"Mythology is the crop which the Old World bore before its soil was exhausted" – Thoreau

"Myth is ideology in narrative form" – B. Lincoln

Immanent Critique, Enabling Myths, and the Neoliberal Narrative

In the deconstruction of the neoliberal narrative through immanent critique, we find that it is woven from enabling myths that support the ideology of neoliberalism and are essential for its continued political survival and popular support.

This research aims to untangle and critically assess some of the core enabling myths of neoliberalism. The first step is to outline in brief the method of immanent critique, how it works, as well as its advantages and possible limits. The next step is to use immanent critique to strip the neoliberal narrative to its core enabling myths: the myths of privatization, deregulation, and retrenchment of the welfare state will each be examined. The central strands of rhetoric for each of these enabling myths will be matched against the historical experience across various industries in an attempt to capture the distance between the rhetoric and reality of neoliberalism.

Immanent Critique

At its most basic meaning, immanent means internal; one type of immanent critique measures a given society against the ideals and aspirations internal to that society. Those cultural practices and beliefs that typify the experience and attitudes of the average individual within a given society are thus considered 'immanent.' The widely accepted idea in the US that 18 years of age represents a watershed moment at which the individual reaches legal maturation is for instance an immanent belief and cultural practice. Discussion and debate which confronts these immanent practices falls under the category of immanent criticism, but does not go so far as immanent critique (Sabia 2010). Immanent critique cuts deeper than criticism.

An immanent critique[1] begins with a description of what the social structure purports to be and proceeds by unveiling the true machinations of the system – revealing the conspicuously hidden contradictions therein (Antonio 1981). One type of immanent critique of neoliberalism aims to uncover the contradictions embedded within the neoliberal social structure of accumulation, specifically with respect to the rhetoric and ideology which supports it juxtaposed against the actual mechanics of it. In so doing, immanent critique exposes veiled sources of repression even when the oppressed are not conscious of it (Azmanova 2011). A central line of inquiry is to examine why a given norm or cultural practice, perceived as counter to human flourishing, is widely accepted within a society (Sabia 2010). In the case of neoliberalism, immanent critique must take into account the influence of the powerful on the general population's interpretation of neoliberalism.

Immanent critique provides a unique means of convincing individuals within a given society of the irrationality of certain norms and cultural practices by using their own society's standards and ideologies as the means of critique. By holding a given society to its own principles and demonstrating where exactly that society falls short, immanent critique frames more convincing arguments than criticism which holds that society to an external standard. Using immanent critique allows scholars to avoid the charge of intellectual elitism by demonstrating the irrationality of a society's norms and practices against the known, understood, and widely accepted standards of that society as opposed to appealing to external, perhaps ill-understood, and unfamiliar norms (Sabia 2010).

Some scholars have argued that in employing an introspective evaluation, immanent critique does not go far enough in critically examining the norms of a given society. This, however is a misunderstanding of immanent critique. It is true that an immanent critique uses

[1] For more on the methodology of immanent critique, see Bhaskar (2008). For examples of the application of immanent critique, see Marcuse (1985) and Myrdal (2009).

an introspective rubric to examine whether a society, through its power relations, holds different groups within that society to different standards or if there is a systematic incongruence between the rhetorical expression of that society's values and its practices (Sabia 2010). While this standard might limit generalizability, it is not inconsistent with more widely positioned critiques. An immanent critique which examines cultural practice and evaluates it according to that culture's own norms and standards is not incompatible with more universal critiques of the efficacy, veracity, and contribution to human dignity that those standards espouse.

The Core Enabling Myths of Neoliberalism

Neoliberalism embodies the ideological shift in the purpose of the state from one that has a responsibility to insure full employment and protect its citizens against the exigencies of the market to one that has a responsibility to insure individual responsibility and protection of the market itself (Harvey 2005). The neoliberal narrative consists of three well-defined enabling myths that distinguish it from earlier stages of capitalism: privatization of currently state provided goods and services, de-regulation of industry, and retrenchment of the welfare state (Dumenil and Levy 2011; Wolfson 2003). All three reinforce a central premise: the locus of control is the individual exercising agency through (free) market operations. This simple ideological construct should more precisely be referred to as *primal individualism*, as it not only marks a shift in focus from the community to the individual, but it also denies the essential social nature of humans. Primal individualism, which only acknowledges individual action and individual responsibility, provides the core justification for the three enabling myths that comprise the narrative of neoliberalism. The myths of privatization and de-regulation both argue that erecting a wall between government and business creates a more efficient market economy; private industry is brought to heel by competitive market forces – market forces that simply represent the aggregate of autonomous, individual decisions.

