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## BOOK REVIEWS

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**Thomas Biebricher**

**The Political Theory of Neoliberalism**

Stanford University Press, Palo Alto, 2019, 272 pp., \$40, paperback.

**Reviewed by Brent Toye**

Thomas Biebricher's excellent book on neoliberalism reconstructs the intellectual lineage of this ideology by examining the work of key neoliberal thinkers like Hayek, Röpke and Buchanan in relation to four traditional categories of political thought: the *state*, *democracy*, *science*, and *politics*. This theoretical canvass is situated in the second part of the book in relation to a major example of 'actually existing neoliberalism' – contemporary European Integration – to demonstrate the impact of neoliberal ideas on concrete reform projects.

Biebricher begins by asking 'what is neoliberalism?'; a question that has become both more frequent and relevant as the term has gained popularity. His answer is that it is not a specific set of policies – deregulation, privatisation, marketisation – but a specific problematic related to the failings of Nineteenth Century *laissez-faire* liberalism. What unites neoliberal thinkers is their shared concern for understanding the preconditions of a functioning market-based society and their concomitant critique of state-led forms of planning and collectivism. Early neoliberal thought in the 1920s and 1930s was in reaction to emerging forms of ('socialist') state planning. Following the Second World War, the adversary of neoliberalism shifted from planning to the quickly-growing welfare state. Key institutional and ideological components of Twentieth Century state development – planning, collectivism and the welfare state – were seen as symptomatic of the decline of Nineteenth Century liberalism. Yet, rather than simply seek to revitalise the latter, neoliberals abandoned the doctrine of self-regulating markets that failed to be

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sustainable in-practice. Instead, proponents saw their project less as an attempt to restore ‘free’ markets *per se*, than to institutionalise – with the help of the state – the conditions of *functioning* markets in capitalist political economies.

As detailed by Biebricher, there was great diversity in how different neoliberal theorists viewed these aspects of a polity and their relationship to establishing a functioning market order. Looking at the state, for instance, there is a natural tension between neoliberal authors that stress the centralisation and autonomy of state power in order to enforce a market order, and those that see political decentralisation as a beneficial and market-enhancing constraint on state intervention. A similar tension exists between prescriptions that, on the one hand, call for the substitution of market-enhancing technocratic governance for democratic decision-making, and populist tendencies that see direct forms of democracy as a check on wasteful political elites.

The ambiguity of neoliberal thought makes it all-the-more important to devise a framework for understanding its influence on politics. In this respect, Biebricher situates his analysis in the tradition of discursive institutionalism (for an overview, see: Hay 2001; Schmidt 2008). The latter is part of the historical institutionalist revival within the social sciences that began in the 1970s and has focused on the role of historical context and institutions in shaping political behaviour. Discursive (that is, constructivist/ideational) institutionalism emerged partly as a critique of the dominant strands of historical institutionalism, which were accused – due to their emphasis on institutional path-dependency and stability – of being unable to account for political change. Discursive institutionalists argue that ideas themselves are significant explanatory variables and not just supplementary to institutions and interests. Rather than the latter producing ideas, ideas are believed to form the ‘meaning context’ in which institutions and interests emerge, and are also reproduced (Schmidt 2008).

Biebricher applies this analytical framework to the question of European integration and the 2010 Eurozone Crisis. Along with Blyth (2002), he argues that while ideas always matter to politics, they particularly matter in moments of crisis, when stable institutions seemingly crumble and long-held beliefs about the functioning of society dissipate. In these moments, ideas can have a decisive influence on social and political development. Biebricher argues European elites were guided predominately by ordoliberalism in the aftermath of the Eurozone Crisis – a German strand

of neoliberal theory that emphasises the role of the state in enforcing a competitive market-order.

It is here where the argument about the role of ideas in the political process becomes slightly less convincing. Biebricher's account of the ordoliberalisation of Europe is largely circumstantial. He demonstrates how the EU's overall emphasis on price stability, unlimited individual liability, technocratic governance, and market competition conform to ordoliberal principles, but is unable to reconstruct how this influence plays out in a convincing *causal* account. One part of the problem is methodological. As is often noted, it is hard to find a 'smoking gun' that explicitly links philosophical ideas to concrete policy proposals. That being said, some of the more successful accounts on the role of ideas in the policy-making process are able to trace the ideological influence of policy networks and the philosophical biographies of key players within them (*eg.*, Blyth 2002).

