The Paradox of (Neo)liberal Society: Collective Consent for an Anti-Democratic Project

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Introduction:

In describing the Athenian project of democracy, the 4th Century-statesman Pericles (d. 429 BC) proclaimed: “We do not say that a man who takes no interest in politics minds his own business; we say he has no business here at all” (Schubert, 2008, p.164). This exclusive basis for citizenship has not survived modernity. Under the liberal conception of democracy, the state awards equal citizenship to all of its subjects, based on what Canadian philosopher Charles Taylor termed “a politics of universalism, emphasizing equal dignity of all citizens, [...] the content of this politics has been the equalization of rights and entitlements” (Taylor, 1994, p.38). Yet this was accomplished by a second development: the recognition of each citizen’s unique identity (Taylor, 1994, p.38).

The tension between the two conceptions of the individual (as both equal part of a larger citizen group yet protected in his solitary identity) is mirrored in modern institutions. Taylor identifies three institutions which frame our shared conceptions - or ‘social imaginaries’ - of modernity: the free market (enabling and exclusively supporting individual agency); the public sphere; and the popular sovereignty which has become the basis for modern democratic states (both exclusive vehicles of collective agency) (Taylor, 2004). The emergence of the neoliberal paradigm has seemingly facilitated the expansion of the former by weakening the latter two. Yet, paradoxically, it has had to do so through collective consent - achieved only by atomizing the individual, stressing their uniqueness over their role within wider society, and replacing citizen identity with that of the consumer. This paper will trace this development.

However, neoliberalism alone cannot account for the modern crisis of liberalism - a crisis expressed through the rise of populist governments, fundamentalist outfits, and worldwide popular
protests. This paper posits, in line with Karl Polanyi’s opus, *The Great Transformation* (1944), that neoliberalism has distilled, rather than produced, the aforementioned tensions, which are inherent in the liberal social imaginary. The paper will close with projections of an alternative modernity.

**A Brief History of Neoliberalism:**

Neoliberalism, in its most basic form, advances the position that human well-being can be served best by individual entrepreneurship and the subjection of nearly every facet of society to market forces (Harvey, 2005, p.3). However, economic geographer David Harvey argues that its actual goal - at least in the hands of elites - was always the “restoration of class power” (Harvey, 2005, p.18). The extreme social inequalities that are often deemed to be the negative side-effects of this paradigm were in fact its *raison d'être*. Neoliberalism was thus born as a “system of justification and legitimization for whatever needed to be done to achieve that goal” (Harvey, 2005, p.19). This interpretation of neoliberalism, in the hands of power, was internally inconsistent: the government vilified in neoliberalist orthodoxy as an obstacle on the way towards freedom and efficiency - was necessary for the continued survival of this system (Monbiot, 2016). The state needed to protect private property, to ensure that vital national services continued to function, as well as to impose (through military means if necessary) its will on weaker nations. Peter Evans (2008), a political sociologist at the University of California, Berkeley, writes that,
“From a ‘Westphalian/realist’ perspective, we do not live in a neo-liberal world at all. We live in a pseudo-liberal world where powerful nation states in general, and the United States in particular, pursue mercantilist and imperialist policies at the expense of both economic rationality and an equitable world order. This mercantile/imperialist regime uses global governance institutions to subjugate weaker nation states in the global South, preventing these states from pursuing developmental strategies that could foster the well-being of their citizens.” (p. 282)

Yet the inconsistent jumble one recognizes as ‘neoliberalism’ today began as a “distinctive, innovative philosophy promoted by a coherent network of thinkers and activists with a clear plan of action” (Monbiot, 2016). What changed?

