NEO-LIBERALISM IN A NUTSHELL

by Pamela Sparr

Common economic goals in the ideology

1) "Liberate" business from government controls.

The theory is that the market works best when it is unregulated or minimally regulated, but the social and environmental costs are never factored in the simple version of the theory. The more sophisticated version subjects social and environmental concerns to cost-benefit analysis, which is a highly questionable approach, particularly if one starts from a human rights or ethical perspective.

2) Cut taxes on corporations and high-income individuals.

In theory, the cuts will stimulate investment. Yet, this has not always happened. Often the freed-up money is used in conspicuous consumption, non-productive speculation, or is moved to other countries.

3) Reduce government budget deficits.

Whether this actually occurs varies from country to country. In fact, this goal generally is Implemented with a double standard: reduce social spending, but preserve defense spending from comparable cuts. Additionally, in practice, governments often may have a double standard when it comes to cutting subsidies as a way tocurb deficits: eliminating or reducing them for poor people, but retaining or increasing various tax incentives for corporations and wealthy individuals.

4) Privatize public services and enterprises.

The belief is that the private sector can do it better. Governments may "clean-up" public companies to make them more profitable and attractive to investors. This can involve recapitalizing them and firing many employees. For many countries in Central and Eastern Europe as well as those in the global South, privatization has meant that foreign Investors have purchased the most profitable and strategic companies, including such things as buying up public pension systems.

5) Further open trade and financial systems and put downward pressure on wages and benefits to enhance the profitability and competitiveness of corporations, particularly transnationals (TNCs).

One needs to examine the assumption here than when TNCs are healthy, so too, are nation states. Also, one needs to question the notion that economic competitiveness should be the exclusive or a primary underlying principle for designing an economy.

Have you thought about....

A common thread in globalization and economic restructuring along neo-liberal lines is the gender subordination visible in the outcomes. The restructuring which has and is occurring relies on and exacerbates the exploitation of women's time, energy, labor and sexuality. This is true whether we use a Southern country like Mexico or the Philippines, an "economy-in-transition" like Romania, Poland or the former German Democratic Republic, or a Northern country like England, the U.S. or Canada.

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Common social and political themes in the ideology

1) Equate capitalism with democracy.

2) Equate democracy with political and civil rights, not economic rights.

3) Encourage materialism (consumerism), individualism (entrepreneurship can be one form), competition, and private life; downplay compassion, social and environmental justice, equality and public life (the common good).

4) Reduce all political debates to economics, so that all public policy decision-making is based on a cost-benefit or bottom-line approach.

5) Legitimate the existence of a social hierarchy.

6) Blame people for their condition -- focus the debate on individual choices, options, opportunities, rights. Downplay or ignore systemic, structural, and institutional causes of problems and public responsibilities.

7) Re-instill "traditional" values and forms of social organization (i.e. try to dismantle changes in family and household structures; political and social gains made by people of color, women, organized labor, gays and lesbians, etc.).

Have you thought about...

Part of the neoconservative social agenda is a response to changing social mores, greater racial, ethnic and cultural diversity in populations, the effectiveness of various "progressive" or "liberal" political movements, and what neo-conservatives (a.k.a. neo-liberals) perceive to be a loss of power. As we witness growing impoverishment, unemployment and social deterioration in many nations, politicians and community leaders with a neo-liberal philosophy play upon people's fears and desires to find easy solutions or targets for blame and possible violence. Those targets may be different in different countries; all too often they include racial-ethnic or religious minorities and women.

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