

# PIBCI - Monthly Perspective

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## The neoliberal monoculture

How is it that in a country as wealthy as Australia, equipped with cutting-edge technology, immense productive capacity and an abundance of natural resources, that we continue to have unchecked child poverty and homelessness? How is it in a modern enlightened world, we persist on alternating between conflicts and wars? Despite the defeat of fascism and the collapse of communism, the all-victorious liberal ideology has led us from one crisis to another. In spite of standing for the values of as civil rights, freedom of speech, freedom of the press and freedom of the markets, we have experienced crack-downs on independent journalists and media outlets, the rise of the surveillance state and a burgeoning class of billionaires. It is evident that the cracks in the liberal ideology have deepened, and its attempts to cling onto power have become ever more extreme. To address its growing social, political and economic deficits, liberalism has upgraded itself. For over four decades, the new neoliberal ideology has entrenched itself into the halls of power and into the consciousness of populations across the globe. Yet, where has it got us and what benefits has it delivered?

## The spread of monoculture

Before we can improve our lot, we need to know how we got into this mess in the first place. The liberal ideology has a long history, finding its origins in the 18<sup>th</sup> century. Liberalism gained favour in western countries as it promoted freedom of speech, freedom of the press, freedom of religion, freedom of the markets, civil rights and tolerance. It has worked hand-in-glove with capitalism promoting freedom of the individual, economics and enterprise. The rise of communism and fascism posed significant challenges to liberalism during the twentieth century. Both the western liberal democracies and international communist block of nations collectively joined forces during World War 2 to crush the perils of fascism. By the end of 1945, the communist and liberal ideologies faced-off against each other throughout the Cold War period.

The communist ideology consigned itself to history's archives when the Soviet Union imploded in 1991, taking with it the eastern bloc nations. Without an adversary, the liberal ideology proclaimed itself victor. With a world to inherit, liberalism found itself in a

quandary due to its close relationship with capitalism. From the 1970's onward, capitalism lurched from one economic crisis to another. As a consequence, liberalism was forced to undergo a face-lift, remaking itself into neoliberalism. The new ideology rapidly spread across the globe, out-maneuvring, out-witting and absorbing all existing ideological adversaries. For decades it has spread across the world nesting in democracies, and forming a global monoculture. Unfortunately, monocultures harbor significant shortcomings that come at a high cost.

## Producing rotten fruit

At its core, neoliberalism defines everything through the prism of the market. Accordingly, everything we produce, everything we own and almost everything that exists has a monetary value attached to it, and thus, it may be bought and sold. The neoliberal way of life pressures us to compete, consume and enter a cycle of conflict to secure resources. In essence, neoliberalism requires individuals (and nations) to maximise wealth and power regardless of the expense it may have on anyone or anything else including the natural world. This drive to compete and consume has relegated ethics, morality and social good to the side-lines while the market system has been given free reign. Politics, economics and culture have also been co-opted into the world of competition, consumption and conflict.

### What has neoliberalism given us?

Despite the promises of rising wealth, increasing living standards, more jobs, better products and services, neoliberalism has spawned malevolent offspring detrimental to human health, the environment, social harmony, democracy and culture. Under neoliberalism we have mobile phones, social media and fast food delivered to our doors. We also have high rates of depression, spiralling anxiety, loneliness and a sense of purposelessness.

### Culture

Neoliberalism has become a lifestyle. It has seeped into every pore of our society and our culture. Through the lens of the mass media, our opinions are moulded, social and political agendas are set, and our views are reengineered. The billionaire owned media directs the public's attention and guides the daily narrative. Through media manipulation, competition and consumption have replaced the human traits of caring and cooperation. Hyper-individualism has overshadowed our sense of community. The daily dose of neoliberalism regiments the population, training us to look after 'number one' and 'get in front of everyone else' regardless of the social cost. We seem to have everything at our fingertips,

yet our values, beliefs, attitudes and purpose have become very shallow, changeable and erratic.

### Stress and anxiety

The neoliberal approach has caused the economy to swing to and fro, whilst it has fanned deregulation and privatisation. As a consequence, uncertainty, instability and a lack of objective information dictates our lives. Such volatility has a detrimental impact on the mental health of the public. In Australia, anxiety is the most common mental health condition. On average, one in four people will experience anxiety at some stage in their life. Within a 12-month period, over two million Australians experience anxiety. The pressures caused by the precarious nature of work, the climate emergency, rising costs of living and limited access to accommodation constantly feed the growing levels of stress and anxiety within the population.

### Oligarchs

The term oligarch has been associated with a wealthy class of Russian robber barons controlling vast wealth and influence. However, the word oligarch refers to anyone who is exceptionally wealthy, holds power and controls resources and influences politics. This class of superrich individuals includes the likes of Amazon boss, Jeff Bezos and co-founder of Paypal and founder of SpaceX, Elon Musk, both whom dwarf all their Russian counterparts in wealth and influence. Yet, they are given the respectable titles of ‘entrepreneurs’ or ‘magnates.’

