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Stuart Hall

THE NEO-LIBERAL REVOLUTION

This essay discusses neo-liberalism as a hegemonic process, offering an interpretation of the past 40 years of British political developments.

Keywords neo-liberalism; conservatism; new labour; Thatcherism

How do we make sense of our extraordinary political situation in Britain: end of the debt-fuelled boom, the banking crisis of 2007–2009 and its aftermath, the defeat of New Labour and the rise to power of a Conservative–Liberal-Democratic Coalition? What sort of crisis is this? Is it a serious wobble in the trickle-down, win-win, end-of-boom-and-bust economic model which has dominated global capitalism? Does it presage business as usual, the deepening of present trends or the mobilization of social forces for a radical change of direction? Is this the start of a new conjuncture?

The economy lies somewhere close to the centre of that issue. But, as Gramsci argued, though the economic can never be forgotten, conjunctural crises are never solely economic or economically determined 'in the last instance'. They arise when a number of forces and contradictions, which are at work in different key practices and sites in a social formation, come together or 'con-join' in the same moment and political space and, as Althusser said, 'fuse in a ruptural unity'. Analysis here focuses on these crises and breaks. Do the condensation of forces, the distinctive character of the 'historic settlements' and the social configurations which result, mark a new 'conjuncture'? The present crisis looked at first like one which would expose the deep problems of the neo-liberal model. But so far it is a crisis which refuses to 'fuse'.

Nevertheless, my argument is that the present situation *is* a conjunctural crisis, another unresolved rupture of that epoch which we can define as 'the long march of the Neo-liberal Revolution'. Each crisis since the 1970s has looked different, arising from specific historical circumstances. However, taken together, they seem to share some consistent underlying features, to be connected in their general thrust and direction of travel. Paradoxically, opposed political regimes all contributed in different ways to expanding this project.

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What, then, *is* 'the neo-liberal conjuncture'? The term 'neo-liberalism' is not a satisfactory one. Its reference to the shaping influence of capitalism on modern life sounds anachronistic to contemporary ears. Intellectual critics say the term lumps together too many things to merit a single identity; it is reductive, sacrificing attention to internal complexities and geo-historical specificity. I sympathize with this critique. However, I think there are enough common features to warrant giving it a *provisional* conceptual identity, provided this is understood as a first approximation. Even Marx argued that analysis yields understanding at different levels of abstraction and critical thought often begins with a 'chaotic' abstraction; though we then need to add 'further determinations' in order to 'reproduce the concrete in thought'. I would also argue that naming neo-liberalism is *politically* necessary to give the resistance to its onward march content, focus and a cutting edge.

Pragmatism may account in part for this scepticism: English intellectuals often cannot see the practical efficacy of long-term theoretical ideas. A discussion on, say, the principles behind capital punishment quickly degenerates into a debate on whether hanging, drawing or quartering best achieves the purpose. I recall that many refused to apply the term 'project' to Thatcherism and New Labour, though it was crystal clear that neither had sleep-walked into it, driven by purely pragmatic imperatives. But in English common sense, pragmatism often rules.

What, then, are the leading ideas of the neo-liberal model? We can only pull at one thread of the neo-liberal complex here. However, anachronistic it may seem, neo-liberalism is grounded in the idea of the 'free, possessive individual'. It sees the state as tyrannical and oppressive. The state must never govern society, dictate to free individuals how to dispose of their property, regulate a free-market economy or interfere with the God-given right to make profits and amass personal wealth. Mrs Thatcher summed it up as usual with brilliant succinctness: 'Let me give you my vision: a man's right to work as he will, to spend what he earns, to own property, to have the State as servant not as master: these are the British inheritance. They are the essence of a free country and on that freedom all our other freedoms depend.' (Thatcher 1975)

The state – and the welfare state in particular – is the arch enemy of freedom. State-led 'social engineering' must never prevail over corporate and private interests. It must not intervene in the 'natural' mechanisms of the free market or take as its objective the amelioration of capitalism's propensity to create inequality. Harvey's book, *A Short History of Neo-liberalism* (2007), offers a useful guide. As Theodore, Peck and Brenner summarize, 'Open, competitive and unregulated markets, liberated from state intervention and the actions of social collectivities, represent the optimal mechanism to socio-economic development . . . This is the response of a revived capitalism to the crisis of Keynesian welfarism' in the 70s' (2011, p. 15). Capitalism's other response, incidentally, was to evade state intervention by 'going global'.

Mistakenly, neo-liberalism says, the welfare state (propelled by the commitment to egalitarianism, working-class reaction to the Depression and the popular mobilization of the Second World War), saw its task as intervening in the economy, redistributing wealth, universalizing life-chances, attacking unemployment, protecting the socially vulnerable, ameliorating the condition of oppressed or marginalized groups and addressing social injustice. It tried to break the 'natural' [sic] link between social needs and the individual's capacity to pay. But its do-gooding, utopian sentimentality enervated the nation's moral fibre, eroded personal responsibility and undermined the over-riding duty of the poor to work. It imposed social purposes on an economy rooted in individual greed and self-interest. But this represented an attack on the fundamental mechanisms of competitive capitalism. State intervention must never compromise on the right of private capital to 'grow the business', improve share value, pay dividends and reward its agents with enormous salaries, benefits and bonuses. The function of the liberal state should be limited to safeguarding the conditions in which profitable competition can be pursued without engendering Hobbes' 'war of all against all.'

The Keynesian welfare state tried to set 'the common good' above profitability. However, Mrs Thatcher, well instructed by Sir Keith Joseph, grasped intuitively Hayek's (1972/1944) argument that the 'common good' either did not exist or was too contradictory to be calculated. 'There is no such thing as society', she insisted. 'There is only the individual and his [sic] family'. She also grasped the arch-monetarist, Milton Friedman's lesson that 'only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are around ... our basic function [is therefore] to develop alternatives to existing policies ... until the politically impossible becomes politically inevitable' (John Harris, *Guardian*, 27 February 2011). As the free-market think-tank, the Institute of Economic Affairs, observed, at the time, 'the market is an idea whose time has come'. This could well be a Coalition vision-statement.

The welfare state made deep inroads into private capital's territory. To roll back that post-war 'settlement' and restore the prerogatives of capital has been the ambition of its opponents ever since Churchill dreamt in the 1950s of starting 'a bonfire of controls'. The crisis of the late 1960s–1970s was neo-liberalism's opportunity and the Thatcher and Reagan regimes grabbed it with both hands.Neo-liberalism is also critical to contemporary geo-politics. Structural adjustment programmes forced the developing world to set market forces free, open their economies to free-trade and foreign investment, while promoting the 'liberal' virtues of elections, multi-party politics, the rule of law and 'good governance'. This constitutes the 'liberal-democracy' which Francis Fukuyama said marked the end of ideology and the fulfilment of the struggle for the good life. Western super-powers have consistently intervened globally to defend it in recent decades.

Neo-liberalism has many variants. It is not a single system. And by no means all capitalisms are neo-liberal. There are critical differences between American and British variants. European social market versions differ significantly from the Anglo-American market-forces one. The competitive 'tiger' economies of South East Asia rely on substantial state involvement, without which they could not have achieved their high growth rates or survived the Asian crisis. The same is true of those Latin American countries where economic growth is evident. The former Soviet Union became the test-bed for a particularly virulent version – the privatization of public assets, generating a predatory oligarchic class and a kleptomanic model which hollowed out the state. Chicago Monetarists first put Latin America through the neo-liberal wringer before the more recent moves towards more radical social alternatives. China's 'state-capitalism' version combines a one-party, repressive, *dirigiste* state with strategic, highly sophisticated interventions in un-reregulated world markets and currency manipulation. Neo-liberalism is, therefore, not one thing. It combines with other models, modifying them. It borrows, evolves and diversifies. It is constantly 'in process'. We are talking here, then, about a long-term tendency and not about a teleological destination. Nevertheless, geo-politically, neo-liberal ideas, policies and strategies are incrementally gaining ground globally, re-defining the political, social and economic models and the governing strategies, and setting the pace.

