

Anatomy of the new neoliberalism

Christian Dardot and Pierre Laval, 2019

The end of neoliberalism has been regularly announced for the past decade or so: the global financial crisis of 2008 was the last gasp of its death throes, followed by the Greek crisis in Europe (at least until July 2015), not forgetting, of course, the earthquake caused by the election of Donald Trump in the United States in November 2016, followed by the Brexit referendum in March 2017. The fact that Britain and the US, once the promised lands of neoliberalism under Thatcher and Reagan, seem to have turned their backs on it through such a sudden nationalist reaction, marked the spirits because of its symbolic scope. Then, in October 2018, came the election of Jair Bolsonaro, who promises both the return of dictatorship and the implementation of a neoliberal programme of a violence and breadth very similar to those of Pinochet's Chicago boys.

Neoliberalism not only survives as a system of power, it is strengthened. This unique radicalisation needs to be understood, which implies discerning both the plastic and plural character of neoliberalism. But it is necessary to go further still and to realise the meaning of the current transformations of neoliberalism, that is to say, the specificity of what we call here the new neoliberalism.

Crisis as a mode of government

Let us first recall what is meant by the concept of neoliberalism, which loses much of its relevance when it is used in a confused way, as is often the case. It is not just about monetarist or austeritarian economic policies, the commodification of social relations or the dictatorship of financial markets. It is more fundamentally about a political rationality which has become global and which consists of governments imposing, in the economy, in society and in the state itself, the logic of capital to the point of making it the form of subjectivities and the norm of existences.

As a radical and even, if you like, revolutionary project, neoliberalism is therefore not to be confused with a conservatism that is content to reproduce the established structures of inequality. Through the interplay of international relations of competition and domination and the mediation of the major organisations of world governance (IMF, World Bank, European Union, etc.), this mode of government has become over time a veritable world system of power, driven by the imperative of its own maintenance.

What characterises this mode of governance is that it is fed and radicalised by its own crises. Neoliberalism is only sustained and strengthened because it governs through crisis. Indeed, since the 1970s, neoliberalism has thrived on the economic and social crises it generates. Its response is invariable: instead of questioning the logic that has brought them about, we must take that same logic even further and try to reinforce it indefinitely. If austerity generates budget deficits, we must add an extra dose. If competition destroys the industrial fabric or desertifies regions, it must be further intensified between companies, between territories, between cities. If public services no longer fulfil their mission, the latter must be emptied of

all content and services must be deprived of the means they need. If tax cuts for the rich or companies do not produce the expected results, they must be further deepened, and so on.

This government by crisis is only possible, of course, because neoliberalism has become systemic. Every economic crisis, such as that of 2008, is interpreted in the terms of the system and only receives responses that are compatible with it. The absence of alternatives is not only the manifestation of dogmatism at the intellectual level, but the expression of a systemic functioning on a global scale. In the wake of globalisation and/or the strengthening of the European Union, states have imposed multiple rules and imperatives that lead them to react in the direction of the system.

But what is more recent and certainly deserves our attention is that it now feeds on the negative reactions it provokes at the political level, which is reinforced by the very political hostility it arouses. We are witnessing one of its metamorphoses, and it is not the least dangerous. Neoliberalism no longer needs its liberal or democratic image, as in the good old days of what must rightly be called classical neoliberalism. This image has even become an obstacle to its domination, which is only possible because the neoliberal government does not hesitate to exploit the resentments of a large section of the population, lacking national identity and state protection, by directing them against scapegoats.

In the past, neoliberalism has often been associated with openness, progress, individual freedoms, the rule of law, and today it is associated with the closing of borders, the building of walls, the cult of the nation and the sovereignty of the state, and a declared offensive against human rights, accused of threatening security. Today it is combined with the closing of borders, the building of walls, the cult of the nation and the sovereignty of the state, the declared offensive against human rights, accused of endangering security. How is this metamorphosis of neoliberalism possible?

