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## Agency and Neoliberalism

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Review

## Agency and Neoliberalism

With the advance of neoliberalism over the last forty years, examination of the exercise of agency within the context of this latest stage of capitalism must be explored. The argument set forth is that agency within the specific institutional/structural context of neoliberalism requires tailored cultural mechanisms and artifacts to construct and support a self-referential, yet inauthentic agency. Inauthentic agency sustains neoliberalism.

Key words: agency, self-reference, neoliberal, institutions, heterodox

JEL codes: B50, B52, N32

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3 With the advance of neoliberalism over the last forty years, an examination of the  
4 exercise of agency within the context of this latest stage of capitalism must be explored. The  
5 argument set forth is that agency within the specific institutional/structural context of  
6 neoliberalism requires tailored cultural mechanisms and artifacts to construct and support a  
7 self-referential, yet inauthentic agency – inauthentic because individuals are not fully aware  
8 of the difference between the rhetoric of neoliberalism and the reality. Inauthentic agency  
9 sustains neoliberalism.  
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18 The first section of this paper details the relationship between an individual's agency  
19 and her respective institutional context, examining their evolution and interplay. The next  
20 section focuses on the specific institutional context of neoliberalism, highlighting the  
21 mechanics of neoliberalism and proposes that neoliberalism promotes a specific type of  
22 agency that is inauthentic. The nature of inauthentic agency is then explored. The third  
23 section outlines the means by which this inauthentic agency is created and perpetuated  
24 through the fetishism of power, casting of neoliberal values and priorities within an  
25 individual's own frame of reference, and the cultural articulation and socialization of  
26 individualism. The final section remarks upon the success and the necessity of neoliberalism  
27 in sustaining inauthentic agency.  
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### 41 *I. Agency and institutions*

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44 All individuals engage and exercise agency during their decision making processes;  
45 agency and its underlying cognitive processes, in other words, mental models<sup>i</sup> constitute the  
46 mechanism of discretion and agency is the impetus of action (Smith, 2010). Structure, which  
47 manifests via the persistent, often tacit, contextual relations within and through which  
48 individuals act, partially shapes the individual's agency through various social mechanisms  
49 such as power relations, resource allocation, and both formal and informal constraints and  
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3 obligations. The influence, however, of structure and institutions on agency consists of much  
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5 more than a mere constraining mechanism.  
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7  
8 In order not to subsume agent into structure or structure into agent, the  
9  
10 interdependence of agent and structure must be acknowledged while also recognizing the  
11  
12 simultaneous independence of each – the autonomous and internal forces – which propel  
13  
14 agent and structure down their respective evolutionary paths. Thus, structure and agency are  
15  
16 approached as simultaneously sensitive to the workings of one another while also consisting  
17  
18 and evolving independently and of independent inertia (Archer, 2000; Lawson, 1997). This  
19  
20 interactive agency allows for mutual causation between institutions and agent and  
21  
22 simultaneously recognizes the interdependence and independence of agent and institutions  
23  
24 (Davis, 2003). Structures and agency thus exist independently and evolve in non-synopated  
25  
26 historical time (Hodgson, 2002). Such respect for the dichotomous forces which inform the  
27  
28 development of agent and structure leads not only to understanding each more clearly but  
29  
30 also serves as an important consideration in the development of economic policy. Structural  
31  
32 economic policy changes that do not consider or anticipate the interaction between structural  
33  
34 shift and the impacted individuals are not likely to succeed. One needs only to turn to the  
35  
36 application of shock therapy in Eastern Europe for a striking example of such failure, where  
37  
38 political and economic institutions were transformed quickly from centralized command  
39  
40 planned to market economies, leaving confused individuals, unaccustomed to these new  
41  
42 institutions in its wake (See Taylor 2003 and 2006).  
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48 Moreover, the individual must possess the power of self-reference while recognizing  
49  
50 – regardless of accuracy – social influences and her power to act and react to them (Davis,  
51  
52 2003). Self-referential is meant to refer to the agent's ability to develop a perception of her  
53  
54 own position and part of the surrounding structure. Under this conceptualization, the agent is  
55  
56 'socially embedded in a nonarbitrary manner.' This of course, doesn't mean that self-  
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3 reference is automatic (Davis, 2003, pp. 113-4). Indeed, the issue of non-authentic self-  
4  
5 reference fundamentally changes the character and consequence of this interactivity.  
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7  
8 Fundamentally, individuals are responsible for the exercise of their agency (Sayer,  
9  
10 2011). Individuals, however, might not recognize structure or the constraints of structure on  
11  
12 their agency. Further, individuals might not recognize the fallibility of their perception of the  
13  
14 surrounding structure. Individuals might indeed exercise agency while possessing the power  
15  
16 of self-reflection, but those individuals are engaging agency that is not authentic when that  
17  
18 self-reflection exists within institutional contexts which represent the veiled exercise of  
19  
20 agency of others who are more powerfully positioned. As such, well-intentioned individuals  
21  
22 might be accurately exercising self-referential behavior but within a frame of reference that is  
23  
24 positively misunderstood. The social meaning of an act in such a scenario does not parallel  
25  
26 necessarily with the individual's intended meaning (Pratten, 1993). Agency with the specific  
27  
28 institutional context of neoliberalism requires this type of "inauthentic" agency to sustain it.  
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## 32 33 ***II. Agency and Neoliberalism*** 34

