



The Neoliberal Phoenix: The Big Society or Business as Usual

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Abstract

At present something curious appears to be occurring in the UK in the aftermath of the 'credit crunch', with respect to the political, economic and social complexion of the policies currently being implemented by the Coalition government, and not least in terms of the manner in which they are being introduced. Specifically, as this paper argues, despite a degree of rhetoric to the contrary, asserting a movement towards a more socially 'progressive' and inclusive 'Big Society', the current policy framework appears quite clearly to have been framed from a radical neoliberal perspective, to the extent that much of what is being implemented and proposed bears more than a passing resemblance to the neoliberal Structural Adjustment Programmes imposed by the IMF and World Bank on developing economies since the 1970s.

This paper suggests that the implementation of the Big Society agenda - while seeming earnestly advocated by its presumed architect Philip Blond (whose Red Toryism has been cited as providing the intellectual foundation for the project, much as Giddens' Third Way informed 'Blairism') - may have implications that are largely oppositional to its asserted aims. Such initiatives can be considered, in their application at least, as potentially legitimating discourses for the advancing of neoliberal policies against the background of an increasingly uneasy populace. In this vein, the Big Society, as the latest variant of such socio-economic visions, can easily be construed as being little more than a convenient vehicle, employed to rehabilitate and further entrench neoliberalism in the aftermath of its self induced crisis. This view is supported by the observation that a key feature of the Big Society agenda, in practice, appears to be the increasing marketisation of the public realm and, crucially, dismantling the 'Big (Welfare) State', where the latter, in almost Orwellian fashion, is now being indicted for many of the social and economic ills that the 'free market' era has delivered.

Keywords: Big Society; Neoliberalism; Neo-Conservatism; Structural Adjustment; Predatory Capitalism

Introduction

The world we have lived in, created from the twin oil-price shockwaves of 1973 and 1979 and validated in the eyes of many by the events of 1989, is at last suffering its own crash. The era of Thatcher and Reagan, inflated by their offspring Clinton, Bush and Blair; the era of unfettered financial capitalism, unrestrained consumerism and a near mystical belief in the power of markets; the neoliberal epoch of corporate conceit and neo-con adventurism, is drawing to a close (Hasan & Barnett, 2008).

1.1 For at least the last few decades there has been growing recognition that all was not well with the 'free market' economic common sense of the late modern era, a position that for very evident reasons appeared to reach its zenith with the financial crisis of 2007/2008 (Stiglitz, 2010). While neoliberalism's advocates had long asserted that no alternative to the free market model was capable of challenging its economic dynamism, stability and efficiency, there has been equally longstanding criticism of its negative social consequences, not least in terms of the lionisation of a 'Randian' selfish individualism and increasing inequality (Rand, 1957; Harvey, 2005; Hutton, 1995; 2002). From a sociological perspective, neoliberalism's observed social effects appeared to resonate with foundational perspectives regarding conditions likely to prove detrimental to the construction of the 'good society'. Thus, amongst the plethora of challenges to free market capitalism the increasing concentration of wealth, economic and social instability, the tendency towards casualised, insecure employment and stagnating wages, at least for the majority, evidently evoked Marxist informed discourses regarding the various contradictions and

alienating effects of capitalism (Harvey, 2005). Moreover, the broader social impact of neoliberal policies appeared consistent with Durkheim's central contention that the social solidarities essential for individual and collective well being and social stability are not best served by the promotion of rampant individualism and under regulated conduct in the economic or social sphere (Durkheim, 1960).

1.2 With the post crisis collapse in the plausibility of neoliberalism's central economic claims, compounding the groundswell of social critique, it was widely assumed in many quarters that the neoliberal era was drawing to a conclusion (Hobsbawm, 2009). Rather than these events, however, initiating a fundamental reappraisal of economic policy, neoliberal free market orthodoxy (with more than a smattering of neo-conservatism) appears to have survived intact to the extent that policies consistent with this model are currently being pursued with ever greater vigour in the UK (Ruggie, 1982; Harvey, 2005). So much so, in fact, that the UK Coalition government appears to be introducing the most radical neoliberal programme since the Thatcher/Reaganite 'conservative turn' where, as is argued below, the current policy framework bears more than a passing resemblance to the Structural Adjustment Programmes (SAPs) imposed by the IMF and World Bank on developing economies from the 1970s onwards. However, amid the fallout from the financial crisis and recession, it is further suggested that growing unease with the economic status quo has entailed that the presentation of current policy has involved a significant redefining of both the circumstances of recent economic events, as well as a good deal of elision with respect to the precise character and implications of proposed policy interventions. Thus, the culpability for both the country's economic as well as social woes have been levelled against the 'Big State', while the proposed solution, the so-called Big Society, as is argued below, while purporting to represent a new socio-economic vision based on a revival of civil society, appears in practice as being little more than an ideological device employed to facilitate the further entrenchment of neoliberalism and the power of the corporate sector.

Regardless of how it fares in the coming years...BS is a triumph in articulating and updating the neoliberal settlement (Scott, 2011).

Neoliberal Britain

We are a liberal Anglo-Saxon economy and even more open to trade and investment than the US (UK Chancellor, George Osborne, Davos, Jan. 2012).

Neoliberalism

1. Liberalization—promote free competition
2. Deregulation—reduce role of law and state
3. Privatization—sell off public sector
4. Market proxies in residual public sector
5. Internationalization—free inward and outward flows
6. Lower direct taxes—increase consumer choice
(Jessop, 2002)

2.1 As above, the received wisdom of the late modern era, in the UK, USA and to varying degrees across much of the globe, has held that there is no alternative to neoliberalism (McChesney, 1999). Since the adoption of this model in the UK, social democratic policies such as state intervention beyond a bare minimum, a mixed economy and public provision of essential services, redistributive taxation and state welfare have been increasingly characterised as being synonymous with the 'socialist Big State'; as an anachronistic hindrance and burden on the aspirational and, beyond a 'deserving' minority, as a largely 'undeserved' concession to the sclerotic, the dependent and the workshy (Harvey, 2005; Quiggin, 2010).

2.2 Evidently the framing of economic policy along these lines in the UK has and continues to be most vigorously advanced by the Conservative Party. However, it is widely acknowledged that the rightward shifting of the UK political and economic centre of gravity, which commenced with the Thatcher Government's election in 1979, remained at the very least largely unchallenged during the period of New Labour government. In fact, it has been argued that, by accepting the major portion of the neoliberal doctrine, where New Labour's Third Way policies appeared as neoliberalism with a modicum of social concern, a key outcome has been the consolidation of this credo, together with the effective neutralisation of any viable electoral vehicle for its opposition (Bevir, 2005). With respect to the Liberal Party, the rise to prominence of the neoliberal 'Orange Bookers' echoed the Blairite ascendancy in the Labour Party, while the inclusion of the former within the Conservative led Coalition government appears to have muted, at least temporarily, the more 'leftist' voices within the party. This coalescing of UK politics around a narrowly defined neoliberal consensus appears to have gone some way to replicating the truncated spectrum of mainstream political orientation currently evidenced in the US (Harvey, 2005).

