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FROM LIBERALISM TO NEOLIBERALISM, THE WAY OF RATIONALIZING GOVERNANCE²

Abstract

Liberalism sees freedom and individualism as fundamental principles for evaluation of individuals, society and social institutions, especially the state, whose sole function is the protection of individuals and their property. For the benefit of all individuals, liberalism promotes democracy as the best state order.

Neoliberalism i.e. libertarianism, which has generally prevailed as the authoritative philosophical matrix and policy framework in contemporary globalization, does not have much in common with the philosophy of social and political liberalism, which creates the ideal of liberal democracy of well-ordered society. Many opponents of neoliberalism operate through the so-called dualism prism – confronting knowledge and power, state and economy, subject and power. Important criticism of neoliberalism lies in “bridging” these dualisms, through efforts aimed at analysing them on a “plane of immanence”, according to the concept of governmentality. A return to Foucault can help to clarify some overtly ideological uses of “neoliberalism” in today’s social sciences. Liberalism and neoliberalism are seen as practices, reflexive modes of action, and special ways of rationalizing governance.

Keywords: *globalization, globalism, liberalism, libertarianism, neoliberalism, democracy*

Introduction

Liberalism is commonly criticized today on the grounds that it is inherently a part of the Enlightenment. As an Enlightenment doctrine liberalism is irremediably based on faith in the moral and political progress. The main current of contemporary liberal political theory seeks to develop a post-Enlightenment account of politics.

Since the beginning of the 1990s liberalism was presented as a desirable and positive political orientation whose fundamental ideas freedom, human rights,

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ideological and political pluralism represented, to a greater or lesser extent, all political options. Today, the notion of liberalism is considerably changed, especially in the public perception. The general enthusiasm of the global historical collapse of communism in the early 1990s prompted the American theoretician Francis Fukuyama to proclaim the end of the history of mankind, a history that was completed with the ultimate defeat of the communist dictatorship, or the emergence of the earthly paradise of liberal democracy and general prosperity and freedom (Fukuyama 1992). Diametrically opposed to Fukuyama's liberal utopia of the happy end of history, a new history of the era of globalization has begun, in which its liberal or neoliberal principle is the basis for all evil that globalization carries with it: weaker social and health security, loss of jobs or more labor with lower earnings, the endangerment of the environment, the sovereignty of the state and the cultural identity of the nation. Positive ideas of liberalism in the current conditions of globalization are increasingly losing sight, and in the first place, under the name of neoliberal globalism the negative consequences of globalization are highlighted.

The new epoch is the age of transpolitics and boundlessly simulation. Citizens are no longer subjects in the modern sense, without awareness of their slave freedom. We are "fatalistic laziness" (Gramsci) captive, passively accepting the present and without capability, strength or power to fight for an alternative. (Stanković Pejnović 2020, 6-10)

Neoliberalism is directly complementary to classical and economic liberalism, based on the belief that the only essential form of freedom is freedom from oppression and total constraints. Neoliberalism favours laissez-faire economic policy, rejecting any kind of state intervention in the manufacturing-economic sphere as a form of coercion that limits the economic freedom of individuals. In this sense neoliberalism is close to the philosophical, political and economic theory known as libertarianism. Libertarianism is a one-sided and extreme form of liberalism: the ultimate individualistic philosophical, political and economic doctrine, which has its roots in the writings of Robert Nozick, David Friedman and Murray N. Rothbard.

1. Liberalism

The liberal tradition in politics is about individual liberty (Cranston 1967, 459). Although its bases go far back in the history of political thought. Liberalism emerged as a distinct political theory as a call for freedom of speech and thought. Milton and Mill advanced classical statements of a basic liberal theme: freedom of thought, speech and inquiry, our common human reason leads us toward increasing agreement on truths and rejection of falsehoods. Sometimes

this is put in terms of the “free marketplace of ideas”: in a free competition of ideas, the truth will eventually win out and more truths will be uncovered (Mill 1991, 26; Mises, 1985, 7). According to Ludwig von Mises, a great twentieth-century liberal, the essence of liberalism is to put reason in the sphere of social policy without dispute in all other spheres of human action. On the other hand, problems of social technology, and their solution must be sought in the same ways and by the same means that are at our disposal in the solution of other technical problems: by rational reflection (Mises 1985, 5-7). Even regarding personal lifestyles convergence of opinion may be expected. Mill is famous for endorsing the pursuit of individuality, and the freedom of each to choose a life that suits her, so long as she does not harm others. Liberals influenced by this view of reason believed that the free exercise of human reason produces convergence of moral and political views. Morality, many liberals have believed, can be derived from rationality.