The history of neoliberalism did not begin in the White House or at Downing Street. Instead, it began in the public sphere, among the writings of intellectuals - most notable among which were Friedrich Hayek and Milton Friedman (of the so-called ‘Chicago School’). They influenced other economists and think-tanks; their ideas were lent credence by the bestowment of the Nobel prize in economics (an award, Harvey (2005) says, controlled by the Swedish banking class) to the duo in 1974 and 1976, respectively (p. 22). Converts soon found themselves within the ranks of power (for example, Keith Joseph, in the United Kingdom and Paul Volcker in the United States). Harvey (2005) writes, however, that the election of Reagan in 1980 was “crucial” (p. 24) for the diffusion of neoliberalism: under his so-called ‘Reaganomics’, the prevalent ‘Keynesianism’ (that is, a hands-on approach to the free market) was purged from international
economic institutions and neoliberal ‘structural adjustments’ began to be imposed on weaker nations, from Mexico to Egypt to Indonesia (Harvey, 2005, p.167). The paradigm was cemented in the modern social imaginary during the 1990s-2000s, when the competing model of the Soviet Union collapsed, China found its own flavor of neoliberalism, and European labour parties and US Democrats adopted neoliberal policies in their respective markets (Harvey, 2005). Crucially, neoliberalism was not simply a top-down enforcement of the ‘new normal’; it came coated in the attractive mantle of personal liberties, which developed in the popular imagination in parallel to neoliberalism (further outlined below).

The neoliberalist creep has been devastating: wealth inequality, both domestic and international, has risen almost everywhere (Sachs, 2019); the maxims of deregulation and privatization have had disastrous effects, from Bolivian Water Wars (Webber, 2011) to security outsourcing during the Iraq War (Stober, 2007). A ‘second enclosure movement’ - this time, a race to gain monopoly rights to intangible assets for rent extraction - furthers global inequality (Evans, 2008, p.278). Crucially, Paul Dauvergne (2016) argues that the influence of ‘environmentalism of the rich’ - whereby the increasingly-catastrophic climate change the planet is experiencing can be reverted by more conscious consumer choices - has stifled productive action to halt the destruction of the environment. Conservation organizations have focused their efforts on lending legitimacy to the worst polluters - those most responsible for the current situation - in order to obtain from them marginally more sustainable production practices (Dauvergne, 2016). Yet, in doing so, mainstream environmentalism has “increasingly come to reflect the interests and comforts of those with the
most money and most power” (Dauvergne, 2016, p.114), while leaving precisely those who cannot ‘vote with their wallets’ to endure the brunt of the deteriorating climate conditions.

The mercantile/imperialist version of neoliberalism, as described by Evans (2008), closely mirrors what Polanyi (2001) termed the ‘double movement’ - the emergence of liberal laissez-faire utopianism in the 17th Century, its implementation through illiberal means, and, finally, the reactionary countermovement of state protectionism (eventually birthing fascism) (p. xxii). The double paradox of liberalism - “laissez-faire was planned; planning was not” (Polanyi, 2001, p.147) - rings true today. As will be elucidated in the following section, the modern ‘double movement’ has weakened social protections, all the while shielding powerful institutions from democratic accountability, thus weakening the ‘social contract’ between the state and its citizens.

The Neoliberal Erosion of Democracy:

As described above, neoliberalism (in the West) was mostly voted into office. Attaining the consent of the ruled was necessary due to the stark influence of Taylor’s two collective imaginaries, but also, writes Evans (2008), because “democratic procedures, even if they complicate denying non-elites’ claims (whether from poor nations or social movements) and increase ideological vulnerability, are less costly than Hobbesian anarchy” (p. 245).1

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1 Further: “global neo-liberalism does not have the option of abandoning the pretense of democracy completely. Elites need to protect themselves from each other, especially at the global level. Enforcing rule bound governance is the least costly and most dependable way to do it [...] Overtly
Yet neoliberalism was also deeply suspicious of democracy. This manifests in a number of ways, including the transfer of power from governments to international institutions, the capturing of the media, and the atomization of society. Neoliberal theory fetishizes technology and consumption as the most efficient solution to society’s ills. Ultimately, so the thinking goes, citizens make the most important choices with their wallets, not at the ballot box. (Monboit, 2016)