...neoliberal democracy in a nutshell: trivial debate over minor issues by parties that basically pursue the same pro-business policies regardless of formal differences and campaign debate. Democracy is permissible as long as the control of business is off-limits to popular deliberation or change; i.e., so long as it isn't democracy (McChesney, 1999).

2.3 Overall, it can be argued that the broad acceptance of neoliberalism across the political landscape in the UK and, thus, a dearth of policy diversity, has ensured that responses to the current economic crisis, despite a brief initial dalliance with 'emergency' Keynesianism, have been consistent with the current orthodoxy. Thus, the neoliberal consensus remains at the very least largely intact to an extent that has confounded its critics (Hobsbawm, 2009; Quiggin, 2010). Moreover, as this paper asserts, the divisive and antisocial trends that have characterised its advance are now likely to intensify in the UK as it is even more vigorously applied, with detrimental effects for all but a very small minority of its most well insulated adherents. This is occurring as the doctrine is being revived, refurbished and reasserted in populist

presentational style via the superficially benign nostrums of the Big Society.

Reframing the Neoliberal Agenda: The Big Society

It is actually social recovery as well as economic recovery. I think we need a social recovery, because, as I have said lots of times in the past, there are too many parts of our society that are broken, whether it is broken families or whether it is some communities breaking down; whether it is the level of crime, the level of gang membership; whether it's problems of people stuck on welfare, unable to work; whether it's the sense that some of our public services don't work for us – we do need a social recovery to mend the broken society. To me, that's what the Big Society is all about. To me, there's one word at the heart of all this, and that is responsibility. We need people to take more responsibility (David Cameron, *The New Statesman*, 14 February, 2011).

It appears clear, as above, that a key aspect of the Big Society rhetoric is to insinuate that the culpability for a range of social and economic ills, including the UK's current debt burden, can be attributed to the inefficiencies, inefficacies and profligacies of the public sphere, the Big State, as well as the personal inadequacies it has 'nurtured'. **3.1** Thus, attention appears to have moved from global financial/corporate malfeasance and economic failure - as a direct product of neoliberal deregulatory policies - onto the more 'social democratic' (over)spending record and alleged 'nannying' of the outgoing New Labour government. Reflecting this slippage, the public are being directed towards the aforementioned 'burdens' imposed by a 'bloated' state in terms of over regulation ('red tape'), public sector employment, public services and, by no means least, high taxes and 'generous' state welfare as the source of the nation's fiscal and social difficulties (<http://uk.reuters.com/article/2010/06/18/britain-budget-cameron-idUKLDE65H21120100618>). It is this widely promulgated discourse that is being employed to legitimate a new phase of the free market 'modernisation' project, one that heralds the prospective eradication of the last vestiges of the post WWII social democratic model, advanced by a depiction of current circumstances that does not stand up to close scrutiny.

3.2 To some extent building on the Blair government's emphasis on carefully crafted presentation, the Cameron government has attempted to redefine the dismantling of the big state in terms of freedom, choice, empowerment, localism, communitarianism and personal responsibility. Overall, it is through a combination of the demonizing of the dependent, and a concomitant renewed emphasis on self reliant individualism, a romanticisation of the local community, and framing of the state as burden and corrupter, that this legitimating discourse is being extended.

BRITAIN'S shirkers' paradise shame with hordes of work shy benefit claimants was blamed last night for much of our economic mess...

'...we have managed to create a block of people in Britain who do not add anything to the greatness of this country.

They have become conditioned to be users of services, not providers of money. This is a huge part of the reason we have this massive deficit. We have had to borrow vast sums of money. We went on this inflated spending spree' (Iain Duncan Smith, *The Sun*, 1 December 2010).

3.3 It is further suggested that the Big Society discourse is currently deflecting attention from the fact that the 'reform' agenda, in addition to its broad resonances with the aforementioned neoliberal Structural Adjustment Programmes (SAPs), echoes many of the values espoused by neo-conservatives in the US, including the latest incarnation with the populist 'Tea Party' movement. Both the Tea Party movement and the Big Society offer a vision of economy and society based on personal freedom, 'grassroots' activism and a form of homespun moralism. However, it also appears clear that each can also be seen to imply licence for powerful individuals and corporations to act with minimal government interference, for private enterprise to supplant the public sector, for the eradication or gross diminution of state welfare and, in no way disconnected, for the wealthy to be 'freed' from the 'burden' of redistributive taxation.

Crisis, Deficit, Debt and the UK Economy

We conclude widespread failures in financial regulation and supervision proved devastating to the stability of the nation's financial markets. The sentries were not at their posts, in no small part due to the widely accepted faith in the self correcting nature of the markets and the ability of financial institutions to effectively police themselves. More than 30 years of deregulation and reliance on self-regulation by financial institutions, championed by former Federal Reserve chairman Alan Greenspan and others, supported by successive administrations and Congresses, and actively pushed by the powerful financial industry at every turn, had stripped away key safeguards, which could have helped avoid catastrophe. (Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States, 2011, p. xviii)

4.1 Regarding the source of the UK's current economic problems, while the above refers to the US, its conclusions are equally applicable to practices in all of the global financial centres and particularly those of London as well as Wall Street, where neoliberal led policies had encouraged and nurtured widespread deregulation within both an expanding financial sector and the economy as whole (Stiglitz, 2003; 2010). The growing power of a financial sector - that had been subject to a range of controls and restrictions from the post war period until the late 1970s due to its long association with speculation, and generation of risk and economic instability – has produced a succession of booms and busts culminating in the events of 2007/2008 (Stiglitz, 2003; Harvey, 2005; Mahmud, 2010). Moreover, the direct effects of the financial crisis on the 'real' economy and public finances in the UK can be clearly illustrated.