In the UK, neo-liberalism's principal target has been the reformist social-democratic Keynesian Welfare State. This radically compromised formation depended on dynamic capitalist growth to create the wealth to redistribute. However, its full-employment objectives, welfare-support systems, National Health Service, free comprehensive and higher education systems transformed the lives of millions. The state took over some key services (water, bus transport and the railways) but was less successful in nationalizing productive industry (cars, energy and mining). These ideas were developed in the labour and socialist movements, the radical agitations and cooperative societies of the nineteenth century, which were a response to the profound inequalities of the lives of working people.

But where do neo-liberal ideas come from? Historically, they are rooted in the principles of 'classic' liberal economic and political theory. We can only indicate this here in a summary, headline terms. Critical to their development were the enclosures of common land, the agrarian revolution, the expansion of markets (in land, labour, agriculture and commodities) and the rise of the first commercial-consumer society in the eighteenth century. These developments arose on the back of British successes in war, naval supremacy over continental rivals, the expansion of trade, especially with the East, the conquest of India and the high point in the colonial slave plantation economies, producing – often in conditions of un-free labour, violence and systematic degradation – commodities and profits for the metropolitan market: 'jewels in the crown', as

the French called Saint-Domingue (Haiti) just before the Haitian Revolution of 1791.

Economically, neo-liberalism's foundations lay in the rights of free men – 'masters of all they survey and captains of their souls' – to dispose of their property as they saw fit, to 'barter and truck', as Adam Smith put it, to make a profit and accumulate wealth, consulting only their own interests. Smith's *The Wealth of Nations* brilliantly 'codified' this economic model (using as an example no industrial enterprise larger than a pin factory!).

Marx once described this moment in the accumulation circuits of capital as 'the very Eden of the innate rights of man', the source of the lexicon of bourgeois ideas: freedom, equality, property and 'Bentham' (i.e. possessive individualism and self-interest). 'Freedom because both buyer and seller of a commodity ... are constrained only by their own free-will. They contract as free agents ... Equality because each enters into the relation with the other as with a simple owner of commodities and they exchange equivalent for equivalent. Property because each disposes of what is his own. And Bentham because each looks only to himself. The only force that brings them together and puts them in relation with each other is the selfishness, the gain and the private interests of each' (Capital, 1, p. 112).

Political liberalism has its roots in the struggles of the rising classes associated with these developments to challenge, break and displace the tyranny of monarchical, aristocratic and landed power. Englishmen, they affirmed, were born free: England was the true home of Liberty. This required the consent of free, propertied men to a limited form of state, claims for a leading position in society and wider political representation. Key moments here were the English Civil War, the execution of Charles 1, the 'historic compromise' of a 'limited monarchy' in the 'Glorious Revolution' of 1688; the successes of the rising mercantile classes in the market, commerce and trade; the loss of the American colonies but in consolation a Lockean-inspired Constitution for an American Republic of free propertied men. Then in 1789, the violence and excessive egalitarianism of the French Revolution, the successes of the Napoleonic Wars and the conservative reaction to civil unrest.

Industrialization and the rise of manufacture followed in the nineteenth century: the 'disciplines' of waged labour, the factory system, the triumph of free trade, urbanization and the industrial slum, as Britain became 'the workshop of the world'. Hobsbawm calls this triumph of the bourgeois classes, bourgeois ideas, modes of organization, thought and value, 'The Age of Capital'. But radical currents which had awkwardly nestled beneath the commodious canopy of Liberalism, began to chart another path: the Jacobin clubs, radicalism, Peterloo, Chartism, the struggles over the franchise, cooperative and utopian communities, the early trade unions and friendly societies. This contradiction forced forward the 'age of reform' – struggles to extend the franchise, impose limits on working hours, child and female labour, Catholic Emancipation, the abolition of slavery, repeal of the Combination

Acts and of the Corn Laws; but also the gradual dis-engagement from Liberalism of an independent working-class interest.

Later, in a development critical for contemporary forms of neo-liberalism, family businesses became consolidated into joint-stock companies – the basis of a corporate capitalist economy – which dominated domestic and imperial economic expansion. This underpinned Britain as centre of the largest, most far-flung empire of modern times and facilitated the triumph of a liberal imperial class – 'the lords of creation' – and their 'civilizing' mission.

These developments over two centuries form the core of classical liberal political and economic thought on which neo-liberalism now dreams again. But here also begin the antinomies and ambiguities of liberalism. Political ideas of 'liberty' became harnessed to economic ideas of the free market: one of liberalism's fault-lines which re-emerges within neo-liberalism. As Edmund Burke ironically observed, 'It would be odd to see the Guinea captain [of a slave ship] attempting at the same instant to publish his proclamation of Liberty and to advertise its sale of slaves'. But this is precisely the 'splitting' Liberalism practised: progress, but simultaneously the need to contain any 'threat from below'; tolerance, reform, moderation and representative government for the English race, colonial governmentality, discipline, violence and authority for recalcitrant 'other' native peoples abroad; emancipation *and* subjugation. Those who could only be 'free' in London would still be slaves in the West Indies; liberty now for some, an unending apprenticeship to freedom for others. We find the same rupturing effects at work between the universalist language of 'mankind' and mastery versus the 'separate spheres'-driven particularity of the discourse on women. In these different ways, liberalism became a 'world mission' harbouring an un-transcended gulf between us and 'the others', the civilized and the barbarians. We find this repeated today in the 'soft' face of compassionate conservatism and Cameron's 'Big Society': here, the hard edge of cuts, work-fare and the gospel of self-reliance there.

Classic liberal ideas began to decline in the late nineteenth century. Dangerfield cited the Suffragettes, the Trade Unions, reform of the House of Lords (an old aristocratic bastion) and Ireland as key triggers of the 'Strange Death of Liberal England'. In an increasingly plutocratic society, there was a growing coalescence between land and capital: industrialists seeking respectability in their new country piles, the old aristocratic and landed classes pleased to travel to the City to invest, as the rate of profit from imperial trade soared. The new plutocratic classes took the world market as their oyster: an earlier, imperial form of 'globalization'. But the sharpening competition with other states and the 'scramble' for imperial power led Lenin to call imperialism 'the highest stage of capitalism'.

Facing competition, especially from Prussia and Japan, what came to be called The New Liberalism embraced state intervention and 'the community' (a convenient half-way stop to class). The social insurance reforms of the Liberal government of 1906–1911 (led by those two reprobates of the English

political system, Lloyd-George and Churchill) laid down a template for the welfare state: intervention against unemployment, social insurance for the less well-off and the struggle against poverty associated with Keynes and Beveridge. This is a history Mr Clegg and the Lib-Dems – grumpily clinging for all they are worth to the tail-coats of their more powerful conservative allies – have conveniently forgotten or never understood.

