal debates, which can be understood by analysing the social-scientific methodology that supports them. Examining debates on the role of free markets and on the scope of economics for understanding human action and behaviour more widely, Marchetti distinguishes between the Vienna and Chicago schools of neoliberalism, focusing in particular on their methodological differences. Demonstrating that the former applied cognitive and psychological methods and that the latter applied positive scientific methods, the author argues that their contrasting methodological approaches help explain their different forms of free-market advocacy. In short, Marchetti argues that the Chicago school apply economics as a normative value for understanding the social, whereas the Austrians see no distinction between economics and the social in the first place.

Finally, Kean Birch takes issue with the common tendency among scholars of neoliberalism to reduce it to free-market advocacy, marketization, the invisible hand of the free market or even, more recently, the application of market-like mechanisms. Instead, he argues that neoliberalism has been primarily concerned with contracts (particularly an

asymmetrical type of standard form contract) and not markets at all. Despite the rhetoric of market freedom and value espoused by the neoliberals, as well as the focus on free markets and free trade by critics of neoliberalism, Birch argues that neoliberalism can better be understood as an entirely regressive philosophy that privileges asymmetrical contractual relations between individuals, with the state as facilitator and guarantor of those contractual relations and of contractual forms of social interaction more widely.

The chapters in this section thus demonstrate that by engaging with the variations, complexities and nuances of neoliberal thought and practice, by emphasizing the relations between the local and global contexts, and by developing historical and geographical accounts of the contingency and contextuality of the process of neoliberalization, we can better understand, explain and critique neoliberalism.

## Neoliberal Subjectivity

From elaborations of the entrepreneurial subject and the sovereign consumer in neoliberal discourse to a shift in seeing neoliberalism itself as primarily or at least significantly discursive, there has been a long tradition of critiquing the linguistic and cultural aspects of the neoliberalization of everyday life, its representation and its significance for identity and common sense (Brown 2015). This section focuses on the mediation of neoliberal subjectivity and the neoliberalization of media dynamics, and warns us to be wary of embracing neoliberal critiques of its emerging others in this period of resurrected authoritarianism.

In her chapter, Gargi Bhattacharyya addresses the significance of the current crisis in neoliberalism and this transitional moment for our understanding of racial neoliberalism, which has until now involved the project of 'corporate multiculturalism, managed diversity, a pretence of post-racialism and an overall privileging of languages of economism in order to silence the social'. Ironically, while neoliberal-induced social inequality has also disproportionately affected the minorities it claims to include, the dismantling of the welfare state is now being narrated in the populist imagination as a fall from racialized privilege. The recent

re-emergence of the right, of fascism, of explicit racism and white supremacy, and of a crisis of whiteness more broadly, presents a delicate challenge for the left, as such phenomena are often articulated as a reaction of the 'left behind' to the social and economic inequality created by neoliberalism. Bhattacharyya warns us that in our denunciations of racist populism today we should beware of inadvertently defending the racially neoliberal status quo.

While this status quo has involved colour-blind racism, neoliberal inclusionism has also affected other bodies and identities. In their contribution, David T. Mitchell and Sharon L. Snyder argue that such inclusionism is made available to newly visible public identities, such as those labelled handicapped, intersexed or queer, based on a formerly stigmatized group's ability to approximate historically specific expectations of normalcy. In so doing, they argue, neoliberalism tends to reify such values of normalcy and construct the newly included as passive beneficiaries. Although the aim of their chapter is not to disparage efforts at the meaningful inclusion of people with disabilities, they emphasize that neoliberal strategies of inclusion short-circuit opportunities for more meaningful apprehensions of disabled people's lives and crip/queer forms of embodiment that can provide alternative forms of subjectivity.

Drawing on arguments that neoliberalism shapes subjectivity through multiple forms of intimate governance, Yvonne Ehrstein, Ros Gill and Jo Littler argue in their chapter that this operates at the level of emotions, feelings and affect, shaping what is deemed appropriate and even intelligible. They illustrate their arguments with their analysis of the parenting website, *Mumsnet*, in which women post with the question 'Am I Being Unreasonable?' to express feelings of inequality of gender and precarity. The authors highlight the role of the site in setting norms (inciting its participants to be 'good' emotional neoliberal subjects), redrawing the boundaries of what women are legitimately entitled to feel, and offering a space of emotionally empowering solidarity. Consequently, their chapter emphasizes both the everydayness of neoliberal subjectivity, and the importance of analysing the ways in which this governing of subjectivity is mediated.

While media concentration, corporate accumulation and the construction of media users as consumers are the most obvious consequences of a neoliberalized media market, Des Freedman turns his attention instead to public service broadcasting (PSB) and fake news as examples of neoliberal media. In the case of the recent moral panics of so-called fake news, he questions the motives of neoliberal media interests that seek to convince us that only they can be trusted with safeguarding freedom of expression and a commitment to truth, and that only they can be guaranteed to preserve democratic rights. While efforts to combat fake news are understandable and necessary, he argues that we should not fall into the trap of accepting that the mainstream corporate media are the only alternative, or that fake news is somehow exceptional to the neoliberal logics that guide such media. In the case of PSB, he reminds us that neoliberalism is not just about a change in ownership from public to private. It is also a matter of less dramatic restructurings and more insidious cultural shifts, such as internal markets, new management techniques, an emphasis on value for money, public value tests and service licences and, above all, the determination to tie public service media to the needs of their commercial rivals. In all these ways, he argues, the BBC has long been subject to neoliberal discipline and neoliberal forms of new public management, reminding us that in seeking alternatives to neoliberal media, we may do well to avoid uncritical nostalgia for pre-neoliberal models.

All in all, these chapters serve to show us not only how neoliberal subjectivity is mediated on an everyday level, but also how to navigate the way towards a post-neoliberal future that is also distinct from pre-neoliberal or contemporary right-wing alternatives.

## Neoliberalism and Knowledge

The higher education sector has not been immune from the process of neoliberalization, with reduced state funding, increased tuition fees, dependence on a corporate publishing model and impact factors, precarious labour and pensions for employees, weakened trade unions, increased competition between (and within) universities and increased



auditing and surveillance of the teaching and research output of academic staff, all of which have led to anxiety, debt, social inequality and an erosion of the value of public knowledge.

In her chapter, Liz Morrish provides an overview of the burgeoning field of critical university studies that is emerging to take stock of these changes, arguing in particular that the monitoring of performance metrics for academic staff and the relative unaccountability of management has led to a repressive disciplinary system whereby the compliance of employees is ensured and any criticism of management is deterred. In a personal example of the anxiety that has been caused by these various processes in the UK, Morrish details her own experience of having her academic freedom to critique the neoliberalization of universities curtailed by the university for which she worked, leading to disciplinary action and ultimately her decision to leave academia. Morrish's case is a testament to the challenges faced, not just for the continued scholarly critique of neoliberalism, but for the preservation of academic freedom more generally in the context of such neoliberalization.

While academics are increasingly being hailed as entrepreneurial subjects, and students have for some time now been reconstructed as consumers, the value of universities themselves has been radically transformed. In her contribution, Karen Wilkes outlines the general shift from an emphasis on the cultural and social value of universities in the UK to a system remodelled as a business enterprise governed by the interests of political and managerial elites. Taking a closer look at the emerging luxury student accommodation sector, she considers the ways in which the traditional value of universities has been monetized and undermined by the focus on corporate value, with students being sold an expensive myth of a degree without effort and a better life through consumption and debt, while the value of aggressively marketed degrees is actually being lowered. The cost of this gap between myth and reality is a further entrenching of social inequality, with those from working-class backgrounds being disproportionately affected in terms of uncompleted degrees, unrealistic job prospects and debt burden.

The neoliberalization of universities has also undermined civic cultures and public knowledge more generally. Henry Giroux's chapter addresses the emboldened culture of manufactured illiteracy in

the Trump era, a form of anti-intellectualism which shows disdain for the cultural and social value of education, truth, science and the public good. He connects this to the more explicit forms of bigotry and authoritarianism that have resurfaced in recent years, and contextualizes these contemporary trends within the longer history of neoliberalism's assault on the public sphere, its slow erosion of civic culture, and its installation of insecure and precarious academic labour in the United States and elsewhere. To resist such neoliberalization and revitalize the public sphere, Giroux argues for a renewed emphasis on public pedagogy and the critical imagination, and his chapter ends with an outline for change and a strategy to challenge the contemporary conjuncture.

## **Neoliberalism in Context**

It is sometimes tempting, when looking at the world today, to look back nostalgically to an earlier epoch of 'progressive neoliberalism' (Fraser 2017), before a decade of post-crisis austerity and the ugly return of history. But we must avoid falling into the trap of golden age thinking or contenting ourselves with lesser evils. It is too easy for the reasonable among us to agree that explicit racism and blatant lies are problems to be confronted. It is much harder, though just as important, for us to also critique the liberal racism and disinformation of the neoliberal elites that we are offered as an alternative.

We should also be wary of falling back on reductive descriptions of neoliberalism that play into the hands of those seeking to bolster the narrative of a binary conflict between neoliberalism and neo-fascism, when, to quote Peck in his interview in this book, the 'rules of the game have themselves been tendentially neoliberalized'. Because neoliberalism is non-linear, processual, relational and contextual, there is simply no point in asking if we are still living in neoliberal times, if this particular configuration is or isn't neoliberal, or if this is more or less neoliberal than that. Rather, we should be sensitive to the 'dialectically intertwined moments of ongoing regulatory transformation', to the relations between 'qualitatively different and coexistent forms of neoliberal restructuring', to the 'hybrids among hybrids' and the 'context

of context'. This may occasionally involve authoritarian and neo-fascist hybrids that govern through control rather than consent while doing nothing to undermine the underlying logics of neoliberalism. But while combating and critiquing authoritarianism will not be enough, neither offhand denunciations of an ill-defined neoliberalism nor ardent defences of an imaginary pre-neoliberalism will get us any closer to imagining a post-neoliberal future.

Simon Dawes

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# Part I

## Neoliberalism Now



# 1

## Lost in Transition: On the Failure to Name the Present Condition

Thierry Labica

### Into the Epistemological Wilderness

The characterization, or, the conceptual framing of the contemporary environments resulting from several decades of financialization and pro-market policies, wars, unprecedented inequalities and rising climate urgencies, appear to have been particularly elusive to analysts of all definition. Why is the contemporary experience (*transitional moment?* *new period?*) of global capital so difficult to name? Does generic 'neoliberalism' still offer a valid framework of presuppositions, or could it have itself become a lingering hindrance to the necessary search for renewed conceptual coinages? Ultimately, what do terminological hesitations say about present conditions but also—and most crucially here—about the tools and assumptions commonly relied upon to address them?

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The first section of this chapter offers to register various signals of an ongoing deep analytical and conceptual unease with the contemporary conjuncture generated by approximately forty years of policies commonly associated with ‘neoliberalism’. For sometime now, a number of social scientists have expressed something like dismay in their attempts to name and conceptually capture the historical sequence specific to the ongoing experience of global capital. In this intellectual environment, marked by confusion and hesitation as well as inventiveness and experimentation, ‘neoliberalism’ appears to have increasingly functioned as a last resort umbrella-term. The conceptual big tent of ‘neoliberalism’ has come to accommodate a considerable diversity of heterogeneous phenomena, trends and policies. As such, ‘neoliberalism’ has been of critical assistance to the cause of totalization in an age of continued and deepening fragmentations, be they territorial (national, urban) or across labour markets or political spheres.

But as the world drifts further and further away from neoliberalism’s inaugural experiences (at some distance from the inaugural Thatcher-Reagan late cold-war romance and its Pinochetist prelude), questioning the relevance and usefulness of ‘neoliberalism’ may have acquired some urgency: is ‘neoliberalism’ of any actual help in a moment of resurrecting nationalisms, fascism and protectionist tariff wars as well as renewed projects of democratic socialism and multiplying experiments in alternative, non-capitalist models of organization and ownership?<sup>1</sup> Does the word still name any identifiable set of relations and expectations fundamentally driving processes of change, while further entrenching their competitive and individualistic coordinates as perennial anthropological norms? Or is ‘neoliberalism’ a mere place-holder, itself bound to be replaced by the more successful abstractions that will eventually consign it to the cares of the historian of ideas and concepts (now possibly busy with already fossilized ‘postmodernism’).

The second section aims to explore at least some of the sources of the persisting epistemological difficulties so typical of our moment. The main argument will be that if there are unquestionably resistant dimensions of

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<sup>1</sup>Taken together, the various contributions to McDonnell (2018) provide an effective panorama and discussion of ongoing experiments (in Spain, Italy, the US and Britain) as well as some of the strategic guidelines to be derived from them.

the realities created by the contemporary world of capital, complicating problems may still have resulted from the equipment itself with which historical transitions have been expected, imagined and conceptualized and interpreted. This has required a detour through earlier intellectual conjunctures in which the ‘transitional’ imagination thought it could afford to contemplate the clearer, more straightforward scenarios that precisely come to appear so elusive in this moment of our own.

My final contention will be the following: the rise of global capital, by transforming earlier national conditions of capitalism and their respective systems of labour relations, has brought into view—with unprecedented clarity—the diversity of forms of exploitation to which capitalism has always and commonly resorted. In the process, it has run against ordinary assumptions about ‘transitions’ and simplified historical equations between capital and free wage-labour. Historian Jairus Banaji has offered probably the most effective critique of the ‘transitional’ imagination whose persisting formalisms have become terminally incapable of making sense of the ruptured landscape of labour exploitation under the rule of ubiquitous, high-frequency global capital.

The period beginning in the late 1970s and commonly identified with neoliberalism has generated a whole array of lasting challenges, in the face of which a number of social scientists have acknowledged the inadequacy of their own analytical tools. To take a few examples only, attempts to address dominant forms of global power and influence, or modes and scales of accumulation, or the forces of financialization and the debt economy, or the types of political intervention that may be relevant to the general shape of power relations, or the direction and possible next stage of the ongoing ‘transition’—should the present condition be ‘transitional at all’—have all been met with terminal perplexity. According to Peter Gowan, writing in the late 1990s, ‘we do not have ready to hand a language for describing this pattern of global social power’ (Gowan 2010, p. 13).<sup>2</sup> Twenty years later, reflecting on the dynamics of capital on a global scale and what he sees

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<sup>2</sup>Gowan was referring to “the distinctive feature of the Pax Americana [which] has been the enlargement of US social control within a framework of an international order of juridically sovereign states”.

as their exemplary manifestation in China, historian Jairus Banaji (2015) considered that ‘we simply do not dispose of the categories that could match capitalism on such a scale!’. In the face of the unprecedented forces of finance capital, Maurizio Lazzarato (2011) considered that ‘we lack the necessary theoretical instruments, the concepts and the articulations to analyse, not only finance, but the debt economy as a whole which both comprises it without restricting itself to it, and its politics of enslavement’. Wondering with his interviewer, Eric Hazan, ‘*dans quelle époque vivons-nous?*’, philosopher Jacques Rancière partly diagnosed the sense of impasse haunting much of left politics, through the complete disconnect between the political literacies still available and the sciences of society that warrant them: ‘Taking power, nobody knows what that means nowadays, and the whole of the strategic outlook and the interactions between ends and means have become an empty scholasticism’ (2017, p. 37 and pp. 30–31).

Other discussions have reflected on the transitional nature itself of our early twenty-first century. Do the rise of giant data-centric complexes, climate urgencies, profound regional disorders and mass migrations resulting from war, as well as deepening structural debt signal a possible moment of juncture leading to some more stable and perennial social forms and configuration of power? Or, is this it, and states of exception and entropy have already come to rule the day in many parts of the world? Naomi Klein (2008) has drawn the striking portrait of a historical stage of capitalism in which ‘disasters’ currently drive its necessary reconfigurations through traumatic, hardly intelligible moments of exception, allowing complete suspension and subsequent rehaults of existing regulations and norms. But for sociologist, Wolfgang Streeck, the ‘disastrous’ logic now appears to imply that ‘while we see [capitalism] disintegrating before our eyes, we see no successor approaching. [...] By disintegration I mean an already far advanced decline of the capacity of capitalism as an economic regime to underwrite a stable society’ (2016, p. 35). ‘Disaster capitalism’, in other words, could now be reaching the ultimate stage of the capitalist disaster *tout court*. From a somewhat less somberly catastrophist perspective—although not devoid of its own crepuscular notations—Jacques Bidet believes the ‘regime- of neoliberal hypercapitalism has entered a new epoch altogether of ‘ultimodernity’; i.e. a last stage of capitalist expansion ineluctably contained by the geographical limits of the planet itself

(2016, pp. 146–147. See also p. 157).<sup>3</sup> In a similar fashion, in response to Immanuel Wallerstein’s anticipation of a new systemic stasis that contemporary political power relations between global right and left have yet to determine, Etienne Balibar (2017) considers that we have already reached a stage terminal enough to be conceptualized as ‘capitalisme absolu’, itself a reminder of economist Michel Husson’s (2008) earlier idea that capitalist relations may have merely become thoroughly ‘purified’.

This sense of *impasse* itself reflects then a certain obscuring of political perspectives and failing abilities (both theoretical and political) to anticipate the advent of a superior stage beyond the conditions of the age. But there have also been notable counterpoints to the general spirit of perplexity. ‘Declinism’—a literary genre in itself—has been a rather successful alternative, if only measured in terms of its editorial successes. According to that constituency, ‘culture’, ‘national identities’ and ‘civilization’ itself have been steadily falling to ruin. Only a resurgence of nativist and authoritarian common sense will save a restricted and exclusive ‘us’ from a variety of perils, among which immigration and Islam have become favourites. The melancholies of declinism have offered imagined restorations of cultural sovereignty, where economic sovereignties (Appadurai 2017) have been undermined by ubiquitous financialization and subsequent indifference to notions of place, community and the complex fabric of personal and collective loyalties that had reproduced them for generations. In stark contrast to the critical hesitations about the possible grammar of contemporary capitalist accumulation, the identitarian substitutions of declinism have achieved spectacular ideological advances, soon followed by the electoral victories and political entrenchments that have so marked the second decade of the twenty-first century (from Brazil to India via the United States, France, Hungary or Israel). But in this case, for all the certainties dispensed about the present state of things, the paranoid mobilizations of beleaguered ‘whiteness’ mostly aim to renew the lease of market deregulation and anti-union agendas.

On another more polemic front, one concept has circulated widely, i.e.: ‘neofeudalism’, with this idea that rather than living in an age of unprecedented innovations (be they technological, social or political), we have

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<sup>3</sup>According to Bidet, neoliberalism itself may not be that new epoch’s “last word”.

been trapped under the sway of some dystopian time-loop only leading to the archaic restoration of the worst forms of premodern tyranny (see Labica 2016). Now, I have to restrict myself to a couple of observations about this. First, we must note the at least apparent theoretical weakness of this characterization, which will trigger suspicions of general illiteracy on the part of anyone articulating their critique of contemporary capitalism in such unsophisticated language. I believe such suspicions to be misled on a number of fronts. One reason for this is that the theoretical weakness itself precisely needs to be taken to both signal *and* respond to the wider conceptual failings of the moment. Something to which I will be returning shortly. Secondly, ‘neofeudalism’ offers an alternative periodization of the contemporary age through a strict polemical reversal of ‘neoliberalism’, invalidating the latter in its initial slogans and propagandistic pretensions to have heralded a new, post-ideological phase of social and economic modernization and liberal democracy, notably after the collapse of the Eastern bloc. The critique conveyed by ‘neofeudalism’ has a number of merits and inconveniences. But in any case, the polemic counter-periodization which it invites is very much in tune with the more general sense that historical time has been feeling its way down some epistemological dark alley. If neoliberalism ever was the name of an agenda for transition away from post-war compromises, it has not inaugurated any credible and sustainable social form and project, promoting instead restorations of violent forms of aristocratic ascendancy over ever larger pools of more or less disenfranchised lower orders.

Neoliberalism always? Interregnum? New stage (regime? epoch?) within, or beyond neo-liberalism, or beyond capitalism even? The next part of this paper will address—if only much too briefly—four different factors of our persisting difficulties (hoping they will not soon be ‘resolved’, *de facto*, by the consolidation of the ongoing extreme right and neo-fascist resurgences of the moment). The first factor derives from our often-implicit understandings of neoliberalism depending on the location of the defining criteria: is neoliberalism the name of a specific political moment and

agenda, or a more lasting set of depoliticized assumptions about economic efficiency, or, now, an all-inclusive anthropological norm reconfiguring self-perceptions, interpersonal relations and an all-pervasive regime of biopolitical governmentality? The second aspect of the problem is inherent in the growing elusiveness—unknowability and unpredictability—of whole dimensions of reality itself, be it economic, geopolitical or environmental. Thirdly, there is the problem of how we assess whatever is left of liberalism within neoliberalism beyond the 1990 moment of triumph of market-democracy and the new world order supposedly defined by it. My fourth suggestion, and more crucially for me here at least, is about the need for critical reassessments of how *transitions* have been imagined, theorized and politically expected. Both the early 1970s and 1990s offer important precedents when it comes to ‘transition’.

- i. The problem with implied assumptions about neoliberalism and the mitigation of inaugural violence

‘Neoliberalism’ is a word with which a whole historical experience has been commonly grasped and by that very token, has named a great variety of sometimes entirely contradictory trends and phenomena. To take one example only, privatizations (or Thatcherite ‘denationalizations’) have been invariably thought to be characteristic of neoliberalism. But then again, renationalizations of broken financial institutions could also be a typical expression of neoliberalism, in the form of determined agendas of state interventionism out to salvage a chronically dysfunctional and criminal banking system. The problem with any single or consolidated ‘neoliberal’ trajectory leading from the statophobia of the 1980s to the statism of our day is that it may dilute and eventually obscure ‘neoliberalism’ as an agenda of political departure from the coordinates of the post-war. In that sense, neoliberalism refers to the project of radical depoliticization through the violent purging of the then powerful trade union movement from the spheres of economic decision-making. Paul Mason (2015, pp. 91–92) is particularly to the point here: ‘Because today’s generation sees only the outcome of neoliberalism, it is easy to miss the fact that [...] the destruction of labour’s bargaining power [...] was the essence of the entire project: it was a means to all the other ends’. And the emphasis should be noted:



‘Neoliberalism’s guiding principle is not free markets, nor fiscal discipline, nor sound money, nor privatization and offshoring—not even globalization. All these things were byproducts or weapons of its main endeavour: to remove organized labour from the equation’. For all their merits, other, more historically inclusive assumptions about neoliberalism have also contributed to clouding the central, detonating role of violence (in Chile, in the British coalfields and in Wapping against print workers, or in Tiananmen), although violence has now been at the centre of many useful and yet somewhat oblivious discussions in the recent past.

- ii. Objective incomprehensibility and unpredictability: war, finance, climate change

Descriptive and notional difficulties must be expected when whole regions and spheres of activities have become just about unknowable and unpredictable. Three developments have been familiar for some time now. First, there are the extreme and abject devastations of protracted war and terrorism across vast regions stretching from North Africa to the Middle East, in central Asia and in the south of the Arabic Peninsula. In the wake of collapsing states and escalating regional chaos, Heinrich Geiselberger observes: ‘While the blank spaces on the maps had grown smaller and smaller over the centuries, things now appear to be going in the opposite direction. In the age of Google Maps there are a growing number of territories of which one knows very little and which ancient cartographers would have marked with the phrase *hic sunt leones*’ (2017, pp. x–xi).

Secondly, the mobility of global finance, partly determined by automated algorithms whose operations are measured in nanoseconds, configures an unthinkable geography of power relations further conducted within the secretive, arcane world of offshore jurisdictions now increasingly brought home onshore in a competitive race to the bottom. The Amazonian flows of money resulting from the industry of avoidance and evasion—over which the Panama Papers and the Paradise Papers have just about begun to lift the veil—still remain little known territory. Meanwhile, leaders of states, regardless of their own heated pronouncements about ending tax evasion, still drive their immiserating agendas of austerity and cuts in the name of inescapable fiscal discipline, further shifting

the responsibility for collapsing social services onto foreigners and immigrants when fiscal *emigration*—routinely encouraged and condoned—is the massive structural problem.

Thirdly, shared knowledge about climate change has been redefining our awareness of the world and the catastrophic pace of the use of its resources. But while the certainty of the dangers has been acquired by many, the agenda of the disasters waiting to happen will remain unknown, and so are the future displaced populations and the directions they will take. The recent experience of refugees displaced by war, terrorism, but also increasingly uninhabitable conditions resulting from changing climatic conditions, has illustrated the still prevailing degree of official and media denial in the face of what is now the tipping point beyond which, the pace, amplitude and conditions of social and demographic change are at best difficult to predict, and at worst, and as we know, actively ignored.

### iii. The self-liquidation of neoliberalism

One of the distinctive features of the political trends set in motion by the victory of the neoliberal agenda in the 1980s, has been the near complete liquidation of the ‘liberal’ within the ‘neoliberal’, which emerged with the euphoric, post-Cold War promise of a generalization of democracy, political and social pluralism, along with the spread of market relations. Philosopher, André Tosel, invited us to take note of an important clarification we owe to the Italian language with regard to ‘liberalism’. The Italian language has two different words, *liberismo* and *liberalismo*, where the English or the French language conflate two different things into only one. The former, *liberismo*, refers to economic liberalism; the latter to political liberalism. After showing how, historically, *liberismo* emerged under the protection of *liberalismo* to which it appeared to be naturally tied, *liberismo* and the demand for free enterprise soon began to assert itself against that same political liberalism which had been sheltering it from political and religious despotism. In response to the conditions of the post-war compromise, which saw the relative democratization of the economic sphere in the context of the welfare state, ‘neoliberalism rediscovered the original logic of *liberismo* with its rejection as an archaic corporatism of the superimposition of the small political market over the extensive economic

market, and by protecting itself preventively from the serious risk of more egalitarian corrections to economic mechanisms'. Tosel, writing this in the mid-1990s, considered that 'in that sense, contemporary neoliberalism, in order to safeguard its own *liberist* animal spirit, *is ready to sacrifice its liberal soul*. It means to, as much as possible, restrict the political market and radically subject it to the economic market; it becomes, strictly speaking, reactive and reactionary in its attempt to destroy the social welfare state based on the rule of law, along with its burdensome and costly political market, and liquidate the democratic forms hampering the natural order of the great market. Democracy must imperatively be subordinated to the conditions of globalised capitalism by securing the maximal downward adjustment of the democratic social welfare state based on the rule of law, by securing a mass consensus in favour of such an adjustment and by exploiting to these ends the bureaucratic malfunctions and inadequacies of that State' (Tosel 1995, pp. 68, 70, & 79–80, added emphasis).

Twenty-three years on, the 'sacrifice' of neoliberalism's liberal soul predicted by Tosel has been completed in a sustained act of politicicide. The institutional spaces devoted to pluralist thinking, debating and arguing about the economy, have been subjected to now critical levels of erosion, all in the name the post-democratic 'consensus'. The process anticipated by Tosel has reached the stage whereby, for others, neoliberal democracies can no longer secure the basic conditions necessary to their own continuation (media pluralism; parties, trade unions and campaign groups; properly left-wing parties furthering a diversity of social interests; educational systems not reduced to churning mere 'human capital').<sup>4</sup> If such a thing as neoliberalism still has any currency, it then lives on in a ghostly form, relieved at long last from the burden of its own earlier utopian narratives.

#### iv. 'Transitions'

One other possible source of difficulty may derive from earlier reconstructions of historical *transitions* themselves. This is what I wish to briefly explore now: how much do earlier understandings and assumptions about historical transitions contribute to our present notional and ultimately

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<sup>4</sup>See Böckenförde, E.-W., quoted in Geiselberger's Preface to *The Great Regression*, op. cit. p. xii.

political difficulties in naming and framing our contemporary condition? The question may be a little elliptical. Less so if we bear in mind earlier intellectual conjunctures in which 'transition' had become central to all kinds of debates and expectations.

The fall of the Berlin Wall and the collapse of the Soviet Union saw an exceptional inflation of a transition literature partly driven by a renewed sense of utopian anticipation. Euphoria about the 'new times' inaugurated by the end of the Cold War and the agony of classical industrialism (and the organizational forms commonly associated with it) found one of its typical expressions with New Labour's celebrations of the 'new'. But one suggestion here is that the narratives and excitements of the post-Cold War and post-industrial transition bore strange resemblance to another, earlier radical experience which many had not only anticipated; they also felt they were participating in its actual eventuation. I am here referring to the context of the early 1970s, so deeply marked by the experiences of decolonization and the possibilities of socialism in the Third World, but also the social movements that had emerged in the 1960s and the wave of industrial militancy with which they often converged. In many ways, resemblance between 'transition' in the 1970s and in the 1990s was the product of the hubristic cannibalization of the aspirations and anticipations of the former by the latter; the fall of the Berlin wall now offering an endless collection of images turning abstract notions of world historical departures into a visual, nearly palpable experience. Hence the inebriated glorifications of the 'New' so typical of much of the political rhetoric of the time, with its 'ends of' (ideology, work) and its 'new times' which, on the eve of the twenty-first century, was not without a hint of millenarianism.

'Transition' in the 1970s governed an intellectual paradigm against which the measure of our present disorientations may be better grasped. First, transition debates had been of crucial importance during the post-war period across the then expanding field of an increasingly influential Marxist historiography: how, and how completely, feudalism was superseded by capitalism became the object of intense arguments following the

work of Maurice Dobb (1946) and Paul Sweezy's response to it.<sup>5</sup> The discussions acquired renewed vigour with the work of Robert Brenner, soon the centre of the notorious 'Brenner debate' between the late 1970s and the mid-80.<sup>6</sup> 'Transition' remained crucial to the important confrontations between Laclau and Gunder Frank over the historical status and certain social forms and agrarian relations in Latin America in the 1970s, and further led to extensive polemics between Tom Nairn, Perry Anderson and E. P. Thompson over the nature of English capitalist modernity, something to which Arno Mayer's 'persistence of the old regime' thesis brought further interesting complications. The whole complex of contradictory and often bitter arguments carried on with Ellen Meiksins Wood and Colin Mooers, among others, achieved titanic proportions with Neil Davidson's *How Revolutionary Were the Bourgeois Revolutions?* (2012), a book, incidentally, no less bitterly polemic than some of its predecessors in the field.

This intellectual configuration invites at least three brief observations. Such explorations of the transition from feudalism to capitalism, from one mode of production to the next, to begin with, aimed to resolve some of the questions within the legacy of Marx's attempts, notably in volume 1 of *Capital*, to provide an explanation for the advent of the capitalist mode of production itself. Secondly, and probably more importantly, the rush of historiographical interest was itself a manifestation of more urgent political concerns for which the transition away from feudalism provided the archetypal precedent. Such concerns were nowhere stated with greater clarity than in Sweezy's opening sentence to the chapter inaugurating the famous collection of essays recapitulating the Dobb-Sweezy 'transition debate': 'We live in the period of transition from capitalism to socialism; and this fact lends particular interest to studies of earlier transitions from one social system to another' (Sweezy 1978, p. 33). The confident assertion resonated with the sequence which saw the convergence of the demise of classical imperialism with the now pervasive reference to socialism across the former colonial world and elsewhere, rising industrial militancy and

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<sup>5</sup>The Dobb-Sweezy debate itself came to be known as the "transition debate" which attracted the contributions of many other historians.

<sup>6</sup>"The Brenner Debate" then becoming the title of a book: Aston and Philpin (1985).

social movements, as well as the crisis of sovietized communism in the wake of the events of Budapest and Prague. Far from being the mere hopeful musings of a left-wing social scientist, then, anticipations of ominous systemic collapse and change gained wide currency, to the point where the question ‘Can capitalism survive?’ could even make it to the front page of *Time* magazine in 1975 (Panitch and Gindin 2012, p. 144).

Hence the immense irony of the circumstances which saw the new prosperity of ‘transition’ literature over the rubble of the Berlin wall. This was now ‘transition’ in reverse: to the universal free-market and liberal democracy in a time of triumphant and rapidly advancing neoliberal normalization (i.e. systematic rolling back of the democratic gains made by the organizations of the working class since 1945), now fully equipped with a rhetoric of individual freedom and ‘empowerment’ against the rigidities and encroachments of statism. The hopes and dreams of democratic socialism were about to materialize at long last, without any need for socialism, or even for democracy itself: deconcentration and democratization of power could be left to the promotion of ‘free enterprise’.

Be it in its 1970s or immediate post-Berlin wall versions, it appears that ‘transition’ has often been anticipated and rationalized in the form of a relatively tidy, clear-cut affair, in full dress with its forebodings, moment of culmination, or ‘tipping point’<sup>7</sup> (struggles of independence, social upheavals, revolutionary events, ‘bourgeois revolutions’, falling walls) and post-climactic new dispensation (universal free market, liberal democracy, socialism). Within much of the Marxist tradition, such processes of unfolding have often been approached with matching conceptual tidiness based on correspondence between successive modes of production and certain patterns of labour mobilization: the antique or ancient mode of production being equated with slavery, the feudal mode of production with serfdom, and capitalist mode of production with freely contracted wage labour. A number of Marxists have looked beyond the simplifications of orthodoxy to account for the complexities of transitional processes, the

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<sup>7</sup>See Sassen (2006).

hybrid nature of modes of production and the cohabitation of heterogeneous temporalities and ‘uneven and combined’ forms of development. But confronted with the complexities of our own contemporary conditions, it is not entirely certain whether the already existing critique of the at least once-dominant analytical model has sufficiently taken root after all (especially when one is invited to find reassurance in the sheer thought that the global proletarian class is more considerable than it has ever been). How we look at and conceptualize the historical condition of labour under the reign of highly mobile global capital may be key to understanding ‘where we are now’, or, more precisely, to understanding why we do not understand ‘where we are now’.

Within that perspective, historian Jairus Banaji has offered probably the most powerful Marxist critique to date of those lingering legacies of orthodox, Stalinized Marxism, even when we thought that critique had already been made and its gains established: ‘Even when the later Marxism broke with Stalinism politically, its theoretical conceptions were to a large extent still imprisoned in the deeper framework of a metaphysical-scholastic formalism, which deduced its “modes of production” by forced abstraction from the simple categories present in various epochs of production’. The typical expression of that thinking habit, Banaji (2013, p. 61) has explained with insistence, has been the persisting formal equation between ‘modes of production’ and ‘the different mechanisms of surplus-labour extraction’. But ‘*the deployment of labour is correlated with modes of production in complex ways*. Not only are modes of production not reducible to forms of exploitation, but the historical forms of exploitation of labour [...] lie at a completely different level of abstraction from *the numerous and specific ways in which labour is or can be deployed*’.<sup>8</sup> Now that neoliberal violence (and subsequent capital’s relative indifference to place) has largely repudiated older industrial economies in the Euro-North American zone and their corresponding post-war systems of labour relations within their social-national, statist frameworks, the ‘rules’ that tend to prevail are those of maximal, fast moving, ‘agile’ opportunism. Hence a world in which ‘individual capitalists exploit labour in a multiplicity of forms’; hence a world in which, with renewed transparency, ‘relations

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<sup>8</sup>Ibid., p. 5. See also pp. 347 or 353, added emphasis.

of production are not *reducible* to forms of exploitation of labour, since capitalist relations of production *are compatible with a wide variety of forms of labour*.<sup>9</sup>

‘Where are we?’ ‘Neofeudalism!’, ‘Anthropocene!’, ‘I don’t know! I’m lost for concepts!’ Responses to this ‘simple’ question have often exhibited, with their ‘posts-’ and ‘neos-’, a mix of frustration and concomitant centrifugal creativeness. At least, this perplexed condition may have been the sure signal that two familiar, guiding equations have been in severe crisis: the equation at the centre of Banaji’s critique, with its presumed sameness between patterns of exploitation and modes of production, and its corresponding ‘transition debates’, and its later, somewhat ironic, duplication: the cosy union of the universal free market together with liberal democracy, in a wedding celebrated over the ‘transitional’ rubble of the Berlin wall. The now complete senility of those spouses, together with their gravely dysfunctional family, should at least be an occasion for critical reinventions rather than despair. The qualified acknowledgement of this dual obsolescence—along with the necessary ‘transitional’ complications that must result from it—must be a good place to start if the sense of both a desirable and discernible future is to be restored.

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<sup>9</sup>Ibid., pp. 128 & 359, added emphasis.



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# 2

## The Slow Retreat of Neoliberalism in Contemporary Britain?

Emma Bell and Gilles Christoph

In the years following the financial crisis of 2008, many commentators expressed surprise at the continued dominance of the neoliberal ideology that was widely acknowledged to have caused it. Yet, ten years after the crisis, it seems that declarations of the ‘non-death’ of neoliberalism (Crouch 2011) may have been premature. Neoliberalism is now said to be ‘in retreat’ (Jacques 2016) as even former advocates of the project have announced that it has been ‘oversold’ (Ostry et al. 2016). In the context of popular discontent over persistent inequalities, stagnating wages and corporate failure, together with poor economic performance and the rise of populist movements seeking to exploit these grievances, mainstream

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political parties in the UK (and elsewhere) have begun to break with the neoliberal consensus.

Through an analysis of political rhetoric, public policies and social attitudes, this chapter seeks to determine whether neoliberalism is currently being diluted to such an extent that it is possible to speak of the retreat of neoliberalism in contemporary Britain. Following Peck et al., we do not treat neoliberalism as a static, monolithic notion, but rather as a *process* that is constantly being made and remade through the dialectical tension between theory and practice, coexisting with many different ideologies as a ‘mongrel phenomenon’ (2009, p. 105). It is therefore essential to recognize that the dilution of one aspect of neoliberalization does not necessarily threaten the whole.

Furthermore, even the dilution of the whole is not sufficient to bring the project down. It is necessary to challenge the hegemonic status of neoliberal culture and practice with a clearly articulated counter-hegemonic project. While recognizing the limits of a national response to neoliberal crisis, our aim is to determine whether such a project has any prospect of emerging and surviving in post-Brexit Britain. In the UK context, will neoliberalism be resurgent, revamped and repackaged to adapt and survive in changing circumstances; will there be a move to post-neoliberalism whereby it is still possible to discern the key features of neoliberalism although its core has been hollowed out; or is there any prospect that neoliberalism will be overthrown?

## Neoliberalism in Question

Suggestions that neoliberalism is on the ropes are arising from many different sources. Well-respected political commentators have declared that the hegemony of neoliberalism ‘cannot and will not survive the test of the real world’ (Jacques 2016); that ‘a new economic consensus is quickly replacing the neoliberal one’ (Mishra 2017); that there has been a stark ‘political shift against the free market’ (Beckett 2017). They note how both mainstream politicians and the wider public appear to have ‘fallen out of love’ (Beckett 2017) with the project as it has failed to deliver on its promises of economic growth and widespread prosperity. Indeed, in the

most recent general election, both Labour and Conservatives echoed each other in their condemnation of ‘untrammelled free markets’<sup>1</sup> (Conservative Party 2017, p. 9), with the Conservatives promising to ‘strengthen the hand of the regulators’ (ibid., p. 59), notably in the energy sector, and Labour committing itself to ‘overhaul[ing] the regulation of our financial system’ (Labour Party 2017a, p. 16). In so doing, they were tapping into the broader public feeling of ‘capiscepticism’, whereby people recognize that capitalism in its current form has not delivered widespread prosperity but are unsure what to put in its place (Behr 2018). Wages have been stagnating, with employment income in the UK lower in 2015–2016 than prior to the recession, contributing to in-work poverty and preventing income inequalities from decreasing (Cribb et al. 2017). Popular culture has picked up on concerns about the inequalities and injustices wrought by neoliberalism with films such as Ken Loach’s *I, Daniel Blake* detailing the suffering caused by the current British welfare system, and tracks such as ‘The Death of Neoliberalism’ by hip-hop artist Lowkey, which calls for freedom from ‘the corporate state’.

Even the most ardent neoliberals seem to think there is something wrong with the current system. James Cleverly of the Free Enterprise Group, a group formed in 2010 by Conservative MPs concerned about the rise of anti-free market thinking in the UK, has acknowledged that ‘free markets can be brutal’ and expressed concern that their failure to deliver rising living standards for all threatens to undermine liberal economic policies (Beckett 2017). Perhaps most significantly, the IMF, often regarded as a champion of neoliberalism, has conceded that ‘there are aspects of the neoliberal agenda that have not delivered as expected’, and criticized fiscal consolidation and the removal of restrictions on the movement of capital across a country’s borders for having had limited benefits in terms of increased growth and significant costs in terms of increased inequality, which in turn impacts negatively on growth (Ostry et al. 2016).

It is not just the failure of neoliberalism to deliver economic prosperity to all that is fuelling criticism and disillusionment. The private sector that it seeks to promote over the public has been tainted by a litany of scandals

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<sup>1</sup>Although, as we suggest below, we should not necessarily equate a rejection of free markets with a rejection of neoliberalism per se.

of which the 2008 sub-prime mortgage market crisis was only the beginning. The banking sector was involved in the Payment Protection Insurance (PPI) scandal, whereby it was discovered that additional insurance policies that were often overpriced, ineffective and inefficient were mis-sold to consumers. In 2012 and 2013, respectively, it emerged that leading banks such as Barclays had been involved in fixing the London inter-bank lending rate (LIBOR) and the foreign exchange market (FOREX) rate, causing savers and investors to lose huge amounts of money and further undermining trust in banking. Another two banks, HSBC and Standard Chartered, were both heavily fined by American regulators in 2012 following their involvement in money-laundering operations in countries such as Libya, Myanmar, Sudan and Iran.

Private companies under government contract to provide public services have also been embroiled in scandal. G4S, the world's largest security services company, has repeatedly been found to be in breach of contract and even been accused of human rights failures. In 2012, it failed to provide adequate security for the London Olympics, leaving the government to draft in the army to fill the gap; its employees at immigration removal centres and youth detention centres have been accused of abuse, with three employees tried for manslaughter (although found not guilty) following the death of a deportee, Jimmy Mubenga, after he was restrained by the officers on a flight to Angola; in 2013 the company was accused of fraud following revelations that it had overcharged the government for the electronic tagging of offenders who did not need to be monitored (White 2016). Other large corporations, such as Atos and Capita, have also come under public scrutiny when it was revealed that they had made serious errors when carrying out work capability assessment tests to determine disabled claimants' eligibility for employment support allowance (ESA) and/or personal independence payments (PIPs) (House of Commons 2018). Most recently, Carillion, the UK's second-largest construction company, which had been under government contract to provide public service infrastructure, such as prisons, roads, railways, schools and hospitals, went into liquidation, leaving the government to step in to guarantee the pensions of employees and to transfer outsourcing contracts to alternative providers. Such incidents severely undermine neoliberal claims that the private sector is always best placed to provide efficiency.

In such a context, it is unsurprising that there is increasing scepticism and concern about the neoliberal agenda, with even neoliberals themselves beginning to recognize its limitations. Yet, the question remains whether this is sufficient to significantly challenge the status quo and translate into a real change in political direction on the ground. To answer this question, it is necessary to examine to what extent key elements of neoliberalism are actually being diluted, or even overturned, regardless of rhetorical claims. Perhaps *the* key element, on which all the other constituent parts of neoliberalism depend, is the strength and reach of corporate power.<sup>2</sup> The health of neoliberalism can thus be determined by the extent to which this power is accepted and furthered by government and embedded into the everyday practices of ordinary people. In what follows, we will focus on challenges to neoliberalism as an economic project before moving on to analyse its future as a cultural and political project.

## Challenging Economic Orthodoxy

Neoliberalism is often associated with free markets and hence any attempt to limit these is often regarded as a sign that neoliberal economic orthodoxy is on the retreat. However, as Dardot and Laval point out, this is to fundamentally misunderstand the nature of neoliberalism, which has

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<sup>2</sup>Historically, neoliberal thought crystallised in the 1930s and 1940s as a research programme into the institutional conditions necessary to ensure the stability, efficiency and fairness of capitalism. This meant identifying the permanent legal and constitutional rules as well as the temporary governmental interventions most conducive to controlling inflation, enhancing competition and mitigating inequality. The third objective was quickly abandoned in the 1950s, since early neoliberals felt that the welfare states implemented by developed countries in the aftermath of the Second World War had widely overshot the comparatively modest social measures they had initially countenanced. The other two objectives, however, have remained the central pillars of neoliberal economic thinking and policy worldwide. In the field of competition policy, the second key objective, neoliberal thinkers originally favoured state intervention to curb market power but subsequently reversed this earlier position on the grounds that state intervention would actually entrench market power. The reason is that government regulators would be 'captured' (i.e. corrupted) by the dominant players within the industries they were supposed to oversee, thereby leaving market leaders free to consolidate their power. From this and other theoretical developments (e.g. Friedrich Hayek's 'dynamic' alternative to the static model of perfect competition), neoliberals concluded that competition was actually at its most efficient when the market was left to its own devices, undisturbed by government interference. At the risk of oversimplification, one can argue that neoliberals issued a blank cheque for corporations to act as they please.

always in practice involved a considerable degree of state intervention in order to make markets behave in a certain way (2009, pp. 6–10). Rather than the State withdrawing, it has instead been ‘dedicated to the ongoing tasks of market-making and market-guided regulatory restructuring’ (Peck et al. 2009, p. 109). As a result, the idea of the free market is, and indeed always has been, ‘an illusion’ (Harcourt 2012). Given the existence of private monopolies, including what Crouch refers to as giant ‘crony firms’ with close links to the government and privileged access to public service contracts, it is impossible to speak of a free market economy in Britain (Crouch 2017, p. 19). Indeed, firms such as G4S have become ‘too big to fail’ in financial terms despite their numerous failures to respect government contracts. Government plays an essential role in supporting these companies by creating new markets for them and supplying them with various forms of corporate welfare (Farnsworth 2013). We should therefore be very wary of regarding any apparent retreat from the ‘free market’ as a challenge to neoliberal orthodoxy. Nonetheless, an examination of current policies of market regulation in the UK may shed some light on the extent to which the Conservatives’ approach to the market undermines or facilitates the neoliberal project.

Over the past few years, the Conservatives appear to have been challenging the ‘free market’ via its introduction of legislation to cap energy costs (The Domestic Gas and Electricity [Tariff Cap] Act 2018) in an attempt to create ‘fair markets for consumers’ (Conservative Party 2017, p. 59). This was one of the policies that led *New York Times* columnist Pankaj Mishra to announce the ‘death throes of neoliberalism’ (Mishra 2017). Yet, the Conservative manifesto of 2017 made it quite clear that the aim of such regulation is not so much to control energy markets but rather to make them more competitive, ultimately ensuring that ‘the UK should have the lowest energy costs in Europe’ (Conservative Party 2017, p. 22). Indeed, the Conservatives seem determined to ensure that market competitiveness is not undermined by regulation. The last manifesto restated the party’s commitment to pursue the so-called ‘Red Tape Challenge’, initially launched by David Cameron in 2011 with the aim of identifying ‘unnecessary’ regulations and abolishing them (Conservative Party 2017, p. 15). The aim is to introduce ‘effective regulation’ to protect growth (ibid.).

This notion may be likened to that of ‘better regulation’ adopted by New Labour and subsequently by the Conservative-Liberal Democrat coalition government. This entailed ‘re-position[ing] regulation as a phenomenon and idea which can be sustained, indeed can be improved, via *less*—or indeed *in the absence of*—enforcement’ (Tombs 2016, p. 199, *author’s italics*). Rather than less regulation, there is re-regulation, a different kind of regulation which exists to ensure that corporate activity can continue unhindered by ensuring that corporations themselves have substantial autonomy to regulate as they see fit. Consequently, regulation has failed to significantly change corporate practice in the UK and may even ‘be beneficial to the neoliberal agenda’ in so far as this is understood as advancing corporate power (Aalbers 2013, p. 1085). In Britain, even after the financial crisis of 2008 and the litany of scandals that followed, ‘there has been no thoroughgoing attempt to confront or undermine the power of the financial services sector’ (Tombs 2016, p. 185). The limited regulations that have been introduced, such as the weak ring-fence that has been placed between retail and investment banking activities, are unlikely to lead to any significant retreat from ‘business as usual’ (Bell 2015, pp. 73–77). While the last government promised to introduce ‘tougher regulation of tax advisory firms’ in an attempt to tackle tax evasion (Conservative Party 2017, pp. 16–17), at the time of writing, no concrete steps have so far been taken. Similarly, despite promising to uphold and strengthen environmental regulations, there is no bold plan to restrict the activities of the oil, fracking and plastics industries that are responsible for so much environmental damage (Conservative Party 2017, p. 23; HM Government 2018).

There is even a possibility that considerable deregulation will follow after Brexit, despite David Davis’ declaration that rather than a ‘race to the bottom’ with regard to regulations concerning workers’ rights, financial services and the environment, there will instead be ‘a race to the top’ (Davis 2018). While there is little public support for deregulation (Morris 2018), there is always a possibility that the government will be tempted to loosen regulation of the financial sector and limit labour rights in an attempt to render the UK as attractive as possible for investment. Indeed, this is largely the strategy that successive British governments have followed up to now, even as a member of the EU, securing opt-outs on the EU labour



regulations such as the working time directive and resisting European attempts to implement a Financial Transactions Tax.

While corporations are left relatively free of restrictive regulation, the State continues to play a significant role in the artificial manipulation of the markets in which they operate. This is particularly true of financial markets. Dardot and Laval write of the ‘political construction of global finance’ to highlight the extent to which governments have contributed to the rise of financial capitalism (283–289). They remind us that it was the State that, via the deregulation of the financial sector and privatization, created financial markets. It was also the State that rendered individual citizens reliant on these markets by calling upon them to fund public spending and by encouraging individuals to invest in them by taking out mortgages and investing in private pension funds, for example. If this was the orthodoxy of the 1980s, little has changed. Indeed, although the financial crisis exposed the vulnerability of these markets and their reliance on the State when things go wrong, it also represented an opportunity for governments to advance the agenda of financialization. This entails increasing the size of the financial sector in the economy, thus reinforcing its power and influence and facilitating the spread of financial logic into everyday life. Financialization is often regarded as the very key to neoliberalism, as ‘the crucial fulcrum of articulation of the different instances in the current, neoliberal, hegemony. It is part of what holds the thing together’ (Massey and Rustin 2013b, p. 206). A ‘financialised hegemonic common sense’ has come to dominate not just economic policy but politics and society more generally, structuring individual behaviour (Massey and Rustin 2013a, p. 6). Indeed, it is precisely this moulding of a new common sense based around the responsabilized individual, capable of navigating his/her own way around the global marketplace that defines the neoliberal project.

In the UK, the financialization agenda was furthered by direct privatization, notably of Royal Mail, as ownership was largely transferred into the hands of investment banks. It was also helped by the massive extension of the public-sector outsourcing industry, the value of which reached a three-year high in 2017 as businesses signed contracts worth £4.93 billion (Arvato Bertelsmann 2017). Financial markets were also able to benefit from austerity as public spending fell and private indebtedness increased. Debt as a proportion of household income in the UK now stands at 140%,

compared to 93% in 1993 (although it reached a peak of 157% in 2008) (House of Commons 2017). As welfare payments have been reduced, ordinary citizens have been encouraged to take some responsibility for providing for their own needs through the financial system, particularly by gaining access to credit—this is known as ‘asset-based welfare’ (Finlayson 2009). To this end, Theresa May pursued the financial inclusion agenda launched under the previous government and appointed a Minister for Financial Inclusion at the Department for Work and Pensions. While this is an initiative which may ensure some financial security and protection for those on low or no incomes, for example by ensuring they do not fall prey to loan sharks, there is no doubt that it may hasten trends towards the financialization of welfare. The introduction of automatic enrolment in private pensions schemes, introduced between 2012 and 2018, already went some way in this direction by ensuring that individuals take on more responsibility for their retirement savings while simultaneously creating new financial markets (Berry 2014). The Conservative Party, while placing less emphasis than previously on asset-based welfare (Berry 2017), nonetheless continues to encourage it through its housing policy. Owning a home is often regarded as one way in which people can build up personal assets to help them meet the costs of old age, rather than relying solely on a public welfare system. Housing is closely linked to processes of financialization, as it is increasingly valued as a commodity and a means for investors to secure and accumulate wealth (Farha 2017). Indeed, property has become a form of low-risk collateral which facilitates additional borrowing and income for individuals and securities speculators (Pettifor 2018). Despite promises to ‘fix the dysfunctional housing market’ (Conservative Party 2017, p. 70), current housing policy focuses on facilitating home ownership, loosening up planning rules to allow the construction of new homes (May 2018), rather than investing in publicly provided social housing or regulating rent prices in the private rented sector. This ignores the fact that housing prices are not fuelled by housing shortages but rather by land speculation (Pettifor 2018). The Conservatives have only been fuelling this trend by encouraging increased dependence on the financial sector via home ownership. In short, financialization in housing as elsewhere means that,

financial institutions are making increasing levels of profit from individuals and households. People are now relying on the financial system for access to vital goods and services, including housing, education, health and transport; while their savings are also increasingly mobilised by the formal financial system. (Massey and Rustin 2013a, p. 6)

Financialization has also encouraged the pursuit of austerity policies, despite the fact that even the IMF suggests that austerity makes bad economic sense for a country such as Britain, generating ‘substantial welfare costs’ and hurting demand (Ostry et al. 2016, p. 40). Austerity policies do not seem to have been followed for sound economic reasons. Indeed, Wren-Lewis suggests that, even though the government recently eliminated the deficit on its day-to-day budget two years after originally planned by former chancellor George Osborne, this could have been done painlessly without following austerity policies and costing the average UK household £10,000 worth of resources (Wren-Lewis 2018). Rather, austerity was followed for political and ideological reasons. Via the ‘alchemy of austerity’ (Clarke and Newman 2012), the 2008 crisis of global financial capitalism was framed as a crisis of both government and personal profligacy, thus permitting the crisis to be transformed from a threat to an opportunity for financialization and the neoliberal agenda more broadly (Mirowski 2013). Given the success of austerity in justifying the creation of new markets for the financial sector, it has not been abandoned, despite vocal criticisms of the policy by senior economists (e.g. Krugman 2015) and even Conservatives (Wright and Coates 2018). Indeed, the 2017 budget signalled continuity with £12 billion of welfare cuts announced and public service spending due to be 3% lower than today in the coming years (Johnson 2017). May also vigorously defended the 1% public sector pay cap until 2020, despite opposition from members of her own cabinet (Parker and Wright 2017). Despite the promises made by new Prime Minister Boris Johnson to end austerity, the new chancellor’s pledge to stick to his predecessor’s fiscal rules, combined with the financial strains associated with Brexit, suggest that little meaningful effort will be made to reverse austerity measures.

Meanwhile, corporate welfare spending continues unabated, corporations are spared tax increases and new markets are opened up to them.