Immanuel Kant made the most famous attempt to derive universal morality from reason. For Kant, it is

“a necessary law for all rational beings that they should always judge their actions by such maxims as they themselves could will to serve as universal laws” (Kant 1959, 44).

This principle of morality arises from “pure reason” and tells us that morality is inherently universal. John Gray has insisted that the traditional liberal project presupposed the Enlightenment View of reason; it supposed that the application of reason would lead to a set of principles with universal, rational, authority. Because of this Enlightenment project is defeated and traditional liberalism “has reached a dead end in which its intellectual credentials are negligible and its political relevance is nothing” (Gray 1995, 66). The great classical liberals such as Locke, Kant and Mill sought to demonstrate that on some issues the free exercise of human reason leads to divergent results; they never seriously doubted that on many other issues the use of reason led to common recognition of the truth. William A. Galston, a leading contemporary liberal theorist, explicitly upholds a liberalism based on a conception of rational inquiry as transcending mere local opinion to arrive at the truth (Galston 2002). Opposite to Gray, Berlin suggests that with the recognition of the ultimate plurality of values we confront incompatible truths, and this leads us to liberalism. In at least one interpretation of his political thought, Berlin does not seek a public reasoning that overcomes or limits the plurality of reasoning because pluralism itself endorses liberalism. According to Berlin, liberals do not have to search for a shared public reasoning to overcome or limit the fragmentation of reason. We are urged to look upon life as affording a plurality of values, equally genuine, equally ultimate, above all

equally objective; incapable, therefore of being ordered in a timeless hierarchy, or judged in terms of someone absolute standard (Berlin 2013, 11-12; Williams 1981, 71-82).

Gray states that the truth of pluralism leads to a new appreciation of that part of the liberal tradition inspired by Thomas Hobbes: Liberalism has always had two faces. On the one hand, toleration is the pursuit of an ideal form of life, and on the other, it is the search for terms of peace among different ways of life. In the former view, liberal institutions are seen as applications of universal principles. In the latter, they are a means of peaceful coexistence (Gray 2000, 2).

For Habermas, liberals who begin with the legal institutionalization of equal liberties, conceiving these as rights held by individualized subjects. In their view, human rights enjoy normative priority over democracy and the constitutional separation of powers has priority over the will of the democratic legislature (Habermas 1997, 44; Habermas 1996, 463-490). Habermas points out that this is an important aspect of law. Following Kant, he regards laws as “laws of freedom”. Self-imposed rules can be understood as being freely accepted by everyone (Habermas 1996, 31). Habermas’s own view of law, as something between facts and norms, is complex, but the basic idea is that the rule of law as a system of individual rights and constitutional provisions such as the separation of powers provides the necessary context for the formation of “rational political will”. According to Habermas rational political will includes rational democratic discourse and decisions in political institutions and the society. “There is a conceptual or internal relation, and not simply a historically contingent association, between the rule of law and democracy” (Ibid., 449).

As with Mill’s liberalism, Rawls believes that justice as fairness, as presented in *A Theory of Justice*, presupposed the possibility of agreement on a liberal conception of value and goodness (Rawls 1971, 490-491). Given reasonable pluralism, Rawls insists, any attempt to unite society on a shared comprehensive doctrine requires the oppressive use of state power to suppress competing, reasonable, comprehensive doctrines. The aim of his political liberalism is to defend such a liberal political conception; a post-Enlightenment liberalism that takes the problem of reasonable pluralism seriously, and which all reasonable citizens can affirm regardless of what reasonable comprehensive doctrine they hold. Rawls believes that the political is focused on the justice of the basic structure.

According to Rawls,
the “spheres of the political and the public... fallout from the content and application of the conception of justice and its principles” (Rawls 1996, 36).

2. Neoliberalism

Neoliberalism can be understood as a variant of liberalism because neoliberalism reinforces many of the central axioms of classical liberalism. It strengthens relations between the individual and society, the conception of freedom, the view of the self as a rational utility maximiser, separation between public and private spheres, and the rejection of any conception of a public good over and above individuals (Olssen 2000, 482). Neoliberalism did not arrive unannounced from nowhere. It is tempting to think that neoliberalism as a political and class project might implode because of its own internal contradictions. Nominally, neoliberalism offering “freedom” instead of control, commodifying all in its wake, but is covertly always eager to legitimize itself as an ideology that has something to offer to everyone. Hobsbawm compared neoliberalism, as a variant of liberalism, with ‘ethical’ or inserted liberalism which formed the foundation of an exceptional phase in history; the golden years of the welfare state (Hobsbawm 1994, 258). Post-war capitalism was unquestionably “a system reformed out of all recognition...an union between economic liberalism and social democracy” (Ibid., 270). With implanted liberalism flourishing, little ground was given to the proponents of liberalism.

