

## **Marketing a myth: The selling of neoliberalism**

By Radical Randy

The economic transformation described in “Born to fail: Neoliberalism and the meltdown,” didn’t happen by accident. During the 1960s and ‘70s, it looked as if the movements for social justice had led to an ever-increasing share of the economic pie for ordinary workers, but the ‘80s witnessed a massive structural economic shift to the right in favour of entrenched wealth and power. The rise of neoliberal market-fundamentalist economics in the past few decades is usually presented as an inescapable economic reality. In fact, it was the result of a well-financed, well-organized assault on the public by wealthy elites and their political and media allies.

In response to the natural revulsion the vast majority of people would feel to this self-serving policy of the rich, the neoliberals tried to sell it as the most efficient and natural functioning of the economy, with the resulting rising tide of wealth lifting all boats, the whole of society eventually benefiting.

### **Self-interest sold as science**

In the past few decades corporations and wealthy individuals have pumped billions of dollars into American right-wing foundations promoting these precepts. As Eric Alterman chronicles in *What Liberal Media?*, from the ‘60s onward a number of major corporations and billionaires – like Nelson and Bunker Hunt and the Reverend Sun Myung Moon – have funded “think tanks” such as the American Enterprise Institute, the Center for Strategic and International Studies, and the Heritage Foundation, among many others. These various conservative fronts behave more as political activist organizations than research institutes, producing books and journals to promote neoliberal policies and providing training for right-wing politicians and pundits.

As Murray Dobbin details in *The Myth of The Good Corporate Citizen*, there was a similar “free market” push in Canada from corporate backers in the creation of the C.D. Howe Institute and Fraser Institute, as well as the Business Council on National Issues (now the Canadian Council of Chief Executives), composed of the heads of the 150 largest corporations in the country. These were instrumental in shaping Canadian public opinion and government policies toward the new economic order.

The ongoing concentration of corporate media ownership made it even more difficult to find divergent opinions. Transnational corporations heavily involved in globalization own many of the mass media conglomerates; ABC is owned by Disney owns ABC and General Electric owns NBC. Additionally, the “mainstream” establishment corporate media has been pulled ever more rightward in both economic and political reporting by the far-right media such as the Sun Newspaper chain, the *National Post* founded by Conrad Black, and Rupert Murdoch’s Fox News. As a result, the very institution many people rely on for unbiased information has itself been corrupted. In this province, Martha and Henry, those hard-working stalwart average Albertans, were pressed into

service selling Ralph Klein's neoliberal assault on hard-working stalwart average Albertans.

David Harvey relates in *A Brief History of Neoliberalism* how by about 1990, with extensive funding from corporations and right-wing foundations, business schools and economics departments of major American research universities had come to be dominated by neoliberalism. These provided training for many international students as well as economists staffing institutions such as the World Bank and International Monetary Fund.

Politically, big businesses worked together to capture the Republican Party in the U.S. to implement their "free market" policies, while in Canada the neoliberal Reform Party, financed by corporations in Alberta's oil patch, pulled the Conservative Party ever more rightward, eventually merging with and dominating it. Even the more social justice oriented Liberal and Democratic Parties largely succumbed to the market fundamentalist dogma.

One factor making it easier to sell neoliberalism, is the favourable view some people have of capitalism's post-war "golden age," when workers' lot was generally improving amid some power sharing with the owning class. This made it easier for corporate media and right-wing economists to cast neoliberalism as a continuation of the era of "beneficial" capitalism, playing on any residual positive memories the public may still have had about capitalism from the decades immediately following World War II.