The stripping away of most roles of the state, as well as the communal links that bind people within a society, means that “the state has been reduced to nothing but authority and obedience, the only remaining force that binds us is state power” (DemocracyNow!, 2016). And as highlighted above, the neoliberal project can only be sustained through a strong state, if not an authoritarian state. Neoliberalism nominally supports free choice, yet individuals are not meant to choose strong collective institutions, but rather further atomization (Harvey, p. 69). ‘Freedom’ in the neoliberal paradigm, then, is highly selective. According to the Guardian columnist George Monbiot, “freedom from regulation means the freedom to poison rivers, endanger workers,” (Monboit, 2016) etc., but not for the poorest to restructure their own lives, collectivize, or be lifted out of poverty. Instead, Harvey writes, “neoliberalism [only] confers rights and freedoms on those whose income, leisure and security need no enhancing” (Harvey, p. 38).

The global economic institutions of the liberal Washington Consensus (International Monetary Fund, World Bank) and later additions (for example, the World Trade Organization) have grown in importance in the past half century, often at the expense of national governments abandoning democracy would open a Pandora’s Box filled with the potential for elite conflict.” [Evans, “Is An Alternative Globalization Possible?,” 245.]
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(Evans, p. 274). Additionally, these institutions have, as historian Niklas Olsen argues, been “immunized against the pressure of mass democracy to protect the market order” (Zamora, 2019).

Author Naomi Klein (2008) has thoroughly investigated how deregulation and privatization policies have been thrust on countries in the wake of manufactured crises. Nevertheless, even when these steps are taken willingly, they are often inevitable: governments seeking loans or investment often face a forced choice between economic stimulus and protecting their citizens. Leading presidential candidates across the planet are similarly loath to go against the neoliberal consensus and thus risk a withdrawal of Wall Street money and economic crises. Even in rich nations, standing in the way of neoliberal expansion is equated with a ‘loss of competitiveness’ in the global financial market. However, as Evans (2008) points out, ‘there is no alternative’ (TINA) is also a convenient narrative for political elites to resort to when confronted by an irate constituency (p. 274-5).

Privatization and deregulation have had a particularly pernicious effect on news media. Together with the advent of 24-hour news television channels, neoliberal policies have eroded journalistic integrity in favour of for-profit ‘stories’ and ‘spectacles’. Truth is less important than ratings - a fact even President Trump was not too self-absorbed to fathom (Temelkuran, 2019, p. 111).² Thus, news media - particularly, though not exclusively, in the United States - have aided the rise of illiberal or anti-democratic forces, solely in the pursuit of profit. Or, as the CEO of the

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²“Even the media, the media will absolutely support me, sometimes prior to the election. All those horrible people back there, they’re going to support me. You know why? Because if somebody else won, their ratings would go down, they all would be out of business. Nobody would watch. They all would be out of business.” [Donald Trump as quoted in Ece Temelkuran, How to Lose a Country, (4th Estate, 2019): 111.]
CBS broadcasting company so succinctly put it (commenting on Donald Trump’s run for the Oval Office): “it might not be good for America, but it’s good for us.” Privatization has not so much defanged news media, as it has intoxicated them. When, as DemocracyNow! (2016) reports, during the 2016 presidential primaries, more collective screen time by the major American news channels was devoted to showing Donald Trump’s empty podium in anticipation of his buffoonery than was spent covering the leading left-wing contender, Bernie Sanders (whose poll numbers were on par with Trump’s), it is no wonder that the American electorate chose the man more inclined to disregard democratic checks and balances and less willing to empower working- and middle-class Americans (Ibid). The slow death of the fourth estate - at least in the mainstream - has weakened politicians’ democratic accountability to their electorate. All the consequences laid out here have occurred without the aid of authoritarian intervention or ideological influence. Though, as Harvey points out, the manufacturing of consent for the neoliberal project has also relied heavily on “captur[ing] certain segments of the media” (Harvey, p. 40).