However, by the 1960s things had begun to change. The balanced compromise between defense of welfare and a liberal international economic order that had sustained three decades of growth and progress was now destabilised (Cox and Schechter 2002). The years of progress were finished. Two important processes were in crisis and broke together. Their centres united forces to produce the conditions for great change in two directions; the post-war accumulation strategy (Harvey 1989; 2005; 2006; Hobsbawm 1994) and the project of modernity with its conception of progress and enlightenment (Santos 2004).

Generally speaking, the period from 1965 to 1973 was one in which the inability of Fordism and Keynesianism to contain the inherent contradictions of capitalism became more and more apparent (Harvey 1989, 141-2). In this period, new struggles between social forces began, between neo-liberals and (ethical liberal) Keynesians. “A minority of ultra-liberal economic theologians” (Hobsbawm 1994, 409) had stroked the domination of Keynesian prospective, promoting instead the unrestricted free market as the model of economic development. The attack was also directed at what was regarded as increasingly unruly labour, protected by the entrenched interests of unions. By 1974, neo-liberals were on the offensive (Marchak 1991, 93), though they did not come to dominate government policy until the 1980s.

In *The Road to Serfdom*, published in 1944, Hayek argued that government planning, by crushing individualism, would lead inexorably to totalitarian

control. In 1947, Hayek founded the first organisation that would spread the doctrine of neoliberalism, the Mont Pelerin Society. Since 1947 Hayek and Milton Friedman were critiquing welfare-based democracies. After that “a kind of neoliberal international” was organized: a transatlantic network of academics, businessmen, journalists and activists. The movement’s rich backers funded a series of think tanks which would refine and promote the ideology (American Enterprise Institute, the Heritage Foundation, the Cato Institute, the Institute of Economic Affairs, the Centre for Policy Studies and the Adam Smith Institute). After Margaret Thatcher and Ronald Reagan took power, the rest of the package followed: massive tax cuts for the rich, the crushing of trade unions, deregulation, privatization, outsourcing and competition in public services. Through the IMF, the World Bank, the Maastricht treaty and the World Trade Organisation, neoliberal policies were imposed – often without democratic consent throughout the world. It may seem strange that a doctrine promising choice and freedom should have been promoted with the slogan “there is no alternative”. The freedom that neoliberalism offers, which sounds so beguiling when expressed in general terms, turns out to mean freedom for the “very few”, not for the “ordinary people”.

Chile was the first testing ground for this new model of economic coordination, following the ousting of Salvadore Allende’s socialist government and their explicit nationalizing agenda in a bloody coup in 1973. In this country pure neoliberal experiment was introduced; privatization of all publicly-owned resources (aside from copper), the liberalisation of finance and openness to Foreign Direct Investment, freer conditions for trade, and state withdrawal from many social policy programmes. This “new approach” ended in crisis in 1982, being replaced by a more pragmatic measure to neoliberal theory and its implementation. From the 1980s there was a purge of all forms of Keynesian policy by the international organizations and lending agencies and national governments termed ‘roll back’ neoliberalism (Tickell and Peck 2005, 174). Neoliberalism’s roll-back phase was a success because “markets and institutions were transformed as the politically legitimate revoke of state intervention was redrawn” (Ibid., 179). Throughout the 1980s neoliberal policies (under the structural adjustment programmes of the IMF and World Bank) were imposed on developing countries in Latin America and sub-Saharan Africa. Similarly in the developed world, neoliberal policies were embraced by political parties of the right and the left (New Zealand and Australia) when they were faced with mounting external debts and rapid inflation following application of Keynesian economic policies. Three central principles key ideas feature in most models of restructuring: deregulation, competitiveness and privatization (Cox 1996, 31).

Deregulation refers to the removal of the state from a substantive role in the economy, except as a guarantor of the free movement of capital and profits. Competitiveness is the justification for the dismantling of procedural state bureaucracies and range of welfare provision that were built up in the post-war period. Privatization describes the sale of government businesses, agencies or services to private owners, where accountability for efficiency is to profit-oriented shareholders. These principles, implemented with the slogan, “there is no alternative” imposed a necessary painful measure for future gains (Kelsey 1993, 10).