Likewise, the retrenchment of the welfare state, specifically through attrition or elimination of social programs designed to help the poor, erects a wall between the individual and the state, which 'frees' the individual to exercise agency and decide for herself where she wants to reside in the economic hierarchy.

Core enabling myth #1:
"Implementation of such privatization policies and process have helped national governments around the world – as well as governors, state legislators, and local officials of both parties here at home – balance their budgets, hold the line on taxes, create private sector jobs, increase government efficiency, and lower the costs of service delivery"
- letter to Paul Ryan signed by 43 organizations and individuals
(The Institute for Policy Innovation 2013)

The arguments in favor of privatization often include claims that the private sector is more efficient – that running operations like a business instead of a bloated bureaucracy translates to lower costs, greater efficiency, and better product or service: "Over the past 25 years, a sophisticated campaign has been waged to privatize Government services. The theory is that corporations can deliver Government services better and at a lower cost than the Government" (US House 2007). Advocates of privatization cite the "Yellow Pages' Test" (The Institute for Policy Innovation 2013) wherein any activity performed by the government that can be found in the Yellow Pages should be turned over to the private sector. The dangers of producing public goods and running public services like a business are glossed over, ignored.

Furthermore, the move to the private sector is incomplete; neoliberal "privatization" is more accurately described as pseudo-privatization since it means that the production or provision of a good or service has been turned over to the private sector while maintaining government funding through private contracts. Pseudo-privatization separates the consumer – indeed, the public writ large – from the private producer with the state acting as the financial intermediary, essentially removing public oversight without alleviating state spending (Nasser 2003). Pseudo-privatization demonstrates the power of the contradiction

between the ideal of the democratically empowered individual who can catalyze social change and the reality of the opaque government funding provided to private industry contractors within the neoliberal state. In this section, the rhetoric of privatization is compared to the reality as captured by the test of consequence in the prison and defense industries.

When advocates of privatization argue that the private sector runs more efficiently, more sleekly than the government, the example of cost cutting is offered as a prime example. A more accurate phrase would be cost manipulation, as a comparison of two industries, deep in the throes of privatization, illustrates.

Privately run prisons have but one customer – the government. With revenue streams secured by government contract, the private prison can widen its profit margins primarily through cutting costs. Since physical prison facilities present fixed and substantial costs, the remaining variable costs specifically related to labor fall most conveniently under the hatchet. In fact, the biggest difference between private and public prisons centers on the staff. In private prisons, there is a high rate of employee turnover, employees receive less training, fewer benefits, and are actively discouraged from organizing in trade unions (Ashton and Petteruti 2011).

Less training means more work-related incidents, which is particularly dangerous in the case of prisons, where work-related incidents often involve violent altercations between staff and inmates; it should be of little surprise that private prisons experience greater violence, more escape attempts, and higher drug usage. Studies show that private prisons have a higher rate (double) of physical incidents between inmates and correction officers even though they can be more selective about the type of inmate they house (Ashton and Petteruti 2011).

Private military companies demonstrate what happens at the other end of the cost manipulation spectrum. The tendency of diligent cost-cutting of labor in order to widen profit margins as much as possible does not apply to private militias-for-hire, such as Academi (formerly Xe, originally named Blackwater) whose employees reportedly earned well above comparable US military positions, ringing in at six figures (Scahill 2007). As an example, in his testimony to Congress, Erik Prince, CEO of (at that time called) Blackwater, stated that "Base year is $981" per day[2] (Prince 2007). Representative "Jimmy" Duncan pointed out that Army General David Petraeus earns approximately $493 per day – nearly half the base pay rate for Blackwater (US House 2007). Furthermore, when one considers that, according to Prince's opening statement during that testimony, "Blackwater personnel supporting our country's overseas missions are all military and law enforcement veterans, many of whom have recent military deployments" (Prince 2007) it could be further argued that the basic training for Blackwater employees is provided by the US government – a further subsidization of the private company.