The extent to which current governments are prepared to manipulate markets to ensure that they benefit corporations seems to confirm Crouch's assertion that neoliberalism is more about firms than markets (2017). Consequently, it is the extent to which corporate power is challenged which is the true litmus test of whether neoliberalism is on the retreat. Such power appears to be very solid indeed, especially in the context of massive public-sector outsourcing to a select few corporations. As Froud et al. note, the failure of the State to control delinquent contractors suggests that 'the sovereign power of the outsourcing state can become co-dependent on the giant corporates that dominate outsourcing in much the same way as the corporatist state was previously dependent on organized labour and employers' (Froud et al. 2017, p. 85). For them, corporations have now become 'bound in a relation of co-dependence with a central state that [can] neither do without them, nor act against them' (ibid., p. 88), since it 'lacks the knowledge and the will' to monitor contracts properly (ibid., p. 89). If it lacks the will, this may be because government itself is no longer entirely separate from the corporation but has come to see its interests and that of the nation as a whole as synonymous with those of the corporation. In this sense, 'government actually becomes business', nation-states 'become holding companies in and for themselves' and 'the categorical distinction between politics and economics, that classical liberal fiction, is largely erased' (Comaroff 2011, p. 145).

Nevertheless, there are currently some attempts to challenge the symbiotic power of corporations and the political elites. Most significantly, the Labour Party's proposals on alternative models of economic ownership seek to radically alter the balance of power in Britain's economy by 'broadening the range of voices involved in making economic decisions, which would in turn help to ensure that our economy meets a wider range of needs and serves a more diverse set of interests' (Labour Party 2017b, p. 7). While the party proposes renationalization of the railways, Royal Mail and utility companies, it seeks to avoid the top-down, centralized approach of the past in favour of more democratic accountability. It therefore suggests that national ownership could be combined with local, regional and community ownership, while management structures could promote the involvement of consumer and employee representatives (ibid., p. 31). Furthermore, cooperative ownership is to be encouraged and

employees are to be granted a ‘right to own’, offering them the opportunity to buy the company in which they work if it is put up for sale (Labour Party 2017a, p. 19). The promised democratization of the economy appears to go some way towards challenging corporate power, as does the pledge to sign no new PFI deals under a Labour government and to bring existing PFI contracts in-house (McDonnell 2017). The Opposition also promises to make a concerted effort to reduce corporate tax avoidance via its Tax Transparency and Enforcement Programme (Labour Party 2017c), and to introduce stricter financial sector regulation, notably by introducing ‘a firm ring-fence between investment and retail banking’ (Labour Party 2017a, p. 16). In a direct challenge to the financialization of the housing sector, the Party also promises to introduce a national land value tax to replace council tax and business rates. This tax, based on the market value of houses and business premises, would discourage land speculation and challenge financialization as high tax bills would render it less attractive for investors to hoard land-based collateral. Imposing such a tax would also be a means of challenging ‘current hegemonic vocabularies and common sense’ about the economy (Massey and Rustin 2013a, p. 16), highlighting the unearned gains of many of those commonly thought of as ‘wealth creators’.

Challenging neoliberal discourse would, however, only be a very small step towards challenging corporate power and thus pushing neoliberalism back. To establish a new counter-hegemonic project, the reforms highlighted immediately above would have to turn neoliberal economic orthodoxy on its head. While these reforms undoubtedly break from the neoliberal consensus, they may perhaps be regarded as ‘no more than a return to what would once have been seen as a moderate version of social democracy’ (Rustin 2017, p. 16). They do not, for example, use the tax system to dilute corporate privileges—indeed, Labour’s modest proposals to raise corporate tax to 26% would still leave the UK with the lowest rate of the G7 countries (Miller 2017). Nor does Labour propose overhauling the financial system to curb speculative derivatives markets, for example. Corporations will undoubtedly lose some markets and be subject to tighter regulation, but the fundamental structure of the economy in which they operate looks set to remain unchanged. Financialization and its processes are so deeply embedded in the British economy and society

that it, together with the large corporations that depend upon it for dominance, will be extremely hard to challenge. As Gamble explains, ending the use of private finance in the public sector will not be enough—it will also be necessary to confront ‘the penetration of financialisation deep into everyday life and consciousness’ (Gamble 2009, p. 87). He is right to note that ‘many citizens have become so used to credit, debt and financial calculation, saving and investment, the mortgage culture, that even such a shock as the present downturn is unlikely to change their behaviour for very long’ (ibid.). It is thus necessary for any counter-hegemonic project to also bring about profound cultural and political change.

## Remaking the Heart and Soul: Building a Counter-Hegemonic Project

Margaret Thatcher famously said that in order to alter the direction of politics and to bury the collectivist approach that had dominated throughout the post-war period, it was necessary ‘to change the heart and soul’ (Thatcher 1981). Along with her neoliberal contemporaries, she rather successfully modified the way many people thought, helping to create a ‘neoliberal common sense’—a ‘more competitive, individualistic, market-driven, entrepreneurial, profit-oriented outlook’ (Hall and O’Shea 2013, p. 11). As these attitudes became entrenched, neoliberalism became part of everyday practice—what Mirowski describes as ‘everyday neoliberalism’ (2013). The UK Conservative government continues to reinforce the prevailing common sense by shifting responsibility from the State to individuals and perpetuating the idea that there is no alternative to neoliberal policies. For instance, austerity is presented as the only possible means of balancing the public accounts, while its negative impact on public services is denied in favour of a discourse that blames individuals, namely migrants, for putting pressure on these same services.

Nonetheless, there is some evidence that neoliberal common sense is being challenged. Of course, it was never entirely dominant, as evidenced by continued support for progressive taxation and key pillars of the welfare state such as the NHS, but social attitude surveys reveal that people are increasingly likely to favour statist over corporate solutions to

contemporary problems. A 2017 poll revealed that 83% of respondents favour the nationalization of water; 77% favour the nationalization of gas and electricity; and 50% favour the nationalization of banks (Elliott and Kanagasooriam 2017, p. 15). Another poll found that 68% of respondents believe that Private Finance Initiatives for funding public projects should be banned (Ellis and Whyte 2016). Furthermore, support for reducing government spending has fallen quite significantly over the past twenty years (from 43% in 1996 to 29% in 2016—Curtice 2017), suggesting that a significant majority of British people are in favour of seeing a reduction in the role of the private sector in favour of the State when it comes to the provision of key public services. This is perhaps an unsurprising finding given the decline in public trust of business to just 43% (Edelman 2018), surely exacerbated by the litany of corporate scandals to erupt over the past decade and more. Yet, trust in government fares even worse, standing at just 36%, with a majority feeling unrepresented (*ibid.*).

This latter finding would suggest that any government seeking to tap into the public mood and build a counter-hegemonic project against neoliberalism will also have to tackle the democratic deficit it has exacerbated. Colin Crouch most famously highlighted the tendency of neoliberalism to undermine democracy in his 2004 book, *Post-Democracy*, in which he described a world in which governments are more responsive to corporations than citizens. Wolfgang Streeck provides a wonderful illustration of post-democracy in practice, citing Angela Merkel's preference for a 'market-conforming democracy' whereby, according to the Chancellor, democracy must meet the expectations of markets, even if this requires changing the often long, drawn-out decision-making procedures of the democratically elected Bundestag (Streeck in Crouch et al. 2016, pp. 500–501). Under neoliberalism, the failure of political democracy is fuelled by the lack of economic democracy, as organized labour is crowded out from decision-making processes and dissent is quashed by the strong arm of the law.

Restoring democracy is the best way to build a counter-hegemonic project to the extent that the power of the economic elites will be displaced in favour of that of ordinary citizens who will then have the opportunity to frame the debate and construct an alternative common sense from below. Consequently, Ayers and Saad-Filho regard 'the expansion of

democracy’ as ‘the most effective lever for the abolition of neoliberalism’ (2015, p. 599). They are supported by Brenner et al. who oppose the ‘radical democratization of decision-making’ to ‘the principles of market discipline and corporate rule on which neoliberalization has been based’ (2010, p. 342).

What are the chances of such decision-making procedures being implemented in Britain? As part of its plan to widen ownership of the economy, the current Opposition promises more decentred decision-making processes that allow employees, service-users and representatives of local communities to play a more active role in developing policy. There certainly seems to be a demand for such popular participation given the post-Brexit desire to ‘take back control’. It is as yet unclear how a future Labour government would be able to make good on its promises without significant reform of the Westminster system and its preference for parliamentary over popular sovereignty. Nonetheless, even if it is not yet fully developed, a real alternative to the neoliberal project is now present in the UK. If the lack of such an alternative can help to explain why neoliberalism did not have its “Berlin Wall moment” of irretrievable collapse’ in 2008 (Peck et al. 2009, p. 95), the existence of an alternative today may pave the way for such a moment in the near future, should the failures of neoliberalism be highlighted by another major scandal or economic crash.

## Conclusion

There is much evidence that neoliberalism is on shaky ground, often regarded as the source of economic problems and social inequalities rather than their solution. Yet, the project continues to show a remarkable capacity for adaptation and survival, no matter what the political hue of the government in power. In Britain, it is energetically defended by the current Conservative government, despite some rhetorical flourishes about the need to control markets and tackle inequality. The neoliberals are still influential in the Conservative Party, as ‘most Tory MPs are Thatcher’s children’ (Bale, quoted by Beckett 2017). To a considerable extent, the Conservatives have succeeded in revamping and repackaging neoliberalism, pursuing public austerity and private profligacy to ensure it emerged



from the 2008 crisis intact, while preaching the case for a more inclusive economy.

Nonetheless, the neoliberal consensus that characterized British politics for the past thirty years and more has most certainly broken down as the Labour Opposition proposes a widening of political and economic democracy at the expense of corporate power. While it is essential to develop a concrete alternative to neoliberalism if it is to be challenged at all, it is far from certain that Labour's strategy is sufficiently radical to overthrow the project and the powerful interests that support it. Furthermore, as Brenner et al. point out, neoliberalism is a global project and can therefore only be challenged by market-restraining agendas applied on a global scale (2010, p. 342). In the present political conjuncture, it would seem that there are few signs of neoliberal power being diluted in other key sites of neoliberalism, such as the United States or Europe. Although Donald Trump has turned his back on some key aspects of the free market, his policies are still designed to ensure the dominance of corporate power.

In the immediate term then, it seems the most likely scenario is some taming of neoliberalism and perhaps a halt to neoliberalization to prevent the project from advancing further. Rather than going beyond neoliberalism, we are instead then moving towards post-neoliberalism, whereby the core features of the project—namely the power of global finance—remain clearly discernible. Indeed, Springer suggests that we are already living in a post-neoliberal moment and, in fact, always have been, since neoliberalism is never a noun but always a verb, constantly evolving and adapting to changing circumstances to ensure its survival (Springer 2015). Certainly, no pure form of neoliberalism has ever existed, suggesting that even a heavily diluted version of neoliberalism under a Corbyn-led government would still be neoliberalism all the same. This does not, however, mean that the eventual overthrow of neoliberalism is impossible, simply that this may be a long process requiring a favourable local *and* global, political *and* cultural, conjuncture. As Massey and Rustin point out, while the preconditions necessary for a Gramscian 'war of manoeuvre' do not currently exist, conditions *are* ripe for a 'war of position', waged slowly over a long period of time to establish new ways of thinking and political action capable of vanquishing neoliberalism (2013b, pp. 203–204). Yet, this is a dangerous strategy for the Left as uncertain times may just as easily

allow new challengers from the Right to fill in the cracks in the neoliberal consensus.

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# 3

## Resisting the Zombie Economy: Finding the Right Metaphor for Neoliberal Crisis

Johnna Montgomerie and Ruth Cain

This chapter explores how neoliberalism becomes embodied in practices of resistance.

Neoliberalism exists as an amorphous idea. It can manifest as a public policy platform; for example, in the Third-Way politics of the 1990s. Neoliberalism also manifests as an institutional norm; for example, the Washington Consensus in the International Financial Institutions that govern the global economy. And neoliberalism manifests as a coherent and recognizable epoch that began in the 1970s, now neoliberal hegemony appears to be in decline. Engaging with the convoluted manifestations of neoliberalism, makes it difficult to pin down the process of decline as it unfolds in real-time. Since the outbreak of the Global Financial

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Crisis (GFC) in 2008, amorphous neoliberalism is also in flux. Unpacking the political economic and socio-cultural dynamics of neoliberalism in crisis brings with it a new challenge of analysing change in real-time. Bob Jessop (2015) explores this in detail through what he calls ‘construals’ of crisis, which refers to the overlap between overdetermined material manifestations of crisis and the intermediate subjective semiotic processes of meaning-making. For him, the effects of 2008 in neoliberal economies are shaped by the variation, selection and retention of crisis construals that are ‘markedly uneven “distribution of crisis effects”’ (p. 97). Thus, those living and experiencing neoliberal crisis will do so differently and, as a result, will limit the capacity to understand and act against neoliberal crisis. For Jessop, this variation does not eliminate the scope for counter-hegemonic narratives, as ‘pessimism of the intellect and optimism of the will’ (p. 110) enables many actors seeking to disrupt or end neoliberalism to recognize the symptoms of deep structural crisis as a moment to act. Movement and fluctuation signal the possibility for change after decades of neoliberal entrenchment.

In early June 2016, just before the UK voted to leave the European Union and almost five-months before Donald Trump was elected US President, a group of just over one hundred academic and non-academic experts came together in London for a conference, *Beyond the Zombie Economy: Building a Common Agenda for Change*, which brought together different groups of experts to debate and discuss how to bring an end to the austerity agenda in the UK.<sup>1</sup> At this time, the veneer of credibility austerity enjoyed was already tarnished, as there was no meaningful recovery or rebalancing of the UK economy away from debt-dependent growth. On the contrary, austerity offered a doubling-down on debt-driven growth, as interest rates remained at historic lows and the Bank of England agreed successive rounds of Quantitative Easing (QE). Debt became the main engine of economic activity seeking to drive a recovery. Since 2010, routes out of crisis were closed as austerity and protracted stagnation became the political justification for the ‘new normal’ (Roberts and Soederberg 2014). The timing of the conference was prophetic; the discussions were

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<sup>1</sup>For details of the conference, see: [http://www.perc.org.uk/project\\_posts/beyond-the-zombie-economy-building-a-common-agenda-for-change-1st-2nd-june-2016/](http://www.perc.org.uk/project_posts/beyond-the-zombie-economy-building-a-common-agenda-for-change-1st-2nd-june-2016/).

dominated by an urgent call to recognize how economic failure was causing political instability and social decay, leading to growing support among the far Right in Anglo-America. At that time Brexit and Trump seemed like farcical threats, the neoliberal status quo was the only 'credible option', and political polls all predicted this outcome to be unlikely. However, Anglo-American electorates veered heavily to the Right in response to rage against globalization the electorate have embraced an imperial nostalgia to 'Take Back Control' (Brexit) and 'Make America Great Again' (Trump) on behalf of the 'left behind'; the cracks in neoliberal credibility are plain for all to see.

This chapter details how expert engagement on austerity and neoliberalism in crisis transformed into a shared agenda for change. It describes a form of action-research between different types of experts from the academy and the public policy community. Specifically, (1) academics from a range of social science disciplines (heterodox economics, sociology, politics, cultural studies, anthropology); (2) non-academic economists and policy researchers working in the third-sector; (3) civil service economists and policy researchers. These experts were invited to attend a one-day collaborative workshop seeking to design a new 'anti-austerity' platform. The chapter interrogates how resistance to neoliberalism became embodied in collective acts of meaning-making using a 'working metaphor' of the Zombie Economy, and investigates the method and outcomes of this collaboration between academic and non-academic experts as they acted together to diagnose, understand, analyse and act against austerity, in particular, and neoliberalism, in general. In the first instance, during the planning stage of the conference, there was a directed effort to establish a common 'problem' identified by overlapping groups of experts. Namely, that the Anglo-American response to the 2008 GFC was bailouts for a lucky few within the financial services industries, deemed by government to be too big and too strategically important to fail, but austerity for the rest of society (Montgomerie 2016). Efforts to discredit the austerity agenda were present from the outset; for example, many macro-economists were explicit in their condemnation of fiscal consolidation as a means of stimulus (Krugman 2012; Atkinson and Roberts 2012; Boyer 2012). However, austerity persisted because it offered a common-sense understanding of economic crisis



and the solution to it. Therefore, the challenge to participants at this conference was to find a way to collaborate that could produce a meaningful shared agenda that would counter or dismantle austerity, in the belief that this approach could effectively combat the insurgent right wing. This problem was solved by developing a working metaphor that would allow different types of expert to engage meaningfully with each other.

The Zombie Economy became the working metaphor that informed the theme of the conference. The zombie was chosen because it represented the embodiment of economic decay experienced since 2008 coupled with the monstrous violence inflicted on people as a result of austerity. The phrasing ‘beyond the zombie economy’ became the strapline for the conference to signal a deliberate movement away from simply ‘anti-austerity’ activism towards a new, yet-to-be-discovered path beyond neoliberalism; an invitation to imagine a new horizon and to think collectively about how we get there. However, the working metaphor of the zombie economy had only a limited use; once the conference was underway, the participants chartered their own course towards a ‘shared agenda for change’ without a zombie in sight. The final section of this chapter details the collective artistic output of the conference, to unpack how collaborative working across expert communities produces a tangible set of shared understandings about neoliberalism in crisis. From this unique vantage point, we unpack the poster image to explain how the dominant assumptions about what neoliberalism is work together with visions of resistance to reveal something new about the counter-hegemonic movement against neoliberalism using the lived experience of austerity.

## **The Zombie Economy—On Metaphor and Meaning-Making Under Austerity**

The impetus for the June 2016 Conference, *Beyond the Zombie Economy: Building a Common Agenda for Change*, was an ESRC seminar series grant that encouraged developing impact pathways with non-academic research users. Using action research to organize the event was the most appropriate method given the desired outcome was to change existing practice and create a shared agenda. Thus, the conference was designed as a method of

collaboration between different types of experts, from the academy as well as other organizations focused on economic policy more generally. As a population, academics and non-academic experts in economics and public policy share a specific lexicon but use a plurality of methods to interpret the current political-economic epoch. Different cultures of expertise exist for individuals working within different institutional landscapes (university, civil service, think tank, policy organization, grassroots campaigns). The conference design sought to bring these individuals into debate and dialogue (acts of collective meaning-making) with the aim of co-producing a shared agenda. To accomplish this, the conference design sought to trouble established expert practices. For example, plenary sessions were female-dominated and framed as ‘provocations’ rather than research or policy presentations. The collective conference space had a ‘commitment wall’ for participants to communicate by post-it note what they would do after the conference. In the same collective space, an artist-in-residence illustrated the different dialogues at the conference; at the end, these were translated into a single artistic output. This design sought to mitigate the clash between different cultures of expertise; specifically, how academic research is embedded in knowledge practices of the University culture of publications and teaching. By contrast, civil service and third-sector research is shaped by a culture of recognizable outputs that action change in policy, regulation or organizational practices.

In the context of austerity, these two cultures of expertise share a common object of analysis and critique; however, the different organization of their research cultures keeps these two groups from collaborating effectively. The desire for a working metaphor emerged out of the baffling success of ‘the household’ metaphor to justify austerity post-2008, but also present in the logic of structural adjustment under neoliberalism. In other words, austerity was justified by regularly comparing and drawing equivalence between state and household budgets in which a crisis is an external shock (not internal to workings of finance-driven growth) that requires the household to curb expenditure to pay down debts incurred before the shock. For example, Britain must ‘live within its means’ in response to Labour having ‘borrowed and borrowed and borrowed on our nation’s credit card’ (Osborne 2011). The standard economic critique of this political rhetoric is to point out the logical flaws of thinking that the

state is like a household and treating public and private debt as the same. Of course, the state is nothing like a household: the British state creates its own currency (£ pound sterling) and issues its own debts (gilts, bonds); by contrast, households must use the national currency and borrow from banks. More importantly, the British state can ‘monetize’ its debts through the programme of QE. In such cases, the Treasury issues debt to the Central Bank, which results in the expansion of the national money supply by adding new (sterling) reserves to the Bank of England’s balance sheet. However, no matter how accurate this technical argument is, the household is a powerful metaphor that allows for the ‘debt story’ to be told, which is not about economic facts but rather about political storytelling about the economy (Montgomerie 2016).

An easily understood metaphor of ‘the household’ enabled the advocates of austerity to gain public consent using a simple and relatable idea after years of confused experts trying to explain how the GFC unfolded. Thus, the impetus was to cultivate a meaningful metaphor that would resonate with people, but also connect to the dangers and downsides of austerity. Economic metaphors are important to illustrate the distinct features of specific economic systems that exist at particular times. The Great Depression, for instance, uses a psychological framing of ‘depression’ to depict the dynamics of an economic system incapable of recovering from financial collapse. The metaphor in this case is the ‘zombie’ economy, depicting the economic system as an unthinking monster in relentless pursuit of a single objective—here, short-term profits as synonymous with human brains.

This builds on from the well-used ‘Zombie Banks’ metaphor made popular in the 1990s to describe the Japanese financial system. The dead but still living bank requires endless public subsidies, like fresh brains from living humans, to keep the banking system solvent, but the result is the systemic erosion of economic vitality. The lesson from the Japanese Zombie Banks was that feeding the zombie only breeds more. The zombie economy metaphor is useful because it draws explicitly on the themes of undeath, probing the neoliberalism interregnum. The zombie metaphor also brought with it the shared literature of political economy expertise. The critique of orthodox economic ideas was described by Quiggin (2012) as *Zombie Economics*, where ‘dead economic ideas’ still walk among us. Similarly, Colin Crouch’s ‘strange non-death of neoliberalism’ explains

how ideology and the political power of ideas drive austerity, not private market factors, and how the amorphous dynamics of neoliberalism allow it to survive even if parts of the market structure die. These ideas connect to everyday practice in meaningful ways. For example, when Chuck Prince, then CEO of Citigroup, said in July 2007: ‘When the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you’ve got to get up and dance. We’re still dancing’. These words are the rallying cry of the zombie bank; as long as Central Banks keep interest rates low to negative and there is a blank cheque or a bazooka option (a public ‘unquantified’ risk guarantee) then zombie banks will continue their march for global market domination, regardless of market and systemic crisis. As long as governments remain committed to step in and provide direct bailouts, asset buy-back schemes and support rounds of QE, then the financial sector will keep on making short-term profits regardless of the structural crisis going in on the wider economy.

## Sharing a Vision of Change—Collaboration Between Cultures of Expertise

Using a collaborative encounter method of knowledge exchange, the *Beyond the Zombie Economy* conference sought to facilitate meaning-making forms of interaction to produce a *shared agenda for change*. To assess how the objective of bringing together different cultures of expertise seeking to find alternatives to austerity was achieved, this section investigates the ‘Common Agenda’ poster created by the artist-in-residence in conversation with the participants at the conference.<sup>2</sup> Therefore, the chapter jumps from the planning stage of the conference to its final output, to explain in detail how the zombie metaphor informed the planning stage

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<sup>2</sup>Artist Eduardo Barelli, worked closely with participants and in conversation with organisers to produce this output, therefore authorship is difficult to attribute. It is more accurate to credit Eduardo Barelli as the illustrator of the poster. The purpose of an ‘artist in residence’ during the conference was to keep all participants conscious of how the non-expert understands, interprets, and derives meaning from the topic of economics, governance, and crisis. It was successful as a centre-piece of reflection and conversation during the breaks, but also became a representational item that distilled the contributions made by plenary speakers, panels and routable discussions.

but was ultimately abandoned in its outcomes. The zombie as metaphor connects the undead ‘ideas’ of the elites (a zombie has no brain, only the instinct to accumulate other people’s brains for sustenance), the physical and mental pain inflicted on ‘the masses’ (zombie hordes that remorselessly kill as they move forward), and the much deeper state of undeath of neoliberal governance. However useful the metaphor was in bringing people together, the monster was abandoned in the conjuring of a shared agenda. This is a positive and meaningful result, as it demonstrates how experts can conjure a hopeful vision of change by addressing a common ‘monster’ threatening the economy and society.

More significantly, making the connection between the beginning and end of the collaboration makes visible the important connections between action research process and outcomes. In this case, the conference provides a platform for collaboration that created a unique vantage point into the unfolding of the crisis of neoliberalism in real time. The Common Agenda output is illustrative of a different style of ‘technocratic crisis management’, very different from what you would get in government or institutions such as the central bank. Rather, this method of expert collaboration foregrounds interdisciplinary collaboration and non-academic knowledge exchange to produce creative and coherent outcomes.

Thus we explore in detail the ‘Common Agenda’ poster image to unpack how collaborative interaction that is focused on shared meaning-making produces innovative outcomes. From this output we can explore neoliberalism as a dynamic process as much as a distinctive concept. There are important varieties of neoliberalism, yet they coalesce around recognizable patterns of movement from a liberal welfare-based approach (connected to the post-war Keynesian epoch) to an attempt to remodel it into a competitive-driven governance (Peck 2004; Brenner and Theodore 2002). This shift incorporates classical liberal philosophy of freedom for the individual—granting certain universal rights in a system based on supreme law (Davies 2017)—together with an economic liberalism stressing free markets that operate in a legal framework to secure contract and property rights—to produce a recognizable political economic model (Cerny 2008). Moreover, these hegemonic ideas are indicative of the renewed class power of the wealthy transnational elite after the crisis of Keynesianism

in the 1970s (Larner 2000; Harvey 2007). This epochal notion of political economic change was shared by most conference participants, and it frames the Common Agenda poster in which the features of neoliberal financialization, namely the unequal experience of elites and masses, is seen as indicative of this historical period and capable of changing rapidly (Figs. 3.1 and 3.2).

At the top, we have the Elites, here represented as a very specific generation of corporate elite that would recognize the 1980s boom box as the ‘must-have’ consumer good for a particular generation. Flanking the easily recognizable old white man in a suit as the embodiment of the global manager, is a space shuttle seeking to reach the moon, to represent the promise of progress inherent in the Golden Age of capitalism which the corporate managers of today enjoyed in their 80s youth. On the other side, there is a men’s work suit jacket, shirt and tie, the uniform of global

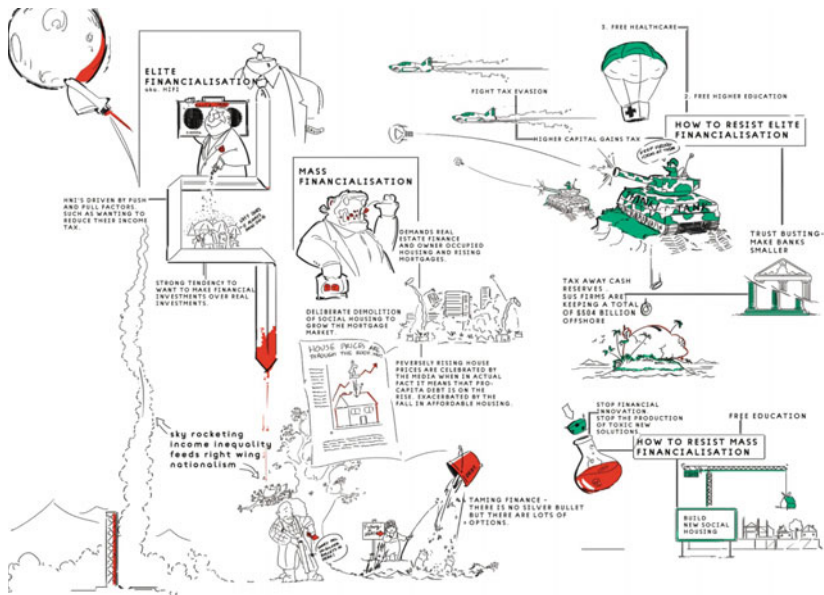


Fig. 3.1 Common agenda poster. As with a text, read from top left to bottom right

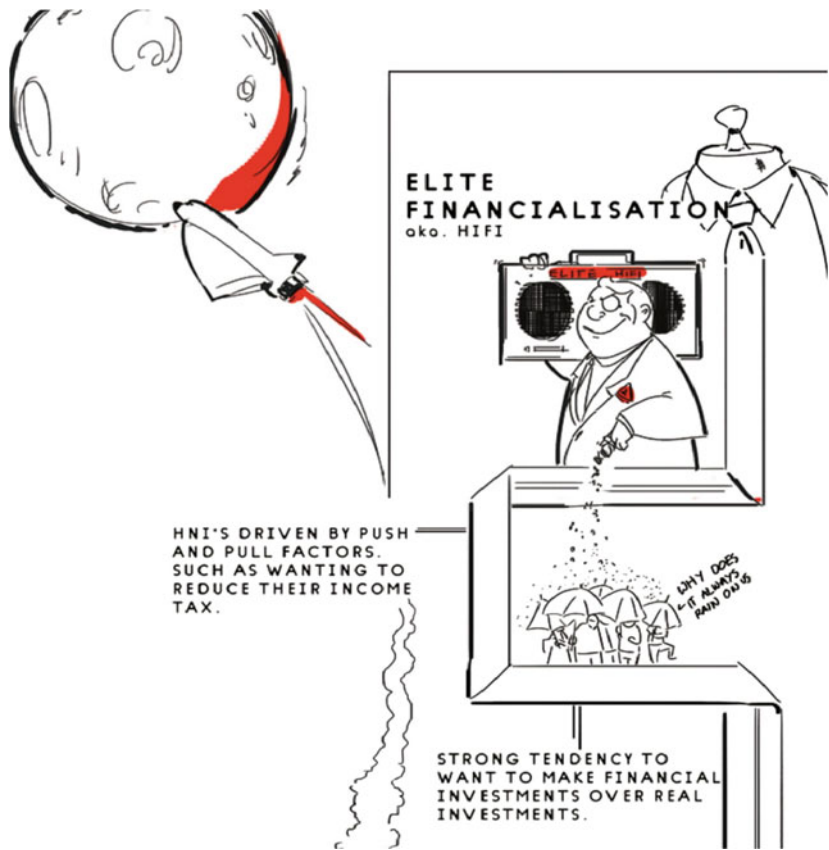


Fig. 3.2 Elite financialisation

business elite, as recognizable as the British Red Coat as a symbol of imperialism. Here, the business suit is disembodied, but ready to be deployed when credibility must be maintained. These symbols are labelled 'HIFI' or High-Income Financialised Individual, but represent the specific group of elites that make up the 'high net-worth individual' (HNI) or those that are the clear winners of financialization, those rescued from the harm inflicted by the GFC, and those firmly in charge of giving legitimacy to the austerity agenda. This is an explicit attempt to use a representational register to show how crisis is embodied in recognizable groups of people; those born

at a certain time, those that work in specific sectors, those at the top of the income distribution. Underneath the rich man in a suit is a group of people holding umbrellas, evoking the notion of 'trickle-down economics' in which the wealthy individual rains down fragments (of money or bread crumbs) on the population below. To which they are left wondering: 'why does it always rain on us?' These are not grateful recipients; they do not reach out for the rain, they wonder why they must endure it. The connection between elites at the top and population at the bottom is explained as 'HNI's driven by push and pull factors, such as wanting to reduce their income tax' and 'Strong tendency to want to make financial over real investments'. These two statements are offered as an easy explanation of the different preferences, or class positions, of high-net worth individuals and the general public; they want different things but only one group is on top, with the power to download costs (via austerity) on those lower down the income distribution.

This vantage point of austerity connects to the neoliberal epoch in the representation of renewed class power and ever-more severe economic crises. Beginning in Mexico in the 1980s, neoliberalism is marked by repeated crises: the US Savings and Loans crisis in 1986, the LTCM crisis in 1998, the UK crashing out of the European Exchange Rate mechanism in 1992, the third-world debt crisis rolled out across the Global South until the 1990s, the East Asian crisis in 1997, the 2001 dot com bubble and then the 2008 GFC. This record of global market instability marks neoliberalism as an epoch of permanent crisis (Bello et al. 2005). However, despite the permanence of crises, neoliberalism remained resilient in the face of instability; that is, until the 2008 GFC. It seems neoliberalism faces a global crisis on a scale that may be hard to grasp using the well-worn technocratic tools that mainstream economics and politics provide (Sassen 2014; Earle et al. 2016) (Fig. 3.3).

The downloading of crisis is evoked as a blood-soaked sword from above dripping blood on a working man (another man), who explains in a common-sense way 'Sorry pal, no silver bullet here!' The working man is standing in front of a tree with nesting birds that is next to a range of mountains, demonstrating his position within the natural environment; unlike the high-net worth individuals above nature, clinging to their prized consumer goods. What connects the working man to the rich man is a





**Fig. 3.3** Lived experience of austerity

steam cloud rising up from the everyday reality into the stratosphere of the global economy and explaining how ‘sky rocketing income inequality feeds right-wing nationalism’.

Next to the man in front of the tree is a representation of the community of experts as a lone person with a hat and coveralls ‘fishing for new ideas’ in a pond in which another person is drowning, arm outstretched trying to get above the waterline for breath as another full bucket of water is poured over him, labelled ‘DEBT’. Here the expert as observer of the pain and suffering of others is rendered visible and painful; he/she looks for new ideas while a fellow human being drowns, helpless but not willing to give up. The outcomes of the discussions across the expert groups on ‘what to do about debt’ appear in the artist rendition in the phrase next to the person fishing as ‘Taming finance – there is no silver bullet but there is lots of options’. Again there is a slight mixing of monster metaphors, where the silver bullet which kills a Werewolf is conflated with a method to kill Zombies, but it seeks to articulate the notion that the existence of one single method (like, a revolution) to end neoliberalism or financialization does not resonate with the people at the workshop; rather, they recognize the many overlapping ways in which action can end the harm caused by austerity (Fig. 3.4).

Therefore, it is at the juncture between the rupture of crisis, its spilling out of the marketplace into the rest of the economy and society, and the



Fig. 3.4 Mass financialisation

steadfast support for a global market civilization, that we confront the difficulties of understanding neoliberalism in real-time. What this tension reveals is a different new way of seeing neoliberalism as simultaneously powerful and weak, alive and dead, echoing Colin Crouch's (2011) analysis of the 'strange non-death of neoliberalism', which juxtaposes the comparatively rapid death of classical liberalism in early nineteenth-century England with the contemporary resilience of neoliberalism to emerge from financial collapse 'more politically powerful than ever' (p. x). Alternatively, it may be that neoliberalism is living through what Gramsci (1971) called the interregnum: 'The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear' (p. 276); which Žižek (2010, p. 4) interprets as 'now is the time of monsters'.

Upwards from the person 'fishing for ideas' comes the main example of how global-scale processes like financialization and neoliberalism are connected to everyday practices of economic participation, through housing. Here, the metaphor of the Zombie Economy becomes a way of understanding and communicating about a concrete problem that each group of experts can recognize as a source of harm that requires action to address. Here the overlapping policies of social housing, private renting and homeownership that make up the UK 'housing market' are made completely dysfunctional because of the Zombie Economy. While the media celebrates ever increasing property prices and recounts with glee Thatcher's 'Right-to-Buy' scheme, those harmed by those policies are silenced, as social housing is in crisis, private rents soaring and homeownership becoming increasingly unaffordable for most people not already on the housing ladder. These market distortions materialize as pernicious harm to many, but exist because they are profitable for markets, which are represented here as a large hippopotamus in a suit. This is indicative of the vision of a 'large herbivore' capitalism analogy, which contrasts the vision of the capitalist as carnivore, cleverly hunting its prey, with one of an enormous lumbering but powerful creature that must sustain itself by eating tonnes of paper contracts (whether they are mortgage debts or government contracts). Here, 'mass financialization' is the feedstock of financialization, where millions of contracts become the steady stream payments the entire global financial sector depends upon to sustain itself.

Prior to 2008, the resilience and persistence of neoliberalism created a significant barrier to transformative action. As Jamie Peck (2010) articulates, neoliberal capitalism has ‘become mired in the unending challenge of managing its own contradictions, together with the social and economic fallout from previous deregulations and harmful interventions. It fails, but it tends to fail forwards’ (p. 106). The pattern of sustained economic crisis does not discredit neoliberalism *tout court*. Rather, each round of economic crisis seems to embolden neoliberalism to advance with evermore deregulation and wrong-headed economic and political interventions. ‘Dead but dominant’ is the zombie: ‘the brain has apparently long since ceased functioning, but the limbs are still moving, and many of the defensive reflexes seem to be working too. The living dead of the free-market revolution continue to walk the earth, though with each resurrection their decidedly uncoordinated gait becomes even more erratic’ (Peck 2010, p. 109).

Figure 3.5 depicts the strategies for resistance. Taxation appears first as weapons (jets and tanks) to wield against powerful elites or elite financialization—ending tax evasion and higher capital gains—to effectively combat the power of the herbivore capitalist mindless degradation of the physical and socio-economic ecosystem; for example, by bringing the \$504 billion USD held offshore by the 5 biggest multinational corporations (MNCs). In turn, more taxation will link to social justice objectives of free health care and education for citizens regardless of their place in the social hierarchy. Another way of resisting elite financialization is to reform the financial system in general by making banks, in particular, smaller, which would have the benefit of building trust in finance to serve a meaningful purpose in society. Here the image of financial elite as rent-seeker is visceral; making ‘profit from what they did not produce’ is a sin against liberal markets, according to Adam Smith, that is echoed in the outrage that finance is enriching itself at the expense of everyone else. The image of the plump piggy-bank unable to fit on a small tropical island, shows that these offshore holdings of wealth are marooned, of use to no one except the financial elites.

Figure 3.6 depicts resistance to mass financialization as a separate but complementary set of objectives to bring about an end to the pernicious elements of integrating finance into the intimacies of everyday life. First, resistance begins with an effort to stop solving problems caused by

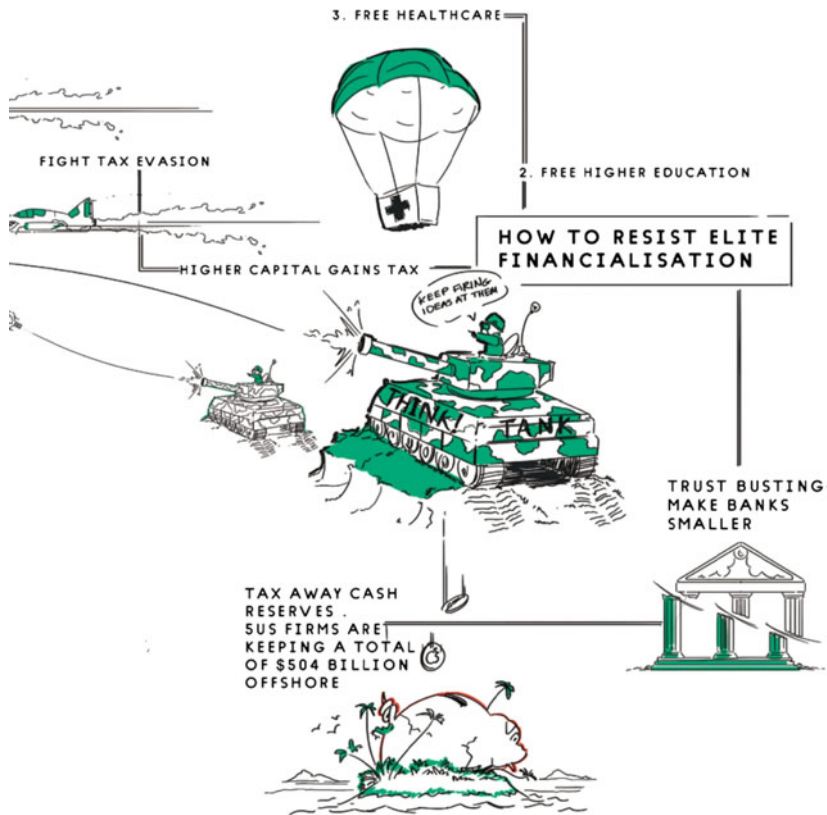


Fig. 3.5 Resistance to elite financialisation 1

financialization with financial innovation that is actually toxic; in other words, the cause of crisis cannot be its solution. The future of resistance is not better ideas or different economic models; instead, more concrete outcomes need to be sought. When the different cultures of expertise sought modes of resistance, the focus was overwhelmingly on offering the public concrete solutions to their problems, like free education or building more social housing, rather than a coherent narrative.

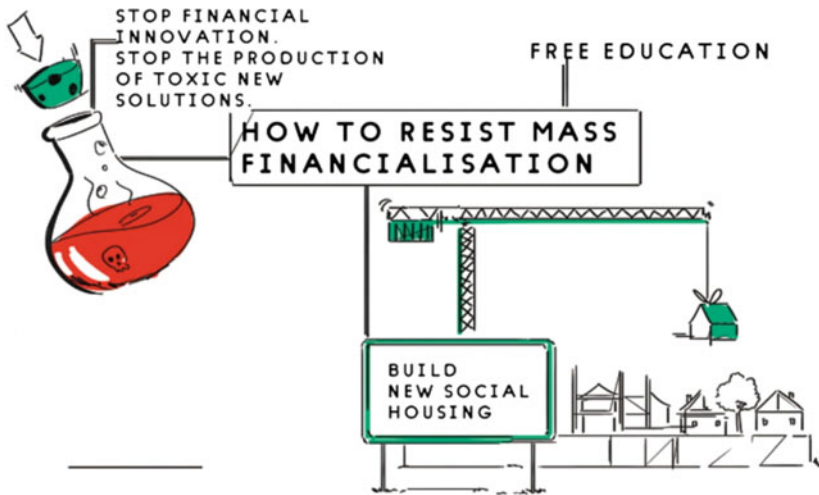


Fig. 3.6 Resistance to elite financialisation 2

## Conclusion

This chapter explored how resistance to neoliberalism can be embodied in acts of collaboration. It details the planning and outcomes of a collaborative encounter workshop ‘Beyond the Zombie Economy: building a common agenda for change’, held in June 2016, in London, United Kingdom. The purpose of the conference was to bring together different cultures of expertise to co-produce a new vision for the anti-austerity agenda. Rendering the complexity and depth of crisis facing Anglo-America clear enough for experts to engage meaningfully was accomplished by cultivating a shared metaphor, the zombie economy, because it is the best method to facilitate ‘meaning-making’ forms of interaction. The zombie metaphor captures the collective dynamics of crisis; after all, the zombie is not one monster, or a lone threat. Rather, the Zombie as horde is an unstoppable mass. Thus, the crisis of austerity is not one of just economic management; it rather connects to much bigger systemic problems. Here, we connected directly to how Nancy Fraser’s (2014) account of the ‘triple crises’ of finance, social reproduction and the environment, frames our collective desire to develop new paths to political economic renewal. With

financial crises becoming more severe and environmental crises becoming more persistent, unsustainable pressure is placed on society; specifically, by demanding ever-more from (unwaged) work in the home and community to cope with market failures. As the political and economic elites are continually forced to cope with the on-going failures of finance-led growth, we see the consequences of their collective failure pay out in everyday life knowing there is no planned alternative.

A collaborative conference framed around moving ‘Beyond the Zombie Economy’ sought to reshape the tone of austerity to start developing ways out of the enduring economic fragility and looming global crises; while the sub-clause, ‘creating a common agenda for change’, sought to articulate the act of resistance against austerity, in particular, and neoliberalism, in general. The advantage of using the zombie as a working metaphor is that it facilitates a point of convergence from which to develop new ways of thinking and communicating alternative frameworks for solving twenty-first-century problems. This meant, in the first instance, reframing the rigid categories that constrain our ability to forge alternatives to austerity, specifically, and financialization more generally. The zombie economy allowed both cultures of expertise to move beyond the enforced distinction between economics, politics and culture as separate fields of inquiry; but also established distinctions between private and public, states and markets, finance and the real economy, digital and real economy, production of things and the reproduction of people. Importantly, however, the use of a working-metaphor was only meaningful in the planning stages, helping experts understand their common vision of the harm caused by austerity and enabling them to work together to conjure a new, shared, direction for change. Thus, the zombie allowed the participants to carefully navigate the dead and living parts of neoliberalism in order to devise a collective plan to overcome it.

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# Part II

## Neoliberal Governance



# 4

## Different Routes Up the Same Mountain? Neoliberalism in Australia and New Zealand

Guy Redden, Sean Phelan and Claire Baker

According to Palumbo and Scott (2017, p. 6), neoliberalism is somewhat like a fruit machine, in that ‘the component elements can be spun and re-spun’ as times change and circumstances afford particular actors opportunities to liberalize, privatize and marketize. Thought of in this way, neoliberal reform patterns may be considered flexible, adaptive and dynamic, and more tied up with an ‘endless search for innovation’ (Newman 2013, p. 210) and constant re-regulation (see Vogel 1996) than the desire to achieve a fixed goal. It seems this flexibility even includes the

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ability of neoliberal rationalities to thrive in circumstances that seem to disconfirm their efficacy, such as the Global Financial Crisis (GFC), which, despite requiring state correctives to liberalized markets, in many places ‘set the stage for another neoliberal counteroffensive’ (Peck et al. 2012, p. 266).

While neoliberalism can be theorized in numerous, potentially conflicting ways, this chapter is premised upon the idea that above all else it remains unfinished business, and we thus continually need to reflect on its course, especially if we are to imagine other-than-neoliberal ways of organizing social institutions. Its historicity unfolds as a protean yet recursive play of similarities and differences that can be traced across time and space. Our aim is to capture how its political rationality has been put to work in (comparatively) explicit, euphemized and disavowed ways in Australia and New Zealand since the 1980s. The point of such a history of the present is not that we can examine or compare every possible instantiation of neoliberalism ‘down under’, rather that we can sketch some of its workings in relation to local contexts. This examination may shed some light not only on how neoliberal projects form, adapt and reproduce through variation of constituent elements, but also how they produce faultlines that ensure local articulations remain contingent and contestable.

## Neoliberalizing Australia

Ever since the Chilean coup d’état of 1973 allowed Chicago-School thinkers to play a direct role formulating policy for the Pinochet regime, neoliberal approaches to governance have been instituted across different kinds of economies and states (Jessop 2013). In democratic, advanced capitalist countries, the most famous origin story centres upon the 1980s New-Right governments of Margaret Thatcher and Ronald Reagan in the United Kingdom and the United States. However, by the late 1980s, neoliberal economic policy was also entrenched in the other Anglophone nations of Canada, Australia and New Zealand (Swarts 2013, p. 81). The fact that in the latter two countries neoliberal reforms were first introduced by centre-left governments confounds the narrative that Anglophone neoliberalism started out as a New-Right project (Humphrys and

Cahill 2017), and the subsequent persistence of neoliberal approaches across the political spectrum in both countries illustrates their adaptive historicity.

Australia—like New Zealand—enjoyed a prolonged period of prosperity after World War II that spanned more than two decades. This period, commonly referred to as the ‘Long Boom’, was characterized by a cycle of growth driven by increasing investment in mass manufacturing production, full employment and rising incomes that in turn promoted mass consumption and rapid population growth (Broomhill 2008, p. 226). Australia’s traditional approach to government and economic policy, broadly defined as labourist-protectionism with a focus on the nation-building role of the state (Lloyd 2003, p. 417), saw industrial and labour markets heavily regulated and with a distinctive, centralized industrial relations framework that allowed wage awards to be fixed nationally across industrial sectors. In this context, the proportion of GDP going to labour rose from 47% in 1960 to 58% by the mid-1970s (Stanford 2018, pp. 19–20). However, the significant downturn in the global economy in the 1970s led to economic difficulties in Australia given its relative reliance on basic commodity production, experiences replicated and accentuated in New Zealand. Australia’s dependent position in the international economy meant that it was vulnerable to dramatic fluctuations in income, and the deterioration of Australia’s terms of trade in part led to a balance of payments crisis in 1980–1981 and 1981–1982 (Broomhill 2008, p. 21). This crisis, along with stagflation and high levels of industrial dispute, meant that the traditional labourist-protectionism model came under significant pressure for reform.

The social democratic Labor governments led by Bob Hawke and Paul Keating (1983–1996) answered the call. Their *Prices and Income Accord* of 1983 between the state and trade unions was an attempt to promote economic recovery while controlling inflationary wage movements (Broomhill 2008, p. 231). It enacted significant wage restraint by capping pay rises at inflation via the award system. Meanwhile the Bretton Woods Agreement, the system that had structured the operation of international finance and trade since 1945, broke down, and its replacement by various forms of floating exchange rates changed the world economy and Australia’s relationship to it (Whitwell 1993, p. 16). The first year of

the Hawke government also saw the floating of the Australian dollar and the removal of all significant capital controls. Thoroughgoing deregulation of the financial sector was achieved by 1986, leading to its growth in scale, complexity and international connections (O'Neill and Fagan 2006, p. 209).

In Australia, the worsening current account deficit through the 1980s undergirded a sense of crisis that framed economic policy and reinforced the government's legitimization of fundamental economic restructuring and widespread liberalization (Conley 2009, p. 107). The Accord was renewed several times while Labor was in power, with each iteration introducing new reforms. The centralized award system of industrial relations was finally replaced with direct enterprise bargaining between workers and their employers in 1993. Reform led to the corporatization and/or privatization of many public enterprises, reduced tariffs and protection from imports, and the constraint of public expenditure in a bid to win the approval of the more powerful markets (Dyster and Meredith 2012, p. 295). Increasingly, the political discourse was dominated by the drive towards international competitiveness to the point at which 'all other goals—including social reform, full employment and equity—must await the globalisation of the economy' (Broomhill 2008, p. 232). Notably, this also included the farming sector, where painful structural adjustment challenged the 'agricultural exceptionalism' that had been a central part of Australia's national development (see Baker 2018).

The reforms were legitimated through a distinctively Australian discourse of 'economic rationalism', which drew upon neoclassical economic theory to propose that increased competition and minimal government intervention into markets results in greater economic efficiency (Whitwell 1993, p. 10). Political messages aimed at ensuring popular support, or at least tolerance, of constant restructuring centred upon three core messages: the unsustainable nature of Australia's past economic structure and policy responses (importantly including industry protection and state expenditure); the benefits available to everyday Australians if globalization and a liberalized economy were embraced; and the idea that there was no choice but to change as developments in the world political economy would force adjustment in Australia anyway (Conley 2009, p. 225). This necessitarian rhetoric gained bipartisan political support and was famously captured by

Keating's 1986 comment that an insular, unreformed Australia would face becoming a 'banana republic' (Broomhill 2008, p. 236).

According to Kelly (1992, p. 76) this radical reshaping of labour, trade and financial markets 'signalled the demise of the old Australia—regulated, protected... it was the decisive break made by the Hawke-Keating government with Labor dogma and Australian practice'. However, the reforms certainly did not resemble Thatcher's and Reagan's claimed desire to shrink the state and their hard-line anti-union stances, exemplified by their unwillingness to seek compromise during the miners' and air traffic controllers' strikes, respectively. Australia's was a 'soft neoliberalism' by comparison (Quiggin 2018). Although the labour share of GDP fell back under 48% by the late 1980s (Stanford 2018, p. 19), the Accord included a compensatory commitment to increase the social wage through non-financial remuneration such as compulsory superannuation contributions made by employers, improved health, social and child care benefits, and tax and welfare concessions that benefited low-income workers (Swarts 2013, p. 110).

By the time the conservative Liberal-National coalition government of John Howard (1996–2007) took power, there had been an 'almost complete policy convergence on neoliberalism' in Australia (Bell 1997, p. 358). Substantial macroeconomic reform stalled in the 2000s but incomes rose with historic increases in the terms of trade and mining investment during an unprecedented resources boom that saw strong demand for Australian commodities (Fraser 2015, p. 13). Economic affluence was destination achieved and Howard focused on different kinds of pro-market policies. If, as Jessop states, the most common categories through which neoliberal reform is enacted across nations are 'liberalism, deregulation, privatisation, market proxies in the residual public sector, a commitment to further internationalisation and reductions in direct taxation' (2013, p. 71), it seems harder to place Howard's neoliberalism. Affluence had removed pressures for change and Howard was able to demonstrate market-pleasing fiscal responsibility effortlessly. Healthy tax revenues, especially from mining, led to regular budget surpluses without much need to restrain public spending. But this also afforded the opportunity to alter Australian fiscal policy without much attention or need for promises of future 'trickle down', as Howard was simply redeploying revenue collected during an

unprecedented economic upturn. By 2007, capital gains tax had been halved and the income tax rates payable by the top decile had been reduced dramatically through incremental changes to thresholds and rates that barely affected those on lower incomes in real terms (Redden 2017).

Cuts in direct taxation were only one part of the fiscal reforms, however. Among the ‘micro-structuring’ strategies to boost markets were generous tax breaks and state subsidies for asset purchase and private welfare consumption in health and education. While such state subsidies contradicted ideals of ‘free markets’ to the chagrin of neoliberal think tanks and purists (Cahill 2013), they were an example of flexible re-regulation in the interest of marketization and financialization. Along with privatization of state telecommunications company Telstra, they enacted Howard’s ‘agenda of turning the country into the world’s leading shareholder democracy’ (Greenfield and Williams 2007, p. 108). Housing was another market to be supported via funding the citizen-consumer. For example, a non-targeted, non-asset tested First Home Owners Grant was introduced in 2000, aimed at increasing entry into the housing market and stimulating market activity, but it did little to make housing more affordable, and indeed has been linked to a decrease in housing affordability (Kupke and Rossini 2014, p. 78). Combined with the capital gains discount in the same year, which reduced the tax payable by property investors, it was followed by a 70% increase in property values over the next 3 years (Eccleston 2007, p. 360).

Such measures allowed Howard to pursue an aim similar to that lauded by Thatcher; namely, creating ‘a property-owning society of ordinary citizen-capitalists’ (Swarts 2013, p. 91). Unlike the ‘necessary pills’ of Labor’s previous structural reforms, such market populism gave citizens a more direct invitation to adopt neoliberal ‘investor’ subjectivities of the kind that help expand retail financial markets (Langley 2007). Indeed, this also redirected the welfarism of the Accord in a divisive direction, where huge indirect state spending supported private welfare, while in line with neoliberal welfare agendas, statutory payments for the unemployed and incapacitated were reduced and became increasingly conditional (Stebbing and Spies Butcher 2010). In fact, the system of compensatory income



support payments and social wage arrangements designed to compensate workers for wage restraint during the Accord years became increasingly skewed towards middle-income earners and social conservatism by favouring normative family households, especially those with a primary bread winner (Hill 2006). The idealized citizen became coded as a working, consuming member of a family that looks after themselves and their own via markets, but with somewhat contradictory state support (Redden 2017). In line with other countries, the populist neoliberal appeal to market opportunities 'for all' arrogated social democratic discourses of fairness and responsibility while providing political space for emergent moral panics about 'others', depicted as supposed threats to property-owning aspirational citizens. While for Thatcher these were often strikers, black youths and criminals (Hall 1979), for Howard they were variously asylum seekers 'looking to jump the queue', aboriginals, unemployed 'spongers' and single parents (Connell 2006).