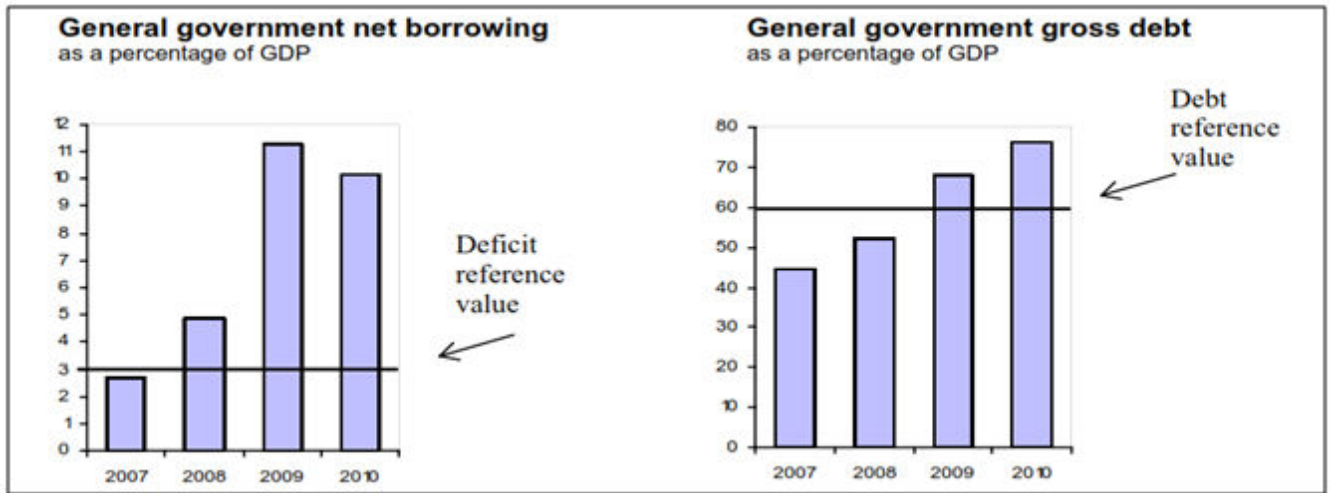


Figure 1. Government deficit (left) and debt as a percentage of GDP Source: (ONS*)

4.2 From Fig.1 it is apparent that a radical increase in both the UK government deficit and overall debt coincided with the onset of the financial sector crisis and, as illustrated by Figures 2 and 3 respectively, from the consequent reduction in economic activity that emerged from the ensuing swift contraction of an economy heavily dependent on financial 'innovation' and associated debt fuelled growth (Elliot and Atkinson, 2008).

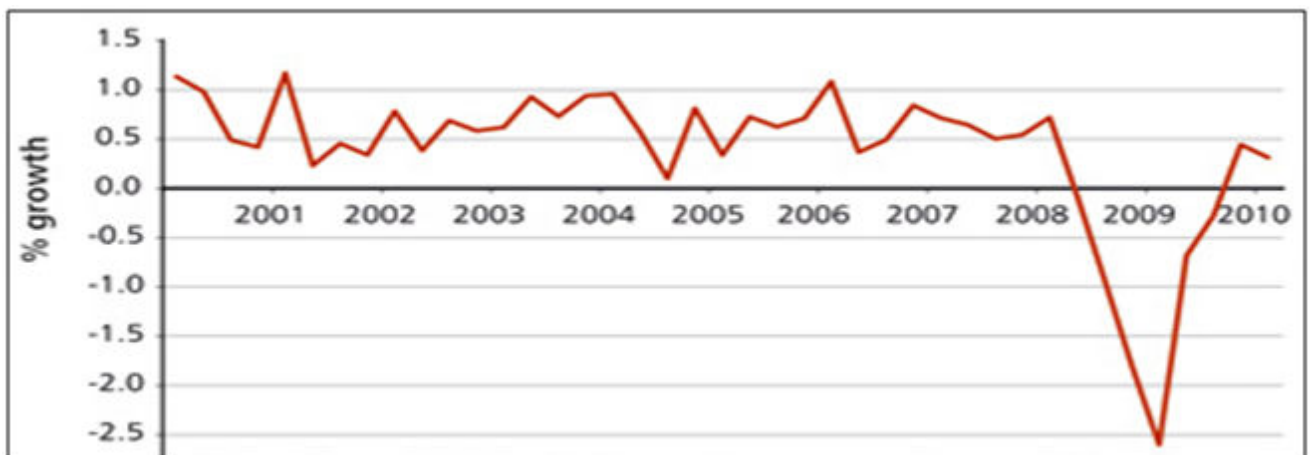


Figure 2. GDP quarter on quarter growth Source: (ONS*)

4.3 The suggestion that state (and welfare) overspending and inefficiency was mainly responsible for the ongoing problems with UK public finances is further undermined by looking at what happened to government income and expenditure in the period immediately following the crash.

4.4 There is little doubt that the New Labour government oversaw a substantial increase in public spending and, as with many governments in developed economies, sustained a running deficit. It appears equally clear however, as illustrated in Figure 3, that the effects of the financial crisis had a significant impact upon an erstwhile unexceptional deficit for a developed economy. Further supporting this view, it might be noted that New Labour's spending levels (as a percentage of GDP) only approached that of the Thatcher Government during the heights of the credit crisis (HM Treasury).

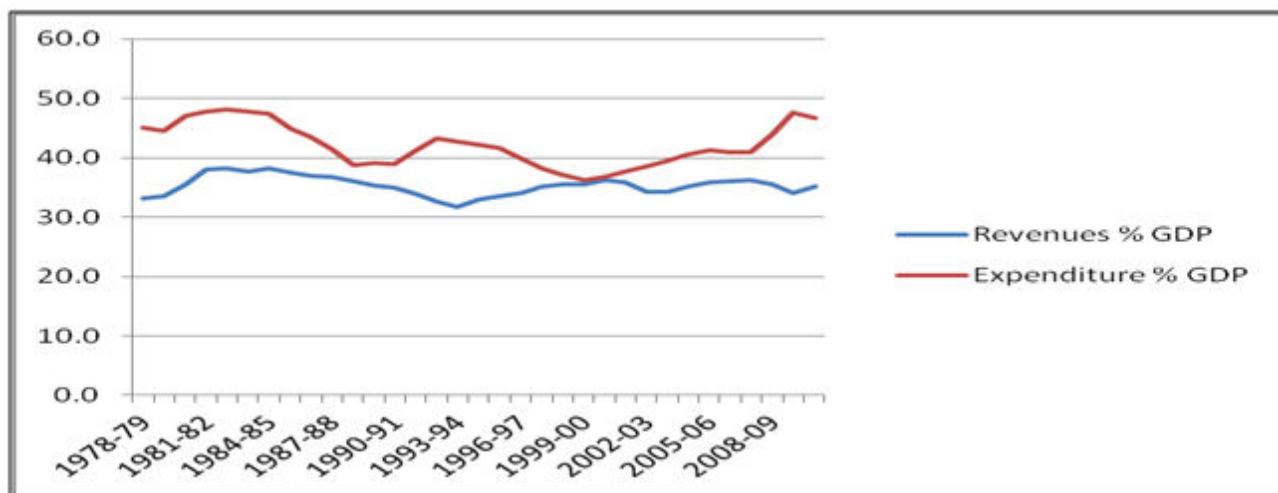


Figure 3. Govt. Spending and Revenues, % GDP, 1978-2010
Source (HMT*)

4.5 In addition to the evident post-crisis fall in economic activity and increases in welfare costs associated with higher unemployment and so on (see Figure 5 below), as with a number of other nations most heavily impacted by the financial crisis, a good deal of the government's economic problems can also be directly attributed to a shifting of liabilities from the private (financial) to the public sector.

