Freedom and Faith in Neoliberal Capitalism:
The Fantasy of the American Dream

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Plagiarism declaration

This work contains no material which has been accepted for the award of another degree or diploma in any university, and to the best of my knowledge and belief, this thesis contains no material previously published or written by another person except where due reference is made in the text of the thesis.
This thesis is dedicated to my Dad.
The one I most admire, and miss.
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Introduction

The Declaration of Independence of the United States of America proclaims that 'all men are created equal', and from this all Americans are 'endowed by their Creator with certain inalienable Rights' including 'Life, Liberty and the pursuit of Happiness.' This document is a source of great pride for the nation because it serves as a reminder that America was the first nation founded on the idea that opportunity is for all. This has become encapsulated in the popular notion of the American Dream: owning a home and living comfortably while pursuing success through hard work and perseverance. This Dream invests effective power in the individual as the sole determinant of their fate and indicates the possibility of social mobility. This thesis is concerned with the fantasy of the American Dream and the debilitating psychological effect that this Dream functions to induce. Through a systematic theoretical and conceptual analysis of American capitalism, and the period of neoliberalism in particular, the thesis articulates the contours of subjectivity of American individuals. This thesis contends that the freedom offered by American capitalism is not substantive as freedom serves to undermine questions of power, and to dismiss structural constraints. Thus, this thesis seeks to define the structural and discursive factors which make this Dream a fantasy.

The methodology of this project requires an engagement with several theories of political economy, philosophy and historical analysis. However, the line of reasoning developed throughout the thesis should be understood as an imaginary conversation between the seminal thinkers of structuralist and post-structuralist thought; Karl Marx and Michel Foucault. Marx would open, 'I'm right, I'm right, and I can prove it.' From which he would launch into a long, though eloquent, account of the objective factors involved in the creation of products, and the odd way in which this is disguised. He would conclude resoundingly that the American Dream is ideological, and call for a revolution of the working class accordingly. It takes no stretch of the imagination to construct an image of Foucault pondering Marx's impassioned soliloquy, hand to chin, nodding as if he agreed, before condemning the very certainty with which Marx invoked

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his claims. Foucault would suggest instead that 'ideology is analytically insufficient to understand the way power structures individual lives.' Foucault would mention the common sense, the norms and the accepted truths which serve to organise the lives of individuals, and thus indicate that the American Dream is more totalising than Marx would contend because power is diffuse.

Broadly, the disagreement between the work of these men is a consequence of the different premises with which each begins their thesis. This can be related to their intellectual and social milieu: modernity and emergent postmodernity. However it is the epistemological divide between them which is most jarring and thus must be the basis on which this imaginary debate is understood. This thesis is an attempt to interject into the debate between Marxist and Foucauldian scholars to make the tension between structuralist and post-structuralist thought productive. To be sure, the question of subjectivity is a distinctly post-structuralist field of research, however this thesis indicates that binding Marxist thought into post-structuralist analysis is crucial to understanding both the structural and discursive factors which produce subjectivity.

Structure

Because of the centrality of money in the American Dream, the thesis begins with a critical analysis of the common sense and theoretically dominant understanding of money which posits that money is a means of exchange. It outlines the historical construction and methodological assumptions of this functionalist understanding of money which is propounded by neoclassical economics. From this the chapter questions a Marxist explanation of money as a commodity fetish as a means to comprehend the hold neoclassical economics has over common sense. However, the epistemological basis of the term commodity fetish is critically considered because of its relation to ideology. This is a distinctly post-structuralist perspective and is important because it invests agency into individuals. The notion of ideology that I work with is not just cognitive but affects the individual on an emotional level. Through this use of qualified ideology, the chapter identifies that there is more to money than its functions and its

2 The essence of this dialogue was taken from Paul Rabinow's conversation with Foucault documented in The Foucault Reader, (New York: Pantheon books, 1984).
'objective' value. There is a secular belief in money. The chapter concludes that this belief is not individually determined and is systemically produced. This belief has not yet been properly analysed in critical sociological understandings of money. Accordingly, this is the mandate of chapter two.

To achieve an explanation of this secular belief, chapter two begins by recognising the historical relationship between capitalism and religion. This serves to identify that capitalism and religion are not only coexistent but constitute an amalgam. For this reason, the chapter indicates that belief is an inextricable part of capitalism. With this conceptual understanding, the chapter challenges the historical explanation of the secularisation of the twentieth century. We are used to thinking about secularisation as the decline of a higher authority or determining force but as the chapter shows, the secular period functions through power. It has affective force. The expression 'not-not a religion' is used to draw attention to this paradoxical nature of secular capitalism. An historical analysis of the expressive individualism of the 1960s is pursued through differing epistemological frames to expose the power imbued in the secular. This power is understood to exist through recognition of the anxiety that the freedom of the period induced. For this reason, anxiety is determined to be a productive part of modern capitalism. Thus this chapter is a systemic explanation of the anxious 'individual' under capitalism, which reveals the subject of capitalism.

Chapters three and four place the insights of the previous chapters into the period of neoliberal capitalism which is associated with the late 1970s onwards. Chapter three is the empirical component of the thesis, drawing specifically on histories of the period preceding neoliberalism to indicate the complex rise of neoliberalism. This serves to challenge the common explanations of neoliberalism which indicate that it was merely the imposition of monetarist theory onto the American society. The chapter identifies that there was a burgeoning anti-government on both the Right and Left of politics. For this reason the realisation of neoliberalism should be understood as a much more emotional and affective process. The chapter indicates that stagflation served as the final turn against the Keynesian New Deal era, and freedom became the clarion call of the political Left and Right. This chapter finally indicates that the presidential candidate
Ronald Reagan capitalised on this anti-government mood to implement a conservative agenda.

If freedom was the demand of the 1970s, the task of chapter four is to offer an explanation of why the idea of freedom continues to hold, despite the evident un-freedoms of state expansion. The chapter claims that this contradiction was made functional through the continual recollection of the un-freedom of the 'other' – the Soviet Union. Through this recollection freedom became inextricable from the free market. As such freedom for the individual came to mean consumption and choice, individual power and responsibility. The chapter analyses the concepts consumer sovereignty, human capital and ultimately the idea of the rational individual to indicate the discursive power of them. These concepts de-legitimise analysis of distributional fairness, and effective power, however the individual perpetuates these concepts through self government. Anxiety is suggested as a productive part of neoliberal capitalism because it spurs the individual to return to familiar forms of power for support. This indicates the paradoxical involvement of the individual in the process of subjectification. Philosopher Wendy Brown's notion of the 'plastic cage' is used as an analogy to consider the double process of subjectivity that neoliberalism has induced. Brown's analogy is insightful because it indicates a process that goes beyond an interaction of structure and agency, and thus presents a more totalising understanding of the affective power of neoliberalism. The chapter concludes paradoxically, that agency can be acquired through the recognition of this cage; knowing that there is no effective power in picking and choosing what is on offer. The chapter claims that individual agency arrives through the rejection of the 'democracy of choice' provided by neoliberal capitalism.

This thesis should not be understood as the removal of individual responsibility over their lives. On the contrary, this thesis suggests that through recognition of this double process of subjectivity the individual can become active through their discontent. This does not mean a demand for heightened state power to suppress these anxieties, as was the conclusion of the likes of Eric Fromm. Nor does it mean that people fear freedom, as Friedrich Hayek argued. The argument of this thesis is that neoliberal freedom does
not allow for substantive freedom, and the anxiety of this leads individuals to familiar sources of power. Thus, anxiety is a product of the system of capitalism. Anxiety has become more pervasive under neoliberal capitalism because of the heightened emphasis on individual responsibility. Through the line of reasoning outlined, there is potential for social change to rectify the subjectivity of anxiety and for this reason the thesis should be understood to be based on the premise of theoretical rigour, but also on hope.
Chapter 1

Is money is money is money?

Bread, cash, dosh, dough, loot, lucre, moolah, readies,
the wherewithal: call it what you like, money matters.
Niall Ferguson, *The Ascent of Money.*

Money is a fact of modern life. It is the means by which individuals determine value, store value and buy and sell the goods that they require. Because of these functions it is possible to suggest that money makes modern life easier. But this functionalist understanding of money does not recognise the social power of money. In contemporary capitalism money is the means through which the American Dream is realised. Money means choice, opportunity and freedom. In this regard, money holds symbolic power. The question asked by this chapter, is how these two understandings exist side by side. To answer this question, the chapter is broken into three sections. The first section will identify the relationship between money as a means of exchange and the neoclassical school of economic theory. It will problematise the abstract construction of neoclassical economics during the nineteenth century, and question the purported 'scientific' basis of the school. However this methodological critique is limited in explaining the effective power of neoclassical theory. For this reason, section two considers the Marxist concept of commodity fetishism as a possible explanation of money and the production of value. The use of the term 'commodity fetish' is challenged on epistemological grounds because it suggests the false consciousness of individuals. This post-structuralist view is important because it goes to the heart of what the thesis is about; understanding subjectivity in capitalism. The third section applies the epistemologically qualified understanding of ideology to an analysis of a recent debate in critical sociology. This indicates that an understanding of money in capitalism requires an understanding of the subject by which it is used. Put in another way, money is a mere object without the values invested in its form by whom it is used. However those who use it exist within a complex array of social powers and structures which determines the values and beliefs that they invest in money. This chapter thus indicates that the question about money is
really a question about value and how and who determines value.

1.1 Construction of the neoclassical, removal of the social

The standard economic understanding of money is contained in the cumulative and complimentary work of Carl Menger, Stanley Jevons, Leon Walras and Knut Wicksell—understood collectively as the neoclassical school. In their view, money can be understood functionally as 'money is, what money does'. For Wicksell, summarising the neoclassical position, we know through our own use of money that it is a means to measure value, holds the capacity to store value, and conveniently is a medium of exchange. But largely it is the last function that of a means of exchange, which is of most interest to neoclassical economics. The neoclassical economists indicate that for money to function as a means of exchange a generality of the monetary form is required. Wicksell indicates that money must be a 'commodity which is habitually, and without hesitation, taken by anybody in exchange for any commodity.' According to this view, there must be some common form that society collectively accepts, in order to allow exchange and transaction to occur. Without a common form individuals would trade one good for another and determine the value of that good subjectively, usually in recourse to the satisfaction or utility that it gives.

To explain the historical emergence of money, and simultaneously its common acceptance, neoclassical economists usually resort to a narrative about the village market and the myth of barter, where two individuals seek to trade their wares. Vivien has five chickens to sell and Barry has one cow. Vivien wants to trade the cow for her chickens but Barry is not interested. Despite Vivien's want for the cow there is little she can do, lest she finds someone with something that Barry wants, and trade this for her chickens, allowing the transaction to finally take place. This narrative indicates that barter is complicated if the incidences of wants do not intersect. There is also the problem of trading like-for-like, if Vivien has chickens and wants more of them, she

4 Wicksell, Lectures on Political Economy, p17.
would have to barter her chickens in order to gain more of them: a tautological but logical proposition within the neoclassical framework. Neoclassical economists thus suggest that the general monetary form developed as the 'spontaneous outcome' of individuals in society 'who have little by little worked their way to a discrimination of the different degrees of saleableness in commodities.' Further, they claim that 'money is a natural product of human economy.' Money is the necessary requirement for the smooth functioning of the market and more broadly, society. With this practical understanding, money becomes a mere tool, as though a neutral vehicle for exchange. This indicates that money is endogenous to the system of capitalism. Which is significant because it is expressed as common sense and is broadly taken as such.

The development of the neoclassical school, and the cementation of its position as a 'neutral, objective science' did not occur because the laws of economics were already written and awaiting discovery. The very word development exposes a process, and this process required the construction of strict disciplinary borders predicated on exclusion. Thus, the drive to reach the heights of scientific rigour legitimated the removal of all the messy and contentious questions of political economy specifically inequality and distribution, under the blanket claim that they were 'un-scientific'. The sum of these 'unscientific questions' were thrown out and reassembled into the discipline of sociology, which effectively constituted the sterilisation of the scientific laboratory. The political implications of this sterilised economics suggests that individuals function differently in different spheres of their lives: homo economicus is completely rational, endowed with complete knowledge and foresight, while social man is the opposite. According to this analytical distinction, an intellectual division of labour between the disciplines emerged and the subject of money came under the rubric of economics. Money was understood to be 'not sociological enough'. This indicates that the sterilisation of political economy, through the removal of its social characteristics, also

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had the effect of stripping money of its political constitution. The importance of identifying this sterilisation is that the methodological construction of theory is exposed as a deeply political process.

The methodological assumptions of neoclassical economics hold that all individuals are rational and utility maximising, competition is consequently understood to be insatiable, and thus markets always reach a state of equilibrium. You will notice that in this construction, there is no room for money. As economic sociologist Geoffrey Ingham argues, money is only thrown into the neoclassical theoretical mix as some sort of (practical) afterthought. Accordingly, money is understood merely as an instrument to ensure the facilitation of the perfect market. Ingham observes that the tightness of this methodological construction indicates that no consideration can be given to the historical development and existence of social relations, or other functions of money such as the store of value, money of account and means of payment. Ingham argues that neoclassical economics 'divert's theoretical analysis away from fundamental questions about the social processes by which money is created'. Ingham is thus resounding in the call for the disqualification of neoclassical economics as the primary discipline for the investigation of money. He suggests the very existence of money provokes social questions, and must not be understood as a mere enabling vehicle.

Methodological critiques such as this are important because it indicates what neoclassical economics excludes. However Ingham's methodological critique does not strike at the heart of Walras' claim that economics is a science which can privilege its proofs over those of sociology, as neoclassical economics is already insulated from such a critique. In fact, methodological critiques cannot address what legitimates such theories, as methodological critiques serve to identify the assumptions upon which theory rests, and do not explain why such assumptions exist. All that economists have to say in response to such critiques, as Menger did, is that the laws of economics hold 'for an analytically or abstractly conceived economic world'. This indicates that

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13 Ingham, 'Babylonian madness', p17.
16 Menger quoted in Simon Clarke, *Marx, Marginalism and Modern Sociology*, (Macmillan, 1982),
neoclassical economics represents the ideal to which the real world, and policies for the real world can be compared. But, neoclassical economics does hold an effective capacity over the complexity of society, precisely because it is applied to the complexity of society. The application of neoclassical economics is legitimated because the scientism associated with the school lends it credibility: because neoclassical economics is presented as objective truth. To address this 'scientism' it is necessary to use the insight generated from a methodological critique in order to infer neoclassical theory as ideological.