Trumpism and fascism

Trump incontestably marks a milestone in the history of global neoliberalism. This mutation does not only affect the US, but all the governments, more and more numerous, that manifest nationalist, authoritarian and xenophobic tendencies to the point of assuming the reference to fascism, as in the case of Matteo Salvini, or to military dictatorship in the case of Bolsonaro. What is crucial is to understand that these governments are not at all opposed to neoliberalism as a mode of power. On the contrary, they reduce taxes for the richest, cut social benefits and accelerate deregulation, particularly in financial and ecological matters. These authoritarian governments, of which the extreme right is increasingly a part, are in fact taking on the absolutist and hyper-authoritarian character of neo-liberalism.

To understand this transformation, two errors must first be avoided. The oldest is to confuse neoliberalism with ultra-liberalism, libertarianism, a return to Adam Smith or the end of the state, etc. As Michel Foucault taught us long ago, neoliberalism is a very active mode of government, which has little to do with the passive minimal state of classical liberalism. From this point of view, what is new is neither the degree of state intervention nor its coercive character. What is new is that the innate anti-democratism of neo-liberalism,

manifested in some of its great theoreticians, such as Friedrich Hayek, is today embodied in an increasingly open and radical political questioning of the principles and forms of liberal democracy.

The second, more recent error consists in explaining that we are facing a new neo-liberal fascism, or a neo-fascist moment of neo-liberalism 2/. That it is at least haphazard, if not politically dangerous, to speak with Chantal Mouffe of a populist moment in order to present populism as a remedy to neoliberalism is beyond doubt. That it is necessary to unmask the imposture of an Emmanuel Macron, who presents himself as the only remedy against the illiberal democracy of Viktor Orbán and his cohorts, is also true. But does this justify mixing the rise of the extreme right and the authoritarian drift of neoliberalism in the same political phenomenon?

The assimilation is clearly problematic: how else but by a superficial analogy can one identify the total state so characteristic of fascism and the widespread diffusion of the market and business model throughout society as a whole? Basically, if this assimilation makes it possible to shed light, by focusing on the Trump phenomenon, on a certain number of features of the new neoliberalism, at the same time it masks its historical individuality. The semantic inflation around fascism certainly has critical effects, but it tends to drown complex and singular phenomena in irrelevant generalisations, which in turn can only lead to political disarmament.

For Henry Giroux 3/, for example, neoliberal fascism is a "specific economic-political formation" that mixes economic orthodoxy, militarism, contempt for institutions and laws, white supremacism, machismo, hatred of intellectuals and amoralism. Giroux borrows from the historian of fascism Robert Paxton (2009) the idea that fascism is based on mobilising passions that we find again in neoliberal fascism: love of the boss, hyper-nationalism, racist fantasies, contempt for the weak, the inferior, the foreigner, disdain for the rights and dignity of people, violence towards adversaries, etc.

While we find all these ingredients in Trumpism and even more so in Brazilian Bolsonaroism, is their specificity with respect to historical fascism not lost on us? Paxton admits that "Trump takes up a number of typically fascist motifs", but he sees in him above all the most common features of a "plutocratic dictatorship" 4/. For there are also major differences with fascism: it does not impose the single party or the prohibition of all opposition and dissent, it does not mobilise the masses into compulsory hierarchical organisations, it does not establish professional corporatism, it does not practise the liturgies of a secular religion, it does not advocate the ideal of the citizen soldier totally devoted to the total state, and so on. (Gentile, 2004).

In this respect, any parallels with the late 1930s in the US are misleading, however much Trump may have made his own the slogan of America first, the name given by Charles Lindbergh to the organisation founded in October 1940 to promote an isolationist policy in the face of Roosevelt's interventionism. Trump does not make the fiction written by Philip Roth (2005), who imagined that Lindbergh would triumph over Roosevelt in the 1940

presidential election, a reality. It is the case that Trump is not to Clinton or Obama what Lindbergh was to Roosevelt and that in this sense any analogy is flimsy. If Trump is increasingly pushing the anti-establishment escalation to flatter his electoral clientele, he is not, however, trying to stir up anti-Semitic revolts, unlike the Lindbergh of the novel, directly inspired by the Nazi example.