The interconnection of the sovereign debt and banking sectors was one of the principal elements that contributed to the current crisis. Recent events have demonstrated the debilitating effect on public finances of transferring private debt to the public sector (House of Lords Select Committee on EU Regulation, 2011, para 248.)

4.6 Overall, it appears clear that the UK's ongoing recession and budgetary difficulties are, contrary to much government rhetoric, overwhelmingly consequences of the financial sector crisis - a product of the increasing dominance of the financial sector within the economy, together with the lack of regulation and concomitant misguided belief in market self discipline and self regulation; key hallmarks of the neoliberal model (Stiglitz, 2003; Harvey, 2005; Birch and Mykhnenko 2010, Mahmud, 2010). Moreover, with respect to the latter, it can be argued that the crisis itself marks the high point of an era of increasing economic instability, with the UK becoming a much more unbalanced economy, where a declining manufacturing sector was supplanted by a dependence on financial and property speculation and consumer spending funded by an unsustainable expansion of credit (Elliot & Atkinson, 2008). If further support for such an analysis were needed, there is the evident point that numerous nations, and particularly those whose economies were most associated with neoliberalism, and concomitantly dependent on heavily financialised and deregulated economies, have experienced hugely damaging effects on their public finances and wider economies. Conversely, more balanced and managed economies such as Germany - who have retained a strong element of the allegedly sclerotic mid 20th century social democratic model - and, correspondingly, responded more slowly and less wholeheartedly to the global march of neoliberalism and financialisation - have experienced considerably less instability in the wake of this global crisis and are recovering more strongly in its aftermath. It might also be noted that Germany (as with the Nordic States) has higher welfare provisions than the UK while exhibiting fewer of the social ills and inequities that the UK government regulatory attributes to the latter (Wilkinson and Pickett, 2009). Nonetheless, as above, it is through a reframing of the country's economic and social ills as being attributable to state interference, regulation and spending, that the Big Society model is founded, providing a platform for the rolling back of the state in both spheres.

4.7 One unifying notion that appears to inform this aspect of the Big Society agenda is the neoliberal notion of 'crowding out'. This is the idea, regularly raised by free market advocates, that state borrowing to fund public spending raises the cost of finance and, thus, depresses private sector borrowing for investment, while public services of themselves reduce the areas in which private businesses can operate (Cumbers and Birch, 2006).

4.8 This notion also appears to inform the government's social agenda i.e. that public services in the areas of welfare and social care, merely 'crowd out' the voluntary, charitable and familial provision of support for those in need of various types of assistance, as well as undermining innate 'self reliance'. Thus, by this reckoning, public provision provides a less efficient, less economically viable and, crucially, less 'moral' form of service provision than the Big Society. The implication is, as above, that the state detracts from people's 'natural' inclination to look after themselves and each other, eroding family and community ties and responsibilities. The state, thus, must get out of people's way and unleash both their economic and social potential.

The Big Society and Red Toryism

British conservatism must not, however, repeat the American error of preaching "morals plus the market" while ignoring the fact that economic liberalism has often been a cover for monopoly capitalism and is therefore just as socially damaging as left-wing statism. Equally, if Conservatives are to take power from the market state and give it to the people, they must develop a full-blooded "new localism" which works to empower communities and builds new, vibrant local economies that can uphold the party's civic vision (Blond, 2009).

5.1 Philip Blond's 'Red Toryism' has been characterised as the key intellectual 'foundation' for Cameron's Big Society vision, much as Giddens' 'Third Way' was to Blair's 'project'. At face value this seems plausible, given the resonances between Blond's writings and, in particular, Cameron's pre- and immediate post-election rhetoric and the proclaimed rationale for his programme of social as well as economic reform. However, several caveats apply here. In the first instance, Blond's thesis, as the above quotation suggests, appears as earnest in its critique of neoliberal market fundamentalism as it does in its belief in the potential for the necessary mobilisation and cultivation of pro-social communitarianism, to address the atomised, anomie that has emerged, as he sees it, through the combined effects of Big Statism and neoliberal monopoly capitalism (2009; 2010). This, as is argued below, has been very selectively adopted within the government's Big Society agenda.

5.2 Moreover, it might be argued that Red Toryism of itself, no matter how genuine and well intentioned, appears intrinsically naive to some extent, given that in the global era it is difficult to reconcile any notion of a constrained and responsible capitalism being delivered without the restraining force of powerful state intervention and governance at the national and, indeed, international level.

5.3 An obvious illustration of this dilemma, amongst a number that might be selected, can be gleaned from ResPublica's (Blond's think tank) advocacy of a restructuring of the 'high street', away from the predominance of (multi)national chains and large scale supermarkets towards the inclusion of more local providers, cooperatives and independents comprising the 'high street of the future' (<http://respublica.org.uk/item/ResPublica-s-Recommendations-Reflected-in-Portas-Review>). The immediate thought is that it is difficult to imagine, given that it was large scale retailing that displaced local independents in the first place – not least through economies of scale, control of supply chains, advertising and political influence, as well as simple convenience - that merely tinkering with competition law, local planning and community 'empowerment' would reverse this situation, allowing independents space to flourish and compete. Self evidently, market power, once established, can always be readily mobilised in the interests of the mighty over the weak. In effect, it can be argued that ResPublica's proposed solution, set out in its *Right to Retail* document, appears caught between an idealistic and overly optimistic vision of the impact of community mobilization in support of the local, and recourse to the very statism that it purports to also mistrust, while the vision of itself appears to be informed by a somewhat nostalgic reimagining of an unrecoverable past (Schoenborn, 2011).

5.4 Overall, as above, it would seem unlikely that something along the lines of the capitalism and communitarianism of Owen, Rowntree and Cadbury – which is arguably implied by Blond's thesis - might be exhumed from our 'atomised' and unashamedly avaricious corporate dominated society without considerable state coercion. Similarly, in the social domain, the assumption that a moral, just and effective social infrastructure can readily emerge from a highly inequitable collective, socially shredded by an era where instrumental self interest has been elevated to iconic status, seems at best implausible (Bone, 2010).