Howard's neoliberalism was more forcefully right wing, but also constituted a reform phase that logically followed on from Labor's market liberalization by encouraging citizens into leveraged participation in the newly deregulated financial sector. This was similar to other Anglophone neoliberal countries by that time (Langley 2007), where citizens' pursuit of asset-based welfare and domestic consumerism became seen as drivers of economic expansion, albeit in such a way that private debt took over from public debt as a tool to boost aggregate demand in the economy—an accumulation model that has somewhat ironically been labelled 'privatised Keynesianism' (Spies-Butcher 2008). By the time Howard was defeated in the 2007 election, there was increasing awareness of rising inequality in Australia. The Australian rate of profits on capital invested had risen from a low of 6.5% in 1983 to a high of 25.3% in 2003, while there was a steady increase in the profit share of GDP at the expense of the labour share (Collins and Cottle 2010, p. 30). Howard's successor, Labor's Kevin Rudd, had even written an essay criticizing the 'brutal' market fundamentalism of 'Howard's neo-liberal experiment' (2006, p. 50). With popular support, Rudd went on to repeal most of Howard's industrial relations legislation, which had set up a framework in which collective bargaining between unions and employers could be superseded by contract negotiations between employers and individuals (Swarts 2013, p. 118).

When the Global Financial Crisis hit in 2008–2009, a Keynesian government response in the form of stimulus spending (Dyster and Meredith 2012, p. 361) and deposit guarantees (Bollen et al. 2015, p. 92) meant Australia emerged relatively well with low unemployment, solid economic growth and low levels of government debt (Parkinson 2011, p. 100).

During the crisis, Rudd published another essay admonishing extreme neoliberal capitalism—apparently freed from constraint by the state—that he saw as responsible for the crisis (Rudd 2009). However, beyond industrial relations, he did little to overthrow previous reforms. Indeed, during the election campaign he had pledged to match a round of income tax cuts for high earners proposed by Howard, and duly implemented them (Redden 2017). Closer attention to his essays reveals that his promise to citizens resembled the Third Way neoliberalism of Blair, Clinton and Clark which viewed widespread access to the opportunities of market society—rather than egalitarian outcomes—to be the new essence of social democracy (Giddens 1998). Ultimately, the Keynesian response to the GFC was a one-off and though Rudd promised fiscal innovation, including a Carbon Tax, he achieved little in the arena except commissioning a major review into taxation. This was premised on the need to enhance the competitiveness of Australia in line with neoliberal optimal tax theory, which aims to maximize efficient economic deployment of revenue and capital rather than taxation for redistribution and revenue raising (Passant 2013).

Rudd was not to see out his second term, having been deposed by Deputy Prime Minister, Julia Gillard, in 2010. Her government maintained a Third Way commitment to moderate social spending while seeking enhanced efficiency in public services. It also implemented a Carbon Tax on major polluters and a Minerals Resource Tax on mining companies in 2012, but with adjustments to income tax that meant the net gain to revenue was small (Wilson et al. 2013). However, from 2012 the government budget went into deficit and the tension between pledging to raise social spending on disability support, health and education while also pledging to maintain a tight fiscal policy came to the fore. Although the annual cost to revenue of the tax concessions and cuts enacted by Rudd and Howard during the mining boom far exceeded the value of any of the post-2012

budget deficits, neither side of politics proposed even their partial reversal, leaving the Labor government to appear fiscally irresponsible.

Against this backdrop Tony Abbott won the 2013 election for the Liberal National Party (LNP) on a tax resistance and fiscal prudence campaign. While a neoliberal regulatory environment had now been developed and maintained over thirty years of centre-right and centre-left governments, and variously articulated with compensatory welfare, financialization, social spending and tax cuts, Abbott brought a harder edge. The mining and carbon taxes were ruled out and in the 2014 Federal budget the government proposed to make around 1000 cuts to social and welfare spending items, arguing that an ‘age of entitlement’—in which welfare dependence is supported by state payments—should be brought to an end in order to help restore the budget (Watts 2016). It also pledged to press on with a tax-cutting agenda. By this time fiscal austerity—in the form of cutting back the welfare state in part to pay for tax cuts designed to stimulate the economy—had been part of neoliberal doxa for decades, and had become a harsh reality after the GFC in countries with huge public debts from bailing out the financial sector (Lauermann and Davidson 2013, p. 125). This global context was conveniently leveraged in a way that gave the language of austerity and fiscal responsibility a purchase in the Australian context that may not have otherwise been justified. Austerity in this period could therefore be seen as the cutting edge of a new phase of neoliberal reform that unpicked or militated against Third Way or ordoliberal type social agendas (Farnsworth and Irving 2018).

However, while these events are too recent to have been analysed in academic circles, it appears the 2014 budget was a signal moment where this ‘new phase’ stalled in Australia. Although ‘budget repair’ dominated politics, the Australian deficits were small by international standards and the public saw the social and welfare cuts as unfair. Abbott was replaced by Malcolm Turnbull, who subsequently won the 2016 election. During this period, even the IMF, an organization that has sponsored market-oriented reforms across the world, was identifying austerity as a ‘neoliberal’ strategy that was more likely to contribute to worsening inequality than economic expansion (Farnsworth and Irving 2018). Turnbull abandoned most of the social cuts and the ‘austerity lite’ platform, but not their flipside: ongoing commitment to further tax cuts that were legitimated by the idea

they would stimulate the economy. Initially, this was via proposed cuts to corporate taxation. The 2016 Budget was dubbed the ‘Laffer Budget’ (Verrender 2016) by sections of the press, due to its idea that the cuts would stimulate investment, benefitting workers down the line—Laffer being the economist in the Reagan administration who first proposed this trickle-down effect.

By now bipartisan favouring of low tax that had seen successive reductions in corporate tax, capital gains tax and income tax for high earners since Hawke and Keating, had given way to a new Labor fairness agenda, which opposed the corporate tax cuts and the income tax cuts for high earners proposed by Turnbull. While the income tax package got through parliament, the corporate tax cuts did not. Turnbull’s government became consistently unpopular in the polls and Turnbull has now lost the prime ministership due to internal LNP politics, but the Scott Morrison government is even less popular at the time of writing.

While it is certainly not true that Australian politics is an explicit battle for or against neoliberalism, the term has been increasingly used critically by Labor, and it can be argued that the neoliberal metalogic of supporting markets in various ways over the last forty years has coincided with key social outcomes of rising inequality, rising private debt and a radical shift in factor income towards increased profits accompanied by a proportional reduction in wages. Numerous data sets including the Household, Income and Labour Dynamics in Australia (HILDA) Survey (Wilkins 2015) confirm the stalling of real income growth for most in Australia since 2009 and the massive shift in wealth towards older generations, who appear to have done well from the asset-based welfare that has inflated house prices—but in a way that is now inaccessible to most younger Australians who also face increasingly insecure work conditions in a country where trade union membership has fallen to just 15% from a high of 50% in the 1950s (Stanford 2018: 29). In this climate, the future of neoliberal reform patterns seem less than certain.

## Neoliberalizing New Zealand

The story of neoliberalism in Aotearoa New Zealand has been told many times before. The ‘New Zealand experiment’ (Kelsey 1997) has been regularly cited as one of the purest expressions of a neoliberal structural adjustment programme (Gray 1999; Menz 2005). It is a story deeply embedded in New Zealanders’ collective memories of a social upheaval that dramatically altered the country politically, economically and culturally.

When New Zealand elected its fourth Labour Government in 1984, few anticipated an ideological trajectory and programme that some saw as ‘out-Thatchering Mrs. Thatcher’ (cited in Kelsey 1997, p. 8). New Zealand was a model of bipartisan social democratic consensus and prosperity in the decades after World War II. However, under the oppressive National Party governments of Robert Muldoon (1975–1984), it experienced sustained economic stagnation (Roper 1997) that exposed the structural weaknesses of a Fordist regime heavily dependent on the production and export of agricultural commodities (O’Brien and Wilkes 1993). Little in the ‘vague’ policy commitments presented by the Labour party during the 1984 election campaign pointed to a renunciation of the country’s social democratic legacy, despite intra-party tensions over economic policy (Kelsey 1997, p. 31). Kelsey suggests that many New Zealanders assumed their own Labour government would embrace a ‘gradual and pragmatic programme of economic reform’ similar to that outlined in Australia’s 1983 Accord (1997, p. 32).

The scale and scope of the cumulative changes that followed was likened to a ‘blitzkrieg approach’ to policymaking. ‘In each case, the “lightning strike” involved a policy goal radically different from the existing configuration, to be attained in a short period, following a surprise announcement and a very rapid implementation’ (Easton 1997, p. 80). The blitzkrieg began before the new government was sworn into office when, acting in a context of deep constitutional uncertainty, the Prime Minister elect, David Lange, announced a 20% devaluation of the New Zealand dollar (Kelsey 1997; Roper 2005).

The decision set the course for a succession of crisis measures that continued after the government was elected for a second term in 1987. Under the symbolic leadership of Roger Douglas, the Minister of Finance whose

name gave local definition to the New Zealand neoliberal experiment as ‘Rogernomics’, different policy changes were justified as logical corollaries of earlier decisions, all deemed imperative to the modernization of state and economy (Easton 1997; Kelsey 1997; Menz 2005; Roper 1997). Exchange rate controls were removed, the New Zealand dollar was floated on international currency markets, and the Federal Reserve Bank Act of 1989 established price stability by a now independent central bank as the overriding objective of monetary policy. The project of liberalizing and globalizing markets in different domains became the *raison d’être* of economic policy, personal and corporate taxes were reduced, and social equity and full employment were largely abandoned as public policy objectives (Easton 1997). The cumulative impact of the changes initiated in the 1980s nurtured greater structural integration of the New Zealand and Australian economies over time, though on comparative terms where the smaller country has been much more dependent on inflows of capital from the other (Conway et al. 2013).

The transformations in the New Zealand state under Labour were thoroughgoing. Different state-owned companies were privatized, subsidies to different industries (including farming) were abandoned, and organizations that remained in national ownerships were reconstituted as commercial operations regulated by the emerging philosophy of new public management (Duncan and Chapman 2010). Prime Minister David Lange assumed a more prominent leadership role in social and cultural policy domains that pacified the left wing of the Labour party, including homosexual law reform, biculturalism and the introduction of nuclear-free legislation (Lawn 2016). Beyond Douglas, much of the economic policy agenda was initiated by a New Zealand Treasury vanguard that had embraced neoliberal and particularly Chicago School doctrine, and acted more like an evangelical think tank than a source of impartial public service counsel. The tumultuous policy upheavals continued even after a conflict between Lange and Douglas led to Douglas’ resignation as Minister of Finance early in 1988, and after Lange himself was succeeded by two Prime Ministers—Geoffrey Palmer and Michael Moore—in the government’s final 15 months.

Labour’s tenure was ‘very far removed from the success story portrayed in the media’ (Menz 2005, p. 51) and marked by high inflation, high interest

rates, spiraling debt, unprecedented unemployment and a global stock market crash that disproportionately impacted New Zealand's recently deregulated financial markets (Kelsey 1997). Nonetheless, the election of the post-Muldoon National party led by Jim Bolger in 1990 saw no let-up in the market fundamentalist programme. Indeed, Roper (2005, p. 192) suggests that Labour 'paved the way for a more obsequiously pro-business and anti-working class government to complete the "unfinished business" of implementing the remainder of the neoliberal policy agenda'. National's focus turned to introducing flexible labour market policies which Labour had been constrained from implementing because of its links to trade unions, and to reconfiguring welfare state policies and entitlements (Roper 2005, p. 195). The Employment Contracts Act of 1991 revoked the special privileges previously accorded to trade unions in a centralized system of industrial bargaining, resulting in a 27% drop in trade union membership in the period from 1991 to 1994 (Kelsey 1997, p. 185). Labour market regimes were recentered on the private relationship between the 'individual employer and the individual worker' (Kelsey 1997, p. 181). Kelsey (1997, p. 192) suggests that the contracts act 'had two goals: to force wages down, and to break the unions'. Union opposition to the act was sporadic and localized, with the leadership of the Council of Trade Unions internalizing the assumption that the changes were necessary to face 'the realities of global competition' (Kelsey 1997, p. 186).

The National government simultaneously embarked on a programme of fiscal austerity that set out to 'redesign' the welfare state, and reduce state provisions in social welfare, education, housing and health (Kelsey 1997; Roper 2005). These policy objectives found strident expression in the self-described 'Mother of All Budgets' of 1991, when, in the doctrinaire fashion of Douglas, the National Finance Minister, Ruth Richardson, offered a quintessential neoliberal diagnosis of the 'financial and human costs of welfarism' and the decades-long 'chronic overspending of the state' (cited in Roper 2005, p. 187). The welfare state was recast as a source of increasingly stigmatized provisions for those most in need, breaking from its historical place as a site of collective pride for New Zealanders (Roper 2005, p. 198). 'Entitlement to publicly funded health care became rigidly targeted' (Kelsey 1997, p. 215), in tandem with a restructuring of the health service that increased the power of the centralized state and private

health providers. Education policy was reconfigured along similar market-centric lines, through policies where ‘in the name of devolution, the state divested itself of responsibility and accountability for the delivery of educational services’ (Kelsey 1997, p. 222). Student loans were introduced at tertiary level, leading to a significant increase in enrolment numbers, but also embedding a marketized view of education within universities. The National government initiated housing policies that displaced the ‘state house [as] a revered symbol of the welfare state’ (Kelsey 1997, p. 224), and introduced full market pricing for state housing rentals. The imperative of fiscal constraint was institutionalized in the passing of the 1994 Fiscal Responsibility Act, which was ‘designed to embed the current fiscal strategy of budget surpluses, repayment of debt, privatization, and low taxation in law’ (Kelsey 1997, p. 232).

The intensity of the neoliberal experiment fluctuated during the National Government’s tenure from 1990 to 1999, and its final term in office began in 1996 as a coalition government with the ideologically protean New Zealand First party. The 1996 election was also the first held under a new Mixed Member Proportional (MMP) electoral system which promised a democratic check on the untrammelled use of power enabled by the first-past-the-post system (Easton 1999). According to the official political narrative, the return to government of the Labour party in 1999 in coalition with the left-wing Alliance Party represented the first decisive break from the trajectory initiated in 1984. Needing to distance itself from the ideological zealotry of the Rogernomics era, the new government led by Helen Clark found a programmatic identity in the third way policies then being embraced by other centre-left governments in Europe and the United States. The New Zealand iteration of the third way presented itself as offering a pragmatic pathway between the imagined ideological extremes of the pre-1984 and post-1984 periods (Chatterjee et al. 1999), though, as elsewhere, it produced a further embedding of neoliberal rationality in different domains (Kelsey 2002). Nonetheless, it took the form of a ‘softer neoliberalism’ (Quiggin 2018) that represented a stylistic break from the anti-democratic politics of the Rogernomics era, and enabled some policy initiatives that would have been scorned by the market fundamentalists (Menz 2005).



The Labour party government that formed different coalition and de facto coalition agreements from 1999 to 2008 gave firmer political expression to a sense of national cultural revival that had also been manifest after 1984 (Lawn 2016). ‘Cultural identity’ became a floating signifier that allowed ‘progressive rights advocates and neoliberal policymakers’ to sometimes find ‘common ground’ by jointly appealing to principles of choice, freedom, self-determination, empowerment and difference (Lawn 2016, p. 4). Larner and Craig (2005, p. 13) even go as far as to characterize the 1980s phase of New Zealand neoliberalism as one defined by a withdrawal of the state from ‘many areas of economic production’ that simultaneously attempted ‘to preserve—and even extend—the welfareist and social justice aspirations associated with social democracy’. This political logic found institutional expression in the Lange government’s commitment to the idea of a ‘partnership’ between Maori and the colonial state as a foundational principle of New Zealand government rooted in the 1840 Treaty of Waitangi. New Zealand biculturalism was reimagined as a source of brand distinction in the international marketplace. Supported by economic reparations for breaches of the Treaty, some Maori iwi (tribes) became important commercial players in different industries, even as the jobs cuts of the late 1980s and early 1990s disproportionately impacted the Maori and Pasifika working class (Kelsey 1997).

Under Labour, partnership became the signifier of a distinct form of governance in which discourses of ‘social inclusion’ and ‘social investment’ sat ‘awkwardly alongside more obviously neoliberal elements such as economic globalization, market activation and contractualism’ (Larner and Craig 2005, p. 14). Labour set out to recast the state as both a bulwark against the excesses of the market and a strategic enabler of effective national responses to economic globalization (Skilling 2011). Discourses of the creative economy and knowledge economy gained ascendancy, emblematic of the government’s desire to move the national economy beyond its dependence on agriculture (Jones and Boon 2007). Revisions were made to market-led public management structures that reinvigorated the ideal of public service, and previously privatized enterprises, including Air New Zealand and the railways, were renationalized (Duncan and Chapman 2010). The Labour Government embraced a gradualist and pragmatic policy approach that only adopted changes as circumstance

and needs dictated (Duncan and Chapman 2010, p. 309), accepting much of the general framework established during the Rogernomics era.

The National government that succeeded Labour in 2008, and which went on to form different coalition governments up until 2017, articulated a similarly pragmatic identity (Duncan and Chapman 2010), but shaped by stronger identification with market logics and a more punitive welfare regime. The party's capacity to initiate radical reforms was constrained by the realpolitik of the MMP system. Its tenure was organized around a three-term coalition partnership with the Maori party, which was established in 2004 after a dispute with the Clark government over ownership rights to the country's foreshore and seabed. Led by the former currency trader John Key, the fifth National Government epitomized the operation of a post-political and post-ideological form of neoliberalism (Devadas and Nichols 2012). Radical right-wing and libertarian impulses for further wholesale market restructuring were shunned, and the government even struggled to sell off a minority shareholding in different state-owned companies because of public opposition to privatization. Conversely, 'brand Key' (Devadas and Nichols 2012) became the symbol of an anti-politics sensibility that had no other calculus for governing other than prosaic market and financial assessments (Jones 2016).

With the National Party winning the highest party political vote in the 2017 general election, many New Zealanders would clearly have been content to see a continuation of the capitalist realism and dull managerial competency of the Key years under the leadership of his successor, Bill English. Nonetheless, the establishment of a new coalition government between the Labour Party and New Zealand First, formally supported by the Greens, has once again animated hopes of a post-neoliberal New Zealand. This desire was captured in an election campaign radio interview with the now Prime Minister, Jacinda Ardern, who when asked 'had neoliberalism failed' immediately answered 'yes'. In a world of neoliberal crisis where the term itself has become increasingly visible in popular discourse, Ardern's answer was not surprising; indeed, Gray (1999, p. 44) was already predicting in 1999 that 'neoliberal rhetoric will be publicly abandoned by nearly all of New Zealand's political parties'. However, the precise basis of her rejection of neoliberalism was less apparent in her tentative response to follow up questions that queried her party's willingness

to roll back some of the legislative commitments institutionalized in the 1980s and 1990s. Whatever the long-term policy implications of Ardern's strategic disavowal (and the evidence at the time of writing suggests they don't amount to much), many of the challenges facing her government continue the long drawn-out process of reckoning with the legacy of the Rogernomics era. In making critical sense of contemporary New Zealand, Lawn's (2016, p. 2) observation is apt: 'it is not clear when the turbulent 1980s ended, if at all'.

## Conclusion

In line with a broader international pattern, neoliberal reforms were initially introduced in Australia and New Zealand as responses to the crisis of 1970s social market capitalism (Harvey 2007). However, in contrast with New-Right configurations in the United States and United Kingdom, they were framed as apolitical and necessary economic curatives enacted by centre-left governments that articulated structural economic adjustments with more progressive forms of social and welfare policy. This confounds any easy narrative that Anglophone neoliberalism originated as a New-Right project and points to the multiple ways in which the logic of neoliberalism is able to be adapted to local conditions and across political lines.

Perhaps the primacy of economic context to the initiation and continued legitimation of neoliberal reforms is understandable here, given the peripheral and relatively dependent nature of the post-World War II economies of these two countries, and may help explain the adaptive localized expressions. Processual change was corrosive of existing understandings of the role of the state in both countries and the very fact that these ongoing changes to basic settings varied with context and in response to global economic conditions speaks to the dynamism and flexibility of the neoliberal reform project. However, ongoing pragmatic extensions such as the regressive market populism of Howard in Australia or the post-political market realism of Key in New Zealand, have led to a present where the austerity phase of neoliberalism has had less purchase, while ongoing bipartisan support for 'free markets' seems less assured. Indeed,

thirty years down the track the labour share of GDP has now reduced significantly in two countries where neoliberal reforms were initiated by centre-left governments (Stanford 2018). Where their affined but distinctive pathways will lead, or how they may contribute to further international patterns of neoliberalization or their delegitimation, remains to be seen.

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# 5

## Have States Stopped Steering Markets? Rethinking Neoliberal Interventionism and Periodization in the United States and the United Kingdom

Bradley Smith and Lucie de Carvalho

In a video created in 2010 by producer John Papola and economist Russ Roberts (2010), John Maynard Keynes and Friedrich von Hayek come back to life to engage in an amusing but poignant rap battle:

We've been going back and forth for a century  
[Keynes] I want to steer markets  
[Hayek] I want them set free

Simplifications notwithstanding, this refrain neatly sums up the historical opposition between those who supported greater or lesser state intervention in markets throughout the twentieth century. By most accounts, the

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Keynesian market-steering model dominated both British and American policymaking between the 1930s and 1960s, within the context of the economic restoration undertaken in the wake of the Great Depression and the Second World War (Ikenberry 1992). By the late 1970s, however, the rise of stagflation and recurring energy crises led to a shift in both countries to the alternative free-market model (Palley 2005). This shift, embodied by the coming to power of Margaret Thatcher and Ronald Reagan, is what numerous scholars have called 'the neoliberal revolution' (Duménil and Lévy 2004; Hall 2011; Harvey 2005; Robinson 2006). Anglo-American neoliberalism has thus been broadly understood to mean the scaling back of mechanisms used by the British and American states to steer markets starting around the late 1970s.

Research on neoliberalism has blossomed since the 2008 global financial crisis, when the state intervention used in both the United States and the UK to bail out failing financial institutions seemed to signal a departure from free-market orthodoxy (Stiglitz 2008). This research tends to show, however, that the British and American states had never fully taken their hands off the steering wheel, and that neoliberal theory itself was never opposed to all state intervention in markets in the first place (Audier 2012; Dardot and Laval 2013; Panitch and Gindin 2012). As Serge Audier (2012) has shown, since its intellectual origins in the 1930s, neoliberalism has rather consistently been the attempt to 'go beyond the opposition between *laissez-faire* and the command economy' by reflecting upon 'the nature and the degree of state intervention' needed for a well-functioning market society (p. 76). While neoliberal economists may disagree on the exact nature and degree of this intervention, they generally hold that the goal is to steer the organization of economic activities according to the 'universal principle of competition' (Dardot and Laval 2013, p. 4). Hayek in particular argues that the role of the neoliberal state is neither to coercively direct economic activity towards a centrally determined outcome, nor to take its hands off the steering wheel; it is rather to provide a legal framework that allows individuals and firms to effectively compete and guide their activities according to market forces and indicators. Likewise, Milton Friedman (2002) holds that the 'role of government [...] is to do something that the market cannot do for itself, namely, to determine, arbitrate, and enforce the rules of the game' (p. 27). So long as competition

is used as the principle of social organization, the scope of government actions can be far-ranging (von Hayek 2007, pp. 86–87).

Understanding neoliberalism this way invites us to empirically analyse the extent to which the American and British states have shifted away from steering mechanisms that hinder market competition and towards steering mechanisms that encourage it. The latter form is what we call neoliberal interventionism. The specific markets that we have chosen for the present study are financial markets in the United States and electricity markets in the UK.

At first sight, these two sectors may seem to provide a weak case for comparison, for each is characterized by divergent regulatory and operating dynamics within contrasting institutional settings. Nonetheless, finance and electricity bear resounding similarities in both the role they play in the overall economy and their relation to neoliberal policy reform in the United States and the UK. Financial systems not only provide the means of exchange for virtually all market transactions, but they catalyse growth by facilitating the allocation of surplus assets from those who have no immediate use for them to those who do. The production and distribution of electricity is equally vital to the economy as a whole, since it physically motors the vast majority of economic activity. States therefore have a vested interest in steering financial and electricity markets towards safety and stability, for failures in these sectors incur acute and long-term damage, as illustrated by the 1970s energy crises or the 1929 and 2008 financial crises. It so happens that the shift to neoliberalism occurred within the context of the energy and banking crises of the 1970s and 1980s, and that both sectors have been subjected to varying degrees of what Manfred B. Steger and Ravi K. Roy (2010) consider typical of neoliberal reform, expressed in ‘the ‘D-L-P Formula’: (1) deregulation (of the economy); (2) liberalization (of trade and industry); and (3) privatization (of state-owned enterprises)’ (p. 14). US financial markets have been subject to deregulation and liberalization, and UK electricity markets, to liberalization and privatization.

We find that both case studies present clear evidence of a shift to neoliberal steering mechanisms since the 1980s, but that some of these had already been in place since the so-called Keynesian period, while other steering mechanisms more typical of Keynesianism have persisted

throughout the so-called neoliberal period. This includes the use of fiscal and monetary policies along with massive public spending to manage the stability of financial and electricity markets. A new reappraisal of the shifts that have or have not occurred since the 1980s thus allows us to nuance the periodization of economic paradigms in the United States and the UK.

## **Steering Financial Markets in the United States**

To contextualize the neoliberalization of US financial markets, it is first necessary to provide a background for the forces that had driven the US federal government to expand its role in this area in the mid-twentieth century. The scope will be limited here to market-steering mechanisms involving depository institutions and securities markets. Proponents of financial deregulation in the 1980s, such as William M. Isaac,<sup>1</sup> criticized New Deal-era steering mechanisms for allegedly being ‘designed to limit competition’ (Isaac 1994, p. 557). Although there is some truth to this, it would be more precise to speak of contrasting approaches between the policies used to promote competition between the 1930s and the 1970s, and those that were adopted for the same purpose, starting in the 1980s, due to the rise of new competitive forces.

### **Financial Market-Steering Mechanisms Inherited from the New Deal**

Following the stock market crash of 1929, which triggered the deepest financial and economic crisis in US history, Congress and the Roosevelt administration intervened to enact a series of banking and security market laws aimed at stabilizing and restoring confidence in the nation’s financial

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<sup>1</sup>President Reagan’s appointee to the head of the Federal Deposit Insurance Corporation (FDIC) from 1981 to 1985.

system.<sup>2</sup> The state apparatus greatly expanded to include new federal agencies and government-sponsored enterprises (GSEs) with various steering mechanisms at their disposal to achieve market stability and efficiency.<sup>3</sup> The stated objectives of the paramount Banking Act of 1933 (1933)—commonly known as the Glass-Steagall Act—were ‘to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes’.<sup>4</sup>

These objectives ran directly counter to the *laissez-faire* theories of market efficiency. Indeed, the law implied that when left to their own devices, banks made excessively risky and inefficient use of their assets. While some left-wing New Dealers argued in favour of replacing *laissez-faire* with government planning or direct political control over giant corporations, the prevailing view was to favour more indirect forms of steering mechanisms (Douglass 1966; Gruening 1966; Tugwell 1966). This involved restructuring the institutional and legal framework of financial markets in such a way that banks and financial institutions would steer their own activities in a safer and more effective direction. In a sense, this was already a form of neoliberal interventionism.

If neoliberals would criticize the legal framework constructed during this period, however, it is because of the concrete forms of intervention that were implemented. William M. Isaac (1994) summarizes them as follows:

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<sup>2</sup>These included in particular the Banking Act of 1933 (1933), the Securities Act of 1933, the Securities Exchange Act of 1934, the Banking Act of 1935, the Commodity Exchange Act of 1936, and the Investment Company Act of 1940.

<sup>3</sup>These institutions included, among others, the Federal Deposit Insurance Corporation (FDIC), formed in 1933 to join the Federal Reserve Board and the Office of the Comptroller of the Currency to regulate the US banking industry; the Securities and Exchange Commission (SEC), formed in 1934 to regulate the securities markets; and the Federal National Mortgage Association (Fannie Mae), a GSE formed in 1938 to raise liquidity for mortgage lending through the creation of a secondary mortgage market. A further expansion of the state apparatus came in the late 1960s and early 1970s: Gennie Mae and Freddie Mac were formed in 1968 and 1970 to join Fannie Mae in the expansion of the secondary mortgage market; and the Commodity Futures Trading Commission (CFTC) was created in 1974 to regulate the futures and options markets.

<sup>4</sup>Banking Act of 1933, Pub. L. 73-66, 48 Stat. 162 (1933).

Interest rate controls [Regulation Q] were put in place to restrict price competition. A rate differential was established to encourage the flow of funds to thrifts. A deposit insurance system was created to maintain stability and to preserve a diverse [...] banking structure. Laws were passed mandating that thrifts function as undiversified [mortgage] lenders. Branching restrictions severely curtailed geographic expansion and diversifications. And other fences, such as the Glass-Steagall Act [which separated commercial banking and investment banking], were erected to keep the various types of financial intermediaries on their own distinct playing fields. (pp. 521–522)

It was thus by compartmentalizing financial markets by function and geography, controlling interest rates and providing deposit insurance, that the state intended to reduce systemic risk, restore confidence and provide for a more efficient use of assets. Hayek, for one, would say that such methods should be excluded ‘in principle’ because ‘decisions as to who is to be allowed to provide different services or commodities, at what prices or in what quantities’ involves ‘arbitrary discrimination between persons’ that distort competition (von Hayek 2011, p. 336; see also von Hayek 2007, p. 86). It is in this sense that neoliberals claimed that such measures were ‘designed to limit competition’ (Isaac 1994, p. 557).

The designers themselves, however, would likely beg to differ. New Dealers were conspicuously concerned about the disappearance of market competition due to *the concentration of private financial power*. President Roosevelt (1966) warned Congress in 1938 that ‘the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state’, urging lawmakers to ‘revive and strengthen competition [in industry and finance] [...] to preserve [...] our traditional system of free private enterprise’ (pp. 122–127). As competition was framed in terms of power relations, federal steering mechanisms were designed to decentralize and compartmentalize financial power—hence the functional and geographical restrictions on banking and financial services described above. The House Report on the Bank Holding Company Act of 1955 would clearly reaffirm this approach by stating ‘it is a policy of the Congress generally to maintain competition among banks and to minimize the danger inherent in the concentration

of economic power through centralized control of banks' (United States Congress 1955, p. 22).

## Technological Innovation and Growing Competition in US Financial Markets

By many measures, the system inherited from the New Deal performed quite well between the end of the Second World War and the 1970s. The United States experienced no major stock market crashes, the number of banks remained stable at about 15,000, and the Federal Deposit Insurance Corporation (FDIC) (2018) only dealt with three bank or thrift failures per year on average (Walter 2005, p. 41). This was in stark contrast with the 80% loss of stock value and 7000 bank failures between 1929 and 1933 (Wheelock 2016, p. xi). By the 1970s, however, a combination of technological innovations and market developments began to put great strain on the compartmentalized financial structure. The competitive pressures that this generated for regulated institutions provided the context for neoliberal regulatory reform.

As Robert E. Litan (1994) has shown, advances in computer technologies facilitated the growth of nonbank financial intermediaries offering competitive services on over-the-counter (OTC) markets (pp. 523–525). The NASDAQ, for example, was created in 1971 'to handle trades in companies not listed on either the NYSE or other major stock exchanges' (Litan 1994, p. 524). Regional pension funds, finance companies, and mutual funds thus grew to compete with Wall Street firms and stock exchanges to manage investment portfolios. They also competed with banks and thrifts by offering depository and lending services that were not subject to Regulation Q interest rate controls. Money market mutual funds were developed as an alternative to traditional savings deposits, while the commercial paper market allowed 'highly rated corporations [...] to raise funds directly rather than borrowing from banks' (Litan 1994, p. 525).

Moreover, a process called 'securitization' began to blur the lines that Glass-Steagall had established between depository institutions and securities markets:

[A]dvances in data processing made it possible for quasi-government financing agencies and private investment banks to “securitize” mortgage instruments by packaging them into bundles and then to distribute units of the resulting trusts to individual investors, nonbank financial institutions [...], as well as to depositories. By turning formerly illiquid loans into tradable commodities, the securitization process was gradually undermining the economic rationale for depository institutions as specialized evaluators and monitors of credit; markets instead were performing that role. (Litan 1994, p. 525)

Securitization thus fuelled arguments to break down the barriers to entry that had been established in previous legislation (Sherman 2009).

These new competitive pressures on regulated financial institutions, in addition to rising foreign competition in both domestic and global financial markets, came to a critical turning point by the end of the 1970s. In the wake of the second oil crisis of 1979, the inflation rate edged above 10%, and the newly appointed Chairman of the Federal Reserve, Paul Volcker, implemented a radically restrictive anti-inflation monetary policy that sent federal funds’ interest rates soaring to record levels, peaking at 20% in 1980 (Medley 2013). ‘When interest rates rose in the 1970s, interest rate ceilings on bank and savings and loan deposits were significantly below the market interest rates being paid on short-term low-risk debt instruments’ (US President and Council of Economic Advisors 1991, p. 162). Investors reacted by increasingly transferring their savings out of regulated deposit accounts and into money market mutual funds offering higher returns. Consequently, a growing number of banks and thrifts were becoming insolvent. The 1980s and early 1990s witnessed the worst financial crises in the United States since the Great Depression, with nearly 3000 thrift or bank failures and several major stock market crashes (FDIC 2018; Litan 1994, pp. 526–540).

## **The Partial Neoliberalization of Financial Market-Steering Mechanisms**

Policy responses to these market developments and crises were heavily influenced by free-market ideology, but they also shared the New Deal



concern for financial market stability and confidence. Deregulating price and entry controls became the neoliberal approach to promoting competition, while federal bailout mechanisms were simultaneously maintained and even significantly enhanced.

The deregulation of price and interest rate controls was largely achieved between 1975 and 1986. To encourage competition in securities markets, the 'Justice Department's antitrust division, the SEC and the Congress [intervened in 1975 to dismantle] the system of fixed brokerage commissions established by the NYSE' (Litan 1994, p. 524). Three years later, usury interest rate controls were de facto eliminated by the Supreme Court in *Marquette vs. First of Oklahoma* (1978). As Matthew Sherman (2009) explains, the Court ruled that banks could 'export the usury laws of their home state nationwide'; this set off 'a competitive wave of deregulation' between states to attract banks to relocate their credit services to whichever state allowed them to charge the highest interest rates (p. 1).<sup>5</sup> After this, the Depository Institutions Deregulation and Monetary Control Act (DIDMCA) of 1980 then called for the complete phase-out, by 1986, of Regulation Q ceilings on interest rates paid on deposit accounts. This was meant to allow banks and thrifts to compete more effectively with money market mutual funds by authorizing them to offer higher returns on savings accounts. In none of these cases was the American state ceasing to steer banking and financial markets. On the contrary, by deregulating various price controls, the American state was essentially trying to steer financial institutions onto new avenues to increase their revenues and to avoid insolvency in the context of greater market competition.

This neoliberal market-steering approach was also behind the deregulation of entry controls. While market segmentation had been used to reduce systemic risk by compartmentalizing it among diverse institutions, from the 1980s forward these institutions were encouraged to reduce their exposure to risk by diversifying their own assets. For example, the Garn-St. Germain Act of 1982 allowed thrifts to engage up to 10% of their assets in commercial loans and 'to offer a new account to compete directly with money market mutual funds' (Sherman 2009, p. 7). Likewise, between

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<sup>5</sup>South Dakota and Delaware completely eliminated usury rate ceilings, allowing any bank whose credit card services were relocated there to export the absence of usury rate ceilings nationwide.

1986 and 1996, the Federal Reserve reinterpreted Glass-Steagall restrictions to allow commercial banks and bank holding companies to diversify their assets by engaging up to 5%, then 10%, then 25% of their assets in investment securities (Sherman 2009, p. 9).<sup>6</sup> Meanwhile, Congress broke down the geographical segmentation of financial markets by lifting previous restrictions on interstate banking and branching in the Riegle-Neal Banking and Branching Efficiency Act of 1994. By the end of the 1990s, US financial markets had consolidated to the point that Glass-Steagall functional restrictions appeared to have become obsolete. Facing continuing competitive pressures from global financial markets, Fed Chairman Alan Greenspan and the Clinton administration successfully pushed Congress to repeal Glass-Steagall in the Financial Modernization Act of 1999 and to completely exempt derivatives markets from regulation in the Commodity Futures Modernization Act of 2000.

As policymakers decompartmentalized the US financial structure to promote competition, the question of power relations took a back seat to revenue growth and asset diversification. Lawmakers were aware of the heightened risks that deregulated institutions were taking to increase their revenues and remain competitive; however, instead of promoting market discipline by forcing firms to bear the burden of their risks, federal bailout mechanisms were significantly enhanced to resolve failures and maintain stability. The DIDMCA of 1980, for example, combined the phase-out of interest rate controls with an increase of the FDIC deposit insurance limit from \$40,000 to \$100,000. Four years later, the FDIC set the precedent that some US banks were 'too big to fail' (TBTF) by bailing out Continental Illinois Bank and extending full guarantees to both insured and uninsured deposits (Litan 1994, p. 536). Likewise, the Federal Reserve responded to the major stock market crashes in 1987 and 1989 by quickly 'provid[ing] liquidity through open market operations' (Litan 1994, p. 338). The bailout of the savings and loan industry is estimated to have cost taxpayers \$210 billion (Sherman 2009, p. 8). Thus, the pattern to combine deregulation with federal bailouts at the expense of market discipline had already been set in the 1980s. It was not the federal

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<sup>6</sup>The Fed argued that the meaning of the phrase 'principally engaged' used in the clause separating commercial banking from investment banking was open to interpretation.

interventions in 2007–2009 that were exceptional, but rather the decision to set an example by not saving Lehman Brothers, the consequences of which turned out to be too destructive to avoid further intervention. Perhaps ironically, neoliberal reforms aimed at breaking down barriers to competition have essentially contributed to the disappearance of competition due to the reconcentration of financial power. Indeed, after remaining stable for three decades, the number of commercial banks competing in US financial markets declined from about 15,000 in 1980 to fewer than 5000 today, with the five largest banks controlling nearly 50% of all assets (World Bank 2019).

This case study shows that neoliberal financial deregulation did not rhyme with the end of the US federal government's attempts to steer financial markets. On the contrary, the steering mechanisms were adjusted to what policymakers thought to be beneficial to the competitiveness, stability and efficiency of US financial institutions in the context of increasing market competition. This has in fact created a situation in which a handful of giant one-stop banks dominate financial markets and leave the US government with little choice but to guarantee their solvency if systemic economic collapse is to be avoided.

## Steering Electricity Markets in the United Kingdom

Before privatization (1979–1996), the British electricity industry did not operate within competitive markets (de Schutter and Lenoble 2010, p. 69). The scope of this analysis will therefore focus on the long-term consequences of the so-called Thatcherite neoliberal revolution in electricity markets. The idea will be to demonstrate how the neoliberal driving forces of competition and fair involvement of private interests were in practice deactivated through the 'repoliticization' of energy questions straight from the outset of the neoliberal age (Jessop 2014; Foster et al. 2014; Helm 2003; Mouffe 2006; Swyngedouw 2013). The twin imperatives of energy supply security and climate change mitigation, both framed as sources of market failures, have thus allowed the various UK governments to warp

their doctrinal attachment to neoliberal dynamics and to steer electricity markets by using increasingly intrusive economic mechanisms.

## **The Neoliberalization of Electricity Markets (1989–2002)**

In the UK, energy truly became a matter of public concern in the wake of the Second World War. Under the 1947 Electricity Act, the electricity industry was nationalized and restructured, reflecting the UK government's interest in guaranteeing stable domestic production through central planning. The 1947 Electricity Act established the Central Electricity Generating Board (CEGB), which owned and operated all the existing power stations as well as the transmission system. The electricity sector would remain publicly-owned and heavily monopolistic until 1989 (Mackerron 2000, p. 3), when it was restructured and privatized under the 1989 Electricity Act. Numerous studies have analysed the intent to sever ownership ties between the state and electricity companies to foster competition (Helm and Jenkinson 1998; Parker 1998). Establishing competitive electricity markets involved three major tasks: (1) the implosion of existing natural monopolies; (2) the continued security of the energy supply; (3) affordable prices for consumers (Department of Trade and Industry [DTI] 1993).

The monolithic electricity supply sector was thus divided into four distinct activities: generation, transmission, distribution and supply. The CEGB was then broken down into three generating companies (PowerGen, National Power and Nuclear Electric) and a transmission company (The Grid). While the first two, in charge of coal and oil-based generation plants, were privatized straightaway in 1989, the last company was partially privatized in 1996. Only the newest AGR and PWR nuclear power stations were privatized to become British Energy (formerly Nuclear Electric), while the older Magnox nuclear power stations were withdrawn from the privatization process. They remained under public ownership, via British Nuclear Fuels Limited (BNFL), because they were deemed unprofitable for the private sector, considering their looming decommissioning costs. The New Labour government furthered the privatization

and marketization of the electricity sector by developing private–public partnerships in electricity generation-related services and by dismantling BNFL in 2005.

Privatization and the breaking down of existing monopolies were accompanied by the use of regulatory mechanisms to foster competition and empower market forces away from political oversight. On the one hand, electricity generators were expected to partake in a newly established and innovative electricity spot market called the Pool. The intent was to have electricity generators sell their power to suppliers through a bidding process in the Pool, with prices set every thirty minutes (Hunt 2003, p. 5). In parallel, a regulator for electricity, acting as a separate body, was established (the Office of Electricity Regulation [OFFER]). The primary functions of the electricity regulator were set to be conducive to the neoliberal imperatives of promoting fair opportunities to private investors to increase economic efficiency. OFFER thus operated to guarantee consumer protection, to set price controls in the monopolistic transmission and redistribution bodies and to phase in competition in generation and supply, which were not subject to price regulation.

On paper, OFFER's oversight mission was to act as a safeguard against the concentration of Pool market power over electricity prices (Mackerron and Pearson 1996). In practice, however, it turned out that the two recently privatized entities, National Power and Powergen, 'dominated price setting in the electricity spot market' and acted as a duopoly from the outset (Hunt 2003, p. 7). At first, OFFER proved successful in having National Power and Powergen agree to divest 6 GW, while the prices they could bid into the Pool were capped for two years starting in 1994. In 1996, the regulator successfully compelled both companies to sell their coal-fired plants, which accounted for 10% of the total market. After 1996, electricity flowing in through interconnectors with France and Scotland helped further reduce their market share under 25% (Hunt 2003, p. 8). Finally, price controls were lifted between 2000 and 2002 (Utilities Act 2000).

## Market-Based Mechanisms to Steer Markets Towards Politically Selected Electricity Generation Choices (1989–2010)

Regulation was not limited to the establishment of the spot market and OFFER. As a means to boost attractiveness and bolster support for the newly privatized ventures, the Major government also rolled out two measures in environmental regulation that would indirectly impact the electricity generators (Heine 2013, p. 162). The 1989 Electricity Act also introduced a new tax on fossil fuel production (Fossil Fuel Levy), along with a minimum consumption quota through a Non-Fossil Fuel Obligation. At first sight, these two measures were publicized as a market-based means to meet the country's environmental commitments to curbing pollution caused by energy production. In practice, these mechanisms actually functioned as indirect subsidies, primarily to nuclear generation. Between 1990 and 1996, the funds generated by these two taxes were redistributed to the nuclear industry, accounting for 40–50% of Nuclear Electric's revenues (Surrey 1996, p. 151). Thus, the end of direct financial support through public ownership actually coincided with the introduction of indirect forms of state-sponsored economic incentives through environmental regulation. The 'polluter pays' principle introduced at the 1992 Rio Convention gave further credence to the Major government's attempt to reconcile environmental and energy steering mechanisms with neoliberal thinking.

At the turn of the 2000s, the UK government significantly updated the environmental regulations. Firstly, the existing measures were repealed and replaced with two slightly different but more aggressive measures, the Climate Change Levy and the Renewable Obligation (Taylor 2013), in order to boost what had been a limited shift towards low-carbon electricity production. These two taxes to be levied on generators and suppliers were deliberately meant to offer support to the renewable generators (Connor 2003, p. 65). They were coupled with the creation of a national cap-and-trade system, or carbon market, in 2002. Unlike the previous arrangements, these mechanisms provided no clear support to nuclear generation, but the carbon market indirectly favoured its expansion. In

short, market-based instruments were key in steering electricity markets in a set direction through positive economic incentives.

Furthermore, in the mid-2000s, the government also engaged in a comprehensive reassessment of the country's energy strategy to address the mounting uncertainty regarding the stability of future energy generation. The domestic energy mix was increasingly strained due to waning gas and oil production in the North Sea, the decaying national coal and nuclear industries, the rise of oil prices looming on the international scene and the demands for a transition towards low-carbon energy sources. In the Energy Review of 2006, the government confirmed its support for the expansion of renewables and the revival of nuclear power (DTI 2006).

These developments reveal how British 'energy policy has been increasingly colonized by environmental policy' (Mackerron 2000, p. 6). As such, the security agenda provided a compelling justification for the sustained state-guided steering of energy markets towards a favoured mix through strict regulation. Yet these policies remained framed in the neoliberal rhetoric and logic of market empowerment. Indeed, the Blair and Brown governments remained adamant that no public money would be injected into the new nuclear venture (DTI 2007, p. 16; BERR 2008, p. 11). Market-based regulation was thus justified along traditional neoliberal lines, which would argue that fluctuations and uncertainty were to be considered as market failures and artificial sources of market disruption. If 2000 stands as the beginning of what Rutledge dubbed 'market fundamentalism' (Rutledge and Wright 2011), it nevertheless reveals the limits of the neoliberal belief in market self-regulation.

## **Post-2010: The Return to More Aggressive State Interventionism in Electricity Markets**

Although the New Labour era undoubtedly 'consolidated neoliberal ideology as the new common sense of the age' (Bugra and Agartan 2007, p. 33), the enforced regulation revealed the inability of the existing markets to respond to the rising fears of energy uncertainty. By the late 2000s, New Labour's attempt at breaking down established monopolies, pre-empting

market domination and guaranteeing the soundness and credibility of electricity markets proved unsuccessful. Major market problems in the wholesale electricity sector still remained (OFGEM 2009). British Energy went into bankruptcy in 2002, resulting in a substantial bailout of £3 billion from the UK government in 2004. The company was temporarily renationalized before being taken over by EDF in 2008. The renewable sector still showed limited signs of expansion (Mitchell and Connor 2004), and only one nuclear operator, EDF Energy, came forth to lead the new nuclear programme, after several withdrawals from other foreign companies.

Considering these failures to guarantee market sustainability, the Coalition government embraced a significantly more hands-on approach. State planning would more explicitly resurface in the 2013 Energy Act. Three notable steps were taken. Firstly, the government tried to save the weakened and unstable carbon market by establishing a minimum price for carbon units. Secondly, a ‘contract-for-difference’ for nuclear operators was adopted to guarantee a minimum price (strike-price) for the electricity produced by the future Hinkley Point C nuclear plant to be built by EDF Energy. Thirdly, this strike price was guaranteed for a thirty-year time period. The 2013 Energy Act therefore embodied the revival of state intervention aimed at guaranteeing competitive electricity prices, in an attempt to salvage market acceptability through market distortion. The reform also allowed the government to bypass the market regulator’s authority. As no other generator had come forth, this measure revealed a ringing endorsement of EDF Energy becoming the sole nuclear generator operating in the UK market, sanctioning market domination. More surprisingly, this rather controversial measure was left unchallenged by the EU, despite the European directive banning state aid to specific industries. In 2014, the European Commission indeed validated the subsidy scheme, and in 2018 the EU Court of Justice rejected Austria’s legal challenge of the measure.<sup>7</sup> This judicial victory reveals how this exceptional form of direct state support has been allowed to return in an otherwise liberalized

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<sup>7</sup>In February 2015, the Austrian government filed a court case before the EU Court of Justice to appeal on this decision. They argued that the Contract-for-Difference would allow EDF to engage in unfair competition with renewable energies and create market distortion in the EU markets.



environment. All in all, the Coalition government rolled out a fundamentally distortionary mechanism of resource allocation to bypass its original commitment not to invest in the nuclear venture.<sup>8</sup>

The New Labour era revealed the glaring contradiction between the political intent to steer markets through environmental regulation and the rhetoric that has remained conducive to the neoliberal rationale. Such a contradiction was seemingly put to rest by the Coalition, Cameron and May governments.<sup>9</sup> In 2018, the government also rolled out the Nuclear Sector Deal, which allowed for direct state subsidies to the nuclear industry. The exceptional price-control arrangement negotiated with EDF Energy was subsequently offered to another competing generator, Hitachi, in 2018. Although Hitachi rejected the terms in January 2019, exceptional bailout solutions have de facto given way to more long-term state interventionism as a means not only to shape, but also to save the UK electricity market (Kenis and Lievens 2016). By ‘re-embedding market forces in politically-defined’ arrangements, recent UK electricity regulation has thus tacitly acknowledged that ‘market forces make wonderful servants, but terrible masters’ (Bugra and Agartan 2007, p. 21).

In short, the neoliberal turn presided over the removal of state protection on specific vested interests. Yet, it never translated into limiting the state to a passive watchdog role due to the presence of monopolies that have precluded the rise of competition, as well as the impact of external political imperatives that have compelled the state to interfere and provide incentives to keep specific companies afloat and onboard. Acting as stumbling blocks for unhampered competition (Kuzemko 2014), the external imperatives of energy security and climate change mitigation have prompted the government to resort to market-based instruments to increasingly steer markets, thereby re-politicizing energy directions. As Booth (2015) has contended, ‘state regulation of [...] markets became more intrusive’ rather than the opposite (Rutledge and Wright 2011,

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<sup>8</sup>Former British Energy Minister Amber Rudd stated that ‘investing in nuclear is what this Government is all about for the next twenty years’ (Rudd, interviewed on the BBC Today Programme, 23 March 2016).

<sup>9</sup>The 2017 Conservative manifesto thus pledged to set a cap on energy prices—a strategy previously sponsored by former Labour leader, Ed Miliband.

p. 18). Markets know best—but only among the set of options favoured by the government.

## Conclusion

Contrary to what neoliberal ideology would lead us to expect, we find that the American and British states have not ceased to steer financial and electricity markets over the past four decades. Instead, they have used more indirect means to orient these markets in a politically defined direction. In this sense, in both cases the expression ‘neoliberal turn’ seems more accurate than ‘revolution’, since the US and UK states made a turn but without taking their hands off the steering wheel.

Traditional periodization must therefore be nuanced (Hay and Farrall 2011). To be sure, neoliberal steering mechanisms often rely more on market forces and private actors than on direct economic controls. Nevertheless, neoliberal reforms were designed to provide a framework for markets to achieve specific political objectives. Whenever these objectives were not fulfilled, the state resorted to more direct means on numerous occasions, in both the British and American settings. This new dynamic between indirect and occasionally direct forms of state intervention to steer certain markets is what we call ‘neoliberal interventionism’. In both the UK and the United States, market failures have commonly been used to justify short-term state interventionism, as emergency responses to guarantee two key objectives for modern states: stability and security. In both sectors, making sure that electricity and financial markets both remain credible and retain their soundness to the foreign or domestic investors has been deemed paramount. In this sense, the classical opposition between Keynesianism versus Neoliberalism has more discursive and normative value than actual political substance.

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# 6

## Towards a History of Neoliberal Urbanism in the United States

Andrew J. Diamond

If inquiries into the dynamics and contours of neoliberalism have proliferated within the humanities and social sciences over the past decade, historians of the United States, in particular, have proven quite reluctant to embrace the concept. Even among historians who employ the term, few do so without apologizing for its imprecision. This aversion seems strange, it bears pointing out, in view of the mighty role the United States has played in the global story of neoliberalism. This is not to say that US historians are unaware of the elephant lurking in the room. Forums and conference sessions on the ‘uses and misuses’ of the concept have proliferated in recent years, perhaps the most important of which occurred in the pages and online forum of the prominent left publication *Dissent* in January of 2018. The discussion on this particular occasion took shape around an essay by renowned historian Daniel T. Rodgers entitled, aptly

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enough, ‘The Uses and Abuses of Neoliberalism’, which paints a dark picture of neoliberalism as a ‘linguistic omnivore...that threatens to swallow up...already existing terms whose analytical and political bite is sharper than the cloud of meanings “neoliberalism” embraces’. The stakes of this problem, Rodgers concludes, are not merely academic; in the current context, when the ‘intellectual left’ is in desperate need of a language of ‘social realism’ to touch the hearts and minds of the public, the language of neoliberalism, according to Rodgers, can only perpetuate the scepticism with which left academics are already viewed (Rodgers 2018).

Rodgers is among the most astute observers in the historical profession of the power of language and ideas to structure, ‘fracture’, and constrain intellectual and political movements, and his warning should not be taken lightly (Rodgers 2011). Yet, his essay (and, to some extent, the responses to it) suggest that US historians are still somewhat out of touch with the more recent uses of neoliberalism by scholars and activists alike. While Timothy Shenk’s defence of the political uses of neoliberalism rightly points out that the explosion of neoliberalism talk around the left social media belies Rodgers’s claim that the embrace of such a language risks closing academics off from the political sphere (Shenk 2018), there is stronger stuff out there to counter such an idea. Perhaps the brightest shining moment of effective grassroots mobilization in the past decade in the United States, for example, was the 2012 Chicago Teachers Union strike, when a multiracial coalition of grassroots organizations mobilized powerfully and effectively to oppose Mayor Rahm Emanuel’s programme of austerity and privatization for the city’s schools. According to accounts of the movement, terms like neoliberalism, austerity and ‘disaster capitalism’ were common parlance among union leaders, school teachers and residents seeking to understand the logic behind the zeal for privatized charter schools and the propensity to handsomely subsidize corporations through tax increment financing (TIF) schemes while slashing funds for the city’s public schools (Uetricht 2014; McAlevey 2016). Rodgers’s discussion of the theoretical possibilities of neoliberalism for historians, moreover, is similarly limited. Largely missing from his catalog of the four meanings of neoliberalism—‘as economy’, ‘as intellectual project’, ‘as policy’, ‘as cultural regime’—is neoliberalism as mode of urban governance and process of urban restructuring (neoliberal urbanism’ as it is often referred to), which has been



particularly useful to geographers, sociologists, political scientists, anthropologists and a growing number of urban historians. This was the variant of neoliberalism that was most salient to embattled Chicago teachers and their allies in 2012.

The discussion to follow purports to make sense of such blindspots among historians of the United States. The first part will seek to explain the general reluctance to engage the history of neoliberal urbanism, particularly among those working on the post-war city and on the rise of modern American conservatism, two groups among whom such histories could have and should have found homes; the second will offer some ground-level snapshots from the metropolitan United States between the 1920s and early 1970s in order to sketch out a framework for historicizing the long march of neoliberalization at the urban grassroots. More specifically, I will argue for the need for historians to turn their attention towards the task of understanding at the local level how market values and economizing logics gradually penetrated into political institutions and beyond them into the broader political cultures of US cities—*prior* to the late 1970s, which is widely considered as the beginning of the story of neoliberal triumph. This is an important project as scholars increasingly look to respond to David Harvey's lingering question of 'how and why neoliberalism emerged victorious' (Harvey 2007, p. 13). As Monica Prasad and others have shown, the key to answering this question lies in understanding why neoliberal policies were popular with voters and how market fundamentalism became political commonsense in the United States (Prasad 2006).

