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Introduction

Neoliberalism’s afterlives: states of neoliberalism, power and resistance in post-crisis societies

Despite neoliberalism’s contested status, its ‘rascal’ character (Peck et al., 2010), and its shadowy existence (Mudge, 2014), there has been a further surge of interest in neoliberalism since the 2008 global financial crisis. Although that crisis appeared to deal a fatal blow to neoliberal ideology, since then neoliberalism has not only survived but thrives. This is despite generating ‘morbid symptoms’ (Gramsci, 1971: 276) of extreme inequality and unsustainable economic growth at enormous social cost and in increasingly coercive conditions. We look at this phase of neoliberalism as its afterlife: though it remains dominant it is mutating in a multitude of ways to maintain dominance in the face of increasing intellectual critique, popular discontent and loss of legitimacy. Never existing as a pristine set of ideas and principles (as we explore further below), neoliberalism continues to generate new ‘fixes’ to the crises it produces. Various prefixes thus attempt to capture new manifestations of neoliberal surviving and thriving post-crisis including, somewhat paradoxically, ‘zombie neoliberalism’ (Peck, 2010a); neo-liberalism 3.0 (Hendrikse and Sidaway, 2010); ‘embedded neoliberalism’ (Cahill, 2014); late neoliberalism (McGimpsey, 2017); and too-late liberalism (McFalls and Pandolfi, 2017). These various labels attempt to capture the adaptability of neoliberalism, its ability to manage its contradictions and to overcome its decline in legitimacy since the crisis. At the same time, there has been an amplification of authoritarian and populist forms of neoliberalism (Konings, 2012a; Bruff, 2014). In particular, inasmuch as the election of Trump in the US and Brexit in the UK are events which represent rising discontent with the social harms and economic costs of neoliberalisation, they are also testament to the
ways the political machinery associated with neoliberalism retains a vortex-like power (Crouch, 2017a), enfolding dissent and using nationalistic, racist and other exclusionary registers to displace this discontent. Such events complexify the terrain of dissent and resistance against neoliberalism since the crisis, which has also included a range of anti-austerity movements associated with socialist alternatives. Resistance, in a variety of forms and scales, has essentially co-existed with neoliberalism since the 1970s, as the conditions neoliberalism creates simultaneously co-create conditions for resistance (Featherstone et al., 2015). However, as this issue demonstrates, efforts to imagine, forge and sustain progressive alternatives to austerity have faced increasingly hostile conditions since 2008.

In this multi-faceted context, the articles in this themed issue aim to take stock of the implications of neoliberalism’s afterlife for welfare capitalism or, perhaps more precisely, austerity capitalism, as statecraft and social policy has shifted further towards supporting capital accumulation via austerity rather than welfare. As a term previously used in the 1970s and early 1980s to critique the turn towards new right economic policies that promoted capital over labour, welfare and the environment (Nasser, 1976; Horton, 1981), the 2008 crisis has ushered in a new, and more intense, cycle of austerity capitalism. At the same time, as indicated by the proliferation of ways of understanding neoliberalism post crisis, austerity capitalism cannot be understood as a monolithic or formulaic imposition of coherent neoliberal policy prescriptions and ideas. From emerging interest in neoliberalism in the 1990s, in which accounts tended to equate it with market fundamentalism and the ‘heartland’ ideologies of Thatcherism and Reaganism (Davies, 2014); in the intervening period, theoretical and geographic-historical understandings of neoliberalism have advanced to give much more nuanced accounts of neoliberalism and how it evolves (Harvey, 2005; Mirowski and Plehwe, 2009; Peck 2010). With these points in mind, this issue aims to examine the
spatially specific, strategic and contingent responses to the 2008s crisis and the austerity capitalism that has followed, and the key currents shaping the direction of change and dynamics of locally embedded constellations of neoliberalism. The remainder of this brief introduction contextualises some the core contributions made by the individual articles within an overview of some of the core theoretical co-ordinates for understanding contemporary neo-liberalism.