### 35 36 ***A. The neoliberal narrative*** 37

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39 Neoliberalism embodies the ideological shift in the purpose of the state from one that  
40  
41 has a responsibility to insure full employment and protect its citizens against the exigencies  
42  
43 of the market to one that has a responsibility to insure protection of the market itself (Harvey,  
44  
45 2005). The neoliberal narrative consists of three well-defined tropes: privatization of  
46  
47 currently state provided goods and services, de-regulation of industry, and retrenchment of  
48  
49 the welfare state (Dumenil, 2011). All three reinforce a central premise: the locus of control  
50  
51 is the individual exercising agency through (free) market operations. The tropes of  
52  
53 privatization and de-regulation both argue that erecting a wall between government and  
54  
55 business creates a more efficient market economy; private industry is brought to heel by  
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3 competitive market forces – market forces that simply represent the aggregate of  
4  
5 autonomous, individual decisions. Likewise, the retrenchment of the welfare state erects a  
6  
7 wall between the individual and the state, which ‘frees’ the individual to exercise agency and  
8  
9 decide for herself where she wants to reside in the economic hierarchy.  
10

11  
12 This analysis of the neoliberal narrative is not meant to suggest that there is a  
13  
14 comprehensive and complete ‘Neoliberal Agenda’ that is actively enforced by maniacal  
15  
16 powers-that-be. Rather, what is argued is that the neoliberal narrative consists of a central  
17  
18 ideological construct – that of hyper-individualism – upon which the justification of these  
19  
20 tropes rests, the consequences of which legitimize and prioritize market activities above  
21  
22 socially integrative activities. Neoliberalism teaches through the socialization process that  
23  
24 each individual should be accountable to herself and in so doing, each individual’s  
25  
26 responsibility to others and to the collective is eroded. Society is then comprised entirely and  
27  
28 solely of self-interested, atomistic individuals seeking to forward their own agendas. The  
29  
30 emphasis on individual accountability and responsibility naturally segues into the power of  
31  
32 the individual acting alone. Within neoliberalism, agents are not just taught the ethos of  
33  
34 individual responsibility, but more importantly that they are the drivers of destiny: the  
35  
36 individual can through the democratic process – via votes or money – determine the structure,  
37  
38 individual can through the democratic process – via votes or money – determine the structure,  
39  
40 composition, and path of the state and the market.  
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#### 44 B. Neoliberal, inauthentic agency

45  
46 There is agency and then there is *neoliberal agency*. The former depends wholly on  
47  
48 the ability of the individual to exercise authentic, self-referential behavior (Davis, 2003). The  
49  
50 latter depends on the individual *perceiving* herself as authentically self-referential.  
51  
52 Neoliberal agency constructs and instructs the superficially empowered individual and  
53  
54 perpetuates the illusion of autonomous decision making. This is not to suggest that  
55  
56 individuals become puppets to the institutions of neoliberalism – there most certainly remains  
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3 genuine interaction between individuals and institutions and the economic agent is still able  
4  
5 to exercise discretion and some authentic agency in her decisions. What is being suggested is  
6  
7 that while the exercise of agency is itself authentic – the individual is empowered to interact  
8  
9 with and superficially change institutions – the perception of agency within neoliberalism is  
10  
11 not.