5.5 Likewise, it is difficult to see how even the moral localism with respect to public/community resources which Blond also advocates can be developed without state management, co-ordination and protection, given that any potentially profitable activities in the provision of public goods at the local level may likely be swiftly acquired by large scale private operators. Even where functions and resources might remain in the hands of local 'communities' there is the evident potential for this to degenerate into a system where various interest groups sequester remaining public funds for their own interests and pet projects, with those in genuine need - considered less worthy or merely being unable to fight their own corner - being left outside. The introduction of choice in the school system is an obvious example of how those with resources might bend the system to their advantage. On this point, it might be noted that the notion of 'sharp elbowed' middle classes taking advantage of this system is a situation that the Prime Minister has failed to criticise (The Times, 23 January 2008)

5.6 Aside from the critique of Blond's vision per se, however, lies the obvious question alluded to above, as to how far the Cameron government's flirtation with Blond's ideas goes beyond the superficial. On the first point, there is little or no evidence to date to suggest that the Coalition has either the will or motivation to begin tackling the powerful vested interests that would need to be confronted for anything like Blond's agenda to be introduced. Secondly, there is the suspicion, as with Blair's Third Way, that the Red Tory/Big Society iconography has been, as suggested above, largely and selectively deployed to (re)sell a radicalised neoliberal project to a public already becoming uneasy over the activities of big business and big finance. In short, it is difficult to see that the Cameron government's actual standpoint, and that of the grassroots Conservative Party, effectively departs significantly from the 'morals plus the market' position that Blond critiques, merely offering a further UK variant of US neoliberalism with a variant of its neo-conservatism, albeit dressed in new clothing.

What I hope the Chancellor and his Cabinet colleagues will ignore are the nonsense calls from the likes of Philip Blond for new taxes on supermarkets...Our only job is to ensure competition, basic protections for workers and let capitalism do its magical best. Declaring war on supermarkets - used by 97% of the population - is the politics of the madhouse (otherwise known as Red Toryism) (Tim Montgomerie MP, Conservative Home, 10 April, 2011).

I believe that open markets and free enterprise are the best imaginable force for improving human wealth and happiness. They are the engine of progress, generating the enterprise and innovation that lifts people out of poverty and gives people opportunity. And I would go further: where they work properly, open markets and free enterprise can actually promote morality (David Cameron, The Telegraph, 19 January 2012).

5.7 As above, free markets, privatisation and competition are, once more, advocated as the panacea for

our socio-economic ills. To be fair to Blond, it might also be noted that latterly even he appears to have become disillusioned regarding the gulf between rhetoric and practice in Cameron's dalliance with his vision, as revealed in a *New Statesman* piece where he states that, '(T)he tragedy is that the government has adopted a laissez-faire approach to the delivery of the big society' (Blond, 2011).

Blue Labour

6.1 When discussing the influence of Red Toryism it is also pertinent to note that a new and perhaps no less nostalgic 'leftist' version, albeit with a lower public profile thus far, has arisen in the form of 'Blue Labour' (Glasman, 2011). The latter, given its call for mutualism, community, localism, public and private sector provision of public services, self reliance and hard work, while also possibly well intended and even more critical of marketisation than Blond, nonetheless in its key features could be taken as further illustration of the triangulation that has marked both parties in the recent era, in that these ostensibly competing visions may easily be regarded as two sides of the same coin.

Blue Labour seems very nostalgic to me. This is the idea of Arcadian England, the idea that there was some mythical time when we all loved each other (Lord Hattersley, BBC News, 21 March 2011).

6.2 What appears to be the case is that both major parties are invoking imagery of an idealised past as a means of repositioning themselves, at least rhetorically, while in practice advocating little in terms of effectively challenging the neoliberal hegemony. In effect, each of these discourses, aside from an element of muted critique, continue to hold to the reactionary populist discourse – including an implied critique aimed at the 'undeserving poor' - that has been a key device in legitimating and sustaining the neoliberal project over the past three decades (Dorling, 2011). Aside from the issue of its alleged intellectual foundations, however, as stated at the outset, at present it appears clear that, under the guise of community mobilisation, a key element of the Big Society project will effectively entail a radical curtailing of state provision and of the institutional framework of services and social safety net that was normalised in the post war era, a position which will evidently impact most significantly at the lower end of the socio-economic spectrum.

The End of 'Collective Consumption'?

We will create a new presumption – backed up by new rights for public service users and a new system of independent adjudication – that public services should be open to a range of providers competing to offer a better service. ... the state will have to justify why it should ever operate a monopoly ...we will give more people the right to take control of the budget for the service they receive. (David Cameron, The Telegraph 20 February 2011).

7.1 The very radical nature of some key policy initiatives advanced by the incoming administration, including the 'reformation' of welfare, changes to higher education funding and, crucially as above, the opening up of virtually all public services to private sector competition suggest that this phase of neoliberal 'modernisation' may be the most radical thus far (<http://www.conservatives.com/Policy.aspx>). Moreover, this observation is evidently supported by the heated debate over what has been described as, the 'privatisation by stealth' of the once politically sacrosanct UK National Health Service, in spite of overwhelming opposition and in direct contradiction to pre-election assurances from the Prime Minister (Bob Hudson, The Guardian, 22 November 2011).

It appears from our reading of the Bill and from others' reading of the Bill that we are moving headlong into an insurance-type model of the NHS," Gerada told BBC radio...The NHS will be in essence a brand name only and it will not be a national health service (Clare Gerada, Chair of the Royal College of General Practitioners, 9 May, 2011)

7.2 Reinforcing Gerada's concerns is the Prime Minister's implied suggestion, as above, that people will be given 'control of the budget' for the delivery of public services. While this might seem innocuous at first glance, it could reasonably be inferred that what is being proposed will pave the way for an arrangement where the state merely furnishes individuals with an amount to pay for services amongst a range of private providers. Moreover, this could readily provide the basis for a co-payment system, should the case be made that rising costs, once more, are becoming 'unsustainable'.

7.3 Overall, such reforms to service provision would constitute a critical acceleration in the reversal of the long running trend that emerged from the late 19th to the mid 20th century, for large scale public provision of many basic services and the collective amelioration of many of life's risks. Until the late 1970s, as is well documented, this trend seemed to have almost universal support amongst the working population and at least qualified acceptance by the business community and political classes (Castells, 1977; Quiggin, 2010). In the UK, even taking account of the changes that have taken place over the last thirty years or so, it can be argued that there is still a deeply rooted expectation that government should assume responsibility for key areas such as education, sanitation, health, infrastructure and the alleviation of poverty. Current government initiatives, as suggested, in spite of their self consciously benign presentation, bear the hallmark of undiluted free market orthodoxy, heralding a new phase of the consumption of public services as a more individually funded as opposed to collective affair. Thus, somewhat ironically, under the banner of the Big Society the risks and needs that were deemed to be best confronted collectively are now being individualised.

Austerity and Cuts : A Structural Adjustment Programme for the UK?