The 1880s to the 1920s were a critical watershed: the rise of capitalist 'mass society' – mass production, 'Fordism', mass consumer markets, the market way of incorporating the masses into a subaltern position in the system, mass political parties and industrial unions, the mass media, mass culture, mass leisure, mass sport and entertainment, mass advertising, new methods of marketing, testing and supplying the 'needs' of the masses and shaping demand – embryo forms of today's focus groups, life-style market segmentation, branding, personal relations consultancies, consumer services and the rest. The 'managerial revolution' – a coalition of interests between share-holders and capital's senior managers – created, not bourgeois entrepreneurs, but the investor and executive classes of giant multi-national capitalist enterprises which spanned the globe.

Neo-liberalism, then, evolves. It borrows and appropriates extensively from classic liberal ideas; but each is given a further 'market' inflexion and conceptual revamp. Classic liberal principles have been radically transformed to make them applicable to a modern, global, post-industrial capitalism. In translating these ideas to different discursive forms and a different historical moment, neo-liberalism performs a massive work of trans-coding while remaining in sight of the lexicon on which it draws. It can do its dis-articulating and re-articulating work because these ideas have long been inscribed in social practices and institutions and sedimented into the 'habitus' of everyday life, common sense and popular consciousness – 'traces without an inventory'. However, it is a dangerous error to assume that, because both neo-liberalism and conservatism derive from and politically represent the dominant power-system, they are the same. Both have deep roots in British history and mentalities. But they are two quite different ideological repertoires.

Of course, trans-coding between discourses can also be an opportunity for mystification. Tory MP, Jesse Norman, in *The Big Society,* quotes John Donne's wonderful affirmation of human inter-dependence: 'No man is an Island' ... 'Any man's death diminishes me because I am involved in mankind'. Norman then quotes DeTocqueville, as if he and Donne were saying the same thing: 'The more [the state] stands in the place of associations, the more will individuals, losing the notion of combining together, require its assistance'. This is a mischievous but typical conflation, which the editorial addition of the '[the state]' has surreptitiously helped on its way.

How then has neo-liberalism been nurtured, honed and developed across the post-war conjunctures? As we said, the Keynesian welfare state introduced in 1945 depended for its redistributive possibilities on the productive dynamic

of private capital. There was a rare interlude – the 'Butler' moment – of near-consensus on its basic shape. But as the post-war economy revived, and the US replaced the UK as the 'paradigm instance', the internal tensions came increasingly to the surface. Changes in the division of labour and the class structure together with the spread of affluence provoked a crisis of confidence on the left. 'In short, the changing character of labour, full employment, new housing, the new way of life based on the telly, the fridge, the car and the glossy magazines – all have their effect on our political strength', Hugh Gaitskell, leader of the Labour Party, anxiously observed.

In the 1960s, rock music, the new youth culture, the decline of deference, the liberating effect for women of the contraceptive pill, the counter-culture and mind-expanding drugs were straws in the wind of trouble to come: 'resistance through rituals'. '1968' unleashed an avalanche of protest, dissent and disaffiliation: student occupations, participatory democracy, community politics, second-wave feminism, 'turn on, tune in and drop out', an ambivalent libertarianism; but also the iconic image of 'Che' Guevara, Vietnam, the IRA, industrial unrest, Malcolm X, black power, the red brigades . . . In the mid-1970s, as inflation soared, the IMF – useful for imposing structural adjustment programmes on Third World states – imposed one on Britain. In the dim light of the three-day week Mr Heath declared the country ungovernable. The post-war 'settlement' had collapsed.

In 1979, Thatcherism seized power and launched its assault on society and the Keynesian state. But simultaneously it began a fundamental reconstruction of the whole socio-economic architecture, beginning with the first privatizations. (One-nation Tory, Harold Macmillan, called it 'selling off the family silver'!) Thatcherism thoroughly confused the left. Was the unexpected victory of 'the Iron Lady' a harbinger of things to come? Could it be, not just another swing of the electoral pendulum, but the start of a far-reaching reconstruction of society along radically new, neo-liberal lines?

Still, the old had to be destroyed before the new could take its place, and its agent was in office. Mrs Thatcher conspired with a ruthless war against the Cabinet 'wets' (*Guardian*, 19 February 2011). The infamous Howe budget provoked 'stagflation'. She plotted to break trade union power – 'the enemy within'. She impelled people towards new, individualized, competitive solutions: 'get on your bike', become self-employed or a share-holder, buy your council house, invest in the property owning democracy. She coined a homespun equivalent for the key neo-liberal ideas behind the sea-change she was imposing on society: value for money, managing your own budget, fiscal restraint, the money supply and the virtues of competition. There was anger, protest, resistance – but also a surge of populist support for the ruthless exercise of strong leadership.

Socially, Thatcherism mobilized widespread but unfocussed anxiety about social change, engineering populist calls from 'below' to the state 'above' to save the country by imposing social order. This slide towards a 'law and order'

society (see Hall 1978) was a key stage in the contradictory advance towards what has been called 'authoritarian populism'.

One counter-intuitive feature was that, in the dark days of electoral unpopularity, Mrs Thatcher brilliantly summoned to the rescue, not market rationality but an archaic British nationalism. The Falklands War allowed Thatcherism to play when required from two, different ideological repertoires, with resonances in apparently opposing reservoirs of public sentiment: marching towards the future clad in the armour of the past. 'The market' was a modern, rational, efficient, practically oriented discourse and inscribed in the everyday. Nationalist discourse, with its imperialist undertow (what Paul Gilroy calls its 'melancholia', the unrequited mourning for a lost object) was haunted by the fantasy of a late return to the flag, family values, national character, imperial glory and the spirit of Palmerstonian gunboat diplomacy.

Was Thatcherism contradictory? But ideology is always contradictory. There is no single, integrated 'ruling ideology' – a mistake we repeat again now in failing to distinguish between conservative and neo-liberal repertoires. This is particularly damaging, since it fatally obscures the deep antinomies, the ambivalences of and fault-lines in that most capacious of political traditions and 'structures of feeling' – Liberalism': its progressive and regressive characteristics, its interweaving of and oscillations between contradictory strands (e.g. social conservatism and free market economics) or, in the colonial sphere particularly, the double faces of 'liberal governmentality'.

Ideology works best by suturing together contradictory lines of argument and emotional investments – finding what Laclau called 'systems of equivalence' between them. Contradiction is its *metier*. Andrew Gamble characterized Thatcherism as combining 'free market'/'strong state'. Many believed this unstable mixture would be Thatcherism's undoing. But, though not logical, it is discursively effective. Few strategies are so successful at winning consent as those which root themselves in the contradictory elements of common-sense, popular life and consciousness. Even today, the market/free enterprise/private property discourse persists cheek by jowl with older conservative attachments to nation, racial homogeneity, Empire and tradition. 'Market forces' is good for restoring the power of capital and destroying the re-distributivist illusion. But in moments of difficulty, one can trust 'the Empire' to strike back. 'The people' will turn out to cheer the fleet returning to Plymouth from some South Atlantic speck of land; they will line the streets of Wootton Bassett to honour the returning dead from 'a war without end' in Afghanistan. (How many remembered this was Britain's *fourth* Afghan War?)

Thatcherism was too socially destructive and ideologically extreme to triumph in its 'scorched earth' form. Even Mrs Thatcher's Cabinet fan-club knew it could not last. But it was a 'conviction moment' they will never forget. Once again, they yearn to return to it in some more consolidated, permanent and settled form.