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13  
14 The neoliberal narrative of privatized, hyper-individualism perpetuates the illusion of  
15  
16 authentic and efficacious agency. Indeed, this is the grand illusion of neoliberalism: that the  
17  
18 individual is self-efficacious and therefore possesses free and uninhibited agency, or at the  
19  
20 very least, maintains the potential for such. Neoliberal, inauthentic agency is framed as  
21  
22 authentic, that is, efficacious, as part of the over-arching neoliberal and democratic narrative,  
23  
24 both of which venerate the sacredness of the individual acting alone (Ratner, 2000). This  
25  
26 veneration of the individual and her agency is neatly framed within the neoliberal narrative as  
27  
28 the power to change one's situation and station. Under this conceptualization of agency, all  
29  
30 inequalities, misfortunes, and tragedies are surmountable and dependent wholly on the action  
31  
32 of the individual regardless of her social context. This conceptualization removes social  
33  
34 change as a possibility because all fault and power of changes lies with the individual – social  
35  
36 change is therefore not necessary on a collective scale (Ratner, 2000). The conspicuously  
37  
38 hidden contradiction is that the individual cannot ignite lasting and systemic changes to the  
39  
40 social structure itself, nor can the individual do much to change her position within the social  
41  
42 hierarchy because of the restricted set of roles and positions that are open to her (Antonio,  
43  
44 1981). Neoliberalism thus falls short of its own claims.

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49 The individual exercises agency in her life decisions but primarily with respect to the  
50  
51 more mundane decisions that are made daily within the auspices of the market economy.  
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53 These decisions are certainly self-referential with respect to the individual's present wants  
54  
55 and needs as well as to her financial/credit position and the social image she wants to project  
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3 within her specific set of social relations. This is not – as specified here – authentic agency.  
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5 Authentic agency requires the individual to understand fully that these decisions are by their  
6  
7 nature pedestrian and as such have no greater social consequence. The individual who  
8  
9 exercises authentic agency understands that the power to purchase is a prosaic expression of  
10  
11 agency. Authentic agency requires that the individual understands not just her power in  
12  
13 making decisions, but more importantly the *limits* to her power within the existing social  
14  
15 framework (Ratner, 2000).  
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18  
19 The difference between authentic and inauthentic agency as described here can be  
20  
21 explained and further refined by briefing exploring the difference between ‘consciousness’  
22  
23 and ‘awareness’ as broadly understood in the Marxist tradition. Callinicos (1987) suggests  
24  
25 that the more powerfully positioned individuals possess ‘class consciousness’ while those  
26  
27 lower on the economic hierarchy are merely ‘class aware’ – whereby the former recognize  
28  
29 and internalize their location and station while the latter only recognizes shared similarities<sup>ii</sup>.  
30  
31 To merge this framework with that presented here, those at the top of the economic hierarchy  
32  
33 possess ‘class consciousness’ and as such authentic agency as they are able to choose  
34  
35 deliberately – with full understanding of the capacities and limits to their abilities and reach –  
36  
37 with the intended consequence of maintaining their position. The average individual as  
38  
39 merely ‘aware’ of shared characteristics with similarly positioned individuals<sup>iii</sup> is able to  
40  
41 exercise agency, but not authentic agency insofar as catalyzing systemic changes. Those  
42  
43 individuals with inauthentic agency work independently to change their respective class  
44  
45 identities but do not possess the apperception that they do not have the access to power to  
46  
47 catalyze substantial change or to change significantly their relative position on the economic  
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49 hierarchy; most importantly, these individuals are not conscious that they cannot perform  
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51 either of those tasks.  
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3 There are thus two essential layers of the neoliberal economic system: the superficial  
4 layer in which individuals perceive themselves to be situated and the underlying layer in  
5 which corporations operate and attempt to sustain the former other, public face of  
6 neoliberalism<sup>iv</sup>. Both layers are real, and the former is essential to the maintenance of the  
7 latter.  
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14 The skin of neoliberalism, that part of the social structure of accumulation of which  
15 everyone is aware advocates for individual accountability and small government through a  
16 minimized welfare state, privatization, and de-regulation. In this layer of reality, the  
17 individual possesses and engages agency in decision making. The agent is completely self-  
18 referential within this superficial layer, and more importantly, perceives herself as  
19 authentically self-referential. Beneath the skin of neoliberalism presides the genuine  
20 institutional framework of neoliberalism: the revolving doors between lobbying firms,  
21 corporate boards of directors, and political office.<sup>v</sup> By examining this deeper, veiled layer,  
22 stripping away the rhetoric and studying the mechanism of operations, we witness the  
23 contradiction between neoliberal rhetoric and reality.  
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### 37 C. The veiled layer