The neoliberal era has actively nurtured the growth of oligarchs, which in turn has spurred the inequality gap by aggressively removing anything that stands in the way of the ‘free market.’ Regulations that once provided workers with rights and minimum standards have been dispensed with. Trade unions have been weakened to the point that they have become ineffectual. Taxes have been minimised or removed which have exclusively benefitted corporations and the small wealthy section of society.

We have been led to believe that the market is some kind of ‘natural force’. Yet, the fact remains that the market is a human creation, predominantly run by wealthy people for wealthy people. As so-called ‘obstacles’ to the market have been dismantled by neoliberal governments, large corporations and oligarchs have benefitted by not paying taxes, and not paying fair wages to employees. They have been given free rein to undermine communities where they set up, and exploit the environment all in the name of pursuing larger and larger profits.

Under the stewardship of neoliberalism, there has been a conspicuous rise in the number of oligarchs across the world. Since the global economic recession hit in 2008, the superrich have burgeoned at the expense of the rest of the world's population who have had to do with less. The gap between the haves and have-nots is now a chasm. The divide between the wealthy 1% and the wealthiest 0.1% continues to grow at an alarming rate. Millionaires have been overshadowed by billionaires, and the billionaire class have spawned an elite of their own who have amassed hundreds of billions of dollars in personal assets. Many of the world's billionaires including our home-grown oligarchs have increased their wealth during the pandemic.

It is instructive to reflect on the emergence of Russia's band of oligarchs. Following the collapse of the Soviet Union, President Boris Yeltsin of Russia commenced his experiment to transition Russia into a liberal democracy. In the early 1990's the International Monetary Fund (IMF) and the World Bank sent in specialists from the US to reform the Russian economy. Under US neoliberal experts, Jeffrey Sachs and David Lipton, economic 'shock therapy' was administered to the Russian economy where complex economic reforms were rapidly implemented. The neoliberal monoculture was injected into Russia, causing an outbreak of privatisation and deregulation across the nation. What ensued was the transfer of state property into private hands at bargain basement prices. As a consequence, prices shot up, inflation sky rocketed, once unheard of unemployment became a reality, and public savings evaporated. Under the watchful eyes of neoliberal practitioners, Russia plunged into a deep recession and life expectancy fell. As Russia reeled during the transition to a market economy led by the world's leading neoliberal practitioners, a class of oligarchs emerged who continue to hold onto great wealth and influence. Meanwhile, Russia's transition to a liberal democracy suffered irreparable damage.

Regardless of the country neoliberalism has nested in, the public have paid for the widening gap between the haves and the have nots. Deepening poverty amongst the less fortunate, rising levels of homelessness, falling living standards and stagnant wages paint a grim future. Neoliberal policies have been the spearhead for the transfer of public wealth to the oligarchy across each nation.

### Corporate Power

Under the eye of neoliberal governments, there has been an emergence of corporations whose net worth has entered the trillions. Apple, Tesla, Microsoft, Amazon, Saudi Aramco

and Alphabet are amongst the select niche of powerful global corporations. These behemoths have relentlessly bludgeoned their way to the top, ensuring big profits remain their sole purpose and focus. In a single sweep, these monolithic corporations could end child poverty, solve homelessness, and deliver world class health care to the public. Yet, the nature of the neoliberal ideology propped up on a capitalist framework ensures that their wealth is locked into a self-serving system designed to generate more and more profits for their shareholders. Public interests do not rate a mention.

### Politics & Democracy

Neoliberalism was formulated as a reaction to the grand ideologies of fascism and communism. Moreover, it was crafted to provide an alternative to capitalism's Keynesian approach to economics. Despite its likely good intentions, neoliberalism has always viewed democracy as an impediment to its market-driven imperatives. Social justice, redistribution of wealth and better standards of living amongst the majority were likely to be the outcome from a truly democratic process. Yet, democracy has always been viewed with suspicion by the advocates of neoliberalism. Since the 1970's, politicians, governments, oligarchs and associated corporate leaders have diligently worked to weaken democratic institutions. They have dismantled all perceived barriers enabling the rich to become more powerful. Legislation and economic directives have facilitated privatisation and deregulation which have worked contrary to democracy and have placed corporate interests ahead of public interests.

Major political parties, large corporations and oligarchs have relied on the corporate owned media to ensure the status quo remains in place. This set of circumstances has facilitated the gradual transfer of power from our institutions to organisations and agencies that do not require high levels of accountability, nor has the media sought transparency from the private sector.