Paradoxically, this was provided by Blair's hybrid, New Labour, which abandoned Labour's historic agenda and set about re-constructing social democracy as 'the best shell' for a New Labour variant of neo-liberalism. Hybrid, because – borrowing the skills of *triangulation* (one idea from each end of the political spectrum to make a 'Third Way') from Clinton's successful second term bid – it re-articulated social reform, free enterprise and the market. This conflation was the real source of New Labour 'spin' – not an irritating habit but a serious political strategy, a 'double shuffle'. New Labour repositioned itself from centre-left to centre-right. Covered by those weasel words, 'reform' and 'modernization', the New Labour 'saints' remorselessly savaged 'Old' Labour. A substantial sector of Labour's 'heart-land' left, never to return. But the 'middle ground' – the pin-head on which all mainstream parties now compete to dance – became the privileged political destination.

New Labour believed the old route to government was permanently barred. It was converted, Damascus-like, to neo-liberalism and the market. Tony Giddens, a Third Way pioneer, is supposed to have told Blair nothing could resist 'the unstoppable advance of market forces'. Buying-in to the new managerial doctrine of pubic choice theory taught by the US Business Schools, New Labour finally understood that there was no need to risk the political hassle of privatization. You could simply burrow underneath the distinction between state and market. This meant New Labour adopting market strategies, submitting to competitive disciplines, espousing entrepreneurial values and constructing new entrepreneurial subjects. Out-sourcing, value-for-money, public–private partnerships and contract-contestability criteria opened one door after another through which private capital could slip into the public sector and hollow it out from within. 'Marketization' became the cutting-edge of New Labour's neo-liberal project.

New Labour embraced 'managerial marketization'. The economy was actively 'liberalised' (with disastrous consequence for the coming crisis); society boxed in by legislation, regulation, monitoring, surveillance and the ambiguous 'target' and 'control' cultures. It adopted 'light-touch' regulation. But its 'regulators' lacked teeth, political courage, leverage or an alternative social philosophy and were often playing on both sides of the street. Harnessing social purposes to a free-wheeling private economy proved to be an exercise much like Tawney's 'trying to skin a tiger stripe by stripe'.

There were social problems requiring urgent attention, especially among an unattached and disengaged generation (e.g. alcohol and drug abuse, teenage pregnancy, un-protected sex without thought for a woman's vulnerability, disrespect for the old, an automatic recourse to aggression as a 'solution'). There were problems generated by Blair's commitment to 'the war on terror', and the moral panic about 'home-grown jihadism'. But most striking was New Labour's turn to social discipline and personal responsibility: its moralistically driven legislative zeal – anti-social behaviour orders (ASBOs), community policing, widening surveillance, private policing and security firms, contracting

out the round-up and expulsion of visa-less migrants, including women and children, imprisonment of terrorist suspects without trial, ultimately complicity with rendition and a 'cover-up' of involvement with torture. Despite the 'liberalism', punitive conceptions of punishment took hold: longer sentences, tougher prison regimes, harsher youth-offender disciplines. A new kind of 'liberal 'authoritarianism' turned out to be one of the jokers in New Labour's neo-liberal pack. Michael Howard said, 'Prison works', implying that those who thought it did not were 'bleeding heart liberals'. Blair, who in any case was not, espoused 'tough love'. (Later David Cameron invented 'muscular liberalism'!) This is certainly not the first time these contradictory, Janus-faces of Liberalism have vied to occupy the same square-inch of ideological territory.

Certainly, New Labour initiated very important social reforms, including the minimum wage, shorter waiting times for medical treatment, better health targets, attempting to reduce child poverty, doubling student numbers and edging – tentatively and reluctantly – towards equal pay and human rights legislation. But triangulation was its life-blood, its leading tendency. Labour authoritarianism became more pronounced. Inhibitions to market freedom must gradually be dismantled: planning, health and safety regulations, union rights to defend living standards, equal pay, redress for anti-discrimination practices, priorities on racism and on sexual harassment, rape and domestic violence – the so-called excrescences of the 'nanny state' – must be restricted. Labour markets must be 'flexible' – more part-time and temporary jobs, less full-time secure ones; lower pension rights, limited collective bargaining and the segmentation of salaries and wages.

In order for neo-liberal strategies to hegemonize New Labour's agenda, it became ingeniously 'creative': like the brilliant idea of getting the private sector to fund New Labour's flagship public-sector achievements via the Public Finance Initiative, which left future generations in hock for 30 years to re-pay the debt at exorbitant interest rates. 'Public–private partnership' became a required condition of all public contracts. Competitive tendering opened up the state to capital. Private contractors were better placed to become more competitive by cutting costs and shedding staff, even at the expense of service quality. The rising archipelago of private companies providing public services for profit was spectacular. Consultants floated in and out to 'educate' the public sphere in the ways of corporate business. Senior public servants joined the Boards of their private suppliers through 'the revolving door'. Emptied out from inside, the ethos of public service underwent an irreversible 'culture change'. The habits and assumptions of the private sector became embedded in the state.

Neo-liberal discourse promoted two popular discursive figures – the 'taxpayer' (hard-working man, over-taxed to fund the welfare 'scrounger' and the 'shifters' who lived on benefits as a 'lifestyle' choice); and the 'customer' (fortunate housewife, 'free' to exercise her limited choice in the market-place,

for whom the 'choice agenda' and personalized delivery were specifically designed). No one ever thinks either could also be an honest citizen who needed or relied on public services.

The prevailing market discourse is, of course, a matter of ideological representation. Actual markets do not work that way. They do not work mysteriously by themselves or 'clear' at their optimum point. Only by bracketing out of the calculation the yawning differences between the relative wealth which buyer and seller bring into the exchange can they be called 'fair'. No 'hidden hand' guarantees the common good. They require the external power of state and law to establish and regulate them. But the discourse provides its subjects with a 'lived' 'imaginary relation' to their real conditions of existence. This does not mean that markets are simply manufactured fictions. Indeed, they are only too real! They are 'false' because they offer partial explanations as an account of whole processes. But it is also worth remembering that 'those things which we believe to be true are 'real' in their consequences'.

Globally, New Labour agreed that developing countries must be exposed to the bracing winds of free trade and foreign investment. The main purpose of global governance was to protect markets and investments and maintain the conditions for the successful pursuit of global capitalist enterprise. This required a major commitment to a new geopolitical order, swelling military expenditure – 'hard power' – and the construction of a ring of bases, client states and dictators (many of whom routinely used repression, violence, imprisonment and torture); and, if necessary, direct military intervention – in humanitarian disguise. On the 'soft' side, it involved the promotion of 'the American dream' and way of life as a universal global commodity.

Were Thatcher and Blair, who pioneered these transformations, 'world-changing' historical figures? Each seemed, emblematically, to embody the historical moment they brought about. Both were impeccably middle-class: but Mrs Thatcher seemed grounded in 'provincial' Gantham, not part of the London/Westminster metropolitan scene, though her manner, style and voice, became 'grander' as she went on. Her commitment to *respectability* was deeply, irrevocably 'English'. The more raffish, 'modern', acquisitive, money-obsessed, power-oriented Blair also went on about 'British values', but was never 'respectable' in this comforting sense – and became less so as his ambitions broadened. Blair looked forward to 'UK plc': Mrs Thatcher looked back to 'Victorian values' and an imperial past. The self-description 'progressive' would never have passed her lips.