However, this paper argues that the most important development in eliciting consent for anti-democratic neoliberal practices has been the appeal to individuality and personal freedom. The neoliberalization of the market came paired with a neoliberalization of culture: elites supported “all manner of diverse cosmopolitan currents” in order to support a culture of “narcissistic exploration of the self” (Harvey, p. 47). As per Charles Taylor (2004), individual rights and freedoms are the bedrock of the shared conception of liberal modernity. The Canadian philosopher finds their source in the establishment of a market economy during the 19th Century, which, for the first time, was driven by individual wants and needs and, conversely, necessitated
that individuals conduct business on an even playing field, each bestowed with the same rights. Neoliberalism did not invent this. Instead, it found an already-fertile ground among the general (Western) public, in which elitist economic paradigms would be welcomed, so long as they were “disguised as cultural ones,” (Harvey, p. 39) stressing the uniqueness of individuals over their role within the collective (as stated in this paper’s introduction). However, this atomization came intimately coupled with a second development: the citizen’s metamorphosis into a consumer.

Neoliberalism, political theorist and author Wendy Brown argues, has ‘undone the demos’ (Brown, 2017). Democracy has ‘turned into a marketplace’ (literally, in the case of American campaign donation practices) in which the basis of democracy - citizen equality, a balanced share of power, people’s collective choice of which values to uphold and societal goals to pursue - has been replaced with market forces and the insular ‘sovereign consumer’ (Olsen, 2018).\(^3\) Brown argues that there has always been an inherent tension between capitalism and democracy, but that traditional liberalism upheld democratic aspirations, while markets were employed only as tools to enhance citizen’s prosperity (Brown, 2017). Capitalism derived its legitimacy from democracy. Yet readers of Polanyi (2001) will know that liberal economics were also violently rejected in the 19th and early 20th Centuries (p. xxii). The free market failed, according to the Austro-Hungarian economic historian, because it did not serve social ends; it did not reflect society (Polanyi, 2001, p.257). Consequently, the following section will position neoliberalism in the larger liberal social imaginary, arguing that - far from opposing ideologies - liberalism and neoliberalism are based on

\(^3\) A term first used by historian Niklas Olsen in his eponymous history of neoliberalism [Niklas Olsen, *The Sovereign Consumer: A New Intellectual History of Neoliberalism* (Palgrave Macmillan, 2018).]
the same fallacy - namely, that individuals can be divorced from society. It will first outline the liberal source of atomization and its effect on the modern individual, then briefly highlight how a rejection of the status quo has further eroded democratic institutions across the globe.

**Modern Social Imaginaries:**

Neoliberal ‘privatization’ refers not only to models of ownership; individual lives, too, have been ‘privatized’. Taylor (1992) writes that they have been “flattened and narrowed” in modernity (p. 4). This has had damaging consequences: a 2018 Economist study showed that more than two in ten people in the US and the United Kingdom (UK) suffer from acute loneliness - the magazine termed it an “epidemic” (the UK even appointed a Minister for Loneliness that year) (The Economist, 2018). There have been many contributing factors: the rise of social technology in the past century is one. As historian Chris Wright (2018) writes in a *CounterPunch* article:

“It seems to me that electronic mediation of human relationships, and of life itself, is inherently alienating and destructive, insofar as it atomizes or isolates. There’s something anti-humanistic about having one’s life be determined by algorithms (algorithms invented and deployed, in many cases, by private corporations).”

As if to underline this argument, Facebook only recently (2017) thought to change its mission statement from the quite uninspired “making the world more open and connected” to a warmer
“give people the power to build community and bring the world closer together” (The Economist, 2018).