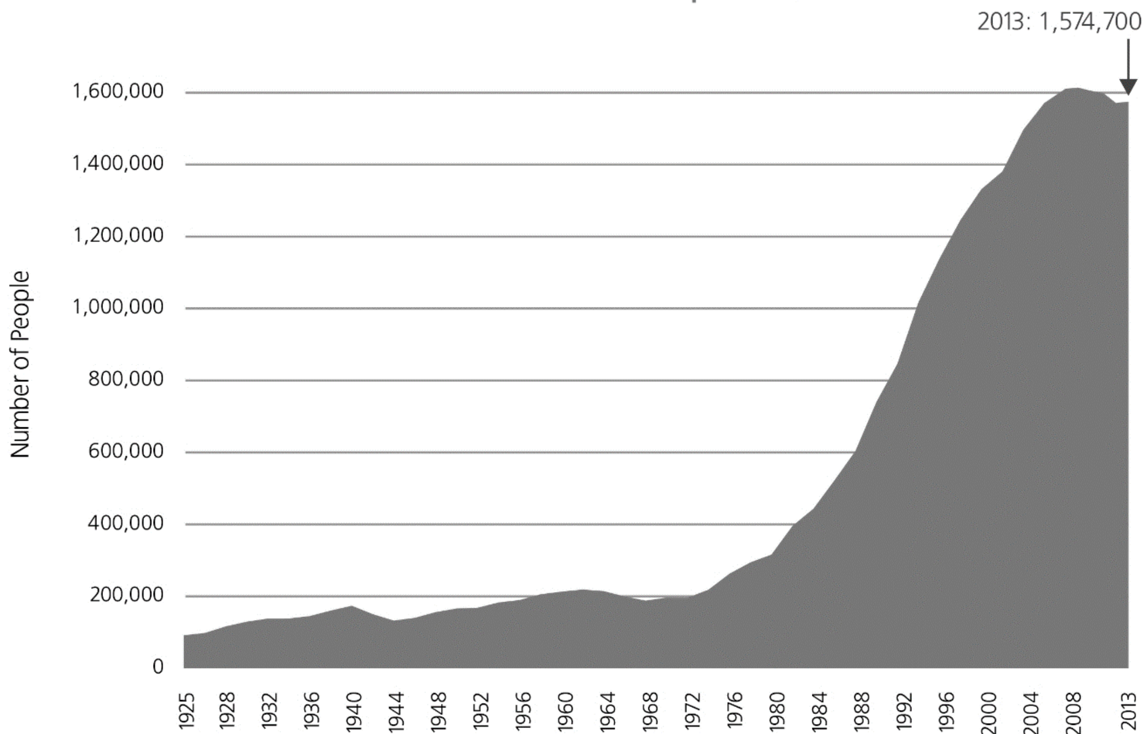
The reason for this anomaly might be due to the dangerous nature of the work – although it is no more dangerous than that of a soldier – but more likely is the result of defense expenditures that come from the "black budget" where exact figures on money spent are obfuscated and downwardly rigid, and upwardly fluid projected costs of the private company are more easily negotiated.

[2] The $981 per day figure was cited by Erik Prince during his testimony. In a memorandum sent to the House Oversight Committee prior to the testimony, the figure cited was $1,222 per day, as is stated by different members of the Committee. Prince denied that figure. Use of the lower figure, however, still makes the case for large salary discrepancies between US soldiers and the private soldier employed by Blackwater (Prince 2007; US House 2007).

Privatization does not mean that the government definitively severs itself from operational practice either. In addition to providing funding through the award of government contracts, the relationship between government and private industry strengthens and grows through privatization, owing to the close, incestuous relationship between the two manifest clearly through the phenomenon of the 'revolving door.'