So why have US-based historians not stepped up to the challenge of historicizing neoliberalization as a social, political and cultural process at the urban grassroots? In part because historians—staunch defenders of the contingent and the contextual—are, on the whole, allergic to anything that feels totalizing and teleological, and in part, because neoliberalism has often been utilized in an imprecise and at times polemical manner since the early 1990s. While the most pointed complaints about the term's misuse have responded to its employment as a blanket expression of denunciation for capitalism itself, for inequality, or simply for 'the way things are', other criticisms have raised concerns about its lack of historical and geographical specificity. To be sure, the term as it was employed by German *Ordoliberal*s

and intellectuals associated with the Mount Pèlerin Society in the 1930s and 1940s bears little relation to its most common incarnations since the 1970s, when it has been deployed to describe a loosely defined package of public policies promoting free-market forces and limiting the reach of the state in countries as divergent as the United States and Zambia. Added to such objections is the fact that so few of the leaders and policymakers credited with advancing the neoliberal project during these years ever even used the term. Still others have taken issue with one of the underlying premises behind the explosion of the term over the past decade or so—the top-down Marxist conception that the dominant classes engineered a neoliberal ‘turn’ or ‘takeover’ in the 1970s and 1980s that effectively restructured global capitalism so as to preserve their interests. In the most familiar version of this story, the triumph of a neoliberal agenda entailed or was achieved through the ability of capital to use the state, the political parties and other institutions of civil society to make neoliberalism hegemonic, in the Gramscian sense—to bring about the ‘construction of consent’, so to speak (Harvey 2007; Duménil and Lévy 2011).

This top-down story of neoliberal triumph, laden with the theoretical trappings of Marxist political economy, has been most associated with the work of David Harvey, a Marxist geographer who, despite being one of the most widely cited scholars in the social sciences today, has had, until quite recently, little play among urban and political historians of the post-war United States. If one can find Harvey’s name more commonly in the footnotes of works on post-war American history in more recent years, this is because his book, *A Brief History of Neoliberalism*, has become the default account of the neoliberal ascendancy. And yet, few historians of post-war metropolitan politics have embraced its story of neoliberal takeover and hegemony, which seems to smack too much of class conspiracy and tired, beaten Marxist notions of ‘false consciousness’.

Harvey’s story fails to inspire urban historians working at the neighbourhood or municipal scales, in particular, because it transpires largely at the international and national levels, through the global workings of financialization, the manoeuvrings of institutions like the IMF, WTO and World Bank, and the rise of the political right in the 1980s. Neoliberalism appears to such scholars as an insuperable force swooping in from

beyond—something like globalization, a kindred concept of neoliberalism that has also been slow to gain traction among urban historians while taking off among geographers, sociologists and political scientists. As historian A. K. Sandoval-Strausz has recently noted, the field of urban history remains ‘bounded by the nation-state’ and resistant to integrating the transnational ‘demographic and economic forces acting on cities’ (Sandoval-Strausz 2014). Surveying the field of North American urban history almost a decade earlier, Clay McShane had already arrived at some similar conclusions, noting the paucity of ‘theoretical work on urban systems or the urbanization process’ and an unwillingness to build upon the scholarship on global cities of geographers and sociologists (McShane 2006). This reluctance of urban historians to engage with the works of geographers, sociologists and political scientists on neoliberalization has become particularly serious in view of the number of recent studies on ‘the neoliberal city’ or ‘neoliberal urbanism’ that demonstrate the critical impact of neoliberalism on urbanization and that make convincing cases for the fact that cities have been the primary sites of neoliberal innovation and transformation (Hackworth 2007; Brenner and Theodore 2002; Peck et al. 2009; Smith 2002). The upshot of this has been that historians of the post-war American metropolis have, notwithstanding some recent exceptions (Gordon 2009; Neumann 2016; Diamond 2017), had little to say—at least in terms of the bigger picture—about how and why tax increment financing, public–private partnerships, charter schools, enterprise zones, schemes for privatizing city services, the politics and policies of gentrification and city officials identified as ‘CEOs’ have so ineluctably become fixtures of the urban landscape.

No less remarkable has been the limited extent to which the story of neoliberalization has entered into the main currents of the burgeoning field of the ‘new political history’, where, in particular, it has been largely snubbed by a number of canonical studies that have rewritten the history of the conservative ascendancy from the bottom up over the past two decades. Scholarship on modern American conservatism has of course dealt extensively with the triumph of free-market ideology and anti-statism, but the most influential studies in the field have refrained from qualifying any of this as neoliberalism (Diamond 2010). In such scholarship, a range of

languages and ideas—consumer rights, homeowner property rights, meritocracy, entrepreneurialism, individualism, freedom—which, seen from another perspective, could be read as symptomatic of the penetration of neoliberal values into US political culture, have been crowded under the umbrella of modern conservatism (McGirr 2015; Lassiter 2007; Kruse 2007). While itself hardly a concept free of imprecision and slippage, conservatism, unlike neoliberalism, was a term that was widely self-applied by political leaders and ordinary Americans on the front lines of the conservative movement—in large part because of its clear binary opposition to liberalism. Historian Gary Gerstle, one of the key architects of the dominant historiographical framework that has pitted an ascendant conservatism against New Deal liberalism in the post-World War II decades, has recently argued for ‘neoliberal’ over ‘conservative’ as a ‘descriptor’ for the political order that took shape in the United States after the 1970s, asserting that ‘[l]aissez-faire capitalism...is the enemy of what conservatives in the classical sense value: order, hierarchy, tradition, embeddedness, continuity’ (Gerstle 2018, p. 246).

Methodological propensities also explain why the historiography of modern American conservatism has proven unwilling to integrate the long march of neoliberalism into its thinking. Much of the recent literature that has come to define the historiography of the post-war conservative ascendancy focuses on grassroots mobilizations against liberals and liberalism between the 1960s and 1980s—a project that, at first glance, seems to run counter to the global story of class domination associated with neoliberalism. Moreover, the historiography of conservatism from below has still barely crossed into the Reagan era, stopping well short of the era of heightened neoliberalization in the 1980s and 1990s explored by some of the most exciting local studies in the fields of geography and sociology (Klinenberg 2015; Partillo 2007). Indeed, the chronological framework structuring the key works on the conservative ascendancy has amounted to what historian Mathew Lassiter refers to as a ‘telescoping strategy in which almost anything that happened after about 1938 culminates in the Reagan revolution of the 1980s’ (Lassiter 2011, p. 761). As such, the historiography of the conservative ascendancy has been ill-equipped to explain how a figure like Chicago’s famous mayor Richard M. Daley, a major player in the national Democratic Party establishment, whose aggressive neoliberal

agenda of the 1990s would be elevated to the national stage during the Obama era, fits into the history of modern American conservatism (Koval et al. 2006; Diamond 2017).

Within the past several years, however, neoliberalism has crept into discussions surrounding—if not within—a number of recent works situated at the intersection of political history and the history of capitalism, a field that has exploded since the 2008 financial crisis. Elizabeth Tandy-Shermer's work on 'sunbelt capitalism' in Phoenix and Andrew Kahrl's research on 'coastal capitalism' represent major contributions to our understanding of the advance of neoliberalization throughout the twentieth century, even if only Tandy-Shermer makes extensive use of the term 'neoliberalism' (Tandy Shermer 2015; Kahrl 2016). In particular, these studies represent some of the best examples of a new wave of scholarship on the history of capitalism that explores the interplay of culture, ideology and policy at multiple levels. They both engage, in one way or another, the project evoked by historian Julia Ott in the pages of the *Journal of American History* to understand 'the ways economic theories operate as ideology and shape the reality they purport to describe in a neutral fashion'—a phenomenon that political theorist Wendy Brown refers to as 'the economization of everything' (Beckert et al. 2014; Brown 2015).

These scholars also demonstrate that properly historicizing the march of neoliberalization involves pushing the narrative back into the interwar years, an era during which some of the groundwork for the eventual triumph of market fundamentalism was laid down. In fact, the recent trend developing among historians interested in this process of economization is to focus on the 1970s as the point of departure, as suggested by a recent conference organized by Ott at the New School for Social Research, entitled 'The Economization of the Social since the 1970s'. Implicit here is the notion that the economization of the social represents one of the defining qualities of the neoliberal age as defined by Harvey's chronology—a contention that obfuscates the idea that the accelerated pace of economization observed since the 1970s was decades in the making. If the term 'economization' has taken hold in recent years, historians were using different terms to describe such dynamics shaping politics and policy within the twentieth-century American city

long before the advent of the 'new history of capitalism'. Indeed, as far back as 1982 Daniel T. Rogers was already drawing attention to the spread of economizing 'languages' in the early decades of the twentieth century when he identified as one of the three 'clusters of ideas' defining progressivism a so-called 'language of social efficiency' constituted from 'the merger of the prestige of science with the prestige of the well-organized business firm' (Rogers 1982). But few historians have picked up this thread by exploring how this language of 'social efficiency' touched the ground in ways that worked to economize the social, political and cultural.

My own work on interwar Chicago reveals economizing logics powerfully penetrating the spheres of city planning, labour politics and educational reform. In the 1920s, for example, Superintendent of schools William McAndrew worked tirelessly to impose a hard business rationale on the administration of the city's school system. 'The purpose of a school system is not to please us who are in it', he proclaimed, 'but as with all public service corporations, to satisfy the customers' (Herrick 1970, p. 59). The key customer he had in mind, it should be remembered, was the Chicago Association of Commerce and Industry, whose help McAndrew enlisted in order to assess the school system's performance. Facing off against McAndrew in the Chicago dailies, moreover, was labour leader Margaret Haley, who decried the school board for 'aping hard-boiled businessmen...to whom "efficiency" in the maximum use of "plant and equipment" overshadows the human factor', declaring that the schools under McAndrew constituted a 'mechanized and regimented system which subordinates everything to the industrializing of infants (*Chicago Daily News* 1928, January 10) ...'. Such exchanges, which were frequent in the 1920s, reveal not only the purchase that economizing rationalities had in the political sphere, but also the acute sensitivity to such rationalities by the forces opposing them. And yet, the forces of economization clearly had humanitarian educational reformers on the defensive, struggling to present an alternative vision and build a movement around it.

More compelling evidence, however, can be found on the other side of the colour line, in Chicago's storied Black Metropolis, where a number of self-made businessmen race heroes worked to align their own economic interests with the broader interest of 'advancing the race'. The

activities these businessmen pursued in the name of racial uplift—journalism, banking, insurance and policy gambling, among others—worked to ‘economize’ the political culture and everyday life of black Chicago, to enshrine values of thrift, entrepreneurial initiative and personal responsibility, and, ultimately, to organize a public sphere that proved resistant to grassroots political and cultural challenges to the sources of social inequality within black Chicago. To understand the full extent of such economizing dynamics, it is worth quoting at length an astonishing 1922 telegram from legendary black banker Jesse Binga to the Illinois Bankers Association, published approvingly in the pages of the city’s leading black newspaper the *Chicago Defender*, which referred to black Americans as ‘the most promising undeveloped commercial material in America’:

The Negro is an industrial people. He furnishes two-fifths of the brawn and muscle of America: our wages return to whomsoever has the proper equivalent for those wages. You may get the Negro’s dollar, but the question is, are you getting all you should from the Negro? Should we not utilize to the extent of reaping millions out of him instead of getting merely thousands? Should we not develop the Negro in his desire for economic happiness to the extent of rendering his possessions worth a million instead of a thousand? That means more for your bank and for all the business institutions dependent upon it. (*Chicago Defender* 1922, June 24)

The existence of such powerful expressions of the late neoliberal logic that Brown describes as ‘configur[ing] human beings exhaustively as market actors’ in the 1920s, warns against viewing neoliberalism as a stage in the history of US capitalism that arrives in the 1970s and 1980s, seeing the forces of financialization and economization putting an end to the history of egalitarian liberalism (Brown 2015, p. 31). However, if the examples of McAndrew and Binga suggest the groundwork for a broader history of neoliberalization unravelling out of the context of early twentieth-century laissez-faire capitalism, such a history needs to be mindful of how the dynamics of neoliberalization have played out differently on the two sides of the colour line. As historian N. D. B. Connolly has argued, histories of neoliberalism that cast taxpayer and consumer populism as symptomatic of a 1970s neoliberal turn constitute versions of a ‘white story’ that elides how ‘market-based identities stood at the heart of subaltern rights claims at

least a hundred years earlier' (Connolly 2018). Hence, viewing neoliberalism from a totalizing, top-down perspective, as a cultural regime imposing economic values on presumably unwilling subjects, risks overlooking how, for example, African Americans in the United States were forced to use their power and status as consumers and taxpayers to demand their civil rights. And yet, while providing a useful corrective to the historical understanding of neoliberalization that points towards both the importance of race and the need for path-dependent analyses sensitive to scale, context and contingency, Connolly's critique hardly seems to justify abandoning the project of historicizing neoliberalization at the grassroots. Black radical politics, on the one hand, and largely white reform and labour movements, on the other, inherited different ideas and experiences during the interwar era and viewed the possibilities of the market in varied ways, but they nonetheless confronted similar logics and dynamics of economization in metropolitan spaces.

The history of urban renewal between the 1940s and 1960s provides a case in point. Indeed, another key entry point in the project of historicizing the long march of neoliberalization can be found in the period between the early 1940s and mid-1950s, as state legislatures established the legal, administrative, and political framework for the federal urban renewal programmes that would define a new role for the private sector in the redevelopment of so-called 'blighted' areas in municipalities across the nation. For example, in 1945, the California State Legislature enacted the Community Redevelopment Act, authorizing municipalities within the state to establish public-private redevelopment agencies with the power of eminent domain over areas defined as 'blighted'. On the eve of the great era of federally sponsored urban renewal that would come with the Federal Housing Act of 1949, what exactly was intended by the term 'blight' was a matter of debate. Emerging out of the New Deal context, blight was during the 1930s largely synonymous with 'slum' and thus with unsafe and unhealthy conditions of residential living. But by the early 1940s, as state legislatures moved to give legal grounding to the activities of redevelopment agencies, the meaning of blight increasingly began to take on a more pecuniary character. California lawmakers were precocious in this regard, attributing the condition of blight with a litany of characteristics that had little to do with the principles of public health



and safety—‘economic dislocation, deterioration or disuse’, ‘depreciated values’, ‘impaired investments’, ‘economic maladjustment’, ‘a total lack of proper utilization...resulting in a stagnant and unproductive condition of land’. Seven years later, California became the first state in the nation to adopt tax increment financing (TIF), a system that enabled the funding of redevelopment activities through future property tax increases resulting from the developments. In Los Angeles in particular, where growth boosters close to Mayor Fletcher Bowron were referring to embattled public housing advocates as ‘Bolsheviks’, this was precisely the legal framework the city’s own Community Redevelopment Agency (CRA) needed to shift city planning priorities away from the objective of providing decent housing to low-income residents and towards profitable private commercial development (Gordon 2004). The land development industry, as Mike Davis has persuasively demonstrated in his classic book, *City of Quartz*, played an essential role in promoting and normalizing a pro-growth ideology that enshrined the free market as the solution to a range of housing and redevelopment issues in the 1970s and 1980s (Davis 2006). Yet the arrangements that unleashed the full political force of this industry were developed in the 1940s and 1950s.

A final snapshot zooms in on the city of New Orleans in 1970, when hope abounded among its near-majority black population after the election of the city’s first racially liberal, pro-growth mayor, Moon Landrieu, who had campaigned on a pro-civil rights platform that garnered the support of 90% of black voters and nearly 40% of white ones. Yet within a mere matter of months, such hope seemed naïve, as economic growth and racial progress proved to be uneasy bedfellows in the Crescent City. Landrieu moved swiftly to remake the city’s Central Business District into a stomping ground for high-end tourism, diverting tens of millions in federal funds for the construction of hotels and tourist attractions and auctioning off prime riverfront land to developers at bargain basement prices. Certainly, African Americans were not completely left out of all this wheeling and dealing. But the ‘racial progress’ that came with such policies was hardly of the inclusive sort. In the years to follow, black participation in the growth machine in the form of patronage appointments and contracts served to limit criticism about the city’s inaction on the housing and job discrimination issues faced by working-class African Americans.

And Landrieu and his entourage of downtown business interests, black and white alike, never missed a chance to tout the city's new spirit of interracialism in the political sphere and its promise of racial opportunity in the marketplace. By the mid-1970s, the language of economic growth had meshed with the language of racial progressivism as unemployment rates climbed (French-Marcelin 2014; Germany 2007). What was being witnessed in New Orleans would be reproduced in a number of cities with large minority populations in the decades to come, when municipal administrations would deploy racial ideologies and narratives of racial progress to justify a range of neoliberal pro-growth policies that devastated low-income minority neighbourhoods. This is another vital dimension of the story of the long march of neoliberalization from below.

These snapshots thus constitute different dimensions of a common and deep history of neoliberalization that is critical to understanding politics, policy and power in the post-World War II American city, where policies and modes of governance favouring free-market solutions to a range of social, political and economic problems had become normalized by the 1990s. They suggest that metropolitan spaces were privileged sites for the long march of neoliberalization, which worked tirelessly to whittle away the spirit of egalitarian liberalism that sought to shape the outcomes of massive federal outlays for affordable housing construction and infrastructural transformations. The actors in this history include legislators, planners, developers and business leaders, political representatives, state and civic institutions, community organizations and ordinary citizens.

Taken together, these vignettes argue not for a reconceptualization or redefinition of neoliberalism or neoliberal theory, per se, but rather for a fresh methodological approach to its historicization. They suggest the need to view this long march of neoliberalization from both the top-down and bottom-up in order to trace its evolution from political theory to political ideology and then to a dominant rationality within a political culture that, as Brown asserts, 'figures citizens exhaustively as rational economic actors in every sphere of life' (Brown 2006, p. 694). Incorporating these approaches holds the promise of pushing the history of neoliberalization beyond its current state as a framework for describing the circumstances and dynamics of late capitalism towards critical questions of causality—namely, those related to the triumph of market rationalities and

the “economization” of political life’. If neoliberalism, as Marion Fourcade and Kieran Healy have argued, has developed as a moral project that celebrates ‘the moral benefits of market society’ and identifies ‘markets as a necessary condition for freedom’, it is vital that we better understand the forces and circumstances that legitimated this project and made it popularly appealing (Fourcade and Healy 2007, p. 287).

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# 7

## Free-Market Advocacy in the Social Sciences and in Economics: The Analysis of Human Behaviour Between Vienna and Chicago

Jacopo Marchetti

### Neoliberalism and the Free Market: A Long-Standing Matter

The advocacy of the free market has been supported in recent years by a fascination with the themes linked to ‘neoliberal culture’, which emerged for the first time during the 1980s and the 1990s in the Western world. The term ‘neoliberalism’, as witnessed by the intense proliferation of literature, had notable good fortune in those years both in academic debates and in the popular media. Even though the term ‘neoliberalism’ appeared first in 1925 in the Swiss economist Hans Honegger’s *Trends of Economic Ideas* (Mirowski and Plehwe 2009; Becchio and Leghissa 2017), it was only after Michel Foucault’s course on the *Birth of Biopolitics* (Foucault 2008), a period in which in France there was a renewed interest in the free-market ideas of the American ‘New Right’ (Lepage 1978; Bosanquet 1983), that neoliberalism began to acquire a meaning familiar to us today.

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For many years in fact, we superficially talked about ‘neoliberalism’, displacing the idea that it could include everything that has to do with the new sensibility towards economic science, linked with the upsurge in global financial capitalism’ and with the success of complex political and economic strategies based on reforms that represented the most obvious symbol of the break with traditional social democracy and the Welfare State. This promiscuity was soon reflected in the academic debates, where neoliberalism became a *Weltanschauung* for the interpretation of different phenomena which involve men and their methods of government.<sup>1</sup>

From a different perspective, other people tried to unpick the different meanings of neoliberalism. In recent debates, neoliberalism has therefore been studied on the basis of changes in the implementation of its policies. It has been stressed that it is impossible to trace back ‘neoliberalism’ to a monolithic character (Jackson 2010; Audier 2012; Burgin 2012; Stedman Jones 2012; Schulz-Forberg and Olsen 2014). In fact, it is possible to highlight the existence of different phases within it, which concern different historical moments: the ‘Colloque Lippmann’ in 1938 and the subsequent rise of *Ordoliberalismus* in Germany, the founding of the Mont Pèlerin Society by Hayek in 1947 and the advent of American hegemony within it after the ‘Hunold affair’ (1962) which encouraged the rise of a second generation of Chicago School thinkers.

Moreover, these distinctions coincided with different political and economic proposals which it is possible to understand by analysing the social-scientific methodology which supports them. In this chapter, we intend to show how behind the different positions endorsed by the free-market advocates there were above all substantial differences in their methodological standpoints. This gap was intensified during the 1960s with the fracture between the exponents of the Austrian and Chicago Schools. On one side, the novelty of the position of the leading proponents of the Vienna School, Ludwig von Mises and Friedrich A. von Hayek, is due to the attention paid to human cognitive and psychological motivations depending on dispersed and individually limited knowledge (which makes them a behavioural or cognitive economists *ante litteram*). On the

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<sup>1</sup>If we look at the recent literature, what strikes us is that neoliberalism is described as a very inhomogeneous and “ill-defined” concept (Mudge 2008; Thorsen 2011; Venugopal 2015).

other side, the central focus of the Chicago School, and especially of Gary Becker's thought, was the generalized analysis of economic behaviours and trust in economics as a positive science, which became the central core of the explanation of human behaviour.

We want to stress that these viewpoints are grounded on (1) a different reception of marginal utility theory, (2) a different purpose of economic methodology and, finally, (3) that they are based upon different extended meanings of analysis and of scientific instruments. These aspects become more evident when comparing the Misesian idea of human action with Becker's explanation of human behaviour, as we argue in the last section.

The discussion is organized as follows. In the first part, we shall try to connect the different forms of free-market advocacy with the methodological positions supported by its followers. In the second and third parts, we shall analyse the differences between the Austrian and Chicago Schools, tracing back their different purposes to a deep diversity in their social-scientific methodological positions.

## Trends of Free-Market Advocacy

In the 1950s, the different tendencies of free-market advocacy that had grown during the transition from the agenda discussed in the 'Colloque Lippmann' and the constitution of a think tank of free-market advocacy around the Mont Pèlerin Society, collided with each other.<sup>2</sup> In this period, the fortune of German *Ordoliberalismus* and Social Market Economy gradually decreased. Although they had a wide area of consensus at the age of 'Colloque Lippmann' and during the first stage of Mont Pèlerin, their role declined in the following years. Their position represented, in a certain way, the continuance of the route taken during the first meeting in Paris, and can therefore be collocated in the famous 'third-way' between

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<sup>2</sup>Today there is a substantial literature about the importance of the 'Colloque Lippmann'. Even though for many years the origin of 'neoliberalism' were traced back to the foundation of the Mont Pèlerin Society by Hayek, only in recent years has there been an attempt to re-evaluate the importance of the 'Colloque Lippmann', which was held in Paris in 1938 and, therefore, chronologically almost ten years before the foundation of Mont Pèlerin (see Denord 2001; Audier 2008; Mirowski and Plehwe 2009).



Laissez-Faire and Collectivism (Rougier 1938; Lippmann 1938). In fact, their free-market advocacy was not effectively a wholesale 'neoliberal' critique of the State, but, rather, their policies were still characterized by a certain faith in regulation of the market, accompanied by a framework of stable rules.<sup>3</sup>

On the one hand, there were both the Austrians—whose most important exponent of the time was Hayek since his position within Mont Pèlerin was more relevant than that of Mises (but not for this reason more important for the development of Austrian thought)<sup>4</sup>—and the American free-market advocators who took part in Mont Pèlerin, gathered around the charismatic personality of Milton Friedman.<sup>5</sup> The arguments put forward by the exponents of the Chicago School were characterized by the gradual shift within the social sciences of positivist economic methodology and by the overlapping of utilitarian philosophy with the theory of rational choice.

This gap determined a more substantial break between Vienna and Chicago. From a methodological standpoint, this difference takes on a precise meaning. Even though Hayek was undeniably one of the most important exponents of twentieth-century liberalism, he defined himself as an 'old Whig' sympathizer and not a 'neoliberal' thinker (Hayek 1994). He referred to the tradition of the Scottish Enlightenment (Bernard de Mandeville, Adam Smith, Josiah Tucker, Edmund Burke, Adam Ferguson), linking these trends to the Mengerian philosophy of the social sciences (Hayek 1948, p. 4). For Hayek, there was not only a rediscovery of the classical or a simple return to an ancient idea of a 'self-regulated' Laissez-Faire market; there was also a foundation of a long-standing social science tradition rooted in a deep reflection on the 'cultural' and 'organic' rise of society and institutions which, to use the phrase that Hayek borrowed from Ferguson, are 'the product of the action of many men but are not the result of human design' (Hayek 1982, p. 20).

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<sup>3</sup>On the Ordoliberal explanation of the rules and market, see Peacock and Willgerodt (1989), Nemo and Petitot (2006), and Vanberg (2015).

<sup>4</sup>On the role of Mises within Mont Pèlerin see Hülsmann (2007).

<sup>5</sup>Other relevant movements in these years were Public Choice Theory, Property Rights Theory and Law and Economics, developed by some exponents of the Virginia School. Their different tales would require another paper to be discussed.

Mises, in contrast, was more radical than Hayek because, openly showing his opposition to any kind of planning, he was reputed by his German colleagues to be an ‘ancient’ *paleoliberal* (Friedrich 1955). His idea of the free market as catallaxy was disruptive and innovative and for this reason, perhaps, even poorly understood. Despite some differences between him and Hayek, i.e. on the a priori foundation of economics, an example of their conjoint philosophical explanation of the free market could be read in the relevance which their epistemological perspectives placed upon economic issues, which is the basis for Mises’s ‘subjectivist economics’ and *Human Action* (Mises 1949, 1960) and for the Hayekian idea of ‘cultural spontaneous order’ (Hayek 1960, 1982).

For Mises, the existence of a price system mechanism relies on the impossibility of bureaucratic centralization. Without market prices to evaluate the opportunity costs of resource use in terms of final consumer goods, planners could not tell how best to produce outputs, nor consequently which outputs to produce (Mises 1935, 1962). For Hayek on the other hand, the problem of coordination through economic actors depends on the nature of ‘dispersed’ and ‘embodied’ knowledge and by the impossibility of the neo-classic Walrasian General Equilibrium Theory. He later demonstrated the problem of dispersed knowledge from a cognitive psychological perspective (Hayek 1952a).<sup>6</sup>

## Marginal Utility and Subjective Values

It was during the early 1940s, probably due to the dissatisfaction caused by the incomprehension of his work on the economic theory of the business cycle (Hayek 1933) and the fact that he was unable to win the ‘battle’ against Keynes, that Hayek tried to rethink the link between economic analyses and social philosophy, by building a new social-scientific method in order to demonstrate his theory of action and of institutions.<sup>7</sup> Moreover,

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<sup>6</sup>The original draft of Hayek’s book on *Sensory Order* can be dated back to the 1920s. A review of Hayek’s contribution to cognitive sciences is debated in Butos (2010).

<sup>7</sup>See Ebenstein (2001), Caldwell (2004), and Burgin (2012). The latter (p. 50) rightly remembers that ‘in the early 1930s, Hayek [...] was reluctant to connect economic analysis to any social or political ideology’. While Hayek was little known outside a small circle of social scientists during his

his magnum opus on *Pure Capital* (Hayek 1941), which should have read as a response to Keynes's *General Theory*, went largely ignored, and Hayek himself, noting the profession's turn towards macroeconomics and econometrics after the publication of *The General Theory*, acknowledged that he was perceived as 'old-fashioned', with no sympathy for modern ideas (Burgin 2012, p. 30).

The rereading and the revision of Menger's *Complete Works* (and in particular of his *Untersuchungen*), which Hayek accomplished in 1933, are what allowed him to develop on his reflections (see Cubeddu 2003, pp. 61–62). The reading of Menger is fundamental for Hayek's reflection on the social sciences (Hayek [1942-144], then reprinted in Hayek 1952b). This led Hayek to reinforce his economic arguments against Keynes, but it had some failings right at the heart of its epistemological arguments. On one hand, he was initiating a project that led him to stray from the narrow modes of economic analysis that he had deployed in his works on capital and business cycles; on the other hand, he never refuted his economic conclusions but rather tried to give them a basis upon a social-scientific methodology. In this way, Hayek also raised questions about the nature of economic science, which was assumed to be inseparable from the broader question of social sciences.

Menger's teachings were also important for Hayek in recognizing the difference between 'utility' and 'marginal value'.<sup>8</sup> This is a key point for the subsequent development of Austrian economic methodology. In rediscovering Menger's thought, Hayek distanced himself from classical utilitarianism and from the early nineteenth-century 'rationalistic' conclusions of the marginal utility School of Lausanne (led by the figure of Vilfredo Pareto). He summarized and clarified his critique of the utilitarian and ultra-rationalistic model of *homo oeconomicus* in many of his

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early years at the London School of Economics, Keynes, instead, was the preeminent economist in both the academic world and in the public imagination. Even quoting Burgin (2012, p. 26), in those years Robbins was 'the department's dominant personality [...] While Hayek's writing at that time remained highly abstruse and challenging for even graduate students in economics to understand, Robbins's prose was fluid, clear and occasionally dramatic. Denying the common narrative that attributed the recent collapse largely to failures of the market mechanism, Robbins instead cited interventionary polices as the primary culprit'.

<sup>8</sup>On the confusion caused by the common translation of *Grenzwert* (marginal value) as 'marginal utility' see McCulloch (1977, pp. 249–280) and White (2015).

works (often tracing back the roots of this idea to the thought of J. S. Mill; see Hayek 1948, 1960).<sup>9</sup> This fact suggests a substantial difference in the reception of marginal utility theory in the first decade of the twentieth century, which led to a different conceptualization of a theory of action and decision-making in economics.

The roots that led to different foundations of economic methodology among free-market advocates lie beneath the different receptions of marginal utility theory throughout the first decade of the twentieth century.<sup>10</sup> The backdrop to this viewpoint, in fact, is linked to the broader marginal revolution in neoclassical economics, where the assumption was that the utility of goods could outweigh the pleasure that an individual draws from its use.

We can distinguish between two different approaches even among those who had accepted the principle of ‘marginalism’. While, on one hand, the Austrian subjective approach consider that value is not a constant, but it continuously changes in relation to the change of individual knowledge and expectations (and, therefore, it not simply possible to fix it), on the other hand, the explanation of marginal utility given by the Lausanne School economists is built on a quantitative analysis method based on subjective utility functions and fell into line with the rational utilitarian model based on a consequentialist implication of actions. In this last perspective, utility plays a role in determining demands, based on indifference curves and on the purpose of scarcity.

Utility functions are built on the law of diminishing marginal utility. Psychological factors as considered only as ‘variable’ demands and quantifications of individual preferences in an indifference curve that express the degree of sacrifice for the purpose of getting the desired satisfaction. This implies not just a calculation of the quantities of the same goods but

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<sup>9</sup>It is also necessary to point out that the translation of the term *Wirtschaftliche Mann* [“economic man”] used by Menger in *Grundsätze* (Menger 1871) is not the equivalent of Vilfredo Pareto’s *homo oeconomicus* (Caruso 2012).

<sup>10</sup>For a discussion of the Austrian philosophy of social science see, e.g. Grassl and Smith (1986), Cubeddu (1993), Boettke (1994), and Koppl (2008).

also the possibility of establishing a subjective ‘scale’ of values, deriving from the substitutability of preferences.<sup>11</sup>

In contrast to this approach, the Austrians expressed unease with these aspects. Even though Hayek during the 1930s viewed his work as a complement to, rather than a substitute for, the neoclassical approach,<sup>12</sup> Mises (and then Murray N. Rothbard, one of the most famous of Mises’s students, well known for being one of the founders of the Austro-libertarian tradition) repudiated much of the core of neoclassical utilitarian economics (Caplan 1999, p. 824; see also Boettke 1994).

Mises was the first inside the Viennese circle to develop a different approach to economic problems, by rethinking the idea of economic science. Like Hayek, he gave a personal explanation of his theory of action which came to life through the idea of ‘praxeology’. In the same years in which Hayek was developing his social-scientific methodology, Mises wrote, in his native language, an essay on the epistemological problems of economics (1933; the English translation came out in 1960). His arguments were then expanded in the summary of his thought, *Human Action* (published in 1949).

Mises refuted the idea of utility since it means ‘use’ but not a subjective value-ranking indicator. The case of indifference in choice is a prime example. He argued that the case of perfect indifference is non-sensical because it cannot be demonstrated in action. The concept of indifference is a particularly unhappy example of the error of psychologism: it is assumed that the classes of indifference exist somewhere and independently of the action. But, as Mises wrote, ‘the scale of values manifests itself only in real acting; it can be discerned only from the observation of real acting’ (Mises 1949, p. 102). A utility function, however, is not a claim about utility: ‘values and valuations are intensive quantities and not extensive

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<sup>11</sup>The theory of indifference curves was developed by Edgeworth upon the idea of ordinal utility expounded for the first time by William s. Jevons, which posits that individuals can always rank any consumption bundles by order of preference. An extensive use of indifference curves and a formalized mathematical and econometrical analysis of Pareto’s insights was made by Fisher (1922), Allen (1934), and Hicks (1939). For a general overview about the rise and the development of marginal and neoclassical economics see Kauder (1960) and, for a more recent contribution, Moscati (2018).

<sup>12</sup>See Hayek (1933, 1937). He confirmed this judgement many years later in what he wrote about mathematical methods in economics (see Hayek 1978, p. 29).

quantities. They are not susceptible to mental grasp by the application of cardinal numbers' (Mises 1949, p. 204).

Following Mises's arguments, Rothbard (1956, pp. 14–15) replicates: 'Every action necessarily signifies a choice, and every choice signifies a definite preference. Action specifically implies the contrary of indifference. [...]. If a person is really indifferent between two alternatives, then he cannot and will not choose between them'. For this reason, we have to consider economic behaviour outside the strict concept of 'utility' since the subjective value that an individual can give to a product is not closely related only to its utility and scarcity.

In this way, Mises described the scope of economics including every action where the human agent chooses between different alternatives in order to change his current situation. Although 'in everyday, popular usage the sphere of the economic extends as far as monetary calculations are possible' (Mises 1960, p. 167), and even if we think 'the specific conduct of the businessman is directed toward the attainment of the greatest possible monetary profit', the distinction between 'economic' and 'noneconomic' action must be refuted. In fact, 'as the transition was made to the subjective theory of value, this distinction, because it contradicts the basic thought of the whole system, could not but prove totally unserviceable and indeed nothing short of absurd'. Therefore, 'economic principle is the fundamental principle of all rational action and not just a particular feature of a certain kind of rational action. All rational action is, therefore, an act of economizing' (Mises 1960, pp. 156–157).

## Economics as an Extension of Human Behaviour

The period after the Second World War was particularly profitable for the rise of the Chicago School's economic approach. This period coincided with Friedman's rise. Although the influence of the first generation of Chicago economists, who indirectly took part in early neoliberal quarrels (and among whom there were Frank Knight, Jacob Viner, Henry C. Simons), was very deep in the years when Friedman was studying, he did not completely develop his economic methodology from them (Ebenstein

2007). If the first Chicago period was deeply influenced by a public policy that is, in certain aspects, comparable to Keynes's proposals, the rise of Friedman inside the Mont Pèlerin and Chicago clubs coincided with a renewal of neoliberal policies.

The influence of Hayek and the Austrian leadership inside the Mont Pèlerin Society gradually decreased. In fact, after the departure of Albert Hunold from the Mont Pèlerin Society, in the aftermath of the controversy during the early 1960s, a bloc of sympathizers ruled over the membership under the identity of Anglo-American intellectuals, whose thought was oriented towards technical 'mainstream' economics. The transformation of the Mont Pèlerin Society signified the collapse of Hayek's ambition to create an active dialogue between economists and philosophers (Burgin 2012, p. 125) and the return of positivism in the field of social sciences, embodied in a revisited scientism-soaked mode of thought which corresponded to the revival of a *laissez-faire* utopia.<sup>13</sup>

In these years both Hayek and Friedman taught in Chicago. The area of disciplines they taught is perhaps indicative of the emerging fracture between two different areas of specialization: Friedman taught in the Department of Economics while Hayek was a professor on the Committee on Social Thought and they only occasionally interacted with each other during the Chicago years. Hayek would return to Freiburg in 1962 when Friedman was at the height of his career in the United States.

Friedman contributed in many ways to the wide diffusion of neoliberalism in the media and popular culture.<sup>14</sup> On the theoretical side, he distanced himself from the Austrian positions. In his famous essay on *Methodology of Positive Economics* (Friedman 1953), Friedman resumed his positivist scientific methodology. The relevance of this book, which refuted

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<sup>13</sup>For a general discussion on the difference between Vienna and Chicago see Skousen (2005).

<sup>14</sup>Although the name of Friedman is today linked to the 'culture' of neoliberalism, his first famous essay entitled 'Neoliberalism and its prospects' (Friedman 1951) was written in a period in which he seemed to be in agreement with the main tendency within the Mont Pèlerin Society. In those years, he had not yet developed the characteristic that would mark his political philosophy: the proposals he wrote in this essay were, in fact, very similar to the conclusions pointed out by Lippmann and Röpke several years before and built on the critique of nineteenth-century individual philosophy; a good example of this can be found in his mentioning of Simons and of his remarkable book *Positive program for laissez faire* as an exemplar of neoliberalism precisely because it critiqued the failures of 'economic individualism'.

the dogmatism that characterized the Austrian *Methondestreit*'s belief that the economy could only be deduced from a priori principles, was enormous due to the split that it caused among the intellectual community. Using John Neville Keynes's distinction between 'normative' economics and 'positive' economics, Friedman stressed that the economy must be based on objective and independent science and therefore independent of any particular ethical position or normative judgments.

In his famous '*as if*' clause he assumed that economic theory remains valid beyond the type of rationality exhibited by 'real' subjects. The actors behave predominantly unconsciously as if they were maximizing agents. The economic sciences can explain human behaviour not by considering how 'real humans' make choices, but, instead, by building a model and judging the hypothesis on the grounds of its strength in order to explain a large number of phenomena. As Friedman (1953, pp. 14–15) wrote:

the relation between the significance of a theory and the 'realism' of its 'assumptions' is almost the opposite of that suggested by the view under criticism. Truly important and significant hypotheses will be found to have 'assumptions' that are wildly inaccurate descriptive representations of reality, and, in general, the more significant the theory, the more unrealistic the assumptions. The reason is simple. A hypothesis is important if it 'explains' much by little, that is, if it abstracts the common and crucial elements from the mass of complex and detailed circumstances surrounding the phenomena to be explained and permits valid predictions on the basis of them alone.

As a result, and even though Friedman intended to build the economic sciences without resorting to normative judgements, he involuntarily assumed a normative standpoint towards the role of the economic sciences. He established the primacy of economics on the basis of its empirical success precisely because it is not important if 'businessmen do or do not [really] reach their decisions by consulting schedules, or curves, or multivariable functions showing marginal cost and marginal revenue'



(Friedman 1953, p. 15).<sup>15</sup> Instead, what matters is whether a model based on these assumptions proves to be effective in making certain predictions.

During the 1960s, Gary Becker took Friedman's position to its ultimate conclusions. Like Friedman, Becker founded his method on positive economics in order to explain human action. The theory of *Human Capital* (Becker 1964) and his 'economic approach' to human behaviour (Becker 1976) are still landmarks of contemporary economic methodology.

The generalization of his *as if* clause to all human behaviour is the logical development of the role which hypotheses play in scientific research. His basic hypothesis test consists of a generalization of the utility function which allows him to introduce, as variables of this function, all the elements necessary to assume every human act as a choice between different alternatives known to the economic agent. In this way, Becker tried to explain how men act to maximize their utility even though they do not exactly know the ways to calculate or to maximize their utility function. As a result, every human behaviour could be interpreted under the dominion of economics, also by taking into account the relevant economic consequences of non-monetary aspects of choices; in other words, economics allows us to understand human behaviour through the possibility of leading any social environment back to a market dominated by the demand and supply of certain goods.

As in Mises's viewpoint, human action is *always* economic. In fact, both Mises and Becker considered that the scope of economics included the whole of human behaviour (Aranzadi 2006). Human action is one of the economic agencies that brings about change, since its 'ultimate end of action is always the satisfaction of some desires of the acting man' (Mises 1949, p. 18). The nature of the economic problem cannot be resolved by studying the ends and means that are used in the market:

scarcity and choice characterize all resources allocated by the political process (including which industries to tax, how fast to increase the money

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<sup>15</sup>Among those who challenged Friedman's view were Boland (1982), who defended the method of positive economics, and Caldwell (1980), who criticized Friedman's methodological assumptions. A general discussion on the rise and the utility of the 'positive method' in economics is summarized by Blaug (1980), Caldwell (1982), Musgrave (1981), and Caplin and Schotter (2008). On Friedman's methodology see also Mäki (2009).

supply, and whether to go to war); by the family (including decisions about a marriage partner, family size, the frequency of church attendance, and the allocation of time between sleeping and waking hours); by scientists (including decisions about allocating their thinking time and mental energy to different research problems); and so on in endless variety. (Becker 1976, p. 4)

Consequently, for both authors the area in which actions are produced, based on the scarcity of means and the need to make choices, exceeds the area of market phenomena. But if the anthropological categories contributed by Mises allow us to understand all human phenomena from the view of the man who acts, Becker, in contrast, employs the economics because it can 'provide a valuable unified framework for understanding all human behavior' (Becker 1976, p. 14).

In conclusion, Becker and Friedman draw the lines of economic science outside the perspective of the social sciences, losing sight of the essential aspect of the relationship between the two aspects and assuming economics as normative towards any kind of social explanations. The Austrians, instead, demonstrate that economics is not a normative and autonomous science, but a way to understand human behaviour in its entirety—in the market, as in social or moral frameworks. In their view, economics is part of a philosophical system whose core is the dynamic capability of people to choose. Values are not directly linked to an economic or pecuniary interest, but are linked to psychological factors that dominate behaviour and that are not reducible to a quantitative calculus through the extension of the utility function. There is, therefore, no difference between economic action and human action.

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# 8

## From Market to Contract: What Do Corporate Governance and Contract Law Contribute to the Analysis of Neoliberalism?

Kean Birch

### Introduction

Today, most economic activity takes place inside for-profit economic organizations, especially large multinational enterprises. For some reason, neoliberalism sits very comfortably alongside the growth of these large, usually monopolistic, corporations and the concentration of market power they entail. Analytically, normatively and politically this should not be the case, at least according to dominant understandings and representations of neoliberalism. Neoliberals and their critics usually highlight the expansion, insertion and dominance of markets and market thinking as the defining feature of neoliberal restructuring, implying that corporate monopoly and market concentration should be anathema to our supposedly neoliberal age. That was the case in the early to mid-twentieth century when neoliberals, of whatever school, seemed entirely antagonistic towards both (Birch 2017). However, historical work by van Horn (2009, 2011)

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and van Horn and Mirowski (2009) shows how neoliberals—primarily of the Chicago School—ended up changing their position during the 1950s and 1960s until they largely theorized away any problems with monopoly.

I take this contradiction as the starting point for this chapter, although perhaps not the endpoint for my arguments. I have two aims here: first, to contribute a new analytical perspective for understanding neoliberalism as a concept, primarily by questioning the idea that neoliberalism is a market-based order or project or ethic; and second, to outline how neoliberalism can be better thought of as a contract-based order, centred on the formalization and entrenchment of legal contractual relationships within standard contracts. On the one hand, then, I question so-called neoliberals and the tenets that underlie their analytical and normative claims about the world (e.g. markets as efficient, good, etc.), thereby raising the question of whether we need to rethink the use of ‘neoliberalism’ as a concept (Venugopal 2015; Birch and Springer 2019). On the other hand, I question neoliberal epistemic claims about the wonders of markets as the solution to *all* of our problems even though the rise of monopoly and market concentration effectively delegitimizes any claims that we just need to get rid of distortions or disruptions of markets to reap their benefits.

I first outline how neoliberalism is used in the critical literature. I then focus on corporate governance and corporate form in order to illustrate how these have changed over time. I follow this with a discussion of how neoliberalism can be usefully framed as a contractual-based concept, rather than market-based one. I then conclude with some implications of this argument.

## **Neoliberalism as a Market-Based Concept and the Contradiction of Corporate Monopoly**

Why is neoliberalism still a fuzzy term and concept? Especially considering how popular it is as a concept. It is used to refer to corporate power, the collapse of the financial markets in 2007–2008, growing social and economic inequality around the world, and much else besides. So many



people have written critically about neoliberalism that it is now incredibly difficult to pin down or agree about what it means. I think there are two key reasons why it has become difficult to identify or agree on what we mean by 'neoliberalism'. First, it has a complex and shifting intellectual history stretching back to the 1930s and before, often entailing contradictory schools of thought and contrasting epistemic communities. As I have outlined previously, disparate strands of liberalism lead to this thing we now call 'neoliberalism' (Birch 2017). Second, even the critics of neoliberalism do not adopt a coherent and consistent analytical definition of the concept when writing about it (Birch 2015, 2016, 2017).

All of that notwithstanding, it is possible to identify a number of commonalities across the critical literature on neoliberalism (although not many). Most obviously, critical thinkers generally agree that neoliberalism is about markets, and often about the power of 'the market'. This is evident within the works of neoliberals themselves; key thinkers position the (competitive) market as the most economically efficient and politically empowering social institution we have—and therefore the best and most ethical way to order and organize society (see Hayek 1944/2001; Friedman 1962). Critics of neoliberalism similarly highlight the centrality of markets and the creation of a market-based order in our understanding of neoliberalism. Examples include David Harvey who argues that neoliberalism 'holds that the social good will be maximized by maximizing the reach and frequency of market transactions, and it seeks to bring all human action into the domain of the market' (Harvey 2005, p. 3). It seems as though most (academic) critics of neoliberalism also now agree that it does not entail the erosion or hollowing out of the state; this is because the state plays a critical role in the creation and maintenance of markets (e.g. enforcement of property law and contract law). This is what makes neoliberalism distinct from nineteenth-century *laissez-faire*, namely, the notion that markets are social constructs rather than natural (or naturalized) phenomena. That does not mean that neoliberalism does not naturalize the origin of markets in liberal notions of freedom to contract (cf. government enactment) and their role in the producing a specific social order.

Here, it is possible to identify two contradictions in the idea of neoliberalism as a market-based concept and order. First, the very concept of a

market-based order—imagined by neoliberals or their critics—entails the extension and insertion of markets and market thinking into every part of the social world. Why? Colin Crouch argues that the (neoliberal) market necessitates pricing everything so that everyone can calculate the most efficient allocation and distribution of resources, whether in their own lives or across society. Putting a price on everything would be pointless without a ‘common unit of measurement’, since it would be impossible to coordinate decision-making (Crouch 2011, p. 31). Consequently, the (neoliberal) market requires that everyone participate in the market and that everyone’s actions and everything must be priced, raising some worrying implications for individual freedom. Second, a market-based conception of order requires that everyone becomes a price-taker rather than price-maker; if this does not happen then market power can distort the workings of markets. An example would be any form of monopoly since it would distort market signals (i.e. prices) and reduce market efficiency (Ibid., p. 29). Although the former contradiction is important when considering neoliberalism analytically, the latter raises questions about conceptualizing neoliberalism as *primarily* a market-based order and concept.

A broader shift in the representation of markets and corporate power during the latter half of the twentieth century provides a means to unpack these contradictions, especially regarding what markets are, how they function, and how we should analyse them. This shift is evident in the way that economists and others have theorized the corporate form and corporate governance, and has involved a complex intellectual evolution in the epistemic claims made about markets, business and monopoly, as well as the social order that these claims legitimate and engender.

## The Evolution of Corporate Form and Corporate Governance

In this section, I examine the evolution of corporate form and governance in order to understand the contradiction in neoliberalism highlighted above (i.e. between markets and monopoly). I do so in order to show how neoliberal epistemic claims reflect a specific neoliberal social order that is contract-based rather than market-based. I show how corporate form and

governance have changed over time, but not necessarily towards greater efficiency. Corporate form and governance reflect the organizational and legal characteristics and abstract understandings of the dominant business enterprise at any moment in time (e.g. partnership, limited company, public corporation, etc.). Certain social formations are viable and/or achievable as a result of these specific characteristics and understanding, while others are not. I use this discussion here to then analyse neoliberalism as a concept in the final section.

## Corporate Form and Governance in Earlier Eras

I start this outline of the evolution of corporate form and governance by noting that global capitalism has been dominated by one hegemonic power or another for centuries, with the UK dominant in the nineteenth century and the United States in the twentieth century (Arrighi 1994/2010).

According to Karl Polanyi, nineteenth century British dominance was underpinned by *laissez-faire* notions of a ‘self-regulating market’—perhaps, more of a fiction than reality though. As a social order, *laissez-faire* reflects a particular understanding of markets and new forms of economic organization, especially owner-managed firms (Polanyi 1944/2001). Going back to Adam Smith, this social order was centred on epistemic claims about individual self-interested action as the fount of social benefits resulting from market exchange—the famous ‘invisible hand’ (Barkan 2013). These new ideas provided a new critique of large-scale political-economic organizations as disruptors of ‘moral’ markets through collusion and monopoly, whether they were state or quasi-state entities, like joint-stock companies (Arrighi 1994/2010). The reason for this was that market competition and market prices were naturalized as objective forces outside human control; in turn, large-scale organizations were presented as disrupting this *natural* order (Bratton 1989).

The dominant form and governance taken by business enterprises in Britain at this time reflected these epistemic claims, primarily entailing small- and medium-sized, owner-managed firms and partnerships, or unincorporated joint-stock trusts that acted like partnerships (Gillman

and Eade 1995). Governance-wise, such business enterprises did not separate ownership from control, and were often part of a highly competitive, mainly familial business tradition that stretched across the world in many cases. For example, they formed what Arrighi and Silver (1999) call ‘an ensemble of highly specialized medium-sized firms held together by a complex web of commercial transactions’. Their success and failure rested on price competition with success and failure framed as an effect of market decisions.

As British global hegemony waned at the end of the nineteenth century, a new corporate form and governance model arose, leading to the so-called *corporate revolution* in the United States (Chandler 1977; Fligstein 1990; Roy 1997). Characterized by the rise and expansion of large and publicly traded business enterprises, this managerial era was entrenched after World War II by the rapprochement between organized labour and business leaders that led to the ‘golden age of capitalism’.

Again, this era entailed specific understandings of markets and a form of corporate governance that helped to shape the emergence of these new corporate enterprises. The key idea was a notion of *managerialism* that promoted responsible corporate management and the concomitant goal of societal benefits by reconciling the concentration of corporate power with the demands of liberal democracy (Bowman 1996). In particular, this meant emphasizing and promoting the positive role of large corporations in the wider US economy, including the goal of raising living standards through mass production and consumption, as opposed to promoting competition through (*laissez-faire*) markets (Locke and Spender 2011). As a result, greater emphasis was placed on cost-based planning and production according to Bratton, in contrast to the previous focus on price-based market interactions between individuals in *laissez-faire* (Bratton 1989, p. 1471).

Perhaps the clearest example of this new corporate era was the work of people like Berle and Means (1932) in the 1930s on changing corporate governance regimes. Corporations were classified as ‘real entities’, in contrast to an aggregate or contractual view that dominated the end of the nineteenth century (Gindis 2009), while the key instrument of corporate governance shifted from corporate law to securities law as stock markets were turned into a mechanism for managing the relationship between

shareholders and managers (Hessen 1983). In accompanying the rise of large and often oligopolistic corporations, these new ideas helped to legitimate the activities of corporations as *entities* in their own right as opposed to individual business owners.

## Corporate Form and Governance in the Neoliberal Era

As with the previous two eras, neoliberalism is characterized by a distinct corporate form and governance. The changes in the last few decades are most evident in the development of a ‘contractual theory’ of the firm to sit alongside the dominance of large corporations and big business over the state and society (Weinstein 2012). In contrast to nineteenth-century *laissez-faire*, however, neoliberalism does not entail an assumption that markets emerge naturally; rather, it is based on the idea that markets are underpinned by a ‘presumption of freedom to contract’ (Bowman 1996, p. 171), which has to be actively protected by law and state regulation. Neoliberalism can be distinguished from *laissez-faire* on this basis, involving an emphasis on contract and contractual relations over and above (fictive) natural market ones. Markets are thereby conceived as a series of contracts rather than price interactions (or cost calculations from a *managerialist* perspective). Consequently, anything can be remade as a market in neoliberalism because everything can literally be turned into a *contract* with the right techno-economic configuration (e.g. municipal rubbish collection, saving the planet from climate change, etc.) (Birch 2016, 2017).

Neoliberal corporate governance follows this logic too. It is based on the (re-)conceptualization of markets as a series of contracts, which is reflected in the notion of the firm as a ‘nexus of contracts’ (Butler 1989; Eisenberg 1999; O’Kelley 2012). The work of Ronald Coase (1937) is important here, especially his theory of the firm and concept of transaction costs; the latter can be defined as the costs involved in contracting, which might include negotiating, writing and enforcing a contract. Coase and others use the concept to explain why certain economic activities are internalized

in hierarchical organizations like corporations (e.g. hiring employees over temporary contractors), while others are not.

Economists trained or working in the Chicago School of Business—and not the Economics Department—developed this contractual perspective through their engagement with the theory of the firm. In particular, Jensen and Meckling (1976) and Fama (1980) have explicitly conceptualized the firm as a ‘nexus of contracts’, reflecting a range of contracting parties in the organization and governance of the firm (e.g. investors, managers, workers, etc.). This contractual perspective reframes the *internal* ‘transaction costs’ (e.g. employment contracts) as *external*, thereby redefining them as market-based contracts (Hodgson 2005). However, there are significant problems with this reframing, especially in terms of how the disciplines of economics and law define ‘contract’. For economics, they are ‘reciprocal arrangements’, while for law they are ‘legally enforceable promises’ (Eisenberg 1999, pp. 822–823). I come back to this below. For now, though, it is important to note that the nexus of contracts perspective helps theorize away the contradiction in neoliberalism noted above; namely, the contrast between the emphasis on markets and the lack of unease with monopoly and market concentration.

The evolution of neoliberal corporate form and governance is premised on the conceptualization of contractual relations as the equivalent of market price interactions, meaning that neoliberalism—as a supposedly market-based order—is made compatible with monopolistic business forms and governance, which can be treated as markets in and of themselves. Contract actually ends up trumping price (or cost) as the epistemic basis for thinking about markets within neoliberalism, at least in relation to corporate form and governance.