Ingham recognises ideology in regards to the forgetting of the state,¹⁷ which connects his line of argument with the Chartalist school of history commonly associated with Keynesian economic theory.¹⁸ We need only look at the symbols on the notes and coins we use, to recognise that the state plays a role in the creation of money. But rather than engaging in a jostling match between the Chartalist and neoclassical schools, we must question whether there is something else before the 'forgetting' of the state that serves to create value. To be sure, money exists in societies defined by inequality. Regardless of an individual's position, money is understood in the same way, as though it is the most objective fact of life. This is exactly the sort of understanding that neoclassical economics enacts through the focus on exchange sans distribution. Neoclassical economics holds objectivity because it forces a 'forgetting' of everything else associated with the production of value, as the methodological limits allow no analysis beyond what it identifies. In this sense, neoclassical economics creates constructed truths which hold effective power and further becomes accepted as unquestionable common sense.

1.2 Ideology, epistemology and critique

Karl Marx's idea of the commodity fetish is introduced here in order to explore the possible ideological quality of money. I then challenge this insight by invoking a Foucauldian epistemological critique which identifies the insufficiency of ideology as a means by which to understand power. From this critique a marriage between the two

opposing schools of thought can be formed.

Marx based his understanding of money on a theoretical critique of the classical political economy of Adam Smith and David Ricardo, who focused on the moment of exchange. This means that he developed his understanding of money prior to the emergence of the neoclassical school. Despite this fact, his insight applies to the neoclassical understanding, because of the absolute focus neoclassical economics has on exchange. Marx developed the term commodity fetishism to explain the odd way in which money conceals the alienation inherent in capitalism. To Marx, money is the essence of private property, but it appears as if it is not, thus the 'fetish'. Marx explained that because capitalist society sanctions private property, there is a divide between those who have and those who have not. It is those who have not (who he deemed the working class) that produce value in society.

Marx argued that because this value is only realised through the exchange process under capitalism, value is alienated as there is a disconnect between labour value and exchange value. Put in another way, value becomes detached from the (labour) value congealed within it, and thus appears to be an independent vehicle. What Marx strove to identify was that the production of value dissolves through exchange; accordingly the social relations required for this production disappear. Through the process of exchange, value appears as the expression of the intersecting wants of individuals, and thus holds no consideration of anything that came before the moment of exchange. This is more than a methodological critique, because Marx indicates how this understanding of objectivity is accepted in society. Thus, to Marx, money is ideological because it conceals the social relations which produce products and then allows for exchange. If money is understood as devoid of labour value, it acquires an undue objectivity and power, and people use money as if it is just a means of exchange.

Marx claimed that commodity fetishism is 'not simply a subjective or superficial appearance of real relations, it is an objectively occurring and necessary aspect of those

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19 A fetish can be understood as the attribution of mystical or religious qualities to an inanimate object. In this case, investing money with power it does not inherently hold.

social relations.\textsuperscript{21} This indicates that the objective relations of capitalism will always create this fetishism. Accordingly, Marx contended that false consciousness is the standard mental state of the working class under market relations, rather than the exception to it. Because of this recognition, Marx claimed that the only means by which to overcome false consciousness and acquire true consciousness is the revolution of the working class. It would follow that the material conditions of living must degrade to such a low standard that the working class will revolt, and through this revolt recognise the inherent injustice of the capitalist system. Within the structural framework offered by Marx this makes theoretical sense. However, this sort of teleological explanation of history serves to deny individuals agency and further disregards the complexity of the social reality in which individuals exist. To remove the teleology that he inscribes, it is necessary to step outside his epistemological frame which is dependent on historical materialism. This is possible by engaging post-structuralist thought.

It is the early work of Michel Foucault \textit{The Order of Things} and \textit{The Archaeology of Knowledge} which most cogently expresses an epistemological critique of ideology, the mother concept of commodity fetishism. Foucault indicated that his resistance to the concept of ideology rested on three bases:

the first is that ... it always stands in virtual opposition to something else which is supposed to count as truth ... The second drawback is that the concept of ideology refers ... to something of the order of a subject. Third, ideology stands in secondary position relative to something which functions as its infrastructure, as its material, economic determinant.\textsuperscript{22}

The combination of these points can be understood as a challenge to positivism, and the dominance that it held in academic thought. It is therefore a challenge to certainty. However, it must necessarily be understood as a specific and pointed attack on Marxism as a mode of critical inquiry, and thus holds politically destabilising intent. Through this destabilisation of common thought, Foucault opened critical intellectual spaces which enabled recognition of the construction of objective reason, knowledge and thought. To understand the ingenuity of this insight, it is useful to draw upon the analogy of

\textsuperscript{22} Michele Foucault, \textit{The Foucault Reader}, ed Paul Rabinow, (New York: Pantheon Books, 1984), p60.
removing a pair of sunglasses, which enables one to see the world in a new and more nuanced light. To Foucault there is no objective position because all positions contain a connection to some other, presupposed understanding. The basic point of Foucault's position is that all thought presupposes something. Thus all thought must be investigated, and not held with absolute certainty. In place of ideology, Foucault offered *episteme* as the epistemological neutral means by which to analyse and describe the totality of power, with discourse being his tool of analysis.

In making this claim Foucault infers that he has been able to extricate himself from the totality of the *episteme*, as if he is some omnipotent critical thinker who is unrestrained by the limits he describes. Philosopher Michael Walzer argued that contrary to this, the strategic knowledge that Foucault claims to offer 'implies … a coherent view of reality and a sense of purpose.' Thus to Walzer, Foucault's refusal to take a position, beyond describing a historical moment, makes the knowledge he produces disturbing in so far as it does nothing, and cannot do anything. To Walzer, Foucauldian thought serves to legitimate the status quo. This is an opinion shared in some circles of the academic Left, however Foucauldian thought remains the standard of progressive thought and thus the dismissal of ideology largely holds. However, as Fabio Vighi and Heiko Feldner argue for all the powerful descriptions the Foucauldian approach provides it: has left us clueless as to how to get out of this hermetic universe of self enclosed discourses, powers and counter powers … all we can do… is to describe the workings of discourse … and feel encouraged by the fact that what we are facing is merely a performatively enacted, historically contingent setting which might have been, and thus could be, utterly different.

To be sure, accepting the epistemological critique offered by Foucault, we become mired in a reality with no chance of escape in fear that we may presuppose and thus misdiagnose the ills of society. However, recognising the apparent fatalism of Foucault

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27 Take for example Nikolas Rose, Paul Rabinow, James Faubion and the journal *Economy and Society*.
should not encourage a dismissal of his work. It is important to understand why he developed in this way to then recognise why he was so resistant to classical Marxist notions of ideology.

It is with only a cursory glance at the history of the 1960s that the reasons for Foucault's resistance to Marxist thought comes to light. It was within the bi-polar context of the Cold war that Foucault asked bluntly 'what on earth could politics represent when it is a matter of choosing between the America of Truman or the USSR of Stalin?' This lacuna in politics led Foucault to develop theoretical knowledge that was deliberately fragmentary and offered no coherent strategy. He argued that any 'attempt to give an overall account of human society will lead to oppression, not liberation.' Thus it was not a gap in politics which he identified, but the devastating conclusion that holding onto knowledge with absolute certainty leads to destruction. He rejected the determinism, the essentialism and reductionism of Stalinist Marxism. But such a critique is not the sole domain of post-structuralist thought. Contemporary Marxist scholars denounce structuralism of this ilk, as it offers little and wrests agency from the hands and minds of individuals, presenting them as drones of class. In this regard, it is important to recognise the conflation made by Foucault, in regards to structuralist thought. To deem ideology an antiquated concept void of meaning and explanatory power, remedies exploitative situations, history and ideas as terminal, and thus renders change impossible.

It is in recognition of the fatalism of Foucauldian thought and the need to overcome the determinism of Marxist thought, that the following section attempts to paradoxically knit together Foucauldian and Marxist thought, in order to create a nuanced, more fleshed out, responsive understanding of ideology. This combination does not dismiss the insights generated by Foucault, but uses them to enable a better understanding of how power functions immanently, not just externally and thus enriches the Marxist account. The recognition that power does not emanate from a known position but


31 The prime example here is the Frankfurt School of Critical theory.
through norms and beliefs exposes a new avenue for understanding the use of money within capitalism. This suggests that money can neither be understood without the system by which it is used, nor without the individuals within this system. It is to look again at how best to understand the individual's acceptance of money, without denying the agency they hold. But in investing the individual with agency it must continually be recalled that power remains to exist.

It is in search of this sort of paradoxical combination that one necessarily stages an encounter with Slavoj Zizek's text, *The Sublime Object of Ideology*. Zizek's understanding is determined through a commitment to Lacanian psychoanalysis, which enables him to reject the determinism and reductionism that Foucault so cogently decried of (Stalinist) Marxism without reverting to Foucault's epistemological posturing, and thus his impotent strategic conclusions. Zizek claims that ideology is not an illusion, as classical Marxists claim, but a fantasy.\(^32\) He explains that fantasy is different to an illusion because it 'structures our effective social relations and thereby masks some unsupportable, real, impossible kernel.'\(^33\) Thus, the fantasy of reality is specifically not illusory because we exist within it, and are affected by it. It does not occur in the mind or constitute a 'thought abstraction'.\(^34\) Instead, the fantasy is functional. This is significant because it does not deny individuals agency or suggest false consciousness and recognises the individual's involvement in the process of reality. Zizek claims that this understanding of fantasy explains the way that individuals within capitalism use money. He suggests that using money is like the fetishistic disavowal, 'I know that money is a material object like others, but still ... (it is as if it were made of a special substance over which time has no power).'\(^35\) This differs from classical Marxist thought because individuals know what is going on. With this recognition of 'knowing' Zizek reveals that individuals are more involved in the process of subordination than Marxists would suggest. Zizek invests individuals, and more specifically the working class, with a philosophical agency. This idea is important because it contains Foucault's epistemological critique and thus enables the concept of commodity fetishism to hold in


\(^{35}\) Ibid, p18.
a qualified sense.

But this recognition of philosophical agency provokes a question: if it is known that money is merely an oppressive object, why is it still used? Certainly the basic answer to this is a material one: we need money to buy the goods to survive and live. But there is an explanation beyond this material need and it is in answering this question that Zizek shifts further away from classical Marxist thought. He suggests that at the base of the fantasy is a system of beliefs which precedes our own recognition. Importantly, he suggests that these beliefs are 'radically exterior'. They are beliefs which are embodied, and not of ourselves. He says we believe 'because we have found sufficient good reasons to believe ... we find reasons attesting our belief because we already believe.' What Zizek suggests is a double process in which individuals are bound within a certain way of knowing, which is believed to be of their own making because of their experience, and another process in which this thought has already been determined through the layers of historical circumstance. Such philosophical posturing connects with Foucault's understanding of the *episteme* and serves to bring further nuance to Zizek's work. With Zizek's understanding of fantasy as opposed to illusion, the concept of ideology becomes flexible because it recognises the interrelationship of agency, discourse and structure.

### 1.3 How the contemporary debate meets the fantasy

This section explores a recent debate in the sociology of money. The conclusion of this debate is problematised through an understanding of the fantasy. This indicates money as icon.

The 1994 publication of Viviana Zelizer's work *The Social Meaning of Money* caused a minor furore in the sociology of money. Zelizer argued that rather than 'a neutral veil',

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38 Wicksell quoted in Ingham, 'Babylonian madness', p17
'colourless'\textsuperscript{39} or a 'radical leveller',\textsuperscript{40} money is special and gains character through circulation, mutilation and earmarking. Zelizer made a case for understanding money as heterogenous and thus argued against any theory which indicated the generality of money. She suggested that 'values and social relations reciprocally transmute money by investing it with meaning and social patterns'.\textsuperscript{41} For example, she notes how stolen money will be used differently to money given as a gift, or money deemed to be dirty will be spent with speed, whereas money that is worked for will be spent with caution.\textsuperscript{42} With this she attempted to nullify the argument that money is objective, and prove it as a socially heterogenous process.\textsuperscript{43} In fact, Zelizer's thesis contended that even speaking of money through the singular noun was false because of the many ways in which 'monies' are made particular. This was not a methodological critique to which scholars of money could respond with minor changes around the edges of theory. It was a total argument. The heresy of this argument was not that she dismissed all prior knowledge but because she mounted an attack on the capacity to theorise altogether.

The intellectual cogency of Zelizer's work rests in the empirical evidence she accrued. As much as monetary theorists sought to dismiss her work as sociological claptrap, they could not evade the evidence which attested her thesis. Her work had to be engaged with in order to contain the implications of it, and in this regard Zelizer's thesis was a stain which could not be washed clean. Perhaps the most notable critique was that offered by the Marxist political economists Costas Lapavitsas and Ben Fine. They argued that in Zelizer's effort to understand 'monies' and recognise the multiplicity of its forms, she had ignored the generality of it. They suggested 'that multiplicity is itself a consequence of the common content of markets and money', and specifically that 'economic factors have to be understood prior to, and precisely in order to facilitate analysis of, broadly defined and scattered social, cultural and historical factors.'\textsuperscript{44} This

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\textsuperscript{41} Zelizer, \textit{The Social Meaning of Money}, pp17-18.
\textsuperscript{43} Zelizer, \textit{The Social Meaning of Money}, pp24-25.
\end{flushleft}
suggests that money, whatever the form, must be understood through the system by which it is produced. This is compelling because it recognises that money is an object that is invested with value and power through the social and economic milieu that it is created. What should be taken from this critique of Zelizer is that money is a systemic tool and thus contains the foundations of the system in which it is used.