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40 The corporate sector demands for the privatization of government projects mask the  
41 clamor for the signing over of government contracts to the private sector. Contracted state  
42 infrastructural production and services or the issuing of vouchers by which individuals  
43 purchase such services via the private market are only superficial movements toward  
44 privatization. This partial-privatization separates the consumer – indeed the public, writ large  
45 – from the private producer with the state acting as a financial intermediary, essentially  
46 removing public oversight without reducing state spending (Nasser, 2003). Examples abound  
47 and continue to expand within the US: the privatization of prisons (Corrections Corporation  
48 of America), defense contracts (Lockheed Martin), infrastructure re-building in war-torn  
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3 areas of the world (KBR) and even the privatizing of military operations (Xe, formerly called  
4 Blackwater). Once government funded projects are contracted to the private sector, these  
5 corporations are able to claim under the Fourteenth amendment to the US Constitution  
6 personal rights<sup>vi</sup> that include the right to free speech viz. political endorsements and the right  
7 to privacy and protection of proprietary information, helping shield operations from  
8 regulatory oversight. The neoliberal push for privatization thus veils the allocation of  
9 government funds into corporate welfare programs and essentially deregulates industries by  
10 removing transparency. Partial privatization demonstrates the power of the contradiction  
11 between the ideal of the democratically empowered individual who can catalyze social  
12 change and the reality of the opaque government funding provided to private industry  
13 contractors within the neoliberal state.  
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27 The shrinking of the welfare (or 'nanny') state translates to a retrenchment of social  
28 welfare programs. The attack on social programs proceeds on moral grounds: the connection  
29 between the need to restore morality and the retrenchment of the welfare state is made to  
30 create reforms which are palatable to the working class (Piven, 2004). Arguments against the  
31 welfare state portray poverty as a necessary evil which serves as incentive to remove oneself  
32 from poverty or as unnecessary given the success of past social programs which had  
33 effectively corrected any past inequalities (Karger, 1993). Accordingly, social programs are  
34 painted as deleterious as such safety nets degrade the individual's perceptions of self-worth  
35 and communicate a lack of faith in the recipient's ability to provide for her family (George,  
36 2000). As well, one should not underestimate the expediency and effectiveness with which  
37 cultural perceptions of individuals receiving assistance from the welfare state have been  
38 molded so as to embarrass, humiliate, and socially degrade recipients while allowing others  
39 to morally justify not fighting for the extension of government aid (Piven, 2004). Issues of  
40 morality are often invoked to buttress support of welfare retrenchment as welfare policies are  
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3 portrayed to the public as supporting a ‘culture of poverty;’ a culture which includes  
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5 disincentives for marriage and traditional family units as well as the maintenance of ‘welfare  
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7 queens’ (Piven, 2004) or of ‘skivers’ over ‘strivers.’ The neoliberal narrative instructs that  
8  
9 individuals exercise agency and *choose* whether or not to suffer poverty; obfuscating the  
10  
11 reality that individuals become trapped in cycles of poverty rather than electing to maintain  
12  
13 cultures of poverty. The impact of this manifestation of the contradiction works on two  
14  
15 levels: first, the popular removal of social programs which might assist lower income  
16  
17 individuals (even those opposed to social programs) in climbing the economic hierarchy and  
18  
19 second, by creating barriers to advocates of social change with the argument that poverty is a  
20  
21 choice.  
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25 The theory of consumer sovereignty perpetuates the idea of the impartiality of the  
26  
27 market and the market as an efficient execution of the democratic ideal – consumers ‘vote’  
28  
29 with their money. While there is considerable choice in the market setting as the capitalist  
30  
31 cycle demands persistent product development and finer market segmentation, the choice set  
32  
33 is determined, priced, and therefore entirely determined by the producer, so that the reality of  
34  
35 the production of goods for the consumer market is more aptly described via Galbraith’s  
36  
37 ‘revised sequence’ where in reality it is the producer who is sovereign (1985, pp.221-9).  
38  
39 Invention is the mother of necessity; planned obsolescence, creative destruction, and  
40  
41 increasing market segmentation perpetuate its maternity. Galbraith eloquently explains,  
42  
43 however, that to describe this process as unilateral and paint consumers as victims, slaves, or  
44  
45 witless pawns is short-sighted and misses the mark entirely. Individuals are not dupes –  
46  
47 indeed, they must be increasingly sophisticated in order to navigate the saturated and overly  
48  
49 differentiated market (Migone, 2007). Consumers have the power to decide not to consume  
50  
51 particular goods, and to exercise a degree of choice in the selection of which goods she might  
52  
53 consume. The most important point is this: that neoliberalism, reinforced by the ideals of  
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3 free markets and consumer sovereignty, ‘... supports the conclusion that the individual is the  
4  
5 ultimate source of power in the economic system’ (Galbraith, 1985, p. 226). Inauthentic  
6  
7 agency is perpetuated and continually reproduced because the culture of neoliberalism  
8  
9 elevates the pedestrian choices the individual makes in her everyday life, especially choices  
10  
11 of consumption as expression and proof of the individual’s uniqueness, individuality, and  
12  
13 power (Ratner, 2000). Within the skin, the superficial layer of neoliberalism, the consumer is  
14  
15 sovereign and the individual is supreme – she is self-referential, she knows what she wants  
16  
17 and is empowered by free markets to decide and act.  
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### 20 21 22 ***III. Building the power of choice*** 23