A more significant issue is theoretical. You would be hard-pressed to find a political economist that does not think 'ideas matter'. The debate is really about *under what conditions* ideas become persuasive and can be implemented (Hall 1989). While Biebricher is quick to add that ideas are not the *only* factors that matter, without a more comprehensive account linking theoretical neoliberalism to class relations, institutions, and pre-existing ideological norms – in other words, to a theory of how ideas are 'socially embedded' (Cahill 2014) – it is hard not to see them as free-floating factors that are 'added on top' of existing institutional and interest-based analyses, something that Biebricher precisely seeks to avoid.

This, however, is only a relatively minor squabble with the last section of Part II of *The Political Theory of Neoliberalism* which, admittedly, is intended to be more exploratory and suggestive than represent a finished analytical product. The real strength of the book lies in its immanent critique of neoliberal thought found throughout, as Biebricher meticulously deconstructs the work of Hayek, Friedman, Eucken, and others to highlight the inherent contradictions and limitations of their perspectives on the state, democracy, science and politics. For the Left and progressive academics, the book is a great resource for understanding neoliberalism directly from the texts of its main proponents. This is something that is desperately needed as the concept of neoliberalism itself has become increasingly stretched the more it has been popularised.

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## Michael Lind

### **The New Class War: Saving Democracy from the Metropolitan Elite**

Atlantic Books, London, 2020, 224pp., \$28, hardback.

### **Reviewed by Gábor Scheiring**

Class analysis is back. Skyrocketing inequalities, the stagnation and marginalisation of the traditional working class, and the right-wing nationalist revolt have pushed issues of class into the limelight. The 2010s saw the publication of numerous books on the working class, causing quite a stir both in academia and public discourse (see the review by Bergfeld 2019). These phenomena challenged the view of 'classless' societies, dominant from the 1980s to the 2000s, that suggested individual success was determined solely by individual abilities or ethnic/gender hierarchies. Fitting into this class renaissance is Michael Lind's provocative, incisive, yet structurally flawed book on class war.

Lind is both an academic and a journalist, whose writings always draw public attention across the political spectrum in the US. He is an excellent writer. His sentences are short and punchy, his argument is clear, and his message is dear to the heart of a reader who is sensitive to the problems of our times: 'Demagogic populism is a symptom. Technocratic neoliberalism is the disease. Democratic pluralism is the cure' (p. xv).

These are the closing sentences of his introduction, raising the bar of expectations high – unfortunately, only to be knocked-down later.

Lind is challenging to classify. He is regarded as a right-wing intellectual, while his dominant views could be summed-up as progressive economic nationalism. He is a native Texan, presently a Professor at the University of Texas at Austin. He began his public policy career as an employee of the conservative Heritage Foundation (1988-1990), worked at the State Department under George Bush Sr. (1990-1991), and then continued as executive editor of the also conservative *National Interest* (1991-1994).

Later he turned slightly from right to left. In the 1990s, he became the editor of the liberal-conservative *New Republic*, which is now regarded as progressive. He also worked for the *New Yorker* for some time. In 1999, he and some of his colleagues co-founded the New America think tank, a centrist-liberal lab open to the left. Lind is a follower of Alexander Hamilton, the father of American economic nationalism, who has seen a great come-back in recent years. Despite his early neo-con affiliations, Lind is now a major critic of libertarianism and a proud heir to the spirit of the New Deal.

Anti-elitism is nothing new to the American conservative movement. A significant portion of the New Right is fiercely critical of liberal elites, while supporting traditionalist worker-populism. This is the right-wing populism of the family-centered and religious ‘underclass’ rooted in local traditions (Denen 2020). Lind stands to the left of this world, believing in trade unions instead of the church, pluralism instead of traditions, class consciousness instead of family, nation-state instead of small community – he is, nevertheless, fundamentally right-wing.

Lind’s worldview indicates the confusion of our time’s political coordinates, where the prominent critic of the technocratic-liberal ruling class is not social democracy but right-wing, economic nationalist populism. This social-protectionist conservatism stands behind Trump’s success, even if most of Trump’s policies have harmed the working class. This economic nationalist populism is, in many ways, more receptive to the values and interests of the American working class than contemporary centrist liberalism. Another much-cited book of this new right-wing anti-elitism is J.D. Vance’s (2016) autobiographical bestseller, *Hillbilly Elegy*.

