

Some Aspects of the Neo-Liberal Ideology

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1 Introduction

Most people involved in the anti-globalisation movement are against the neo-liberal ideology, but often they have only an approximate idea of what it is exactly, and are only interested in the appalling results of the implementation of policies based on it. I will try to show why and how this ideology is actually extremely seductive; I would also like to show that neo-liberalism has created a framework of analysis of what is going on in the world now, a framework that is seldom questioned by anti-globalisation activists, and in which they are often trapped.

2 A Seductive Ideology

Neo-liberalism is such a powerful ideology because it is very seductive. It uses ideas of freedom, of self-centredness, of dynamism and youth, of consumerism; indeed, often consumerism is presented as empowering (for instance women feeling empowered because they can buy themselves designer clothes). No struggle or sacrifice is expected from people, or at least only struggle that will allow them to further their own, selfish ends; and this is not presented as struggle but as a way of fulfilling one's potential.

It is also powerful because it is so pervasive: ideas originating in this body of theory are presented as obvious and unquestionable truths, almost commonplaces, as we will see later; people are not aware that such common ideas as 'the law of supply and demand' have been elaborated within a certain theory and are indeed questionable.

As a result, this ideology is supported by people who do not benefit from it, who are even harmed by the implementation of policies inspired by it; this was not the case with other political ideologies such as Marxism, which was fiercely opposed by capitalists because they saw it as a threat to their position. Attitudes towards neo-liberalism can be divided into four categories: those who support it because it clearly benefits them; those who support it because they genuinely believe that a neo-liberal political and economic system is the best (or at least least bad) way to bring about prosperity and happiness to the people; those who are not so enthusiastic about it but cannot see any alternative; and those who resolutely oppose it.

3 The Theory Behind the Ideology: Neo-Classical Economics

Neo-liberalism is based on neo-classical economics, which has the advantage of being quite easy to grasp while at the same time making it possible to explain rather sophisticated phenomena. As this is often the only theory taught, even at university level, it is no wonder that it has taken the status of unquestionable science, when it is only one theory competing with others. One of its main features is its interest in market equilibrium: supply and demand will meet on the market, which will determine the equilibrium price, thus ensuring the optimal allocation of resources. If there is too much demand, there will be shortages, and if there is too much supply, there will be waste. The market will determine the optimal price to stimulate enough production, while allowing enough people to buy the product. A centralised production system wouldn't be able to obtain this result as efficiently. To have the most efficient and productive economic system, it is therefore important to give the market free rein; indeed, the whole world should be moulded into a market. The policy implication is simple: remove all obstacles to the market's activities, especially state intervention.

Of course, this theory has been criticised on many accounts, and it is no longer as triumphant as it has been in the 1980s. However, this is still the implicit basis for neo-liberal policies (especially for policy-makers who are not specialists in economics, and are not aware of the debates going on among specialists), and (more importantly for us) for the popular understanding of those policies. This can easily be seen in the commonly accepted opposition between market and state.

4 Market vs. State

In the neo-liberal view of society, the market is always opposed to the state: the market is the realm of freedom, whereas the state is the realm of power. This power is often not well used by self-serving employees of the state, which is seen as always less efficient than the market. Pierre Bourdieu and Loic Wacquant have described this view, and have picked out all the opposed features of market and state in the 'new planetary vulgate'¹ (Table 1).

This vision obscures several facts: that power relations and self-serving behaviour also take place in the private sector; and that if the state is judged on market criteria, it will always fail the test. More importantly, it creates a false ontological opposition between state and market, in which opponents to this ide-

¹P. Bourdieu and L. Wacquant, 'La nouvelle vulgate planétaire', *Le Monde diplomatique*, May 2000

<i>Market</i>	<i>State</i>
freedom	constraints
open	closed
flexible	rigid
dynamic, moving	immobile, ossified
future, novelty	past, old-fashioned
growth	immobilism, archaism
individual, individualism	group, collectivism
diversity, authenticity	uniformity, artificiality
democratic	autocratic, even totalitarian

Table 1: Opposing features of ‘market’ and ‘state’ in neo-liberal ideology

ology are caught in a debate about ‘more state’ vs. ‘less state’. In fact, the market could not exist without the state; and it seems quite reasonable (but this can be debated) to say that the market is more efficient in certain functions than a state institution. Instead of opposing them, it seems more fruitful to study their interaction to see how best to use it.

The market vs. state debate is not the only debate in which neo-liberalism’s advocates have dictated the terms of the debate. Indeed, in most current socio-economic debates this has been the case; words and concepts have been used by proponents and opponents of neo-liberalism alike without question, as we shall now see, drawing again on P. Bourdieu and L. Wacquant’s analysis.

5 The Words of Neo-Liberalism

Those two authors describe a symbolic imperialism: the debate is now restricted to ‘commonplaces’, i.e. arguments used in debates but not debated themselves. They are seen as axiomatic, ahistorical and acultural, when they actually reflect the complex and contested realities of a very specific society: post-Keynesian and post-Fordist America. Concepts such as ‘globalisation’, ‘flexibility’, ‘communitarianism’ are accepted at face value by supporters and adversaries of neo-liberalism alike; this greatly restricts the breadth of the debate, and prevents the emergence of viable alternatives, beyond the ‘just say no’ attitude. I will focus here on globalisation, which is seen as one of the most important issues of our time.

Globalisation is presented as an inescapable process, going in one precise direction: a world market where investors are all-powerful, and where the role of the state is reduced to providing basic infrastructure as well as law and order. Such

an idea of globalisation is violently rejected by many, who define themselves as anti-globalisation. But this is a questionable analysis of the processes at work today in the world. One could argue that globalisation is not only an economic phenomenon (think of world music, or globalisation of trade union demands), and that even in the economic sphere, things are somewhat different. This episode of globalisation has not been unique in the world history: the beginning of the 20th century was also characterised by very open economies and large movements of capital. The following decades were characterised by attempts at autarchy, and in general, until the 1970s, significant state intervention. Globalisation is therefore not an inescapable process, and it is not unavoidably going into one direction. Rather, one can see it as a growing but very uneven process of interconnecting economies and societies. It may also lead to new and unforeseen forms of government, of management of global problems. Of course, it is impossible to do justice to such a complex issue in a few lines, but it is important to underline that we do have a power to influence this process and, instead of rejecting globalisation and going backwards, to lead it in a direction which would ensure more justice and equity and a better sharing of resources.

It would be interesting to apply this analysis to other topics that are currently being debated (the Bourdieu and Wacquant article is on this regard very inspiring), but I hope that I have shown that raising public awareness of the dangers of neo-liberal ideology should not only be about pointing out the catastrophic effects of neo-liberal policies, but also about regaining an active role in the debate and reformulating the issues, so as to show people that they really have a power to change the way things are going.