The revolving door refers to the continual movement between employment in private industry and the government. The justification for the privately contracted firms hiring government workers appears sound as they are trained for the work and already have security clearance (Chesterman 2008). The logic of saving money through privatization must be questioned, however when it results in government workers leaving their posts in order to take positions in the private sector where they are re-hired to do essentially the same work for higher pay. The traffic between newly privatized services and former government offices is particularly heavy in areas such as intelligence and defense where the private sector can provide higher salaries, owing in large part to the secrecy of the budgets (Wedel 2010).

Privatization transforms the provision of public goods and services for the welfare of the public into profit-making enterprises, essentially subverting the defining mission of the state to serve the public interest writ large. According to the myth, privatization provides a way to increase the efficiency in serving the common good of citizens. According to neoliberal practice, however, privatization adds a new purpose to the state: providing fresh sources of profit for private capital. Neoliberalism sells the efficiency myth but delivers the profit reality. An examination of prison population trends reveals a discernable uptick in the general prison population starting with the advance of the neoliberal project in the early 1980s (See Graph 1, Mason 2012) and especially after the introduction of the first modern private prison in 1984 (Mattera and Khan 2001).



Source: The Sentencing Project

Narrowing the focus to the growth trend of prison population to only that of private prisons over the course of a decade, it is evident that private prisons play a role of the growth in prison population writ large. Referring to Table 1 (Mason 2012), the growing influence of private prisons in securing larger portions of the growing prison population becomes evident. While the correlative trend of growth in the general prison population alongside the growing slice of that population secured within private prisons isn't necessarily an indication of causation, the connection between the two should not be underestimated.

Table 1

Prisoners Held in Private Prisons in the United States			
	1999	2010	Change 1999-2010
Total Prison Population	1,366,721	1,612,395	+18%
Total Private	71,208	128,195	+80%
Federal Private	3,828	33,830	+784%
State Private	67,380	94,365	+40%

Source: Mason 2012 (p. 1)

Moreover, the private prison industry isn't based solely on the hope that people will commit enough crimes of a sufficiently heinous nature in order to secure consistent profits. In order to insure a steady stream of prisoners, private prison corporations have been active in the legislative process, weighing in on laws that directly impact the bottom line for their business as opposed to the safeguarding of public safety, including controversial laws, for instance, mandatory minimums, truth in sentencing, and three-strike laws (Shapiro 2010). The top two private prisons, CCA and GEO are both (paying) members of policy institute ALEC (American Legislative Exchange Council) which helps to craft and shape tough-on-crime legislation, which is clearly in the best profit interests of private prisons (Ashton and Petteruti 2011). The 'war on drugs' represents a secure flow of profits for private prisons, which means that lobbying for strict incarceration laws becomes part of the profit-maximizing strategy for these private firms (Hall and Coyne 2013). With little focus on vocational training or rehabilitation and an incentive not to provide it, prisons can rely increasingly on repeat business in the form of recidivism. As well, the private prison industry has expanded its market by diversifying in offering immigrant detention services, run in much the same way as prisons (Shapiro 2010). It should be noted that the incentive to put bodies in prison beds (and to keep them there) also applies to the employees of state funded prisons; indeed, correctional unions and state prison employees have a vested interest in maintaining job security.[3]

When profit-making merges with defense strategies, it becomes plain that the more prolonged the engagement, the more profits there are to be made. This becomes particularly dangerous when fighting wars based on nebulous ideas - such as terror - for which there is an

[3] According to Ashton and Petteruti (2011), studies that compare recidivism rates between public and private prisons are difficult to obtain, and academic research thus far has been conducted only in Florida.

ill-defined terminus. Defense strategies that are profit driven create an incentive to push an already undefined end point further into the future (Hall and Coyne 2013).

Once a government contract has been awarded even under an open bid system, the government becomes locked into that contract past its duration due to the inertia of path dependence. Defense related industries especially require extensive background checks on the civilian workforce. Security clearances require time, resources, and money on the part of the government, so those companies with employees who've already been through the screening process are not only cheaper to hire at initial cost, but are able to go to work that much more quickly, having already endured the sometimes sluggish security clearance process (Chesterman 2008). It is thus more cost efficient to keep the same company on contract because all of the preliminary background investigation on the company has been completed, all the security clearances checked off. This gives companies already holding government contracts significant advantages in terms of cost savings. In the interests of national security, keeping the number of individuals who have had access to sensitive information low means re-hiring the same companies again and again.