As the progressive movement’s situation after Sanders is uncertain, the question remains whether the left will be able to return to its social roots, or whether the new right will permanently oust it from there. This new

right paradox is that it successfully combines economic nationalist worker populism with neoliberalism that strengthens business elites. As Hacker and Pierson (2020) summarise the political paradox of the day:

To advance an unpopular plutocratic agenda, Republicans have escalated white backlash – and increasingly undermined democracy. In the United States, then, plutocracy and right-wing populism have not been opposing forces.

Besides Trump, the Brexit movement is also an excellent example of the success of this combination. Brexit's top supporters include die-hard neoliberals, who have built an ideology and political strategy on Thatcher's infamous anti-EU remark (Thatcher 1988): 'We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level.' In my home country, Hungary, Viktor Orbán's illiberal 'Orbanomics' is also remarkably creative in combining neoliberalism with populism, promoting foreign and domestic capital, while pacifying the regime's economic victims with national-populist chest-beating (Scheiring 2020a).

Lind is right when he vigorously emphasises that democracy is a class compromise: 'No theory, no promises, no morality, no amount of good will, no religion will restrain power. Only power restrains power' (p. vii). Lind's starting point is that the democratic class compromise that enabled the peaceful development of Western societies – *ie.* 'the golden age of capitalism' – has collapsed. Until the 1970s, a system of trade unions, local associations, religious communities, and mass parties ensured the working class' power over the managerial class. However, a new class war has replaced the relative social peace of the Cold War. This new class war is fought between the metropolitan managerial class and the working class. Thus, according to Lind, the main class-forming factors today are education and geographical location.

Members of the dominant, technocratic-neoliberal managerial class live in big cities, work in large multinational corporations, banks, foundations, or universities. By contrast, the working class has been squeezed out of large cities, mostly to areas with low population density, where the post-Fordist service sector has replaced Fordist industrial production. The new working class is increasingly concentrated in the retail or logistics sector, while the industrial working class is shrinking. Increasing real estate prices pushed workers out of big cities and made it harder for workers in deindustrialised areas to move into cities to start a new life. Large cities are, thus, inhabited

by members of the managerial class and first-generation immigrants, the latter providing luxury services (cleaning, barista, babysitting) to the former and willing to pay the increased housing costs as they would live in even worse conditions in their homeland.

Lind highlights that between 1981 and 2013, the offices of President, Vice President, or Foreign Secretary were filled by either a Bush or a Clinton. During these three decades, American society disintegrated, workers' real wages stagnated/declined, while the richest made huge fortunes. Migration, deindustrialisation, and anti-union measures in the economy cut-back the bargaining power of organised labor. Lind rightly points out that deindustrialisation implied material devastation and the disintegration of a complex workers' culture. In my book, *The Retreat of Liberal Democracy* (Scheiring 2020b), I highlight a similarly complex afterlife of deindustrialisation in Hungary.

Even if it is an exaggeration, Lind pinpoints a genuine hypocrisy when claiming that the dominant managerial class benefits from liberal immigration policy in two respects. On the one hand, cheap immigrant labor in companies breaks wages, thus increasing profits. On the other hand, the dominant managerial class' favorite personal luxury services are also much cheaper when provided by immigrants than members of the native working class. Neoliberal technocrats would welcome more Latino cleaners, while the native working class sees immigrants primarily as competition in the labor market, a threat to the wage levels they have fought out, and maybe as rivals in the use of public services.

Thus, Lind claims, it is no coincidence that, throughout history, the labor movement in both America and Western Europe has supported restrictive immigration policies to reduce competition in the labor market. This does not mean that organised labor has actively campaigned against immigration; integration and restrained immigration have been in their interests. The populist-right fuels this conflict of interest, contrasting the pro-migration neoliberal managerial class with the working class.

The book argues that the dominant technocratic-neoliberal managerial class has subjugated the working class in all three significant dimensions of power: culture, the economy, and politics. Lind agrees with populism's left-wing interpreters that the populist revolt is due to this complete takeover of power by the technocratic-neoliberal managerial class. The French Yellow-Vest movement, Brexit and Trump are all products of this new class war. There is, indeed, a considerable body of literature on the

statistically significant correlation between deindustrialisation, deaths of despair, the import shock, robotisation, and intensifying illiberal and populist politics (Anelli *et al.* 2019; Colantone and Stanig 2018; Koltai *et al.* 2019; McQuarrie 2017).