### Media

On paper, freedom of speech and expression is touted as a fundamental pillar within our society. Yet, the mass media is held in the tight grip of a handful of billionaires who peddle their narrow views and interests via the broad spectrum of media outlets. This has enabled the corporate owned media to operate in the shadow lands of the neoliberal ideology, shaping the daily narrative and manipulating the public's understanding of events. It is adept in constructing a specific worldview that presents oligarchs in a sympathetic light as hard working, intelligent people deserving of their wealth. The corporate owned media

portrays the neoliberal system as the 'only way' which ensures the status quo is preserved. Those who benefit from the status quo are those already in power; large corporations, oligarchs and servile governments who do not challenge growing inequality and corruption. Any suggestion otherwise is passed off as an aberration or a minor issue that seems to get lost in the cacophony of senseless news and headlines about celebrities and sport.

The corporate owned media is active in perpetuating the myth that alternative views are utopian, impossible to implement or simply irrational. It habitually smothers critical voices by omitting their stories and dispensing with investigative journalism. As such, accountability and transparency are overshadowed by sensationalisation and trivia. The ill-gotten wealth, opulent lifestyles, and corruption amongst the rich and powerful are frequently lost in the fantasy world of mainstream media headlines.

## Two futures

For decades, we have been wallowing in the stagnant waters of neoliberalism. It has perfected the art of watering-down fresh ideas and tainting alternative solutions before they have had a chance to emerge. Meanwhile, neoliberalism has enshrined itself in the public consciousness as a lifestyle. However, the boom-bust economic cycle, the precarious nature of work and rising daily living costs coupled with the assault on the environment is not sustainable. At this juncture in time, we need to understand that we have two futures. We can continue down the current path of deepening inequality, insecurity and conflict. Or, we can choose to take the alternative path that will improve life by reversing inequality, addressing the climate emergency and building international cooperation thereby breaking the cycle of conflict. This latter option is not a difficult one. We do not need to overthrow governments, nor do we need revolution on the streets. But we do need mass public support and we do need to make some strategic changes in policy so we may steer the ship back onto the right course.

We have the ingenuity and the technology to make significant changes that can benefit the broader section of society. Automation can be applied to minimise and ultimately rid ourselves of repetitive jobs and dangerous work. Profits derived from the application of automation can be distributed across society, thereby lifting living standards. Furthermore, automation can be used to reduce the working week, and increase leisure time. To do this, we need the right people and the right politics to unchain our innovations from private ownership and the profit motive.

We also have a solid education system and universities which we can capitalise on and further invest in our technology, innovation and training. Again, we need the right form of politics and the people willing to promote the funding and investment into our future. This needs to be based on the public good, and not funnel our bright ideas and intellectual property straight into the hands of large corporations for financial exploitation.

We need to socialise finance that ensures our precious resources get prioritised for socially important activities rather than being allocated by career politicians to entrench their power through to the next election. We need to promote ideas such as universal basic services, where everybody can access housing, free education, free public transport, health and information. This will ensure the public can access essential services that are not linked to a private corporation whose primary aim is to milk the public to secure high profits through regular price hikes.

Key to our ability to launch such solutions is funding. For too long, the wealthiest 1% of society have been reeling in profits at the expense of the public. While the majority of Australians struggled to make ends meet through the pandemic, our nation's billionaires successfully increased their wealth. It is time that corporations and individuals who make extraordinary profits plough back their wealth into the society that has supported their luxurious lifestyle. In effect, Australia cannot afford to have a rising number of billionaires and corporations paying virtually no taxation. Our attitude towards raising revenue through taxation needs to drastically change. Successive governments have balked at the idea of taxing the superrich. Meanwhile, essential human services have declined and the cost of living has increased saddling Australians with further financial stress. The federal government needs to capture more revenue via a super profits tax of 10% on corporations who have and turnover of \$50 million per year. It needs to introduce a 1% super land tax for property owners with over \$5 million in property assets. It must instigate a financial transaction tax of 1% and a 1% stock market turnover tax to secure sufficient funding for society's needs. These are only some ideas that may assist the public. There are more.

## Let's set the agenda

The domination of neoliberalism for over four decades has come at great cost. It has established a political and economic monoculture across the globe that effectively destroys all opposing ideas and innovations despite their merit and good intent. At the same time, it

has promoted economic freedom which in effect has unilaterally benefitted large corporations and the wealthy 1%. At a time when the world stumbles from one conflict to another on one hand, and a climate emergency on the other, we need to be reminded that the neoliberal monoculture is only a blink away from initiating the next economic meltdown that will bring down the rest of the world. Clearly, the neoliberal way of life is an anathema to democracy and a bright future. It has delivered a casualised workforce, mass surveillance, perpetual conflict, rising number of oligarchs and influential corporations with trillions in assets. This set of circumstances merely benefit those in power, and it is no longer sustainable. It is time to unplug ourselves from the self-serving ideology of neoliberalism and take control of the political and social agenda.

It is time that we collectively place the public's interests ahead of those of large corporations and the oligarchs who have direct access to the major political parties. By promoting alternative political viewpoints, innovative economic ideas and a fresh approach to culture, we are making change happen. Such small initial steps are the first steps to break out of the current monoculture.

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