With respect to the private prison industry, given the ‘natural monopoly’ start-up costs, there simply are not many private firms competing for the government’s business. The government becomes locked into relationships with private prison firms regardless of performance simply because it has no alternative.

Of substantial concern is the government's growing dependence on private contractors and the consequent attrition of competency or institutional memory of government agencies from no longer performing essential tasks. The use of private contractors has often reached perverse proportions, turning them into self-governing entities – with contractors even writing the contracts – and distancing government workers from the skill and institutional memory to eventually resume the duties involved (Wedel 2010). As Representative

Waxman, then Chair of the House Oversight Committee stated, “Our Government now outsources even the oversight of outsourcing” (US House 2007).

Core enabling myth #2:

“Today, there is no greater impediment to American prosperity than the immense body of regulations chronicled in the Federal Register, and academic analysis has documented the economic inefficiencies engendered by the regulatory state.” – Cato Institute

The ideological imperative of anti-state intervention is selective as only those regulations that impose costs which outweigh the perceived benefit to business are targeted, while those that provide a net benefit to business are quietly encouraged. As such, neoliberalism is not so much anti-regulation, but advocates designer regulation; that is, regulation refined and tailored to support but not limit business operations. The neoliberal ideological imperative of 'deregulation' is thus a misnomer – indeed, a myth – because the ultimate aim of neoliberal advocates specifically and capital more generally is the paring away of specific regulation that diminish profitability or impede the movement of capital while maintaining interventions that support or create markets (Peck 2001). The freedom of capital to operate according to its own best interests necessitates a state that is limited in its scope to regulate business activity (Jinkings 2011). Regulatory restructuring, whereby the regulatory apparatus of the state is shrunk, allowing industries to self-regulate or provide in-house experts to advise policy makers is another way in which neoliberal advocates are able to mold the state into the type of regulator it needs (Peck 2001). In this section, the rhetoric of deregulation is compared to the reality as captured by the test of consequence in financial and media industries.

Financial deregulation provides a clear example of the contradiction between the rhetoric and reality of the deregulation push. Campbell and Bakir (2012) outlines five basic tenets of financial regulation established prior to the emergence of the neoliberal project: the establishment of the FDIC; the refinement of the legal responsibilities of regulatory agencies, such as the SEC; mandates which require increased transparency of financial institutions;

provisions which allow the government to intervene in financial markets; and legislation which limited the competition in banking. The financial industry only targeted the last of those five. It is clear from this attempt to unspool one specific piece of financial regulation, leaving the others intact, that the neoliberal agenda in reality consists only of the ideological imperative to eliminate regulations that restrict business.

The financial industry takes no issue with those regulations which stand to assist financial institutions during a crisis. For example, regulations which require banks to join the FDIC have not been protested. Likewise, legal pathways for the government to intervene directly during a crisis remain intact and have grown alongside the deregulation push since the 1980s. Clearly, financial institutions want to minimize rules on operation while maximizing the safety net in the likely event that risky behavior leads to a crisis. The deregulation push also neglects to mention much less challenge those policy tools that attempt to smooth turbulent financial waters prior to a potential crisis, such as interest rate manipulation, short term measures hastily enacted by the Federal Reserve in order to provide liquidity to institutions, or for the Fed to act as lender of last resort (Campbell and Bakir 2012).

The financial industry's struggle against geographic restrictions on bank branching began prior to neoliberalism. Indeed, attempts to circumvent the regulations began immediately after the 1927 McFadden Act, which enumerated those restrictions, was enacted. The push for financial deregulation focused narrowly on removing the limits to competition specifically by targeting three restrictions: geographic restrictions on both intra and inter-state bank branches, interest rate limits on deposits (Regulation Q), and the firewalls between investment and commercial banking and insurance (Campbell and Bakir 2012).

