

PIBCI - Monthly Perspective

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Naming the nameless – Neoliberalism: the invisible ideology

This month marks the 166th anniversary of the Eureka Rebellion; a significant occasion that witnessed people from a broad range of cultural backgrounds take up arms and fight for what they believed in – justice and fairness. Their actions on the goldfields of Ballarat and elsewhere are a timely reminder to all Australians that change does not come from passive acquiescence, but from direct action. During the past four decades, we have watched successive Liberal and Labor governments dismantle public protections through deregulation. We have sat by while the major parties in power sold publicly owned assets to corporations under the guise of privatisation. During this time, the promises of economic growth that echoed in the halls of parliament masked the inequality that took hold of our towns, cities and suburbs. Meanwhile, large corporations have exclusively benefitted, as wealth and power continues to concentrate in the hands of the few. Unlike the diggers on the gold fields who knew their opponent well, most Australians today would struggle to name the system that is singularly responsible for plunging the world into the global financial crisis; that same system that promotes the plundering of the public domain and the system that facilitates the uninterrupted transfer of wealth to the superrich. It's time to put that system into the spotlight and see how it operates with apparent impunity. This month, we need to take inspiration from the diggers that led the Eureka Rebellion and stand up for what is fair and just. Its time to stop spectating and take responsibility for our future.

The recurring crisis

In 2008, the global financial crisis (GFC) was the largest economic crisis to take place in a long sequence of smaller crises since the 1980's. Back then, the collapse of the Soviet Union helped to divert global attention from the cracks in the system that pronounced itself as the victor. Neoliberalism proclaimed itself the 'system of systems.' As western nations popped champagne corks and congratulated themselves by declaring the end of ideology, the truth could not have been further from reality. In fact, the virtually nameless ideology had planted deep roots across all continents.

Following the collapse of the Berlin Wall and the retreat of various shades of socialism and communism from central and eastern Europe, neoliberalism was given an injection of confidence as it strut the global stage proclaiming itself invincible and all victorious. As the communist ideology disappeared, the neoliberal ideology took hold of national economies across the globe. In the following decades, the nameless ideology weathered crisis after crisis. Pinning blame for each crisis on a nameless system proved difficult as reasons for economic and political problems were aimed in all directions but one. However, in 2008, the GFC signalled the end of the neoliberal experiment. This time the crisis was so big that sympathetic governments, influential business people and the network of corporate owned media could not hide the disaster under an ideological carpet. Unfortunately, there was no alternative ready to take its place.

Naming the Nameless

Unlike well-known ideologies such as communism, socialism and fascism, neoliberalism in comparison is not very well known. This single fact has in many ways been the strength of neoliberalism. It's almost anonymous status has rendered it virtually invisible to the population, making it a difficult target for opposition groups, particularly in times of economic downturn and crisis. For decades, proponents of the neoliberal ideology have required little effort to protect a nameless system as it presided over the decline in the rate of economic growth, facilitated the rise in indebtedness and spurred on economic inequality of both income and wealth.

Despite its anonymity, neoliberalism continues to be the engine room of gradual social decay. It is behind the privatisation of public assets which have been entrusted to corporations who charge top dollar to deliver public services.

It is the slow rot that has taken hold of our health and education systems, prompting Australians to pay excessive premiums for private health cover and hefty private school fees. It is behind tax cuts to the wealthy, resurgent child poverty, rising homelessness, the dismantling of trade unions, the transfer of wealth from the poor to the rich, and the phenomenal rise in the superrich. It is behind the rise in working hours, the increase in stress, anxiety and

depression. It is also behind the destruction of our natural environment and the rise of leaders such as Donald Trump and Boris Johnson. These events are not random historical occurrences, they are the direct consequences of neoliberalism. This system backed by the wealthy and the corporate owned media has instilled in the public's mind that it is perfectly fine to hand the reigns of power to the superrich entrusted in dispensing power and wealth in a fair and just manner.

The phenomenal success of neoliberalism has blinded us to the fact that it is simply another ideology. With the major political parties blowing the trumpet of neoliberalism backed by the corporate owned media, it has presented itself as the 'common sense' approach to solving all of societies political, economic and cultural problems. Given full sway, the neoliberal approach would have us spend our way through each crisis like good consumers. Politically, it would have us choose between our major political parties and their versions of market fundamentalism.

In reality, neoliberalism has demonstrated its capacity to crack down on freedoms, mute protests, and promote corporate culture. It is behind the weakening of workers' rights, and the approach that punishes those who need support from a broken system. Neoliberalism is just another ideology which exercises power to reproduce itself.

The question remains: how did it get to this?