#### 24 25 ***A. Fetishism of agency*** 26

27  
28 Commodification and capitalism are inseparable; the existence of the market economy is  
29  
30 predicated on persistent commodification. Social life itself becomes subjected to the forces  
31  
32 of commodification and consumption under capitalism; individuals within the intensified  
33  
34 market setting of capitalism become distanced and detached from personal relationships so  
35  
36 they must find connection through commodities. Individuals are conditioned, socialized, and  
37  
38 culturally disciplined by capitalism through advertising and political persuasion that the  
39  
40 possession of commodities will assuage their insecurities and need for expression and  
41  
42 meaning (Stanfield, 1977). These ideas are not new.  
43  
44

45  
46 What makes commodification in the neoliberal stage of capitalism unique is the  
47  
48 emphasis on commodities as fetishized emblems of agency. Ideas that support neoliberalism  
49  
50 are objectified, reified, and commodified to the extent that they are no longer ideals but idols  
51  
52 which are to be venerated, coveted, and collected. The physical commodification of these  
53  
54 ideas serves as a self-referential identifying mechanism for the alienated individual. The  
55  
56 individual feels socially connected to other individuals and a larger community through the  
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3 shared fetishism of the objectified and commodified ideas of power, freedom, independence,  
4  
5 or even counter-cultural non-conformity – all of which enable the individual to construct her  
6  
7 identity and superficially define the social context within which she perceives herself to be  
8  
9 situated. The individual is thus able to find connection to her own power (self-  
10  
11 empowerment) through objects.  
12

13  
14 Within neoliberalism, commodities become the cultural artifacts and physical proof of  
15  
16 an individual's identity, both uniquely chosen by the individual and shared with a larger  
17  
18 community with similar ideals. The patriotic purchase freedom in flags and lapel pins while  
19  
20 the rebellious purchase non-conformity and resistance to 'the system' in Che Guevarra t-  
21  
22 shirts and Kerouac novels. T-shirts and bumperstickers abound whatever the cause or call.  
23  
24 What these consumers have actually purchased is the veneer of empowerment through the  
25  
26 exercise of agency. The decision to purchase such cultural relics not only supports the  
27  
28 superficial social context that sustains neoliberalism, but it also hides the deeper layer of  
29  
30 neoliberalism, the political-corporate machinations that constitute the true institutional  
31  
32 structure. Culture or counter-culture, pro or anti, rebel or patriot makes no difference: all  
33  
34 feel empowered, commodities and production are supported, and the deeper, veiled layers of  
35  
36 neoliberalism continue to operate.  
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40  
41 The fetishism of the individual's free and fully autonomous agency sustains and  
42  
43 perpetuates neoliberalism. Individuals are not aware that they are not authentically self-  
44  
45 referential. Again, this is not to say that individuals act blindly and ignorantly or that all of  
46  
47 the aims of neoliberal proponents are neatly and completely executed, but rather to  
48  
49 underscore the point that the public face of neoliberalism is convincingly framed but  
50  
51 moreover, is not consistent with the machinations beneath the surface. Frustration with or  
52  
53 outrage against outcomes of neoliberalism, whether the focus be war, environmental  
54  
55 degradation, or cultural deterioration are channeled and (at least superficially) ameliorated  
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3 through commodities that are emblematic of that frustration or outrage. Even the anti-  
4  
5 consumerist movement offers t-shirts. Counter-culture is at once commodified and mollified,  
6  
7 all while supporting accumulative drive of neoliberalism. Individuals exposed only to the  
8  
9 superficial face of neoliberalism are thus persuaded and lulled into making decisions without  
10  
11 understanding the deeper layer of neoliberalism wherein corporate institutions attempt to  
12  
13 exert influence on those decisions. Individuals are socialized into believing that their social  
14  
15 context consists of the reified institutions of democracy, freedom, and individual  
16  
17 independence; ‘an increasingly hegemonic discourse that equate(s) individual expression  
18  
19 with material possession’ (Migone, 2007, p. 176). Individuals exercise superficially  
20  
21 authentic, that is superficially self-referential, agency within this contrived institutional  
22  
23 context.  
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#### 28 B. “Us versus them”