A profound epistemological shift and new ethic of social and political life emerged unbound by this epochal change, under the name of “Washington Consensus” (Williamson 1993, 1329-1336); an idea frequently connected to globalization. More conventional views tend to comprehend globalization as indicating from one side “... the expanding scale, growing magnitude, speeding up and deepening impact of transcontinental flows and patterns of social interaction” (Held and McGrew 2002, 1) and on the other the shifting away of power from nation states as the primary focus on which power is organised and exercised (Held and McGrew 2002, 8). Digital technologies are deeply implicated in these changes. They empower the rapid movement of ideas, images, finance, goods and services across the globe (Appadurai 1996). Digital technologies are also important in neo-liberal regimes because of their ability to swiftly provide information in the market place. For markets to work effectively, individuals need to be able to consent to price, quality, availability, flexibility. It is not surprising that the pre-eminent position of knowledge and the idea of a “knowledge economy” and “information age” coincided with the neoliberal political project.

Neoliberalism has gained a strong foothold in the idea of individual freedom, but also the ability to reconcile and unite a wide range of interests, discourses and agendas within civil society whose identities and projects had been previously denied by the largely white male class project (Apple 2001; 2006). We are facing now with “surveillance capitalism” as a new form of capitalism, a behavioural futures marketplace. The term surveillance capitalism, indicates to the connection between digital tools, collecting, and monitoring of data from large mass of the population, and the promotion of consumer-oriented behaviour that further the interests of neoliberal capitalism (Zuboff, 2018).

The discourse of “rights” was also summoned as a means of recognizing freedom through opening up previously state-dominated spheres to other actors, offering the very real possibility of organizing new institutional structures using a market-based principle (Ford 2005). Neoliberal policies also resonated

amongst the ruling classes. The post-war redistribution policies infringed on the ruling classes, growth within the economy in the post war period, and the spectre of socialism as a possible alternative, conducted to support the post-war settlement. The 1970s crisis of accumulation, however, affected everyone, including the ruling classes. When growth collapsed, the upper classes moved decisively to protect their interests, politically and economically (Harvey 2005). Neoliberalism was the perfect economic engine and political symbol to impel this project.

While state intervention remained focused on areas of “market failure”, the expansion of these areas was notable. In 1980s, the dominant focus was on markets, and the early 1990s markets and states, but the late 1990s can be seen as a return to the social but always with a focus on the primacy of markets. Williamson’s aim was to codify that part of the neoliberal analysis and policy proposals which have become commonly accepted within Development Theory and particularly in the circles of the big developmental institutions (primarily the IMF and the World Bank) seated in Washington. In Williamson’s (2000, 254) own words his effort “was an attempt to distill which of the policy initiatives that have emanated from Washington during the years of conservative ideology had won inclusion in the intellectual mainstream rather than being cast aside once Ronald Reagan was no longer on the political scene”.

In order to understand neoliberalism it is necessary to have closer look on the Washington Consensus. It refers to the influential circles and institutions based in Washington and “Consensus” indicates to the part of neoliberal policy prescriptions that had been widely accepted during the years of conservative ideology won inclusion in the intellectual mainstream rather than being cast aside once Ronald Reagan was no longer on the political scene (Williamson 2000). The Washington Consensus has a definite ideological and political background: that of the neo-conservative policies of the last quarter of the 20th century. Furthermore, the Washington Consensus cannot be delegated to a simple sum of policy proposals. It has definitely a spinal column on the basis of which the whole edifice has been constructed. The imperatives of the Washington Consensus’ policies were usually implemented in a technocratic manner, disregarding social and political complexities. For Stiglitz, the Washington Consensus was too narrow in focus. The Washington consensus advocated the use of a small set of instruments (including macroeconomic stability, liberalized trade, and privatization) to achieve a relatively narrow goal (economic growth). The post-Washington consensus recognizes both that a broader set of instruments is necessary, but its social goals are much broader. They include increases in living standards (including improved health and education), not just increases

in measured GDP; sustainable development, which includes preserving natural resources and maintaining a healthy environment; equitable development, which ensures that all groups in society, not just those at the top, enjoy the fruits of development, and democratic development, in which citizens participate in a variety of ways in making the decisions that affect their lives (Stiglitz 1998a, 30). For Stiglitz the Washington Consensus fails because the simple liberalization of markets does not suffice for their normal operation, particularly in the developing countries (Stiglitz 1998a, 30; 1998b). Most of the critics point out that during the last twenty years of the 20th century after the implementation of the Washington Consensus policies and structural changes there was a marked increase of poverty and inequality (Chossudovsky 1997). Fine criticises the Washington Consensus for consciously neglecting crucial aspects of the developmental process in order to push the neoliberal reforms that promote the interests of dominant capitalist bargaining power (Fine 2002). According to Fine, a key policy initiative during the later 1990s is centred on the concept of social capital (Fine 2001). This concept merits explanation as a central idea in the policies and politics of the Post-Washington Consensus. According to the World Bank, social capital refers to the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together and without which there can be no economic growth or human well-being. Without social capital, society at large will collapse, and today's world represents some very sad examples of this (Fine 2001, 158).