So far, so good. However, the book's weaknesses come to light as we continue to turn the pages. Lind does not know, or chooses to ignore, the tradition of democratic socialist social theory. He refers to the system of compromise between workers and the elites as 'democratic pluralism'. We do not see any reference to the classics of political sociology or political economy that have presented a much more nuanced analysis of the temporary democratic class compromise of the Twentieth Century (Berman 2006; Korpi 1983; Przeworski 1985; Therborn 1977).

Since Lind does not build on established political economy, his concepts are underwhelming. The ruling class outlined in his book, for example, is rather broad. Lind suggests that the ruling class comprises a segment of the professional elite that provides institutional leaders, comprising roughly the top 15% of society. On this definition, a black teacher with a degree, for example, would be a member of the ruling class, while a gas-fitter contractor employing six workers would be considered 'underclass.' This is absurd, even if access to education has indeed become a crucial class-forming factor. At one point, Lind himself admits that the real driving-force behind economic and power inequalities is 'not knowledge capital, but good old economic capital' (p. 120). If he sees this so well, then it is unclear why economic-financial capital is missing from his class theory.

Lind tends to use the 'working class' and 'white workers' interchangeably. Lind writes that while the elites' multiculturalism is open to recognising minority identities, it is simultaneously hostile to white subcultures' traditions. As Anand Giridharadas pointed it out in his criticism in the *New York Times*, it is hard to see how exactly neoliberalism oppresses whites (Giridharadas 2020). Companies and politics continue to provide significantly better advancement opportunities for white Americans, with the sweeping majority of the business class being made up of white men. By reframing class war as culture war, emphasising white grievances and downplaying ethnic disadvantages, Lind goes against his own goal of strengthening worker solidarity (Bergfeld 2020).

Giridharadas's critique, similar to that of most centrist liberals, underestimates the role of class in Trump's 2016 success. Indeed, the



Republican Party is still less popular among low-income people than the Democratic Party. However, in the lead up to the 2016 election, many workers migrated from the Democratic Party to the Republican Party in the Midwest's deindustrialised states (Wisconsin, Pennsylvania, Ohio, Illinois), or the similarly deindustrialised northern part of New York state. Regaining some of these voters was crucial for Joe Biden's success in 2020. Thus, Democrats continue to be more popular among the 'poor,' but there has also been a very significant shift in the class composition of the two parties' constituencies (Morgan and Lee 2018).

Lind is insightful when he identifies strengthening grassroots power as the way out. His book, however, says very little about how subordinate classes will have power (again). His effort to swing liberal and conservative positions out of their entrenched positions to give a chance for mutual understanding is respectable. However, he also rejects left-wing solutions, such as more intensive redistribution, including the basic income. He argues that redistribution is not a solution to the structural source of inequality and that it only pacifies people at the losing end of technocratic neoliberalism. Not the best way to start mutual understanding.

Even more problematic is that Lind's class concept tends to define 'class' as a cultural status group and focuses on the white working class. As a result, his narrative is incapable of bringing ethnic and class-based conflicts to a common denominator, thereby failing to establish genuine class solidarity between workers and different factions of the underclass. In the absence of genuine economic class theory, Lind's analysis is lackluster. The book lacks empirical depth. Good journalism, disappointing social science.

Instead of the vague democratic pluralism outlined in the book, we need left-wing populism. It is time for a progressive class politics capable of building a lasting coalition between urban and rural, minority and majority, native and immigrant workers. This is the only way to rebuild the power of the working class and save democracy.

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**Elizabeth Humphrys**

**How Labour Built Neoliberalism: Australia's Accord, the Labour Movement and the Neoliberal Project**

Haymarket Books, Chicago, 2019, 268pp., \$49, paperback.

**Reviewed by Rob Watts**

Nothing quite begins to make as much sense of the current collective confusion, bewilderment and muddle that characterises Australian parliamentary politics, as something former ALP Prime Minister, Kevin Rudd, said in the immediate aftermath of the Great Recession of 2008. Rudd (2009) suggested that 'The political home of neoliberalism in Australia is, of course, the Liberal Party itself.' The idea that the Liberal Party is the political home of neoliberalism is one of the central defining myths of our time. The flip-side of this myth is the narrative that, between 1983-96, the Hawke-Keating governments were not only electorally successful, but part of the great tradition of reforming Labor governments. On this account, the Hawke-Keating terms modernised the Australian economy without giving up on the great Labor/social-democratic project of promoting a more equal and just society, while simultaneously avoiding the descent into neoliberal policies that had defined the Thatcher and Reagan years in Britain and the US.