One of the most illuminating and productive interventions into understanding neoliberalism is Brenner and Theodore’s (2002) invocation of ‘actually existing neoliberalism’. This concept reminds us that we need to engage with the ‘contextual embeddedness of neoliberal restructuring projects insofar as they have been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles’ (Brenner and Theodore, 2002: 351). Such a way of looking at neoliberalism attunes us to its processual and variegated nature (Brenner et al., 2010), which is a way of looking at neoliberalism as neoliberalisation, that is, as a process and something which is continually made and re-made rather than a static, ahistorical set of ideas, policies and programmes. From its early coercive implementation in Chile and Argentina in the 1970s, to its adoption in the US and the UK in the 1980s, to the structural adjustment programmes spread by the IMF across parts of Latin America, South East Asia, Africa and Central and Eastern Europe, to the growth of the ‘neo liberalised left’ (Mudge, 2008) in Europe by the 2000s, the history of neoliberalism is not one of smooth linear development or one in which ideas are transplanted from core ideological locations and actors to peripheral regions. Rather, as Harvey (2005: 9) observes, the ‘uneven geographical development of neoliberalism on the world stage has evidently been a very complex process entailing multiple determinations and not a little chaos and confusion’. Continuing in this vein,
the articles in this issue thus document some of the ways in which neoliberalism is actually existing post-crisis.

The opening article by Farnsworth and Irving sheds some light on contemporary austerity, which they term ‘neo-austerity’. This, they argue, has become a vehicle for less restrained forms of neoliberalism than heretofore, offering a pragmatic shield and operating on a solely economic register of ‘truth,’ thus appearing politically ambiguous and not overtly ideological. At the same time, as a key component of ‘actually existing neoliberalism’, austerity is a flexible credo. This is evidenced by the vacillating discourse of one of its key transnational propagators, the IMF, who Farnsworth and Irving suggest has recently incorporated concerns with inequality, poverty and social protection into austerity discourse, but ultimately as a project of neoliberal ‘self-preservation’. The ‘flexibility’ with which austerity is imposed is also highlighted by a number of articles which comparatively survey austerity capitalism across countries which bear some ‘family resemblances’ in relation to processes of neoliberalisation, including Ireland, the UK and the US (Kennett and Dukelow, this issue); Hungary and Poland (xx and xx, this issue); and the Southern European states of Greece, Italy, Spain and Portugal (Papadopoulos and Roumpakis, this issue). Using frames of disciplinary neoliberalism, authoritarian neoliberalism and the ‘iron cage’ of ordoliberalism respectively these articles demonstrate the differing contextual dynamics of how austerity is pursued, and its implications for different groups in the population and for different parts of the welfare state. Yet, despite differences, all articles observe increasingly coercive ways in which neoliberalism via austerity is evolving.

This emphasis on coercion is a cue to the importance of being attuned to the role of the state and state institutions in understanding neoliberalism, as it actually exists. The crisis has been a reminder that pragmatism and particular dynamics of class power nationally and
internationally drive neoliberalism, superseding notions of neoliberalism as an ideological or theoretical utopia driven by ideas of free and competitive market forces (Harvey, 2005). As Konings (2012b: 64, emphasis in the original) remarks ‘neoliberal practices have never been very neoliberal in spirit’. Conceptual observations, such as neoliberalism ‘beyond the free market’ (Cahill et al, 2012); ‘roll back’ and ‘roll out’ neo-liberalism (Peck, 2010b); the ‘free market and the strong state’ (Dean, 2012) all point to the ways in which the state plays a strong hand in both forging and dealing with the breakdowns of what on the surface might appear as the ‘free market and the minimal state’, and in compelling non-market/public institutions as well as communities and individuals to think, behave and compete as market-like actors. Some of these observations are not necessarily new (see for example, Gamble 1988) but the aftermath of the financial crisis and state rescue of financial systems reinforces ways in which neoliberalism requires state intervention and operates on both pro-corporate and anti-welfare state registers. As Peck (2010b: 9) suggests, ‘neoliberalism in its various guises, has always been about the capture and reuse of the state, in the interests of shaping a pro-corporate, freer trading “market order”’. In particular, it is in crisis times that this re-tasking is heightened, when what are deemed emergencies require exceptional measures and ‘decisive leadership’. The role of the state in rescuing insolvent banks and the continued dominance of financial capital interests in the more financialised welfare states of the UK, Ireland and US, and consequent the stepping up of what Kennett and Dukelow identify as the coercive commodification of social policy, where people are compelled to bear the burdens of debt and poverty in increasingly pro-corporate housing and labour markets, is a clear example of this. A particularly European branch of neoliberalism, originating in German ordoliberalism (Davies, 2014), also belies the anti-statist aura of neoliberal ideology, and now ‘uploaded’ at EU level as Papadopoulos and Roumpakis suggest, is based on the belief that
markets, left alone, cannot be relied upon to operate competitively but require state intervention and regulation to do so, and by which the state must also conform. The transnational imposition, and dramatic acceleration since the financial crisis, of (ordo)neoliberal rule via the increasingly financialised EU therefore imposes an ‘iron cage’ of budgetary rules, in the name of market conformity. This is the case not only on already neoliberalised Ireland (Kennett and Dukelow, this issue) but also, with devastating and undemocratic effect, on the familistic traditions of the Southern European welfare and their ability to provide social protection as Papadopoulos and Rompakis’s article demonstrates.