What they shared was conviction, self-belief. Was religion involved here? Mrs Thatcher seemed comfortably Church of England but she was not pious. Alastair Campbell, Blair's New Labour spin-doctor, put it about that 'we don't do God'. But, as it turned out, the wilier Blair *did*. However, the question was moral, not religious. Everything they did and said was infused with a strong moral sense: not doing 'the right thing', according to some inner moral

compass, was unthinkable. 'The lady's not for turning', her scriptwriters insisted she say. Blair advised Miliband not to resile one inch from New Labour's 'reform agenda'. Both believed History would vindicate tough but courageous decisions.

The Blair experiment ended unexpectedly – the result of long subservience to US foreign policy goals. The 'special relationship' had guaranteed the UK a role as geo-political junior partner and a place in the global sun. Now they stood 'shoulder to shoulder' against the rise of Islamic fundamentalism. George Bush, whom for some unaccountable reason Blair trusted, supported by the neo-conservative lobby – Chaney, Perle, Rumsfeld and the rest – seduced Blair into armed intervention and regime change in Iraq. Blair's moralism was compromised by the specious logic, the dissembling, the secret agreements, the sexed-up documents and flawed intelligence. His reputation has never recovered.

Gordon Brown, who followed, did not fundamentally alter New Labour's neo-liberal inclinations. He was never a paid-up 'Third Way' proselytizer. His manse background, high moral seriousness and early Labour formation stood in the way. The positive side of New Labour's 'double shuffle' became identified with him: public investment, limiting third-world debt and attacking child poverty. But limited 'redistribution by stealth' failed to build a political constituency or a principled defence of the welfare state.

Besides, Brown admired the dynamism of American free-enterprise capitalism. He fell for the profoundly mistaken belief that Labour had somehow ended the cycle of 'boom and bust'. He did not heed the signs that the boom could not last forever – the uncontrollable property market, the swelling private and public debt, the derivatives, the dubious risk-taking devices invented by ambitious young traders in red braces, the unregulated predations of the hedge-fund and private equity sectors, the scandal of banks selling sub-prime mortgages worth more than many borrowers' total annual income, the enhancement of share values, the astronomic executive salaries and bonuses, banking's shift to risk-taking investment activities, the public bail-out because they were 'too big to fail' and the speed at which they off-loaded toxic debt when the crisis struck. These were all signs which a sophisticated economic technician like Brown should not have missed. In the crisis Brown's international leadership was impressive. But it was all too late. Neo-liberal hubris had done its damage. He also lacked the political charisma Blair had in spades, could not take decisive decisions or express ideas in an appropriate brand of ordinary language. He lectured audiences like a clever academic, overwhelming them with figures, when what was required was the broad picture. By the election (which he should have called a year before), it was clear Labour would lose. It did.

The Conservative–Liberal Democratic coalition which replaced it was fully in line with the dominant political logic of re-alignment. Britain is new to the game of Coalition musical-chairs. In the spirit of the times, Cameron, with

Blair as his role-model, signalled his determination to re-position the Tories as a 'compassionate conservative party', though this has turned out to be a something of a waiting game.

However, many underestimated how deeply being out of office and power had divided the Lib-Dem soul. Coalition set the neo-liberal-inclined *Orange Book* supporters, who favoured an alliance with the Conservatives, against the 'progressives', including former social democrats, who leaned towards Labour. Some were charmed by the Lib-Dem leader and now deputy PM, Nick Clegg's, smooth performances in the election TV hustings. Others wondered whether this stemmed from a lack of substance. Almost everyone misjudged the self-deception, hypocrisy and lack of principle of which the Lib-Dem leadership was capable. A deal – its detail now forgotten – was stitched up. Cameron and Clegg 'kissed hands' in the No. 10 rose garden (the former looking like the cat that swallowed the cream). The Lib-Dems provided the Cameron leadership with a 'fig leaf'', and the banking crisis with the 'alibi' it needed. It grasped the opportunity to launch the most radical, far-reaching (and irreversible?) social revolution since the war.

Coalition policy often seems incompetent, with failures to think things through or join things up. But from another angle, it was arguably the best prepared, most wide-ranging, radical and ambitious of the three regimes which, since the 1970s, have been maturing the neoliberal project. Compared with this, Labour's preparation for office, had fortune smiled on them, looked culpably amateur. The Right was best prepared because the Conservatives devoted themselves to preparing for office – not in policy detail but in terms of how policy could be used in power to legislate into effect a new political 'settlement'. They convinced themselves that an austerity budget, a reckless assault on the budget deficit and deep, fast cuts would have to be made to satisfy the bond markets and international assessors. But could the crisis also be used, as Friedman had suggested, to 'produce real change'?

The Coalition's legislative avalanche began immediately and has not let up. It always begins negatively ('clearing up the mess the previous government left us'), but ends by positively embracing radical structural reform as the solution. Ideology is in the driving seat, though vigorously denied. Front-bench ideologues – Osborne, Lansley, Gove, Maude, Duncan Smith, Pickles, Hunt – are saturated in neo-liberal ideas and determined to give them legislative effect, though they began as evangelical converts. As *One Flew Over the Cuckoo's Nest* put it, 'The crazies are in charge of the asylum'. They are single-minded about the irreversible transformation of society, ruthless about the means and in denial about the 'fall-out'. The Chancellor, George Osborne – smirking, clever, cynical, 'the smiler with the knife' – wields the chopper with zeal. Cameron – relaxed, plausible, complacent, well-toned and self-satisfied, with that easy, Eton/Oxford educated, upper-middle class, confident condescension 'fronts' the Coalition TV show – what the playwright, Alan Bennett once called 'an smooth man'. He is the Coalition's marketing

manager, batting for it when its share price begins to fall. This crew long ago accepted Schumpeter's adage that there is no alternative to 'creative destruction'. They have given themselves, by legislative manoeuvring, an uninterrupted five years to accomplish this task.

The wide-ranging character of the Coalition's neo-liberal programme must be judged in terms of the operational breadth of the institutions and practices they aim to 'reform', their brazenness in siphoning state-funding to the private sector, their infinite capacity to self-deceive and the number of constituencies they are prepared to confront. 'Reform' and 'choice' – the words already high-jacked by New Labour – are the basis of its master narrative. They may be Conservatives but this is *not,* at heart, a 'conserving' regime, though increasingly beset by its reactionary Tory backwoodsmen and women. It is a bemused Labour which is toying with the 'Blue-Labour' conservative alternative now. Tories and Lib-Dems monotonously repeat the dissembling mantras of their press and public relations people. But the neo-liberal engine is at full throttle.

We cannot deal with the cuts in any detail here. They have only just started, there is much more to come and their effects will be cumulative. We must limit ourselves to tracking the neo-liberal logic behind the strategy.

First, targeted constituencies: anyone associated with, relying or dependent on the state and public services. For the rich, the recession never happened. Those in the public sector, however, will suffer massive redundancies, a wage freeze, pay running well behind inflation, pensions which will not survive in their present form, rising retirement ages. Support for the less well-off and the vulnerable will be whittled away, so-called 'welfare dependency' broken. Benefits will be capped; the old must sell homes to pay for care; working parents must buy child care, and invalidity benefit recipients find work. Sure Start, the schools refurbishment programme, and independent maintenance grants (which encourage youngsters to stay on in the sixth form and try for college) are on hold. Many students will go into life-long debt to get a degree or raise a mortgage to get on the housing ladder. You cannot make £20 billion savings in the NHS without affecting front-line, clinical and nursing services. Mr Lansley, however, 'does not recognize that figure'. Everybody knew most universities would charge the maximum £9,000 tuition fees. David 'Two-Brain' Willetts does not recognize that figure either. Brazenly asserting, against the evidence, that what they believe to be true is the case whatever the evidence and brazenly asserting that square pegs fit into round holes have become front-bench specialities.