Predictably enough, this story was given exuberant expression in 2018 on the 35<sup>th</sup> anniversary of the election of the Hawke Labor government, when Australian businesspeople, politicians and 'thought-leaders' (like Paul Kelly of *The Australian*) remembered the whirlwind of 'reform' unleashed when the Aussie dollar was floated in December 1983, the first of many waves of 'economic reform' that crashed over Australians in the decades that followed.

More puzzling, but much more revealing of the fog of confusion that has settled-in over the ALP and Australian electoral politics more generally, is the way contemporary ALP figures now understand the Hawke-Keating years. Take the evaluation offered by Rudd's (2009) *Monthly Review* piece, penned in the middle of the Great Recession. Rudd clearly wanted to assume the mantle of a 'social democrat' while distancing himself from neoliberalism. In his disingenuous essay, Rudd argued that neoliberalism was responsible for the 2008 recession, which indicated why neoliberalism

‘could no longer make any claims to continuing ideological legitimacy’. More puzzling was the way Rudd claimed to see, in the Hawke and Keating governments, a shining example of social democracy at work. For Rudd (2009) these Labor governments:

pursued an ambitious and unapologetic program of economic modernisation.

Their reforms [...] were able dramatically to improve the productivity of the Australian private economy, while simultaneously expanding the role of the state in the provision of equity-enhancing public services in health and education.

In 2013, one of Rudd’s predecessors as Labor leader, Mark Latham (2013: 4) – who liked to refer to himself as a ‘Third Way’ politician – declared:

With their economic reforms the Hawke and Keating governments freed up social mobility, ending the rigidity of Australia’s class structure. A deregulated economy has given workers the chance to gain access to capital and establish small businesses. This is a tremendous force for growth and wealth accumulation, making it the greatest economic achievement of Labor’s history in government.

The absence of evidence for Latham’s bizarre claim is exceeded only by the absence of evidence for Rudd’s claims about the commitment to equity apparently exhibited by the Hawke-Keating governments.

It is due to such limited historical recollections that Elizabeth Humphrys’ new book matters. We owe her a great debt of gratitude for showing us how and why we must reject such rosy accounts of the ALP as so much twaddle. Her book does two important things – and does them really well.

Firstly Humphrys:

investigates how neoliberalism was constructed in Australia, and in particular the role of organised labour in that process. The analysis focuses on the 1983-1996 social contract known as the Accord, signed between the Australian Labor Party (ALP) and the Australian Council of Trade Unions (ACTU) (p. 1).

Secondly, it scotches the myth that only ‘right-wing’ governments (think Pinochet in Chile, Thatcher in Britain, Reagan in the USA, or the Howard Coalition government in Australia) have promoted neoliberal policies.

The book thereby destabilises:

the dominant narrative of the origins of neoliberalism in order to account adequately for the diverse trajectories of neoliberal restructuring internationally. Existing radical and Marxist versions of the dominant narrative often posit that it was a coercive project of the

New Right only subsequently or reluctantly pursued by social democrats or imposed on unwilling labour movements (p. 72).

In this important intervention, Humphrys poses a particular challenge to those progressive scholars who have struggled to avoid the obvious. Some have started from the premise that, because neoliberalism is a project implemented by governments of the right, this means that neoliberalism was imposed coercively by state elites and only subsequently adopted, albeit reluctantly, by Laborist and social democratic parties – who were essentially both objects, and victims, of this process. This is the story told by, for instance, David Harvey in his *A Brief History of Neoliberalism* (2005). Others, like John Ahlquist (2010) and David Peetz (2013), highlight the role played by corporatist politics. This involves treating Hawke's ALP government and the Accord as evidence of a corporatist politics, before insisting that corporatism and neoliberalism are both different and contradictory political tendencies. Yet others have even argued that the ALP-ACTU Accord was actually a social-democratic exercise devised to protect Australia from neoliberal policies. Ben Spies-Butcher (2012: 208), for example, has argued that the Accord signified 'collaboration combined with a more pragmatic approach to "economic rationalism"' (*ie.* neoliberalism), and that what the ALP achieved between 1983 and 1996 was 'a pragmatic accommodation between markets and equity'.