In her response Zelizer derided Lapavitsas and Fine for imposing a Marxist political bias on empirical studies. But, and most interestingly, she agreed that there is no existing contradiction between uniformity and diversity, 'it is simply two different aspects of the same transaction... actors adopt universalizing modes and particularising markets.' In this way, rather than understanding money as either purely general, or absolutely particular, it can be understood as dual: holding the capacity to do both things simultaneously. She provided the example of the ability of people to 'speak English in a recognisably grammatical way at the same time that they pour individual and personal content into their conversations.' With this response she appeared to close the debate about money. But with the claim of duality Zelizer effectively enabled any theory of money to develop so long as it recognised this duality. Thus, despite the apparent conclusion, one must question whether the methodological pluralism enabled by this understanding is possible, and one must further question the politics of this pluralism.

Political economist Martijn Konings indicates that the suggestion of duality lacks explanatory power because 'it is extremely difficult to understand standardisation and differentiation as different sides of the same coin.' He suggests that rather 'what we have... is not a simple duality but an actual paradox.' Konings argues that to understand this paradox it is important to turn against the intellectual muddle of money and instead to consider the daily experience of money, the meaning of which 'is readily available to us on a practical, intuitive level.' What my daily practical experience of

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45 Viviana Zelizer, Fine Tuning the Zelizer View, in *Economy and Society*, v.29, n.3, 2000, p386
46 Zelizer, Fine Tuning the Zelizer view, p386.
49 Ibid.
money tells me is that money is a medium of exchange, store of value and measure of value, which is exactly what neoclassical economics suggests and progressive monetary theorists including myself have resolutely thrown out. But, Konings identifies that there is more to money than these functions. In contemporary capitalism money symbolises social power, wealth and possibility. He identifies that the denial of this social power is not so much a 'meaningful personal belief or a potentially effective attempt to resist the lure of a fetish, but rather the inability or reluctance to recognise a social fact.'  

This indicates that there is more to the process of understanding money than merely a cognitive, mental and individual understanding: there is an affective quality to it which is determined in society.

For this reason, Konings argues that money should be understood as an icon. He indicates that this enables one to sidestep the problems associated with the suggestion of the fetish, because icons 'speak to us in a very direct way'. Konings identifies that as individuals we are not purely functional beings, we are also visceral and visual and gain meaning because of the associations which are made through symbols. Through this understanding, the belief in money is not a thought abstraction, but rather due to the system of symbols which evokes meaning and emotions. We understand money intuitively, despite the fact that the symbolic associations and narratives made are not inherent in the object of money, nor written into law. By identifying the iconic nature of money, Konings indicates that there is some form of faith or belief which allows the continual operation of money. He suggests that this belief can be understood to be a 'distinctly modern, secularised kind.' It follows then that we use money because we believe in it, and we believe in it because of this already understood and unquestioned belief: money is money, and money is power. In this regard, it becomes self-reinforcing.

It is with this suggestion of the systemic construction of meaning through symbols and associations that we come into contact with the radical, external belief of which Zizek was speaking. This suggests that our belief in money is not of us, but outside of us, and is determined through the system in which we reside. The end point of this argument is not to call for the dethroning of the King through the abolition of money, because this

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50 Ibid.
51 Ibid.
52 Ibid.
does not address the systemic creation of money and thus cannot remove the aspirations and associations of power that it elicits. Rather identification of a belief in money encourages a quest to understand this belief, and to identify from where it arises. This is no simple question. It asks what guides individuals? And from this, what constrains us?

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This chapter has explored the common explanation of money by the neoclassical school of economic thought, which suggests simply that money is what money does. The argument of this chapter indicates that the methodological tightness of this theory prohibits an understanding of the social questions provoked by money. However it is through an ideological critique of this position that a more insightful understanding of the historical construction of money is gained. Ideology is further queried as the best means by which to gauge the characteristic of money through an epistemological critique of Marxist thought. In this regard, this chapter presents the beginning of the tension between Marxist and Foucauldian thought. It concludes that there is a belief associated with money to which current sociological debates of money have only alluded. This chapter is thus the first step towards uncovering the belief behind the American Dream. The next chapter will offer an explanation of this belief through a conceptual analysis of secularisation in the twentieth century.
Chapter 2

Problematising (secular) belief

This chapter explores the secular belief associated with money. To achieve this requires an acknowledgement of the process of secularisation, and to understand secularisation it is necessary to acknowledge what came before it. This position is reached through an understanding of the relationship between the economy and religion identified by Max Weber in his seminal work *The Protestant Ethic and the Spirit of Capitalism*. From this understanding, the chapter offers a critical engagement with Daniel Bell's work *The Cultural Contradictions of Capitalism* to challenge the common understanding of secularisation. The chapter indicates that there are ontological limits to secular capitalist society. Furthermore, the secular ontology of modern capitalism births an epistemology. This suggests that the way we know and think we know, the way we speak and the thoughts we have, are dependent on what exists. This chapter serves to birth a re-reading of modern history, capitalism in general and human consciousness in particular. This suggests that individual freedom is not absolute, nor is it achievable. Thus an understanding of secular belief indicates a possible conclusion to the general problematic of subjectivity under neoliberal capitalism.

2.1 Weber's insight: theology within the economy

In his seminal work, *The Protestant ethic and the Spirit of Capitalism*, Max Weber identified that the relationship between capitalism and religion developed during the upheaval of the Reformation of the sixteenth century. During this time an individual's 'calling'\(^53\) shifted from an unalterable position set by God, to something which could be chosen specifically to please God.\(^54\) Weber identified that the limits of religion had expanded to enable pursuits which had been against the traditional understanding of a religious calling. For example, the making of money gained a sheen of religious

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\(^{53}\) In the preface to Weber's work R.H Tawney writes that a calling is 'the state of life in which the individual had been set by Heaven.' p2.

propriety so long as it was in the name of God. This meant that wealth was only sacrilegious if 'it is a temptation to idleness and sinful enjoyment of life ... But as a performance of a duty in a calling it is not only morally permissible, but usually enjoined.\textsuperscript{55} Weber held that this carried a pardon of, and further generated a belief in the 'self made man', thus enabling the expectation that social mobility was possible. The effect of this expectation was that those unable to procure wealth were understood as lazy and sloth-like, as if it was a failing of themselves, and a failing before God. Weber identified that such societal pressure functioned to induce a sense of guilt which spurred people to work harder to rid themselves of this failing.\textsuperscript{56} This is important because it indicates the discursive power of religious morality to effect individuals to change behaviour to please God. Weber highlighted that those taken in by this ethic were 'not the real leaders, and especially not the permanently successful entrepreneurs',\textsuperscript{57} but the lower middle classes. With this argument he inferred an ideological characteristic to the Protestant work ethic. The ultimate suggestion of Weber's thesis was that, through the rationalisation and bureaucratisation begun by this ethic, society becomes an 'iron cage'. This indicated that the end result of the Protestant ethic was the suppression of human creativity and thus closed the possibility for change.

Weber's thesis has been a point of major debate within the disciplines of sociology, theology and history since its publication in 1904. As David Little noted, the sum of these critiques can be broken into the failure 'to assess correctly the causes, content and implications of Puritanism.'\textsuperscript{58} So fierce and insatiable are these critiques that one could suggest that they are akin to a group of vultures picking at a long dead carcass.\textsuperscript{59} However, this image does not recognise the hoard of academics who have defended Weber's insight.\textsuperscript{60} Despite no real conclusion to the debate, the length of the debate is indicative of the importance of the question he raised: 'to what extent (have) religious forces ... taken part in the qualitative formation and the quantitative expansion of that (capitalist) spirit over the world.'\textsuperscript{61} To be sure, it is analytically necessary to speak as if

\textsuperscript{55} Weber, \textit{The Protestant Ethic and the Spirit of Capitalism}, p163.
\textsuperscript{56} Ibid, p60.
\textsuperscript{57} Ibid, p71.
\textsuperscript{59} Examples of this include R.H Tawney (1937), Michael Walzer (1963), Gordan Marshall (1993).
\textsuperscript{60} Examples of this include George Albee (1977), David Little (1966), Wallace M Davis (1978).
the economy and theology are distinct entities, however, the nuance of Weber's thesis is that he recognised the inextricability of the religious ethic and capitalist spirit. This indicates that theology is not external from the economy: it is bound to it. Thus any consideration of why individuals function in a certain way under capitalism requires an understanding of what they believe. This enables the larger question of why they believe. This point serves to encourage the line of reasoning already proposed in chapter one, as it indicates that the capitalist spirit of accruing money is not merely functional and in fact holds a moral base. The task of this chapter is to identify what this base is in secular capitalism. The questions which guide us into the next section are: how can capitalism be understood without religion? What is the ethos of secular capitalism? To answer these questions it is necessary to first challenge the common story of secularisation.

2.2 Challenging the common story

The history of the twentieth century is often defined by the intertwined processes of modernity and secularisation, whereby the strictures of tradition were removed as industrialisation advanced. It is commonly argued that this process stripped individuals bare, enabling them to express their inner most desires, uninhibited by belief in a higher authority. Modern scholars such as George Albee, Christopher Lasch and Daniel Bell have contended that this has led to a society defined by 'inner-directedness', narcissism, and hedonism. The suggestions of these scholars hold some traction as life is not about working hard to gain money in the name of some higher being, but working hard for oneself, for one's family, for social power and for prestige. However, by accepting this argument, one invests absolute power in the development of capitalism, imbuing the forces of production with some demystifying capacity, as if there is a negative relation between belief in religion and growth in industry.

Bell's work *The Cultural Contradictions of Capitalism* will be used exclusively because

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of the intuitive take his thought has in common thought. Bell posits, with the same certainty as waves crashing on a shore, that capitalism smashed through the permanence of the Protestant ethic, because mass production required mass consumption. Bell argues that the enchantment of the world dissolved and accordingly the epistemology of modern era became based on the rationality and reason of the 'self determining man'. To put it plainly, seeing became the basis of belief. Holding this assumption of rationality and reason to be the foundation of modern society Bell claims that capitalism enacted a process of unbinding, in which individuals were emancipated from the self-repressive mode of religiosity, and from this they were able to pursue individuation (and enjoyment) through consumption. Bell thus associates individualism with rationality, but ultimately presents this as selfishness. His argument suggests that the religious limits which dictated how life should be led were removed by capitalism's advancement, leaving modernity limitless and individuals no more than hedonistic unbelievers. Bell's argument infers that the individual in capitalism is defined by freedom. Bell's concern with this modern society centres on the relationship between limits and meaning. He suggests that through limits meaning is understood, and meaning shapes the way people relate themselves to the world. His argument follows this schema: belief in a religion, religion has moral limits, and these limits provide meaning as people push against them and move through life. Accordingly, 'the lack of a transcendental tie, the sense that a society fails to provide some set of “ultimate meanings” in its character structure, work, and culture, becomes unsettling in a system.' Bell's argument infers that as individuals we need something in which to believe, to set limits, to gain meaning, so as to exist. Without such limits, society becomes a flock of sheep without a shepherd, eventuating in lost and wandering souls. Bell points to the 1960s as the era of shaking finality of belief, the point of most resistance to a religious past and acceptance of the secular world, the meaning-less.

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68 Ibid, p146.
70 The 1960s will be used throughout the thesis to express the radicalism of the late 1960s and early 1970s. In this regard it is a conceptual understanding of a period of time, rather than a strict understanding of time.
Images of the 1960s are still prevalent and accessible in contemporary society: self love, free love, independence. The 1960s were a rebellion against how things were and how they would continue to be. In a word, freedom. However, what Bell sees in this is not freedom, but a society occasioned by deep anxiety, fostered by a constant search for meaning. To explain this anxiety he employs the dialectic of release and restraint which he suggests correspond to the secular and religious respectively. He argues that the limits of religion, the restraint of them, provide the basis on which to exist without questioning meaning. Basically, people lived their lives understanding their position in the world and thus could set expectations about that life, and gain meaning accordingly. To understand this concept we need only recall the guilt which Weber identified which was induced when individuals could not obtain the heights of success that 'the calling' dictated. This was a moral limit, which spurred individuals to change their behaviour to please God. But if, as Bell suggests, restraint is the only basis by which to gain meaning through life, then the inference is that secularisation expanded the possible attainment of meaning to an impossibility, because it holds no limits, no guide to human functioning. In this regard the subject of capitalism is free, but perpetually anxious.

Bell understands the release of the modern period to be listless and un-dynamic because there is no tension and no limits against which to push. But, importantly for the coherence of his argument, this slack does not quell the individual's desire to gain meaning, and consequently fosters a process of deep introspection and probing, taking individuals deeper and deeper into something which cannot appease them. All that it can produce is an 'aesthetic justification ... of life', in which individuals gain meaning through culture. Bell says forebodingly:

this endless life without fulfilment, is only a recipe for tragedy or black comedy. There is only the constant search for new interests, new pastimes, new sensations, new adventures, new revels, new revolutions, new joys, new terrors, new...

73 Bell, The Cultural Contradictions of Capitalism, p19.  
74 Ibid, p156.  
75 Ibid, p161.
Through this statement, Bell makes the resounding claim that the unchecked drive of capitalism has led to a spiritual crisis for individuals, bringing society to the brink of nihilism. In this sense, his work is an exacting moral condemnation of contemporary society, encased in a teleology of capitalism.

Certainly the simple recognition of the continued existence of religions throughout the world halts the teleological drive of Bell's reasoning. In fact contrary to Bell's argument, research indicates that the United States was marked by a theological revival in the 1960s. This research further differentiates between religious faith and religious culture to show the width and varying depth of Protestantism, not the non-existence of it. This point should be stressed, because it identifies that not only were the 1960s characterised by the maintenance of religious belief but that there was in fact a revival of religious belief. Bell is unable to explain this in his teleological schema as he connects secularisation solely with the industrialisation process. Even R.H Tawney's basic point that the religious and the secular sit side by side by side serves little purpose in understanding the revival of religious belief of the period. With this, it must be understood that the process of secularisation 'begun' by industrialisation was not as complete and totalising as Bell would indicate.