3. Neoliberal critique

There are three main lines of analysis that can be called neoliberal critique even if their political and theoretical perspectives are different. First, neoliberalism is treated as a manipulative “wrong knowledge” of society and economy, which has to be replaced by right or emancipatory knowledge. Criticism often focuses on neoliberalism as an ideology, based on “inherent contradictions” or the “faulty theory”. Because of this categories neoliberalism could not promote the “true” laws of society and the “real” mechanisms of politics. Many critics see in neoliberalism the extension of economy into the domain of politics, the triumph of capitalism over the state, the globalization that escapes the political regulations of the nation-state. This “hungry” capitalism has gone beyond control, but neoliberalism is a political-economic reality. The third line of criticism is levelled against the destructive effects of neoliberalism on individuals. Neoliberalism can be seen as “practical anti-humanism” because it promotes the devaluation of traditional values, the process of individualization endangering

collective solidarity, the imperatives of flexibility, mobility and risk-taking that threaten family values and personal affiliations.

Karl Polanyi's thinking is very useful for understanding why market liberalism is as utterly flawed as a way of organizing economies and societies. Polanyi critiques the work of market liberals like Hayek. *The Great Transformation* provides the most powerful critique yet produced of market liberalism; the belief that both national societies and the global economy can and should be organized through self-regulating markets (Block 2001, xvii). In reflecting on why a period of relative stability was followed by fascism in the 20th century, Polanyi argues that the emergence of market liberalism; the idea that markets are self-regulating emerged as a means of managing the problems of industrialization (first transformation). This directly led to the Depression, fascism, and second great transformation. Market liberalism is based on the view that markets are self-regulating and that they operate separate from and above or outside society. Rapid transformation destroys old coping mechanisms, old safety nets, while it creates a new set of demands, before new coping mechanisms are developed (Stiglic 2001, xii). However, Polanyi argues that markets have always been embedded and the goal of a fully self-regulating market that is disembedded, is a utopian project. This theory is a pure mathematical fiction, because it has been founded on a formidable abstraction. In the name of a narrow and strict conception of rationality as individual rationality, it brackets the economic and social conditions of rational orientations and the economic and social structures that are the condition of their application (Bourdieu 1986, 251). Polanyi's extreme scepticism about disembedding the economy gives rise to his idea of the "double movement"; the laissez faire movement to expand the scope of the market, on the one hand, and the protective counter-movement which tries to manage and minimize this on the other. In other words, the movement toward markets requires an alternative movement to stabilize its (the state and civil society through concepts like social capital). Both authors undertake a critique of neoliberalism by relying on the very concepts they intend to criticize. They operate by confronting knowledge and power, state and economy, subject and power, and we may well ask what role these dualisms play in constituting and stabilizing liberal-capitalist societies. The critical contribution of the concept of governmentality for the study of neo-liberal governmentality lies exactly in "bridging" these dualisms, trying to analyse them on a "plane of immanence" (Deleuze and Guattari 1972, xxx). Noys turns to Foucault's account of the rise of neoliberalism to highlight that neoliberalism does not function, does not direct its purposiveness, toward the commodity itself. Neoliberalism's power is exerted

at the structural level of the laws and constraints that are the conditions for any markets functioning. As Noys writes,

“accelerationism, and the critical and theoretical resources it draws upon, fundamentally misunderstands neoliberalism, as a particular form of capitalist governmentality, and capitalism itself, as a social form, and so *reproduces* hem (or their own idealized image).“ (Noys 2013)

By coupling forms of knowledge, strategies of power and technologies of self it allows for a more comprehensive account of the current political and social transformation. In a provocative series of formulations of neoliberalism Foucault points out that „statephobia“ prevailing in modern though language, connected with the critique of society of spectacle (Debord) and “one-dimensionality”(Marcuze) with Werner Sombart’s proto-Nazi critiques of capitalism (Foucault 2008,113-4). Where neoliberal policies cannot be imposed domestically, they are imposed internationally, through trade treaties incorporating settlement. Neoliberalism was not conceived as a self-serving racket, but it rapidly became one.