Finally, others like Pierson (2002: 184) prefer to engage in a different kind of evidence-free conceptual pussyfooting, arguing that although the 'reputation of the ALP under Hawke and Keating [was] as the first neoliberal labour government', this judgement is 'too straightforward' (*sic*). Pierson (2002: 184) argues that while 'Canberra's policy making and opinion formation did come increasingly under the direction of "economic rationalists"', it did not constitute the 'wholesale assault upon welfare provision that marked out neoliberal governments (at least in aspiration) elsewhere'. Hence, Pierson's characterisation of the Accord period as 'social democracy on the back foot'. Some of this commentary may reflect the effects of the 'tyranny of distance' on an overseas commentator like Pierson, but nothing much can excuse those commentators who were actually living in Australia.

Humphrys offers a crisp rebuttal of accounts like these which are, at best, partial and incomplete, and, at worst, fundamentally wrong. She says we can better understand neoliberalism if we examine the development of neoliberalism in locations and by actors other than those than the

conventional accounts privilege, like Thatcher in the UK or Reagan in the US.

In Australia, what Humphrys calls ‘vanguard neoliberalism’ was constructed by an ALP government and by the trade union movement locked together in a wide-ranging 13-year social contract. Looking closely at the Accord (Mark I), Humphrys insists that this social contract was the form neoliberalism took in Australia. She sets about documenting how neoliberalism was inscribed within what some commentators at the time, including this writer, took to be a corporatist project; but which, more importantly, was actively constructed by both the industrial and political wings of organised labour.

The first Accord of 1983 was a bipartite ‘social contract’ signed by the ALP and the national trade union peak body, the Australian Council of Trade Unions. The agreement committed both parties to reducing wage growth by indexing it to inflation. This reflected the belief shared by the representatives of capital and labour that the post-War boom years between the late-1940s and early-1970s had seen labour claim too large a share of national income. To fix this ‘problem’, the ALP and the ACTU agreed to protect living standards through enhancement of something called the ‘social wage’ (*ie.* the per capita value of all social expenditures). This elaborate piece of conceptual legerdemain owed a lot to former Communist unionists like John Halfpenny in the metal workers’ union.

It was the implementation of this Accord agreement that ensured the introduction of neoliberalism in Australia.

As writers like Stilwell (1986), Beilharz (1994), Strauss (2013) and Wilson (1999) have demonstrated, the Accord – which was implemented in eight ‘editions’ (Marks I-VIII) – was progressively re-bandaged, refurbished and renegotiated between during the Labor years. These Accords promised wage restraint *and* the maintenance of real wages through policies designed to moderate prices and non-wage incomes by way of taxation reform and public expenditure increases at pledged levels. Early critics, like Frankel (1992), were not fooled. They highlighted how quickly it became clear that the sequence of Accords failed to prevent the re-emergence of disastrous levels of unemployment, let alone sponsor the kind of vibrant industry policies and/or social justice strategies which so many unionists in the early 1980s thought would follow.

So what did the Hawke-Keating governments actually do? The ALP’s neoliberal ‘reform’ project included:

Privatisation of state owned industries and utilities, flexible labour markets, outsourcing of non-core functions, deregulation of financial markets and the removal of exchange controls, abolition of protective tariffs and subsidies on essential goods, commodification of services once provided free at the point of use, the shift from direct and progressive to indirect and regressive taxation and a monetary policy dedicated to the maintenance of low levels of inflation (Davidson 2013: 190).

Real wages were cut and cut hard. As Fritjers and Gregor (2006) show, the Accord years sponsored an effective cut in real wages of between 30-50%. If this was supposed to enable a serious attack on unemployment by sponsoring job creation, this never happened. Worse still, the Hawke government unleashed a fire-storm of welfare 'reform' targeting the unemployed. This involved treating the unemployed as 'objects' – morally disgusting 'dole-bludgers' – who themselves became the primary policy problem, rather than addressing the actual problem of insufficient jobs in driving unemployment. John Strauss (2013) adds that those Australian workers who were employed faced stagnant real earnings throughout the 1980s, with falling award (arbitrated) wage rates. The result over time has been documented by the likes of Leigh (2013) and Piketty (2020) we have seen increasing income inequality, increased underemployment, precarious labour and cutbacks in government provision of many goods and services.

Why did the ALP leadership and the unions support such a disastrous project? Here I think that more work remains to be done.

There are good grounds for thinking that, from its inception, the ALP has always been a reformist party which, as Tom Bramble and Rick Kuhn (1999: 27) have said, 'seeks to shape the capitalist state and capitalist economy in order to secure the process of capital accumulation'. That said, what does need explanation is how and why the ALP gave up on the kind of Keynesian social liberalism it embraced in the 1940s under Curtin and Chifley, which relied on strong state interventions into the economy and a modest commitment to equality.