30  
31 Working through social institutions and appealing to the market mentality, the  
32  
33 proponents of neoliberalism have been able to enlist citizen support of its agenda through  
34  
35 populist appeals which cast larger neoliberal priorities within an individual’s own frame of  
36  
37 reference. The neoliberal call for a balanced budget illustrates the tactic quite clearly. The  
38  
39 balanced budget issue works well for neoliberalism for two essential reasons: it makes sense  
40  
41 from the perspective of the individual who must balance her own budget, and is therefore  
42  
43 able rather easily to garner popular support, and secondly, a balanced budget is a convenient  
44  
45 means to an end. As discussed above, the ultimate aim of neoliberalism is not a balanced  
46  
47 budget, but rather the specific reduction of government spending through the elimination or  
48  
49 retrenchment of specific social programs which erode capital’s position with respect to labor  
50  
51 by mitigating worker insecurity and thus depriving the corporate sector of an effective  
52  
53 disciplinary device (Meeropol, 2000). The real objective is to reallocate social welfare to  
54  
55 corporate welfare.  
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3 Proponents of neoliberalism are able to recruit supporters from the ranks of the  
4  
5 working class by obscuring wealth inequalities while emphasizing the distinction between the  
6  
7 'hedonistic poor' and 'hard working' citizens: the 'welfare queen' vs. 'Joe the plumber.'  
8  
9 Through this rhetorical framing of an 'other,' average citizens who would not benefit from  
10  
11 neoliberal policies such as trickle-down economics, tax breaks for upper-income brackets, or  
12  
13 the removal of social safety nets effectively become supporters. Furthermore, the specious  
14  
15 justification of job creation and maintenance is evoked to rationalize and recruit support for  
16  
17 corporate welfare over social welfare, even when the assistance in the form of either subsidy  
18  
19 or tax relief would be more beneficial to society in general and the poor in specificity if it  
20  
21 were channeled in to the production of education or other social infrastructural  
22  
23 improvements.  
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27 The neoliberal packaging of financial markets as the common man's playground veils  
28  
29 the struggle over the distribution of income with the persuasive illusion of social mobility.  
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31 The stock market is sold as a game that workers can play and win; another avenue by which  
32  
33 to achieve the 'American Dream.' Since experience eventually teaches the individual that  
34  
35 hard work does not serve to increase repressed wages, the stock market offers an alternative  
36  
37 possible means of entrée into the world of capital and thus serves to recruit individuals into  
38  
39 the campaigns for and acceptance of neoliberal market policies (Piven, 2004). Even if  
40  
41 individuals are not financially able to invest, the stock market is held up as a promising and  
42  
43 attainable opportunity, especially given the proliferation of internet discount brokerages.  
44  
45  
46 Despite the illusion of access to stock markets, however evidence suggests that in the US, the  
47  
48 households of the neoliberal era hold a smaller percentage of stock (46 percent in 2000) than  
49  
50 during the golden years of the welfare state (90 percent through the 1950s), the remainder of  
51  
52 public shares being held by institutional investors (Crotty, 2003).  
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2  
3 By persuading the general public that ‘we’ are all in the business of making money,  
4  
5 that all of us are ‘in the same (contextual) boat,’ proponents of neoliberalism are able to quite  
6  
7 effectively enlist popular support from individuals who do not stand to benefit from its  
8  
9 policies but believe at the very least, that they someday might benefit. The framing of the  
10  
11 inheritance tax within the US presents a compelling example. In the early 1990s,  
12  
13 Republicans were encouraged by political strategists to replace the term ‘inheritance tax’ or  
14  
15 ‘estate tax’ with the term ‘death tax’ in their calls for its repeal. This rhetorical manipulation  
16  
17 and the bombast against the tax that followed demonstrate how proponents for repeal have  
18  
19 been able to harness popular support for a tax that only impacts 2% of US taxpayers  
20  
21 (Schaffner, 2009).  
22  
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24  
25

### 26 C. Expert vs. humble opinion

27  
28 The cultural articulation of the neoliberal movement would not be possible without  
29  
30 the transference of neoliberal values via the social structure. The individual learns from the  
31  
32 communal stock of knowledge shared through intersubjective relations, from the structural  
33  
34 repository of knowledge, and from her own experience (Hodgson, 2004). The hyper-  
35  
36 individualism of neoliberalism, however, diminishes reliance on social relationships so that  
37  
38 the structural sources of knowledge and the transmission of new knowledge increasingly fall  
39  
40 to expert analysis rather than shared personal experience or institutional forms independent of  
41  
42 neoliberalism.  
43  
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45