Further, connecting this secularisation process with industrialisation alone fails to recognise the active voices of the Enlightenment who advocated the secularisation of the state, defined as secularism. Hypothetically, Bell could contend that the Enlightenment itself is a consequence of industrialisation. But such a suggestion would expose the construction of history as a narrative based project which does not seek to express fact but to create myth. It is widely understood that the Enlightenment period began in the mid eighteenth century before industrialisation began. In this regard the Enlightenment epistemology of individual rationality and reason guided this demand for secularism. Enlightenment scholars such as William Kingdon Clifford asked, if I cannot

76 Ibid, p28
78 Fintuen, Original Sin and Everyday Protestants, p14.
see or touch this religion, how can it be proven to exist?\textsuperscript{80} Therefore, why should religion be the guide of government? In contemporary Western society this sort of argument seems to be a given.

2.3 Ideology, epistemology and critique (again)

The following section outlines the superficiality of the Enlightenment argument through an historical materialist analysis. A Foucauldian critique will be applied to this, through an analysis of the expressive individualism of the 1960s. Thereby indicating that power is not removed from secular individualism.

The argument developed by Karl Marx challenged the Enlightenment critique of religion through a commitment to an historical materialist analysis. This historical materialist framework offered insight into the reason for the development of religion and thus a clear vision of how to dissolve it. Marx argued that the active process of removing the church from the state was insufficient to ensure human emancipation from the 'illusory sun of religion'.\textsuperscript{81} While the state becomes free through this process, religious man simply becomes 'private man'. Marx articulated that secularism constitutes the closeting of religious faith, not the emancipation from it.\textsuperscript{82} In this regard, he offered a foundational critique of religion with the stated intention of overcoming it.

Marx made this argument on the basis that the consciousness of man was determined within the material conditions of life. In this regard, religion was man made. He argued that a belief in something bigger than oneself, something outside the material world, indicated that the hardship of life required this belief as a form of respite from reality. He explained that:

Religious suffering is at the same time the expression of real suffering and the protest against real suffering. Religion is the sigh of the oppressed creature, the heart of a heartless world, just as it is the spirit of a spiritless situation. It is the

\textsuperscript{80} Kelly James Clark, Religious Epistemology. Available at, \url{http://www.iep.utm.edu/relig-ep/}, (accessed: 30/09/2012).


\textsuperscript{82} Karl Marx, \textit{On the Jewish Question}. Available at \url{http://www.marxists.org/archive/marx/works/1844/jewish-question/}, (accessed: 20/07/2012).
This quote indicates that Marx's work was not an attack on religion per se, but on the system which produces suffering and requires an illusion to appease it. Under this reasoning, the danger of the Enlightenment demand was that it did not attack the material cause of religious illusion, would not lift its induced haze and thus would not dissolve the real religiousness of man. To Marx, the Enlightenment demand ensures the perpetuation of the belief in religion, as the need for an illusion remains because the social relations of capitalism remain definitive. It was, as Alberto Toscano has noted, 'a detour or a cloak for real political struggle'. In this sense the Enlightenment critique of religion is akin to the methodological critique of neoclassical economics outlined in chapter one. The Enlightenment critique of religion identifies the problem of religion, however it does not offer a critique which seeks to dissolve religion. Thus through a historical materialist approach Marx exposed the weakness of the Enlightenment epistemology independent of historical consideration.

Marx reasoned that 'true secularisation... can only be achieved through … overcoming of the liberal-secular state' in which the natural rights of man (and woman) are understood beyond the ambit of private property and within the realm of human need. He argued that a working class revolution leading towards a socialist future was the only means by which to remove the cloak of illusion and allow true consciousness to be realised. Perhaps because of the radicalism of this argument, his vision of 'true secularisation' did not succeed, and the Enlightenment demand to separate church and state was undertaken. If the basis of Marx's reasoning is accepted, the process and end point of the Enlightenment secularisation held (and continues to hold) limits to the potential for ontological change. As the removal of religion concretises the political liberal narrative as natural, and the suffering of the working class remains. Marx contends that lest a fundamental reordering of society occurs this illusion will remain.

In this regard, political secularisation is a restraint over religion rather than liberation from it, indicating that individuals remain captive to a certain way of knowing, because

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85 Toscano, Beyond Abstraction, p11

86 Karl Marx quoted in Toscano, Beyond Abstraction, p24
material reality requires it. However, by invoking the potential for change through a stratified class system and indicating that there is a 'true' secularisation, Marx's argument again centres on the claim of ideology and thus requires the same epistemological critique as that applied to commodity fetishism in the previous chapter.

To recall, Foucauldian thought is sceptical of the teleology that Marx inscribes, the assumption of a class strata that this teleology demands and the invocation of 'truth' that this holds. The cogency of a Foucauldian epistemological assessment of Marx's critique of religion is best understood through a basic historical analysis of the radicalism of the 1960s. If we follow Marx's outline, radicalism leads to 'true secularisation', however, the history of the 1960s indicates that rather than seeking to throw off the last shackles of tradition and religion, and lead towards a new radical imaginary, individuals sought to express themselves beyond any religious or political authority, through consumption and enjoyment.\(^{87}\) This individualism was understood to be political insofar as it rejected the old, the staid and the religious. However the radical individualist movement did not develop a narrative for the future, it was enough to just be.\(^{88}\) A classical Marxist response to this would recognise that these movements were not driven by the working class, and were largely led by students and those disaffected with the system. But even in this rebuttal we see the determinism and teleology of Marxist thought, as it locates the potential for revolutionary change solely in the working class. The response to this can be summed up with – where were they? Or perhaps with a Foucauldian accent, who are the 'working class'? Can we point to them? And if so, do people identify with this label? Furthermore, why is it this label in particular which unites? What of gender, race, age, sexuality? From such questions, the 1960s can be understood as the expression of human creativity, shattering the master narrative of Marx. But negating the Marxist explanation of 'true secularisation' and questioning the label of 'working class' should not lead to the conclusion that the expression of individualism was the product of individuals, independent of some higher authority. Holding a Foucauldian perspective leads to the conclusion that a more subtle process of power was taking place.

To explore this power, it is interesting to consider the analysis of the 1960s offered by

\(^{87}\) Lasch, *The Culture of Narcissism*, p xviii.

\(^{88}\) Gitlin, *The Sixties: years of hope, days of rage*, p427.
philosopher Charles Taylor who explained the expressive individualism of the period, through the understanding that 'many people feel called to do this... feel their lives would be wasted, or unfulfilled if they didn't.' This is an important point for two reasons. First, Taylor indicates that this deeply individualised process is bound within a common sense which encases individual thought and action, and is encouraged and further legitimated through instrumental reason as the right and meaningful way to live. In this way, he recognises that powerful societal and moral understandings were guiding this individualism, not the negation of them. Second, Taylor identifies that this societal understanding of individualism produces a psychological effect if it is not reached, when he says 'feel their lives would be wasted or unfilled.' Thus Taylor indicates an anxiety associated with individualism: the anxiety of not 'being' an individual spurs an individual to 'become' an individual. This would appear tautological-- that an individual can become an individual-- however it is made functional through the psychological effect of anxiety because it is a type of individualism which is demanded. This makes sense if we consider the individual as individual and the anxious individual as the subject of capitalism. When considering these points together, it becomes evident that modernity is powerful, rather than powerless. Individuals intuitively understand what is right and wrong, despite no higher authority determining this. Anxiety is the modern expression of the guilt that Weber identified. Thus the importance of Taylor's point is that it serves to challenge the teleology of Bell and Marx whilst recalling the Weberian notion of 'the calling'. For this reason the analysis offered by Taylor can be taken as a reminder of the relationship between religion and the economy and thus encourages a thorough investigation of modern power.

To be clear, Taylor does not make these acknowledgements, and suggests that this individualist belief is occasioned by a certain kind of political liberalism which has spawned a culture. But if we recall the connection between belief, limits and meaning that Bell set up, we can see that what Taylor has identified in the expressivism and consequent anxiety of the 1960s is not-not a religion: it is a sense, a belief, a morality, which guides individuals to realise, actualise and be themselves in this world, and thus

90 Taylor, The Ethics of Authenticity, pp15-17.
91 Ibid, p18.
gives them meaning. This recognises that individuals who are perceived to be hedonistic, narcissistic non-believers are actually encapsulating the secular capitalist belief system. And thus the criticism of individualism offered by Bell misses the moral, religious basis of these attitudes and further misses the induced trauma of not 'becoming'. Individualism is the moral base of secular-capitalism. Individual anxiety can be understood as an effect of modern power. This schema sounds absurd, and perhaps is absurdist. But if we maintain that theology is not external from the economy and that in this way capitalism requires a morality for justification, it follows that the secular individualism of modern capitalism must be this justification. The implication of this is that the dialectic of release and restraint proposed by Bell about the dualism of religion/secular dissipates. What we arrive at instead is an understanding of the restraint of the secular (religion). The importance of identifying this secular (religion) is that power pervades society and it is this power which determines the limits of individualism; anxiety is the evidence of power. This fundamentally challenges the way we understand the history of the twentieth century. It further suggests that there is an ethos to secular capitalism, but this ethos is determined by something higher than individuals. In this regard the individual that Bell recognised as definitive of the modern period becomes a (anxious) subject of capitalism. This understanding questions the suggestion of freedom altogether.

The charge of the modernist scholar would be to ask how this individualism is religious, because, simply, we are individuals. To which it must be thrown back how can it not be? We adorn ourselves with clothes and trinkets, colour our hair and collect collectables to become who we want to be. This indicates, that to realise individualism requires money. With this we return to money and the belief in it. Individuals believe in money and do not question its veracity, because they use it in their everyday lives to realise themselves as well as to simply exist within the limits of society. There is an affective relationship between money and the individuals who use it. More than a functional object devoid of meaning, money is invested with associations of power and emotional attachments of self-realisation as identified in chapter one. This is not to suggest that money is God, as cultural theologian David Chidester has recognised this suggestion simply 'mystifies the
What is more insightful about the complexity of power in contemporary capitalism is that we believe we do not believe. We denounce the religious beliefs of others because we cannot prove its existence—where is the evidence?—and in so doing invest our own beliefs with a neutrality that removes the historicity of it, and thus removes the process whereby such an epistemology was determined. In this regard it is a process of double worship: we believe we do not believe, and through this belief we believe in ourselves, in money, in the system of capitalism because we can see and thus know these things to be real. Modern power is more pervasive and subtle because it is seemingly undetectable. There is no explicit source of power to which we can point, because power exists in the beliefs held by individuals. For this reason it is more totalising.

Italian Philosopher Giorgio Agamben offers an explanation of power in his work *The Kingdom and the Glory*. Agamben indicates that his concern in identifying the religiosity of the secular is to articulate the genealogy of power and government within the modern-secular world. Agamben suggests that power emanates from the economy. To delineate this, Agamben traces the meaning of the word *oikonomia* from Aristotle into the Christian age and stresses that its base meaning is administrative, concerned primarily with the 'ordered arrangement' of objects. Accordingly, he connects the ordering of the economy with a religious modality, something he suggests has not been analysed in modern thought. This lack of analysis is of concern to Agamben because it has resulted in locating the source of power in the *polis*, a contention which becomes increasingly ridiculous once you try to discover the ‘sovereign’ in international financial markets, or to discover the sovereignty of money. The implication of the argument that the *polis* holds power, is that individuals hold complete agency. But perhaps more importantly, it suggests that individuals hold effective power through their agency. Agamben indicates that this understanding removes any recognition that agency is conditioned in relation to the structures within which it exists, and thus fails to consider the constraint of everyday life.

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Agamben asserts that the world belongs to a 'divine oikonomia'. This indicates the inability to dissect and extricate the religious from the economic or political sphere. He identifies that the religious is bound within the economic and thus recalls Weber's conceptual relationship between capitalism and religion. Rather than seeing religious man endowing the political with his beliefs (though this of course occurs because religions continue to exist), Agamben suggests that the way society is ordered is the most significant means of power, as the ordering infects individuals with a belief in this ordering and thus holds a performative character. Through this suggestion, Agamben elucidates that the modern economy is both a discourse and a reality: it is not just as it is, but must also be legitimated through the way in which we speak and think, and the things we use to exist within it. It is this discourse and existent reality which is the constraint on agency. Put in another way, the ontology of the economy-- what we know to exist-- births an epistemology – the way we know – which supports itself. A similar point was expressed in chapter one in regards to the ideological separation of economics from political economy. The discourse that neoclassical economics enabled, removed the possibility of examining inequality and poverty because the explicit focus was on the moment of exchange. Because people experienced the reality of exchange, they 'forgot' about the process which preceded this moment. If this line of reasoning holds – that ontology births an epistemology – then the secular individualism is the means to which individuals are bound within the system of capitalism, because it structures their lives to 'forget' that this way of living and being is a construct as well. It is this ordering which produces individuals as subjects, and the epistemology of individual rationality which produces them as governable.

To appreciate the full importance of the claim that individuals are produced by the ordering of secular capitalism, it is useful to recall Taylor again. With Taylor's understanding, there is potential for change in the trajectory of society because he sees the current beliefs to be a consequence of politics. In contrast, Agamben argues that these beliefs are generated through the ordering of the economy. Agamben's thesis closes the possibility of Taylor's argument because Agamben understands power to emanate from the oikonomia, not the polis. Because the oikonomia is a structured

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94 Agamben, The Kingdom and the Glory, p4.
95 Ibid, p66.
ordering of objects which is infinitely more complex and layered, extending over vast geographies and space and time, compared with the polis where there is a particular hierarchical arrangement of political actors within a particular geography. Agamben recognises that the political is the process by which ordering is legitimated, and thus plays a crucial role in cohering belief, but is not of the most importance. In this regard there must be an analysis of both the economic structures and the political discourses by which this ordering is legitimated. But, importantly, Agamben makes no mention of the anxiety associated with the individualism that Bell and Taylor indicated. This is not a deficiency in his work, but rather a consequence of his focus on understanding modern power. By joining the insights that Agamben offers about power, with the understanding of anxiety from Bell and Taylor, the innovation that this chapter makes, is that anxiety is the residue of individualism, and the belief in individualism is a product of the ordering of the economy. Thus, capitalism produces anxiety through the ordered isolation of individuals in society. The conclusion of this understanding is that we are beings of our time. We cannot escape the way we think and feel, or rather there are limits to what this thinking and feeling and further acting can be, even within our material reality. Anxiety is productive because, just as the guilt identified by Weber, it encourages self-governance by the subject which in turn legitimates the ordering of the economy.