Another paradox of neoliberalism is that universal competition relies upon universal quantification and comparison. The result is that workers and public services are subject to a stifling regime of assessment and monitoring, designed to glorify the winners and punish the losers. The doctrine that Von Mises proposed would free us from the bureaucratic nightmare of central planning has instead created one. The privatization or marketization of public services has enabled corporations to set up tollbooths in front of essential assets and charge rent, either to citizens or to the government, for their use. Governments use neoliberal crises as excuses and opportunities to cut taxes, privatize remaining public services, rip holes in the social safety net, deregulate corporations and re-regulate citizens. As Naomi Klein points out neoliberal theorists advocated the use of crises to impose unpopular policies while people were distracted (Klein 2007).Perhaps the most dangerous impact of neoliberalism is not the economic crises it has caused, but the political crisis. As the domain of the state is reduced, our ability to change lives through voting is also put in questioning. Instead, neoliberal theory proclaims, people can exercise choice through spending. But some have more to spend than others: in the great consumer or shareholder democracy, votes are not equally distributed. The result is a disempowerment of the poor and middle class. As parties of the right and former left adopt similar neoliberal policies, disempowerment turns to depravity. Tony Judt explained that when the thick mesh of interactions between people and the state has been reduced to nothing but authority and obedience, the only remaining

force that binds us is state power (Judt 2008). Is it possible to see seeds of totalitarianism in neoliberalism?

Arendt's understanding of the origins of totalitarianism begins with her insight that mass movements are founded upon "atomized, isolated individuals." According to Arendt, the lonely people whom Arendt sees as the supporters of movements are not necessarily the poor or the lower classes. They are the "neutral, politically indifferent people who never join a party and hardly ever go to the polls." They are not unintelligent and are rarely motivated by self-interest.

But totalitarianism, as an expansive movement was closely related to the global aspirations of imperialism. Totalitarianism begins and ends with the insight that

"total power can be achieved and safeguarded only in a world of conditioned reflexes, of marionettes without the slightest trace of spontaneity." (Arendt, 1951, 457)

The aim is not simply to rule men, but rule them from inside out, as "organized loneliness," or "total domination" of the human population.

4. Neoliberalism and Governmentality

Replacing "globalization", neoliberalism has become one of the most meaninglessness phrases in public and academic discourses on the "form of the world-as-a-whole" (Robertson 1990). It is used to forge new academic alliances and to identify new political, moral and epistemological enemies. Many times, neoliberalism was used as an umbrella concept or a badge that helps to create some kind of vague and simplistic political alignment: anti-neoliberalism on the left and pro-neoliberalism on the right.

The 1980s were the period when Theda Skocpol, Juan Linz, Dietrich Rueschemeyer or Alfred Stepan (Evans, Rueschemeyer, Skocpol 1985) were urging social scientists to "bring the State back in". In this period, critique of welfarism and everything state-centred finds a way to public and social policies and brings the field of "governance" to the forefront of investigation. Political power was not seen as a hegemonic, state dwelling power anymore. Governance emerged as another umbrella concept referring to "strategy, tactic, process, procedure or programme for controlling, regulating, shaping, mastering or exercising authority over other." (Rose 1999, 15). From this perspective governance could be applied to a huge area of expertise.

Governing is

"the totality of interactions, in which public as well as private actors participate, aimed at solving societal problems or creating societal opportunities; at-

tending to the institutions as contexts for these governing interactions; and establishing a normative foundation for all those activities” (Kooiman 2003, 4).

Governing is a new ways of describing the paths political power is developing outside the state, without ignoring the importance of the state and the doctrines and legitimacies connected with it. It is important to analyse how neoliberalism creates a new form of governmentality in which the state has a different function: permeating society to subject it to the economy. The first important aspect of the concept of governmentality is that it does not juxtapose politics and knowledge but articulates a “political knowledge”. Foucault does not pose the question of the relation between practices and rationalities, their correspondence or non-correspondence in the sense of a deviation or shortening of reason. His “main problem” is not to investigate if practices conform to rationalities, “but to discover which kind of rationality they are using” (Foucault 1981, 22).

Political rationality is not pure, neutral knowledge which simply “represents” the governed reality, but an element of government itself which helps to create a discursive field in which the exercise of power is “rational”. The concept of governmentality suggests that it is not only important to see if neoliberal rationality is an adequate representation of society, but also how it functions as a “politics of truth”, producing new forms of knowledge, inventing new notions and concepts that contribute to the “government” of new domains of regulation and intervention. Foucault argues that the “art of government” is not limited to the field of politics as separate from the economy. He sees the government as the constitution of a conceptually and practically distinguished space, governed by autonomous laws and a actual rationality of “economic” government (Foucault 1991, 92).

When Foucault considers the perspective of “governmentalization of the state” (Ibid. 103), he does not present government as technique that could be applied or used by state authorities or apparatuses. Instead he comprehends the state itself as a tactics of government, a dynamic form and historic balance of societal power relations. Governmentality is

“at once internal and external to the state, since it is the tactics of government which make possible the continual definition and redefinition of what is within the competence of the state and what is not, the public versus the private” (Ibid.,103).