But, above all, we are not living through a Polanyian moment, as Robert Kuttner (2018) believes, characterised by the recovery of control of the markets by the fascist powers in the face of the ravages caused by non-interventionism. In a sense the opposite is true, and the case is rather more paradoxical. Trump claims to be the champion of business rationality, even in the way he conducts his domestic and foreign policy. We live at a time when neoliberalism segregates from within an original political form that combines anti-democratic authoritarianism, economic nationalism and extended capitalist rationality.

A profound crisis of liberal democracy

To understand the current mutation of neoliberalism and avoid confusing it with its end, it is necessary to have a dynamic conception of it. Three or four decades of neoliberalisation have profoundly affected society itself, creating situations of rivalry, precariousness, uncertainty, and absolute and relative impoverishment in all aspects of social relations. The generalisation of competition in economies and, indirectly, in wage labour, in laws and in the institutions that frame economic activity, has had destructive effects on the condition of wage earners, who have felt abandoned and betrayed. Society's collective defences, in turn, have been weakened. Trade unions, in particular, have lost strength and legitimacy.

Work collectives have often broken down as a result of highly individualised corporate management. Political participation no longer makes sense in the absence of very different alternative options. Indeed, social democracy, adhering to the dominant rationality, is on its way out in a large number of countries. In short, neoliberalism has generated what Gramsci called monsters through a double process of disaffiliation from the political community and adherence to ethno-identitarian and authoritarian principles, which call into question the normal functioning of liberal democracies. The tragedy of neoliberalism is that, in the name of the supreme reason of capital, it has attacked the very foundations of social life as formulated and imposed in modern times through social and intellectual critique.

To put it somewhat schematically, the implementation of the most elementary principles of liberal democracy quickly entailed far more concessions to the masses than classical liberalism could accept. This is the meaning of what was called social justice or also social democracy, which the cohort of neo-liberal theorists have not ceased to revile. By wanting to turn society into an order of competition that would know only economic men or human capitals fighting against each other, they undermined the very foundations of social and political life in modern societies, especially because of the growth of resentment and anger that such a mutation could not fail to provoke.

How then can one be surprised by the response of the mass of losers to the establishment of this competitive order? Seeing their conditions degraded and their collective points of

support and reference disappearing, they take refuge in political abstention or in the protest vote, which is above all an appeal for protection against the threats to their lives and future. In short, neoliberalism has engendered a profound crisis of liberal-social democracy, the most obvious manifestation of which is the strong rise of authoritarian regimes and extreme right-wing parties, supported by a large part of the national popular classes. We have left behind the post-Cold War era, when it was still possible to believe in the global extension of the market-democratic model.

We are now witnessing, and at an accelerated pace, a reverse process of exodus from democracy, or de-democratisation, to borrow Wendy Brown's apt expression. Journalists like to lump the extreme right and the radical left together in the vast morass of anti-establishment populism. They fail to see that the channelling and exploitation of this anger and these resentments by the extreme right gives birth to a new neoliberalism, even more aggressive, even more militarised, even more violent, of which Trump is both the standard-bearer and the caricature.

The new neoliberalism

What we call here the new neoliberalism is an original version of neoliberal rationality insofar as it has openly adopted the paradigm of war against the population, relying, to legitimise itself, on the anger of that same population and even invoking a popular sovereignty directed against the elites, against globalisation or against the European Union, as the case may be. In other words, a contemporary variant of neoliberal power has taken up the rhetoric of sovereignty and adopted a populist style to reinforce and radicalise the domination of capital over society. In essence, it is as if neoliberalism is taking advantage of the crisis of social-liberal democracy that it has provoked and that it continues to aggravate in order to better impose the logic of capital on society.