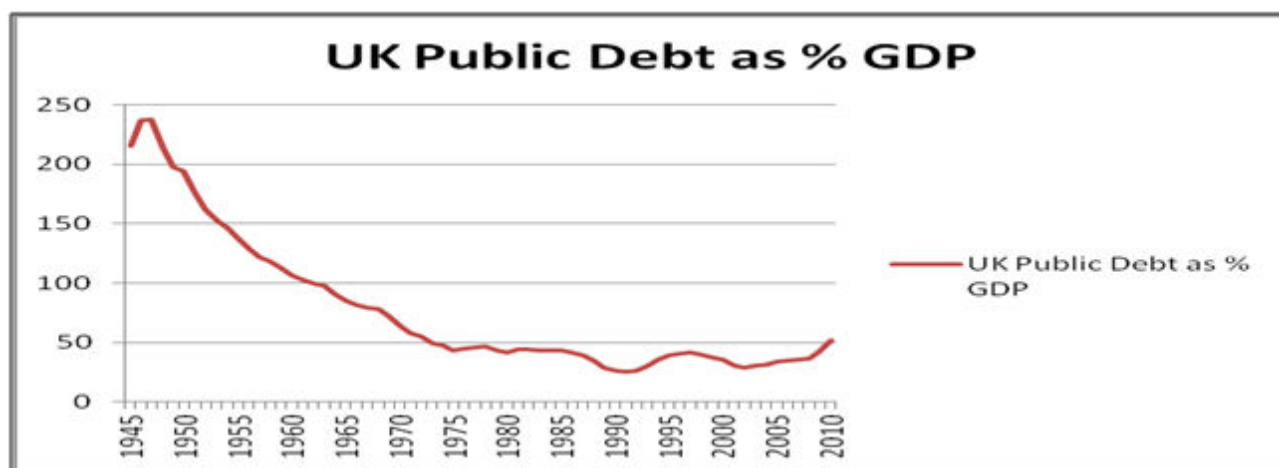


Figure 4. UK Debt as Percentage of GDP (historical)
Source (www.ukpublicspending.co.uk)

8.1 As noted above, as a further plank of the legitimating discourse, a central contention of government has been that the state of the nations' finances renders deep public sector and welfare cuts - while structurally and 'morally' desirable of themselves in the process of rebuilding the UK economy and society - as being absolutely essential in rescuing the country from the verge of potential insolvency. This is wholly consistent with a SAPs type of approach, in that the key aim of such policies is to reduce public expenditure, potentially as a precursor for reducing taxes, particularly on the wealthy, on the assumption that this will stimulate investment and economic growth.

SAPs policies reflect the neoliberal ideology that drives globalization. They aim to achieve long-term or accelerated economic growth in poorer countries by restructuring the economy and reducing government intervention. SAPs policies include currency devaluation, managed balance of payments, reduction of government services through public spending cuts/budget deficit cuts, reducing tax on high earners, reducing inflation, wage suppression, privatization, lower tariffs on imports and tighter monetary policy, increased free trade, cuts in social spending, and business deregulation. Governments are also encouraged or forced to reduce their role in the economy by privatizing state-owned industries, including the health sector, and opening up their economies to foreign competition (World Health Organisation).

8.2 However, amongst heated political debate as to whether this 'solution' is forged of firm conviction and economic necessity or, as above, ideologically inspired opportunism, numerous critics have also questioned the strategy on purely economic grounds (Stiglitz, 2010). This critique largely focuses on two main issues.

8.3 In the first instance, it is asserted that the argument for the level and timing of the government's cuts greatly overstates the extent of the problem in the short to medium term and, secondly, that the policy of itself has been demonstrated to be erroneous and counter-productive. Thus, as Figure 4 clearly illustrates, in relation to GDP the UK's debt burden is not particularly high in historical terms. In fact, the institution of large scale public works, the Welfare State and the National Health Service all occurred during a period when the level was much higher than is the case at present, while the public is being informed that such services are no longer affordable in their current form. The further key argument against the current neoliberal 'austerity' approach to solving the post credit crunch recession is simply that all of the evidence suggests that this merely deepens existing economic problems. This is clearly illustrated by the situation in Ireland, where the implementation of widespread government cuts merely exacerbated the country's economic woes.

8.4 Secondly, there is also solid historical evidence for the inadequacy of such an approach, as exemplified in the aftermath of the previous 'epochal' incidence of financial sector overreach in the 1920s and 1930s. The response to the Wall Street Crash and subsequent Depression, of itself a forerunner of the recent crisis and delivered by many of the same free market led ideas and practices, also led to calls for, and the subsequent introduction of, austerity measures aimed at restoring a balanced budget as tax revenues fell. Often associated with Herbert Hoover, perhaps unfairly, but continued for a period by Roosevelt prior to his conversion to a more wholesale Keynesian response, these measures were seen to have the effect of deepening rather than alleviating the economic downturn, hence their abandonment (Fausold and Mazuzan, 1974). Thus, despite the lessons of history, both past and recent, the government's faith in the free market model has ensured that this route will be followed, in tandem with a market led restructuring of the balance between the state and the private sector (Krugman, 2008).

8.5 With respect to the latter, while retaining some reservations regarding its claims, Naomi Klein's general point in *The Shock Doctrine*, that lobbyists and politicians advancing the neoliberal agenda have often employed crises of various types (economic and otherwise) as a vehicle for the advancing and implementation of radical policies, appears to at least have some resonances with the current situation in the UK (2008).

There is a growing sense that the government's programme of cuts has less to do with the deficit, and more to do with a guiding vision of the state. ... It is a vision of the pre-welfare state society and economy which created the greatest human opulence and the greatest

human privations side-by-side. (Paul Richards, Progessonline.org.uk 4 February 2011).

8.6 While the above statement may appear somewhat alarmist, the resonance between the described aims of the current government's policies and a form of neoliberal SAP appears clear. What emerges from the various strands of government policy is the dismantling of the social/public state, the opening up of all services to 'any willing provider' i.e. wholesale privatisation together, under the Big Society banner, with the shifting of risk and responsibility for the provision of unprofitable public services onto the shoulders of the public. Moreover, exacerbating the effects of the continuing withdrawal of state support, the reconfiguration of the neoliberal globalized labour market, compounded by the impact of the financial crisis, can be seen to have greatly reduced the capacity for many ordinary people to cope with the extent of individual insecurity and 'self reliance' that, as these initiatives imply, is currently being foisted on the UK populace during a recession.

Work and Insecurity

We are reforming employment law, doubling the period before employees can claim unfair dismissal and introducing fees to deter vexatious tribunal claims (UK Chancellor, George Osborne, Davos, Jan. 2012)..