This chapter has explored the secular belief associated with modern capitalism through a critical reading of the argument made by modernist scholar Daniel Bell. An historical materialist analysis was queried as a means through which to challenge Bell. However, evidence of the expressivism of the 1960s, coupled with the epistemological critique carried over from chapter one indicates that the teleology of Marx suppresses any understanding of human possibility and thus limits the understanding of agency and reduces the complexity of power. In contrast to this, the line of reasoning outlined suggests that agency is possible, though this is manipulated through the epistemology of capitalist society and thus is limited in effective power. The argument that has been built here is that the subjectivity of individuals is produced through the ordering of the economy.

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Agamben, *The Kingdom and the Glory*, p66
economy. The following chapter will apply this conceptual argument in relation to a historical analysis of the neoliberal period, the hyperbolic period of the American Dream. The story of neoliberalism and how it occurred is widely known, however the story which will be told exposes a different development and realisation of it. It is a story in which agency, ideas and structure intersect in such a way that freedom became the clarion call of all. The point that must be carried from this chapter to the next is that the ontological limits of our society are defined by the ordering of liberal secularism. It is this ontology which creates an epistemology that produces individuals as subjects and thus makes them governable
Chapter 3

The Other Story of Neoliberalism

The rise of neoliberalism is generally associated with the failure of Keynesian economic theory. After decades of stability and prosperity generated by Keynesian economic policy the 1970s were marked by the economically debilitating experience of stagflation. This anomalous condition can be understood simply as the simultaneous occurrence of high levels of unemployment and inflation. This meant that while a larger proportion of Americans were out of work, the price of money was increasing which created economic and social costs to society at large. This condition was anomalous because mainstream Keynesian theory, the basis of American government policy since the 1930s, could not explain it, nor produce a solution to it. This chapter is not concerned with explaining how stagflation occurred; it is interested in delineating how the anomaly of stagflation served as the final justification for the re-direction of the American nation away from New Deal politics to the pursuit of freedom. Thus to understand how this change occurred, it is necessary to look beyond the theoretical debate between Keynesian and neo-classical economists to the demographic and institutional changes which took place from the 1930s onwards. This chapter considers the spectre of communism, the decline in union power, the emergence of a rising middle class and the eruption of divergent political movements. The point to stress is that the turn to freedom was the rational expression of individuals reacting to changes in their social and economic milieu. The chapter indicates that presidential candidate Ronald Reagan capitalised on this anti-government mood and the debilitating condition of stagflation to present his path of Freedom as the only alternative for America. Thus, freedom became the apparent panacea to America's political and economic woes. This chapter therefore offers an outline of the historical development of the neoliberal period.
3.1 The inextricable bond: economics and politics

The stability and prosperity of the post-war period is largely attributed to the success of Keynesian economic theory.\(^{97}\) However, the experience of stagflation left the certainty of Keynesian theory in question as stagflation was a theoretical impossibility in Keynesianism, a fact which rendered the theory useless in creating a solution. The policy options of Keynesianism rested on the theoretical assumption, derived through the Phillips curve, that unemployment and inflation are negatively related.\(^{98}\) Thus, as one rises the other will fall. Stagflation is the experience of both economic maladies at once, and thus left Keynesian scholars silent. It was because of the theoretical silence of Keynesianism that the voices of the Chicago school of economics, led by Milton Friedman, became more pronounced, and persuasive. The argument they made was not new; it extended back to the neoclassical quantity theory of money of the late nineteenth century. Indeed it was this very theory against which Keynes had developed his theory, and which the experience of the Great Depression had made void. The theory on which Friedman based this attack is the neoclassical theory of money which was problematised in chapter one. It is useful to recall its associated methodological problems as these remain in the macroeconomic expression of the theory propounded by Friedman.

The quantity theory of money revived by Friedman stressed that monetary changes are the causes not the consequences of recessions. Thus government injections into the economy are understood to spur inflationary pressures, as they produce a situation of 'too much money chasing too little goods'.\(^{99}\) With Keynesianism held in check by the experience of stagflation, Friedman's theoretical revival appeared vindicated. He argued that the Phillips curve was vertical in the long run, which indicated no discernible trade-off between unemployment and inflation and effectively delegitimised government involvement in the economy.\(^{100}\) The political consequences of this theory were clear:

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\(^{97}\) My use of the term Keynesian should be understood as the neoclassical synthesis, unless specified otherwise.


\(^{100}\) Ibid, p174-175
leave the market alone.

The resuscitation of falsified theory provoked an initial flurry of controversy within the economic academy.\textsuperscript{101} The falsified quantity theory of money, the perspective that Friedman held, was a minority, if maligned perspective, 'regarded as eccentric(s) by the great majority of ... intellectuals'.\textsuperscript{102} However the implications of this theory were significant and thus required a considered response. Accordingly, a great debate ensued. But in this context, Keynesian theory appeared more retrograde and unrealistic as the situation of stagflation intensified. How could the Keynesian position hold when inflation and unemployment continued to rise? There could be no response in the face of such facts, as something was evidently wrong. This was the charge made by conservative economists, and by 1972, even amongst avowed Keynesians, the 'vertical in the long run view of the Phillips curve had won the day.'\textsuperscript{103} Friedman's theory seemed to explain the reality of stagflation through the commitment to the non-neutrality of money and adaptive expectations of individuals. This exposes the fact that understanding money requires more than an understanding of its function. Friedman's theory depends on the rationality of individuals and the seamless functioning of the market system. Through his theory, Friedman indicated that if governments did attempt to rectify the situation, firstly, there would be a lag in government policy implementation and secondly it would cause more harm as individuals would change their expectations according to the information that they held.\textsuperscript{104} Thus any attempt by government to appease the situation of stagflation was expressed as futile and further detrimental.

This change in theoretical agreement did not translate immediately into changes in government policy. But by 1977 Democratic president Jimmy Carter introduced anti-Keynesian policy in a bid to get tough on stagflation. This was significant because the Democrats had long been the advocates of Keynesian theory against the fiscal conservatism of the Republican Party. In response to Carter's policy, liberal Democrats

\begin{thebibliography}{99}
\bibitem{101} Ibid, p169.
\bibitem{103} A.S Blinder quoted in Snowden and Vane, \textit{Modern Macroeconomics}, p179.
\bibitem{104} Ibid, p175.
\end{thebibliography}
still faithful to Keynesian theory argued that Carter's policy was inattentive to the situation of unemployment.\textsuperscript{105} But such criticisms held little theoretical or political traction and Carter persevered, to push through an austerity package which held the essence of Friedman's economics.\textsuperscript{106} Carter suggested that he could achieve the liberal policies of the Democratic Party with the conservative constraints dictated by neoclassical theory. He ultimately failed to fulfil this pledge because it was an attempt to bind two contradictory political ontologies together: Keynesian and conservative.\textsuperscript{107} Each theoretical understanding starts from theoretically diverse points which contain divergent political impetus'. For this reason, it is important to consider that economics is not devoid of politics. Economics posits a political ontology, and thus must be critically analysed as such. This indicates that the experience of stagflation eroded traditional politics, principles, values, and ideas because the focus of politicians was on ameliorating the inflationary pressures of the economy, because inflation 'robs all of us'.\textsuperscript{108, 109}

The criticisms brought against neoclassical theory in chapter one identified that the removal of social considerations from its mandate was driven by the pursuit of objectivity. The removal of the social was a product of the Enlightenment epistemology, rather than a conspiratorial means through which to quell concerns with distributional questions. If we recall, neoclassical economics sterilised the laboratory of economic science. However, above this epistemological base of scientism, and more consciously because of this, a change in economic theory is the product and expression of a political worldview.\textsuperscript{110} This suggests that economic theory does not just emerge from nowhere; it is reflective of the social and economic milieu in which it is written, and it further

\textsuperscript{106} Wilentz, \textit{The Age of Reagan}, pp78-79.
\textsuperscript{109} In the introduction of this legislation into the House of Representatives Carter made no mention of the supply side shocks as a consequence of the increases in the price of OPEC oil. Focus was specifically on the domestic economy and the possibility to open it to entrepreneurship. He was invoking language more commonly associated with Reagan, even before Reagan came to office. Carter's full speech is available at, \url{http://www.presidency.ucsb.edu/ws/index.php?pid=7344}, (accessed: 12/10/2012).
expresses the political perspective of the person by whom it is written. This substantiates the basic claim that economics is political. The theory proposed by Friedman is no different. Friedman's theory is intimately bound with a conservative vision of individualism and freedom, expressed no better than in his popular text *Capitalism and Freedom*. Friedman claimed that 'historical evidence speaks with a single voice on the relation between political freedom and a free market.' Here he suggests that the freedom of individuals can only be ensured through an economic system that is organised by the free movement of individuals and capital through exchange. Thus, he condemns any system in which government removes this freedom through involvement in the economy. With this understanding, the jousting match between Keynesian economists and the Chicago school is exposed as more than a battle about competing theoretical abstractions, but rather a battle of conflicting views of what an economy is, how to understand individuals within this economy, and ultimately what the role of government should be. Views which are irreducibly political.

For this reason, the change in policy measures during Carter's presidency cannot be accepted as a simple tale of improvements made in economic knowledge and policy. The power and narrative of ideas were at play. Friedman's was a narrative of success born of freedom, a narrative which came to be most emphatically expressed by president Ronald Reagan. In recognising the relationship between Reagan and neoclassical economics it is important to note the significant difference between Reagan's public statements to reduce government and the fact that the size of the American state actually expanded during his presidency. The tension that existed was that, despite the expansion of the state, the march of the ideology of individualism was taking place simultaneously. The question asked by chapter four is how this paradox has been functional. However, before this question can be considered, it is important to recognise the demographic and institutional changes that America underwent following the passing of the New Deal legislation in 1933, the beginning of the Keynesian period. By considering the changes that American society underwent through the period which preceded neoliberalism it is possible to understand the turn to neoliberalism.

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3.2 Demographic and institutional change

This section considers the decline of union power from the 1930s, the growth of the middle class through the 1950s, and the radicalism of the new Right and Left in the 1960s. In this way the revival of neoclassical theory will be understood within a historical context, rather than within the confines of theoretical debate. This historical moment of stagflation, which preceded and endured in Reagan's era, must be understood through the prism of the Cold war and Keynesian prosperity.

The New Deal was introduced in 1932 as a measure to quell the devastation of the Great Depression. It was the earliest example of Keynesian theory in the American economy which held the specific intention of relief, recovery and reform.\textsuperscript{112} Labour historian, Robert Zieger notes that as the state expanded in support of those in need, union membership also increased, from three to nine million during 1932-1939.\textsuperscript{113} He indicates that the economic hardship of the period propelled workers to join unions despite the founding American narrative of individualism. Certainly, the 1930s were a radicalising period because of the material hardship people had to endure. The evidence of radicalism follows the Marxian schema, that the hardship of the material conditions of life will shatter the capitalist illusion and thus bring into focus true consciousness defined by class-based politics. However, Zieger identifies that as workers rights and wages increased through the reforms of the state, the power of unions receded and thus the radicalism of the period was suppressed.\textsuperscript{114} This point serves to indicate that the Keynesian state quelled the radicalism of the period.

Political scientist Michael Goldfield identifies the passing of the Taft Hartley Act as being especially devastating for the union movement, as it curtailed union rights while increasing those of the employer. This Act was argued by conservative politicians as the 'right to work', which was an explicit attack on union organising.\textsuperscript{115} The effect of the Act

\textsuperscript{114} Zieger, American Workers, American Unions, p33.
and other anti-union offensives was to turn the focus of union delegates away from radical demands towards fighting off the anti-union offensive, to maintain the institutional existence of the union.\footnote{Zieger, American Workers, American Unions, p108.} But in maintaining this defensive position and suppressing any radicalism in the rank and file it has been argued that there was a loss of class-based politics, as labour/capital relations were about appeasement not agitation.\footnote{Zieger, American Workers, American Unions, p138.} The point that must be stressed is that the decline of unions was not only a consequence of the explicit anti-union movement pushed by conservative politicians. Rather the very institutional existence of the Keynesian state served to limit the potential of unions. In this regard there was explicit and implicit suppression of union power: through the state and through conservative politicians. The historical evidence of this attests the Marxian schema of class relations and further indicates the prohibitive basis of the capitalist state.

However, as the power of unions receded, the Keynesian welfare state created a rising and expanding middle class. By the 1960s real weekly earnings of production workers had increased by 70% and 60% of all American families were classified by economists as middle class.\footnote{Zieger, American Workers, American Unions, p138.} The fact that material life was more secure than before the war enabled increasing levels of consumption. By the end of the 1960s 75% of Americans owned their own car, 87% had a TV, and 75% had a washing machine in their home.\footnote{William H Chafe, The Unfinished Journey: American Since World War II, (New York and Oxford: Oxford University press, 2011), p106.} Perhaps most significantly home ownership increased from 44% in 1930 to 64% in 1965.\footnote{Carlos Garriga, (with William T. Gavin, and Don Schlagenhaufer), Recent Trends in Home ownership. Available at, \url{http://research.stlouisfed.org/publications/review/06/09/Garriga.pdf} (accessed: 02/10/2012).} This material abundance can be seen in other ways by noting the change in the types of jobs people were undertaking. By 1956 the number of white collar jobs outnumbered those of blue collar, and thus America came to be officially classified as a post industrial society.\footnote{Chafe, The Unfinished Journey, p108.} The idea of ‘working class’ seemed to no longer apply. There
was a diminishing industrial base made up on a diminishing unionised workforce, uninterested in the radical demands of collective struggle.\textsuperscript{123} Even though the majority of working society were workers in a technical sense, whereby they had a boss or manager who dictated how and what would be produced or serviced, increasingly American's were not associated with the union movement because the types of work available were individualist.\textsuperscript{124} It is interesting to consider this turn against union politics in relation to what it indicates about the American Dream. Through the statistics outlined above, it would appear that the American Dream was largely achieved during the Keynesian period. As Keynesianism created the prosperity and stability under which the middle class grew. However, it can be contended that this prosperity was the realisation of the anti-American Dream precisely because the state played a significant role in its creation, rather than the entrepreneurism of the individual.