The perennial ‘alienation of labour,’ too, has been a factor. The commodification of labour (alongside nature and money) is one of the defining characteristics of the liberal paradigm, as per Polanyi: “to separate labour from other activities of life and subject it to the laws of the market was to annihilate all organic forms of existence and replace them by a different type of organization, an atomistic and individualistic one” (Polyani, p. 171).\(^4\) This process was completed under the banner of freedom of choice; non-contractual and land-based ties had to be liquidated so as to enable the mobility of labour, an imperative under the free market (Polanyi, 2001). A similar development can be observed today: free trade and globalization\(^5\) has brought people across the globe closer together, yet in doing so, it has also undone many a social fabric. “Don’t ask me where I’m from, ask me where I’m local,” urges novelist Taiye Selasi (2014), representing a new breed of mixed-heritage, cosmopolitan individuals. However, by demanding to be seen as unique, separate from a larger national collective, she is also contributing to her own insulation. While this post-national sentiment will continue to spread, society’s social contract remains tied to national governments under the Westphalian order. As has been demonstrated in the Fall of 2019 in the streets of Santiago, Beirut and Hong Kong, social change - even in opposition to neoliberal policies - remains anchored to collective national unity.

\(^4\) Polanyi compares this development to that of colonialism. (Polanyi, *The Great Transformation*, 171.)

\(^5\) Not to speak of the increasing patterns of south-to-north migration, which are quite often catalyzed by north-to-south neoliberal imposition and resource extraction.
Finally, authors across the board have noted a loss of meaning in modernity. Taylor (1994) writes that, “anthropocentrism, by abolishing all horizons of significance, threatens us with a loss of meaning and hence a trivialization of our predicament” (p. 68). He attributes this development to runaway individualism, the primacy of instrumental reason, and institutions that force reason over morality (his “three malaises of modernity”) (Taylor, 1994). The loss of meaning can be traced back to the Enlightenment’s “‘disestablishment’ of religion” (Schubert, p. 168) and the construction of an Apollonian, secular (and allegedly freer) society (Weber, 1905). Yet irreligion alone cannot account for the loss of meaning. Ece Temelkuran (2019), a Turkish journalist, in describing neoliberalism’s advance in her country, says that “[...] morality was corralled into the holding pen of religion, religion itself was crippled and cropped into marked-friendly ‘spiritualities’” (p. 119). Self-sacrifice and solidarity - even morality itself - were confined to the nuclear family and “exiled” from the public sphere under neoliberalism (Temelkuran, 2019, p.120). An “acceptable amount of apathy was crucial” to endure the stark inequalities of the neoliberal system, and thus purposely cultivated by elites (Temelkuran, 2019, p.184).

The loss of meaning can be attributed to the general atomization of society in the name of personal freedoms. This is not only, as Polanyi illustrated it in the 20th Century, due to a failure of the economic system in reflecting society, but also because the neoliberal economic paradigm has succeeded in reshaping social and political relationships in its image. Yet, as German philosopher Jürgen Habermas (1994) writes: “the identity of the individual is interwoven with

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6 Though it could also be argued that individualism had its inception in early Protestant ethics, which stressed individual responsibility, as Max Weber famously argued in *The Protestant Ethic and the Spirit of Capitalism* (1905).
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collective identities and can be stabilized only in a cultural network that cannot be appropriated as private property any more than the mother tongue itself can be” (p. 129). John Donne’s (1959) pronouncement that “no man is an Iland, intire of it selfe” (p. 109) never rang truer, nor more false. As has been shown in this section, the tensions between interconnectivity and loneliness, between individualist cosmopolitanism and the Westphalian order with its national social contract, between the loss of morality and the demand for meaning, and between personal freedoms and the individual’s social inclination have been exacerbated by the infusion of neoliberalism, though not caused by it.