This recovery of anger and resentment undoubtedly requires the charisma of a leader capable of embodying the once improbable synthesis of economic nationalism, liberalisation of economic and financial mechanisms and a systematically pro-corporate policy. Today, however, all national forms of neoliberalism are undergoing an overall transformation, of which Trumpism offers us an almost pure form. This transformation accentuates one of the generic aspects of neoliberalism, its intrinsically strategic character. For let us not forget that neoliberalism is not conservatism. It is a governmental paradigm whose principle is the war against archaic structures and retrograde forces that resist the expansion of capitalist rationality and, more broadly, the struggle to impose a normative logic on unwilling populations.

To achieve its goals, this power employs all the means it needs, media propaganda, legitimisation by economic science, blackmail and lies, failure to keep promises, systemic corruption of the elites, and so on. But one of its favourite levers is the recourse to the ways of legality, read the Constitution, so that the framework within which all actors must move becomes increasingly irreversible. A legality that is obviously of variable geometry, always more favourable to the interests of the wealthy classes than to those of the others. There is no

need to resort, in the old style, to military coups d'état to put the precepts of the Chicago school into practice if the political system can be put in check, as in Brazil, by means of a parliamentary and judicial coup: the latter allowed President Temer, for example, to freeze social spending for 20 years (especially at the expense of public health and universities). In reality, the Brazilian case is not an isolated one, even if the levers of the manoeuvre are more visible there than elsewhere, especially after Bolsonaro's victory as the culmination of the process. The phenomenon, beyond its national variants, is general: it is within the formal framework of the representative political system that anti-democratic devices of a fearsome corrosive effectiveness are established.

A government of civil war

The neoliberal logic contains within itself a declaration of war on all forces of resistance to the reforms in all strata of society. The prevailing language among rulers at all levels does not deceive: the entire population must feel mobilised by the economic war, and the reforms of labour law and social protection are carried out precisely to encourage universal enrolment in this war. Both symbolically and institutionally, a change is taking place as soon as the principle of competitiveness acquires a quasi-constitutional character. Since we are at war, the principles of the division of powers, human rights and the sovereignty of the people have only a relative value. In other words, liberal-social democracy tends progressively to empty itself out and become nothing more than the legal-political shell of a government of war. Those who oppose neo-liberalisation are placed outside the legitimate public space, they are bad patriots, if not traitors.

This strategic matrix of economic and social transformations, very close to a naturalised model of civil war, is coupled with another tradition, this one more genuinely military and police, which declares national security the priority of all governmental objectives. Neoliberalism and state securitarianism made good friends early on. The weakening of public freedoms under the rule of law and the concomitant extension of police powers have been accentuated by the war on crime and the war on drugs of the 1970s. But it was above all after the declaration of the global war on terror in the immediate aftermath of 11 September 2001 that the deployment of a set of measures and devices that openly violate the rules for the protection of liberties in liberal democracy, even going so far as to incorporate into law the mass surveillance of the population, the legalisation of imprisonment without trial or the systematic use of torture, took place.

For Bernard E. Harcourt (2018), this model of government, which consists of "waging war on the entire citizenry", is a direct descendant of the counter-insurgency military strategies developed by the French army in Indochina and Algeria, passed on to American specialists in the anti-communist struggle and practised by their allies, particularly in Latin America and Southeast Asia. Today, the "counter-revolution without revolution", as Harcourt calls it, seeks by all means to reduce an omnipresent internal and external enemy, which has more of a jihadist face, but which can take on many other faces (students, environmentalists, peasants, young blacks in the US or young people from the suburbs in France, and perhaps, especially at the moment, illegal migrants, preferably Muslims). And in order to successfully

wage this war against the enemy, the authorities must, on the one hand, militarise the police and, on the other, accumulate a mass of information on the entire population in order to suppress any possible rebellion. In short, state terrorism is once again on the rise, even when the communist threat, which had served as its justification during the Cold War, has disappeared.

The interweaving of these two dimensions, the radicalisation of neoliberal strategy and the military paradigm of counter-insurgency warfare, from the same matrix of civil war, is now the main accelerator of the exit from democracy. This link is only possible thanks to the skill with which a number of policy-makers on the right, but also on the left, channel resentment and hatred towards their elected enemies in a populist style, promising the masses order and protection in exchange for their adherence to authoritarian neoliberal policies.