Despite this contradiction in the individualism of the middle class, what became evident in the early 1960s, and most pronounced in the Barry Goldwater presidential campaign of 1964, was the very real emergence of a rising, grassroots Right. This grassroots Right was largely made up of the statistically new middle class.\textsuperscript{125} Lisa McGirr rubs against the grain of progressive historians when she suggests that this rising Right 'was not an irrational, momentary outburst of psychologically maladjusted men and women ... they felt compelled to enlist in battle ... because of their sense of a widening chasm between the world of the New Deal liberal state and the values they found meaningful.'\textsuperscript{126} As immediate economic pressures faded to memory, political concerns came to centre on the erosion of the fundamental values of America under the Great Society. However McGirr expresses that these concerns were largely overshadowed by the spectre of communism, which McCarthyism had entrenched in the American psyche in the 1950s.\textsuperscript{127} To be sure, these were distinct fears of the middle class which became meshed together; fears that were stoked by conservative politicians and public intellectuals, who made connections between the welfare state and socialism, socialism with communism, and

\begin{itemize}
  \item Zieger, \textit{American Workers, American Unions}, p139.
  \item Chafe, \textit{The Unfinished Journey}, p108.
  \item McGirr, \textit{Suburban Warriors}, p66.
  \item Ibid, p35.
\end{itemize}
and communism with fascism.\textsuperscript{128}

Through this schema, the appeased class relations of the welfare state, which suppressed rather than agitated class interests, was an attack on the fundamental rights of freedom and liberty, and tradition. With this reasoning, it was understood that the state, and its expansion, should be fought at all costs. In this regard it is possible to infer that the grassroots Right excised their economic development from the state and instead inferred their rise as a consequence of individual pursuit. Philosopher Wendy Brown offers an explanation of this by indicating that the middle class depends on the naturalisation of capitalism to legitimate their position,\textsuperscript{129} which consequently legitimates the position of lower socio-economic groupings. Individualism was expressed by the rising Right as the only legitimate means by which people could advance, despite the fact that the prosperity and stability they experienced was a consequence of Keynesian policies. The individualism of the Right consequently served to de-legitimise the structural and discursive limits which prohibited the advancement of all.

The identification of the rise of the Right gains significance when understood in reference to the secular belief explained in chapter two. If we recall, belief is not an individual mental thing, but is fostered and developed through the structuration of everyday life. The overt religious beliefs of the Right are justified through secular individualism because the very premise of the secular belief is that people can choose to be, do and act as they want and thus they are able to hold religious beliefs despite the secularity of society. Through this it is possible to recognise that the conservatism of these individuals was a rational expression of their discontent of the erosion of values. However if we carry over the argument developed in chapter two, this indicates that the ideas held by the Right are products of the system of capitalism. The point to recall is that power exists in these beliefs, not because they are religious beliefs but because they are expressed against other beliefs. This indicates that the middle class has a particular consciousness. Which would suggest that as people move from one class strata to the next their concerns change. This again would follow a Marxian schema, lest for the

\textsuperscript{128} Ibid, p69.
recognition that the secular belief of individualism – the basic belief of subjects – is a product of the system of capitalism. Thus the individualism of the Right is morally justified.

The prosperity of Keynesianism also bore developments in radical Left politics. What came to be known as the New Left was the expression of discontent with the determinism of the (old)Left and the reactionary base of the Right. Undoubtedly, the echoes of Stalin and the 'horrors' of collectivism played into this positioning. As Todd Gitlin suggests, the New Left was resolutely anti-communist, interested in the 'small task of changing the world.' He also identifies that the New Left opposed the liberalism of the welfare state that the unions supported. For these reasons, the New Left mirrored the Right, despite their existent diametric opposition. In contrast to the Right, the New Left criticised organised labour for support of the Vietnam War and the racist tendency within unions which discriminated against African Americans. The radical politics of the New Left were unlike anything the country had ever seen. The New Left was a fight for individual freedoms and the traditional Left's demand for social equality; demands that were continually stitched together through the ferment of the period. Gitlin identifies that 'as the war movement subsided, many students found it an opportune moment to trade in their activism for a ticket to the less risky, more pleasurable counterculture.' He explains it as if a link between the past and present 'snapped', and with this any pretence of political orientation of the movement disappeared. The individual was pursued, just as the Right had demanded, but through an expression that was anathema to their values. It was another expression of the anti-American Dream.

As Wendy Brown suggests, the focus of the Left shifted away from the system of capitalism to the 'wounded attachments' of identity, and in this regard change was understood to arrive only through introspection. Historical analysis of this period indicates the difficulty the Left found in articulating an alternative mass politics in light

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134 Ibid, p424.
of the broad Keynesian consensus, and the commitment to individualism developed through opposition to the Soviet Union. Thus just as the rational basis of the revival of the Right, this turn must be understood as rationally determined: there was no other political option but to turn in on the self and demand freedom from the political. This is an important point because it recalls the argument made by Bell which suggested that individuals are hedonistic. Brown's point indicates the superficiality of the charge of hedonism because she recognises the historical period, and the contest of politics through history. Thus the importance of Brown's understanding of the ‘wounded attachments' of individualism is that she identifies the turn as a product of historical circumstance. Her argument is not teleological like Marx's, but remains to hold an analysis of power. The power she identifies will be a point of discussion in the following chapter. What is important to stress now is that with this individualist turn, freedom was the drive of both the political Left and Right, and thus the political debate between them appeared to close. To be sure, the experience of stagflation was further evidence for the need for change, as the continual devastation which it imposed on ordinary people sounded the death knell of the New Deal era.\textsuperscript{136} It is with this historical understanding that we can comprehend the success of the march for freedom that Reagan laid out.

3.3 The march to Freedom

This section will consider Reagan's pre-election mandate for freedom made in opposition to the un-freedom of the Soviet Union and the founding narrative of the nation.

By the presidential election of 1981, the inflation level was a staggering 12.5\%\textsuperscript{137} coupled with an unemployment rate of 7.5\%.\textsuperscript{138} The human costs of this were expressed virulently by Republican presidential candidate Ronald Reagan. His experience as a boy

\begin{footnotesize}
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  \item[\textsuperscript{137}] Inflation statistics. Available at, \url{http://www.tradingeconomics.com/united-states/inflation-cpi}, (accessed: 30/09/2012).
\end{itemize}
\end{footnotesize}
during the Great Depression gave gravitas to his anti-New Deal tale about the absolute need for entrepreneurship, human advancement, and independence. Ultimately he espoused independence from the state. He would say emphatically 'we don't need government to fix our problems, government is the problem.' But in saying this he continuously invoked the words 'we', 'us', 'our', in an effort to coalesce and differentiate those who struggle under stagflation and those who do not- pointing the finger directly at the Carter administration and the federal government as a whole. As John Patrick Diggens indicates, by invoking these terms of inclusion, Reagan glossed over recognition of substantive difference. Reagan saw no variation between 'capital and labor, virtue and interest, or a market economy and popular democracy.' Which further inferred the national character as being defined by independence from the state. Reagan revived a national identity around the recognition of individuality, which paradoxically inferred that 'we' are all the same in 'our' individuality. There is a productive contradiction at play in this, as the celebration of the nation was expressed as the refutation of the existence of a society. He spoke for individuals united in liberty, and thus revived the founding myth of the nation. 'America' he once said has a 'rendezvous with destiny'. But he was clear to advise that this can only be achieved through the pursuit and defence of freedom. Nationalism thus made Reagan's conservative policies functional.

Freedom was an important rallying cry for Reagan because it held the dual function of recalling the glorious past and intoning the possible future of un-freedom. This is captured most clearly in a speech given on the presidential campaign trail for Senator Barry Goldwater, when he said 'there is no such thing as a left or right. There's only an up or down- man's old -old aged dream, the ultimate in individual freedom... or down to the ant heap of totalitarianism.' With such lines, Reagan was able to sweep over

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political divides and ensure the nation was unified against the common enemy of communism, lest they be chagrined as un-American. In this regard, the spectre of communism was ever present and drawn upon by Reagan. He attempted to coalesce support in unions through this anti-communism and by expressing that he was not antagonistic with the unions. To be sure, Reagan was the first ex-union leader to reach the presidency, and said that under his presidency, 'American workers will once again be heeded. Their needs and values will be acted upon.'\textsuperscript{144} By framing his argument in this way, Reagan was able to gain support from those Democratic voters who were dissatisfied with the liberalism of the Great Society. He argued that such programs were undue privileges to 'special interests', which was anathema in a meritocracy such as America and further constituted an abuse of the individual's freedom to choose.\textsuperscript{145} Thus, Reagan developed a clear narrative about freedom, the possibility of losing freedom and the need for the absolute defence of freedom. This narrative highlighted the market as the only alternative, and the only means of salvation for the nation.

Reagan's policy platform, and in particular the proposal of across-the-board tax cuts, was expressed as the panacea to the economic and political woes of hard working Americans who held aspirations above their material reality. Broadly, he stuck to a typical conservative agenda of small government, however it was the tax cuts which became a galvanising force in his campaign. The economic rationale behind this policy was based on the Laffer curve which indicated that tax cuts would encourage economic growth, and in so doing, increase tax revenues. By reducing the overall tax rates investment would be induced and thus create new production.\textsuperscript{146} Interestingly, such policy is contrary to the economic orthodoxy that was revived by the Chicago school. In fact, Reagan's policy was understood as inflationary by the orthodoxy, as increases in the flow of money during inflationary periods, no matter where it comes from, was understood to spur inflationary pressures.\textsuperscript{147} Despite this, Monica Prasad identifies that Republicans came to believe that tax cuts were the 'vision of how the Republican party could reconcile free-market principles with the need for popular approval'.\textsuperscript{148} In fact, it

\textsuperscript{145} Diggens, \textit{Ronald Reagan}, p320.
appeared of little importance whether the model worked. Laffer himself once said 'There’s more than a reasonable probability that I’m wrong, but . . . why not try something new'?\textsuperscript{149} This policy constituted a means by which to tap into the very real resentment on both the political Left and Right towards the state. Reagan effectively drew upon the concerns and struggles of the electorate for his own (conservative) political advantage. In this regard, Prasad suggests that the realisation of the market should not be understood as a conspiracy theory driven by special interests but rather the expression of the voice of the people.\textsuperscript{150}

In accepting Prasad's assessment of the development of such policy we must take a moment of repose to consider that Reagan only won a 51% majority of the electorate. Furthermore, there was a significant drop in voter turn out, which suggests a disgruntled and unsatisfied electorate. Surely, this would indicate that Reagan failed to convince the nation of his ideas and policies, or rather and if we hold Prasad's thesis, the policies and ideas that he was presenting weren't what the electorate demanded. As historian Sean Wilentz explains, this later fact can be connected to the repudiation of Carter and the Democratic Party by traditionally Democratic voters.\textsuperscript{151} Wilentz suggests that although there were many who remained unconvinced and opposed to Reagan's policies, his rise was the product of the 'anti-government mood' of the period. Reagan promised 'a conservative twist on a radical slogan of the 1960s . . . return power to the people.'\textsuperscript{152} The argument that I have been developing here is that there were significant and discernible reasons for the turn towards individualism, or at least disengagement: stagflation, failure of the welfare state, and the spectre of communism. But we cannot underestimate the charismatic and positive nature of Reagan the leader, as this undoubtedly also played a role. In this regard, the narrative of neoliberalism must be understood to begin before Reagan's rise. Reagan served to legitimate the processes of individualism that were already apparent in American society occasioned by changes in domestic and world affairs.

\textsuperscript{151} Wilentz, The Age of Reagan, p124.
\textsuperscript{152} Ibid, p136.
This chapter has considered some social, political and economic factors which contributed to the realisation of the neoliberal narrative of freedom and individual liberty. It specifically focused on history as a means to debase the theoretical certainty that neoclassical theory was accepted as the only alternative to Keynesianism. This identifies that neoliberalism is not merely neoclassical economics transplanted into policy. This chapter offers a historical materialist analysis sans the invocation of class based revolution. The question which remains to be answered is why people have continued to support something which is against their material interests. Framed within the language of Marxist theory we are unable to explain this beyond the suggestion of false consciousness, which not only fails to afford people the respect of understanding their choices, but fails to recognise that there is more to these choices than material interest. The more gripping question is to ask how this support was maintained, considering the decline in wages, conditions, livelihoods over the last thirty years. In this regard, the explanation of the continuation of neoliberalism cannot be reduced to some sort of elite conspiracy or an emancipatory tale of people power driving the direction of society. An explanation of the continuation of the neoliberal period will be formed in the following chapter.
Chapter 4

Deconstructing Freedom

Freedom is a pain in the ass. And that's precisely why it's so imperative that we seize the opportunity that's been presented to us ... To get a nation of free people to let go of their bad logic and sign on with better logic, by whatever means are necessary.

Jenna's father in *Freedom* by Jonathan Franzen

I was forced to an acknowledgement of the stark fact that man is, both physically and morally, a vulnerable being...