Increasingly, people are acknowledging not only the detrimental effects of neoliberalism, but the inherent inconsistencies in the liberal social imaginary. A particularly ugly reaction - anti-democratic populism - has been investigated by Temelkuran (2019), mirroring Polanyi’s (2001) thesis, which holds that fascism was a reaction to liberal economic policies (p. 245). Anti-democratic populism, in a perverse reversal of neoliberalism’s promises, justifies the loss of personal freedoms with a supposed return to community ties (be they national, ethnic, or ideological) (Harvey, p. 79). Yet its erosion of the collective agency bestowed by popular sovereignty and the public sphere (similar to neoliberalism) reveals populism’s limited potential. Habermas (1994) writes that - much like Islamic fundamentalism - populism and nationalism simply “apes a substance that has already disintegrated” (p. 132).

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7 She argues that atomization, the loss of meaning and the cultivation of apathy are some of its main drivers. (Temelkuran, How to Lose a Country, 187)
8 He called it a “reform of market economy achieved at the price of the extirpation of all democratic institutions.” (Polanyi, The Great Transformation, 245.)
Alternatives & Conclusions:

This paper has outlined the modern crisis of liberalism, distilled by neoliberalism: its threat to democracy (both inherent in neoliberalism, and as a result of populist reactions) as well as its detrimental effect on the individual and their social ties. It is not enough to condemn neoliberalism: its liberal foundation, too, faces insurmountable challenges. The modern social imaginary of democracy - where it exists - has thinned: for most, it is confined to voting in national or local elections. Even where collective organization occurs, such as in Hong Kong, for example, it is mostly framed negatively, as a rejection of authoritarian impositions, rather than as a collective vision of the ‘good life’. Harvey (2005) criticizes neoliberalists for preferring to rule by “executive order and by judicial decision making” (p. 66), yet, as contemporary American philosopher Cornel West counters in What is Democracy? (2018) with a reference to Plato’s challenge, it is precisely through these institutions, rather than through the popular vote, that racist segregation policies ended in the US. The issue, it seems, goes deeper than neoliberalism; democracy needs to be rethought, too.

It is tempting to call for a return to the agora and Periclesian exclusivity in citizenship. Political identity should be localized and extend beyond simply voting whom to be governed by. The social contract - if the market-inspired language did not already make it apparent - is a concept which not only seems outdated, but is also, according to Polanyi (2001), based on societal constructions that are entirely “unnatural” to humans.(p. 257). Part of the solution will certainly entail rebuilding social “bonds of solidarity,” (Temelkuran, 2019, p. 201) and an “effective common purpose through democratic action,” (Taylor, 1994, p. 117) as have advised
Temelkuran and Taylor - ‘democracy with a human face’, if you will. Yet much has changed since the era of the homogenous Athenian polis. No model of alternative modernity can be justified that does not account for globalization and multiculturalism. In this vein, Evans (2008) calls for ‘counter-hegemonic globalization.’ He writes:

If we compare the extent to which communities’ lives were shaped by rules formulated by national governments in the eighteenth and nineteenth centuries to the extent to which the lives of contemporary communities are shaped by rules generated at the global level, the institutions of twenty-first-century global governance look like a target at least as alluring as their nineteenth-century national counterparts (p. 288).

Already, national pro-democracy and anti-neoliberal protests are inspiring one another - for example, during 2011’s Arab Spring, or during the protests which have rocked Hong Kong, the South American continent, and parts of the Middle East in 2019. The Westphalian order is unlikely to be completely overthrown. Instead, democratic movements ought to outgrow the national stage like a rhizome (to borrow Evans’ metaphor), both into the local and into the global. Increasingly, the most important cartographic revisions the coming generations will experience will not be shifting national borders, but receding coastlines. This apocalyptic challenge

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9 It would not be unthinkable to see, for instance, labourers of multinational companies, such as Amazon, striking against working conditions on a global scale in the near future.
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necessitates a fully inspired local electorate, a functioning national democracy, as well as effective collective action which transcends borders. An alternative to liberal modernity is needed.
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