The implications of thinking of neoliberalism as a contractual-based epistemology and social order, which is implied in the preceding discussion, are important for theorizing our current political-economic context. It also has implications for how we understand neoliberalism as a concept, since it raises questions about whether markets are the source of all our problems after all. I consider these issues in the next section by discussing the importance of contract and contract law to neoliberalism.

## Neoliberalism as a Contract-Based Analytical Concept and Category

### Neoliberalism, Contract and Contract Law

While many people focus on private property rights as a keystone of markets—and hence neoliberalism—it is worth considering the importance of contract and contract law in neoliberal thought. Many early neoliberals were lawyers or were interested in law, as demonstrated by the work of someone like Friedrich Hayek. For example, in his major treatment of law, *The Constitution of Liberty* (1960/2011), Hayek argued that ‘other people’s property can be serviceable in the achievement of our aims is due mainly to the enforceability of contracts’ because ‘the whole network of rights created by contracts is as important a part of our own protected sphere, as much the basis of our plans, as any property of our own’ (Ibid., p. 208). By this, Hayek meant that *free* ‘market’ exchange is only possible if we have both property rights and rules of contract to enable exchange between property holders. As he put it, ‘competition [is] made possible by the dispersion of property’ and this dispersion depends on contract since it enables individuals to make choices through their (contractual) relations with one another. According to Hayek, moreover, certain minimum legal requirements underpin any ‘market’ order and would have to be enforced by the state, including ‘the protection of property and the enforcement of contract’ (Ibid., p. 338). As can be seen from this brief discussion of Hayek, neoliberalism is dependent on contract and contract law.

### Neoliberalism as a Contract-Based Order

Few critics of neoliberalism engage with the legal dimensions of neoliberalism, with some exceptions—those exceptions include scholars who have analysed how neoclassical economic ideas infiltrate legal thinking, with the clearest example being the ‘law and economics’ movement that emerged from the University of Chicago Law School, being highly influenced by Ronald Coase (Davies 2010; Aksikas and Andrews 2014). In this section, though, I analyse neoliberalism as a contract-based order—not simply a

market-based one—by discussing the relationship between neoliberalism and contract law (Zamir 2014; Birch 2016, 2017).

I start by analysing the contractual theories of the firm, corporation and corporate governance touched on in the previous section. Here, Weinstein (2012) provides an interesting take on the new contractual theory of market relations developed by the likes of Jensen and Meckling and Fama that framed the firm as a market. Such framing is evident in the positive and normative claims about (proper) corporate forms and governance. So, for example, Jensen and Meckling (1976, p. 310) famously claimed that firms are '*legal fictions which serve as a nexus for a set of contracting relationships among individuals*' (emphasis in original) and that 'Contractual relations are the essence of the firm, not only with employees but with suppliers, customers, creditors, etc.'. For Weinstein, this nexus of contracts view meant that Jensen and Meckling could define an organizational structure—in this case, the firm (or corporation—sometimes the distinction is not well made in this corporate governance literature)—as a market by making the assumption that contracts constitute the market structure.

Built into this assumption is the idea that all organizational transactions are only and ever discrete, one-time interactions; they have no history or future to them. In contrast, however, ongoing, stable and personal relationships—highlighted in the literature on trust in business—are (more) common in business because of the difficulty in putting everything into a contract. Most economic relationships require some wriggle room. However, the idea that economic relationships are trust-based or highly dynamic is ignored in neoliberal conceptions or deployment of contract and contract language (Trakman 2010). Contradictorily and paradoxically for neoliberal thinkers, if markets are conceived as a series of one-time and short-term 'contractual' arrangements, then any extension of markets will necessarily increase transaction costs—because of the necessary increase in contracting—and thereby reduce the efficiency of markets.

Neoliberalism is premised on extending markets everywhere, however. According to Paul Treanor (2005: n.p.), neoliberalism is characterized by the 'desire to intensify and expand the market, by increasing the number, frequency, repeatability, and formalisation of transaction'. Neoliberals conceptualize markets as contractual structures rather than



property- or price-based structures; the latter are naturalized as givens. As Treanor argues, the neoliberal extension of (market) contracts to everything ends up increasing the frequency of (market) contract negotiations, decreasing their duration and intensifying their audit and oversight. Neoliberalism necessarily entails increasing the number, frequency, duration and intensity of all *contractual* transactions. If everything can and should be turned into a (market) contract, then every contract has to be negotiated and renegotiated constantly, has to be reduced to the shortest possible contract length to enable constant renegotiation, and has to be audited constantly.

I cannot think of a starker dystopia than this. It implies that as everything becomes more contract-based, it will significantly increase the aggregate cost of all transactions as every action we take—since it is now covered by the market—necessitates constant contractual negotiation, coordination, monitoring and enforcement. The resulting increase in contracts (and their transaction costs) would be phenomenal as everything is swept up into this neoliberal logic, and it would lead to the economy simply grinding to a halt. Perhaps the only way to resolve this dilemma would be to standardize contracts.

Finally, then, it is worth emphasizing that any critical understanding of neoliberalism must examine the conceptual and practical implications of the standardization of contracts. Although Hayek noted that individuals should be able to create their own contractual relations with each other as they see fit, he also noted that standard contracts ‘often greatly facilitates [such] private dealings’ (Hayek 1960/2011, p. 339). Standard contracts, however, raise yet more contradictory issues for neoliberalism.

## Standard Form Contracts and Neoliberalism

Standard contracts are contractual arrangements where one party—usually seller—determines the terms of the contractual agreement with no input from the other party (Slawson 1971; Bebchuk and Posner 2006; Gilo and Porat 2006). For example, the end user license agreements (EULA) we sign everyday are dictated to us by software (and other) firms, and we can either sign them (with no input) or not (but then lose access to the good

or service). Standard contracts entail as significant asymmetry between parties, both in terms of information and control. They are not, then, free or voluntary agreements, since one party can enact their demands and the other party cannot. And yet, Hayek argued that they are necessary in contemporary capitalism because economic complexity increasingly precludes individually negotiating, monitoring and enforcing every contract. Standard contracts now represent ‘more than 99% of the contracts currently entered, whether consumer or commercial’ (Zamir 2014, p. 2096).

Despite their ubiquity, standard contracts raise three problems with the way we currently conceptualize neoliberalism. First, standard contracts enable firms (primarily) to avoid *market pressures and imperatives* altogether. As Butler notes, the standard contract ‘reduces the transaction and negotiating costs of reaching and adhering to optimal contracts’ (Butler 1989, p. 119). Contract law underpins neoliberalism because it entails the extension of contractual relations, rather than *market-like* relations, to all areas of society. Standard contracts reduce transaction costs, which would not be possible with the extension of *market-like* arrangements and the necessary negotiation, monitoring and enforcement of market relations. Obviously, this contrasts somewhat with the notion that neoliberalism is about the installation or insertion of markets as the best or only mechanism for coordinating society. Paradoxically, as our social relations are transformed into market-like interactions, then markets would become less efficient since they would necessitate the massive expansion of negotiation, monitoring and enforcement of transactions.

Second, and in follow-up to the previous point, standard contracts are *anticompetitive* according to Gilo and Porat (2006, pp. 1006–1007), in that they enable and legitimate various forms of anticompetitive practice. In particular, the increasing complexity of standard contracts enables firms to sidestep price competition. For example, cellphone firms can tacitly collude through complex and incommensurate cellphone contracts (e.g. by avoiding selling similar contract terms as other firms). As a result, it becomes more and more difficult to compare prices between firms, and to shop around for the best deals. Gilo and Porat point out that this means that ‘transaction costs [are] imposed upon consumers, from which the supplier expects to gain’ (Ibid., p. 986).

Finally, standard contracts reflect a turn towards *privately made law* and away from public legal systems. Standard contracts are good for firms (and other private organizations) to create and enforce their own private legal and governance system. Going back to the 1970s, Slawson argued that standard contracts ‘engulfed the law of contract’ and ‘become a considerable portion of all the law to which we are subject’, representing ‘privately made law’ (Slawson 1971, p. 530). This, perhaps, explains why neoliberalism is characterized by the rise and dominance of large and monopolistic firms (Braithwaite 2005).

## Conclusion

I started this chapter by outlining the contradiction between understanding neoliberalism as a market-based epistemology and social order and its accommodation with the rise and dominance of large and monopolistic firms. In trying to find an analytically satisfying way to reconcile this contradiction, I analysed the epistemic and social basis of neoliberalism represented in the corporate form and governance. My conclusion is that we have to avoid treating neoliberalism as a market-based epistemology and social order, and instead examine the underlying contract-based epistemology and social order in which notions of market price, competition and interactions are undermined by the expansion of standard contracts as a way to enable continuing socio-economic activity in an increasingly complex political economy. Despite what can be considered as the rhetoric of ‘free’ markets as arbiters of (social and economic) value, actually existing neoliberalism depends more on law (and the much-needed third party oversight of a state) than on open and voluntary exchange. The latter is a myth, designed to obscure the role of the state as creator, facilitator and enforcer of political-economic relations.

There are several implications for how we understand neoliberalism that flow from this, including how should criticize it and engage with it politically and normatively.

First, it is important to rethink neoliberalism analytically in order to problematize the easy association of neoliberalism with the extension of markets. Too often, critics of neoliberalism fall into the trap of accepting

neoliberals at their own words by analysing neoliberalism as a market-based theory and order. Neoliberals get a free pass from this assumption, especially as they are able rhetorically to present their ideas as the extension of freedom, liberty, free exchange, individual choice, individual responsibility and so on. Instead, all those ‘good’ things do not underpin neoliberal thinking conceptually nor its reality. Rather, neoliberalism can be thought of as a regressive philosophy and order that is based on the limitations of contractual relations, especially the asymmetrical and standard form contracts that necessarily underpin the expansion of supposedly market relations. It would make sense, politically speaking, to turn the rhetorical tables on neoliberals by reappropriating this language of freedom and democracy, although this leads to the second issue.

Second, the increasing salience of standard contracts requires an increase in both state and quasi-state regulation of individual and organizational decision-making, which are determined by standard contracts to the detriment of individual choice and preference. Individuals, groups, communities, organizations and so on are constrained by these contractual relations, due to various information and governance asymmetries, and the state is deeply implicated in this extension of a neoliberal order. While many scholars recognize this already, it is perhaps worth emphasizing that any political or normative contestation of neoliberalism that then relies on retasking the role of the state to counter neoliberalism is likely either to fail (as the state is already thoroughly entangled with neoliberal imperatives) or require a wholesale reimagining of the state (Springer et al. 2016).

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# Part III

## Neoliberal Subjectivity





# 9

## Racial Neoliberalism and the Fragmentation of One Neoliberal Order

Gargi Bhattacharyya

### Have We Lost Interest in Neoliberalism?

At the time of writing, the neoliberal order appears to be in crisis. Not the earlier crisis of neoliberalism that arose from within and somehow served to consolidate the grip of neoliberal logics on all aspects of existence, but instead something new and differently unsettling.

In June 2018, after much bluster and various alarming promises on the campaign trail, Donald Trump very suddenly instituted tariffs on steel imports into the United States from Europe, Canada and Mexico. As is the way with protectionist tit-for-tat, the EU, Canada and Mexico variously expressed their discontent with this move and promised to mount correspondingly punitive tariffs on US goods in return.

This set of moves is quite distinct from the strange structural adjustment from within of the 2008 crisis, a crisis that all too predictably has worked to tie new regions into the stringent conditionality of international debt

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(Hermann 2014). After a period where the end of neoliberalism—and also its strange non-death (Crouch 2011)—was subject to much discussion, we have understood that the temporary crisis of capitalism was, in fact, only a crisis for some. In the process, we learn to recognize new global winners and the relegation of some recently affluent regions to the periphery.

Previously, the combined economic and military might of one form of global neoliberalism achieved a kind of worldwide hegemony, albeit a fragile one. After 2008, this global settlement has become increasingly fractured. The regions of something like the total war without end of racial Palestinianization described by Goldberg (2009) appear to have grown and, in some cases, to have moved beyond containment by global institutions. Despite the breathless rhetoric of the war on terror, significant territories have been abandoned to the previously reviled ‘non-state actors’ (Ezrow 2017).

At the same time and in the name of global prosperity, versions of austerity have been imposed and, occasionally, embraced across developed economies. Austerity has hastened the processes of neoliberalization, dismantling public services, enabling deregulation of labour markets and further entrenching the domination of corporate interests (Varoufakis 2016). Predictably, the backlash against this period of neoliberal restructuring is characterized by a nostalgia for a welfare system and interventionist state that gave citizens a sense of status and security (Taylor-Gooby et al. 2017).

In the long aftermath of the 2008 crisis, something else takes place. While the fixing strategies employed to safeguard the business as usual approach of captains of the global economy appeared to enable the continuation of the economic strategies of neoliberalism—contracting and disappearing public services, freeing of so-called market forces, tying state intervention to the requirement to safeguard corporate interests, dismantling and vilifying all forms of social welfare as a disincentive to work—such strategies have had their own unforeseen political consequences. This shift demands a reconsideration of what we understand as ‘racial neoliberalism’ (Goldberg 2009; Bhattacharyya 2013).

## The End of Neoliberalism?

Until recently, the term neoliberalism appeared to refer to an absolute force, an era without end and a mode of domination that suffused the globe. If ever we have imagined a global hegemonic project, then neoliberalism was it (Giroux 2018). No earlier project of world domination came close—not Christianity, not empire, not military might alone. Neoliberalism, unlike these practice runs on which it is so dependent, melded together militarism and economic forces, diplomacy, threat and culture, in a complex mesh of coercion and promise. No wonder we began to talk as if this would be the way of the world until the end of time.

How unsettling, then, to reach this moment when neoliberalism itself seems to be fragmenting. Not the tactically useful diversification of techniques to which we have become accustomed, although that is there too, but a destructive battle to the death between competing elements of the global elite. As always, such battles pull in others and purport to speak for the masses in one way or another, but it is the struggle for ascendance between the world's haves that is of interest to us.

In what follows, I try to identify the odd and unexpected centrality of raciality in this disintegration of one phase of neoliberalism. This fragmentation is played out, in part and occasionally very loudly, as a battle over matters of racism. Whereas the ascendent and (overly) confident moment of neoliberalism moved into the terrain of proclaimed post-racialism as an official discourse of colour-blindness (Bonilla-Silva 2006), a double-think that both relegated overt racism to the realm of the uncivilized while leaving untouched structures of racialized hierarchy shaping access to the means of life, increasingly we have seen populist alternatives to this supposedly elite neoliberalism employing a reclaiming of nationalist and racist discourses in the name of giving voice to those silenced by elites (Lazaridis and Campani 2016).

This variation in formation is present in David Goldberg's debate-changing account of racial neoliberalism (2009), an account to which this discussion is indebted. In fact, Goldberg depicts a world in which interlocking racial formations create a complex landscape, with the logics and techniques of dispossession that have arisen through different histories of racism existing in parallel. What is absent from Goldberg's account is

the sense that 'racial' elites may themselves be in competition. Whereas we come to understand the dangerous coexistence of forms of brutality that can characterize racial neoliberalism, so that bordering and state violence and settler-colonialism and erasure can all exist alongside each other in a chain of racialized dispossession, the implication is that such total systems of domination rarely and barely change.

Without wishing to present too optimistic an account of our ugly times, not least because the emerging shifts and realignments may lead to new horrors and as-yet unimagined challenges, perhaps we over-estimate the solidity of neoliberal powers (Peck et al. 2017).

## What Is Racial Neoliberalism?

Racial neoliberalism, we learn to understand, is the mobilization of racializing and/or racist processes for neoliberal ends, and also the concerted misnaming or erasure of such processes. Racial neoliberalism becomes a highly discussed and (sometimes scarily) apt conceptual frame because something in our time brings this doubleness to the surface. Much about the debate surrounding racial neoliberalism is to be welcomed. With this refocusing we are reminded to pay attention to the interplay and co-constitution of racist exclusion and economic inequalities, to address ourselves to the machinery that renders too many as expendable. Our challenge is to transfer the undoubted insights of an analysis of racial neoliberalism to this changing moment when the terms of neoliberalism appear to be adapting or mutating.

Goldberg places a sense of displaced entitlement at the heart of his account of racial neoliberalism, in particular through reference to an alleged crisis of whiteness that is based in recent struggles over the distribution of social goods in the United States.

Neoliberalism accordingly can be read as a response to this concern about the impending impotence of whiteness. Neoliberalism is committed to privatizing property, utilities and social programs, to reducing state expenditures and bureaucracy, increasing efficiencies, and to individual freedom from state regulation. As the state was seen increasingly to support black employment, to increase expenditures on black education, and to

increase regulation to force compliance, white neoconservatives found neoliberal commitments increasingly relevant to their interests (Goldberg 2009, p. 337).

I am not sure that other formerly affluent spaces operate around the same racialized logics as the United States. Cultures of racism, after all, tend to function through a combination of allegedly timeless attributes and highly localized narratives about belonging, crisis, entitlement (Law 2013). Broadly, we might argue that European modes of racist backlash have sought to reclaim the lost entitlements of the white/native population under welfarism (Ketola and Nordensvard 2018), from an erosion identified as arising from migration, with migration presented as an elite conspiracy where economic interests are placed above racial/national allegiance. Expressions of dissatisfaction with the consequences of this allegedly elite-sponsored immigration policy occurs despite the extremely punitive regimes of racialized control that have been instituted alongside neoliberal restructuring. Far from heralding a post-racial free for all, racial neoliberalism has enabled the construction of resilient and far-reaching structures of official racism. This can be seen in:

- the remaking of political space to meet the imperatives of the market above all else, in the process relegating both social concerns and, on occasion, the explicit racial ordering of earlier state practices to the status of inefficiencies;
- an adaptation of the racial practices of increasingly neoliberal states in a manner that both intensifies securitization and seeks to disguise the racialized manner of these practices;
- an intensification of inequality, often in the name of economic restructuring to meet the challenges (and opportunities) of the global economy;
- increasingly onerous processes of demarcation between citizen and non-citizen;
- a hardening of machineries of social and economic exclusion that overlay established hierarchies of racialized privilege and disprivilege.

Taken together, we might consider these to be the central characteristics of racial neoliberalism in spaces of recent affluence and established structures of liberal democracy. For some time, these combined aspects

have taken on the appearance of the established racial order of liberal democracies. This is the terrain on which some reformist demands have been met and enjoyed because it is important for us to remember the real and tangible benefits of such small victories. It is the formation that has informed much of the critique of institutional and state racisms of the last two decades, focusing our shared attentions on the persistence of violent racism and exclusion alongside an apparent deracialization of official state functions (Lentin and Lentin 2009). This apparent contradiction has led to a well-founded critique of the inconsistencies and hypocrisies within liberal political spaces. The techniques employed by anti-racists have built on this critique, seeking to inhabit and employ the institutional levers of such spaces, including legal interventions based on unequal treatment and a failure to extend the protections and benefits of liberal institutions to all.

As has been discussed extensively among anti-racists, this is a framework that works to constrain the terms in which claims can be made (Solomos 1989). The structures of neoliberal organization militate against understanding social wounds or hardship in collective terms because the claim for redress tends to be articulated in individual terms (Scharff 2016). This is most evident in the legal framework available to challenge discrimination—a framing that contracts racism and other systemic injustices to matters of unequal treatment at the individual or small group level.

While such a conceptualization of racism and remedies to racism pre-dates the era of racial neoliberalism, the intensification of neoliberal logics across key institutional spaces has coincided with a series of partial gains in anti-discrimination law (in the UK, this included the extension of some legal protections on the basis of religion, belief and sexual orientation, following on from the amendment of the 1976 Race Relations Act that arose from the recommendations of the Stephen Lawrence Inquiry) and an overall shift towards imagining entitlements and redress as individual experiences (Comaroff and Comaroff 2000). Of course, this erasure of social structures and rewriting of social and political space as no more than a series of encounters between individuals, largely stripped of history or meaning beyond the ability to negotiate a transactional social/economic sphere, has been among the most discussed aspects of the neoliberalization of everyday life (Braedley and Luxton 2010).

One outcome of this period is that many tactics of anti-racism in relation to institutional practices also centre on the individual experience. We may understand that each individual experience is indicative of a pattern that constitutes a collective experience, but the making of claims shaped by anti-discrimination thinking forces a return to individual hurt. Claims can be brought in the name of a tightly delineated group but not as a 'class'. This recent history will be familiar to many readers. These are the events that have established racism as a social bad and a social embarrassment, sometimes with little further action to address the impact of racism. What is of interest at this juncture is the re-emergence of defences of racism, as a right of expression and as an unfairly silenced popular feeling (Gantt Shafer 2017), articulated as an aspect of a politics formed in opposition to neoliberalism.

In other spaces of neoliberal restructuring, the issue of race has been more muted. Although the state may have distributed (limited) access to social goods in the recent past, it is less clear that the cutting back of such services is regarded as a rolling back of access for black communities. Although the trope of the welfare mother has some currency in parts of Europe, the implied culture of poverty is linked to a variety of groups. In her analysis of France, Italy and the Netherlands, Farris argues, for example, that non-western migrant women have been constructed as women who can be saved through integration, with integration here meaning economic activity. The crisis of welfare capitalism is not coded easily as a racialized crisis in all spaces of (former) social democracy. Unlike the United States, European nations have tended towards more (or perhaps differently) disguised modes of racialized politics (Garrett 2015), and it requires an additional stretch to narrate the contraction of state-administered services as a loss of racialized status or privilege for whites.

However, despite the stretch, it does seem that the resurgent support for far-right and right populist parties is fuelled, in part, by a sense that whiteness is in crisis. Although (white) European populations may not have understood themselves as 'white' until recently, with the advent of more established and visible African, Asian and Latin American communities, there is a sense that a former security of national belonging and entitlement has been eroded through the neoliberal restructuring of the state (Ketola and Nordensvard 2018).

## Death of Welfarism

The accommodations of welfare capitalism have been understood as national achievements, at least in retrospect. The age of Keynesian economic management, now revealed as a brief interlude, encouraged nationally bounded conceptions of public services and entitlement. This welfare contract was understood, largely, as an accommodation between labour and capital within the framework of the nation-state. This ambiguity allowed welfare contracts to be re-narrated as part of a reimagined nationalism, while still answering some of the demands of an organized working class (Taylor-Gooby et al. 2017).

The explicitly racial claims resurrected in populist critiques of early phase neoliberalism have functioned as a popular code for a wider nostalgia. The chain of association suggests that the erasure of one racialized common sense and its accompanying feelings of belonging, superiority and entitlement becomes a sign for a wider loss of certainty. The certainty that is signalled here is the imagined fullness of citizenship implied by the welfarist contract of the Keynesian state—a certainty eroded as citizenship entitlements, welfare and the possibility of Keynesianism all come under question. Something like this account has become commonplace among a new generation of scholars of the right—both those who purport to study a newly resurgent populist right and those who purport to speak for such people (Eatwell and Goodwin 2018).

Of course, the small concessions to addressing inequality through the social welfare state were an outcome of political struggle and negotiation, the bare minimum that had to be conceded in order to create a semblance of a social contract (De Angelis 2000). In the era of the neoliberal state, the forces of collective voice and will that shaped the accommodations of Keynesianism have dispersed or lost much of their influence. Parties formerly of the working class amended their demands to become trustworthy allies of business, not only through the so-called Third Way, but also through other varieties of business-friendly accommodations and, most importantly, in the acceptance, grudging or enthusiastic, of the dismantling of labour market regulation (Visser 2000).

Racidity is among the most established models of differential entitlement. Myths of race have been deployed to exclude some from social



goods and meaningful justice and to establish a gradation of humanness and entitlement to be treated as human. The machinery to maintain such hierarchies is embedded in existing social structures, not as an expression of some underlying universal human truth, but as highly located techniques of valuing. One highly visible incarnation of early stage neoliberalism has been the concerted dismantling of welfare settlements in many locations, including the formerly affluent; a process that has been likened to structural adjustment for the global North.

Complaints at the consequences of such dismantling, therefore, include those who narrate these events as a fall from racialized privilege. Whereas there is nothing intrinsically racialized about the framing of welfare and other public services, the historical contest about the terms of entitlement reflects the particular national battles about belonging that run alongside the histories of welfarism. To lose access to these previously assured safety nets must feel like a fall from racialized belonging for some, and it is this sense of loss that recurs in the right populism of the formerly affluent world. This, then, might be one explanation for the insistent return to discussions of race in the transition from one form of neoliberalism to a not-yet-emerged other. More unexpectedly, we might also understand this racialized framing of the demise of welfare as informing the ingenuous celebration of non/post-racialism by defenders of the just-passing phase of neoliberalism. In both cases, my suggestion is that race, once again, serves as a disembodied marker. The violence and suffering unleashed by all of this ill-considered race-talk are rarely registered, because those vulnerable to racialized violence and dispossession are not regarded as participants in the debate. This might be one aspect of racist continuity—that some are spoken of, often indirectly, while others assert their right to speak, including through acts of violence.

## **Populist Responses to Neoliberalism**

The right populism currently subject to such frenzied attention finds its opportunities in the landscape created by the 2008 financial crisis. Whatever elements of far-right movements had taken root within so-called liberal democracies before that, and they were numerous, it is something in

the practices of austerity and crisis-management that shapes this renewed right populism (Davidson and Saull 2017).

This is a populism that references recent attempts to protect some populations from the impact of economic crisis, always at the expense of some other population. If neoliberalism sought to disguise practices of racism, this renewed populism reclaims racism as one more entitlement to be clawed back from global forces. If neoliberalism inhabits the language of global multiculturalism, then the backlash against neoliberalism from the right returns to the ugly everyday nationalisms that characterized the twentieth century. The nostalgia invoked is heavily and explicitly racialized. The small civilities (against a backdrop of increasing inequalities) gained in recent times are eroded in favour of old-school exclusion, demonization and the hope of unearned privilege.

Trump and Brexit appear to confirm the view that racism is an economic irrationality. Those who wish to peddle old-fashioned racisms and/or exclusionary nationalisms proclaim their adherence to values and affinities that go beyond the ugly instrumentalism of economic concerns. So what if the economy contracts? So what if we become poorer? These are views that challenge the fiction of a national economic interest in highly unequal societies. We all know by now that economic growth makes little difference to most of our lives (Costanza et al. 2014).

What we are learning—learning again because no nationalist backlash can be completely new—is to see parallel, combined and competing modes of racism. My way of thinking here is indebted to Patrick Wolfe and his careful warning of the complex interdependency of a racial formation which links distinct moments of dispossession, exploitation and exclusion across space. In his ground-breaking and debate-changing work, *Traces of History*, Wolfe uncovers the difficult complementarity of racisms of settler-colonialism and racisms of forced labour—and the aftermaths of these two violent regimes. Importantly, he seeks to explain why a too easy solidarity of apparent sameness can work to extend the invisibilization of natives. For those unfamiliar with this highly textured work, the point here is not that it is good to recognize specificity in itself. This is not a call to give space to our complex diversity or to celebrate difference. Instead what is argued is far more troubling and, as a result, has far more awkward implications for our conceptualization of racisms and battles against racisms. What Wolfe

teaches us is that complex and multi-centred racial formations can trap us in such a way that our honest battle against one form of racism can become weaponized against another victimized population. We may think we are battling one demon, but all the time another is taking strength from our endeavours.

We might frame our understanding of racial neoliberalism in similar terms. We witness a proliferation of disciplinary tactics, proclaiming racism or anti-racism or post-racialism in varying degrees. Importantly, these tactics may overlap but they are not designed to achieve the same thing. The racialized ruling class is not unified—and not only are they not unified, realignments in the global economy are leading to increasing impassable fissures between sections of this ruling class.

We are more accustomed to battles for ascendancy within elites taking the form of a struggle between similar actors. So we see contests between those wishing to establish themselves as the most traditional, or the most nationalist, perhaps the most authoritarian or the most racist. But in these contests, there is agreement over the terms of competition. These are battles of prowess or of will towards a similar goal, not offers of alternative political visions. What has altered in our moment is the articulation of competing approaches to racism and anti-racism among the elite. Most strangely, if ingenuously, these differences are staged as if it is this disagreement that ignites divisions among the super-rich and their followers (Bobo 2017; Wilson 2016).

For our purposes, what is of interest is what can be learned from this odd performance. At one level, this appears similar to previous expressions of distaste at the vulgarity of the uncultured rich—with the self-proclaimed guardians of good taste and culture deploying their cultural capital ruthlessly to retain control over key sites of ideological meaning-making. My suggestion is that the battle over a changing neoliberalism in which sections of the elite battle for ascendancy and perhaps survival is being played out, in part, as a battle over the terms of racism. One element of this is rhetorical, with competing claims of legitimacy tied to an assertion of market-led post-racialism versus ‘legitimate racism’ in the face of scarcity. Both articulations reveal the tactical benefits of some racisms for some people. Market multiculturalism has served effectively as a form of secular

morality for a corporate age, eager to repackage difference as a tantalizing additional frisson of consumer experience and simultaneously as a pleasurable affirmation of personal identity (Kymlicka 2013). Populist nationalism kicks against this framing of the public good as economically framed, but only in order to reinstate an exclusionary and hierarchical nationalism, itself in service to another segment of elite interests.

## Critique of Neoliberal Everything

The framing of racial neoliberalism belongs, already, to a slightly earlier moment. This is the conjuncture of rabid marketization of everything combined with the denial of social structure and a retreat into versions of self and individual that might appear perfectible through enthusiastic commodification. This has been described as a neoliberal moment because matters of race are disallowed or re-coded, partly in the name of an ever-shrinking state. It is exemplified by modes of racist dispossession that disguise their workings and evade racial naming, including punitive practices undertaken in the name of security (Kapoor 2018), and economic restructuring undertaken in the name of efficiency (Bhattacharyya 2015). Racial neoliberalism operates, in the spaces of recent and/or crumbling social democracy, as a set of seemingly un-raced practices through which racist exclusions and hierarchies can be refortified in the name of some or other efficiency. In the process, previous critiques of the racial state or civil rights claims in the face of societal racism become misplaced and unable to address the disguised forms of racial injustice under neoliberalism. Goldberg summarizes this process:

The state, in short, is being laid waste. Or a specific form of the state, to be precise, for the state at large is being dramatically transformed. Devastating public responsibility, cutting the heart out of it, boils down to discriminating devastations. It drags commitment away from the general to the baldly narrowed privatization of particular sorts of preferences, the rest considered only as a variable in the calculation of interests promoted – or threatened. (Goldberg 2009, p. 98)

If the later decades of the twentieth century were characterized by anti-racist struggles that sought legal recognition and protection, adaptations to state practices that averted violence and sought equal treatment and necessary service, and a model of an anti-racist society in which the state undertook central tasks of moderation, distribution and arbitration, then the era of neoliberalism within nations dismantles the machinery through which such ends might have been achieved. Whereas the Thatcher/Reagan years might have inaugurated the popularization of anti-state rhetoric, it is the inescapable globalism of the twenty-first century that signals the reshaping of state practices. This reshaping, as Goldberg explains, has rolled back and altered the practices undertaken by states—from providers of service (albeit unequally) to protectors of individualized choice, from arbiters of a general good (however inadequately framed) to enablers of the pursuit of privatized interests.

## **The Shifting Racial Formations of Neoliberal and Post-neoliberal Times**

What is particular to today's conjuncture is the interplay between racial neoliberalism and racist populism in the remaking of the political landscape. The conjuncture described by Patrick Wolfe is that of a doubled racialized dispossession; the violence of settler-colonialism and its attendant extractions of value is fed and enabled by the resources stolen through the capture and enslavement of Africans and through the pre-accumulation of value from other colonial adventures. The moments of racist violence in the pursuit of profit are tied together and yet distinct, and an important aspect of this distinction is the manner in which the logic of each moment intersects with but also undercuts the other.

The sometimes battle, sometimes collaboration that we witness today between modes of racist dispossession reveals the divisions among and within the so-called elites. In the battle to retain ways of life built on the suffering of others, it is always possible that some will lose their status of privilege. The tussles around modes of racism demonstrate this—we witness a battle between approaches to dispossession, between techniques that are themselves the embodiment of distinct collective wills.

In one camp we see the proponents of racial neoliberalism as a project of corporate multiculturalism, managed diversity, a pretence of post-racialism and an overall privileging of languages of economism in order to silence the social. In the other camp, we see the enraged response to the decades of neoliberal economics sustained by a strict policing of the political and an apparently liberal management of social space in the interests of profit. These decades, as we well know, have coincided with a huge restructuring of the economies of previous social democracies and of institutionalization, with threats of a political space in which the population must demonstrate worthiness, entitlement and suitable credentials to a punitive and judgemental state (Bhattacharyya 2015).

Some of the frightening ascendancy of right populism might be better understood in this frame, not so much a return of racism against a liberal establishment as a battle between racist orders (Wodak et al. 2013). One of the many strange outcomes of the redrawing of political space through populist resurgences is the rewriting of formerly assured elites as variously anti-racist, defenders of the rights of women and LGBTQ+ people, even as defenders of social justice and pursuers of economic equality. We see versions of this retrospective rehabilitation of mainstream parties formerly of government in relation to Trump and the rewriting of the Obama, Bush and Clinton presidencies, Brexit and the sudden and surprising claim of staunch anti-racism from mainstream politicians who favour remaining in the European Union, and even in jaw-dropping attempts to reposition Berlusconi as a responsible elder safeguarding Italian democracy.

A renewed racist populism has challenged and, arguably, displaced some key aspects of racial neoliberalism. In particular, the unspeakability of racism appears to have passed or to be in dispute. With the re-emergence of varieties of right populism and explicit racism within mainstream politics, the terrain of popular resistance to racism has been remade, necessarily. The threats posed by a confident and often powerful alliance of racists, nationalists and some business interests have been identified as a dangerous precursor to further erosions of everyday rights. Even middle-of-the-road publications begin to warn of fascistic undercurrents and the dangers of complacency. Collectively, we are on high alert.

Yet the outcome of this alertness can become a defence of what was previously to be critiqued. In the era of Trump and Orban and Brexit and

the Northern League and the Freedom Party and Alternative for Germany, we can come to mourn the passing of the more disguised exclusions of racial neoliberalism. We long for politer times, when deportations happened and state brutality continued, but with less celebration. Racial neoliberalism, we feel, had the good manners to be embarrassed by racism and to seek to occlude its workings. Now, instead of this careful disavowal of racist logics, we live with the return of proud, defiant, mob-backed racisms and feel afraid.

Political choices appear to be reduced to a contest between two modes of state-led racism. The critique mounted by racist and/or nationalist populists works to limit the range of the political debate. The structures and practices and people deemed to embody the elite or the political class become reified in the accounts of those proclaiming their anti-politics. Things that seemed diffuse and unfixed come to appear rigid, unyielding, dangerously monolithic—and, of course, in need of pulling down. In this strange non-dialogue, anti-racists are in danger of defending and fighting for the reinstatement of the mode of state racism that is under attack. Not for an end to racism or for a vision of a better way but for the resumption of a rule of law that, at least, discriminated in predictable manners. At its most limiting, this moment can contain anti-racist claims within the tightly delineated nationalisms of neoliberalism, so that racist good-sense is defended as a necessary set of measures to defend against the further encroachment of the returning open racisms. Fear of the fascistically inclined leads not to an outright decriminalization of fascism but to a creeping accommodation of aspects of the agenda set by such racist and nationalist groupings. The dehumanizing treatment of migrants across Europe, North America and beyond is only the most visible aspect of this tendency.

The battle between competing modes of racist exclusion may lead to some unexpected alliances and we should take the warnings of Farris seriously. The odd convergence that enables femonationalism could be remade through a co-option of the most liberal versions of anti-racism, and could lead to similar diversions and fractures among those seeking to dismantle racism. However, the return to such open and violent forms of racism within the mainstream of political life in affluent nations has served also to refine popular debate. Revelations about the extent and intensity of

state violence force self-defining moderates to choose their side—either in defence of mortal violence or following the logic of liberal ideals. Both positions cannot hold in a context where mobilizations against state violence increasingly reveal the actions and embedded racist logics of punitive states.

In a similar manner, the re-emergence of a celebratory racism has remade the political landscape, demanding a renewed militancy from anti-racists and revealing the inadequacy of liberalism. The street presence of anti-racist mobilizations has become an important aspect of the response to racial neoliberalism in crisis. Despite the push from various quarters to return to the familiar but unpromising practice of disguising ‘race’ in the name of eradicating ‘racism’, the reigniting of racialized and racist modes of politics from the right has triggered a different response.

The street actions against Trump, in the United States and also in Europe, include a younger generation already disillusioned with the broken promises of ‘racelessness’ and the abhorrent racist violences of the state. In response to Brexit, ‘white’ migrants have become more visible and more vocal, contributing to an unsettling of a long-established anti-migrant narrative at the heart of British political life. The excesses of state racism—leading to statelessness, destitution, indefinite detention and death—have become more widely visible and increasingly contested. Admittedly, there are privileged voices that continue to argue the benefits of racial neoliberalism, but the refrain of the post-racial has lost its credibility in the face of such an ugly renewal of the right.

None of this means that racial neoliberalism is dead. It remains as a favoured set of tactics for one segment of the elite and continues to be presented as a ‘solution’ to the wayward excesses of right populists. However, the racial neoliberalism that we might have decried a decade ago has moved on. We, too, must adjust our analyses, lest we become defenders of racial neoliberalism despite ourselves.



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# 10

## Disability, Neoliberal Inclusionism and Non-normative Positivism

David T. Mitchell and Sharon L. Snyder

In our 2015 book, *The Biopolitics of Disability: Neoliberalism, Ablenationism, and Peripheral Embodiment*, we explore how experiences of disability under neoliberalism offer more than exposés of encounters with discriminatory social barriers *or* the contingencies of experiences of incapacity brought about by paying closer attention to impairment (Mitchell and Snyder, *Biopolitics*). For both Disability Studies and global disability rights movements, barrier removal and bodily limitations on public participation have been the two poles between which the majority of research has primarily shuttled since the 1970s. While a majority of disability studies research remains focused on pragmatic social changes brought about by barrier removal (i.e. accessible public transportation, universal design

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in architecture, the right to be educated in the least restrictive environment, exercise of the voting franchise as citizens, deinstitutionalization), the 1990s witnessed an emergence of new work on ‘impairment’ (Morris 1999, p. 10) and ‘impairment effects’ (Thomas 1999, p. 25). The more open engagement with ‘impairment effects’, as Carol Thomas explains, ‘sought to counter-balance an over emphasis in the social and minority models of disability on environmental restrictions experienced by disabled people wherein the ability to fully participate as citizens in a democracy (for example) is impinged upon by real bodily limits’ (p. 125).

This emphasis on impairment effects allowed a greater range of opportunities for productively thinking disabled embodiments as not solely limited to socially created encounters with exclusion. At the same time, while these two domains are critical to the developing contributions of disability studies and international disability rights movements, they are largely bounded by the terms of social recognition (i.e. inclusionist practices and civil rights-based policy work) that characterize neoliberal diversity initiatives. They have almost nothing to say, for instance, about *the active transformation of life that the alternative corporealities of disability creatively entail*.

Our arguments in *The Biopolitics of Disability* share much in common with the approach to disability as radical materialism that characterize Margrit Shildrick’s influential body of work: *Leaky Bodies and Boundaries: Feminism, Postmodernism, and (Bio)Ethics* (1997), *Embodying the Monster: Encounters with the Vulnerable Self* (2002) and *Dangerous Discourses of Disability, Subjectivity and Sexuality* (2012). In concert with Shildrick’s work, the central approach of this chapter regards neoliberal inclusionism as primarily made available to newly visible public identities such as those labelled handicapped, cognitively impaired, intersexed, deaf/blind, or queer based on a formerly stigmatized group’s ability to approximate historically specific expectations of normalcy. Yet, in bestowing these forms of grudging recognition, neoliberal inclusionism tends to reify the value of normative modes of being developed with respect to able-bodiedness, rationality and heteronormativity. In particular, our attempt to deploy a neomaterialist-informed Disability Studies methodology sought to counter neoliberalism’s detrimental fetishization of able-bodiedness by pushing all the way through the sleeve of impairment to

explore how disability subjectivities are not just characterized by socially imposed restrictions, but, in fact, productively create new forms of embodied knowledge and collective consciousness. As Alexander G. Weheliye explains, ‘the flesh thus operates ... simultaneously [as] a tool of dehumanization and a relational vestibule to alternative ways of being that do not possess the luxury of eliding phenomenology with biology’ (2014, p. 44).

In this chapter of *Neoliberalism in Context*, we address these paired issues of phenomenology and biology as seriously as questions of social exclusion. Such attentions result in what social theorist, Margaret Archer, characterizes as a mode of alternative representation that ‘makes our real embodied selves living in the real world really load-bearing’ (Archer 2002, p. 22). Integration practices within neoliberalism largely short-circuit opportunities for more meaningful apprehensions of disability subjectivities that involve ways of experiencing and being disabled in the world. What is often lost in relations of neoliberal normalcy are ways in which disabled people’s openly interdependent lives and crip/queer forms of embodiment provide alternative maps for living together in the deterritorialized, yet highly regulated spaces of biopolitics. As Jasbir Puar points out in, *The Right to Maim*, biopolitics not only encompasses disabled people’s struggle for livable social supports, but also includes those whose lives exist on the edge of precarity to such an extent that their well-being is actively degraded and ultimately destroyed over time (2018, p. xxvi). The preservation of disabled bodies and those we refer to as living lives of peripheral embodiment in these spaces depends on managing to invent forms of culture that operate as alternatives to the principles of neoliberalism.

Consequently, our own research focuses on the emergence of new crip/queer subjectivities at work in a variety of domains including: disability arts, disability studies pedagogy, independent and mainstream disability cinema, Internet-based single-impairment user groups, antinormative novels of embodiment and, finally, the labour of living in ‘nonproductive’ bodies within late capitalism. The designation ‘crip/queer’ recognizes that all bodies identified as excessively deviant are ‘queer’ in the sense that they represent discordant functionalities and outlaw sexualities. Thus, crip/queer forms of embodiment contest their consignment to illegitimacy because sexual prohibition has proven one of the most historically salient

forms of exclusion within biopolitics since the late nineteenth century. As Robert McRuer argues in, *Crip Times*, the designation of crip/queer is both risky, in that it continues to reverberate with the harm of past pejorative associations of disability objectification, and always signifying the degree to which those occupying peripheral embodiments realize themselves as resistant embodiments flouting neoliberal expectations and demands to be normative (2018, p. 19).

In the words of Queer and Race sociologist Randall Halle, 'queer' designates 'not the acts in which they engage but rather the coercive norms that place their desires into a position of conflict with the current order' (2004, p. 117). In tandem with queer, 'crip' identifies the ways in which such bodies represent alternative forms of being-in-the-world when navigating environments that privilege able-bodied participants as fully capacitated agential participants within democratic institutions. Such alternative modes of interaction made available by crip/queer lives create capabilities that exceed, and/or go unrecognized within, the normative scripts of biopolitics. It is in these spaces of cultural production that disabled people offer alternatives to what McRuer calls 'compulsory able-bodiedness': 'the [assumption that] able-bodied identities, able-bodied perspectives, are preferable and what we all, collectively, are aiming for' (2018, p. 372).

Most importantly, this chapter attempts to register some aftershocks among contemporary disability communities resulting from developments within neoliberalism that have, paradoxically, resulted in greater social visibility and participation for some disabled people and extreme debilitation for others. Shildrick explains the historical development of neoliberal disability in this manner: 'I concentrate on the continuing discursive exclusion of disability within western and western-inflected societies, and argue that at the very same time such states are making tremendous strides towards the formal *integration* of disabled people into the rights, obligations, and expectations of normative citizenship' (2012, p. 1). This increased presence results from practices of neoliberal disability tolerance to which we refer throughout this chapter as *inclusionism*. By inclusionism, we mean to identify a term specifically associated with disabled bodies operative in the policy world of neoliberalism. Most significantly, inclusionism has found its most robust rhetorical home within the myriad diversity missions advanced by public education. Inclusionism

has come to mean an embrace of diversity-based practices by which we include those who look, act, function and feel different; yet our contention here is that inclusionism obscures at least as much as it reveals.

In queer theorist, Sarah Ahmed's, words:

Perhaps the promise of diversity is that it can be both attached to those bodies that 'look different' and detached from those bodies as a sign of inclusion (if they are included by diversity, then we are all included). The promise of diversity could then be described as a problem: the sign of inclusion makes the signs of exclusion disappear. (2012, pp. 830–832)

Inclusion in this scenario allows for the embrace of some forms of difference through making them unapparent. The magical resolution of diversity-based integration practices is achieved by 'making bodies that look different' invisible, more normative. While Ahmed discusses the inclusionist problem specifically in terms of questions of racial diversity in institutions of higher learning, here we intend to use inclusionism in relation to crip/queer bodies as well. Because disability impacts all socio-economic brackets of existence, diverse embodiments coexist in racialized, sexed, gendered, classed and disabled bodies simultaneously. This coexistence represents the fraught intersection that inclusionism occupies within neoliberal systems.

## Neoliberal Normalcy and Non-normative Positivism

For our purposes, we diagnose neoliberalism as the arrival, during the latter half of the twentieth century, of what Henry Giroux calls 'hypermarket-driven societies [that] organize identities largely as consumers'. As such, neoliberalism offers few spaces from which to 'recognize (our)selves outside of the values, needs, and desires preferred by the market' (2012, p. xiv). Within this limiting framework of consumptive recognition, however, opportunities have opened up within neoliberal governance systems to the potential inclusion of formerly excluded groups, such as people with disabilities. *Here our primary contention is that meaningful inclusion*

*is only worthy of the designation 'inclusion' if disability becomes more fully recognized as providing alternative values for living that do not simply reify reigning concepts of normalcy.* While an egalitarian concept of disability has sought to free disabled people from the restraints of able-bodied oppression (i.e. ableism), a nondialectical materialist account of disability—that which we refer to throughout this chapter as non-normative positivism—pursues disability as something other than the oppressed product of social constraints (Snyder and Mitchell 2006, p. 141).

Non-normative positivisms extend a methodology developed by philosophers of new materialisms, such as Diana Coole and Samantha Frost, as a 'multimodal materialist analysis of relationships of power'; such approaches open up the matter and materiality of embodiment as exceeding its social scripts of limitation, and, via this opening, one may better recognize:

diverse temporalities by examining their more enduring structures and operations as well as their vulnerability to ruptures and transformations—all the while acknowledging that they have no predestined, necessary, or predictable trajectory. (2010, p. 36)

Within this account, new materialisms involve a more 'fleshy' grappling with the nature of materiality itself; how bodies go about inhabiting their messy dynamics in ways that exceed the stigmatizing ramifications of seemingly deterministic social beliefs. While none of the contributors included in Coole and Frost's collection apply new materialist approaches to disability, we demonstrate that disability could serve as a critical fulcrum of such work in future philosophies of materiality.

To return to our thesis, then: Disability studies scholars are caught in their lives and their theories between two zones of negativity without something akin to 'nonnormative positivisms.' Without alternative materialist approaches there exist few ways to identify the creative interdependencies at the foundations of disability alternatives for living addressed in our existing traditions of thought. Disability studies, in the years to come, must be able to address what cripp/queer bodies bring to the table of imagining the value of alternative lives, particularly lives that exist at the fraught



intersections of marginalized identities such as disability, race, gender, sexuality and class. As Nirmala Erevelles argues in *Disability and Difference in Global Contexts*, under examination such intersections reveal themselves as ‘mutually constitutive of each other’ (2011, p. 45). There is a great need for an ethical methodology from which disabled people can articulate how their lives bring something new into the world that may otherwise go unrecognized. Non-normative positivisms provide alternative spaces from which to discuss options for living within alternative embodiments (those designated here by lives lived in peripheral embodiments) as a critical third rail of disability experience.

The work of non-normative positivisms serves as a site for an alternative ethics to be articulated about why disabled lives matter and how we might revise, reinvent and transform narrow normative practices, beliefs and qualifications of who counts. Right now, disability studies and global disability rights movements find themselves having to argue that disabled people must be allowed to pursue their lives much as able-bodied people do in order to prove worthy of acceptance and as recipients of equality of treatment. This may be so, but we want to argue that such a goal is too small and often further solidifies the unchallenged desirability of normative lives. Crip/queer lives explicated through non-normative positivisms are those that believe another world is possible, and that such worlds will not come into existence unless we vigilantly attend to the nuances of disabled lives as viable alternatives.

We situate crip/queer lives within neoliberalism along this Möbius strip of relations between disabled bodies, internalized scripts of embodied normativity (their biopolitical imprinting), and the creative ways in which lives experienced within differential bodies transform the environments of which they are a part. The non-normative positivism we employ operates in tandem with that which disability studies scholar, Tobin Siebers, theorizes as ‘complex embodiment’. For Siebers, ‘Disability creates theories of embodiment more complex than the ideology of ability allows, and these many embodiments are each crucial to the understanding of humanity and its variations, whether physical, mental, social, or historical’ (2013, p. 272). Both approaches involve a more rigorous engagement with the ways in which disabled people experience their material lives as alternatively embodied.

These parallel methodologies of complex embodiment and non-normative positivisms shift the approach to non-normative materialities as actively existing in relation to environments and beliefs rather than as passified objects of social forces exclusively sculpted from the outside-in (Mitchell and Snyder 2015, pp. 5–11). Disability, within non-normative positivist approaches, hosts debilitating social beliefs born of anxieties about the radical vulnerability of embodiment (i.e. stigma, suffering and impairment), but also functions as a disruptive force of resistance in sedimented systems of privilege accorded to normative bodies within nationalist imaginaries of ableism. Consequently, new materialist approaches offer an enrichment of the way alternative cognitions/corporealities allow us to inhabit the world as vulnerable, constrained, yet innovative embodied beings rather than merely as devalued social constructs or victims of oppression. Within non-normative positivisms, the materiality of disability is foregrounded as a site of creative dynamism and bodies become more than inert corporealities (inactive matter) imprinted by cultural beliefs. Instead, disabled bodies become active switchpoints as their alternative navigations offer an opportunity to perceive that, in Elizabeth Grosz's words, 'the capacity to act and effectivity of action is to a large extent structured by the ability to harness and utilize matter for one's own purposes and interests' (2012, p. 148).

## Neoliberalism and Ablenationalism

Any openings neoliberalism creates for acceptance of formerly excluded populations come at a cost. First, with respect to the commodification of necessary material supports (assistive devices, pharmaceutical therapies, durable medical goods) within for-profit medicine as a new hawk of consumptive technologies formerly financed by the state. Consumptive technologies of the body arrive on the market with the attendant economic inaccessibility that often accompanies such product development gone private. These developments represent 'innovations' at the consumption end of late capitalism (post-Fordist economies) because they, particularly in the case of people with disabilities, focus on the supplementation of

bodies diagnosed ‘debilitated’ as opportunities for new product development and market expansion. Within neoliberalism, nearly all bodies are referenced as debilitated and in need of market commodities to shore up their beleaguered cognitive, physical, affective and aesthetic shortcomings. Neoliberal bodies, in this sense, provide opportunities for treating the individual topos of biology as, in-and-of-itself, a site of perpetual improvement for market-based exploitations and informational/affective resource extraction.

Consequently, ‘incapacity’ has become an increasingly fluid, shorthand term for individual citizens’ responsibilities within biopolitics for their own body management. Puar refers to this tactical expansion of impairment as a central feature of ‘debility’ (2009, p. 163). Neoliberalism comes replete with an expansive sense that we are all living in relation to the arrival of a prognosis of the pathology-to-come.

Second, despite this neoliberal expansion of debility as an emergent characteristic of all bodies, its overdetermined application to an insufficient every-body surrenders the lived alternatives developed by disabled people navigating a world organized around narrowly devised norms of capacity, functionality and bodily aesthetic. We refer to those disabled people who, by paradoxical means, gain entrance into late capitalist cultures as ‘the able-disabled’—those who exceed their disability limitations through forms of administrative ‘creaming’ or hyper-prostheticization but leave the vast majority of disabled people behind. Likewise, we also discuss in our book the utility of this new formation of tolerance (i.e. inclusionism) being advertised globally as an exceptional constituent property of extra-national diversity narrated as prematurely accomplished in neoliberal post-industrial nations as ‘ablenationalism’. Both ‘the able-disabled’ and ‘ablenationalism’ develop as late twentieth-century neoliberal strategies for the tightly regulated entrance of people with disabilities into neoliberal economies through what Michel Foucault refers to as ‘biopolitics’ (1990, p. 141).

While *nationalism*, in Hardt and Negri’s (2001) terms, is synonymous with ‘modernizing effects’ that unify people by breaking down ‘the barriers’ of other cultural differences, *ableism*, as theorized by disability studies scholars, such as Fiona Campbell, legislates privileges of citizenship based

on norms of ability (2009, p. 107). Ableism frames disability as a 'predominantly negative feature, tragedy, or flaw' that necessarily excludes some on the basis of inaccessibility, stigma and normative aesthetic expectations of belonging (Campbell 2009, p. 52). Thus, ablenationalism conjoins the features of nationalism as a 'deep horizontal comradeship' with norms of ability that appear naturally synonymous with the privileges of citizenship (Anderson 1998, p. 7). Functionality, ability and appearance all serve as determinative of participation in the surface identifications cultivated by nationalism. As such, a baseline of expectations about embodiment comes replete with normative notions of nationality. One of the main points of our argument regarding neoliberal disability, then, is to understand how beliefs in disability as a materially devalued existence create one substantive foundation upon which nationalism flourishes. This development is one of the substantive paradoxes within neoliberal disability.

Our formulation of *ablenationalism* begins with an acknowledgment of Puar's influential formulation of *homonationalism* (2007, p. 39). Both homonationalism and ablenationalism theorize the degree to which treating crip/queer people as an exception valorizes norms of inclusion. A key feature of neoliberalism entails the celebration of a more flexible social sphere; one that is characterized as exceptional based on the evidence of an expanding tolerance—or, perhaps, even a limited 'acceptance'—of formerly marginalized differences. Yet, as Puar points out, this new acceptance works in a limited domain wherein 'upstanding homosexuals participating in normative kinship models' serve to further reify the inherent value of existing heteronormative social relations (2007, p. 73). In the wake of this open toleration of some gay lifestyles, a further stigmatization of queer bodies that fail to fit newly normed standards of bourgeois gay sexuality means they find themselves further ostracized, devalued and dehumanized—abjected at the margins of recently assimilated communities of the formerly stigmatized.