Kingbitter in *Liquidation* by Imre Kertesz

This chapter brings together the insights generated from the previous chapters to indicate how the subjectivity of the neoliberal subject is defined by freedom, individualism and anxiety. The first section of the chapter outlines how the contradiction of state expansion during the neoliberal period was justified through recollection of the 'other'. The second section will indicate what freedom means to the individual. Through this schema the chapter will show that the subjectivity of the neoliberal individual is not defined by an ideological illusion because individuals are involved in the process of producing their own selves. The fact that there are very few formal rules which dictate how life should be led elicits an affective power over individuals to pursue a life defined by freedom. But rather than the obtainment of freedom this requires an engagement with things that cause anxiety: individuals must work hard to gain money, to be free. This entrenches the individual in the system and thus is a self-reinforcing process of subjectification. In this regard, this last chapter comments on the paradoxical predicament of the individual who seeks freedom through the limited choices provided by neoliberal capitalism. This thesis contends that
recognition of this paradoxical position of subjectification holds the potential for transformative change. To whit, this thesis ends as it has begun, suggesting a paradox that the absence of agency inscribes itself into a subject for a new world, and in turn the subject is inevitably active. In this sense, this thesis offers a philosophical understanding of agency.

4.1 The contradiction of (neoliberal) freedom

The ultimate contradiction of freedom under neoliberal capitalism is that the realisation of the market was not met with the withering away of the state. Rather the state has withered in certain areas and strengthened in others. In recognising this, it is important to note that Reagan never said he was against government:

It's not my intention to do away with government. It is rather to make it work -- work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.  

This is the expressed essence of an economically conservative government, the ultimate role of which is to facilitate the market, not moderate or interfere with it. The government ensures the 'rules of the game' are enforced through the creation and defence of law which protects individual liberty. To reach this skeletal position, economic policies of deregulation, privatisation and liberalisation were legislated to remove the state from social provisioning, industry, and wage determination, and thus enable the free functioning of individuals within the market. The evidence from 1981-1988 indicates that this ideal institutional minimum was never reached. In fact, under Reagan's government, spending increased, the bureaucracy increased and budget deficits rose dramatically. For this reason some have labelled Reagan as a 'failed revolutionary', as he did not implement and thus achieve the sort of economic purity that fundamentalists demanded. However, this sort of critique fails to recognise that neoliberalism requires this contradictory expansion of the state in order to enable the deconstruction of other parts of the state. For example, as Reagan slashed through

154 Campagna, The Economy in the Reagan Years, p70.
155 Ibid, p208.
public provisioning under the mandate of getting government 'off your back', he
simultaneously increased spending in the department of defence. By 1984 the budget
expenditure for this department had increased to 32.4% of the total budget of the
American government.\textsuperscript{156} In this way the state came to play an increasing role in the
economy, not a smaller one. And yet the mandate of freedom remained.

Through an analysis of Reagan's rhetoric it is possible to discern that this was not a
contradiction to Reagan. In a speech given in 1980 Reagan explained that 'freedom is
never more than one generation away from extinction. You and I must preserve freedom
here or it will not be passed on to our children.\textsuperscript{157} Thus for Reagan, freedom was the
justification for non-freedom. It holds that freedom under neoliberal capitalism does not
mean absolute freedom from the state. Freedom under neoliberalism is negatively
derived through the positive expression of state power. Freedom functions because of a
strong, coercive, military state. The military state exists in defence of freedom. In this
regard, neoliberalism is a functioning contradiction, a push and pull of repression on the
level of state provisioning and individual expression. It is this contradiction which
makes the period of neoliberalism so interesting and difficult to discern. Thus
neoliberalism is not merely the expression of neoclassical economics, there is a belief
system associated with its acceptance and this stems from the founding narrative of the
nation: freedom and opportunity.

Wendy Brown suggests that this neoliberal contradiction is made functional through
what she calls a 'melancholic logic', in which non-freedom becomes a 'threat that works
as domination in the form of an absorbing ghostly battle with the past.'\textsuperscript{158} Brown's
insight is significant because it indicates the power of political ontology to birth a
societal epistemology – what exists determines how we think and what we know. An
intellectual example of this was articulated by Friedrich Hayek in \textit{The Constitution of
Liberty} when he said ‘(w)e can … not fully appreciate the value of freedom until we
know how a society of free men as a whole differs from one in which unfreedom

\begin{itemize}
\item[Ibid, p42.]
\item Ronald Reagan, \textit{Labor Day Speech at Liberty State Park, 1981}. Available at,
\item Brown, \textit{States of Injury}, p8.
\end{itemize}
prevails.¹⁵⁹ Hayek determined his technical understanding of freedom and liberty through a strict distinction from coercion. But Hayek stressed that for these ideals to exist in reality, a state must also exist to protect them from individual coercion. Hayek identifies that the capacity for coercion (un-freedom) is a legitimate form of power of the state if its ambit is to protect individual liberty. However Hayek is clear to express that anything beyond this position is an abuse of legitimate power.¹⁶⁰ Thus, the recollection of un-freedom to understand what it means to be free, even within neoclassical philosophy, functions as a justification of the expansion of the state.

The argument becomes most pronounced when Reagan speaks of freedom in explicit reference to un-freedom, as though this is the strict reality of the world. This produces a bi-polar understanding that simplifies the contested nature and complexity of domestic and world affairs. The contention with this melancholic logic is not that the Soviet union did not exist, or that the Soviet Union did not commit un-freedoms. The recollection of the Soviet Union by Reagan is always mentioned in reference to freedom and the potential of losing this, as though un-freedom is the only other alternative to the neoliberal freedom that he champions. This false dichotomy suggests that you are either 'with us' or 'against us', which is a constructed truth. In this regard, the stressed bi-polarity of the Cold war served to simplify the neoliberal narrative that Reagan legitimated as a defence of freedom, and enabled this story to carry because of the knowledge of absolute lack of freedom in the Soviet union. Thus, despite the burgeoning reach of the state, the free market gained a sheen of shining actuality, which consequently deployed a clear, unapologetic understanding of how to see oneself in the world: you are an individual, you are a consumer, you can be an entrepreneur. The American Dream is yours for the taking. Take it. Take it. This was and remains the captive narrative of the American nation.

4.2 Who you are, and who you can become

This section will consider what the free market means for the individual and how this affects the individual. This is achieved by exploring the tension between the Marxian concept of ideology and the Foucauldian suggestion of governmentality. Recognition of this tension serves to indicate the paradox of individual subjectivity in neoliberal capitalism.

In neoclassical philosophy and neoliberal rhetoric the free market is the ultimate form of democracy. If this holds then individuals within society are equal citizens, with equal voting power. This foundation of formal equality in the market serves to de-ontologise and neutralise the construction of the market sphere as investing individuals with formal equality holds the function to undermine an acknowledgment of substantive inequality. Hayek defended the fact that inequality exists in societies defined by institutional freedom, because he invests individuals with the effective capacity to change their situation.\textsuperscript{161} Thus, any intervention by the state, to appease inequality through the provision of services constitutes an attack on democracy. And further, it becomes an abuse of individual liberty, as it would be an act of coercion against the collective expression of individuals' wants. Under Hayek's methodological framework, critical attacks by progressive scholars in regards to inequality could be dismissed because the focus on the individual effectively removes analysis of structural or discursive power.\textsuperscript{162} Hayek argued strongly that those who suggest circumstance as the determinant of social position are fearful of responsibility which 'necessarily also becomes a fear of freedom.'\textsuperscript{163}

Within Reagan's reasoning, opening up the market through policies of deregulation, privatisation and liberalisation, enabled individuals to make decisions that would best suit their individual lives. This accords with conservative economic theory as the individual is assumed to be rational and utility maximising and thus conscious of the

\begin{flushleft}
\textsuperscript{161} Hayek, \textit{The Constitution of Liberty}, p71.  \\
\textsuperscript{162} Hilary Wainwright, \textit{Frederick Hayek and the social engineering of the state}. Available at, \url{http://www.tni.org/archives/act/17490}. (accessed: 21/09/2012).  \\
\textsuperscript{163} Hayek, \textit{The Constitution of Liberty}, p72.
\end{flushleft}
risks associated with choices. To be sure, this understanding serves to structure an understanding of individuals as being powerful and effective. It is important to recognise also that this power carries responsibility. Reagan's rhetoric indicates that anyone is capable of freedom and further, that all Americans should strive towards this. This invests people with the understanding that those who succeed are products of their own merit and those who do not succeed are failures because of themselves. We must recall the argument made by Giorgio Agamben in chapter two which indicated that there is a need for political legitimation of the economic ordering of society. This indicates that the 'free' individual does not just exist; it must be spoken into existence. This is precisely what Reagan's rhetoric serves to do. As Reagan's discourse removes recognition of the structural power of the economy, and thereby produces a discursive power which is more totalising in its reach because it appears as common sense: you are an individual, you can be free because you live in the land of the free. The inscription of the individual is always made in reference to the founding narrative of the nation. What differs about the neoliberal rhetoric is that the individual is more involved in the process of capitalism and thus more dependent, but must maintain the appearance that suggests the contrary. Which elicits a process of self enforcement: I am free, because I am an individual. I am powerful, because I am an individual. And I must take responsibility because there is nothing beyond me. Thus the power of freedom is its capacity to shape the norms to which individuals live their lives as individuals.

The understanding of the effective power of the individual is carried throughout the concept of consumer sovereignty which pervades neoliberal capitalism. This concept suggests that consumers have effective power through the choices they make in the market. Political economist Stefan Schwarzkopf offers a cogent critique of this concept through an ontological understanding of consumption. This critique serves to indicate the inextricable relationship between production and consumption. Schwarzkopf contends that the concept of consumer sovereignty legitimises capitalist market order because a focus on consumption removes recognition of production, and thus neutralises the process of it.164 This is significant because if there is not analysis of how production occurs, then an understanding of the expense of labour power, which is

inevitably involved in the process of production, is removed. Schwarzkopf indicates that a belief in the sovereignty of the consumer functions as a distraction from the tensions which exist between those who have effective power and those who do not. This identifies that there must be members of society who hold the capacity to make decisions about production. Recognition of this unequal capacity delegitimises the suggestion that formal equality explains away substantive inequality. Substantive inequality must exist prior to the provision of formal equality. Thus formal equality serves to entrench the divide between those who have and those who have not. Schwarzkopf's critique of consumer sovereignty indicates the power of discourse to present reality in a way that covers structural aspects of the economy. Thus he identifies the inherent differences of power in a society organised by freedom.

Schwarzkopf contends that the concept of consumer sovereignty holds political theological baggage, and suggests that it is the expression of a secularised theological concept. Recognition of this theological basis of the concept is significant because it leads Schwarzkopf to conclude that the freedom acquired through the market is premised on constraints over which individuals have no control and which they have no capacity to control.\footnote{Schwarzkopf, The Political Theology of Consumer Sovereignty, p123.} For this reason Schwarzkopf suggests that consumer sovereignty is a fiction, and to think any other way is delusional.\footnote{Ibid, p124.} By invoking the term 'delusion' Schwarzkopf necessarily suggests that people are taken in by an ideological illusion which obscures their material reality. This again invokes the determinism of Marx, implying that there is some conspiratorial element to consumer sovereignty. The argument carried through the thesis thus far suggests that such an understanding misses a substantial and perhaps more subtle way in which discourse structures individuals lives, and through this, produces subjectivity. The consumer sovereign is not an illusion, precisely because of the very real ways in which individuals are involved in the process of consumption and the relation that this consumption has to self-realisation. It is possible to invoke the Foucauldian concept of governmentality instead, because this recognises the common sense and the discourse associated with consumer sovereignty and thus the powerful ways in which this serves to structure individuals lives.
In his last series of lectures, Foucault noted how the secularism of the market posits its own sort of control through the implicit capacity to order, dictate and guide individuals into living a particular life and acting in a particular way.\textsuperscript{167} His interest rested in how power becomes a 'body of knowledge that provides the criteria of the ideal subject ... in terms of the precise ways in which the actual subject is led to practice itself in satisfying these criteria.'\textsuperscript{168} It is not the laws of enforcement which are of interest but the ways in which control is invoked through the capacity to organise and order our understanding of ourselves and our actions, paradoxically through the ideal of freedom. Even Hayek makes this point when he notes that 'freedom has never worked without deeply ingrained moral beliefs ... coercion can be reduced to a minimum only where individuals can be expected as a rule to conform voluntarily to certain principles.'\textsuperscript{169}

It is useful to consider governmentality in regards to the concept of human capital, which sits on the understanding of the individual and consumer sovereign and thus carries within it the suggestion of responsibility, effective power and choice. Nicholas Kiersey identifies that this neoliberal concept is presented as a means by which individuals can become entrepreneurs of themselves: they can invest in themselves to make their 'capital' more competitive, efficient and productive, and ultimately independent of a higher authority.\textsuperscript{170} We can understand human capital as the active decision to consume certain knowledge and skills with the understanding that these skills will lead to future realisation of surplus value or wages. Human capital reverses the very notion of what employment is for: consumption for employment, rather than employment for consumption. And infers that individuals must manufacture themselves in a certain way to work within the post-industrial economy. Kiersey identifies that it is this process in which individuals consume to work which makes neoliberalism distinct, as subjects are not simply produced but are 'in fact productive in a very broad sense.'\textsuperscript{171}

To understand the nuance of Kiersey's argument it is useful to consider what it means to be a worker in neoliberalism, and compare this to fifty years previous. When speaking...
about workers of the 1950s we generally reach out to language about the factory, of
industry; blue collar jobs which sustain the infrastructure and provide the products
which are used in everyday life and society. It is significant to question whether people
still consider themselves as workers. Or are subjects of neoliberalism, in this apparently
post-industrial age, more closely associated with entrepreneurs? If so, labour drops out
of the everyday lexicon and (worker) entrepreneurs appear to be productive for
themselves, as though there are no substantive differences between the varying types of
entrepreneurs. But, and as Kiersey is sure to highlight, (worker) entrepreneurs are in fact
productive for the sake of capital, because there remains a divide between those who
have capital and those who only have human capital. Kiersey notes how through
consumption of human capital 'the worker is fundamentally enjoined with his capacities
as a kind of assemblage with a dynamic productive potential.'\textsuperscript{172} This enjoinment
indicates that the individual is more involved in the process of production than before.
Individuals produce themselves to produce products/services that are sold through the
market to create the profits of capital. Thus, in line with the Foucauldian
governmentality, Kiersey suggests that the apparent choice to produce oneself as the
basis of society makes individuals 'eminently governable.'\textsuperscript{173}

Kiersey claims, that the production of a governable subject is 'not simply a question of
the production of subjectivity but, rather, a question of the real and intense ways in
which the “commanding heights” of the economy have become immanent through the
hegemony of immaterial labour .... control ... premised upon the production of
subjectivity by subjectivity.'\textsuperscript{174} This is significant because if workers are themselves
entrepreneurs (or understood to be entrepreneurs) then they must bear the full
responsibility of the risks they 'take', and it is they who must bear the cost of down turns
in demand. The ultimate paradox of the neoliberal era is that the more 'freedom'
acquired through the market, the more vulnerable and more governable individuals are.
Individuals have no effective capacity, although this is not denied formally. The other
side of this formality is responsibility, which ensures individuals must discipline
themselves in line with what the market requires. In this context it is important to

\textsuperscript{172} Ibid, p34.
\textsuperscript{173} Ibid, p35.
\textsuperscript{174} Ibid, p37.
reconsider the criticisms of Bell and other neoconservative scholars such as Christopher Lasch from chapter two, as Kiersey's argument indicates their superficiality. Bell and Lasch suggested that modern society is made up of hedonistic, narcissistic individuals who each seek enjoyment through consumption and nothing more. This understanding negates the structural and discursive processes whereby the individual is funnelled into becoming an individual and must reinforce the subjectivity of themselves.