Foucault’s discussion of neoliberal governmentality indicates that the “re-treat of the state” is in reality a prolongation of government. Neoliberalism is a transformation of politics that restructures power relations in society. What we are observing today is not a diminishing or a reduction of state sovereignty

and planning capacities but a displacement from formal to informal techniques of government and the appearance of new actors on the scene of government (NGOs), that indicate fundamental transformations in the state and a new relation between the state and civil society actors. This encircles from one side, the displacement of forms of practices that were formerly defined in terms of nation-state to supranational levels, and on the other side the development of forms of sub-politics “beneath” politics in its traditional meaning. Differentiation between state and society, politics and economy is an element and an effect of specific neoliberal technologies of government. Neoliberal governmentality is very active and interventionist even when it is a “minimal” one. The interventions are going on, and power seeps through the social body: heterogeneous networks of actors and technologies, new fields of knowledge like the social sciences, economics, management or the sociology of governance. In this way old micro-fields of power are being connected in new ways.

For Foucault governmentality is the “*conduct of conducts*” (Foucault 2008). This definition is not simple because the analysis of governmentality has its root in governance – a special stratum of discourses and practices of knowledge and power (Rose 1999, 19), discovering the emergence of specific “regimes of truth”. It is just that the state reason was articulated on a new truth regime: the political economy. Government was being confronted, for the first time, from the inside, with a place of its truth. The market became a natural mechanism through which the practice of governing could be designed. During the regime of cameralist *Raison d'État*, the market functioned as a place of jurisdiction, a place of justice, of regulations, equity and correct distribution of goods. In liberal and neoliberal times, market become a space of verification, of enouncing the truth and of verifying the government.

A new art of governing is being made by the transformation of liberal governmentality. Neoliberalism opposes one of the main doctrines of liberalism. The problem does not consist in the absolute autonomy of the economy anymore, but in deciding how political and social powers will express themselves in order to form the market economy (Foucault 2008, 120). Foucault states that power is not the possession of the state, but the method through which humans interact on every level. The power problem is central to Foucault thinking regarding the relations between society, individuals, groups and institutions. Discourse transmits and produces power, but at the same time discourse itself is the result and the effect of the power (Stanković Pejnović 2019, 98). Michel Foucault used the notions of governing with two meanings: on the one hand, or refers to a large area of human existence and experience, made up of ways of thinking and acting that have the transformation of human behaviours their objective.

The second, narrower meaning, refers to the ways in which the political elites try to order “the multitudinous affairs of a territory and its population in order to assure its prosperity, and at the same time establishes divisions between the suitable spheres of action of different types of authority” (Rose 1996, 42).

Neoliberalism does not support a society totally misled by exchange values. It supports the soulless and ruthless commercial society, based on social bonds created by the pure exteriority of exchange value. At the core of this neoliberal society is not the *laissez faire* commercial exchange but a (very often unfair) competition. This process is not trying to create an exclusive area where the state cannot go, a kind of reciprocal tolerance or ignorance between the state and markets. This is, according to Foucault, the origin of “neoliberal policies” – regulatory and ordering actions on the conditions of existence of this coherent but fragile structure of unanimity. The more the governmental intervention in the market area is despised, the more it is required on the technical, juridical, demographic and social levels (Foucault 2008, 140). From a neoliberal point of view, the only sound social policies are economic growth, access to private property and individual insurance.

Neoliberal government,

“which has become the program of most governments in capitalist countries, absolutely does not seek the constitution of that type of society. On the contrary, it involves obtaining a society that is not orientated towards the commodity and the uniformity of the commodity, but towards the multiplicity and differentiation of enterprises” (Foucault 2008, 149).

The transformation brought by the replacement of exchange with competition, of liberalism with neoliberalism, had important effects: while exchange was seen as a natural human characteristic, competition was seen as an artificial structure that must be actively protected. The economic and social concurren- tial mechanism assumes a constant intervention from the state, not on the market, but on the conditions of the possibility of the market (Foucault 2007, 139; Read 2009, 28).