A brief history lesson

Neoliberalism has its beginnings in the 1930's. This project was put on hold during the Second World War. In 1947, Federich Hayek founded the Mont Pelerin Society. Financially backed by millionaires and sponsors in powerful positions, it recommenced its operations and spread its doctrine across key institutions and later worked its way into governments on both sides of the Atlantic. The neoliberal movement immediately became an international affair as it strategically attracted businessmen, journalists, academics and activists. With the active support of wealthy backers, the scope of the project grew into think tanks that both refined and further promoted the ideology.

As the dominance of Keynesian economics began to buckle in the 1970s, the proponents of the neoliberal ideology pounced and presented governments and dictators alike with a carefully packaged alternative – an economic and political turn-key. Soon after, the likes of Margaret Thatcher and Ronald Reagan began the comprehensive implementation of the new neoliberal ideology across both sides of the Atlantic. However, the new ideology was not lost on Australian governments, both Liberal and Labor. The implementation of neoliberal policies witnessed substantial tax cuts for the rich, the crushing and/or weakening of trade unions, the rise of deregulation, the drive to privatise public assets, and the outsourcing of public services.

Globally, neoliberal policy was supported by the International Monetary Fund (IMF), the World Bank, the Maastricht treaty (in Europe) and the World Trade Organisation. These powerful institutions (without democratic consent) facilitated the implementation of neoliberal policies across much of the world.

Who benefits?

After four long decades, the neoliberal promise to “lift all boats” has yet to be realised. The ‘trickle down effect’ has submerged more people into poverty and weighed down community after community with the burden of inequality. The glowing promises of neoliberalism were exposed as falsehoods as the GFC of 2008 highlighted that the neoliberal dream was simply a mirage. 2008 was the year when the pin popped the giant bubble. However, a viable alternative was not ready to replace the dying ideology. Today, the spent ideology continues to operate, much like the walking dead.

Like previous ideologies, neoliberalism has served the powerful few. The superrich have never been so wealthy and powerful. It has facilitated the rapid rise in inequality and poverty as its policies have ensured that the distribution of wealth has been unashamedly tipped into the pockets of the superrich. Industrial relation laws have been amended to weaken trade unions. As a consequence, workers’ rights and protections have evaporated. Neoliberal policies have witnessed tax cuts to the rich and a huge rise in the privatisation of publicly owned organisations underpinned by deregulation.

The privatisation of our energy, water, ports, airports, health, education and so much more has enabled corporations to set up tollbooths in front of essential public services. The governing class have promoted corporate interests ahead of public interests. As a consequence, we now pay inflated prices to corporations so they can provide services that were once in public hands.

There are alternatives

The logic of neoliberalism would have us believe that there is no other way beyond market logic that rests on privatisation and deregulation. Clearly, we need to shed the myopic belief that all economic and political systems require a market system. We also need to move away from the notion that competition is at the heart of everyone's survival and security. Competition simply dulls our concern for other people; it has contributed to weakening the links within our communities.

As our society works its way through significant change, we must not lose this opportunity by going back to the same ways we had left off prior to COVID-19. History is dynamic and it demands change; it is a continuous transformation which we can use to our advantage. Instead of reengaging in mindless consumerism and corrosive competition, we need to be active and exercise our capacity to form new ways of operating by employing our creativity and ingenuity. It is vital that we look beyond the closed ranks of the market economy and extend our economy into a truly mixed economy that builds our government sector and fosters collectives and communes.

We need to look beyond celebrating the reclamation of freedoms that we recently lost. Simply going back to where we were at the beginning of 2020 is not a victory. The lesson from COVID-19's economic disruption is simple - we need to demand a Universal Basic Income (UBI) that supports Australians rather than shackling them to the vicissitudes of the Government's latest job schemes. A UBI is a common sense approach to supporting all Australian's (of age) regardless of local or national disasters, personal crisis, conflict, pandemics, unemployment and so on.

Over the past four decades, governments of all colours have actively promoted neoliberal policies which have ossified societies potential. Instead of redirecting our focus towards ameliorating climate change through the recently announced “gas-led recovery” we need to be forward thinking by developing and fostering renewable energy.

We need to give our young people a future by making university education a viable option again, and provide them with real employment options rather than placing university education out of the reach of many young Australians and exposing them to exploitation in the workplace.

As December 2020 marks the 166th Anniversary of the Eureka Rebellion, it is time to that we drew inspiration from the diggers on the Ballarat goldfields and actively fought for what is fair and just.

If you are tired of the mantra that presents democracy as a choice between major political parties that are based on the same market fundamentalism, then it’s time to [join PIBCI](#). With your support, you can help place public interests ahead of corporate interests. With your membership, we will be one step closer becoming a registered political party with the simple objective of placing the public’s interests first.

Anthony B – Website Editor

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