46  
47 A significant contribution to the success in the propagation of the neoliberal mental  
48  
49 models has been the mass-market packaging of those ideals via news media channels. The  
50  
51 institutions of the neoliberal economy act as filters on the transmission of new information.  
52  
53 Filtering may be enforced or reinforced in a variety of ways: threats to advertising income,  
54  
55 increasing concentration of ownership of media outlets, corporate feedback and assistance, or  
56  
57 reliance on ideologically charged ‘expert’ perspectives (Jackson, 2004). Sound bites and  
58  
59  
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1  
2  
3 condensed information are used to arm the public with easy to understand and communicate  
4  
5 talking points on current issues. The blogosphere and booming pundits formulate opinions  
6  
7 and outrage by neatly condensing complex issues into mimicable political stances. In a  
8  
9 disturbing example of news manipulation, a study conducted by the Center for Media and  
10  
11 Democracy found escalating employment of video news reports (VNRs) – ‘pre-packaged  
12  
13 ‘news’ segments’ – which are largely commissioned by corporate interests and offered free of  
14  
15 charge to the media. The VNRs, whose production values and graphics deliberately mimic  
16  
17 that of television newscasts, are designed to be inserted directly into a station’s news  
18  
19 programming without further editing. Researchers found that *none* of the television stations  
20  
21 tracked in a national study fully disclosed to the public the source of the VNR (Farsetta,  
22  
23 2006).

24  
25  
26  
27 Proponents of neoliberalism also attempt to influence public perception and opinion  
28  
29 via widely publicized and doctrinaire work of scholars funded by neoliberal ideologists  
30  
31 through foundations. The establishment of think tanks and policy institutes which fund  
32  
33 speakers, authors, and flood the media with a bevy of expert commentators – often provided  
34  
35 free of charge – serves to inculcate the values of neoliberalism in the public mind (Blyth,  
36  
37 2002; Jackson, 2004; Piven, 2004). These propaganda machines have historically been  
38  
39 carefully crafted. Indeed, the original creation of many of these various institutes since the  
40  
41 1970s has followed a specific blueprint in order to maximize the spread of the neoliberal  
42  
43 ideology, with each institution assigned a specific goal such as the promotion of capitalism as  
44  
45 the superior system (the only alternative) or a specific legislative project geared toward  
46  
47 corporate interests.<sup>vii</sup> Affiliation with a particular political party is incidental to the purpose  
48  
49 and direction of these ideological entities (Blyth, 2002).

50  
51  
52 Proponents of neoliberalism have not only proven quite adept at demoralizing and  
53  
54 defaming the welfare state, but also those who support it; the invention of an elitist class  
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2  
3 based not on income but rather intelligence<sup>viii</sup> has effectively driven a wedge between the  
4  
5 traditional liberal supporters of the welfare state in academia and the general population. The  
6  
7 populist appeals of neoliberal advocates effectively pit the working class (or ‘Middle  
8  
9 America’) against the fabricated ‘intellectual elite,’ as represented by university professors  
10  
11 and Ivy League educated politicians, and the immoral poor. In many ways, proponents of  
12  
13 neoliberalism have been able to construct a straw man out of the intelligent elite and the  
14  
15 hedonistic poor as a manner of diverting the public from the origin of their insecurities which  
16  
17 are created in the capitalist drive to encourage mass consumption (Ehrenreich, 1987).  
18  
19  
20 Although not a new phenomenon, this development has become more transparent in recent  
21  
22 years in renewed attacks on academia, with pundits claiming restricted access to both  
23  
24 conservatives and libertarians to the ivory tower (Tierney, 2004). By co-opting the trusted  
25  
26 sources of information in society and casting doubt on those critical of neoliberalism, the  
27  
28 proponents of neoliberalism are able to convince individuals that everyone faces the same  
29  
30 opportunities, has equal access to power, and that the outcomes of their respective decisions  
31  
32 are exclusively the result of their chosen exercise of agency.  
33  
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#### 37 *IV. Concluding remarks*

38  
39  
40 Neoliberalism is morally justified by the invocation of freedom, an ideal with which  
41  
42 US residents in particular have historically been heavily socialized. Freedom as such is  
43  
44 neatly reframed into the context of neoliberalism: free markets, freedom to choose, free  
45  
46 movement of labor and capital, free movement of currency (Nonini, 2003). To object to  
47  
48 neoliberalism is to oppose ‘freedom.’ Those who blaspheme the natural law of neoliberalism  
49  
50 and the ‘freedom’ it proffers are condemned to ad hominem attacks of anti-patriotism,  
51  
52 ‘communism,’ pro-terrorism, or as promulgators of class warfare. Neoliberalism teaches the  
53  
54 market mentality and the superiority of the individual.  
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3           Within the context of neoliberalism, at least part of the agency an individual perceives  
4 she possesses is inauthentic. The veneer of authentic agency veils the machinations of  
5  
6 channeled interpretations and choice restriction. The larger the distance between authentic  
7  
8 and inauthentic agency, the more freedom of movement is afforded to neoliberalism. The  
9  
10 difference between agency and agency within the context of neoliberalism is that the latter is  
11  
12 not self-actualized agency. The gap between these two creates space for the machinations of  
13  
14 neoliberalism. The bloating of the individual's self-perceived agency in turn reinforces the  
15  
16 neoliberal agenda; it is the mischaracterization/misunderstanding of the true nature of  
17  
18 authentic agency that reproduces neoliberalism. The result is an interactive agency  
19  
20 predicated on the lie of autonomous individual agency. The belief in the power of the  
21  
22 individual – in her own power – ultimately serves to strengthen the influence of  
23  
24 neoliberalism.  
25  
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27  
28