Yet, while going largely unaddressed in *Terrorist Assemblages*, Puar's key usage of 'upstanding' in her formulation of homonormativity helps begin the process of assessing the bodily based nature of privilege in late capitalist societies. Likewise, disability studies critiques undertake analyses of the repetition of human predicaments born of an ever-expanding catalog of ways that, in the words of Stanley Elkins, 'bodies fall away from true'

(1995, p. 223). This characterization in Elkins' novel is made by the queer male nurse, Colin Bible, in his innovative peroration about the unrecognized value of alternative embodiments for a band of disabled youth in his charge. Colin's analysis regarding the ways in which human materiality inevitably fails to meet norms of embodiment would be worthy of Georges Canguilhem's critique of pathological states in *The Normal and the Pathological* (1991).

As people with disabilities encounter the inflexibilities of key social institutions such as health care, religious gatherings, communities, workplaces, schools, families and so on, such encounters increasingly depend upon the ability of some to 'fit in' by passing as nondisabled, or, at least, not too disabled. *Inclusionism requires that disability be tolerated as long as it does not demand an excessive degree of change from relatively inflexible institutions, environments and norms of belonging*; in particular, the degree to which disability does not significantly challenge the aesthetic ideals of a national imaginary dependent upon fantasies of bodily wholeness and, if not perfection, at least a narrow range of normalcy.

These sites of interaction between fantasies of normative bodies and the disabled bodies that give life to the fictionality of normativity exclude some inhabitants to a greater degree than those enjoying status among the newly tolerable (i.e. able-disabled) within neoliberal diversity initiatives. We refer to the residents of this surplus humanity as those occupying *peripheral embodiments*; such exclusions result from equality denied to a majority of crip/queer bodies based on determinations of their excessive deviance from culturally inculcated norms. Within neoliberalism's inclusion schemes, those occupying peripheral embodiments cannot be adequately accommodated even under the most liberal, fluid and flexible diversity doctrine given the in-built limits of community infrastructure, reasonable tolerance, limited economic resources and traditional historical expectations about who will share the rapidly dwindling commonwealth represented by public and private spaces.

As a historical practice, ablenationalism develops primarily as an outcropping of what disability historian, Henri-Jacques Stiker, identifies as 'the birth of rehabilitation'. For Stiker, rehabilitation, as the benign cultural relation of ability to disability, involves the mid-twentieth-century entrance into an age of normalization—one that fully coincides with the

development of neoliberalism—wherein all citizens are increasingly subject to the dictates of how to be more alike than different from each other (2000, p. 121). By normalization, Stiker references the strategies by which individuals find themselves bound into practices of conformity that exceed a prior era's exclusions based on determinative differences, such as race, gender, sexuality, ethnicity and, in the foremost cases that we address in our research, crip/queer existences (i.e. disability).

## Neoliberal Inclusionism and Embodiment

Part of what marks transitions to neoliberal forms of inclusion, the rhetorics and practices that allow some members of previously outsider groups to be included under the goals of normalization, regards a changing representational approach to disabled people. Disability within neoliberal orders of inclusion has come to represent a certain kind of embodied value for contemporary nations in at least four specific ways: (1) through the bulking up of sheer population numbers by counting disabled people in population demographics—'a nation's wealth is its quantity of people' (here the question of quality of life is deferred to something that can be best addressed by debility-attentive marketplaces); (2) as evidence of a nation's moral commitment to the 'less fortunate' (while other, less advanced countries discard their disabled people and leave them to languish in abject poverty, 'this' country provides humane supports and care to even its most vulnerable and unproductive members); (3) the provision of health care (in exchange for medical treatment, disabled people's lives allow a nation to collect 'data' that assists in improving the health of nondisabled citizens while often degrading their own well-being in the process); and (4) the recognition that access to normative social institutions (privileges of citizenship, education, community living, legal protections against discrimination, marriage, representational inclusion, sexual experiences, etc.) is a right of all citizens.

Each of these claims under neoliberal biopolitics depends upon a widely held public recognition of an almost exclusively negative valence ascribed to people with disabilities predating the era of normalization. Disabled people's national service within neoliberalism occurs to the degree that

the nation is enabled by its claims to have relinquished a more restrictive, carceral mode of social treatment (i.e. eugenics) towards its non-productive members. A prior cultural moment's widespread practices of institutionalization, prohibitions and stigmatizing containment strategies (its formalized, systemic segregation practices) are magically resolved by allowing them to lapse into the distance of a bygone and, presumably, more barbaric era.

We want to make absolutely clear at this point that our goal here is not to disparage efforts at the meaningful inclusion of people with disabilities. Rather the emphasis is upon a critique of strategies of inclusion that discount, universalize and normalize disabled people on behalf of claims to social integration. As Asma Abbas pointedly argues, '[f]or one, it is so centered on the person who is performing the inclusion that the included can be little more than "beneficiaries"' (2010, p. 39). Such approaches are based on a devaluing of differences that disability embodiments bring to the project of living with others. The alternative ethics of living captured by Jack Halberstam's theory of the "queer art of failure" could be best applied to disability education through an articulation of disabled peoples' productive failure to adhere to unrealizable neoliberal normalization schemes (2011, p. 89).

Thus, while disability has been recognized as a social, material and manufactured terrain within disability studies and other discourses associated with an array of social deconstructionist approaches, its basis in bodies as well as ideologies also provides opportunities for unique combinations of social becoming (i.e. non-normative disability materialisms). Attention to the lived intricacies of embodiment offer alternatives to normalization efforts aimed at homogenizing a previous era's social degenerates. Thus, the interactions of more material-based disability arts and cultures are consistently generated around creative alternatives to the politics of inclusion as much as exclusion. This array of alternatives of living interdependently as disabled people is precipitated by the need to navigate the world in devalued differential embodiments.

In order to locate people with disabilities as impacted constituencies within global capitalism one must often look beyond the parameters of even informal economies, or the radical margins of Marxist conceptions of surplus labour, to those classified as the rightful recipients of national

charity (welfare and social service recipients, for example), a form of ubiquitous marginalization Jim Charlton refers to as 'peripheral everywhere' (2010, p. 195). In emphasizing severity of incapacity as primary to a devalued identity, discourses of policy, economics, health, rehabilitation and citizenship support practices of volunteerism and charity as instances of what disability historian, Paul Longmore, calls 'conspicuous contributions' to sustain them (1997, p. 144). As a result, this willy-nilly approach to the provision of supports and services by the private sector further demonstrates neoliberalism's abdication of the responsibility of governance. Whether supplied by nation-state or market, the calculated provision (and purposeful non-provision) of services based on principles of detecting qualifying bodies as 'too impaired' for meaningful labour underscores the degree to which even a catchall category of 'surplus labor' operates as a highly guarded space of state-sanctioned ostracization. The people who rely upon public provision of supports are impacted by this situation particularly in the wake of recent austerity measures implemented in the United States, Europe and Australia, where health care and unemployment coffers are pillaged to make up budget shortfalls.

For instance, in the United States individuals living on Social Security Disability Income (SSDI) are not counted among the ranks of the unemployed. The best result, from the perspective of the quantitatively oriented neoliberal state, may be to have hordes of individuals not fully recognized as existing among the ranks of the unemployed while simultaneously existing at the edges of economic and social sustainability. Further support for such claims of 'organized forgetting' can be demonstrated by the way census counts are taken (Giroux 2014, p. 19). The fact that the US census does not include institutionalized people in most states while each prisoner is counted meticulously in the prison-industrial complex points to another form of invisibility. Such developments entail the creation of forms of disenfranchisement not included in numbers regarding those embodiments failing to be successfully supported by the state.

Further, these new alternative forms of displacement occur in tandem with what political economists and race/sexuality theorists identify as discourses of American exceptionalism (that which we explained earlier as 'ablenationalism'). Discourses of American exceptionalism reference national claims of moral caring on behalf of the displaced, marginalized



and differentially embodied. Such claims on the part of the neoliberal state are deployed in the interests of supporting US interests in shoring up a perception of its diminishing status as a world leader in a global marketplace (Puar 2007, p. 4). The cultural forces bringing about this historical move out of the eugenics era are those that act upon peripheral embodiments (we include cognitive and sensory disability in this rubric) through practices of regularization, automation, classification and standardization. Along with normalizations of racialized, sexualized and gendered modes of being, neoliberal marketplaces produce modern formations of disability as an increasingly malleable form of deviance tamed for the good of the nation as a potential participant in the inflows and outflows of globalization.

Within the terms of ablenationalism, then, disabled people are increasingly fashioned as a population that can be put into service on behalf of the nation-state rather than exclusively positioned as parasitic upon its resources and, therefore, somehow outside of its best interests. Perhaps the irony of this transition is that it could be argued to fulfil a common precept of disability rights advocacy communities: disabled people want to be treated like everyone else and in such a way that their disabilities are not defining of their value as human beings. The contention appears incredibly reasonable and garners alliance with the ‘contemporary spectacle of able-bodied heteronormativity’ (McRuer 2018, p. 3). For McRuer, and certainly ourselves, the questioning of the assumed naturalness upon which heteronormativity rests is one of the only cultural spaces from which ‘new (queer/crip) identities might be imagined’ as non-normative alternatives to the flattened horizons of ablenationalism (McRuer 2018, p. 149).

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# 11

## The Affective Life of Neoliberalism: Constructing (Un)reasonableness on Mumsnet

Yvonne Ehrstein, Rosalind Gill and Jo Littler

### Introduction

In this paper we make an argument for taking seriously the affective life of neoliberalism, building from a number of circulating concepts, including the idea of affective atmospheres (Gregg 2018), public moods (Silva 2013; Forkert 2018), and neoliberal feeling rules (Kanai 2019). Earlier work has pointed to the need to take seriously the way in which neoliberalism shapes subjectivity through a plethora of forms of intimate governance (e.g. Brown 2015; Scharff 2016; Barker et al. 2018). Here we argue that such governance also operates at the level of emotions and feelings, shaping what is deemed appropriate and even intelligible. In order to

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explore this concretely, we choose as an empirical example a well-known topic/motif on the hugely popular British parenting website, Mumsnet, in which women post with the question: Am I Being Unreasonable? The question has become so common that it has long since become a widely circulating acronym—AIBU—that has a life well beyond Mumsnet. Here we aim to explore how AIBU is mobilized specifically in relation to *felt inequalities* in heterosexual relationships, particularly those involving parenting, arguing that it is a key site for the expression and governance of feelings, and crucial for exploring the entanglement of the personal and the political.

The chapter is divided into three main sections. In the first, we consider understandings of neoliberalism, with a particular focus upon its everydayness, and its role in governing subjectivity. Next, we consider recent writing on motherhood, digital media and Mumsnet. Finally, we turn to our case study to highlight the importance of extending theorisations of neoliberalism to include its affective dimensions. As we will show through our analysis of AIBU posts, these centre on quotidian issues about care and labour—who takes responsibility for cleaning or nappy-changing, who gets up at night, who makes packed lunches, etc.—but they are also suffused with powerful emotions of hurt, disappointment and anger, which is usually expressed by women about their male partner. We will argue that ideas of (un)reasonableness are closely tied to questions of the appropriateness and legitimacy of such feelings and as such are a particularly interesting site for exploring whether and in what ways these feelings are made intelligible. In what ways do these posts operate as forms of intimate governance? Do they open up or close down the possibility to make connections between private frustration and personal suffering and a wider analysis of (gendered, heterosexualised) power relations? Does the question itself represent a ‘line of flight’ from the dominance of neoliberal feeling rules? Or is ‘reasonableness’ part of the cage of neoliberal governmentality?

## The Psychic and Affective Life of Neoliberalism

Neoliberalism is conventionally understood as a macro-political and economic rationality characterized by privatization, deregulation and a rolling back of the state from areas of social and welfare provision, alongside the intensification of other means to surveil and control populations—often through seemingly more neutral forms of audit or measurement in which power is obfuscated. It is important to note that neoliberalism materializes differently in different times and places (Ong 2006; Peck and Tickell 2002) while also recognizing that it enrolls whole populations into a world order in which ‘some lives, if not whole groups, are seen as disposable and redundant’ (Giroux 2008, p. 594). Central to neoliberal rationality is the dissemination of ‘the model of the market to all domains and activities’ to configure ‘human beings exhaustively as market actors, always, only, and everywhere as *homo oeconomicus*’ (Brown 2015, p. 31; see also Gilbert 2013; Hall et al. 2013). The notion is highly contested both empirically and analytically, with some arguing that it is so broad as to be meaningless—what is *not* neoliberal? asked John Clarke back in 2008—and others, by contrast, perplexed by its ability to *endure*: to withstand war, global financial crisis and widespread opposition (Crouch 2011; Mirowski 2014). Nevertheless, ‘post-neoliberalism’ is already becoming much debated (Davies and Gane, forthcoming).

In our view, pronouncements of the end or death of neoliberalism are premature. While recognising significant shifts—such as the nationalism of President Trump’s ‘America First’ policy and imposition of tariffs on imports—as challenges to notions of the ‘free market’ that have hitherto been central to economic framings of neoliberalism, our interest here is the way that neoliberal ideas have moved *beyond* the sphere of economic discourse and have come to saturate *everyday life*. We suggest they constitute a kind of common sense that shapes the way we live, think and feel about ourselves and each other. Underpinned by ideas of choice, entrepreneurialism, competition and meritocracy, neoliberalism has insinuated itself into ‘the nooks and crannies of everyday life’ (Littler 2018, p. 2) to become a hegemonic, quotidian sensibility: the ‘new normal’. Neoliberalism’s reach in this everyday sense remains profound, calling into being subjects who

are rational, calculating, and self-motivating; subjects who will make sense of their lives through discourses of freedom, responsibility and choice—no matter how constrained they may be (e.g., by poverty or racism).

An important body of work of research in media and cultural studies has contributed to this understanding of neoliberalism, showing how it is located in attempts to remodel and makeover subjectivity. Many media have been involved in this: constructing the individual as an entrepreneurial and responsabilised subject invested in self-transformation (see, e.g. Ouellette and Hay 2008). Research looking at self-help, reality game shows, makeover television and many other genres facilitates our understanding of the media's role in promoting and disseminating neoliberalism (Couldry and Littler 2011; Ouellette 2016; Wilson 2018). Nikolas Rose (2006) argues that lifestyle media shapes neoliberal citizens 'who do not need to be governed by others, but will govern themselves, master themselves, care for themselves' (p. 150). Early examples of this tradition can be found in feminist cultural studies, such as Estella Ticknell's accounts of the 'magical femininities' that whisk away 'any sort of discussion of the obstacles in the way of aspiring female entrepreneurs' in the 'enterprise fictions' of popular novels; and Janet Newman's account of the enterprising subjectivities that were called into being by advice manuals for working women of the late 1980s, encouraging them to believe that 'if only women work hard enough and manage well enough they can have it all (or nearly)' (Newman 1991, p. 250; Tincknell 1991, p. 272).

A second research tradition that helps us think about everyday neoliberalism is focused on neoliberalism's operation at a psychological level—what Wendy Brown calls its 'stealth revolution' across the entire demos, and Lois McNay (2009) refers to as the 'economisation of subjectivity'. More recently, Christina Scharff's work (2016) offers a rich empirical study of neoliberalism as a set of everyday taken-for-granted ideas, beliefs, and discourses that come to make up the subjective landscape of the young female classical musicians she interviewed, highlighting ten distinctive features of the 'entrepreneurial subjectivity' that shaped their mindset. These included referring to the self as a business to be worked on and optimized; being constantly active in the pursuit of their goals; embracing risks; repudiating or minimizing injuries or difficulties; and a belief that they had to 'stay positive' whatever happened. What is striking is the extent to which

these ways of talking about themselves were widely shared, profoundly individualized and also—crucially—psychologised.

This stress on the psychological has also been developed in recent work on the ‘confidence cult’ or self-esteem industry. A number of authors have pointed to the vast proliferation in the early twentieth century of injunctions to women to develop self-esteem, self-confidence and body love (Banet-Weiser 2015; Favaro 2017; Gill and Orgad 2015). Advertising, workplaces, global international development programmes, magazines and self-help apps are just some of the sites which enjoin women to ‘lean in’, ‘fake it til you make it’, adopt confident ‘power poses’, and believe that ‘confidence is the new sexy’—underscored by the mantra that lack of self-belief rather than the structural inequalities of neoliberal capitalism is what is holding women back.

What this work highlights is that neoliberalism increasingly operates through a *psychological register*. However, while others have stressed the *rational* and *calculating* nature of neoliberal subjectivity, we want to add a different dimension: an interest in the affective life of neoliberalism. This might encompass the qualities and dispositions required to thrive in the current moment—what Anna Bull and Kim Allen (2018) call the ‘turn to character’ in which confidence, resilience and creativity are promoted. A focus upon ‘positive mental attitude’ is increasingly central to contemporary culture. Indeed, as Barbara Ehrenreich has argued ‘positive thinking... has made itself useful as an apology for the crueller aspects of the market economy’, with Lynne Friedli and Robert Stearn demonstrating the precise ways in which this is imposed in the British welfare system, enacting a new form of ‘deserving poor’ who are compelled to be ‘positive’ (Friedli and Stearn 2015). In turn, Jo Littler shows how meritocracy as a key undergirding of neoliberalism works not simply through beliefs or practices but also ‘meritocratic feeling’ (Littler 2018).

If neoliberal culture requires subjects who work on their characters and psychic dispositions, then, it also works by attempting to shape what and how people are enabled to *feel*—and how their emotional states should be displayed. This is part of a wider entanglement between neoliberal capitalism and feelings that Eva Illouz (2007) has dubbed ‘emotional capitalism’. Others have explored the way that a ‘psy complex’ (Rose 2006), ‘state of esteem’ (Cruikshank 1993), ‘happiness industry’ (Davies 2015)



or ‘wellness syndrome’ (Cederstrom and Spicer 2015) are implicated in contemporary neoliberalism. Elaine Swan (2008) sees the emotionalization of society as connected to both the rise of therapeutic cultures and the intensification of soft capitalism—something we see as intimately tied up with neoliberalism’s increasing engagement with feelings. In research on social media that is particularly pertinent to the analysis presented in this chapter, Akane Kanai (2019) discusses the notion of ‘neoliberal feeling rules’ as a way of capturing how young women are allowed to ‘be’ and to ‘feel’. In the tumblr posts she analyses they are incited to deal with difficulties through ‘humorous, upbeat quips’ and in which pain and struggle must be rendered into ‘safe, funny, “girl-friendly” anecdotes’. We contend that in such ways neoliberalism not only shapes culture, conduct, and psychic life, but also produces a distinctive ‘structure of feeling’ (Williams 2001 [1961]) in which people are called on to disavow a whole range of experiences and emotions—including insecurity, neediness, anger and complaint.

Thus far we have indicated some of the ways in which neoliberalism shapes the subjective and emotional life of *individuals*, influencing ways of being and feeling as well as rationalities. In addition, we are interested in how neoliberalism acts upon broader cultures and structures of feeling, producing ‘public moods’ and ‘atmospheres’ that are intersubjective and widely shared. An emerging body of research reflects on such questions, theorizing affect as social (Seyfert 2012), shared (Berlant 2011) or public—for example, regarding activism or resistance against sexual harassment as ‘dissident acts’ rooted in ‘public feelings’ (Blackman et al. 2018). Sara Ahmed’s work asks what emotions *do*, exploring how they ‘circulate between bodies’ and may ‘stick’ to some objects and slide over others (Ahmed 2004). In turn, Imogen Tyler analyses how processes of ‘social abjection’ operate by mobilizing affects such as anger or disgust towards particular groups (Tyler 2013). And on a broader scale still, Kirsten Forkert (2018, p. 9) argues that we must see austerity not only as a set of punitive economic measures, but also as a ‘public mood’ made up of ‘long-held prejudices, resentments, moral panics, cultural memories and received ideas’. Within a particular (national) context these can have such a ‘strong cultural familiarity that they just instinctively “feel right”’ as ways of judging ourselves and others.

All these ideas, we suggest, offer rich resources for thinking about neoliberalism not just as a political or economic phenomenon, but as embedded in everyday living, in our subjectivity and our feelings. It is to the psychic and affective life of neoliberalism in relation to motherhood that we turn next.

## Neoliberalism and Motherhood

Neoliberal culture has simultaneously found ways to ‘work through’ maternal subjectivities whilst bringing new and particular pressures to bear on motherhood.

Conventionally gendered patterns of work and family life in their most stereotypical, mid-twentieth century, Fordist, white middle-class form had consisted of the male breadwinner and female caregiver, modulating the Victorian ideal of separately gendered spheres into that of the ‘family wage’ (Fraser 2016). Second wave feminism offered a seismic challenge to this social order, demanding better and more egalitarian conditions for women at work and at home. Whilst it was multifaceted, containing many different (e.g. radical and liberal) strands, the drive of socialist feminism wanted to ‘transform the world so that both men and women could together find our place in the sun’, as Lynne Segal puts it: to include both men and women in the public workplace, shorten the working week, and to enable both men and women to become equal caregivers and caretakers of children (Segal 2018; Rowbotham et al. 1979). This ideal is what Nancy Fraser describes as the ‘universal caregiver’ model of social and economic reproduction (2016).

With the advent of neoliberal capitalism from the late 1980s, the dominant ideal did indeed become that of the ‘two earner family’ (Fraser 2016). But instead of a shortened working week and sufficient support structures, neoliberal politics both ripped back systems of welfare support (such as day-care funding and child benefit)—facilitating the privatization of state structures (e.g. healthcare, water, gas and housing) and making the cost of living far more expensive—and introduced policies of ‘liberalization’, which make work far more precarious, so that families are now ‘living

and working in contingency’ (Adkins and Dever 2015). Whilst ‘externalizing care-work onto families and communities’, then, neoliberalism has ‘simultaneously diminished their capacity to perform it’ (Fraser 2016, p. 104).

Combined, these effects have spawned a contemporary ‘crisis in social reproduction’, one which is differently felt and experienced depending on social location, class and ethnicity. Rich and privileged mothers at the ‘top end’ of the social scale are frequently held up as ideals to aspire to, through what Angela McRobbie calls the ‘pathology of the perfect’ (McRobbie 2015). Images of ‘yummy mummies’ have raised the bar on motherhood as lifestyle option (Littler 2013) and overwhelmingly present motherhood as a predominantly individualized project. Noting that in Ivanka Trump’s book, *Women Who Work* (2017), the nanny appears only once, for instance, Catherine Rottenberg observes how ‘narratives of the outsourcing of care are almost completely elided from contemporary mainstream or popular narratives about women, work and family’ (Rottenberg 2018, p. 165). The romanticisation, re-valorisation and responsibilisation of ‘stay at home mothers’ has been expansively analyzed by Shani Orgad (Orgad 2019) in relation to the ‘mommy wars’, which built from the 1990s in US media and public discourse in particular, in which working women and stay at home mothers were pitted against each other (Douglas and Michaels 2004).

The current neoliberal settlement therefore either incites ‘ideal’ mothers to stay at home under what Diane Negra and Yvonne Tasker (2014) call the ‘domestic retreatism’ model, or more often, to ‘lean in’ to the norms of the male workplace, as the notorious title of Facebook COO Sheryl Sandberg’s (2013) book instructed. For Rottenberg, Sheryl Sandberg and Ivanka Trump typify the ‘rise of neoliberal feminism and the intensifying and glaring gap between a handful of elite women’s success stories and the 99 per cent on the other’ (Rottenberg 2018, p. 166). For this reason, they have been lambasted by feminist activists because they promote ‘individual women’s success over social and collective justice while defining success in terms that merely serve to buttress the interests of the male establishment’ (Rottenberg 2018, p. 166; see also Foster 2016).

Such discourse also indicates how women are still—and far from the second wave socialist feminist imaginary—doing the majority of the

domestic labour even whilst leaning in to the workplace. Whilst the extent of what Arlie Hochschild once termed the ‘second shift’ (of domestic labour when arriving home after paid work) is variable and contested, the recent popularity of a comic strip about the ‘mental load’ of motherhood and debates on ‘the chore wars’ indicate that mothers are overwhelmingly positioned in neoliberal culture as the ‘foundation parent’ (Asher 2011; Emma 2017; Hochschild 2012 [1989]; Jensen in Littler and Winch 2016).

These increased burdens on motherhood across the social scale are intensified by the political and social pressures ‘responsibilising’ parenthood. In her book, *Parenting the Crisis*, Tracey Jensen tracks the rise of ‘parent blame’ as structurally concomitant with neoliberal policies dismantling welfare state provision. As she writes, parent blame, and in particular ‘mother-blaming’, becomes under neoliberalism ‘a stigmatizing repository for social ills’ (Jensen 2018, p. 19). Working-class parents are, in other words, subject not only to punitive policies, but vicious moralizing discourses blaming solely them for their own poverty and struggle. As Laura Briggs puts it, today ‘all politics has become reproductive politics’, and it is in the sites of these moralizing debates scapegoating the poor, as well as black ‘welfare queens’ and single parents, that we can understand how neoliberal politics have gained traction (Briggs 2018).

All mothers living under a climate of neoliberal cuts and precarity are incited to feel the pressure of responsabilisation for the ‘project’ of parenthood. ‘Failing’ (i.e. less privileged) mothers are incited to feel shame; mothers who might have more resources to get out of this predicament are also vigorously incited into harder work and to adopt a morally-inflected enthusiasm to manage project parenthood. In *Mothering through Precarity*, Julie Wilson and Emily Chivers Yochim use their ethnography of women in the ‘post-industrial recessionary rust belt’ to focus on how mothers’ daily lives and emotions are channelled into compensating for neoliberal precarity as well as acting as a conduit for its insistence on individualized entrepreneurialism. They show how both working and middle-class women are encouraged to optimize their way through precarious circumstances, and a key sphere through which they do this is through ‘the digital

*mundane*'. For mothers, the digital mundane is what they term a 'mama-sphere' of churning, always-on content: a network of networks, a contradictory web of advice, encouragement, inspiration and admonishment (Wilson and Yochim 2017, p. 16).

As a British site, Mumsnet does not feature in *Mothering Through Precarity*, although many of its contours are recognizable. Shifting the focus to the UK and to our case study, we hold that Mumsnet can also be conceived as a resource and even a foundation to navigate the pressures and burdens that mothers face. The following empirical section traces some of the digital-affective engagements of Mumsnet users—Mumsnetters—by focusing on one of the most notorious forums on the site in which women pose the question 'Am I being unreasonable?'

## Analyzing Neoliberal (Un)reasonableness on Mumsnet

Mumsnet is Britain's most popular parenting website with more than 12 million reported site visitors per month, hosting one of the most active mothering communities in the UK. While online mothering forums are well-known to enable the sharing of parenting support and advice (for example, Madge and O'Connor 2004; Moravec 2011), Mumsnet takes up a distinct position in the virtual parenting sphere. Existing research has highlighted that discussions on Mumsnet transcend parenting-related issues, as the site also generates intense and notably affect-laden debate around general issues. Sarah Pedersen and Janet Smithson's (2013) and Pedersen and Simon Burnett's (2018) work has drawn attention to the hedonic user interest in entertainment derived from witty and at times aggressive discussion, and the splenetic, argumentative and polarized posting style occurring on Mumsnet. Tracey Jensen has noted that the dominant structure of feeling around Mumsnet's parenting pedagogy and advice is 'soaked with affective antagonism', illustrating 'the imperative to morally author oneself as competent within a climate of doubt and uncertainty' (Jensen 2018, pp. 45–46; 21). Similarly, researchers have explored bursts of maternal anger that challenge constructions of the 'good mother' ideal (Pedersen 2016; Pedersen and Lupton 2018) as well as the workings of

humour and play as part of an 'affectively oriented style' that enables women to take up the 'good mother' position in ways that are 'both normative *and* transformative' (Mackenzie 2017, p. 14).

These particularly emotionalised aspects of the Mumsnet forum, we argue, come especially to the fore on one of the most liked sub-forums on Mumsnet, where users posting ask Am I Being Unreasonable?, condensed to AIBU. Frequently generating up to 1000 responding posts within short time periods, it is here that posters and visitors to the AIBU threads seek other users' opinions on a variety of issues. AIBU originates from Mumsnet, but has gained traction on other parenting forums such as the UK BabyCentre, Mumsnet's ever-present rival site Netmums, and in the blogosphere. As David Giles points out in his microanalysis of the linguistic characteristics of one AIBU thread, AIBU is a valuable site for research as it 'requires members to engage directly with one of the most important tasks of online communities: establishing normative values' that enable users 'to set the boundaries of what is acceptable and unacceptable within the community' (2016, p. 488).

In the following section, we expand this endeavour in relation to gender and neoliberalism (rather than Giles's concern with linguistic communication and interaction) by analyzing some of the affective dimensions of AIBU posts. Our analysis revolves around the ways in which AIBU is mobilized as a means to gauge the appropriateness and legitimacy of feelings that mothers are incited to suppress, as these feelings respond to pressures that, according to the current neoliberal formation, should be resolved through self-reliance, personal responsibility for 'good' choices and, crucially, a 'positive mental attitude'. Emotions such as anger, frustration, annoyance and irritation, pertaining to the everyday struggles some mothers encounter, are often suppressed and rendered ineligible—'muted' in Shani Orgad's (2019) powerful terminology. Yet, as we argue, AIBU may carve out a space for the expression and sharing of these feelings.

We therefore explore the extent to which AIBU can serve as a platform for the validation of feelings that might enable users to go beyond the personal and 'to feel and act in solidarity with each other', as Wilson and Yochim (2017, p. 29) put it. The data corpus consists of 143 posts, which were posted to the AIBU talk board to 11 different threads (online discussions including an initial post and any replies to it by various users)

between March and June 2018. The posts were selected through a process of purposive sampling based on key words including ‘work-life (balance)’, ‘housework’, and ‘work’, but also stemmed words and variants. Existing research suggests that Mumsnet is overwhelmingly used by self-identified females (Mumsnet 2009; Mackenzie 2017; Pedersen and Smithson 2013); however, the anonymous nature of this online environment allows users to post under a chosen pseudonym that does not necessarily indicate a particular gender. While usernames are not revealed when we quote from the forum contributions, grammar and spelling of the original posts are maintained.

## **Am I Being Unreasonable to Feel Undervalued and Be Outraged?**

One of the most notable features of the AIBU forum is the extent of complaint, struggle and suffering articulated with regards to navigating the manifold, day-to-day labours involved in—predominantly heterosexual - family and work life. Numerous threads, titled for instance ‘AIBU to feel undervalued?’, ‘[AIBU] To say “ENOUGH!”’, ‘[AIBU] To want a wife?’ or ‘[AIBU] To be fed up with my husband?’, are concerned with the deeply gendered dimensions of ‘project’ parenthood and the everyday ‘mental load’ associated with motherhood. Accordingly, many mothers recount that they ‘do the lion’s share’ of domestic labour and ‘pick up the home slack’, frequently expressing the wish that their male partners would ‘step up’ and ‘pull their weight’.

Addressing uneven responsibilities for emotional labour, chores and childrearing, various posters use the AIBU forum to seek confirmation of feelings of frustration in being positioned as the primary caregiver and domestic organizer. For example, one opening poster, who is annoyed that her husband ‘never puts family first’, states ‘I thought I would test the water with you good people to confirm that I am not, in fact, going bonkers, and that my standpoint is reasonable!’. Mumsnet operates as a barometer for feelings that allows one to gather advice on having the ‘right emotions’: ‘Am I right in feeling like this?’, ‘I really wanted to see how MNetters [Mumsnetters] would feel about it’. Aiming at gauging a

degree of consensus among the community of Mumsnetters, AIBU posters enquire about the appropriateness of their feeling states — is it admissible to have these feelings, is it ‘reasonable’ to feel this way? ‘What is the general opinion on this? Should I be outraged?’; ‘Please tell me this is not normal and I’m not overreacting?’ Similarly, various posts show the capacity of the forum to let off steam and vent, but also indicate the banal routine of posting that mark it as a daily component of users’ lives. As one poster puts it: ‘Sorry folks, second post of the day. Having a slightly stressful one!’

By posting on the AIBU forum, many women seek recognition and validation for the multiple labours they perform on a daily basis, and related feelings of exhaustion, tiredness, irritation and burgeoning anger towards their male partners. For example, a poster who started a thread entitled ‘[AIBU] to want a wife?’ lists a whole range of mundane labours that she feels are not reciprocated by her spouse, spanning the planning of meals, doing the laundry, filling the car with petrol, etc. Likewise, another poster announces, ‘Ladies, I think I might be on the verge of having a mini-rebellion’ by planning to put an end to organizing her husband’s social family events on top of juggling a job and chores: ‘AIBU to say “Enough is enough!” I will continue to try to balance his hours/wage with mine by doing more than a 50% share of the housework, but if he wants to do these extra events, then it’s up to him to take on 100% of the work associated therewith?’ Other users emphasize the value of enjoying life beyond (house)work: ‘I think the last thing I would want when I am in the care home that someone mentioned is to think I spent my life tidying up after another adult. I would weep if that was my life’. ‘I am tired of constantly trying to keep on top of the mess he makes. ... I have stuff I want to do with my life that isn’t working full-time or cleaning’.

While Pedersen and Smithson (2013, p. 104) have highlighted the significance of sharing ‘*real* support and advice’ instead of “‘fluffy” sympathy’ on Mumsnet’s discussion forum, in regard to the AIBU sub-forum this observation must be extended to include what Rachel Thomson et al. (2011, p. 146) call ‘combustible commentary’. The following extracts illustrate this call for, and expectation of, utterly honest feedback and heated debate: ‘Would be interested to hear the MN [Mumsnet] view on this. Get your flame throwers ready!’ ‘[I] knew you’d give it to me straight here’. ‘I guess that’s why I’ve posted in AIBU as I know I’ll get a kicking’.



AIBU also plays a role in nurturing collective feelings of anger, rage and even resistance that can be located on the meso level of the group of posting forum users. Dissatisfaction, irritation and frustration about the complexities of feeling responsible for managing multiple workloads and putting up with gendered divisions of labour under the economically precarious conditions of neoliberal capitalism can turn into eruptions of raging anger in those cases where posters describe their subsistence being threatened through inconsiderate behaviour on the side of the partner who hampers any efforts to 'get by'. In many of these instances, the community of responding posters connects emotionally to assert the reasonableness of feeling 'ragey', offering a glimpse at affective solidarities in the digital 'mamasphere'.

For example, the opening poster of a thread titled 'AIBU to wish he'd stop moaning?' describes a scenario where economic pressures arising from precarious work lead to financial struggles and swingeing cutbacks that affect all family members. The posting mother reports feeling responsible to manage these new insecurities ('it's me that has to take the hit'), but at the same time expresses annoyance at her partner for not feeling equally responsible to cope with the heightened difficulties: 'my life is about to become extremely difficult, im just trying to get on with it but he's whining about his gaming subscriptions ... for fu\*\*s sake you'd think I'd drop kicked him in the face!' Many responding posters provide affirmation and endorsement of the poster's feelings that culminate in outbursts of fury at the poster's partner. Despite the fact that the contributors do not know each other beyond what is being written on the (anonymous) forum, the opening poster's account instigates responders to put themselves in the affective position of the advice seeker, amplifying the explosive emotions: 'I don't know you. I have never met you. But I am actually, f\*\*\*ing seething angry on your behalf and I feel violent towards your partner for doing this to you'. 'YANBU [you are not being unreasonable] at all! I'd be bloody fuming with him'.

## Conclusion: YANBU

In this chapter we have made an argument for considering neoliberalism as a psychological technology, and one intimately involved in modelling and policing the qualities, dispositions and feelings that are deemed appropriate for contemporary society. The emerging body of research we have discussed on the moods, atmospheres and affective tone of neoliberalism highlights an emphasis upon positively taking individual responsibility for dealing with difficult feelings and situations. Here, though, we have examined recent posts to the AIBU forum on Mumsnet to highlight a more ambiguous and ambivalent situation. We have shown that while the site is certainly involved in ‘affect policing’ and in setting norms, it is also a place of solidarity that may at times redraw the boundaries around what is ‘appropriate’ to feel. Although the UK mamasphere often incites its participants to be ‘good’ emotional neoliberal subjects, it also demonstrates manifest rage at inequalities of gender and precarity. In Mumsnet’s AIBU threads, the sharing of those affects weaved into online talk about ordinary, yet grave, predicaments plays an important role in redrawing some of the boundaries of what mothers are allowed and, crucially, *enable* each other to feel. The affective support given and received, we hold, makes AIBU an outlet for emotions deemed inappropriate that goes beyond private utterances of frustration, contributing to validate mothers’ reasonableness at being outraged. While not quite connecting personal frustrations and rage to a political critique of gender injustice, it may nevertheless offer support in ways that are emotionally empowering for women declaring loud and clear NO YANBU to feel like this.

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# 12

## Media and the Neoliberal Swindle: From 'Fake News' to 'Public Service'

Des Freedman

### Introduction

People who speak about neoliberalism—or capitalism or populism or imperialism—are often criticized for attempting to project an unwelcome uniformity onto the term under discussion. Complex models of socio-political development are instrumentalized, it is argued, into singular narratives that suppress differences and encourage a preferred reading that is often based on determinist narratives around class or capital or control. Where are the counterarguments, the inherent tensions, the national specificities and the multiple contingent factors that render such broad-brush commentaries to be descriptively misleading and analytically useless? When neoliberal principles are invoked to 'explain everything from

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the rise of Bollywood themed weddings to competitive cooking shows to university departmental restructurings' (Flew in Dawes 2016, p. 4), then surely such portmanteau words have lost their ability to make sense of the world?

I disagree. Firstly, this does a disservice to the extensive literatures that seek to map the 'varieties of capitalism' (Hall and Soskice 2001) or the different types of populism (Gidron and Bonikowski 2013) or indeed the range of neoliberalisms (Peck 2004). Second, such terms are often a much-needed and practical shorthand for making connections between different elements of a shared landscape. Third, and most importantly, a single descriptor does not necessarily suffocate multiple meanings. After all, Marx and Engels wrote very powerfully in the *Communist Manifesto* that capitalism was both creative and destructive, beautiful and ugly, revolutionary and reactionary. The challenge for social scientists isn't to understand apparently contradictory phenomena in relation to a single concept but exactly the opposite: the need to identify the contradictory phenomena that can best express the dynamics of volatile social situations.

So without wanting to rehearse arguments that have been made extensively and elegantly elsewhere in relation to how we might understand what is distinctive about neoliberalism (notably Brown 2015; Davies 2014; Harvey 2005; Mirowski 2013), I want to use this chapter to illustrate how core features of the neoliberalization process—the intensive economization of public life and the naturalization of markets as a fundamental guarantor of efficiency, sovereignty and individuality—impinge on two very different aspects of the contemporary media environment.

First, I want to look at the furore surrounding what has come to be described as 'fake news' and want to suggest that, far from being an exception to routine modes of newsgathering, 'fake news' is in many ways the crystallization of neoliberal logics. Second, I want to discuss a very different example: that of public service media, precisely *because* they are far from the most obvious and predictable examples of neoliberalized institutions. Instead, because of their normative importance as instruments of democracy—as checks on power, as watchdogs and monitors, as public spheres and fourth estates—I want to assess the extent to which their democratic role coincides with a compulsion to behave themselves and to act as proper, disciplined neoliberal subjects.



In doing this I fully recognize that neoliberalism does not refer to a flawless or internally sound set of institutions, values and processes; I accept that there are 'varieties of neoliberalism' and that we need detailed work to make sense of the way in which specific neoliberalisms are constructed and resisted. Furthermore, I acknowledge that perhaps some people use the phrase as an insult in the same way that some particularly enraged people label as a 'fascist' anyone whom they perceive to be acting in an authoritarian way. Mislabelling, however, does not mean that fascism or neoliberalism are mere fictions and that those who use them in a messy way (and without the benefit of detached academic expertise) are necessarily prone 'to lapse into a kind of conspiracy theory' (Flew in Dawes 2016, p. 4). Indeed, while neoliberalism may well be used in an imprecise way at times, perhaps that simply reflects the fact that the world is far from hygienic and ordered and that neoliberalism may provide a language with which to comprehend—and crucially to challenge—some of the structural (if uneven) commonalities which are apparent even in complex landscapes.

## Neoliberalism Is a Scandal

In the realm of both 'fake news' and public service media, as with so many other areas of social life in the last 40 years, my overall argument is that we have been *swindled*. In talking of a swindle, I am drawing on Marx's famous invocation of liberal democracy as an enormous rip-off in which superficially democratic forms of constitutional government were employed to undermine the possibility of a fully functioning democracy based on equality, shared ownership of resources and workers' control. Speaking of the United States as 'the archetype of democratic humbug' (2010, p. 562), Marx, according to Hal Draper (1974, p. 118), insisted that it 'had to develop to its highest point the art of keeping the expression of popular opinion within channels satisfactory to its class interests'. Neoliberalism, I will argue, furthers this project by systematically commodifying the instruments of opinion formation without actually extending popular control over these instruments.

In what ways has neoliberalism swindled us?

In its rhetoric and its political routines, it has very successfully used discourses of consumer sovereignty and autonomy to exploit individualism and to constrain freedom; it has promised emancipation through the joy of market exchanges but instead has given us shrink-wrapped democracy which celebrates only the most pallid forms of participation and engagement.

The icy calculation of neoliberal logic and the narrow instrumentalism of allegedly self-correcting markets has ridden roughshod over permanent jobs, organic communities, egalitarian structures and democratic aspirations. We now live in the ‘post-democracy’ so effectively described by Colin Crouch, a situation in which ‘politics and government are increasingly slipping back into the control of privileged elites in the manner characteristic of pre-democratic times’ (2004, p. 6). Crouch describes a paradox of contemporary democracy: that despite the surfeit of apparently democratic-sounding paraphernalia—the collapse of deference, increases in transparency and literacy, and more opportunities formally to engage in democracy—we nevertheless often have to be persuaded to vote and to exercise civic responsibility.

Furthermore, neoliberalism has given us only the spectre—the illusion—of democratic communications: a media where editors and top politicians dine at the same tables, are educated at the same universities and share many of the same agendas; a media marked by collusion and complicity rather than confrontation and criticism. Mainstream media outlets have failed to use their symbolic power to challenge this shift and to offer alternative visions and truly representative narratives, serving up instead an anaemic diet of stories that are frequently shallow, decontextualized, misleading or downright biased—for example the economics journalism that assumes the ‘expertise’ of financial commentators and the legitimacy of austerity policies (Berry 2016), the reporting of ‘terror’ that marginalizes geopolitical tensions and inequalities (Freedman 2017), the negative coverage of progressive movements and leaders (Schlosberg 2016) and the popular representations of welfare claimants as ‘revolting subjects’ (Tyler 2013) that seek to mobilize a sense of disgust towards the ‘unproductive’ and ‘undeserving poor’ in the contemporary world.

Neoliberalism, based on a vocabulary of choice and competition, has sought to diminish our prospects for meaningful collective organization

and individual self-realization. That is its great achievement and its great swindle. Neoliberalism is ripping us off both by robbing us of a secure and productive future and, through our desperation to protect what is left of the public provision and welfare entitlements earned in more social democratic epochs, simultaneously messing up our memory of what we should learn from what is actually a contested and compromised past and not an unadulterated 'golden age' (Streck 2011).

## 'Fake News'

If we understand neoliberalism in the media field in relation to 'the incessant pursuit for profit' and subsequent 'relaxation or elimination of barriers to commercial exploitation of media and to concentrated media ownership' (McChesney 2001), then it is hardly controversial to suggest that recent developments in the for-profit sector are, broadly speaking, characteristic of neoliberal strategies of conglomeration, commodification and financialization. Across the world, we are seeing the rise of hugely concentrated markets in both 'new' and 'old' media. For example, the UK has a supposedly competitive national newspaper market (albeit one that is declining in circulation), but just four companies—largely presided over by tax exiles and media moguls—control 90% of daily circulation; the situation in the local and regional press is hardly that much better where six groups control 81% of all circulation (Media Reform Coalition 2019, pp. 5, 8). But the situation is actually worse when it comes to the increasingly profitable digital world. While there may be thousands of digital start-ups, Apple, Amazon and Spotify alone account for 63% of the global streaming market (Statista 2017) and Facebook is fast becoming the dominant digital platform for news with 45% of American adults getting at least some of their news from its content recommendation algorithms. In the US, Google and Facebook together account for around 75% of all digital advertising while Amazon accounts for 83% of e-book sales and 44% of *all* e-commerce transactions. According to the *MIT Technology Review*, these platforms have disrupted all their competitors and have handed over to a handful of monopoly entities 'an unprecedented amount of control over what we see, read, and buy' (Giles 2018).

In the context of a growing concentration of intermediary power and a failure of regulatory oversight—both of them key markers of media neoliberalization—‘fake news’ would seem to fit the bill as a rather predictable by-product of a landscape which privileges profits over public interest and attention over accuracy.

Of course, ‘fake news’ (much like neoliberalism) is itself a disputed category that refers to hugely different practices, from falsehoods deliberately concocted to undermine democratic processes (such as elections and referenda), through traditional journalism with its long history of misrepresentations, exaggerations and distortions. This includes the ‘yellow journalism’ that emerged in the United States in the late nineteenth century and that was the original form of clickbait designed to capture our attention for advertisers (Spencer 2007), through to sensationalist claims about crime, race and terror such as the ones, for example, that helped to lead the United States and UK into the Iraq War in 2003: that Saddam Hussein’s Iraq was able to launch weapons of mass destruction within 45 minutes (Miller 2004). ‘Fake news’ also includes what Damian Tambini describes as ‘news that challenges orthodox authority’, content that departs from an elite shared consensus that might be controversial or unpopular with opinion formers but isn’t necessarily false. ‘Attempts to present facts and events from the perspective that is not based on the shared set of assumptions would likely be dismissed as fake’ (Tambini 2017, p. 5).

Researchers at the Reuters Institute for the Study of Journalism organized a series of focus groups in 2017 to try and figure out what audiences themselves understood by ‘fake news’. Most people saw the difference between deliberate misinformation and ordinary journalism as one of ‘degree’ and didn’t really make a clear distinction between them. While being aware of the extent of misinformation online, they nevertheless ‘placed more emphasis on journalists and politicians as purveyors of fake news’ (Nielsen and Graves 2017).

Now each of these instances of ‘fake news’ requires quite different policy and professional responses but, at the moment, it is only the first kind—of deliberate lies designed to disrupt democracies—that seems to absorb the attention of the mainstream media and centrist politicians with recent

inquiries carried out by parliamentary committees in Australia, the UK and the United States as well as the European Commission.

This is despite the fact that we lack sufficient substantive and empirical data about the scale and impact of deliberate misinformation. Very different accounts can be found in current commentary. BuzzFeed famously found that in the final three months of the 2016 US presidential campaign, the top-performing fake election news stories on Facebook generated more engagement than the top stories from elite media (Silverman 2016). Economists Allcott and Gentzkow (2017, p. 213), on the other hand, conducted a huge analysis of social media data from the election and found that the average adult saw and remembered a mere 1.14 fake stories. Research on 'fake news' carried out during the 2018 Italian and French elections found very little evidence of it. Indeed, none of the 'fake news websites' they examined had an average monthly reach of over 3.5% compared to the dominant news sites of *Le Figaro* and *La Repubblica* which had a monthly reach of 22 and 51%, respectively (Fletcher et al. 2018, p. 1). The fact is we simply don't know how big a problem 'fake news' is.

The key point for this chapter, however, is that 'fake news'—at least in its most visible form of content purposefully designed to deceive—is not an exception to, but the logical result of, a market economy that privileges short-term rewards and commercial impact. The rise of programmatic advertising and the domination of advertising by Google and Facebook are hardly peripheral developments but part of a structural readjustment of the media. In this situation, 'fake news', according to researchers at the Tow Centre at Columbia University:

is a distraction from the larger issue that the structure and economics of social platforms incentivize the spread of low-quality content over high-quality material. Journalism with a civic value – journalism that investigates power, or reaches underserved and local communities – is discriminated against by a system that favors scale and shareability. (Bell and Owen 2017, p. 10)

According to this interpretation, the current business model is *systematically* skewed in favour of clickbait and against the provision of more expensive and time-consuming forms of investigation.

This is a situation that has been exacerbated by the reluctance of regulators, up to this point, to address intermediary dominance. True, the European Commission did impose a €2.4 billion fine on Google in 2017 for abusing its dominance by unduly prioritizing its own price comparison service, but this is likely to be a mere inconvenience to its parent Alphabet as opposed to a structural challenge to its operating model. Many regulators still refuse to acknowledge Facebook and Google as *bona fide* media companies and instead continue to rely on the same neoliberal policy frameworks that were developed in the 1990s that protected intermediaries from responsibility for the content they carry. US regulators like the Department of Justice and the Federal Trade Commission have antitrust remedies that would enable them to challenge intermediary power but, wedded to a neoliberal vision of market fundamentalism, have—at least until recently—preferred to remain silent. Indeed, according to Barry Lynn and Matt Stoller (2017), ‘the FTC itself partially created the “fake news” problem by failing to use its existing authority to block previous acquisitions by these platforms such as Facebook’s purchase of WhatsApp and Instagram’. Shackled by a worldview whose default position is that regulation is an impediment to innovation, the British and US governments, in particular, have long been content to rely on industry self-regulation that is insufficiently strong to pre-empt the hateful forms of speech that continue to circulate and that underpin the growth of far right parties. Regulation is now likely to ensue following the Facebook/Cambridge Analytica data scandal, but it remains an open question whether it will be tough enough to change corporate behaviour and transform business models unless genuinely radical action, such as breaking up or nationalizing the largest platforms (Srnicek 2017), is considered.

However, instead of considering the structural roots of the problem and pressing for robust anti-monopoly measures and innovative ways of stimulating pluralism, policymakers in concert with mainstream media seem to be more interested in ‘fake news’ above all as an opportunity to win back trust and to re-establish their status as agenda-setters, a status that has been disrupted by the fracturing of the centre ground and by the

cracks that have appeared in the neoliberal consensus. Yet this is likely to be yet another swindle if it involves the resurrection of the same discredited neoliberal agendas and the same authorities of 'truth-telling' and expertise that neglected to articulate the experiences of the poor and the disillusioned, and that failed to understand the reasons for the election of Trump and the vote for Brexit, and that, at least in part, paved the way for the rapid rise of the 'fake news' that mainstream media so deplore.

Of course, this is far from surprising. Vested interests in media will always respond to any attack on their own position and privilege by condemning the ignorance of the 'masses' (for not appreciating the value of 'real news') and contrasting the integrity of their communicative practices with the 'propaganda' of their opponents. Marx identified this nearly 150 years ago when reflecting on attacks by the wealthy on the poor taking part in the Paris Commune:

no sooner do the working men [and women] anywhere take the subject into their own hand with a will, than up rises at once all the apologetic phraseology of the mouthpieces of present society...as if capitalist society was still in its purest state of virgin innocence, with its antagonism still undeveloped, with its delusions still unexploded, with its prostitute realities not yet laid bare. (Marx 1969, p. 223)

Without wanting directly to compare a nineteenth-century socialist experiment with twenty-first century populist revolts, the point is that neoliberal media interests—as with any dominant group under pressure—are conducting what I see as an activist campaign designed to suggest that only they can be trusted with safeguarding freedom of expression and a commitment to truth, and that only they can be guaranteed to preserve democratic rights. Yet while we desperately need a journalism that is both fearless and rigorous, we have no reason to believe that the existing media elites are capable of delivering 'real news' and of holding neoliberalism to account.

## Public Service Media as Resistant Spaces?

Logics of corporate accumulation and concentration seem like a fairly obvious and far from unexpected consequence of a neoliberalized media market. But what of the BBC and other public service media operators who are not accountable to shareholders, who are not dependent solely on advertisers and whose underlying values are not reducible to the need to chase high ratings and to secure customer data in order that they may exploit their value? To what extent are they immune from the calling cards of the ambassadors of neoliberalism and to what extent can they act as bulwarks against the forces of market fundamentalism? Indeed, to what extent should we even be talking about non-market operators in relation to neoliberalism?

According to Terry Flew, if neoliberalism is, generally speaking, an ill-defined term of abuse, too often used by lazy conspiracy theorists to express their dislike of capitalism, then it is even more redundant when applied to media landscapes. Neoliberalism, he argues (in Dawes 2016, p. 5) is ‘not a particularly important animating principle for media policy’ particularly because of the prevalence of public service organizations who are far less accountable to neoliberal metrics. For Flew, it would take the privatization of the BBC to suggest that we’re heading down a neoliberal path, and he insists that ‘it is not necessarily “neoliberal” to question both the equity and the sustainability of the current arrangements’ for licence fee collection (in Dawes 2016, p. 5).

I think this completely misunderstands the dynamics of neoliberalism and that, following Harvey (2005), we need to distinguish between the specious unity of neoliberalism and the material practices of neoliberalization. Neoliberalism does not feature only if we have something as obvious as a change in ownership from public to private in our media landscape. It is present in all the smaller restructurings and cultural shifts that are less dramatic and more hidden: the emergence of an internal market, the deployment of new management techniques, the growing emphasis on value for money, the introduction of public value tests and service licences and, above all, the determination to tie public service media to the needs of their commercial rivals. In all these ways, the BBC has long been subject



to neoliberal discipline and neoliberal forms of new public management (Roberts 2014).

Of course, following Flew, it is not necessarily 'neoliberal' to challenge the fairness of a licence fee when both rich and poor households pay the same amount; in fact it would seem like a very sensible position to adopt from the perspective of equality and social justice. But it would be quite fantastic to believe that the underlying pressure to reform the BBC's funding base—let alone concerted attempts to narrow its overall remit and scope—is somehow insulated from the general determination of recent governments, constantly prodded by right-wing MPs and commercial media rivals, to embed a market logic into every area of social life, including public service broadcasting. In this sense, the BBC is as tethered to neoliberalism as BP or Google or Apple, even though it serves licence fee payers and not shareholders.

Indeed, recent media policy developments in relation to the BBC seem to exemplify some of the current contortions of neoliberalism. First, despite claims that the state is retreating (Strange 1996), radical critics of neoliberalism are more prone to argue that it is, in fact, 'being reimagined, redesigned reoriented' (Jessop 2002, p. 9) in order to facilitate and extend the rule of capital. When it comes to the BBC, the state is not only coordinating the overall framework within which the BBC sits, but is micro-managing its broader orientation: to shift away from popular content, to restrict the scope of its online content in case it treads on the toes of commercial providers, to reveal the salaries of its best-paid talent and to outsource more and more content from the independent sector (Goldsmiths 2016). Meanwhile, the government has forced the BBC to absorb the enormous cost of providing free licences for the over-75s, thus implicating the Corporation in the Conservatives' broader welfare agenda and further cementing the links between state and broadcaster. This resonates with the experiences of public service media across the world who have seen their funding cut, staffing reduced and services suffused with a market logic except in those countries, most notably Hungary and Poland, where authoritarian populists have propped up public TV as in-house propaganda tools (Kerpel 2017).