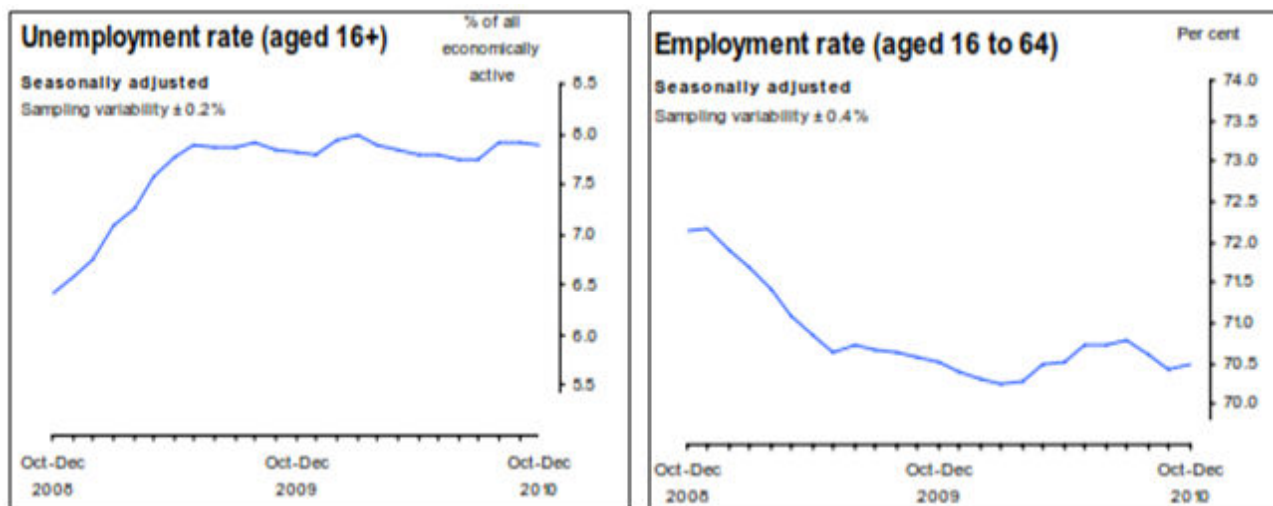


Figure 5. UK Unemployment and Employment Rates (seasonally adjusted)
Source (ONS*)

9.1 It is almost superfluous to discuss the issue of the UK's 'flexible' labour market in any great detail, given the exhaustive coverage on its nature and effects. Nonetheless, the significance of the diminution of job security, pay and conditions that has progressed over the last three decades becomes even more salient with the removal or reduction of the remaining risk pooling props of the welfare state. Thus, we now appear to be creating conditions for reinvigorating something akin to Ricardo's 'Iron Law of Wages' where the latter tend towards a subsistence level (1817).

There is both good and bad news in today's labour market release...Given the looming public sector shake-out and pay squeeze this should add downward pressure on overall earnings growth.

The bad news is that the labour market release isn't exactly good news for consumer spending...Weak employment growth and earnings growth running at half the rate of inflation means that real household disposable income faces a big squeeze. This is the jobless and joyless recovery. (Graeme Leach, Chief Economist, Institute of Directors, commenting on March 2011 Labour Market Statistics).

9.2 It is indeed the case that, in recent decades, wages particularly at the lower to middle of the income spectrum have tended to stagnate and, in many cases, failed to keep up with inflation (Lansley, 2011). The possibility of much deeper erosion is raised when one considers that the erosion of the welfare safety net together with proposed tougher sanctions for refusing employment, in a very slack and competitive labour market, places significant sections of the workforce in a very weak position, where exploitation becomes increasingly likely. At present, this will likely mean that more jobs will tend towards offering the minimum wage, with few guarantees and workplace benefits. Moreover, as below, should the policy 'advice' of key neoliberal groups such as the Adam Smith Institute, an influential 'think tank' with longstanding ties to the Conservative Party, be taken on board, then the move for UK workers to compete globally at the level of subsistence could become a realistic possibility.

The government's welfare reforms are a good step towards reducing people's dependency on benefits, but they are only part of the story. The minimum wage prices the most unskilled and inexperienced out of work and it should be abolished if the welfare reforms are to have the impact the government hopes. (Sam Bowman, Adam Smith Institute, BBC News 17 February 2011)

9.3 Figure 5 (above) underlines the extent to which the UK government's current drive to get more people into jobs, while reducing support for those who fail to take up work, is occurring within a moribund job

market, while the neoliberal project is applying further pressures and insecurities on the workforce on a number of other fronts.

9.4 Firstly, the spectre of unemployment during the recession is being greatly compounded by cuts to public sector jobs, while directly contrary to government assumptions the contraction of the public sector will likely exacerbate this problem by further reducing consumer demand and, thus, employment in the private sector. As well as joblessness, however, where the recession there has produced a recognised increase in underemployment in the UK, where increasing numbers are being forced to accept, often, poorly paid part-time work due to the unavailability of full time jobs (IPPR, 2000). There has been a tendency for employers to favour part-time workers on the grounds of both much promulgated 'flexibility' and not least as there is a considerable saving on employer national insurance contributions.

The number of employees and self-employed people working part-time because they could not find a full-time job increased by 70,000 on the quarter to reach 1.28 million, the highest figure since comparable records began in 1992. (ONS, September 2011).

9.5 Overall, the flexibilisation of the UK workforce is part of the broad movement that has taken place throughout the neoliberal era that has eroded the stable and secure job for life of the post war era, in favour of more insecure and, often, less well remunerated forms of employment, while the movement from manufacturing to services, together with impacts due to the globalization of the labour market and the effects of offshore outsourcing, are also impacting on the quantity and quality of jobs that the UK economy is delivering.

9.6 On an even more sombre note, in contrast to the era of industrialisation, there is a significant possibility that the current job contraction may not be a temporary blip, but part of a broader shift towards increasing levels of economic inactivity. Thus, as various commentators have observed, new technologies and automation require far fewer workers than in the past as many routine tasks have been eradicated. The counter argument is that the innovations of the industrial era eventually produced more rather than less jobs. Crucially, however, political pressure eventually saw a significant reduction of normal working hours, increased wages, and the removal of women and children from the workplace during this late 19th and early 20th century, while at present this sort of solution – for example, similar wages for a three day week – appears highly unlikely at best. As discussed below, if the trend towards increasing involuntary unemployment and underemployment continues, together with increasingly threadbare welfare policies that assume that vacancies are plentiful – compounded by government insistence that only poor skills, poor motivation and worker's 'inflexibility' is the key cause of unemployment - the outcome will inevitably be increasing hardship and, potentially, social unrest (Gorz, 1999).

Unemployment and unequal wealth distribution within both advanced and emerging countries...may result in socio-political unrest and general socio-economic backlash against globalization (Global Risks 2011, World Economic Forum: 39).

Inequality: Big Society or High Society?

'...tolerate the inequality as a way to achieve greater prosperity for all' (Lord Griffiths of Fforestfach, vice-chairman of Goldman Sachs International, 2009)

10.1 It is clear that one key outcome of the policies of the last three decades - reflecting the labour market and welfare changes identified above, as well as large reductions in the corporate and personal taxation at the upper end of the spectrum – has been an inexorable rise in economic inequality (Harvey, 2005; Hills et al, 2009; Dorling, 2011). This is illustrated in Figure 6 and, while the consequences of rising inequality demand far greater discussion than is necessary or possible within the scope of this piece, one or two key issues warrant mention.