Macron's neoliberalism

However, is it not an exaggeration to lump all forms of neoliberalism into the same bag of a new neoliberalism? There are very strong tensions at the global or European level between what must be qualified as different national types of neoliberalism. We would certainly not assimilate Trudeau, Merkel or Macron with Trump, Erdogan, Orbán, Salvini or Bolsonaro. Some still remain loyal to a form of supposedly fair trade competition, when Trump has decided to change the rules of competition, transforming the latter into a trade war in the service of US greatness ("America is Great Again"); some still pay lip service to human rights, the separation of powers, tolerance and equal rights for all, when the others don't give a damn about all this; some pretend to be humane towards migrants (some very hypocritically), when the others have no scruples about turning them away and repatriating them. It is therefore important to differentiate between the neoliberal model.

Macronism is not Trumpism, if only because of the histories and national political structures in which they are embedded. Macron presented himself as the bulwark against the extreme right-wing populism of Marine Le Pen, as its apparent antithesis. Apparent, because Macron and Le Pen, if not identical, are in fact perfectly complementary. One acts as a bulwark when the other accepts to wear the habits of the scarecrow, which allows the former to present herself as the guarantor of freedoms and human values. If necessary, as is the case today in the run-up to the European elections, Macron is engaged in artificially widening the supposed gap between the supporters of liberal democracy and Orbán-style illiberal democracy, in order to make it easier for people to believe that the European Union is on the side of liberal democracy as such.

However, the populist style of Macron has perhaps not been sufficiently perceived, and he may have appeared to be a mere masquerade by a pure product of the French political and financial elite. The denunciation of the old world of the parties, the rejection of the system, the ritual evocation of the people of France, all of this was perhaps sufficiently superficial, or even grotesque, but he has nonetheless shown the use of a method characteristic precisely of the new neoliberalism, that of the recuperation of anger against the neoliberal system.

However, Macronism did not have the political space to play this music for long. It soon revealed itself for what it was and what it did.

In line with previous French governments, but in a more declared or less shameful way, Macron associates with the name of Europe the crudest and most cynical economic violence against salaried, pensioner, civil servant and assisted people, as well as the most systematic police violence against opponents' demonstrations, as seen, in particular, in Notre-Dame-des-Landes and against migrants. All trade union or student demonstrations, even the most peaceful ones, are systematically repressed by a police force armed to the teeth, whose new manoeuvres and techniques of force are designed to terrorise demonstrators and intimidate the rest of the population.

Macron's case is among the most interesting to complete the portrait of the new neoliberalism. Taking the identification of the state with private enterprise even further, to the point of pretending to turn France into a start-up nation, he continues to centralise power in his hands and even goes so far as to promote a constitutional change that will validate the weakening of Parliament in the name of efficiency. The difference with Sarkozy on this point is obvious: while the latter used to make provocative statements while adopting a relaxed style in the exercise of his function, Macron intends to restore all its lustre and solemnity to the presidential function. He is thus combining a corporate despotism with the subjugation of the institutions of representative democracy for the exclusive benefit of the executive. He has rightly been called Bonapartism to characterise him, not only because of the way in which he seized power by doing away with the old governmental parties, but also because of his manifest contempt for all counter-powers. The novelty he has introduced into this old Bonapartist tradition is precisely true corporate governance. Macronism is a corporate Bonapartism.

The authoritarian and top-down aspect of his mode of government fits perfectly into the framework of a new, more violent and aggressive neoliberalism, in the image and likeness of the war waged against the enemies of national security. Was not one of Macron's most emblematic measures the inclusion in ordinary law, in October 2017, of exceptional provisions of the state of emergency declared after the attacks of November 2015?

Law enforcement against democracy

A Polanyian moment, i.e. a truly fascist solution, cannot be ruled out in the West, both in the centre and in the periphery, especially if a new crisis on the scale of that of 2008 occurs. The accession to power of the extreme right in Italy is a further warning sign. In the meantime, we are witnessing an exacerbation of neoliberalism, which combines the greater freedom of capital with ever deeper attacks on social-liberal democracy, both in the economic and social sphere and in the judicial and police spheres. Should we be content to return to the critical cliché that the state of exception has become the rule?