### **But, we're all owners now...aren't we?**

The last few decades have seen a proliferation of stock market coverage in the mass media. Many people have a small amount invested in mutual funds, while some companies give a few nominal shares to their workers. The implication is that now practically everyone is an owner with a stake to some degree and we can set aside old class conflicts and rejoice in the mutual benefits untrammelled capitalism brings us all. In reality, as economist Jim Stanford discusses in *Economics For Everyone*, ownership of financial wealth is becoming increasingly concentrated in a small elite. The top 10 per cent of the population holds the overwhelming majority of financial assets while median income households and below have an inconsequential share outside of their home equity. In capitalist societies, 85 per cent of households must rely on selling their own labour rather than live off the proceeds of financial wealth. Much of the remaining 15 per cent consists of small business proprietors who work in their own enterprise. This leaves only upper management and wealthy shareholders receiving a major portion of their income from stock ownership.

Rather than a balanced analysis of neoliberalism and globalization, corporate media largely took on the role of head cheerleader. Despite time out for the occasional 'tsk-tsk' over sweatshops, they happily sang the praises of the new global economy. Anyone objecting to corporate-dictated globalization was portrayed as xenophobic, protectionist,

or in the pocket of the unions, while protestors were guilty of churlishly trying to deny the developing world its last best hope.

For the compulsive “free market” globalizers, led by *The New York Times*’ Thomas L. Friedman, the certainty of their economic science was not falsifiable no matter how often it failed. Any of neoliberalism’s corporate-led globalization fiascos could be blamed on corrupt governments or crony capitalism or cultural barriers or not having the right version of market fundamentalism or not having enough capitalism or, or...or something.

The same business press that now bemoans the denouement of executive greed had fallen over itself during the go-go ‘80s in lionizing the lavish lifestyle and extravagance of the corporate elite. Their relentlessly upbeat messages were the benefits of deregulation and global integration of the economic and financial systems. Any predictions of the collapse of an inherently unstable system were ridiculed – at least until they happened.

A perennial justification for globalization was an appeal to democracy. According to this scenario, democratic freedoms go hand-in-hand with free market fundamentalism. Instead, as Naomi Klein demonstrates in *The Shock Doctrine*, rather than being freely chosen by democratic governments, neoliberal policies are often imposed and maintained on the developing world by coercion or a dictatorial regime, usually with U.S. backing. Certainly China’s integration into the global capitalist system hasn’t made it any less of an autocratic tyranny.

## **Meltdown spin**

Based on the corporate media’s spin, there appears to be an ongoing evolution in the establishment’s presentation of the financial disaster. With the initial shock of the system’s collapse, there seemed to be a realization among the elites that there was a fundamental flaw in the basic logic underlying neoliberalism and that, at the very least, major reforms were essential to avoid a total implosion. Over the succeeding months this appears to have undergone a metamorphosis. Now the crash is increasingly being presented as just an unusually severe market correction, a cyclical downturn requiring at most a few tweaks. The biggest problem is lack of investor and consumer confidence in the system. A few minor changes might just set it all right again if only the small investors could be convinced to belly-up to the gaming tables once again.

A vital strategy for the survival of neoliberalism post-crash has been misdirection and diversion. Workers and unions are offered up for blame for the North American auto industry debacle rather than managerial incompetence and shortsighted corporate greed. The U.S. subprime mortgage fiasco is blamed on ordinary working families trying to buy a home, rather than on the unscrupulous larcenous lenders who misled them. The rage of many ordinary working people whose lives were shattered by the collapse is diverted toward the greed of huge executive bonuses in bailed out companies such as AIG rather than against the class-based economic system itself. Ponzi schemers and blatantly corrupt executives are shrugged off as just a few bad apples rather than an indictment of the whole greed-is-good corporate culture. Meanwhile, any of U.S. President Barack

Obama's solutions that might actually curb the system are dismissed by corporate media as "socialism." Apparently the only acceptable form of socialism is the kind that involves government bank bailouts.

Looking back at the hidden agendas and false promises, it's hard to disagree with author David Harvey's evaluation that the central purpose of the ruling elite's embrace of neoliberalism was the restoration of their class power and affluence with a rollback of workers' gains and the pillaging of the developing world.