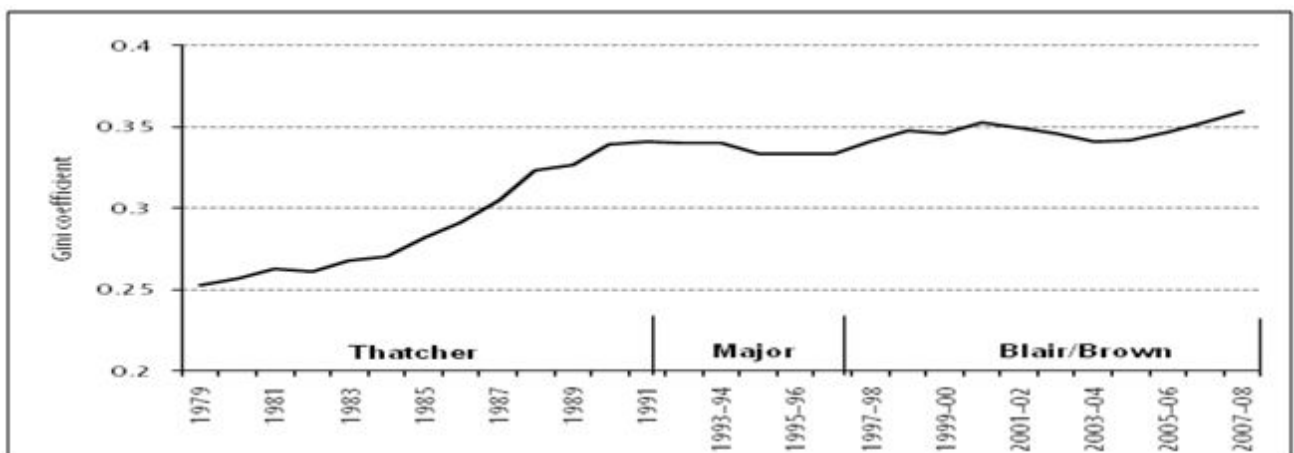


Figure 6. Inequality (Gini Coefficient)
Source (Institute of Fiscal Studies)

10.2 As the above quotation from Lord Griffiths asserts, the neoliberal view is that rising inequality is something that must be tolerated as it contributes to economic dynamism and growth. However, as with 'trickle down', this appears as one of a range of neoliberal truisms that is wholly unsupported by the evidence (Quiggin, 2010). In fact, the record of economic growth in the UK (and US) was significantly

higher during the Keynesian post war period of welfare capitalism, where income and wealth inequalities were much lower (Harvey, 2005). Moreover, inequality was identified as destabilising, given that the accruing of greater portions of national income to a wealthy minority led to speculative investment and asset price fluctuations on the one hand, and reduced spending (demand) as the less affluent majority had less disposable income available for consumption on the other, contracting demand in the real economy. Such a scenario presaged the Crash of 1929 as well as the recent crisis (Quiggin, 2010).

Rather than blaming parents, religion, values, education or the penal system... the scale of inequality provides a powerful policy level on the psychological wellbeing of all of us. ... the truth is that both the broken society and the broken economy resulted from the growth of inequality (Wilkinson and Pickett, 2009, p.5).

10.3 Evidently, however, the greatest impact of burgeoning inequality is manifested in the social sphere. As now famously illustrated by Wilkinson and Pickett (2009), a broad range of social ills from family breakdown, teenage pregnancy, delinquency, alcohol and drug abuse, crime, imprisonment and so on are significantly correlated with heightened economic inequality. Thus, the social ills that the UK government seek to address via the Big Society, and which are as above redefined as personal and communal relational and moral issues, seem more likely to be outcomes of a mordant economic system that the Big Society agenda of cuts, privatisation and regressive taxation will further extend.

The Big Society, Neoliberalism and the Myth of Free Markets

11.1 Inequality has not only a corrosive effect on the health and well being of individuals, communities and the economy, but also impacts upon standards in public life and, consequently on the quality and integrity of democratic processes. In somewhat circulatory fashion, it has been argued that the inequalities of wealth, power and influence that allegedly 'free market' policies produce render the latter a misnomer. It also renders notions of the Big Society, conjuring images of autonomous, self reliant and democratically engaged individuals working for common purpose equally chimeric. Thus, the fewer restrictions on capital accumulation, in terms of both regulation and taxation, the greater the power and influence that accrues to the winners over time, which can be wielded to subvert competition, while the lobbying and political funding of policymakers sustains conditions that support corporate self interest even where, as is often the case, this is at odds to the majority and wider societal interest (Wolff, 2009). The rolling back of the state, deregulation and the fragmentation of support for the vulnerable are both outcomes and central planks for the furthering of this process. From this perspective the Big Society, as above, rather than a call to the people to build a better nation from the 'grassroots', can be seen as a charter for government to abdicate from its responsibilities for supporting and defending the majority its citizens - not least from the insecurities imposed via the power of the corporate and financial sectors - while simultaneously using its own powers to open up new areas for private capital accumulation in state services and the economy generally. The contraction of state services also provides scope, as intended, for further reducing the tax 'burden' on the rich and powerful, as fewer risks and services are collectively underwritten, at least for those who have little political influence (Galbraith, 2008). In many respects the language of localism, responsibility and choice that pervade the rhetoric of the Big Society might be regarded as a coded discourse for the secession of the wealthy from collective consumption in an era of continuing employment contraction and expanding socio-economic risk, while retaining the state as supporter, defender and underwriter of elite interests and capital accumulation?

11.2 In conclusion, with respect to the Big Society programme as a whole, rather than the big state being eroded in favour of a free, fair and open society of autonomous individuals and vibrant democratically engaged communities, there is a clear perception that it is solely the state's role as mediator of risks for the majority is what is being rolled back while it remains highly active on behalf of the narrow interests of the business and financial community (Harvey, 2005). This, in effect, involves a rolling back of the key pillars of civil and social progress achieved in the early to mid 20th century that afforded a limited autonomy and security to the majority and that have been increasingly rescinded over the last thirty years. In essence, in historical context, the Big Society can be regarded as little more than one of a long sequence of diversionary discourses or placebos offered to a disenfranchised populace, in legitimisation of a socio-economic system characterised by an increasingly indefensible allocation of risk and reward. As this paper implies, it is perhaps ironic that an initiative which appears superficially in tune with key elements of Durkheim's prescription for social well being, at least in terms of its rhetorical claims, in practice appears to be delivering its antithesis in acutely regressive form (Durkheim, 1960). In view of the above, the question arises as to why a nominally democratic government such as our own continues to press ahead with policies informed by a discourse that is clearly delivering economic and social instability and reduced well being, at least for the majority of their citizens? However, it is perhaps only by appreciating the upward redistribution of wealth and income that has occurred in the nations that have embraced this model, together with the seemingly increasing convergence of political and business elites in neoliberal nations, that its resilience can best be understood.

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