Women, black people and the underclass stand where many of these savage lines intersect. As Bea Campbell reminds us, cutting the state means minimizing the arena in which women can find a voice, allies, social as well as material support – sites in which they and their concerns can be recognized. It means reducing the resources society collectively allocates to children, to making children a shared responsibility, to the aged and the vulnerable, and to

the general 'labour' of care and love. It has relentlessly polarized the black community who are most dependent on state funding and employment.

Second, there is Privatization – returning public and state services to private capital, re-drawing the social architecture. Mr Cameron intends to enshrine in law a new presupposition that 'public services should be open to a range of [willing] providers competing to provide better services'. This is designed 'to stop the dead hand of the state getting in the way'. 'The grip of state control will be released from the enemies of enterprise'. He sets out the steps in their stark simplicity: outsource public services to private providers, charities and mutuals; expand choice to drive competition; personalized budgets for services; localism – more power to neighbourhood councils to run things (*Guardian*, 12 July 2011).

Coalition privatization comes in three sizes: (1) straight sell-off of public assets; (2) contracting out to private companies for profit; (3) two-step privatization 'by stealth', where it is represented as an unintended consequence. For example, (1) in criminal justice, contracts for running prisons are being auctioned off. In true neo-liberal fashion, Ken Clarke says he cannot see any difference in principle whether prisons are publicly or privately owned. (2) The private sector is already a massive, profit-making presence in health and care, having cherry-picked for profit medical services and housing for the aged, which hospitals and local authorities can no longer afford to provide. Private equity companies blatantly bought up private care homes on a lease-back basis, got rid of them at an enormous profit, leaving their new owners – private providers like Southern Cross – unable to pay their rent bills and with no other alternative but to shut homes and ask their inmates to find other accommodation. This is double-dip privatization.

(3) In the most far-reaching, top-down, NHS reorganization, GPs, grouped into private consortia (part of whose profits they retain), will take charge of the £60 billion health budget. Since few GPs know how or have time to run complex budgets, they will 'naturally' turn for help to the private health companies, circling the NHS like sharks waiting to feed. Primary Care Trusts, which represented a public interest in the funding process, will be scrapped. In the general spirit of 'competition', hospitals must remove the 'cap' on the number of private patients they treat. Competition, sometimes conveniently re-named as 'collaboration between different providers', must prevail.

Third, the lure of 'localism'. In line with David Cameron's Big Society, 'free schools' (funded from the public purse – Gove's revenge) will 'empower' parents and devolve power to 'the people'. But parents, beset by pressing domestic and 'care' responsibilities, who do not have the time or experience to run schools, assess good teaching, define balanced curricula, and who may not remember much science or the new maths, never had the opportunity to speak a foreign language, were taught history in a boring way and haven't had a moment to read a novel since GCSE, will have to turn to the

private education consultancies to manage schools and define the school's 'vision'. Could the two-step logic of 'unintended consequences' be clearer?

Fourth, phoney populism: pitching 'communities' against local democracy. Mr Pickles, the Local Government secretary, intends to wean councils permanently off the central grant system. Meanwhile, social housing is at a standstill as the desperate need grows, housing benefits will be cut and council rents allowed to rise to commercial levels in urban centres. Many will be forced to move to cheaper rentals, losing networks of friends, child support, family, school-friends and school places. Parents must find alternative employment locally – if there is any – or allow extra travelling time. Job seekers allowances will be capped. As the private housing lobby spokesperson said, 'we are looking forward to a bonanza'. Since Mrs Thatcher's early days, we have not seen such a ferocious onslaught on the fabric of civil society, relationships and social life.

Fifth, cutting state involvement in quality of life activities down to size. Amenities like libraries, parks, swimming baths, sports facilities, youth clubs, community centres will either be privatized or disappear. Either the private sector will cherry-pick the profitable ones, or unpaid volunteers will 'step up to the plate', or doors will close. In truth, the aim is not – in the jargon of '1968' from which the promiscuous Cameron is not ashamed to borrow – to 'shift power to the people', but to undermine the structures of local democracy. The left, which feels positively about volunteering, community involvement and participation – and who doesn't? – finds itself once again triangulated into uncertainty. The concept of the 'Big Society' is so empty that universities have been obliged to put it at the top of their research agenda on pain of a cut in funding – presumably so that politicians can discover what on earth it means: a sham idea and a shabby, cavalier, duplicitous interference in freedom of thought.

The over-arching theme is the shift of power and wealth back to the already rich and powerful. A demonization of the working class – shifty, feckless, irresponsible, bad (and single) parents, with disorganized lives – Cameron's 'broken society' – is well advanced. In fact, the majority have experienced stagnant or falling incomes, while those at the top have grabbed all the proceeds of the febrile, hot-house, bubble-inflated, debt-sustained economic 'growth' experienced in recent years. 'In an economy which has doubled in size in the last 30 years, ... the bottom fifth of earners have enjoyed real pay rises of only a quarter and those on middle incomes of little more than a half.' (Frances O'Grady, *Guardian* 7 July 2011) The pay of professionals has more than doubled; the pay of unskilled and semi-skilled workers has actually fallen since the 1970s. The proportion on poverty wages has almost doubled. In the 'Big Society', it seems, equality has gone out of fashion.

The question of a neo-liberal culture and thus of consent and the permeation of popular conscious is too important a topic to deal with

adequately here. Neo-liberalism is only one of the operative trends in the culture. It locates itself in a complex cultural field in which several tendencies compete. Still, some distinctive neo-liberal strands can be briefly identified. The thread discussed below is constructed around the ideas and cultural practices of commodification and individualism.

In a culture where neo-liberal ideas represent a widely circulating current, the free, ubiquitous and all-encompassing character of 'wealth' is a dominant theme. This is increasingly money in its naked, materialistic 'Americanised' form – shorn of the old, deferential, aristocratic, upper-class connotations and moral liberal reservations which have accompanied – and inflected – it in the British context. 'Greed is good', Michael Douglas asserted in *Wall Street*. 'We are extremely relaxed about people becoming filthy rich', Peter Mandelson, one of the architects of New Labour's 'Third Way' declared. 'How much does he earn?', 'How big is his bonus?', 'What is she worth?', 'How much does that Gucci handbag/Jimmy Choo shoes cost?' 'Does he own a yacht?' 'Or a football club?' 'How much are they worth?' 'Where can I get my hands on some of it?' These are key questions which dominate the cultural moment. If you cannot afford the real thing, there are massive 'fake' versions available. Working class women 'taken in' by the 'glitz' are sneeringly referred to as 'chavs'.

Marketing and selling metaphors now threaten to swamp public discourse. The market is hypostacized: *it* 'thinks' this, 'does' that, 'feels' the other, 'gets panicky', 'loses confidence', 'believes' ... Every social relation can be bought and sold, has its 'price' and its 'costs'. Everything can become a commodity. Nothing escapes the 'discipline' of the 'bottom line'. Exchange value *is* value. Nobody just 'shops': every one 'competes in the marketplace'. Exercising 'consumer choice' is the next best thing to freedom itself.