To the Schmittian argument of the permanent state of exception, taken up by Giorgio Agamben, which assumes a pure and simple suspension of the rule of law, we must oppose the observable facts: the new neoliberal government is being implemented and crystallised

by the enactment of economic and police warfare measures. Since social, economic and political crises are permanent, it is up to legislation to establish permanently valid rules that allow governments to respond to them at all times and even to prevent them. In this way, crises and emergencies have allowed the birth of what Harcourt calls a "new state of legality", which legalises what until now were only emergency measures or short-term economic or social policy responses. Rather than a state of exception that opposes rules and exceptions, we have to deal with a gradual and very subtle transformation of the rule of law, which has incorporated into its legislation the situation of a double economic and police war that governments have led us into.

To tell the truth, the rulers are not totally helpless to intellectually legitimise such a transformation. Neoliberal doctrine had already elaborated the principle of this conception of the rule of law. Thus, Hayek explicitly subordinated the rule of law to the law: according to him, the law does not designate just any rule, but exclusively the kind of rules of conduct that are equally applicable to all people, including public figures. What properly characterises the law is therefore its formal universality, which excludes any form of exception. The true rule of law is therefore the rule of material law (*materieller Rechtsstaat*), which requires state action to be subject to a rule applicable to all persons by virtue of its formal character. It is not enough for a state action to be authorised by existing law, irrespective of the kind of rules from which it derives. In other words, it is a question of creating not a system of exception, but rather a system of rules that prohibits the exception. And since the economic and police war has no end and calls for more and more coercive measures, the system of laws legalising economic and police war measures must necessarily be extended beyond all limitations.

To put it another way, there is no longer any check on the exercise of neoliberal power through the law, just as the law has become the privileged instrument of neoliberalism's struggle against democracy. The rule of law is not being abolished from outside, but destroyed from within in order to make it a weapon of war against the population and in the service of the dominant. Macron's draft law on pension reform is, in this respect, exemplary: in accordance with the requirement of formal universality, its principle is that one euro contributed gives exactly the same entitlement to all, whatever their social status. This principle therefore prohibits taking account of the hardship of working conditions when calculating the amount of the pension. Here, too, the difference between Sarkozy and Macron is clear: while the former passed one law after another without any implementing decrees, the latter is very concerned with the application of the law.

Therein lies the difference between reforming and transforming, so dear to Macron's heart: the neoliberal transformation of society requires continuity of implementation over time and cannot be satisfied with the effects of the announcement without further ado. Moreover, this approach has an invaluable advantage: once a law has been passed, governments can evade their share of responsibility on the pretext that they are merely applying the law. In essence, the new neoliberalism is a continuation of the old in a worse form. The global normative framework that inserts individuals and institutions into a logic of implacable war is increasingly reinforced and progressively destroys the capacity for resistance, deactivating

the collective. This anti-democratic nature of the neoliberal system largely explains the endless spiral of the crisis and the acceleration before our eyes of the process of de-democratisation, whereby democracy is emptied of its substance without being formally abolished.

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Notes:

1/ Prefacio a la traducción en inglés, publicada por la editorial Verso, de *La pesadilla que no acaba nunca* (Gedisa, 2017), obra publicada originalmente por *La Découverte*, París, en 2016.

2/ Éric Fassin, “Le moment néofasciste du néolibéralisme”, *Mediapart*, 29 de junio de 2018, <https://blogs.mediapart.fr/eric-fassin/blog/290618/le-moment-neofasciste-du-neoliberalisme>.

3/ Henry Giroux, *Neoliberal Fascism and the Echoes of History*, <https://www.truthdig.com/articles/neoliberal-fascism-and-the-echoes-of-history/>, 08/09/2018.

4/ Robert O. Paxton, “Le régime de Trump est une ploutocratie”, *Le Monde*, 6 de marzo de 2017.