Humphrys argues that there was a failure of policy on the part of the Whitlam government and the ACTU in the 1970s to engage with what she treats as a 'real' economic crisis, represented as the failure of Keynesian policy to deal with 'stagflation'. This ignores the possibility that, like later 'crises' (eg. the so-called 'debt crisis' in the late 1980s and early 1990s promoted by credit rating agencies that legitimated the fire-sale of

publicly-owned banks and utilities), this crisis was a politically constituted crisis. It was used, as Richard Cockett (1994) argued, by resurgent neoclassical economic think-tanks and university economic departments alike to bring-down Keynesianism. Writers like Tim Battin (1997) have shown that there was no intellectual crisis in Keynesianism; however, the *perception* that there was proved fatal.

On Humphrys' account, the failure of policy in the 1970s disposed key Labor figures (like Hawke, Hayden, Keating and Willis) and union figures (like Crean, Halfpenny and Kelty) to believe that labour's share of national income from the 1960s and 1970s had created a profitability crisis with implications for employment. This rather begs the question of why these key players came to this view. The impact of the generational effect at the time – as old Keynesians died, retired or, like Coombes, changed their minds – is certainly one important factor. The flow-on effect, as key Labor and union figures encountered university economics departments under the sway of re-energised neo-classical economists, is another.

The great strength of Humphrys' book is its almost forensic examination of what others have said and why the evidence suggest we need to tell a quite different story. This book is crisply and clearly written. While Humphrys pulls no punches, she is, as far as I can, tell fair-minded in her description of what other scholars have said.

The enormous value and significance of Humphrys' book, then, is that it decisively scotches the myth of the Hawke-Keating governments as progressive. Freud (1915) and, later, Russell Jacoby (1975) reminded us that if we cannot remember our past then we are doomed to live on in the grip of the 'unconscious' (*unbewusst*). Like Heidegger (1999), they remind us that the pursuit of truth, which the Greeks called *Alethia*, requires in that original sense, a process of un-forgetting. Humphrys has carried out this task in an exemplary way.

The ALP and its union affiliates constructed a hegemonic form of neoliberalism which remains alive and well, and is still wreaking havoc. The ALP's more recent support for a neoliberal scheme of disability services (NDIS), as well as the privatised employment service, university fees, and ongoing buttressing of the fossil fuel industry, are symptoms of this. Humphrys' book might, at least, help to remove the swirling fog and enable those who believe the ALP has a future to determine what role, if any, a genuinely progressive party committed to equality, democracy, social solidarity and planetary survival might have. As Tim Battin (1997)



pointedly suggested, if there are no significant problems with relying on markets, as neoliberals insist, then why does Australia need a social democratic party?

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## Wendy Brown

### **In the Ruins of Neoliberalism: The Rise of Antidemocratic Politics in the West**

Columbia University Press, New York, 2019, 264pp., \$37.95, paperback.

### **Reviewed by Ryan Kelpin**

Wendy Brown has undoubtedly been one of the most read and important American political theorists of the last twenty years. This is especially true when it comes to scholarly attempts to conceptualise neoliberalism and its relations to Western democracy and the contradictory dynamics of capitalism. Culminating in her popular book, *Undoing the Demos* (2015), a central theme underpinning Brown's oeuvre is that neoliberalism, in the words of Foucault, is best understood as a 'political rationality' that reproduces the conditions necessary for it to thrive in both the economic and social spheres. This intervention was key in the intellectual development of many academics, myself included. However, with the rise of right-populism and spread of authoritarianism in Europe and the United States, her claim that neoliberalism seeks to reduce all life to an economic calculus does not seem to capture the complexity of the present moment.

Enter *In the Ruins of Neoliberalism*, Brown's attempt to reconcile her earlier work with the rising spectre of authoritarianism, which places particular focus on examining the context of the rise of Trump and his associated demagoguery in the US. The goal of Brown (2019: 8) is to understand how 'three decades of neoliberal assaults on democracy, equality, and society' led to a disintegration of society and ideological discrediting of the idea of the 'public good' which, in turn, laid the foundations for those feeling 'economically abandoned and racially resentful'. She argues the continued attacks on liberal democracy (which was already flawed and incomplete) and its institutions by neoliberalism has led to a compounded anti-democratic sentiment that seeks not to reorient liberal democracy to reconsolidate the interests of capital, but to dismantle it entirely.