Conclusion

The reaffirmation of authentic liberalism, with the departure from neoliberal economic and social policy, puts emphasis on social liberalism that promotes the affirmation of individual, social, cultural and national rights and freedoms of citizens, the social economy with a balance of interests of capital and labor, and a legal state of liberal democracy in which all citizens have equal rights. Social liberalism is a theoretical and political concept that opposes neoliberal globalism, and as such is the most promising theoretical basis for the humani-

zation of globalization. Neoliberalism differs from liberalism in one important way; its commitment to neo-classical economics; recognition that some state intervention is necessary to ensure that Adam Smith's invisible hand of the market can function. This means that freedom of the market, the right to free trade, the right to choose and protection of private property is assured by the state. Neoliberalism as a governing art emerges as early as 1948, through a series of ruptures and displacements from classical liberalism. The series of European governmentalities start with l'État de Police, followed by classical liberalism and, finally, German ordo-liberalism and American anarho-liberalism. The classical liberalism tried to restrict the state's interference, freeing the space for markets, under laissez-faire principles. Neoliberalism is eager to reorganize the state itself to be superimposed by the market. "A state under the supervision of the market rather than a market supervised by the state." (Foucault 2008, 116)

Capitalism has changed public space because global liberal capitalism bringing market decentralisation, privatization and deregulation as cause of institutional changes focusing on business individualisation than collectivism aimed by logic of market globalisation. Structural crisis capitalism system, matrix capitalism has shown dehumanise virtual world without borders between real and imagine world. (Stanković Pejnović 2013, 125) Changed modern capitalism has been based in public services, opposite to productive activities on which was based old kind of capitalism. Trough influence of globalisation and new capitalism national state is not only one area for collective problems solutions and with process of modernisation power of state has been declined (Ibid, 126).

The anthropologies and ethnographies of governmentality and neoliberalism can have an important role in understanding neoliberalism at work, and in deconstructing false dichotomies like state – civil society – market. The capital and control of the media, combined with "shock doctrine" is excellent weapons in the implementation of "the art of politics" (Stanković Pejnović, 2016, 28). We are facing with new totalitarianism, in which the emphasis is not placed in the way of political rule "the people", rather than a radical change of the system of power over life of individual and mass. An important role in shaping of the media is based on the logic of universal transmedial irrational rationality. Neoliberal capitalism has no center and visible entities. Economic powers are invisible in complete transparency as a real illusion of new media and new reshaped world with a rapid loss of freedom (Stanković Pejnović 2018, 63). The "autonomous individual" is a consumer of freedom in a number of freedoms that actually exist: freedom of the market, freedom to buy and sell, the free exercise of property rights, freedom of discussion, freedom of expression. The new governmental reason needs freedom, or the new art of government consumes freedom. If so-

ciety has a desire to consume freedom, this means it must produce or organize it. The new art of government therefore appears as the management of freedom, not in the sense of the imperative: “be free,” with the immediate contradiction that this imperative may contain. The formula of liberalism is not “be free.” Liberalism formulates simply the following: to produce what you need to be free. If this liberalism is not the imperative of freedom as the management and organization of the conditions in which one can be free, it is clear that at the base of this liberal practice is an always different and mobile problematic relationship between the productions of freedom and that which in the production of freedom risks limiting and destroying it. Liberalism entails at its heart a productive/destructive relationship with freedom. Liberalism must produce freedom, but this very act entails the establishment of limitations, controls, forms of coercion, and obligations relying on threats (Foucault 2008, 63-4).

Neoliberalism has become so common that we seldom even recognise it as an ideology, accepting the proposition that this utopian faith describes a neutral force. But the philosophy arose as a conscious attempt to reshape human life and shift the locus of power. Neoliberalism sees competition as the defining characteristic of human relations. It redefines citizens as consumers, whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency. It maintains that “the market” delivers benefits that could never be achieved by planning. Nikolas Rose’s detailed work on “advanced liberal democracies” (Rose 1996) develops Foucault’s analysis of neoliberalism as governmentality, unveiling the features characterizing what has become, since the 1990s, a truly global way of governing the world.

The perspective of neoliberalism understood as „governmentality“ tries to identify historical areas, and moments of emergence of political rationalities, that are intermixed with systems of thought, strategies, programmes and tactics. There are two dimensions of governmentality: political rationalities and governing technologies (Rose, 1999). Governmentalities, as political rationalities, are like devices that create a programmable reality by introducing regularities into reality: moral forms, epistemological structures and specific languages. Governmentality works through discursive fields characterized by a shared vocabulary within which disputes can be organized, by mutually intelligible explanatory logics, commonly accepted facts and significant agreement on key political problems. The theoretical concept of governmentality comprises that it interprets neoliberalism not just as ideological rhetoric, as a political-economic reality or as a practical anti-humanism, but above all, as a political project that aspires to create a social reality, although it already exists. The analysis of governmentality reminds us that political economy relies on a political anatomo-

my of the body. Liberalism and neoliberalism are seen as practices, reflexive modes of action, and special ways of rationalizing governance.

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