A massive productive and financial corporate infrastructure across the world stokes up the hot house incubator of global fashion trends: but to be realized in the market, they have somehow to acquire the aura, and become the signifiers, of 'personalized' choice. Young people seek individuality by wearing variations of the same casual 'uniform'. The care-of-the-self and self-fashioning industries – the punishing rigours of the gym, the skills of self-promotion, the stylistic gendering and 'race-ing' of commodities, cosmetic surgery, personal trainers, life-style advertising, the public relations industry – feed massively off these trends. Even applications for jobs become quasi-fictionalized exercises in self-puffery. Executives and corporate spokespersons embroider with impunity, appearing confidently up-beat 'going forwards', even when the economic situation is dire. CEOs, politicians and media pundits sidestep the questions. No one any longer believes they are telling it like it is. They are telling it like they want us to hear.

There is an exponential rise in the marketing of 'technological desire'. The mobile phone, fast broadband connection and a Facebook entry are now 'necessities of life', even in places where millions do not have them or actually know what they do. News, information, views, opinions and commentaries

have been, as they say, 'democratized' – i.e. flattened out – by the internet, in the illusion that, since internet space is unregulated, the net is 'free'; and one person's view is as good as another's in the marketplace of opinion. We know more about the trivial and banal daily round of life of other people than we do about climate change or sustainability. The most 'sustainable' subject *par excellence* is probably the figure of the self-sufficient urban traveller – mobile, gym-trim, cycling gear, helmet, water bottle and other survival kit at the ready, unencumbered by 'commitments', untethered, roaming free ... The nest of people sheltering outside an office to beat the No-Smoking ban is not a 'group'; they are an aggregate of individuals, facing outwards, each talking to another individual on their mobiles. There is an attenuation of the very idea of 'the social' ...

The launch of each new person-enhancing gadget is a cause of mass celebration in the shops, mainly for what it symbolises rather than what it actually does (functions are often repeated from one gadget to another). As that prophet of doom, Baudrillard, suggested, things must signify as well as work. They are valued most, now, as life-style accessories, for their symbolic value, and their connections with new sorts of pleasure.

In the domain of global popular culture, the iconic status of *the celebrity* has become paramount. The celebrity is a well-known figure best known for being well known. Celebrities 'magically' close the gap between need and desire; between those who have no access to wealth, the fantasy of transformative success and the dream of instant translation to the life-style of the global super-rich. They arouse a passionate expectation that sometime, out of the blue, a celebrity will pluck us out of an envious audience and raise us to the status of the gods. The Fickle Finger of Fate will point at us and utter the magic formula: 'You've just won a million pounds! Come On Down'.

The social commentator, Suzanne Moore, argues that 'We have become more like America, where the chances of someone poor making it despite the American dream have grown smaller'; but the fantasy that this is possible becomes stronger. She quotes Joseph Stiglitz to the effect that in the US. 'the upper 1% of are now taking in nearly a quarter of the nation's income every year. In terms of wealth, the top 1% control 40%.' However, she adds 'That this period coincides with the huge rise of celebrity culture is surely no coincidence. The idea that an ordinary person can become extraordinary and famous, by-passing the normal routes, is a necessary fiction' (*Guardian*, 9 April 2011).

What Neo-liberalism wants to engineer is a permanent revolution. Can society be permanently reconstructed along these lines? Is neo-liberalism hegemonic? There is as yet no overwhelming majority appetite for the neo-liberal project. But as far as disenchantment of people from politics itself and the idea of collective resistance is concerned, a massive de-politicization has done its work: though some might interpret it as 'disaffected consent'.

The project has its cheer-leaders. But scepticism is the prevailing mood, sometimes aided and abetted by good old English masochism – 'We've got to take the pain before things get better'. A somewhat reticent, not confident but instinctive, egalitarianism is still alive and well. Many people ask, 'Why should public-sector workers bail out the bankers who caused the crisis in the first place – and have never had it so good?' 'Shouldn't what the rich and powerful get up to be subject to some ethical standards, some limit of decency?' People may envy Rupert Murdoch and his fantastic wealth and power, but when global capitalism reveals its true face, as his *News International* did in the recent phone-hacking scandal whose corrosive effects stretched right across society, there was undisguised national rejoicing. There is still a good deal of what Gramsci called 'good sense' around – the conviction that, though, as Mr Cameron says, 'We are all in this together', the rich and powerful will do ordinary people over if they get half a chance; and that what corporate spokespersons say in their defence on TV is often misleading, sometimes deliberately evasive double-talk, smoke-and-mirrors 'spin'.

Elsewhere, protests are growing, though they remain fragmented and disconnected. There is, *pace* Labour, nothing and no one to connect them into a social or political movement. Becalmed, Labour seems scared of being tarnished as too left-wing and bereft of political ideas or strategic perspectives. It has failed to identify itself with forces opposing the cuts or to win support for a credible alternative approach. It is suspended between an old 'New Labour' agenda with which it cannot win and the promise of a 'new start' which no one can define. It addresses Coalition policies without conviction or authority. It frequently gets the wrong end of the stick.

Besides, Labour is trapped by its past: New Labour in office set in motion so much of what the Coalition now plans to do more of. The clearest Labour policy position seems to be, 'Yes, we will cut too, only not so much, not so fast, not so soon and not all at once'. This is not a heroic call to action calculated to get the masses enthusiastically lining-up at the polling booths.

Impressively weighty professional voices have been ranged against structural reforms and the speed and scale of cuts in a fragile economy. The think-tanks remorselessly reveal who is benefiting and who is losing out from the cuts, to no avail. There are pauses, rethinks and u-turns. There may be more. If the Lib-Dem 'wheeze' of delivering cuts in government and campaigning against them at the next election fails to persuade, they face the prospect of an electoral wipe-out. The Coalition may fall apart; though at an election the Conservatives might get the majority they failed to muster last time. Or the gamble that the savage cuts to bring down the deficit can turn around a fragile economy, bumping along the bottom, in a global recession, in time for an electoral surge, may not come off. (Mr Osborne, however, thinks Britain will enjoy 'expansionary austerity', whatever that is.)

In longer perspective, the days of continuous 'growth' in the industrialized West may be ending. The environmental crisis may yet do us in. Or, as Larry

Elliott reminds us, since 2010 'real incomes fell ... for the first time since 1982 ... consumer confidence slumped, retailers are sending out profit warnings and the government has been forced to revise up its forecasts for the budget deficit' [*Guardian*, 7 April 2011]. Bank rates remain low. Rising inflation is outside government control because driven by speculation in energy, food and global commodity prices. Investment fell in 2010. The retailing and construction industries fluctuate; the number of companies going into administration is growing; those claiming unemployment benefits, especially amongst young people, is rising (nearly 50% of black youth are unemployed). Incomes would need to go up 6% to compensate for price and VAT rises. Household incomes are falling steeply. This is not an economic prospect to gladden Coalition hearts.

Currently the Euro-zone most clearly resembles an economic 'basket case' and the sovereign debt crisis is worsening. More alarmingly, the capacity of the US's ever-expanding markets and geo-political economic power to come to the rescue is, slowly but unmistakeably, waning. Finally, there are always unexpected developments, like the phone-hacking scandal mentioned earlier, which enveloped Rupert Murdoch's *News Corp* in 2011. Its corrosive effects, operating in the free-for-fall ethos of neoliberal times, compromised the media, the Metropolitan police and the Cameron leadership itself.