What Kiersey has elucidated is that individuals have little substantive control over the subject that they wish to become. This subject has already been produced in the market and merely requires filling by the subject's self-government. Thus the subjectivity of subjectivity arrives through the anxiety induced by the possibility of self-actualisation within the constraints of neoliberal capitalism. Individuals must appear free to themselves and to capital: have a full life, be in employment that they enjoy and which defines 'who they really are'. Certainly individuals have the capacity to choose, but from a set of options which has already been produced or is produced through the vicissitudes of the market. But with the suggestion of the subjectivity of subjectivity, Kiersey effectively denies the capacity of individuals to recognise their subordination and thus denies the possibility of agency. He has delineated a thesis more totalising than the invocation of ideology through his commitment to Foucauldian thought, and thus infers that there is no possibility for change from this subjectification. Despite this denial of agency his thesis can be interpreted as an analytical means of understanding how power infects the subject. He has identified how subjects are produced in a way that enables their continual movement through society but which is deeply traumatising because of the market functioning, which enacts self-government.

4.3 The fantasy meets reality

This section transplants Kiersey's insight into the Zizekian suggestion of fantasy and thereby invests individuals with a philosophical agency. Brown's notion of the plastic cage is considered as an analogy of the paradoxical position of subjectification that neoliberal individuals reside.
Through a Zizekian frame of analysis it is possible to contend that individuals know of their position of un-freedom that Kiersey has indicated. The twist in Zizek's thought is that individuals must act in a way which suggests that they are free. Zizek captures this peculiarity of neoliberal subjects in his essay *Can Lenin Tell us about Freedom today?*. Zizek's insight goes further than an analysis of human capital, or an ontological reading of consumer sovereignty, because he recognises how, as a product of neoliberal capitalism, individuals must determine how best to situate themselves within neoliberal capitalism, knowing the limitations it sets and the norms it produces. He notes how despite formal freedom individuals make decisions which are against their interests because of the perceived understanding of what should be chosen.\footnote{Slavoj Zizek, *Can Lenin Tell us about Freedom today?*. Available at, \url{http://www.lacan.com/freedom.htm}, (accessed:08/09/2012).}

We must individually develop coping mechanisms to exist, and the only coping mechanism which serves this function is to deny the position of un-freedom in which we reside. However this mechanism inevitably comes into conflict with the vicissitudes of the market because the free market is not stable; the free market means competition, it seeks profits and low costs. Thus the reality of the market challenges the very fantasy of freedom that we require to live, to cope with the vagaries of market existence. Thus, the paradox of life under neoliberal capitalism; not everyone can achieve the heights of success, despite the fact that all are encouraged to aspire to this. It is this paradox which leads to the devastating question of whether you have failed as an individual, inducing a state of anxiety. Individuals cannot argue against wage and job cuts, or the recession. As the market is down, and you, you, you, do not fit the bill. Thus making the consequences of the market deeply personal. And even though it may be understood that the freedom the market affords is definitely contingent on other things, the ideal of freedom is continually strived for, because of the total hold it has over the American psyche. Because freedom is not a state of being, it is a process and thus hardship and struggle is justified, but not appeased.

To fully gain the paradoxical nature of the neoliberal subject in American capitalism, it is important to finally re-consider money because of the central role that it plays in individual's lives and specifically because of its associations. If we recall the argument made in chapter one, money is not devoid of meaning and life, as though it were the
physical expression of objectively derived value: money is the tool, the symbol, the icon which means social power. And the belief that is invested in money is produced through the economic-theologic complex that is capitalism. This thesis has led towards the conclusion that individuals can not think outside the market, because they require money to live, and further, require it to realise themselves. But it is precisely because individuals are within the system of capitalism, that they cannot achieve these things. Thus, the willingness to believe in money is contingent on the uncertain future, and the endless possibility of a better one. This common sense is thus produced in the market economy, not outside it. For this reason there is a messy dialectic between the things individuals learn to believe through experience and the things they believe implicitly, subconsciously, in a way they cannot deny, through imposition and organisation. Holding this argumentation leads to the conclusion that American individuals are bound in a perpetually traumatising state: freedom loving, liberty seeking and anxiety ridden. This indicates the affective power of the American Dream to entrench individuals further into a system which cannot appease their wounds. Importantly, this trauma does not limit their mobility, it does not paralyse them, but rather enables individual continuation. Though it is this mobility which entrenches individuals further and further into the system which produces this trauma.\footnote{Konings, Money as Icon, \url{http://muse.jhu.edu.ezproxy1.library.usyd.edu.au/journals/theory_and_event/v014/14.3.konings.html}, (accessed: 02/05/2012).} In this regard, the freedom acquired through money is some sort of sadistic joke because this freedom requires a further entrenchment in the market for freedom. It is the ultimate paradox of subjectivity under neoliberal capitalism: the source of the problem is the perceived solution.

Brown suggests precisely because power 'irrigates through networks rather than consolidating in bosses and kings'\footnote{Brown, \textit{States of Injury}, p34.} the modern secular capitalism of neoliberalism is a 'plastic cage.'\footnote{Ibid, p28} This suggestion immediately recalls the contested 'iron cage' of Weber discussed in chapter two. The walls of this cage are not as solid and distinct as those identified by Weber. The walls of this cage are malleable because individuals can move around in it and push against it, in an attempt to change themselves in the world. However these walls cannot be broken, as there continues to be material and discursive
structures which limit human advancement. This is to go beyond the claim of ideology and suggest that in secular-capitalism there is no chance of escape because it structures what is known and how this known is thought, and through this indicates what exists. Individualism of contemporary capitalism is shaped by power, not the negation of it. This produces a situation -or an experience - more devastating than Weber's iron cage because individuals can shape themselves in a way that is of their making but are constrained by the prism which capitalism forces them to fit. To be sure, they have the power of choice. However they also exist within the vagaries of market existence and thus the limited positions of freedom that this affords. Individuals know this, but try anyway because they have to try, lest they be chagrined as a dupe, a dropkick, a lay about, a nothing. Individuals are nothing without aspirations, and without money they are nothing. And so the anxiety of capitalism can be discerned. It is produced. It is a product of power. It is a functional aspect of capitalism and neoliberal capitalism in particular because it spurs people to continue to invest more, to try more, to try harder, when this will not necessarily produce the desired results. Because freedom is a process, not a state of being.

The point to be taken from this is that the freedom offered by neoliberal capitalism in America is limited, and this freedom is not devoid of power. Neoliberal capitalism constitutes a specific paradox in which power appears less constraining and more liberal, but in its ambit, more totalising, as the position of the individual is societally understood to result from merit, human capital, ultimately oneself, which takes no recognition of societal position, or structures of limitations. This is a totalising argument, which makes the claim that we are ultimately not free in the freedom of neoliberal capitalism, which holds politically devastating implications. Under this line of reasoning, anxiety is a product of power. It is the psychological effect of power. And in this regard, we return to the argument developed by Bell. He noted the state of anxiety that individuals felt in the 1960s, however he connected this to a lack of belief and thus inability to gain meaning. The paradox of neoliberal capitalism is that individuals can gain meaning in a plethora of ways. They can 'become' who they want to be. Their position in society is not determined, but malleable. But how individuals 'become' is determined through the attainment of money and more of it. The belief that
individuals can 'become' through money is predicated on the system in which they reside. In this way, it is impossible to escape the market-induced epistemology of being a rational individual. Individuals are epistemologically constrained. For this reason, the reality of failure is always present in the fantasy of freedom and it is this near constant reminder from society, that stokes anxiety and thus spurs individuals forward to work harder, try more, be better, take risks. But doing these things only pushes them deeper into the wound that exists, a wound that is continually lacerated through self-infliction: you are not good enough, be better, try harder, take risks. The individualism that the market creates is totalising, it is inescapable and thus devastating.

Does this mark the end of our investigation? Can we conclude that American individuals are all manipulated by the system in which they reside? Or, by identifying this position-- knowing that they (collectively, not individually) exist in this manner-- can hope or energy not be drawn to change what appears to be the only way? The question on which this thesis will end, and ultimately, inevitably will leave unanswered, is whether this plastic cage is impenetrable and totalising. Having discerned the processes that are taking place perhaps it is possible to identify a way out. The recognition of the problem is the first step towards transformative change. This thesis finally makes the claim that agency exists when there is no choice but for change to come. In this regard, it is not a matter of whether individuals have the capacity to pick or choose what they want and who they are, but rather, when they recognise that this is not a choice afforded to them, it is this recognition which fosters resentment, anger and action. This thesis elucidates a very philosophical understanding of agency, through an understanding of how subjectivity is produced and how this subjectivity limits substantive advancement. Certainly, it has been the task of radical scholars of the past to determine how change can be driven. Is it through the revolution of the working class, the uprising of peasants, students, women? The author does not have the answer, or rather does not believe that change will be so cut and dry. She is hopeful that another world is possible, so long as the subjectivity of neoliberal capitalism can be shattered. Recognition is the first step.
Conclusion

The story that this thesis tells is a story about power, and how power exists through the common sense understandings of life. This story is told through an analysis of money and freedom in America. It is not a simple story, told as if individuals are determined from above as though they are drones of class. But neither is it an emancipatory tale of individuals pursuing freedom and money because that is what they inherently desire. The story that is told centres on the founding narrative of America as a free nation defined by opportunity. The distinct path that this founding narrative set in place presents money as the zenith of freedom, self-realisation and the ultimate expression of national character. It is a self-reinforcing tale: freedom is required to obtain money to further obtain freedom, to become an American. And the process goes on. In this sense money holds a symbolic power greater than its common sense understanding as a medium of exchange. Money is freedom; money is social power. This ultimately holds a devastating function of entrenchment, from which individuals cannot escape.

Chapter one indicated that this belief in money – the belief that money provides social power – is systemically constructed. This claim is reached through a critical investigation of neoclassical economic theory which negates all social aspects of money. And recognising the epistemological and methodological limitations of current critical understandings of money served to open the thesis to the general problematic of subjectivity and power.

Chapter two outlines that this belief is connected to the historical relationship between capitalism and religion indicated by Weber. It holds that religion and belief are inextricable parts of capitalism. This challenges the common story of secularisation and recognises that the secular individualism of modern capitalism has a moral base. The chapter suggests rather tautologically that the secular belief of modern capitalism is not-not a religion. By identifying this secular belief akin to a religion serves to indicate that power exists in modern capitalism. This indicates that the secular individualism of modern America is a product of power and because of this it requires critical analysis.
Chapter three draws upon the theoretical and conceptual insights of the previous chapters to indicate a more complex tale of the rise of neoliberal capitalism. It indicates that the realisation of the neoliberal period was not occasioned by the imposition of monetarist economic theory onto the American society. There was significant popular discontent with the state of the nation which created and further came to legitimate neoliberal discourses about individualism and freedom. This historical analysis is important because it lays the foundation to better understand the continuation of neoliberalism.

Chapter four indicated how people have become bound within the system of neoliberal capitalism through the 'freedom' that it provides. It holds that freedom is a constructed notion. And it is this construction of freedom through an understanding of non-freedom that serves to entrench people in the system of capitalism. Neoliberal capitalism is distinct from capitalism because people feel more involved in the process of it. They cannot remove themselves from it. They are bound within it. They are not workers but entrepreneurs. They are not producers, but consumers. They do not reside in the collective: they are individuals. It is the belief in what it means to be American, the discipline of the market and the self-discipline of the individual which keeps this narrative alive. Anxiety is recognised to be a productive part of neoliberal capitalism because it spurs individuals to be 'become' the individual that the market requires. This thesis thus provides the ability to understand or at least discern the limits of subjectivity. It investigates the modern forms of power that pervade neoliberal society while recognising that structural power remains in existence.

This thesis provides a new understanding of subjectivity because it gives Marxist analysis a Foucauldian accent. It attempts to make structuralist and post-structuralist thought productive, rather than antagonistic. The conclusion that this thesis reaches, is that the American individual, the subject of neoliberalism, is bound within a traumatising state. They are freedom-loving and liberty-seeking, just as the nation was founded. But in this desire for freedom and the further attainment of it through possession of money, they are also anxious. This anxiety is entrenched within their character structure, precisely because of the way that society is structured and the fact
that freedom is not possible for all. It is in recognition of this disjuncture between the limits of reality and the fantasy of freedom that agency can be inscribed into a subject for another world.
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