

Missing Topic In #EUref: Neo-liberalism Gone Too Far

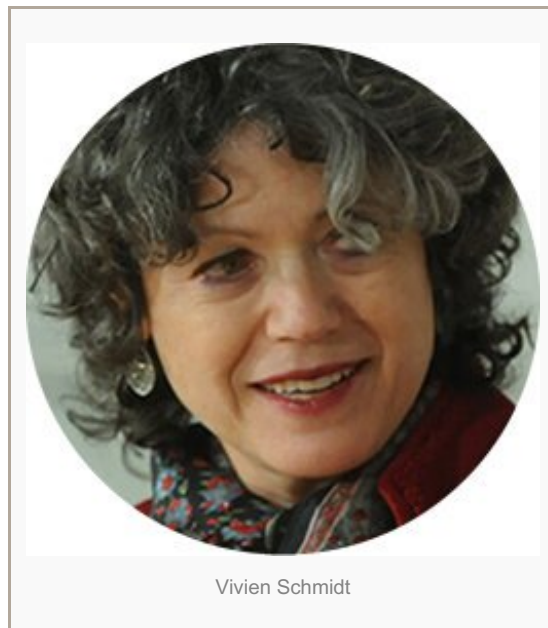
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As the referendum campaign nears its end, one central issue is remarkable for its absence, despite the fact that it has been a major contributor to the anger that lends support to the Brexit camp: neo-liberalism. The revolt against the political parties, the rejection of the experts, the distrust of the elites more generally: all of this has to do with neo-liberalism—as does the venting by working and middle class people against the worsening of their life chances due to stagnant wages, growing inequality, and the increasing difficulty for the young to get a foot on the real estate ladder, or a steady well-paying job.

And yet the real cause of these concerns is never addressed. Instead, the EU and immigration are blamed for all of Britain's ills. But whether the decision on June 23 is Leave or Remain, neither Britain's problems nor citizens' dissatisfaction will go away.



Neo-liberalism has been so resilient in the UK as well as in the EU that it receives barely a mention in the mainstream press or in public debates. It is so pervasive that it is hardly recognized as a major source of the disenchantment that lends support to the Leave campaign. Better to blame the outsiders (i.e., immigrants and Eurocrats) than to recognize that the problem comes from the inside, from the policies of British governments.

Democratically elected British governments beginning in the 1980s sought to transform the UK economy based on a neo-liberal economic philosophy. It touted the market as the solution, the state as the problem; denigrated politicians and civil servants as rent-seekers not to be trusted; believed that financial market players were rational actors who deserved little or at most 'light touch' regulation; and promoted a growth model focused on debt-based real estate speculation rather than rising wages, and on service industries in place of manufacturing. It should be no wonder, following the financial crisis of 2008 with the concomitant rise in job insecurity and poverty, in the face of no change in neo-liberal discourse let alone policies, that working people would have lost faith in their politicians, and expect some alternative. But, surprisingly, there is no mainstream alternative, just the sirens of the populists blaming immigration and the EU.

But if the problem really is neo-liberalism, then who will introduce a critique of it into the campaign—say, to press for 'another' Britain as well as another EU? Who will help the UK move away from the radical neo-liberalism that the people are revolting against in perverse ways such as through support for populist anti-immigrant views that won't change the actual sources of their discontent?

It is unlikely to be the current leaders of the mainstream parties. The centre-right introduced neo-liberal ideas beginning with Thatcher in the 1980s, with the rallying cry of 'less state to free up the markets', and has maintained a rhetoric of neo-liberalism ever since, even if the reality has been more pragmatic. The centre-left enhanced neo-liberal ideas with the cry of 'more state to make the markets work better' with Blair in the 1990s. The problem for Britain is that mainstream parties remain stuck in their past support for a doctrine that cannot solve today's problems, and have therefore lost the confidence of the people.

As for the EU, don't just blame Germany's home grown neo-liberalism (ordo-liberalism) for the austerity-based macroeconomic policies that have generated slower growth for the Eurozone as a whole, let alone the tragedy of the Greek (non) bailout. Why not recognize that the UK has had a hand in how the EU has developed. As an integral partner in EU decision-making, British governments regularly approved EU policies in the Council,

including the austerity policies for all of the EU.

Moreover, the UK was a key promoter of the Single Market that, in addition to providing for the free movement of goods, capital, and services, also provides for the free movement of peoples. Note that the UK has also opted out of the policies the British find most objectionable, including the Euro and Schengen immigration policy (which means it is under no legal obligation to take Syrian refugees).

So one has to wonder why the UK is so angry with the EU, and why it blames it for immigration. My argument here is that the EU and immigration have ended up as scapegoats for the real problems of the UK. Neo-liberalism, once seen as the way to save the UK from imminent decline, has produced a country in danger of imminent implosion. Rather than leaving the EU, the UK should begin to confront its real problem: a neo-liberalism that has gone too far.

This post first appeared at the [Cambridge Blog](#)