29           Within neoliberalism, individuals wear symbols of power instead of authentically  
30  
31 exercising power. The power to choose is deftly re-angled into the power to choose between  
32  
33 commodities, and the potential for action narrowed into the act of exchange. The corporate-  
34  
35 owned media engage in the active shaping of the individual's assessment of self, attaching  
36  
37 identification and social meaning to objects while invoking the moral justifications for  
38  
39 neoliberalism (Herman and Chomsky, 1988).  
40  
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42

43           By controlling the exposure and content of information to the public, the veiled  
44  
45 corporate agenda behind neoliberal policies creates and constructs a convincing and easy to  
46  
47 understand picture of social context and institutional configurations amenable to  
48  
49 neoliberalism. Media institutions provide experts and analysis; the humble opinion of the  
50  
51 average Joe is not only channeled, but also pre-packaged with no further assembly required.  
52  
53 The deference on the part of the common man to expert analysis instead of personal and  
54  
55 proximate observation contributes to the weight of the information presented. The individual  
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3 understands her position in her surrounding context and is thus able to exercise self-  
4  
5 referential agency, yet the surrounding context is not wholly described, the pieces are not  
6  
7 fitted together, and the sub-surface objectives of the proponents are not exposed. The  
8  
9 individual is therefore exercising inauthentic agency.  
10

11           The advance of neoliberalism is the by-product of ad hoc and uncoordinated  
12  
13 responses on the part of politico-corporate entities that only have in common the goal of  
14  
15 survival and expansion of operations. Uncoordinated responses from individuals emerge  
16  
17 from efforts to cope with an inherently irrational system; to survive and make sense of a  
18  
19 world where there is an in-articulate disconnect between the rhetoric and the reality of  
20  
21 neoliberalism. The way forward requires individuals to recognize this disconnect and to  
22  
23 acknowledge the impotency of the individual acting alone. Only then can individuals work to  
24  
25 transcend the actual limits to agency and through coordinated, collective action, redesign  
26  
27 social institutions into structures which support authentic living and the broader flourishing of  
28  
29 individuals.  
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25 \_\_\_\_\_  
26 <sup>i</sup> Mental models so envisioned are not endowed fully formed at birth, nor are they constructed via internally  
27 driven, universal maturation processes, but rather contain the antecedents and cumulative paths of the  
28 individual's contextually situated history. For a more detailed explanation of mental models see Wrenn, 2007.

29  
30 <sup>ii</sup> For evidence of the former's level of consciousness and how businesses have adapted to that, see the Citigroup  
31 memo, "The Plutonomy Symposium – Rising Tide Lifting Yachts."

32  
33 <sup>iii</sup> This should not be interpreted as producing 'false consciousness,' but rather as the prevention of a shared,  
34 class consciousness.

35  
36 <sup>iv</sup> Recalling Gidden's description (1979) of "deeply layered" structures, the possibility of more than two layers  
37 within neoliberalism most certainly exists. For the present purpose, only the superficial and political-corporate  
38 layers will be examined.

39  
40 <sup>v</sup> See the Center for Responsive Politics' Revolving Door Project for extensive analysis and data for the United  
41 States of the relationship between K Street, Wall Street, and the US Congress.

42  
43 <sup>vi</sup> See the 1886 Santa Clara County v. Southern Pacific Railroad Company US Supreme Court ruling and more  
44 recent 2010 Citizens United v. Federal Election Commission US Supreme Court ruling for major landmark  
45 cases establishing such rights.

46  
47 <sup>vii</sup> See Blyth, 2002, chapter six for an excellent survey of these institutions and their respectively assigned roles.

48  
49 <sup>viii</sup> The creation of this new 'intellegentsia' has its roots in the presidential platforms of Spiro Agnew and George  
50 Wallace in their 1968 and 1972 campaigns (Ehrenreich, 1987, p. 166).