Meanwhile, the BBC's affiliation with establishment figures and parties remains remarkably consistent: the outgoing chair of the BBC Trust,

Rona Fairhead, was a non-executive chairman of HSBC holdings for many years and Chairman and CEO of the Financial Times; the chair of the new BBC unitary board, Sir David Clementi, is a former chairman of Prudential and got the job after the government invited him to design a new governance framework. Senior figures in the newsroom, like chief political correspondent Laura Kuenssberg and the *Today* programme presenter Nick Robinson, are both robust in their defence of small 'c' conservatism, while James Purnell, a key figure from the New Labour era, has been promoted to head of radio without having any experience of actually making radio programmes (Freedman 2018). Other critics have talked of a 'revolving door' (Mills 2017a) between senior figures at the BBC and the Conservative Party, including most recently the appointment of Nick Gibb, the Corporation's editor of live political programmes, as former Prime Minister Theresa May's director of communications.

The BBC has responded to external pressure by adopting a news agenda that is remarkably reluctant to confront key aspects of neoliberal thought and action: its business coverage is dominated by 'stockbrokers, investment bankers, hedge fund managers and other City voices' (Berry 2013), while its coverage of the deficit debate following the 2008 crash reported a systematic exclusion of 'Keynesian or heterodox economists, academics, labor unions or other representatives of civil society who might have advocated countercyclical or anti-austerity policies' (Berry 2016, p. 850). When it comes to reporting the Labour leader Jeremy Corbyn, a vocal opponent of neoliberal policies, research by Schlosberg (2016) found that BBC bulletins gave nearly twice as much airtime to his critics than to his supporters, and used language that 'emphasized hostility, intransigence and extreme positions', an apparent breach of its own editorial guidelines (2016, p. 4). Subsequent research by Schlosberg and Laker (2018) identified evidence of a 'disinformation paradigm'—based on misleading and inaccurate reporting—in the coverage by major news outlets including the BBC of allegations of antisemitism inside the Labour Party.

In summary, while the BBC may not be the most obvious example of a neoliberal institution, it remains the case that a neoliberal logic has been forcibly implanted into the water coolers of the BBC and that its management has, in turn, internalized this in its operational logic. As long as neoliberalism continues as a hegemonic (if waning) force, it will

continue to circumscribe the policy environment shaping the operations and future development of both commercial and public service media.

## Conclusion: Liberal Democracy to the Rescue?

In the context of wounded but determined neoliberal regimes of governance, should we look forwards or backwards for an alternative? To what extent can older forms of liberal democracy provide a template with which to resist even fractured and delegitimized forms of market rule?

As I have already suggested, the past is an imperfect guide to a post-neoliberal future. For example, opposition to the diminution and marketization of the BBC cannot be based on the idea that the Corporation was once a meaningfully independent, representative and radical organization. Tom Mills (2017b) argues that the BBC has compromised with the state from its very inception: from its involvement in the general strike through its relationship with the security services to its coverage of foreign interventions and its framing of economic issues. A reading that ties the onset of the degeneration of an institution like the BBC as exclusively linked to the rise of neoliberalism misses out on a far more complicated picture: one which, for all its moments of questioning and creativity, is marked by a history of deference to the state, a lack of diversity—both geographical and cultural—which it is only just now starting to acknowledge and perhaps address, and a paternalistic political agenda that is intertwined with a legacy of imperial, corporatist and then neoliberal affiliations. This is a broadcaster that has perhaps served the state more effectively than it has served the public.

Critics of neoliberalism who imagine that more feisty and autonomous forms of media were prevalent before Thatcher and Reagan need to be quite precise in their recollections of a 'golden age' of liberal democracy. Similarly, we ought to be sceptical of any simplistic understanding of 'post-democracy', which somehow suggests that we have now superseded an 'actually existing democracy' that was based on popular sovereignty and the equitable control and distribution of all resources, including those of the media. Instead what has happened is that banks, financial agencies and global conglomerates increasingly compete with states in the management

of economies, thus making real democracy ever more distant. In these circumstances, a democratic media will not descend from the heavens nor will it emerge from the compromised models of the past. It has to be fought for and invented out of the struggles that we face in the coming years.

The task for critics of neoliberalism, therefore, is not to return the media to an imaginary pre-neoliberal bliss that may well turn out to be even less democratic than the forms of media we have now. Instead we need, first, to challenge some of the most obvious abuses of media power—to oppose further media concentration and to resist the stereotypes and distortions that seek to normalize, for example, discrimination, militarism and inequality. Second, we need to figure out how best to build a radical political project in which truth-telling and communicative capacity emerge from the bottom up and not through paternalistic diktat or pure market exchange.

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# Part IV

## Neoliberalism and Knowledge





# 13

## Academic Freedom and the Disciplinary Regime in the Neoliberal University

Liz Morrish

Forty years of neoliberal market fundamentalism in the west has resulted in a legacy which has had a more significant impact on ideology than on economic outcomes (Brown 2015). In the UK, one key manifestation of neoliberalism has been the penetration of new managerialism into more than just the public sector (Deem and Brehony 2005; Deem et al. 2007). This is an approach to management which focuses on efficiency and accountability, and it has been steadily solidifying the power of the managerial class in universities. In the neoliberal context, universities have experienced greater competition for students and consequent instability of funding. Furthermore, the growing significance of league tables has impelled them towards a new emphasis on marketing, managing financial risk and reputation.

This ideology of competition has been established and enforced in recent legislation to the point where it is, according to Beer (2016, p. 9),

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‘not just an organising principle, but also a virtue’. The Higher Education and Research Act, 2017 (HERA), has hastened steps given momentum by the 2010 Browne Review, towards greater marketization and competition between universities. The White Paper which preceded HERA, *Success as a Knowledge Economy (SKE)*, includes a section on ‘Creating a Competitive Market’:

Competition between providers in any market incentivises them to raise their game, offering consumers a greater choice of more innovative and better quality products and services at lower cost. Higher education is no exception. (SKE, para 7)

To this end, the government has moved to formalize league tables under the guise of providing consumers (i.e. students) with better information on which to base their ‘investment’. Subsequently, in 2016, the government introduced a *Teaching Excellence Framework*, quickly renamed as the *Teaching Excellence and Student Outcomes Framework* in 2017. This awarded ratings of gold, silver and bronze to participating UK universities determined by use of metrics such as graduate salaries, retention rates and student satisfaction measures by university and by course.

UK higher education is no stranger to league tables and judgement by metrics. Since the 1990s, the element of ‘quality-related’ research funding available for universities has been allocated according to the outcomes of the *Research Excellence Framework (REF)*. In this exercise, approximately every 6 years, each university department submits ‘outputs’ from its research-active scholars which are then graded 1\*–4\* by panels of ‘experts’ in each discipline. It is impossible to overstate the determining influence that the REF holds over UK universities and the academics who work within them. Each academic who has research as part of their contract of employment is now under enormous pressure to publish 4\* internationally leading research in high-ranking journals which will bring in maximum revenue to their university.

This increase in the use of metrics and the escalation of audit culture (Strathern 2000) has unfolded over the last thirty years. It has been partially successful in transforming the ethos of UK universities from one of long-term collegiality and cooperation, into an environment in which

academics are incentivized to accumulate scholarly capital in the form of grants and publications. It has fostered an atmosphere which is profoundly stressful (Morrish 2019; Loveday 2018).

The discourse of competition, however distorting in the enactment, is congruent with the tenets of neoliberalism, suggesting that its purpose is ideological and designed to sow insecurity among university staff and managers alike. And it has been successful; in addition to research income, universities are keenly pursuing applicants for degrees with a new sense that they have become scarce and sought after. Some more prestigious universities, e.g. University College London, have moved to significantly expand their estate in anticipation of a huge increase in student numbers (Matthews 2016).

## Audit Culture and Performance Management

This panicked emphasis on rent-seeking and the extraction of profit is not confined to the UK. Universities in Australia, the United States, South Africa, East Asia, Scandinavia and many other states in Europe have seen the imposition of academic capitalism (Slaughter and Leslie 1997; Slaughter and Rhoades 2004). The marketization and financialization of higher education has spawned critique from all areas of the academy, from blogs by experimental scientists (Bishop 2013; Colquhoun 2016) to theorized analysis in social science (Burrows 2012; Holmwood 2011; Petersen and Davies 2010), to perspectives from literary scholars (Warner 2014, 2015; Docherty 2011, 2014, 2015). This work is beginning to coalesce under the banner of Critical University Studies (CUS), which in many cases contains (but is not confined to) expressions of discomfort at changes influenced by neoliberal and market fundamentalist ideologies.

The key features of the neoliberal academy under analysis are:

- Audit culture and performance management: techniques of surveillance, dashboards, benchmarking, 'quality' audits, workload models.
- New academic identities demanded, e.g. entrepreneurship, self-branding, 'tone of voice' directives.

- An attack on academic freedom and insistence on conformity and aversion to risk.

CUS is a new interdisciplinary field of study (Petrina and Ross 2014) which interrogates the effects of neoliberal policies on higher education institutions. The aim is to critique ‘the neoliberal academy’, ‘the marketized academy’ and the model of ‘student as consumer’ and to make connections between neoliberal economic and political developments, and changes to conditions of work and academic identities in (largely) western universities.

The principles of CUS are informed by a paradigm previously established in Critical Management Studies (CMS) (Butler and Spoelstra 2014). This involves:

- A critique of power, control and inequality in universities.
- A challenge to management knowledge and its ideological underpinnings.
- An ethos of reflexivity and reflection on epistemological, ontological and methodological assumptions.

Over the last 5 years in the UK, an escalation of management by metrics has emerged in universities in response to successive governments’ appetite for audit and accountability. Benchmarks, metrics and ‘dashboards’ are examples of calculative practices (Shore and Wright 2015), used, apparently, to measure and improve the productivity of academics. This imposes a rationality whereby we face a future of ‘algorithmic regulation’ (Morozov 2014), and regimes in which employees are hierarchized according to metrics. University policy documents endeavour to justify these practices as essential, and even empowering to academics.

Along with the intensification of outcomes-based performance management in many universities (Morrish and The Analogue University Writing Collective 2017) we have seen efforts to ‘weaponize’ the metrics of the REF and the new Teaching Excellence Framework. This has been facilitated by the ability of management to collate this data and render it examinable via institutional faculty dashboards (Academic Analytics, n.d.). Vice chancellors are able to collate the ‘performance’ data on each academic into

an individual profile showing publications, citations, research grants and awards won. It can be updated daily by the head of department, dean or vice chancellor. Individual targets can be established, and of course, extended, if achieved.

Such a culture of wide-ranging scrutiny has created a hostile environment for academic freedom (Morrish and Sauntson 2016), exacerbated by toleration of slippage between the audit and disciplinary functions of performance management. For academics whose work is published in lower-ranked journals, or who fail to secure research funding, there is the risk that career-threatening procedures may be invoked by university managers. Attempts to critique this punitive regime have seen academics brought within the purview of policies on impugning institutional reputation (Brandist 2016; Docherty 2014; Morrish 2017c), or newly drafted social media policies which invoke potential violation of Dignity and Respect policies if university personnel are criticized in public (University of Exeter, *Social Media Policy*).

Some critical scholars have gone as far as characterizing UK academia as an ‘anxiety machine’ (Hall and Bowles 2016). For example, crude targets for grant income are now being set for individual researchers (Morrish 2015, 2017a; Morrish and The Analogue University Writing Collective 2017). Increasingly in universities, as well as undergoing six-monthly performance reviews (as frequently as newly appointed probationers), even professors must now meet exacting criteria for ‘quality’ of publications. Progression to the next professorial level must be achieved within five years, and this depends on meeting certain ‘drivers’, which, typically, include securing a research grant as PI every two years, producing REF 3\* and 4\* ‘outputs’, supervising graduate students, producing a significant impact case study, leading high-prestige international collaborations and of course, continuing to teach. Failure to meet these expectations will result in the public humiliation of ‘improving performance’ procedures, and possible demotion. As a result of these pressures—funding, reputation, metrics and marketing—many academics are reporting decreased autonomy and reward in the performance of their duties. In direct measure, stress in academia has mounted (Else 2017), as illustrated by the recent suicides of two respected academics, Malcolm Anderson at Cardiff University and Stefan Grimm at Imperial College (Richardson 2019). On the

other hand, and more positively, there have been some successes at resisting outcomes-based performance management documented by Morrish and The Analogue University Writing Collective (2017).

The following are a selection of research expectations for professors. Both are from Russell Group universities (Figs. 13.1 and 13.2).

Many of the reporting measures are sustained by proxy metrics outside the control of academics. For example, the value of research may be imputed from the level of grant funding secured or the published report may be evaluated according to the journal impact factor; an academic's work may be excluded from the REF audit if its subject matter diverges

<p><b>Research</b></p> <p><b>Publications:</b></p> <p>4-6 articles in the last five years, of “internationally excellent” quality (e.g. in the top 10%ile of the field)</p> <ul style="list-style-type: none"> <li>•As first or last author; or a middle author with substantive and critical contribution.</li> <li>•H-Index 25 and above</li> </ul> <p><b>Grants:</b></p> <ul style="list-style-type: none"> <li>•Sufficient grant income to maintain their own laboratory/desk-based research group with 4 or more regular research workers.</li> <li>•Obtaining 25% or greater salary recovery on research grants (as PI and CI)</li> </ul> <p><b>Students:</b></p> <ul style="list-style-type: none"> <li>•Primary supervision of three or more PhD students, with additional secondary supervision.</li> </ul> <p><b>Esteem:</b></p> <ul style="list-style-type: none"> <li>•Routinely invited to speak at international meetings, organizing symposia and invited speaker. Chair and organiser of national meetings. Reviewing articles for high impact journals; chairing and serving on professional and scientific grant committees and Editorial Boards.</li> </ul>
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**Fig. 13.1** Institute of Psychiatry, Psychology and Neuroscience at King's College London Academic Performance Framework (draft 2015), research professors

<p><b>Research</b></p> <p><b>(Individuals are expected to meet a range of indicators across the following)</b></p> <p><b>Publications</b></p> <ul style="list-style-type: none"> <li>• Established international reputation</li> <li>• On track for REF, including 4* outputs in the REF period</li> </ul> <p><b>Research Impact</b></p> <ul style="list-style-type: none"> <li>• Contribution to impact case development/authorship</li> </ul> <p><b>External Funding</b></p> <ul style="list-style-type: none"> <li>• Peer reviewed research grant income exceeding minimum income threshold as agreed in annual Performance Development Review (taking into account personal circumstances and success in other aspects of the role) and benchmarked according to Unit of Assessment data</li> <li>• External Research Income applied for as PI.</li> <li>• External Research Income Applied for as Co-I</li> <li>• Industrial/commercial funding to underpin applied research, where relevant</li> </ul> <p><b>Supervision</b></p> <ul style="list-style-type: none"> <li>• Supervision/co-supervision of PhD students and the provision of a training programme as appropriate to the requirements of the School / College</li> <li>• Active pursuit of external PhD funding</li> <li>• Act as an external and internal examiner</li> </ul>
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**Fig. 13.2** Cardiff University, performance expectations for the College of Arts, Humanities and Sciences, research professors

from the wider research group focus; teaching quality may be inferred from student satisfaction or even graduate salaries. Many academics have presented reservations about the integrity of the metrics which dominate academic careers (Bishop 2013; Colquhoun 2016; Sayer 2015); they have nevertheless been allowed to skew institutional priorities, reputation and funding levels.

In the wake of these fears, there have been calls for responsible use of metrics (Wilsdon et al. 2015). However, as yet, very few UK universities

are currently signatories of the San Francisco Declaration on Research Assessment (DORA) or the Leiden Manifesto for Research Metrics—both of which commit universities to not using crude metrics like journal impact factor in hiring or promotion decisions.

Strathern (2000) describes this audit culture as having ‘the contours of a distinct cultural artefact’ and argues that it has become a central organizing principle of universities. The function of audit follows the Foucauldian notion of ‘governmentality’, defined as ‘a process for constructing governable subjects’ (Foucault 2007, p. 108). It transforms the behaviour of academics to the extent that they are interpolated primarily as auditees (Petersen and Davies 2010). Managerial discourse and the policies of ‘performance management’ function as a regulatory regime that circumscribes the ‘mode of being’ of academics (Morrissett 2013). In many universities, the parameters of ‘performance’ are drawn so rigidly that they circumscribe what counts as academic labour, meaning that much of what academics do (e.g. reviewing manuscripts, mentoring students and other colleagues, conference organizing) is rendered invisible and uncounted. Several studies have furthermore pointed to the restrictive effect on academic freedom that attending to such constraints demands (Morrish and Sauntson 2016; Morrish 2017a; Petersen and Davies 2010; Morrissett 2013).

## Academic Freedom

In the UK, academic freedom, and the freedom to criticize one’s own university in public, or the system generally, is enshrined in law, and most university statutes and articles of government reflect this. However, in 2017 academic freedom became a moral panic in the UK (UK Government Department for Education 2018), and students and academic staff were blamed for undermining it with alleged regard for trigger warnings and safe spaces. In reality, it is university managers who display rather different thresholds of tolerance for critics of higher education policy and practice, and the neoliberal structures of marketization, consumerism and the corporate imperative that all act to stifle academic freedom in UK universities.



Negotiating these structures led me to have an encounter with the disciplinary process of one post-92 middle-ranked university in the UK, In March 2016, *Times Higher Education* re-published (with my permission) a piece from my blog, *Academic Irregularities* (repub., Morrish 2017b), on the causes of stress, and on threats to mental health in academic life. The piece recounted how, on University Mental Health Day 2016, I opened up to students about some of the pressures their lecturers are under, such as: the escalating expectations of research and the monitoring which had become much more frequent; the insistence on grant capture even in the face of diminishing odds of success; and all the time expecting colleagues with heavy teaching loads to carry on as normal. Naturally, students had been unaware of these pressures, operating throughout the higher education system, and were horrified to find that institutions legally bound to *prevent* stress at work had not just allowed it to happen; they had actively introduced policies and procedures which seemed to guarantee it. The juxtaposition of the care and humanity of the students with the rigid, implacable oppression of management had an extraordinary effect. I was compelled to write. And so I wrote the blog piece (originally entitled ‘The kindness of strangers’) and pressed ‘send’. I republished it a year later as ‘Stress fractures’ (Morrish 2017b).

This was enough to inaugurate a lengthy disciplinary process which I felt sought to curb my academic freedom and infringe my autonomy in the classroom.

Although (or perhaps because) there had been 12,000 hits on my blog and it had been trending for 4 days on the *Times Higher* website, the management demanded that I ask the *Times Higher* to take the piece down and to also delete it from my own blog, *Academic Irregularities*.

Contrary to management’s claim that there was the possibility of reputational damage to my university, I had evidence in the form of an email exchange between me and *Times Higher* which included a clear request from me not to edit the piece so as to seem that stress in academia is a localized problem; I emphasized that this is national and even international; I had not mentioned the institution at which I worked; and none of the readers who responded in comments under the line or on my blog had mentioned my employer or any other academic institution. I had been identified with my institutional affiliation as author of the piece, but this

was merely house style by *Times Higher* and indicated only that the author could claim knowledge of the subject. But, as I pointed out, the university policy on free speech and the 1988 Education Act all guarantee freedom to criticize the institution and the system within which one works. Paradoxically, UK universities which have social media policies state that employees are free to discuss controversial issues within the law and within their area of expertise. At least one requires employees to identify their institution (University of Exeter, *Social Media Policy*). It looked to me as if I was being hounded for honouring all three.

Nevertheless, management's further concern was that I had, apparently, 'frightened' the students in relaying my narrative of workplace stress, illness and suicide. The students were, of course, adults and nobody had complained about the episode. Neither had I asked any students to provide testimony on my behalf, though I have no doubt they would all have done so if asked. I considered the process too tawdry, ludicrous and time-consuming to involve students, especially as they were facing final exams and an already disrupted course.

So, in addition to frightening students, I had also, according to management, failed to observe the correct procedures for communicating information about mental health. In opening up to students about the stress academics face, I had, apparently, shared inappropriate information and left the students 'in a stressful situation themselves' (sic). The managers, though, decided to take a very literal and restrictive view of the activities listed on the University Mental Health Day website. According to them, the only permissible way to start a conversation about mental health in universities, was to get students to fill in postcards. While this may have been one of the recommended activities for the 2016 event, this was by no means recognized as the only method of starting a conversation. Nevertheless, this inconsequential deviation was seized on as an example of my delinquency.

The threshold for bringing the university into disrepute was set even lower. The hearing concluded that there had been the *potential* for a detrimental reputational impact on the university. Of course, I had presented evidence which showed conclusively that there had been no such outcome, and also evidence that showed that it was my expressed intention to avoid that outcome. Nevertheless, my accusers pronounced that it might have

happened. Suppositions, rather than evidence, apparently, are enough to sustain a charge of misconduct.

In the end, it was clearly not in the interest of management to dismiss me from their employ. The opportunities for legal challenge, which really would have brought them into disrepute, must have been only too apparent to them. It was much less likely that I would challenge the decision to issue a final written warning which would stay on my record for 18 months; a tactic which was calculated to ensure my subsequent obedience and silence.

Feminist scholarship teaches ‘the personal is political’, and I had certainly personified that stance, which students understood as integral to my professional practice. Unfortunately, my employer expected me to abandon this principle when this might prove inconvenient for the institution’s management. Ironically, they were willing to send me on a course run by Stonewall to be an LGBT role model (with a charter mark at stake which would enhance institutional standing) which encouraged me to be out as a lesbian to students and colleagues. By contrast, and counter to expressed ideals of inclusion, they seemed averse to role models who wished to be similarly open about their mental health difficulties.

It was with sadness and frustration that I contemplated the defeat of evidence and reason that management had engineered. I found myself echoing the words of Yiannis Varoufakis in a 2015 interview: ‘You put forward an argument that you’ve really worked on – to make sure it’s logically coherent – and you’re just faced with blank stares. It is as if you haven’t spoken. What you say is independent of what they say. You might as well have sung the Swedish national anthem’.

And so, having an unblemished record of service for over thirty years without so much as a late library book to sully it, I found myself with two counts of misconduct. For me, the only important thing was to retain my academic freedom: freedom to write, to blog and to debate issues of importance within the sector. It was now clear that living under an injunction whereby my employment could now be terminated at any point without notice would put my own ambitions in peril. I resigned immediately, and within a few months found myself able to write another piece in the UK’s *Times Higher* (Morrish 2017c).

## Reflection

At the beginning of this article, I outlined the neoliberal structures of marketization, consumerism, audit and league tables in UK universities. These, I argue are intrinsically connected to the corporate imperative to suppress academic freedom in those institutions. Some universities will take action to defuse the force of government regulation and demands for surveillance and ‘accountability’, others will exploit the opportunities it affords. To this end, in the last decade, there has been a proliferation of policy portfolios: disciplinary, performance management, capability, sickness absence—all will have been revised and strengthened to fortify the managerial citadel. Neoliberalism demands the preservation of the myth of the coping academic as well as their enforced compliance, their subjection to surveillance, a strict curb on democracy and the overarching impulse to protect revenue and reputation. Amsler (2015) notes that there are consequences for the less able or non-compliant bodies; they will be refused and rendered aberrant.

However, in the same way that I had struggled to renounce the internalization of queer shame, in this travesty of justice, I refused management’s decree of abjection. In an inversion and subversion of the whole disciplinary process, my resolve and my honesty had disgraced them. Shame found itself refracted by their own authoritarianism and was amplified by the vociferous support I received from colleagues both personally and online.

But my moment of ‘snap’ (Ahmed 2017) that had led to this point, and the reaction to my blog and pieces in *Times Higher*, were merely a harbinger of a much more widespread rejection of stress in academia that was ignited in 2018. A wave of strikes took place in the spring, ostensibly over a threat to the value of the main university pension scheme, but it also became clear that this issue was just the lightning conductor; there was massive discontent over management by metrics, pressure to ‘capture’ research grants, performance management, endless change and chaos. Union branches organized pickets and teach outs to educate and inform members about the context for the growth in managerialism. This movement of ‘mass intellectuality’ (Hall and Winn 2018) mobilized a

need and a thirst for the explanatory power of CUS and critiques of neoliberalism.

My experience also seemed part of a worrying new wave of persecution of staff who appeared to offer a challenge to managerialism with precisely these critiques. One of the first casualties was Professor Thomas Docherty of Warwick University, UK, who had written extensively on the impossibility of academic work in the managerial academy. He was suddenly and, initially without explanation, suspended from duty and banned from campus. There ensued a prolonged disciplinary process in which he was cleared of all charges after some nine months. It is important to remember that time itself also acts as a penalty, as Ahmed (2018) argues. The excessive duration of process endured by Docherty, and to a lesser extent by me, had two effects; to elongate the period of anxiety and uncertainty, and to exhaust the subject of the process and diminish their capacity for resistance. These processes are inevitably conducted under conditions of secrecy in which the subject (suspect?) is bound by conditions of silence so that they cannot even receive the support of friends and close colleagues. Often this exceeds the duration of the disciplinary process or even of employment, as non-disclosure agreements (NDAs) are negotiated to avoid the university's oppressive treatment of employees being exposed. It is hard under these circumstances to gauge how many of these disciplinaries take place in any one year, and how many of them are warranted. They are concealed in a timeless, acquiescent immensity of silence.

It is also part of a pattern identified in recent work by Gallagher (2018) in which universities seek to distance themselves from academic employees who engage with controversial topics in public debate, and are attacked in those public forums after doing so. Sometimes powerful state funding agencies or media commentators call for the dismissal of the academic. This can lead university managers, many of whom prioritize 'reputation' over any wider commitment, to denounce or even discipline the employee even while proclaiming their right to academic freedom.

I did not sign any agreement that would limit my ability to speak and act as my conscience has continued to dictate. For me, speaking out and regaining my academic freedom were paramount considerations in my decision to leave. I have not regretted this, nor have I ceased to protest

about the distortions of audit culture, the misuse of disciplinary procedures and the incapacitating stress caused by outcomes-based performance management (Morrish and The Analogue University Writing Collective 2017).

Ironically, one metric I have allowed myself to embrace is the fact that the 2017 piece in the *Times Higher* recounting the experiences that led to my resignation became one of the top 25 most-viewed pieces that year (Parr 2017).

## The Future of Critical University Studies

At this point, I would like to take a long view of the future of the relatively new discipline of CUS. It occurs to me it is placed in an unhelpful paradox—one which is not faced by its sibling disciplines of Critical Management Studies or Critical Legal Studies. The paradox is this—even if making a general observation about universities, the scholar seems to imply criticism of the institution in which they work. This is made exceedingly clear in Fig. 13.3, which shows tweets by Eric Lybeck on 30 May 2018. How does one criticize a tendency to undermine academic freedom via social media policies without being able to offer one such example from one's own experience?

CUS is the canary down the mine of academic freedom. The process I underwent prefigured the kind of despotic capriciousness we associate with the Donald Trump zeitgeist. In an era of weakened trade unions and managerial unaccountability, vice chancellors must accept that for academic freedom to thrive requires very thorough protections for those scholars who offer a challenge to 'the university' from within. There is a very simple resolution, of course, and it already exists. Universities must observe the safeguards enshrined in law, and they must become more democratic and open to scrutiny from the members of the academic community who constitute them. This cause has received an enormous boost in 2018 and it is my privilege to add another insistent voice to the clamour.



Fig. 13.3 Eric Lybeck on social media policy

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# 14

## Questions of Value for Higher Education: The Case of Luxury Student Accommodation

Karen Wilkes

### Introduction

This chapter discusses the place of the university in the contemporary context; its shift from a space that offered the promise of social justice and contributions to society in the form of cultural and social value, to one that has been remodelled as a business enterprise governed by the interests of political and managerial elites. This takeover of Higher Education (HE) by business personnel has been aided by neoliberal mantras of efficiency and value for money, accompanied by the new managerial discourse (Chiapello and Fairclough 2002; Deem et al. 2007), corporate style governance, an audit culture and league tables that undermine academic integrity. The discussion considers the use of the term *value*, and its appropriation and deployment within Higher Education discourses.

The luxury student accommodation sector has developed within the neoliberal context, where traditional academic values of good teaching and critical scholarship are routinely undermined. The sector advances

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‘those interests [that] are purely monetary; and that so-called values are only a means of pursuing selfish ends by other means’ (Massey 2013, p. 4). Higher Education has become immersed in managerial business jargon with demands for market efficiency and accountability (Deem et al. 2007), through government surveillance and mechanisms that increase competition between institutions (for example the REF and the recently introduced TEF, which awards participating institutions either a gold, silver or bronze rating. See Morrish in this volume). The use of metrics to govern the sector encourages a culture of competition between colleagues within departments, competing for scarce research funding and publications in highly rated journals, as they are crucial for promotion and employment. This environment ensures that university faculty are suitably disciplined and insecure in their positions, thus finding it increasingly difficult to challenge the sector’s role as a tool for business and the deleterious effects of the myths of Higher Education as positive, despite evidence that indicates the contrary for both academics and students (Collins 2008; Canaan and Shumar 2008; Alvesson 2014, (see Kennedy (2015) for a discussion on the public university)).

The chapter draws attention to what is at risk for social democracy if the sector does not find its voice and advocate for effective critiques of political and economic spheres that successfully stimulate ‘public discussion’ (Hartmann 2003, p. 40), both nationally and internationally (*ibid.*), in the event that citizens are repositioned as decision-makers who direct the future of their education systems, rather than as consuming recipients of knowledge ‘products’.

This discussion is concerned with making explicit the present effects of eroding the role of universities, where different voices can be heard, valued and respected. Instead they have been replaced with vacuous and fickle notions that centre on the university as a lifestyle choice without consequences. The consumerist approach facilitates and legitimizes the marginalization of the university’s role as a space for the broader social good. In addition, the marketing of university as lifestyle encourages short-term thinking and excessive spending. Young people are given access to high-end living conditions that they would otherwise not be able to afford.

Drawing on Hartmann’s (2003) observations regarding the privatization of education in the global North, the discussion considers the case

of luxury student accommodation; temporary living conditions that give students the means to aestheticize themselves and use luxury accommodation as a 'positional good' (Hirsch quoted in Skeggs 2004, p. 136). For those students who can afford it, they are able to create a desirable self-image and utilize their cultural and social capital to differentiate themselves from less 'enterprising' students (Du Gay quoted in Skeggs 2004, p. 73). The neoliberal university is concerned with transforming students into 'satisfied' customers, and is reliant on generating and disseminating notions of Higher Education as a lifestyle experience rather than a process of learning that can sometimes be challenging and involves expending an enormous amount of effort and personal discipline to succeed (Carswell 2007; Alvesson 2014). The accommodation sector thrives on the existing societal norm of instant gratification; the idea that we should not have to wait for anything that we want (Carswell 2007). With a focus on persuading young people to pursue instant gratification, the visual campaigns are centred on creating desire for luxury lifestyles that encourage ideas of unique consuming subjects. As a consequence, they undermine the purpose of studying at university as a process of intellectual development.

## **The Student Accommodation Market and Access to Public Funds**

The purpose-built student accommodation sector has an estimated monetary value of £46 billion and attracts overseas investors who consider there to be comparatively high returns for low risk (Neate 2017) in this market. Indeed, the risk to investors is significantly reduced as the financing of student luxury is underwritten by the state in the form of student loans.

The luxury accommodation market is a new product in the property sector and relies on the promotion of Higher Education as a form of consumption and is promoted by highly crafted advertising campaigns that celebrate hotel-style living as desirable and also attainable. What is significant about luxury accommodation for students is the way in which it contributes to a process of undermining Higher Education by encouraging consumption based on ephemeral concerns of the performativity of the student life. These marketing strategies of persuasion are in keeping with

the contemporary culture of self-promotion and quests for distinction that are deemed necessary for new workers to become 'subject(s) of value' (Skeggs 2004, p. 73).

The present manifestation of neoliberal political decision-making argues for and facilitates the reduction in state welfare provision (including education) and the transfer of public assets to private ownership. Policies that were introduced by Ronald Reagan and Margaret Thatcher during the 1980s in the United States and Britain, respectively, were implemented in the context of the global economic recession. This period could be viewed as the beginnings of the neoliberal era, when the appetite for the private financing of education actually had to be created. This is in contrast to the taken-for-granted notions of the naturalness of the market. David Harvey (2018) notes that in the United States, once publicly owned institutions, such as CUNY, became the target of neoliberal advocates and policy-makers, businessmen and elites, such as the Rockefeller brothers who, not wanting their taxes to go toward funding 'free' education, formulated a campaign to convince the population to pay for their education. They crafted the argument that free or state education was inferior to education which one paid for. The economic downturn during the 1970s provided the conditions for economic policies that steered mainstream politics to the right, ensuring that through sustained attacks on the public sector and public servants, employment unions and workers were subject to the destruction of their right to strike and negotiate their pay. Doreen Massey (2013, p. 3) argues that the notion of the "public" (worker, sector, sphere)' has been challenged. I would argue that the notion of the public has been distorted in a (successful) attempt to undermine and erode widespread public support for the public sector. It had once been 'designated as something to be respected and relied upon' (Massey 2013, p. 3). The reduction in the social standing of public sector workers has been a concerted campaign in the UK, which has been carried out by the right-wing tabloid press, who have fed the population with a steady diet of disparaging stories regarding the assumed untrustworthiness of high-earning civil servants (see the *Daily Mail* for examples of this type

of reporting).<sup>1</sup> Indeed, neoliberal advocates have simultaneously championed the superiority of the market while acting in a predaceous manner towards the public sector<sup>2</sup> and denigrating its workers.

Over a period of forty years, through the mantra of the superiority of the market and market-driven approaches, coupled with the demise of the unions and deregulation of financial markets, political and economic power has been restored to the elites (Grzanka 2014; Khan 2012).

It has been much repeated that the success of neoliberal doctrine has been due to its ability to influence, shape and intervene in the intimate lives of individuals (Hall 2013). Neoliberal interventions seduce by advocating for consumer choice and notions of freedom as entitlement (Wilkes 2015). Yet, the implications of having so much choice (or the notion that everyone does) undermines collectivities and social values that are not concerned with personal gain (see Giroux in this volume). Neoliberal discourses have been effective due to their ability to persuade. This specifically relates to the convincing language of the business world that has infiltrated everyday life, principally promises of rewards available to those who, to use that financial term, *invest* in ‘themselves’. Young people are encouraged to pursue education as a route to investing in themselves as human capital and to equip themselves with the qualifications that make them ‘stand out’ when they compete in the employment market. Education has thus become a tool at the behest of business to be ‘work ready’.

This selling of degrees has been beneficial to a number of associated parties; young people are able to delay adult responsibilities for a brief period and they are kept occupied (and preoccupied with debt), while policymakers and politicians are able to reduce unemployment figures by perpetuating the notion that a degree is a necessity to secure employment. They therefore push ‘unemployment [further] into the future’ (Alvesson 2014, p. 85). Schools and colleges are party to this agenda as they are rated and judged on the number of their students who progress onto

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<sup>1</sup><https://www.dailymail.co.uk/news/article-6514063/Almost-500-civil-servants-paid-151-000-Theresa-paid.html>. It is important that we know what our civil servants are doing when engaging in public life, but this should not be the subject of salacious reporting. See <https://www.theguardian.com/news/datablog/2010/may/31/senior-civil-servants-salaries-data>.

<sup>2</sup>Billionaire Branson’s Virgin Care Successfully Sues NHS for £2 m in Public Money. <https://www.rt.com/uk/430468-branson-virgin-sues-nhs/>.



university study. Finally, the selling of degrees has benefitted the private sector by giving them access to public funds as students pay for their private sector accommodation with their student loans. This has worked to the advantage of academic institutions that have remodelled themselves as providing education products in the face of reduced government funding.

Universities have become politicized through the process of direct government intervention; the appointment of politicians as vice chancellors, for example, David Willets, the former Universities Minister who advocated for an increase in student fees, was recently appointed as the vice chancellor of the University of Leicester without a transparent democratic process.<sup>3</sup> This is alongside the hiring of businessmen and journalists who are advocates of neoliberal policies and are positioned as experts on education. For example, Toby Young, without substantial experience of Higher Education or academic research, was appointed to the board of the Office for Students in England, which did not include any academics or representatives from the National Union of Students.<sup>4</sup> Thus, the same practices of the 'revolving door'<sup>5</sup> that exist between politics and business in so-called western democracies are being replicated in Higher Education. Indeed, the World Bank's desire for universities to be financial organizations has come to pass (Hartmann 2003); many universities are frequently led by business people, adopt systems of corporate managerialism and competitive cultures, and are concerned with promoting a brand image that is akin to corporations.

The pursuit of so-called efficiencies has placed British universities in a bind. The traditions of the university as a public space for the advancement of social justice, those gains made during the 1960s and 1970s as a result of the civil rights, student and feminist movements which sought to make universities more democratic spaces (Hartmann 2003), are at odds

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<sup>3</sup><https://www.leicesterm Mercury.co.uk/news/leicester-news/pressure-mounting-conservative-politician-david-1333042>.

<sup>4</sup><https://www.prospectmagazine.co.uk/politics/toby-youngs-appointment-to-the-ofs-shows-everything-wrong-with-our-attitude-towards-universities>.

<sup>5</sup>Whilst I question the Independent's reference to the *Daily Mail's* reporting as research and analysis, this article demonstrates the revolving door between politics and business. <https://www.independent.co.uk/news/uk/politics/acoba-ministers-and-civil-servants-are-walking-into-highly-paid-jobs-in-same-sector-research-shows-a7010716.html>.

with the contemporary British university that pursues neoliberal principles. Neoliberal approaches redirect resources upwards and seek to justify these actions by claiming that there are insufficient funds, for example, to fund the welfare state—a commonly repeated narrative by neoliberal policymakers. One recent example of these tensions in the Higher Education sector was expressed in the move taken by St Andrews University in response to academics participating in the 2018 UCU pensions strike. The institution's employees were advised that they could not expect to have both adequate pensions and maternity rights. In a now familiar approach, neoliberal advocates sought to pitch different groups against each other.<sup>6</sup>

## What Do the Accommodation Executives Mean When They Speak of Value?

There is a sense that there is plenty of money circulating in Higher Education and also that the sector is awash with extravagance. This is particularly the case with the student housing firm, Unite, who have been reported as paying their executives £1m (Morgan 2018). A Unite spokesman commented that 'we offer a high-quality living environment that provides real value'. This is a brand statement that utilizes the term value, yet does not convey any substance. It is unclear what value is being provided by the housing firm. Is the value they speak of, the means for students to display their status as discerning consumers of luxury accommodation?

The so-called five star expenses amassed by vice chancellors and their senior management teams Aarons (2018), and, the highly paid student accommodation executives are a direct contrast to the growing number of indebted students who struggle to survive at university, the casualization of Higher Education teaching with staff on rolling contracts, the pay freeze on lecturers' salaries and pension cuts. This is a neoliberal Higher Education sector with a culture of inequality that is presided over by an

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<sup>6</sup><https://thetab.com/uk/stand/2018/03/04/ucu-accuses-st-andrews-university-of-threatening-strike-staff-with-cutting-maternity-leave-19889>. See also Dr. Chris Grocott's response to St Andrew's statement on Twitter: <https://twitter.com/drchrisgrocott/status/969939430843863040>.

elite group of 'leaders' who fashion themselves as CEOs, with salaries and perks to match (Doward 2018).

The marketization of Higher Education in the UK has meant that those with supposed business acumen are not out of place in leadership roles in the sector. Perhaps the legitimacy of this entrance of business 'experts' overwhelming HE, is due to the remodelling of the 'modern' university as a *business* with knowledge products to sell. At its centre the university *business* is selling degrees akin to a star that is orbited by planets dependent on the star for their survival. In this analogy of university as a 'star', it is 'orbited' by a corporate student accommodation sector. As with the Higher Education system, student accommodation has been transferred into the 'private hands of a small number of already wealthy people' (Docherty 2015, p. 71). Thus, the marketization of Higher Education has facilitated the marketization of student accommodation.

Stories and reporting of the money to be made by those investing in student accommodation and the companies specializing in student rents are frequently circulated in mainstream media (Smith and Palumbo 2018; Neate 2017). However, these 'stories' are not discussed within the broader context of the remodelling of the university student from a person who attends university *to study*, but instead as a subject who performs their new subject status as a model consumer. This lack of context, or indeed responsible questioning regarding value, can be located in the culture of instant gratification, evidenced by rising consumer debt (see Inman 2018; Office for National Statistics 2018), that is prevalent in a country whose economy is dependent on consumer spending. The ground has therefore been laid for the culture of student as consumer. This is a project of social conditioning in which instant gratification is actualized through mechanisms of new media technologies that make it possible for 'capital [to be] increasingly circulating through the production of spectacle' (Harvey 2018). The slick advertising of luxury student accommodation displays representations of the ideal neoliberal student and how they should be living. According to the promoters of Fusion Tower in Bristol, students can expect to live 'first class'; they will have access to a residents' bar, club lounge and 24-hour concierge service (see Fig. 14.1).

One of the principles of neoliberalism is that for individuals who embrace the notions of choice, freedom and independence, they must

Fig. 14.1 Fusion Tower student accommodation

visually display their success as neoliberal subjects (Wilkes 2015). The aim is to communicate to others the benefits and rewards to be gained by subscribing to these ideals. Populations must buy into these notions of neoliberalism to continue to be compelling.

The discourses of luxury living that predominate in the high-end accommodation sector construct student life as one based on comfort and ease, which subtly derides student accommodation in student halls. For example, in the marketing of the *Hello Student* brand, they explicitly state that they ‘don’t do halls’, a jibe at those students who can only afford to live in more traditional university halls. Indeed, *Hello Student*’s tagline is that they are concerned with the ‘premium student’ and they are ‘opening doors to premium student living’.<sup>7</sup>

<sup>7</sup><https://www.hellostudent.co.uk/lifestyle/>; <https://www.wisetiger.co.uk/case-studies/hotels-and-hospitality/hello-student/>.

The branding of university accommodation is enabled by the same approaches enlisted by corporate brands; a direct address which is encapsulated in the title of the brand name, *Hello Student*, and is accompanied by sleek photography in which the active consuming student is a student of distinction.

On the opening page of the *Hello Student* website and under the lifestyle tab, a rolling video features two well-groomed young people; one male, one female. Both are white and conventionally attractive and are followed by the camera as they walk the viewer through the life of a 'premium student'. The female model is featured walking through several doors, as though to reiterate the tagline on the centre of the page which states 'opening doors to premium student living'. The video flits between scenes of the young man walking through a city, and a series of lifestyle shots of the young woman enjoying the accommodation on offer. The video begins with the opening of a wooden door and using the approach of a hand-held camera, pans the grounds of what appear to be historic buildings. The arches and columns suggest that the young man's accommodation is a converted church. Thus, the company boasts that it can offer students a range of buildings to live in, by stating that, 'we take classic, characterful, buildings and turn them into amazing student homes. You could live in a centuries-old church, a library, or a ballet school. A city registry. A funky 70s office block. We also offer purpose-built, beautifully designed, brand new student accommodation'.

In the next scene, the camera is centrally focused on the young man as he walks in bright sunshine with cherry trees in full bloom in the background. He walks through a trendy shopping area and strolls along a canal, now wearing sunglasses as he takes in the scenery. The video then reverts back to the hand-held camera and changes perspective with the camera behind the young woman, taking the viewer through a series of doors that feature colour coordinated, plush student communal areas and camera close-ups of the stylized seating and décor. The camera cuts to scenes of the young woman drinking coffee in a smart coffee bar, and we see her seated in the cinema room and then strolling through an indoor tropical garden. The sequence ends with the young man smiling as he toasts a drink and the young woman greets her companion in a bar with a smile and a hug.

There is an intense level of detail contained within the short video, which aims to create desire for this type of pleasure and experience. The film quickly and powerfully conveys to the prospective student how they could live a 'premium life' and the website images feature the type of luxury that a premium student can expect; ensuite rooms, a cinema room, lounge areas with large designer sofas, gyms and formal dining spaces.

The significance of this approach to student accommodation as luxury living, is the way in which the essential facility of accommodation has been hypercommercialized by taking aspects of the hospitality industry and boutique hotels, such as concierge service and daily room cleaning. Bookings can be taken directly through the website and, as with the hotel sector, it is made to appear hassle-free.

The visual discourses used to construct student luxury sets a high bar for those willing to rent accommodation from £173 each week.<sup>8</sup> However, this construction of the student as conforming consumer has profound implications for Higher Education, as it seeks to influence the expectations of paying 'customers'. The values of the sector are gradually being eroded as what students experience in the lecture theatre is measured against their experience as 'luxury' tenants.

There seems to be a prevailing view that Higher Education is fundamentally positive for society (Alvesson 2014); incorporating an obsession with technological advancements, it is taken for granted almost common-sense notion. Alvesson (2014) recognizes that, in public debates, this is the dominant view and there is limited discussion or critique of this perspective. The New Labour government engineered the expansion of Higher Education to accommodate its policy target that 50% of the population should attend university during the 1990s (Carswell 2007). The policy could be viewed as a success, due to the increase in the number of young people who consider university to be the 'next step' after statutory education. This is despite the fact that many jobs do not require technological training or a degree (see Alvesson 2014 for a discussion on the relationship between education and occupational skills. This raises questions regarding the way in which Higher Education, viewed as entirely positive for society, seems to be taken at *face value*).

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<sup>8</sup><https://www.hellostudent.co.uk/student-accommodation/portsmouth/europa-house/>.

My concern here is to examine what lies behind the positive messages regarding university attendance and consider what is happening in practice. Although there have been increasing numbers of university enrolments, there is also a high rate of dropout in the UK (Weale 2018). According to Nick Hillman, the director of the thinktank, The Higher Education Policy Institute, ‘we know the higher fees in England have led to lower value for money perceptions among students, so that could be having an effect. But my personal hunch is that it is more to do with the extra students that have been recruited in recent years. There are more students from disadvantaged backgrounds, with non-standard qualifications, and some universities have lowered their entry standards’ (Hillman quoted in Weale 2018). What is concerning about Hillman’s comments is the lack of critique of a system that carries out aggressive marketing to young people and has encouraged students to view themselves as customers and their education as a commodity to be purchased. It is useful to consider David Harvey’s concept of anti-value here, in that students are not encouraged to *value* their education as intellectual development. Rather, they are persuaded to embrace debt as though it were a short-term commitment. Indeed, they are encouraged to live the high life—that is until they graduate and test the market value of their degree. Higher Education is framed as disposable, and what populations are sold are myths of a better life through consumption, which is actually debt peonage (Harvey 2018).

Hillman cites ‘lack of support’ that students from ‘disadvantaged backgrounds’ (read working class) receive while on their courses. The type of support required, but not received, is not specified in Hillman’s comments. The problem with this assessment of high rates of non-completion is that it ignores the structural factors and existing social inequalities that influence the rates of completion for different students and how they made their degree choices in the first place. The notion that the expansion of Higher Education is a strategy to address social inequalities appears to be a noble endeavour. However, the reality is that there is not a level playing field and students are not starting from the same economic or social class positions, or have access to the same knowledge that can be utilized when making life-changing decisions. Houghton (2017) notes that one of the

students interviewed for her research was assisted by his father when writing his UCAS application. He was able to draw on his father's cultural and educational capital—an admissions tutor at a Russell Group university.

Universities are concerned with maximizing their revenues. The celebration of those faculty who bring in outside funds is a testament to this objective (Collins 2008). Institutions are also concerned with maximizing student numbers and this has been facilitated by the removal of the cap on student recruitment in 2015. The impact of this approach has been very large class sizes and the additional pressure of accommodating students with a broader range of academic abilities. This also impacts on the capacity of academic staff to develop relationships with their students when there are such huge numbers.

Alvesson (2014) argues that the impact of mass education has been the lowering of the value of degrees; undergraduates are learning less, doing less and seeking entertainment and easy grades, suggesting that students are increasingly instrumental in their approach to academic study. This is also matched with the internal structures of universities and their ethos to focus on student satisfaction, rather than students' intellectual development, and leading some to argue that the pursuit of customer satisfaction has led to grade inflation and a lowering of academic standards<sup>9</sup> (Alvesson 2014).

Taking into consideration the aggressive and intensive marketing of courses, and the fantasies of degree study without effort, it is disingenuous to suggest that working-class students are to blame for not completing their courses. What needs to be questioned is the values and messages that universities are communicating to prospective students. Students are being sold a very expensive fantasy that frequently has very little value.

I have outlined some of the features of the contemporary Higher Education setting in the UK. However, these factors are not the focus of attention expressed in public opinion (Docherty 2015). Although universities are subject to outside expectations, the realities of all values being monetized and held hostage to the market remain under the radar of public concern. Indeed, the place of Higher Education in society has been reduced

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<sup>9</sup><https://www.theguardian.com/education/2018/dec/19/universities-watchdog-threatens-fines-over-grade-inflation>.



to its function as a generator of finance and is crystallized in the following comment by the former Minister for Universities, Jo Johnson, who commented that in terms of the selling-off of the student loan book, 'the government's policy is to sell assets where it is value for money to do so and where there is no policy reason to continue to own them' (Johnson quoted in Fox 2017).

It is imperative that academics are more vocal about the destruction of the sector. Hartmann (2003) comments with surprise that scholars have largely been silent on these matters. Yet, the impact of this silence runs the risk of being complicit in the foreclosure of young peoples' futures; that they will be burdened with debt and have little in the way of value to show for their educational choices.

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# 15

## Neoliberal Dis-imagination, Manufactured Ignorance and Civic Illiteracy

Henry A. Giroux

Byung-Chul Han (2015, p. 1) has argued that ‘every age has its signature afflictions’ and in this case the current historical moment is notable for its embrace of a culture of fear, its war on labour, its attack on the welfare state, its devaluation of public goods and its ongoing assault on youth and higher education. The criminogenic machinery of power has reached the highest levels of the US government and, in doing so, it is changing the language of educational reform while making it difficult for faculty and students to resist their own erasure from modes of self-governance and a critical education. New forms of racist discrimination, unbridled commodification and exclusion rooted in a retreat from ethics, the social imagination and democracy itself weaken the role that higher education might take in an age of increasing tyranny. Against the force of a highly militarized mode of casino capitalism in which violence and a resurgence of white supremacy are at the center of power, higher education is being weakened in its ability to resist the authoritarian machinery of social death

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now shaping American society. The modern loss of faith in the merging of education and democracy needs to be reclaimed, but that will only happen if the long legacy of struggle over education is once again brought to life as part of a more comprehensive understanding of education being central to politics itself.

Donald Trump's ascendancy in American politics has made visible a plague of deep-seated civic illiteracy, a corrupt political system and a contempt for reason that has been decades in the making; it also points to the power of a neoliberal political and economic project that has resulted in the withering of civic attachments, the undoing of civic culture, the decline of public life and the erosion of any sense of shared citizenship. Galvanizing his base of true believers in post-election demonstrations, the world is witnessing how a politics of bigotry and hate is transformed into a spectacle of fear, divisions and disinformation. Under President Trump, the scourge of mid-twentieth-century authoritarianism has returned not only in the menacing plague of populist rallies, fear-mongering, hate and humiliation, but also in an emboldened culture of war, militarization and violence that looms over society like a rising storm.

How have we arrived here? What forces have allowed education to be undermined as a democratic public sphere, capable of producing the formative culture and critical citizens that could have prevented such a catastrophe from happening in an alleged democracy? We get a glimpse of this failure of civic culture, education and civic literacy in the willingness and success of the Trump administration to empty language of any meaning, a practice that constitutes a flight from historical memory, ethics, justice and social responsibility. Under such circumstances and with too little opposition, government has taken on the workings of a dis-imagination machine, characterized by an utter disregard for the truth, and often accompanied, as in Trump's case, by 'primitive schoolyard taunts and threats' (Gopnik 2017). In this instance, Orwell's 'Ignorance is Strength' materializes in the Trump administration's weaponized attempt not only to rewrite history, but also to obliterate it. What we are witnessing is not simply a political project but also a reworking of the very meaning of education both as an institution and as a cultural force.

## Civic Illiteracy

Truth is now viewed as a liability and ignorance a virtue. Under the reign of this normalized architecture of alleged common sense, literacy is now regarded with disdain, words are reduced to data and science is confused with pseudo-science. All traces of critical thought appear only at the margins of the culture as ignorance becomes the primary organizing principle of American society.

Defunded and corporatized, many institutions of higher education have been all too willing to make the culture of business the business of education, and the transformation has corrupted their mission. As a result, many colleges and universities have been McDonaldized as knowledge is increasingly viewed as a commodity resulting in curricula that resemble a fast-food menu (Beck 2010, pp. 53–59). In addition, faculty are subjected increasingly to a Wal-Mart model of labour relations designed ‘to reduce labor costs and to increase labor servility’ (Chomsky 2015). Students fare no better and are now relegated to the status of customers and clients. On a larger scale, the educational force of the wider culture has been transformed into a spectacle for violence, trivialized entertainment and a tool for legitimating ignorance. As education becomes central to politics itself, it removes democratic values and a compassion for the other from the ideology, policies and institutions that now control American society.

I am not arguing simply about the kind of anti-intellectualism that theorists such as Richard Hofstadter, Ed Herman, Noam Chomsky and Susan Jacoby have documented, however insightful their analyses might be. I am pointing to a more lethal form of illiteracy that has become a scourge and a political tool designed primarily to make war on language, meaning, thinking and the capacity for critical thought. Chris Hedges (2009) is right in stating that ‘the emptiness of language is a gift to demagogues and the corporations that saturate the landscape with manipulated images and the idioms of mass culture’. Words such as love, trust, freedom, responsibility and choice have been deformed by a market logic that narrows their meaning to either a commercial relationship or to a reductive notion of getting ahead. We don’t love each other, we love our new car. Instead of loving with courage, compassion and desiring a more just society, we love a society saturated in commodities. Freedom now means removing

one's self from any sense of social responsibility so one can retreat into privatized orbits of self-indulgence and unbridled self-interest.

This new form of illiteracy does not simply constitute an absence of learning, ideas, or knowledge. Nor can it be solely attributed to what has been called the 'smartphone society' (Aschoff 2015). On the contrary, it is a willful practice and goal used to actively depoliticize people and make them complicit with the forces that impose misery and suffering upon their lives. At the same time, illiteracy bonds people, offers the pretence of a community bound by a willful denial of facts and its celebration of ignorance. How else to explain the popular support for someone like Donald Trump who boldly proclaims 'I love the poorly educated!' (Stuart 2016). Or, for that matter, the willingness of his followers to put up with his contemptuous and boisterous claim that science and evidence-based truths are fake news, his dismissal of journalists who hold power accountable as the opposition party and his willingness to bombard the American public with an endless proliferation of peddled falsehoods that reveal his contempt for intellect, reason and truth.

Illiteracy no longer simply marks populations immersed in poverty with little access to quality education; nor does it only suggest the lack of proficient skills enabling people to read and write with a degree of understanding and fluency. More profoundly, illiteracy is also about refusing to act from a position of thoughtfulness, informed judgment and critical agency. Illiteracy has become a political weapon and form of political repression that works to render critical agency inoperable, historical memory irrelevant and restages power as a mode of domination. Illiteracy both serves to depoliticize people because it becomes difficult for individuals to develop informed judgments, analyse complex relationships and draw upon a range of sources to understand how power works and how they might be able to shape the forces that bear down on their lives. Illiteracy provides the foundation for being governed rather than how to govern.