Then there is the really unexpected, the bolt from the blue: Neo-liberalism's 'Days Of Rage': what Harold Macmillan once referred to as, 'Events, dear boy, events'. Or as Donald Rumsfeld ruefully observed, 'Stuff happens!'. In August 2011, rioting and looting swept through many London boroughs and spread to other British cities. These events were triggered when the police killed a black man they claimed had shot at them. He was carrying a weapon but forensics later proved it had never been fired. Protesters turned up demanding an explanation but the police – despite decades of 'community relations' training – refused to provide one. Trouble followed. For five days there was extensive damage to property – windows smashed, stores looted, corner shops and local businesses wrecked, buildings trashed, fires burning in the high street – and a few deaths and injuries. For two nights, the police – already anticipating fierce funding cuts – lost control of the streets. Overwhelmingly, those involved were young, black, male and unemployed.

This is a familiar scenario. The 1980–1981 Brixton riots followed the heart attack of a black women when the police pushed their way into her house looking for her son. During a confrontation at Broadwater Farm estate, a no-go estate near Tottenham, a police constable died and a black man, Winston Silcott, was imprisoned for his murder. Silcott was subsequently exonerated and released. Poverty, policing and race: an old story.

However, these riots did not precisely conform. They changed character nightly. First, rioters took revenge on their own neighbourhoods. Thereafter, they came from farther afield, summoned perhaps via the social media and attracted by more opportunistic motives. A significant number of white

youths, male and female, became involved: race and class in an un-melded but explosive over-lap, a 'festival of consumption'. The media were mesmerized by the spectacle of looters returning to the stores for another flat-screen TV, the speed at which mobile phones and other electronic goods flew off the shelves and the boys and girls who paused to try on clothes, fashion items and trainers for size before 'liberating' them. Race segueing into consumerism – a classic neo-liberal descant.

Overwhelmingly participants were young – 66% of defendants in court aged between 11 and 24. Some were children, occasionally accompanied by their mothers. A significant number of white youths, male and female joined in, and even a handful of professionals – a model, a ballerina, a full-time carer. A variety of 'causes' were invoked: poor parenting, disorganized lives, dysfunctional families, often without fathers, lack of discipline in schools, no sense of right and wrong. Stereotypes proliferated. The Prince of Wales, on an after-riot tour, asked one personable black man, 'Are you a rapper?' 'No', he replied, 'I'm a youth worker'.

Mr Cameron, however, is determined to attribute these developments to 'pure criminality' – a moral, not a cuts, race or poverty issue. The remedy is punitive and exemplary justice and the judges have obliged, handing down prison sentences for public order offences 33% longer than normal.

In fact, the addresses of defendants hauled into court provide a perfect match with national poverty and deprivation indices. Several riot 'hot-spots' were in the top 10 list of places where jobs are now hardest to find. Haringey came second. Tottenham is a deprived, inner-city area with many poor, white families and a large black and Asian immigrant population. National unemployment currently stands at 2.49 million, youth unemployment is rising faster and black youth unemployment is at record highs. The *Guardian* reports that in Haringey, there are 29 benefit claimants for every job, 367 vacancies but 10,518 people out of work. Living standards are falling, social services cut, youth clubs and other local facilities closed. The population is heavily dependent on state benefits and public sector employment – exactly the targets in neo-liberal sights. Even those in work are struggling to survive.

The destruction, though clearly an over-flowing of unexpressed and unfocussed rage, bitterly divided the local communities, generationally. Older people, lucky enough to have a stake in the community, said, disbelievingly, 'But this is their neighbourhood – it's where we live!'. Alas, the sense of 'the social' has fractured. Family-ties remain strong but they no longer provide convincing narratives for the present. Lines of belonging and exclusion are no longer so simple or rational.

Since talk about poverty and inequality is virtually taboo, politicians address the young as 'aspirational'. But everything depends on how, and into what 'culture' aspirations are channelled. Black youth, hustling to survive, are relentlessly invited into a consumer-oriented society where 'you *are* what you buy'; bemused by a fantasy of 'free shopping' (it is a 'free market, after all');

taught by experience that 'each should consult only his [sic] own interests, pleasures and desires'; clued up about who is doing well and why (one commentator observed that, of, course, poor people in Hackney know what rich people in neighbouring Islington are up to 'because it is being wiggled at them all the time!'). They learn early life's lesson that what matters is to make as much money as possible – if need be, by whatever means necessary (after all, the bankers, hedge-funders, politicians on expenses and the phone hackers are all at it). They are bitterly angry at being forgotten, left out, permanently on the bottom rung; resentful that society wants to control but will not invest in them; despairing at being unable to imagine a future for themselves; and lacking a politics capable of articulating any of this. They are bewildered by the inability of the 'natives' to imagine what it feels like to be treated – still – as a 'subject race' – a British Minority Ethnic (BME). However, as The Prime Minister in his wisdom said, 'State multi-culturalism [whatever that is] has failed'. The message is clear. The multi-cultural dream is fading. Assimilate or die.

Some of these communities are, after decades of neglect, in serious trouble. Youth are divided between those struggling to make their way in jobs at the lower end of the scale, or even remaking themselves as 'social entrepreneurs'; and a minority who have withdrawn into a virtually a separate black world, where life, pleasure, music, sex and entertainment are found exclusively in the social scenarios of 'the posse'.

These neighbourhoods have been actively criminalized in recent years. The gangs have arrived, fuelled by the drugs trade. A sense of belonging among a minority finds expression in a rigid loyalty to the revenge codes of the gang structure. Children, attracted by the illicit excitement, are recruited as foot soldiers. Readily accessible weapons have facilitated a spate of meaningless teenage deaths, black-on-black violence, drive-by shootings and stabbings. In a few places, the gangs are launched on a form of territorial warfare. Elsewhere, a more generalized, low-level aggression, petty harassment, unchecked hassle and fear-instilling bullying on the street prevails. There is the prospect of exciting 'aggro' in sporadic, unplanned 'trouble', the 'high' of instilling 'respect' into the hearts of fearful and vulnerable citizens, and permanent, running battle with the police, who try to control them through surveillance and Anti-Social Behaviour Orders but still stop and search them at will. Mr Cameron says 'Society is ''broken'''. But – to respond appropriately in Jamaican *patois* – 'Is who bruk' it?'

So, in the light of all this, is neo-liberalism hegemonic? Hegemony is a tricky concept and provokes muddled thinking. No project achieves a position of permanent 'hegemony'. It is a process, not a state of being. No victories are final. Hegemony has constantly to be 'worked on', maintained, renewed and revised. Excluded social forces, whose consent has not been won, whose interests have not been taken into account, form the basis of counter-movements, resistance, alternative strategies and visions . . . and the struggle

over a hegemonic system starts anew. They constitute what Raymond Williams called 'the emergent' – and the reason why history is never closed but maintains an open horizon towards the future.

Neo-liberalism is in crisis. But it keeps driving on. However, in ambition, depth, degree of break with the past, variety of sites being colonized, impact on common sense and everyday behaviour, restructuring of the social architecture, neo-liberalism does constitute a *hegemonic project*. Today, popular thinking and the systems of calculation in daily life offer very little friction to the passage of its ideas. Delivery may be more difficult: new and old contradictions still haunt the edifice, in the very process of its re-construction. Still, in terms of staging the future on favourable terrain, the neo-liberal project is several stages further on. To traduce a phrase of Marx's: 'well grubbed, old mole'. Alas!

Notes on contributor

Stuart Hall is one of the founding figures in British cultural studies. He was the founding editor of *New Left Review*, and director of the Centre for Contemporary Cultural Studies at University of Birmingham from 1968–1979, when he then became Professor of Sociology at the Open University. Additionally, he has held positions at Goldsmiths College and Queen Mary College, both of London University. He has been the force behind the opening of Rivington Place, a center for cultural diversity in the arts in London.

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