Financial institutions' attempts to entice customers, particularly corporate customers by offering competitive interest rates on deposits was significantly but not decisively

hamstrung by Regulation Q (of the Glass-Steagall Act). Innovation in financial products, substitutable for ordinary checking or savings accounts, allowed banks to lessen the strain Regulation Q placed on their ability to offer competitive rates - until 1971 and the invention of money market mutual funds created an alternative for checkable deposits, which undermined the limits of Regulation Q altogether. Beginning in the 1960s, banks escalated their circumvention of Regulation Q by essentially laundering deposits through Euromarkets. Regulation Q was also undermined by the Fed's 1973 lifting of interest rate limits on certificates of deposit over $100,000 (Campbell and Bakir 2012).

Likewise, banks and other financial institutions began chipping away at the carefully constructed firewalls which compartmentalized non-financial, financial, and within financial, investment banking, commercial banking, and insurance practices as soon as those walls were erected. Early attempts to drive loopholes through the firewalls included the use of bank holding companies, and when those loopholes were closed, through exceptions and exemptions. While the repeal of Glass-Steagall – a hallmark neoliberal achievement – was certainly the nail in the coffin of compartmentalization, Glass-Steagall actually died slowly over the course of three decades by a thousand cuts, or more accurately stated, loopholes (Campbell and Bakir 2012).

While efforts to deregulate within the financial industry began prior to the rise to dominance of neoliberalism, deregulation efforts escalated as neoliberalism became more popular in political circles. The rationale for less regulation rests on the faith that capital markets can most efficiently and accurately assess risk and return, and price securities accordingly. Financial market operatives, it is still believed, are best situated and possess enough expertise in essence to police themselves in terms of taking on risk. Since, according to the neoliberal narrative, financial markets simply represent the aggregate of those well-informed financial operatives, the risk of financial crisis is mitigated and the myth of the

healthy and free financial markets is substantiated (Crotty 2003; Lippit 2013; see also Crotty 2009).

The moral hazard created with the removal of regulations along with the tacit assurance (albeit amid much hand-wringing controversy) that the government – made up of politicians hyper-sensitive to the state of the economy and its impact on re-election campaigns – would come to the rescue should a crisis appear on the horizon, substantially diluted the need to account for risk. In the years leading up to the 2008 financial crisis, financial deregulation and failure to regulate new financial instruments fed the derivation of more exotic financial instruments further distanced from the original physical assets (Wahl 2011). Each subsequent iteration of financial innovation created another layer of complexity in the operation of financial markets, further obfuscating the essential risk involved in their trading, and further distancing the connection between the physical asset from which the initial value came and the financial wealth generated from the derivatives developed from it (Bresser-Pereira 2010; Lippit 2013). Fee structures created incentives for financial officers to process loans and mortgages in quantity regardless of quality, as fees were completely disconnected from the risk-return result. Bonus structures incentivized profits which were generated on paper through leveraging, which embedded an incentive to take on more risk (Crotty 2003). Risk ran rampant. Yet, after the 2008 crisis, neoliberal non-apologists, such as John Allison, president and CEO of the Cato Institute, cited regulation as a "fundamental" cause: "Financial services is a very highly regulated industry, probably the most regulated industry in the world. It is not surprising that a highly regulated industry is the source of many of our economic problems… The claim that the financial industry was deregulated (at the time of the crisis) is a myth . . ." (2013).

The neoliberal momentum in the media industry has been toward concentration and centralization through mergers and acquisitions. The 1996 Telecommunications Act,

heralded as the act that would usher in an age of competitive communications markets, actually sounded the starting gun for an unprecedented wave of mergers and acquisitions. While the 1996 Act did remove barriers to entry and transnational barriers, it also removed barriers to monopolization (Jin 2008). Deregulation in media ownership precipitated intense concentration of ownership in media (Jackson and Stanfield 2004).

The landscape of the media industry is constantly shifting as new technologies emerge, old technologies become obsolete, and existing technologies combine or reemerge into new formats. From the tectonic technological shifts of the industry of the past few decades, two critical questions emerge which must be answered: who is providing access to content and what content is being provided.