This mode of illiteracy now constitutes the *modus operandi* of a society that both privatizes and kills the imagination by poisoning it with falsehoods, consumer fantasies, data loops and the need for instant gratification. This is a mode of illiteracy and education that has no language for relating the self to public life, social responsibility or the demands of

citizenship. It is important to recognize that the prevalence of such manufactured illiteracy is not simply about the failure of colleges and universities to create critical and active citizens; it is about a society that eliminates those public spheres that make thinking possible while imposing a culture of fear in which there is the looming threat that anyone who holds power accountable will be punished (Furedi 2006). Under such circumstances, the attack on education as a public good, and on literacy as the basis for producing informed citizens, is less of a failing on the part of education, as many conservative pundits claim, than a deliberate policy to prevent critical thinking on the part of both teachers and students. At stake here is not only the crisis of a democratic society, but a crisis of education, memory, ethics and agency (McChesney 2015; de Zengotita 2006).

## Dangerous Thinking

Authoritarian societies do more than censor; they punish those who engage in what might be called dangerous thinking. At the core of thinking dangerously is the recognition that education is central to politics and that a democracy cannot survive without informed citizens. Critical and dangerous thinking is the precondition for nurturing both the ethical imagination and formative culture that enable members of the public to learn how to govern rather than be governed. Thinking with courage is fundamental to a notion of civic literacy that views knowledge as central to the pursuit of economic and political justice. Such thinking incorporates a critical framework and set of values that enable a polity to deal critically with the use and effects of power, particularly through a developed sense of compassion for others and the planet. Thinking dangerously is the basis for a formative and critical culture that expands the social imagination and makes the practice of freedom operational. Thinking dangerously is the cornerstone of not only critical agency and engaged citizenship, but the foundation for a democracy that matters.

Any viable attempt at developing a democratic politics must begin to address the role of education and civic literacy as central not only to politics itself but also to the creation of individuals capable of becoming critical social agents willing to struggle against injustices and fight to reclaim



and develop those institutions crucial to the functioning and promises of a substantive democracy. One place to begin to think through such a project is by addressing the meaning and role of higher education and education in general as part of the broader struggle for and practice of freedom.

This grim reality has been called by Axel Honneth (2009, p. 188) a 'failed sociality', characteristic of an increasing number of societies in which democracy is waning; a failure in the power of the civic imagination, political will and open democracy. It is also part of a politics that strips the social of any democratic ideals, and undermines any understanding of education as a public good and of pedagogy as an *empowering* practice that acts directly upon the conditions which bear down on our lives in order to change them when necessary.

One of the challenges facing the current generation of educators, students and others is the need to address the question of what education should accomplish in a society at a historical moment when it is about to slip into the dark night of authoritarianism. What work do educators have to do to create the economic, political and ethical conditions necessary to endow young people and the general public with the capacities to think, question, doubt, imagine the unimaginable and defend education as essential for inspiring and energizing the citizens necessary for the existence of a robust democracy? In a world in which there is an increasing abandonment of egalitarian and democratic impulses, what will it take to educate young people and the broader polity to challenge authority and hold power accountable? This is a particularly important issue at a time when higher education in the United States and other countries are being defunded and students are being punished with huge tuition hikes and crippling finance debts, all the while being subjected to right-wing policies and a pedagogy of repression that has taken hold under the banner of reactionary and oppressive educational reforms pushed by right-wing billionaires and hedge fund managers (Saltman 2016; Ravitch 2014; Giroux 2015).

Given the crisis of education, agency and memory that haunts the current historical conjuncture, educators need a new language for addressing the changing contexts and issues facing a world in which there is

an unprecedented convergence of resources—financial, cultural, political, economic, scientific, military and technological—increasingly used to exercise powerful and diverse forms of control and domination. Such a language needs to be self-reflective and directive without being dogmatic and needs to recognize that pedagogy is always political because it is connected to the acquisition of agency. In this instance, making the pedagogical more political means being vigilant about ‘that very moment in which identities are being produced and groups are being constituted, or objects are being created’ (Olson and Worsham 1999). At the same time, it means educators need to be attentive to those practices in which critical modes of agency and particular identities are being denied.

In part, this suggests developing educational policies and practices that not only inspire and motivate people but are also capable of challenging the growing number of anti-democratic practices and policies under the global tyranny of casino capitalism (Ness 2015). Such a vision suggests resurrecting a democratic project that provides the basis for imagining a life beyond a social order immersed in massive inequality and endless assaults on the environment, which elevates war and militarization to the highest and most sanctified national ideals. Under such circumstances, education becomes more than an obsession with accountability schemes, an audit culture, market values and an unreflective immersion in the crude empiricism of a data-obsessed, market-driven society. In addition, it rejects the notion that colleges and universities should be reduced to sites for training students for the workforce—a reductive vision now being imposed on public education by high tech companies such as Facebook, Netflix and Google who want to encourage what they call the entrepreneurial mission of education, which is code for collapsing education into training (Singer 2017).

Central here is a notion of pedagogy that should provide the conditions for students to recognize how to use the knowledge they gain both to critique the world in which they live and, when necessary, to intervene in socially responsible ways in order to change it. Critical pedagogy is about more than a struggle over assigned meanings, official knowledge and established modes of authority: it is also about encouraging students to take risks, act on their sense of social responsibility and engage the world as an object of both critical analysis and hopeful transformation. In

this paradigm, pedagogy cannot be reduced only to learning critical skills or theoretical traditions but must also be infused with the possibility of using interpretation as a mode of intervention, as a potentially energizing practice that gets students to both think and act differently.

What is lost in an instrumentalized view is that students are not just workers but also citizens, and education is about more than training. Learning skills for the workplace is no excuse for purging from education what it means to teach students how to think critically, embrace the common good, exercise a sense of social responsibility and support a world of values, feelings, and the ethical and political foundation necessary for a democratic society (Bauman and Donskis 2013). Yes, we must educate young people with the skills they need to get jobs, but as educators we must also teach them to learn 'to live with less or no misery [and] to fight against those social sources' that cause war, destruction of the environment, 'inequality, unhappiness, and needless human suffering' (Bauman 2001, p. 215).

There is an urgent political need for the United States, among other countries, to understand what it means for an authoritarian society to weaponize and trivialize the discourse, vocabularies, images and aural means of communication in a variety of educational and cultural sites. And also to grasp that a market-driven discourse does not provide the intellectual, ethical and political tools for civic education (Brenkman 1995, p. 239). Such language is used to relegate citizenship to the singular pursuit of unbridled self-interests, to legitimate shopping as the ultimate expression of one's identity, to portray essential public services as reinforcing and weakening any viable sense of individual responsibility, while using the vocabulary of war, militarization and violence to address a vast array of problems often faced by citizens and others.

I do not believe it is an overstatement to argue that education can all too easily become a form of symbolic and intellectual violence, one that assaults rather than educates. Examples of such violence can be seen in the forms of an audit culture and empirically driven teaching that dominate higher education, especially in the United States, but also increasingly in other countries such as the United Kingdom, Hungary and Turkey. These educational projects amount to pedagogies of repression and serve primarily to numb the mind and produce what might be called dead zones

of the imagination. These are pedagogies that are largely disciplinary and have little regard for contexts, history, making knowledge meaningful or expanding what it means for students to be critical and engaged agents. Of course, the ongoing corporatization of the university is driven by modes of assessment that often undercut teacher autonomy, treat knowledge as a commodity, students as customers and impose brutalizing structures of governance on higher education. Under such circumstances, education defaults on its democratic obligations and becomes a tool of corporate interests and market-driven values, all the while deadening the capacity to think otherwise in order to act otherwise.

One of the fundamental challenges facing educators within the current age of an emerging authoritarianism worldwide is to create safe educational spaces for students to address 'how knowledge is related to the power of self-definition' and social agency (Mohanty 1989–1990, p. 192).

Education in this sense speaks to the recognition that any pedagogical practice presupposes some notion of the future, prioritizes some forms of identification over others, upholds selective modes of social relations and values some modes of knowing over others. Moreover, such an education does not offer guarantees as much as it recognizes that its own visions, policies and practices are grounded in particular modes of authority, values and ethical principles that must be constantly debated for the ways in which they both open up and close down democratic relations.

The notion of a neutral, objective education is an oxymoron. Education and pedagogy do not exist outside of ideology, values and politics. Ethics on the pedagogical front demands an openness to the other, a willingness to embrace a culture of questioning, dialogue and an ongoing critical engagement with texts, images, events and other registers of meaning as they are transformed into pedagogical practices both within and outside of the classroom. Education is never innocent and is always implicated in relations of power and specific visions of the present and future. This suggests the need for educators to rethink the cultural and ideological baggage they bring to each educational encounter; it also highlights the necessity of making educators ethically and politically accountable and self-reflective for the stories they produce, the claims they make upon public memory and the images of the future they deem legitimate. Understood as a form of educated hope, education in this sense is not an antidote to politics,

a nostalgic yearning for a better time or for some ‘inconceivably alternative future’. Instead, it is an ‘attempt to find a bridge between the present and future in those forces within the present which are potentially able to transform it’ (Eagleton 2000).

When viewed as an important democratic public sphere, education can provide opportunities for educators, students and others to redefine and transform the connections among language, desire, meaning, everyday life and the material relations of power as part of a broader social movement to reclaim the promise and possibilities of an open society. In an age when authoritarianism is spreading across the globe, it should come as no surprise that many governments consider any notion of critical education dangerous because it creates the conditions for students and the wider public to exercise their intellectual capacities, cultivate the ethical imagination, hold power accountable and embrace a sense of social responsibility. This is the reason that Bolsonaro, the president of Brazil, wants to purge the name Paulo Freire, the great Brazilian educator, from all Brazilian schools.

One of the most serious challenges facing administrators, faculty and students in colleges and universities is the task of developing a discourse of both critique and possibility. This means developing discourses and pedagogical practices that connect reading the word with reading the world, and doing so in ways that enhance the capacities of young people to translate their hidden despair and private grievances into public transcripts. At best such transcripts can be transformed into forms of public dissent or what might be called ‘a moment of “rupture”’, one that has important implications for public action in a time of impending tyranny and authoritarianism (Falk 2011). In taking up this project, educators and others should attempt to create the conditions that give students the opportunity to acquire the knowledge and courage necessary to make desolation and cynicism unconvincing, and hope practical.

Democracy begins to fail and political life becomes impoverished in the absence of those vital public spheres such as public and higher education in which civic values, public scholarship and social engagement allow for a more imaginative grasp of a future that takes seriously the demands of justice, equity and civic courage. Democracy should be a way of thinking about education, one that thrives on connecting equity to excellence, learning to ethics and agency to the imperatives of social responsibility and

the public good. The question regarding what role education should play in democracy becomes all the more urgent at a time when the dark forces of authoritarianism are on the march all across the globe. As public values, trust, solidarities and modes of education are under siege, the discourses of hate, racism, rabid self-interest and greed are exercising a poisonous influence in many societies, and is most evident in the discourse Donald Trump and his merry band of anti-intellectuals and white nationalists. Civic illiteracy collapses the distinction between opinion and informed arguments, erases collective memory and becomes complicit with the growing criminalization of a range of behaviours and the increasing militarization of places such as public schools and society itself.

## Reviving the Social Imagination

Let me conclude by pointing to a few initiatives, though incomplete, that might mount a challenge to the current oppressive historical moment in which many societies and their respective colleges and universities now find themselves. First, there is a need for what can be called a revival of the social imagination and the defense of the public good in order to reclaim higher education's egalitarian and democratic impulses. This call would be part of a larger project 'to reinvent democracy in the wake of the evidence that, at the national level, there is no democracy—if by "democracy" we mean effective popular participation in the crucial decisions affecting the community' (Aronowitz 2014). One step in this direction would be for young people, intellectuals, scholars and others to go on the offensive against a conservative-led campaign 'to end higher education's democratizing influence on the nation' (Nichol 2008). Higher education should be harnessed neither to the demands of the warfare state nor the instrumental needs of corporations. Clearly, in any democratic society, education should be viewed as a right, not an entitlement. Educators need to produce a national conversation in which higher education can be defended as a public good and the classroom as a site of deliberative inquiry, dialogue and critical thinking, a site that makes a claim on the radical imagination and a sense of civic courage. At the same time, the discourse on defining higher education as a democratic public sphere might hopefully provide

the platform for moving onto the larger issue of developing a social movement in defense of public goods.

Second, I believe that educators need to consider defining pedagogy, if not education itself, as central to producing those democratic public spheres capable of creating an informed citizenry. Pedagogically, this points to modes of teaching and learning willing to sustain a culture of questioning, and enable pedagogical practices through what Kristen Case (2014) calls moments of classroom grace. Pedagogies of classroom grace point to the conditions for students and others to interrogate common sense understandings of the world, and begin to question, however troubling, their sense of agency, relationship to others and their relationships to the larger world. This can be linked to broader pedagogical imperatives that ask why we have wars, massive inequality, a surveillance state and a range of other problems. There is also the issue of how everything has become commodified, along with the withering of a politics of translation that prevents the collapse of the public into the private.

These are not merely methodical considerations but also moral and political practices because they presuppose the creation of students who can imagine a future in which justice, equality, freedom and democracy matter. In this instance, the classroom should be a space of grace—a place to think critically, ask troubling questions and take risks, even though that may mean transgressing established norms and bureaucratic procedures. Such pedagogical practices are rich with possibilities not only for understanding the classroom as a space that ruptures, engages, unsettles and inspires, but also extends the meaning of learning into wider cultural apparatuses in which education functions often by stealth to shape subjects, identities and social relations, often so as to mimic the values of a market-driven society.

Education as democratic public space cannot exist under modes of governance dominated by a business model in which only corporate CEOs are hired as university presidents; it undermines its democratic mission of the university when tenure-line faculty are filled with contract labour, students are treated as customers and learning is increasingly defined in instrumental terms removed from community needs. In the United States, over 70% of faculty occupy non-tenured and part-time positions, many without benefits and with salaries so low that they qualify for food stamps.

It gets worse. In some parts of the United States, adjunct faculty are now hired through temp agencies. Faculty need more security, full-time positions, autonomy and the support needed to function as professionals. While not all countries emulate this model of faculty servility, it is part of a neoliberal legacy that has increasingly gained traction across the globe.

Third, educators need to develop a comprehensive educational programme that would include teaching students how to live in a world marked by multiple overlapping modes of literacy extending from print to visual culture and electronic cultures. It is not enough to teach students to be able to interrogate critically screen culture and other forms of aural, video and visual forms of representation. They must also learn how to be cultural producers.

This suggests expanding the parameters of literacy and educating students to develop skills necessary for them to both produce and work in alternative public spheres such as online journals, television shows, newspapers, zines and any other platform in which different modes of representation can be developed.

Such tasks can be accomplished by mobilizing the technological resources and platforms that many students are already familiar with. It also means working with one foot in existing cultural apparatuses in order to promote unorthodox ideas and views that would challenge the affective and ideological spaces produced by the financial elite who control the commanding institutions of public pedagogy in North America. As I mentioned earlier, what is often lost by many educators and progressives is that popular culture is a powerful form of education for many young people and yet it is rarely addressed as a serious source of knowledge. As Stanley Aronowitz (2008, p. 50) has observed, 'theorists and researchers need to link their knowledge of popular culture, and culture in the anthropological sense – that is, everyday life, with the politics of education'.

Fourth, academics, students, community activists, young people and parents must engage in an ongoing struggle for the right of students to be given a free formidable and critical education not dominated by corporate values. This means young people should have more influence in the shaping of their education and what it means to expand and deepen the practice of freedom and democracy. Put simply, educators need to be attentive to their histories, needs, aspirations and hopes. At the very least,



if higher education is to be taken seriously as a public good, it should be tuition free, at least for the poor, and affordable for the affluent. This is not a radical demand and is not unprecedented, as countries such as Germany, France, Norway, Finland and Brazil already provide this service for young people (for now at least).

Accessibility to higher education is especially crucial at a time when young people have been left out of the discourse of democracy. They are the new disposable populations who lack jobs, a decent education, hope and any semblance of a future better than the one their parents inherited. Facing what Richard Sennett calls the 'spectre of uselessness', they are a reminder of how finance capital has abandoned any viable vision of the future, including one that would support future generations. This is a mode of politics and capital that eats its own children and throws their fate to the vagaries of the market. The ecology of finance capital only believes in short-term investments because they provide quick returns. Under such circumstances, young people who need long-term investments are considered a liability. If any society is in part judged by how it views and treats its children, the United States by all accounts is truly failing in a colossal way.

Moreover, if young people are to receive a critical and comprehensive education, academics might consider taking on the role of public intellectuals, capable of the critical appropriation of a variety of intellectual traditions while relating their scholarship to wider social problems. This raises questions about the responsibility of faculty to function as intellectuals relating their specialized knowledge to wider social issues, thinking hard about 'how best to understand how power works in our time', and how education might function in the interest of economic and social justice (Robbins 2016).

Fifth, in a world driven by data, specialisms and the increasing fragmentation of knowledge, educators need to enable students to develop a comprehensive vision of society that 'does not rely on single issues' (Aronowitz 2008, p. 50). It is only through an understanding of the wider relations and connections of power that young people and others can overcome uninformed practice, isolated struggles and modes of singular politics that become insular and self-sabotaging. In short, moving beyond

a single-issue orientation means developing modes of analyses that connect the dots historically and relationally. It also means developing a more comprehensive vision of politics and change.

Sixth, another serious challenge facing educators who believe that colleges and universities should function as democratic public spheres is the task of developing a discourse of educated hope. Informed and educated hope goes beyond critique extending it into the realm of the possible. Critique is important for breaking through the hold of commonsense assumptions that legitimate a wide range of injustices. It is also crucial for making visible the workings of unequal power and the necessity of holding authority accountable. But critique is not enough and lacking a discourse of hope can lead to a paralysing sense of despair or, even worse, a crippling cynicism. Hope speaks to imagining a life beyond commodities, profits and branding, and combines a realistic sense of limits with a lofty vision of demanding the impossible. Reason, justice and change cannot blossom without hope because educated hope taps into our deepest experiences and longing for a life of dignity with others, a life in which it becomes possible to imagine a future that does not mimic the present. I am not referring to a romanticized and empty notion of hope, but to a notion of informed and realistic hope that faces the concrete obstacles and realities of domination but continues the ongoing task of 'holding the present open and thus unfinished' (Benjamin 1997, p. 10).

The discourse of possibility not only looks for productive solutions; it is also crucial in defending those public spheres in which civic values, public scholarship and social engagement allow for a more imaginative grasp of a future that takes seriously the demands of justice, equity and civic courage. Democracy should encourage, even require, a way of thinking critically about education, one that connects equity to excellence, learning to ethics and agency to the imperatives of social responsibility and the public good. Authoritarianism has created in many societies a predatory class of unethical zombies—who are producing dead zones of the imagination that even Orwell could not have envisioned—while waging a fierce fight against the possibilities of a democratic future. One only has to look at the United States, Turkey, the Philippines and Hungary, to realize that the time has come to develop a political language in which civic values, social responsibility and the institutions that support them become central

to invigorating and fortifying a new era of civic imagination, a renewed sense of social agency and an impassioned international social movement with a vision, organization and set of strategies to challenge the neoliberal nightmare engulfing the planet. The dark shadow of authoritarianism may be spreading, but it can be stopped. And that prospect raises serious questions about what educators, youth, intellectuals and others are going to do today to make sure that they do not succumb to the authoritarian forces circling so many countries across the globe, waiting for the resistance to stop and for the lights to go out. My friend, the late Howard Zinn, rightly insisted that hope is the willingness 'to hold out, even in times of pessimism, the possibility of surprise'. To add to this eloquent plea, I would say that history is open and it is time to think otherwise in order to act otherwise, especially if as educators we want to imagine and fight for alternative futures and horizons of possibility.

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# Contextualizing Neoliberalism: An Interview with Jamie Peck

## Introduction

Jamie Peck is the author of *Constructions of Neoliberal Reason* (2010) and the author and co-author of a wide range of influential texts in the emerging field of critical neoliberalism studies. A geographer, originally from the north of England and now based in Vancouver, Canada, he has also edited journals, such as *Antipode* and *Environment and Planning A: Economy and Space*, which have proven to be rich sources for material on neoliberalism in a wide variety of geographical contexts, as well as for the theoretical and methodological development of the critique of neoliberalization. Like other geographers, his work has also been essential for understanding the history of neoliberalism that historians have themselves hitherto neglected to recount.

His work has been essential reading for those wishing to critically engage with the complexity of neoliberal formations, offering as it does a nuanced yet critical view of neoliberalism that accounts for its partial, incomplete and contradictory nature, as well as the extent to which it

is omnipresent and imposed upon us from above. Contrary to the commonly held assumption that neoliberalism is merely synonymous with free market ideology, policies of deregulation, privatization and liberalization and the rolling-back of the state, he has also focused attention on the complex interplay between state and market, emphasizing as well the 'market-conforming' regulatory incursions of the roll-out aspects of neoliberalism (Gane 2013).

Along with Nik Theodore and Neil Brenner, he has made the most concerted attempt to find a compromise between contrasting approaches to the study and critique of neoliberalism (Collier 2012, p. 188), accommodating a fluid and variegated appreciation of contextual difference while maintaining a structural approach that recognizes the ways in which local differences and contextually embedded forms are shaped by the *context of context* (Brenner et al. 2010). Both Marxist and Foucauldian approaches have, he argues, questioned 'template' models of neoliberalism that tend to reduce it to a list of explanatory attributes, but, he insists, neither alarmist presumptions of a singular and global monolith, nor ambivalent or agnostic accounts of diverse techniques that share no more than a 'family resemblance', offer a satisfactory account of neoliberalism (Peck 2013a, p. 15).

In this interview, Peck looks back at the key influences on the ongoing development of his own approach to studying and critiquing neoliberalism, from treating it as a static phenomenon and as an ideologically expansive synonym for Thatcherism, to teasing out its more discursive, processual and protean character, as well as the contradictory and contextual complexity of its articulation as lived phenomenon; from critiquing the *nature* of neoliberalism, to critiquing its *movements*, triangulating between its 'ideological, ideational, and institutional currents, between philosophy, politics and practice' (Peck 2010, p. 8). He addresses the links between the sociological complexity and the historical geography of neoliberalism, between the lived experiences of actually existing neoliberalisms and the process of neoliberalization, and between the local and global conjunctures of neoliberalism. In emphasizing both the *contextual* and *processual* nature of neoliberalism, he draws attention to the need to engage with conflicting theoretical and methodological paradigms, traditions and approaches

if we are to understand neoliberalism both *spatially* (here and there) and *temporally* (then and now), and if we are to be prepared for whatever (similarly contextual and processual -ism) may come after neoliberalism.

\* \* \*

*Simon Dawes:* I'm interested in when you first started using the term 'neoliberalism' in your own work, and which writers you originally drew on to define it? In what ways do you think that your own personal background (beginning your academic career in Thatcher's Britain) and academic discipline (economic geography and urban studies) have informed your reading of neoliberalism?

*Jamie Peck:* For almost as long as I can remember! I started my PhD in September 1983, somewhat accidentally, as I hadn't applied to graduate school but practically tumbled into a doctoral studentship place at Manchester University that had been vacated at the last minute. I had just graduated with a Geography degree and was (partly for structural reasons, I would like to think!), unemployed. Since there was nothing else in hand, nor even in the bush, then 'why not?' Linked to a local authority, a doctoral studentship had been set up around the somewhat dreary topic of industrial estates in East Manchester, but I soon found out that I could take it in a different direction. The Thatcher government had introduced its flagship labour-market policy, the Youth Training Scheme (YTS), that same month and there was a lot of talk (and critique) focused on that. Developing a doctoral project on the new generation of labour-market policies, epitomized by the YTS, seemed both more interesting and more relevant, not least because the shift in policy, politics and practice seemed even in the moment to be a really radical one (Many starting points are not meaningfully planned, of course, and this certainly wasn't.).

The new scheme was explicitly about training (as opposed to job creation or 'make work', like its predecessors); it worked on, and sought to 'correct', the attitudes, motivations and wage expectations of those trainees, inculcating flexibility, appropriate work ethics and employers' definitions of work and employability; and it was streaming participants according to their (perceived) 'job-readiness'. The causes of unemployment, it followed, were considered to be individual and motivational, not structural, and the scheme addressed them accordingly. There was nothing especially subtle or euphemistic about this. The Secretary of State for

Employment, Norman Tebbit, had been lecturing the unemployed that this was not a time for marching or rioting; instead, they should 'get on their bikes, and look for work'. Meanwhile, the Conservative Party leadership had been converted to the monetarist position that mass unemployment was a 'price worth paying' to combat inflation. Soon would come the confrontation with the coalminers (in the strike of 1984–1985), followed by disputes with most of the other unions in the public sector and nationalized industries, then a series of large-scale privatizations, the abolition of the municipal-socialist Greater London Council, the 'Big Bang' deregulation of the City of London financial markets ...

These were momentous times, and viscerally so, whatever the chosen nomenclature. It was a time of massive change, the scope of which actually 'felt' systemic. 'Thatcherism' was the everyday signifier, the name for the connecting thread, the underlying philosophy, the programmatic rationale, the brand of conviction politics that at the time seemed to make some kind of sense of what was going on. And in intellectual circles, notably on the left, of course, it had long been recognized that this was hardly an isolated or idiosyncratic development, that it resonated with a wider ideological realignment known, usually with a hyphen, as 'neoliberalism'. There had been a widely read debate, on precisely this terrain, between Stuart Hall and Bob Jessop in the pages of the *New Left Review* (Hall 1985; Jessop et al. 1984, 1985), plus lots of discussion of the more specific and generalized forms of the species in popular magazines like *Marxism Today*, which at the time could be picked up in any high-street newsagent (see Hall and Jacques 1983, 1989). Now, when it came down to the (critical) analysis of this or that policy programme, even on the front lines of labour-market policy, the language would often be different. This was a rather different world. Contemporary accounts certainly recognized the radical spirit, language and intent implied by changes in Conservative policy, but where connections were made to something called 'neoliberalism', these were often more tentative (see Moon and Richardson 1985; Benn and Fairley 1986). This said, I can vividly recall reading a paper by David Robertson (1986), a political scientist at the University of Missouri-St. Louis, that had (conveniently, from my point of view) pulled together many of the things that I was working on in my dissertation, placing them in both cross-national and historical context. There was no buried lead here. The article was called 'Mrs. Thatcher's employment prescription: an active neo-liberal labour market policy'.



Two other sources of inspiration were especially important to me at the time, the mid-1980s, when I was working as a contract researcher at Manchester University, mainly on policy evaluations for local and central government, while trying to keep my doctoral project moving along: the French regulation theory of Michel Aglietta and Alain Lipietz, and the work of Karl Polanyi. I was introduced to the latter via Claus Offe's (1985) *Disorganized Capitalism*, especially in relation to the notion of 'fictive commodities' and the symbiotic relationship between state regulation and wicked problems, or what I would end up calling regulatory dilemmas. The work of the regulationists came courtesy of my informal thesis advisor, Peter Bibby, although this more macro perspective took me longer to assimilate, as my principal focus at the time was at the local (policymaking) level. Even though I did not appreciate this until later, there was a broad congruence (and dialogue to be had) between regulation theory, Polyanian socioeconomics, Gramscian state theory, Stuart Hall-style cultural studies and neo-Marxist economic geography. These had been in the mix in my doctoral dissertation, albeit in an inchoate manner that I didn't come close to reconciling, but in various ways I have been dealing with them ever since.

While economic geography was my 'home' discipline, such that I sensed an affinity with the work of Doreen Massey, Andrew Sayer, Ray Hudson, Richard Walker, Michael Storper, Bennett Harrison and others, I don't recall feeling at all sure of my footing. My work on training schemes, youth unemployment and the state left me somewhat adrift from, or marginal to, the principal currents in the field. Mine was a sort of labour geography, but not really the circulating sort of the time, which was focused on the labour process and the point of production (see Peck 2013b). Geographers are never deterred from reading around a lot, and like many I took that to heart. But I wasn't at all sure how I might be able to 'speak back' to the field, or even if that really mattered. (Since there were hardly any academic jobs around at the time, I don't recall thinking about such longer-range questions much.) I was much more preoccupied with the policy debates, with the labour-market segmentation literature, with Thatcherism-cum-neoliberalism, and with the work of Claus Offe and Karl Polanyi, all of which spoke directly to my research problems and general approach, while being somewhat off to one side for an economic geography community concerned (primarily) with industrial restructuring. Where I did feel a connection with economic geography proper, as it were, was via critical realism, what would become known as 'locality studies', and with the

work of Doreen Massey. For me, the books that captured this best at the time, and which provided the 'bridges' into an emergent kind of human geography, were Massey's (1984) *Spatial Divisions of Labour* and Derek Gregory and John Urry's (1985) *Social Relations and Spatial Structures*.

*SD:* You have recently co-edited both a reader of Doreen Massey's key essays and a collection of articles in dialogue with a wide variety of aspects of Massey's work and influence on multiple disciplines. Could you explain the extent of her influence on your own development of the idea of neoliberalism as a 'transnational and conjoined phenomenon'?

*JP:* Doreen Massey was always somewhat cautious in her use of what she saw as capacious, portmanteau, or zeitgeist terms like neoliberalism, although she would make something of an exception to this in the last of her collaborative projects, with Stuart Hall, Mike Rustin and others, the Kilburn Manifesto (see Hall et al. 2012; Peck et al. 2014). And still, her main reasons for invoking the term at this point were political more than they were analytical. This said, Massey's unique style of relational thinking, working through actually existing (local) conjunctures, her anti-essentialist approach to the analysis of social forces and relations, always in articulation, and her pioneering treatments of more-than-capitalist spatiality (see Peck et al. 2018) have all enriched critical interrogations of the historical geographies of neoliberalism, not least my own. My first stab at thinking through the layering of regulatory reforms, in which local institutional formations reflected the sedimented 'condensation' of those layers, owed an explicit debt to Massey's relational concept of locality and her notion of 'rounds' of accumulation (Peck 1998). Later on, our arguments around variegation drew explicitly on some of those same lines of thinking, in which 'the local' is not a mere synonym for the particular or the concrete, neither is it a signifier for bounded and demarcated spaces, but rather a unique site of articulation, intersection, configuration and (re)combination (see Peck and Theodore 2007; Brenner et al. 2010).

Massey's was an especially subtle and generative style of conjunctural analysis, enabling empirical investigation and reflexive theorization while at the same time recognizing (rather than suppressing) social and spatial difference. For Massey, the difference that space makes and the relational recognition of social difference were both integral, rather than complications or matters to be dealt with later. With respect to critical investigations

of neoliberalization, this opened up ways of thinking about recurrent processes and patterned dynamics in relational terms, ways of problematizing variegation itself, not as a confounding condition but as a key dimension of its contradictory reproduction (see Peck 2013a, 2017). And as a more general intuition, it suggested a way of thinking about neoliberalization as an open, uneven, and contested process of restructuring (not least of the state itself), as opposed to neoliberalism as an order, era, 'system' or epoch.

*SD:* Your own work emphasizes the connections between this 'sociological complexity' of 'actually existing neoliberalism(s)' as 'lived phenomena' and the 'historical geography' of neoliberal thinktanks and policies. Why do you think such a large and important amount of work on the history (and sociology) of neoliberalism has been done by geographers rather than historians or economists (or sociologists)?

*JP:* It's true that critical work on 'neoliberalism' has, for various reasons, been quite disproportionately associated with the field of geography, perhaps more than any other in the critical social sciences. Particularly important, I would say, is the theory-culture of political economic geography, which has always placed a premium on the marriage of empirical exploration and theoretical experimentation. In this context, conceptions of 'neoliberalism' did not present themselves in the form of grand theory claims. Rather, in my own case, they emerged in dialogue with concrete investigations of the project of Thatcherism, the subsequent flailing around of which did not foretell a terminal crisis (as we at first mistakenly thought), but instead an extended period of crisis-assisted adjustment, recalibration and opportunistic reconstruction (see Peck and Tickell 1994, 2012). This sense of an emergent neoliberalism, living through its own contradictions, took shape only gradually, iteratively, haphazardly and more or less in real time as well. The (sometimes mocked) propensity of geographers to keep their 'boots on the ground' was arguably an asset here, as it involved constant dialogue with policymakers and other social actors, the close (empirical) tracking of actually existing regulatory experiments, and continuous tinkering with theory claims and midlevel concepts.

For the most part, my own take on neoliberalism comes with the territory of critical geographical inquiry, which so often begins with the

(substantive) questions of the actually existing form, orientation and positioning of phenomena—their contextually embedded and yet relational character. A geographical gaze requires attention to local conditions, specificities and contexts on the one hand but also to (re)scaling processes and to more-than-local landscapes of transformation on the other. It sets up the problems of relating the particular (and often ‘local’) to the general (and the extra-local), and of positioning local sites and experiences in relation to their others. Geography is also a research field that tends to rely on ‘dirty hands’ modes of analysis, rather than ‘clean models’, and by the same token to value close engagement with actors and institutions, together with searching investigations of the restructuring present. More specifically, those of us that had been brought up on regulation and state theories, always in dialogue with radical political economy, and living and working in the north of England, on the receiving end of Thatcherism, may have had something of a headstart in seeing (at least one form of) neoliberalism coming (even as there were challenges, of course, in knowing what exactly to make of it and then disentangling and situating its various local forms).

Following this, the orientation to real-time institutional and political economic analysis really helped when it came to keeping tabs on what would prove to be a moving target. The regulationist perspective posed a series of questions about ‘macro’ logics, rationalities and medium-term movements, but also about the role of crises as times of political struggle, experimentation, and ‘chance discoveries’. And the economic geographers’ take on this involved addressing these questions closer to the ground (at least relative to the Parisian regulationists), closer to actors, to various forms of agency and to institutions. With this came a sensitivity to often-unruly processes and patterns of change, along with ideas about the scope for crafting (local) models, adaptations, defences and alternatives. Meanwhile, the regulationist sensibility posed some challenging questions about the rules of the game, the nature and implications of crises, the role of governance, broadly defined, and (with the passage of time) how these might become stabilized, normalized, regularized and institutionalized. Together, this improvised ‘regulationist geography’ approach demanded that attention be paid to perturbations as well as patterns, exceptions as well as rules, disorder as well as order, the particular as well as the generalized and so on, rather than privileging one of these moments over the other. It almost certainly helped, in retrospect, in coming to terms with neoliberalization as a confoundingly shape-shifting phenomenon. One

might also say that the object and the framework for the analysis evolved together, each shaping the other.

*SD:* How has your own use of the term changed over time and how have your main sources developed over time? At what point, for instance, did you begin to see the need to emphasize the *processual* nature of neoliberalization? And despite these changes, is it fair to say that you've always seen it in terms of 'restructuring'?

*JP:* The term was scattered about my dissertation and in some of my first published papers, but not really systematically so until Adam Tickell and I got some way into our joint work on regulation theory in the early 1990s. Initially, it was a somewhat static neoliberalism, and an ideologically expansive synonym for Thatcherism, somewhere between a pretender to the macroregulatory status of the Keynesian welfare state and an unruly mode of crisis politics (Peck and Tickell 1994, 1995; Peck and Jones 1995; Tickell and Peck 1995). I had always taken 'neoliberalism' to refer to the actions of the state, coming around to the idea of thinking of it as an emergent mode of regulation (or as the death throes of a failing one). Of course, this flatly contradicts the mythologies of neoliberal discourse itself, with its language of free markets and retreating (or absent) states. For me, the state was always at the centre, as the principal author and architect of programmes of neoliberal transformation. This had more to do with critiques of *government* than with concepts of *governmentality* and the much more dispersed rationalities and subjectivities of neoliberalism associated with the latter. Thanks especially to the work of Wendy Larner, Mitchell Dean, Wendy Brown and others, I have come to appreciate the role of these more dispersed and diffuse forms of neoliberalization, and the attendant *cultures* of economization and marketization, but I would argue that these have not only become more apparent but also more consequential with the passage of sociological time. At a gut level, I always believed—and still largely do believe—that Thatcherism was 'imposed', rather than being some mirror of a changing culture. This is not to say that neoliberalism always and everywhere works in this more unilateral or 'top-down' manner—clearly, it does not—even as this specific observation about the roots and early dynamics of Thatcherism may speak to some of the ways in which a vanguardist political (and ideational) project

has transmogrified, by way of unfolding historical, sociological and institutional processes into the polycentric, multiform and more normalized phenomenon we see today.

This raises the matter of the processual and somewhat mercurial dynamics of neoliberalization. As best as I can reconstruct, I had started to use the processual language of neoliberalization, as opposed to the more static, systemic and order-like neoliberalism, in the late 1990s, notably in the context of empirical work revealing the distinctively 'layered' nature of institutional interventions in the field of labour market and training policy (Peck 1998), although Adam Tickell and I would develop these arguments more fully a few years later (Peck 2001; Peck and Tickell 2002). This also chimed with understandings of restructuring, dating back to the pioneering work on industrial restructuring carried out in the 1980s but in later years applied (and adapted) to the realm of state restructuring (cf. Lovering 1989; Peck 2000). By the early 2000s, these had become, I suppose, de facto 'neo-regulationist' arguments in the sense that the original versions of (Parisian) regulation theory had never paid a great deal of attention to the dynamics of 'governance' and the complexities of regulatory statecraft, the latter subsequently being explored in more formal theoretical terms by Bob Jessop, but also more concretely in a raft of regulationist-inspired investigations in fields like urban studies and critical policy analysis. Notably, several of the participants at the *Antipode* workshop on neoliberal urbanism, which had been convened in Chicago in the Fall of 2001, also developed variants of this approach (see Brenner and Theodore 2002).

*SD:* In insisting on the *relationality* and *connectivity* of neoliberalization, in emphasizing the need to contextualize hybrid neoliberalisms among other hybrid neoliberalisms, and in analysing the contradictory dynamics between neoliberal theory and practice, you have stressed the extent to which neoliberalism is a *variegated* and *situated* process. Could you explain the significance of the term 'variegated'?

*JP:* Situated and context-laden modes of analysis are very much the geographers' stock in trade, although the extent to which (and manner in which) this is rendered explicit as a methodologically and conceptually rigorous position varies of course. Back in the 1980s, I don't think I was explicitly thinking of Thatcherism and its ilk as a transnational phenomenon,

nor was I engaged in the kind of empirical work that could have opened up these questions, although those accounts that pointed to the specific character of this British model of state restructuring in the context of the somewhat broader species that was neoliberalism (or monetarism) certainly alluded to this. The underlying architecture of regulation theory was undoubtedly Eurocentric, if at least somewhat reflexively so (see Peck and Miyamachi 1994), and this was reflected in a tendency to look for, assess and categorize emergent programmes of regulatory restructuring in the spaces in which inherited, incumbent or 'legacy' state forms were being contested, such as those of various social democratic and welfare states. But the work that I did on various forms of welfare reform and workfare in the United States, Canada and the United Kingdom during the second half of the 1990s convinced me that there was certainly no one-size-fits-all pattern of restructuring, even among these relatively close relatives, just as some 'models' of restructuring and reform were clearly travelling across this uneven landscape. This was a very clear illustration of the fact that connectivity (and inter-referencing) does not necessarily mean convergence, and that multiple reform models and trajectories can *and do* coexist, in asymmetrical dialogue, within the same more-than-local and always-emergent ecosystem *across which* it may be possible to identify recurring forms and 'frontal' dynamics.

'Fast policies' like workfare therefore make connections, and they establish relations between often distant sites, without being replicating machines (Peck 2002; Peck and Theodore 2015). Reform 'models' do this too, formatting and framing other projects, often at a distance, and doing so in a dialogical way rather than in a unilateral or top-down manner. A reform model cannot really be a model unless it has followers, but the followers actively and reciprocally (re)make the model as well. The analytical gaze must therefore extend across fields of transformation and contestation, across multiple sites, rather than only looking out from some presumed centre.

Neil Brenner, Nik Theodore and I would later explore these issues in more conceptual terms under the rubric of 'variegation'. This had initially emerged from critiques of the varieties of capitalism approach originating from the DEMOLOGOS research programme, which involved Bob Jessop, Erik Swyngedouw and others (Peck and Theodore 2007), where in contrast to the kind of static, side-by-side comparisons of isolated ideal types characteristic of varieties frameworks, *variegation* conveyed the idea of a (spatially) differentiated and unevenly integrated capitalism marked

by complex interdependencies. It invoked an ontology of uneven and combined development, and deeply embedded diversity within contradictory unity, as opposed to one of separate capitalisms on some imagined, level playing field of regime competition. We would later develop a parallel line of argument in relation to the field of neoliberalization (Brenner et al. 2010).

In part, this was an effort to show that even 'deep' neoliberalization would not necessarily imply convergence, a Pepsi-and-Coke world of market unification, together with small-state variations on the same theme, but that it would (re)produce *new forms* of uneven development, new geographies of consolidated market rule, and new sites of contradiction, contestation and crisis. To speak of 'variegated' neoliberalism, furthermore, indexed conditions of (co)existence with other political, social and institutional forms. Necessarily incomplete, projects of neoliberal restructuring are (therefore) always contextually specific given that, first, absolute or total neoliberalization is a utopian mirage not a practically achievable condition, and second, as a reactionary credo, neoliberalism attacks and seeks to transform, displace and replace the social (state) structures that it encounters 'locally', the legacies of which are long-lasting. While there is often extensive borrowing (and adaptation) of reform models, repertoires, techniques and discourses, neoliberalism's battles are waged locally, on context-specific terrains. It makes a large (and lasting) difference, for example, if privatization projects are pursued in the context of extensive state ownership (as it was in the UK, and as would later be the case in Eastern Europe), compared to where there are relatively little of that (as in the United States). Similarly, the shape and dynamics (as well as the priorities, targets and signature struggles) of welfare-reform initiatives, workfare experiments and anti-poverty programming are all creatures of context, as one can see from the profound differences between, say, Scandinavia, the Anglo-American countries, Latin America and the postsocialist states, even as reform rubrics and (re)programming norms may share family resemblances.

In these and other ways, variegated neoliberalization represents a restructuring ethos (as a label applied to the transformative processes, not some end state), realized across a moving landscape. Neoliberalism consequently has a 'multiform' character. It can be thought of as a 'meta-hybrid' constructed from (and across) an interconnected group of hybrid formations, or as a conjuncture of conjunctural forms. It is both a conjoint outcome of these multiple parts and more than the sum of those parts.



Neoliberalization processes are therefore shaped across multiple sites and spaces of 'co-construction' (Peck 2004; Peck and Theodore 2012), and to the extent that the outcome can be considered hegemonic, this is a situation always in the (re)making, where rather than defining a stable 'order' or system, neoliberalism defines an uneven field of consent and contestation (Peck 2013a).

*SD:* On a theoretical-methodological level, you have been particularly active in the attempt to bridge contrasting approaches to the critique of neoliberalism (whether defined as structural *versus* poststructural, political economic *versus* ethnographic, ideological *versus* governmental, Marxist *versus* Foucauldian, etc.). Would you say that any analysis that fails to address the relations and contradictions between these approaches, as well as between local contexts and wider trends (the 'context of context'), is inevitably reductive?

*JP:* The challenges of engaging with, pinning down and 'positioning', neoliberalism are such that no one theoretical or methodological approach is ever going to be entirely sufficient. So, while my own approach has been rooted in a spatialized form of institutional political economy, there are clearly some facets and dimensions of neoliberalization that are 'seen' (and problematized) from this perspective, others less so. It is consequently important to read promiscuously, and to keep open channels of dialogue (and mutual learning) between different approaches and perspectives. This is not because these can or should somehow be bolted together, as some all-encompassing, all-singing, all-dancing framework, but because the discrepancies, overlaps, inconsistencies, convergences and such like between and across them are often where we find new insights, new questions.

On the other hand, I have less time for those approaches to (or rejections of) neoliberalism that are predicated on the denigration or negation of alternative frames, conceptions or methods, or which set up these different/alternative ways of seeing, reading and explaining merely as foils. Unfortunately, from my point of view, political economy approaches are sometimes characterized (or caricatured) in just such a way, as if in all instances these are synonymous with economism, structuralism, essentialism and global convergence, as if they imply only a view from above along with the deployment of rigid, machine-like categories, and as if

they take neoliberal rhetoric about the tendential disappearance or simple shrinkage of the state at face value. Among the more keenly observed critiques, in contrast, Patrick Le Galès (2016) tries to find a parallel, complementary way to understand contemporary urban transformation, without over-deploying the concept of (variegated) neoliberalism, and in so doing points to some of the things that are distinctive about the latter approach. Le Galès is sceptical about the scope for combining social constructivism with institutional political economy, which he equates with having it both ways, yet his alternative approach is both more general (in its appeal to the more expansive concept of liberalism) *and* more specific (in its insistence that actually existing neoliberalism be equated more singularly with its Anglo-American form). Ultimately, it ends up conflating the two, equating neoliberalism with its Anglo-American form, rather than reading across (geographical) forms.

The variegated neoliberalization approach, in contrast, expressly seeks to inhabit this middle terrain: finding a role for performativity and social constructivism but at the same time recognizing the need to pay attention to strategic selectivity, institutionalization and normalization; refusing the inherent reductionism entailed in the equation of neoliberalism (only, or primarily) with some ostensibly 'original' or 'heartland' form, and measuring deviations from that; finding difference and uneven development on the constitutive 'inside' of the concept, not as some downstream contingency; favouring conjunctural over ideal-typical modes of analysis; acknowledging forms of hegemony always in the making, and so forth.

*SD:* Your contextual account of Obamanomics as a form of Democratic neoliberalism or 'supply-side social democracy' is reminiscent of Stuart Hall's accounts of Thatcher, Blair and Cameron iterations of neoliberalism in the UK. But much has been made of the extent to which the contemporary moment can be understood as neoliberal at all anymore. How do you understand Trump, Brexit and the associated rise of economic isolationism, white nationalism and neofascism throughout neoliberal democracies today?

*JP:* While some of my work has been pitched at a somewhat higher level of abstraction, probing recurrent patterns and processual connections across cases and contexts, and some of it has been more granular and specific, being concerned with institutional domains or localized sites, the chapter

on Obamanomics in *Constructions of Neoliberal Reason* (Peck 2010) tried to piece together an account of the incoming Obama administration at an analytical level somewhere in between, in a territory analogous to some of Stuart Hall's conjunctural analyses (if hardly any kind of match for these exemplary accounts). This rather sober interpretation seems to have been largely borne out, even if the strength of the recoil from the right was underestimated. In retrospect, the Obama years might be interpreted as the last gasp of that third-way style of neoliberalism that Hall critiqued so effectively, and which Nancy Fraser (2017) would later characterize as 'progressive neoliberalism'. With a dose of intended irony, Hall (2017, p. 311) had speculated that this socially ameliorative or third way model of neoliberalism might be seen as "the best shell" for global capitalism'. In the prolonged interregnum that has followed the global financial crisis of 2008, during which time the neoliberal project has been experiencing an extended legitimation crisis, austerity and authoritarianism have returned with a vengeance. Both, it should hardly need to be said, have long been within the bandwidth of neoliberal politics, going all the way back to the Chilean coup, the monetarist recessions of the early 1980s, and the long history of debt crises and structural adjustments. This time around, the supposedly 'advanced' neoliberal states have found it necessary (or expedient) to apply the leeches to themselves, only to foment populist revolts, including those 'left behind' by the project of neoliberal globalization.

Today, Trudeau and Macron are among the few who are still trying to occupy what is left of neoliberalism's centre ground, but these searches for a recalibrated third way show few signs of escaping the contradictions that tarnished and undermined their predecessors. It is a measure of the still-shifting ground that Trudeau has been one of those defending NAFTA as a 'progressive' trade settlement, while financializing Canada's transport infrastructure and bailing out corporate oil projects. An embattled Macron, on the other hand, is pressing on with his controversial reforms, including healthcare, labour-market policy, local government and the public service, lecturing an unemployed Parisian that he need only 'cross the road' to find a job, at a time when one in four of those aged under 25 are without work (Reuters 2018). Such are the remnants of the 'best shell'.

Among the current crop of late-neoliberal mutations, the centrist project that was once its best face could prove to be the most irreparably compromised (see Fraser 2017; Mudge 2018). This raises the distinct

prospect that some of the leading fronts of neoliberalization, going forward, may be authoritarian hybrids, centering on political management by control and coercion rather than the production of consent (Peck and Theodore 2019). To the extent that prevalent patterns or tendencies can be detected in the post-2008 trajectory of neoliberalization, this could involve a series of lurches towards what might be called ‘hard-shell’ neoliberalism, the outfall of which is hard to predict. For a long time now, I have been making the argument that neoliberalization involved a particular kind of creative destruction. Broadly speaking, projects of neoliberalization are often initiated in a reactionary moment, when they are dominated by the ‘roll-back’ politics of deregulation and dismantlement, as antithetical social and state forms fall under attack. Subsequently, although rarely demarcated as a distinct second ‘stage’, the ‘roll-out’ politics of pro-corporate and market-conforming governance come to the fore, dominated by the challenges of managing the contradictions, policy failures, negative externalities and social fallout of neoliberalization (across what were always context-specific roll-backs, privatizations and marketizations). More formally, this zigzagging process should be understood not as simple stages or discrete phases but as dialectically intertwined moments of ongoing regulatory transformation. They speak to the lurching and nonlinear course of neoliberal programmes and projects—which are nevertheless still identifiably directional and frontal—as well as to their perverse proclivity for ‘failing forward’ into improvised institutional solutions sought and found within a politically and fiscally narrowed solution space.

Now, perhaps it’s not so easy to detect this forward momentum in the United States and the United Kingdom at the moment. Once seen as ideological heartlands and testing grounds for the neoliberal project, the atmosphere in the UK and the US has been feeling more like the last days of Rome since the fateful events of 2016. But it is worth reflecting on an observation that the Conservative political strategist Grover Norquist made some time ago: ‘The press and a lot of observers in Washington, DC like to stop and look at a car accident and they miss that the traffic is continuing to drive past at 50mph’ (quoted in Smith and Jacobs 2017). For all the reckless incompetence of the Trump Administration (and something similar might be said about the Tories in the UK), when it moves the traffic is still travelling in a very similar direction, including the implementation of regressive tax cuts, brazen acts of deregulation, especially in fields like environmental protection and financial/corporate

governance, and an accelerated programme of attacks on the public service and on what remains of the social state. Of course, moments of apparently systemic dislocation like Trump's election and the Brexit referendum can hardly be described as business as usual, as if the neoliberal project is simply rolling along some preordained course, but in their own way they underscore a deeper point, that neoliberalization *never* follows a predictable or contradiction-free course. It is constantly being remade, not least through crises, in all of their valences and modalities, one of which (or some accumulation of which) could ultimately prove to be terminal or path-breaking.

So this sets up a way of thinking about the present moment, the contradictions and complexities of which certainly cannot be reduced to a question of whether this *is, or is not*, (still) neoliberalism (see Peck and Theodore 2019). If, as I have argued, neoliberalization is both processual and contextual, then it would be a category error to boil down the question to yes/no or presence/absence, or to impose a binary classification of political regimes, countries, or what have you. Is Trump a neoliberal? Was Obama a neoliberal? Does Brexit mean more or less neoliberalism for the UK? Is China neoliberal? Is New Zealand still neoliberal? Was Australia ever really neoliberal? Have the Scandinavian countries become functionally neoliberal? We hear these kinds of questions all of the time, but they will always be misleading because they reduce the issue to a kind of essentialist acid test. A polycentric world of qualitatively different and coexistent forms of neoliberal restructuring, marked by various degrees of dialogue and interdependence, in which the rules of the game have themselves been tendentially neoliberalized, cannot be understood, let alone analysed, in such cartoonish, binary, yes-or-no terms. By the same token, the critical invocation of neoliberalism (or neoliberalization) cannot itself be an end to the matter. These invocations set up questions and problems to be investigated; they do not provide prefabricated 'answers'.

*SD:* And so what happens next? What will come after neoliberalism? In light of the non-death of neoliberalism following the 2008 financial crisis, your views on how neoliberalism will end have changed, and you no longer think that it will end in a big bang or a Berlin Wall moment. Is this *uniquely* because it is a variegated and deeply entrenched process (rather than a singular entity) or is it also because its alternatives are similarly disparate and rarely untouched by neoliberalism themselves?

*JP:* It was always tempting to think that neoliberalism would eventually succumb to its own contradictions, either cumulatively or in some catastrophic system failure. Some version of this has arguably been a default position for many left critics of neoliberalism, and may remain so to some degree. But to quote George W. Bush, this runs the risk of 'misunderestimating' neoliberalism, especially in terms of, first, its deep entrenchment with a host of parallel and overlapping power structures; second, its rough-and-ready compatibility with the dull compulsions of competition, regulatory undercutting and financial discipline; and third, its now-proven protean capacities for adaptation, mutation and co-optation, not least under conditions of crisis, and increasingly in response to crises of its own making. In other words, seeing uneven development, variegation, contradictory transformation and serial failure and overreach as (necessary) *conditions* of neoliberalism, rather than aberrations, exceptions or corruptions, demands that *neoliberalization* is theorized and studied in these terms; it is simply inconsistent with parsimonious, restrictive, essentialized, static or singular definitions of neoliberalism, even if these might otherwise be analytically and pedagogically convenient (In fact, *critics* of the concept of neoliberalism, and its (ab)uses, are often the most likely to invoke static, totalizing, and flat-footed formulations of the concept; setting up as a foil.).

It follows that the reach, ambit and trace-effects of neoliberalism are not so easily bounded, bracketed, ring-fenced, or demarcated, even if they should never be considered universal or eternal. And since neoliberalism does not exist in the world as a singular, isolated, or unified phenomenon, it should not be conceptualized in that way, while neither should it be expected to 'fail' in that way. So rather than going up in some big bang, as a catastrophic event, the 'end' seems more likely to be messy, protracted and diffuse, such that it may be more appropriate to think in terms of the (eventual) exhaustion and degradation of neoliberalism, as it is variously exceeded, outflanked, contested, overcome, eclipsed, worn down and worn out. The question of what might turn out to be on the other side can surely only be answered in the plural too. All manner of experiments, big and small, have the potential to open pathways to what is sometimes (rather unhelpfully, perhaps, in the circumstances) called 'post-neoliberalism'. To the extent to which I can feel optimistic in these foreboding times, it is by reflecting on the sense that the past decade, post-2008, really has begun to *feel* like some 'late' neoliberal interregnum, in which the old is palpably dying but the new cannot yet be born.

Extended legitimacy crises, institutional failures, rule by coercion and a restive pattern of contestation are among the symptoms. Whatever happens next, it surely cannot be more of the same. And it follows that post-neoliberalism—if it can be so identified or demarcated—may be many things but it will not be a singular, global alternative.

Simon Dawes

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