This brings us to another key point about the nature of actually existing neoliberalism, that is, neoliberalism’s tense relationship with democracy, a feature which is again coming to the fore in how neoliberalism is evolving post-crisis. As Dean (2012: 78) points out, its predilection, in practice, for strong states, is not only to ‘promote economic freedom and markets’ but to ‘neutralise the pathologies of democracy’ that would sway state action off this course. Seen, amongst other things, in efforts to ‘constitutionalise austerity’ (Bruff, 2014); in the shift from a ‘social’ to a ‘financial’ Europe (Gill, 2016); and in the rise of the European consolidation state (Streeck, 2014); in its increasingly authoritarian forms neoliberalism is not only about securing the interests of capital, but about displacing the contradictions and tensions created by globalisation, financialisation and austerity capitalism to ‘others’ who are deemed to damage prosperity and threaten national security and identity.

Turning to strategies that attempt to maintain neoliberal legitimacy via appeals to national control and nation-state identity (Duménil and Lévy, 2016; Crouch, 2017b), such appeals also rehearse the well-worn scripts of classed, gendered and racialised power hierarchies whilst disempowering alliances that attempt to defend the welfare state. As xx and xx (this issue) demonstrate authoritarian neoliberalism, resting on a mix of authoritarianism, national and
populism, has intensified since the 2008 economic crisis in Hungary and, following a retreat, has re-emerged more recently in Poland. In both countries, populist, right wing and ‘illiberal’ nationalist governments fuse with competitive, market friendly neoliberal economic policies. The result, xx and xx find, are countries which exemplify a regime which de-mobilises dissent whilst simultaneously mobilising social insecurities and reconfiguring the welfare state to engineer regressive and exclusionary forms of redistribution, variously based on ethnic, religious, social, gender and familial divides. Not isolated to the newer democracies of Central Europe, the election of Trump in the US and Brexit in the UK, are also indicative of the mobilisation of radical right wing nationalist sentiment as a way of securing legitimacy for neoliberalism and its economic fallout (Kennett and Dukelow, this issue).

While shifts to the radical right might be seen as one outcome of discontent with the current situation, the crisis has also generated new mobilisations against neo-liberalism, evident in anti-austerity protests and politics across all countries surveyed in this issue. This has included resistance against neoliberalism but also includes, as Ishkanian and Glausius demonstrate in their article on ‘squares’ protest and encampments in London, Cairo and Athens, activism around the need for ‘real’ democracy and for social justice, and related practices of solidarity and mutual support, which go beyond neoliberalism as a mobilising issue. However, many questions remain, as Ishkanian and Glausius acknowledge, about the extent to which resistive practices can be scaled up and about the ideological heterogeneity of such movements, which have ultimately fragmented and dissipated. In the case of the Southern European states revolt against austerity, Papadopoulos and Roumpakis also express doubt about the ability of either grassroots activism or the longer term ability of the rise of radical left wing politics to challenge ordoliberal orthodoxy in Europe, given Greece’s brutal experience. Sober conclusions are also made by Grugel and Riggirrozi in the issue’s final
article on recent Latin American experience. Latin America’s wave of ‘post neoliberal’ governments in the early 2000s, albeit exhibiting diverse political traditions, offered substance for ‘actually existing’ alternatives to neoliberalism and a challenge to neoliberalism’s dominance elsewhere. Significant advances were made in expanding welfare and pursuing projects of redistribution. However, the challenges of embedding these initiatives in neo-liberalised economies with fragile democracies and the waning of the Latin American Left against a creeping return to neoliberalism also punctures that region’s post-neoliberalism as a source of resistance to neoliberalism’s continued global dominance.

References