Brown's primary interlocuters in the book are twofold. The first is represented by Hayek, who she extensively analyses to show how neoliberalism was, from the start, not just an economic project, but one based in moralistic claims to spontaneous orders of action (building on Melinda Cooper's fantastic book, *Family Values* [2017]). The second is Nietzsche, who Brown argues is crucial to understanding the woundedness and nihilism felt by citizens within the context of neoliberalism's destruction of the basic concept of 'society'. For Hayek, the foundations of freedom are reproduced spontaneously not only through the market, but also via morals – where the former decentralises and disintegrates collective politics, the latter constitutes traditional hierarchies and inequalities as the 'real' foundations of society and as a counterweight to the total economisation of everyday life. Simultaneously, the contemporary socio-economic conjuncture – typified by amplified critiques of historical white male privilege, the collapse of the economic power of the blue-collar middle class in the US, and further de-democratisation of the state under neoliberalism – has created a world full of atomised individuals, marked by the 'nihilistic disintegration of a social compact' (Brown 2019: 170). In this context of anti-politics and the dismantling of society, a vacuum has been opened for attacks on technocratic and increasingly distant neoliberal 'democracy' – a space seized-on by those who seek to mobilise with the language of resentment. While the book is an exceptional contribution to the literature on neoliberalism, democracy and authoritarianism, there are some problematic issues caused by Brown's scope and the way she treats these dynamics and processes. Firstly, by primarily focusing on traditional right-

wing or conservative forms of neoliberalism, she fails to give proper space to liberal and centre-left variants of neoliberalism (*ie.* third-way, inclusive, progressive). By doing so, she downplays the convergence of the left and right in the West as it has pertained to neoliberal discourse and the design of legislation around the neoliberal subject. As we have seen in Western capitalism, the ‘citizen-consumer’ of neoliberalism can easily be reoriented to fit ‘progressive’ policymaking, especially as the organised left has failed to create a substantive alternative. Indeed, both Nancy Fraser (2017) and Ray Kiely (2020) have argued that ‘progressive neoliberalism’ continued the destruction of the working and middle classes by promoting economic liberalism, while also incorporating new identities into its vision through social liberalism. Together, this resulted in an association of the two with each other in the eyes of right-populists.

Secondly, although it is focused on the US, Brown’s book seems to be making larger and more generalised claims about the rise of right-populism and authoritarianism in democracies around the world. Yet, by focussing almost exclusively on (white) nationalism and nihilism, other forms of right-populism and authoritarianism that do not fit this paradigm remain undeveloped in her account. Brown does not leave space for geographical and socio-political contingencies where right-populism and neoliberalism can assemble, rather than the former developing in the ruins of the latter. Previously, Brown has argued that neoliberalism cloaks itself in liberal discourse and institutions (2003: 50). Concomitantly, it is reasonable to attempt to understand whether neoliberalism and its attachment to market fundamentalism is able to cloak itself and reconsolidate itself (or, at least, its key economic tenets, minus globalisation of labour) in the language or performance of right-populism by political elites.

Thirdly, the language of ‘in the ruins of neoliberalism’ implies that neoliberalism is over. Despite the increased critical attention accorded to neoliberalism following the Global Financial Crisis and, more recently, Coronavirus Crisis, such an assumption seems to reduce the complexity of this historical moment, and how it is playing-out across the world and at multiple scales of governance. In this manner, it is more appropriate would be question the *degree* to which right-populism, authoritarianism and neoliberalism assemble in the present, rather than positioning these turns as merely reactive to neoliberalism. We need to consider the ways in which they converge with, and diverge from, one another.

This being said, much like *Undoing the Demos*, Brown's latest volume is a useful text, inviting further engagement and research from readers to comprehensively understand the relations between neoliberalism, democracy and right-populism. It is clear that the theoretical goals of neoliberalism are processual and never completed, resulting in an economic system that its initial proponents had not dreamt of. The same can be said of Brown's understanding of citizens becoming *homo economicus*: it did not come to fruition in the manner that she thought it would after *Undoing the Demos* was followed by an unexpected Trump Presidency. Since liberal democracy is an incomplete project, it remains to be seen the ways in which neoliberalism and right-populism's de-democratising impulses will further hollow-out an already surface-level system of representative democracy. It also remains unclear whether neoliberalism has crumbled into ruins, or if it is reconsolidating and reproducing its key economic principles through new discourses and performances.

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