Even with the proliferation of different conduits by which media is available whether through cable television channels or web sites, there is concentration of the owners of those various conduits across platforms that continues to grow (McChesney 2008). In the first half 2014 alone, two applications have been made to the FCC requesting approval for mergers between already major players within the media industry. On April 8, Comcast formally requested FCC approval for the acquisition of Time Warner Cable for which Comcast offered more than $45 billion in stock (Gelles 2014). Although these two corporations claim there is no overlap in competition and therefore there would be no change in relative market share as a result of the proposed merger, the acquisition of the number two sized cable operator by the number one sized cable operator would result in Comcast market share of pay television to ring in at 30% and its market share of broadband Internet service at approximately 40%. On June 11, AT&T announced its application to the FCC for approval of the acquisition of DirecTV for $49 billion (Kang 2014). This particular deal would allow for AT&T to add pay television to its current service bundling ventures, therefore widening its market operations, but even larger monopolization concerns loom outside of the FCC’s reach, in Latin America,

where AT&T currently owns a stake in one of DirecTV's competitors (Sherman and McCracken 2014). While it remains to be seen whether the FCC will grant permission for these mergers to proceed, these applications for acquisition nevertheless demonstrate the broader trend across the media industry for carriers of content to eliminate competition by acquiring it.[4]

The same trend of consolidation has been and continues to occur albeit via different means with respect to media content. In its first "State of the News Media" report for 2014, Pew Research found that despite industry and technological shifts, approximately 90% of adults still watch local television. In 2013, there was a massive reshuffling of ownership of local television across the country; one company in particular, Sinclair Broadcasting, made over 50% of the purchases of local stations. David Smith, CEO of Sinclair Broadcasting, stated with respect to the reach of the US population, "I'd like to have 80% of the country if I can get it. I'd like to have 90%" (Pew Research 2014). The result of a large parent company, like Sinclair Broadcasting owning more and more stations across the local television market, is greater joint operation among stations as well as wider sharing of content across those local television stations – what groups like Free Press[b] refer to as "covert consolidation" (2014). As long as the parent company keeps its name off of the broadcast license then the company can claim legally that it hasn't violated antitrust law under the current FCC rules. As a consequence of this type of concentration of ownership, fewer local stations generate their own local content, especially with respect to the news.

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[4] As Craig Aaron, CEO and president of Free Press[a], stated, "For the amount of money and debt AT&T and Comcast are collectively shelling out for their respective mega-deals, they could deploy super-fast gigabit fiber broadband service to every single home in America. But these companies don't care about providing better services or even connecting more Americans. It's about eliminating the last shred of competition in a communication sector that's already dominated by too few players" (Free Press[a] 2014).

Concentration within the media industry is especially noxious for democracy as control by the carriers of the content of media is tantamount to the control of information and further debate on neoliberal policy can be convincingly framed by the interests that control it - in the end, this is a more effective disciplinary device than any monopoly of force. The higher the level of concentration within the media industry, the less authentic choice the individual has in her exposure to information, and the less democratic society becomes (McChesney 2003). The flow of information is dominated by a few large firms. Such a media industry is set up by the powerful for the powerful to pull money from those who can afford to spend, thus reinforcing existing inequality and ignoring the needs of the poor or working class. Concentration within the media industry also lends itself to collegiality between competitors which becomes especially useful in uniting behind lobbying efforts for favorable legislation or further deregulation (McChesney 2001).

Core organizing myth #3:
There are 47 percent of the people who will vote for the president no matter what . . . who are dependent upon government, who believe that they are victims, who believe the government has a responsibility to care for them, who believe that they are entitled to health care, to food, to housing, to you-name-it. That that's an entitlement. And the government should give it to them . . . [M]y job is not to worry about those people. I'll never convince them they should take personal responsibility and care for their lives.
– Mitt Romney (Mother Jones 2012)

Neoliberalism needs the welfare state, just as it needs not privatization, but pseudo-privatization, and not de-regulation, but designer regulation (MacLeavy 2010). The important question to ask is: what does welfare do for capital?

While the neoliberal rhetoric about the welfare state leads one to believe that individuals and society writ large would be better off without it, the reality is quite different. The neoliberal project is not bent on the destruction of the welfare state - it is dependent upon its continued existence (Hartman 2005). Neoliberalism is dependent upon the existence of the welfare state - in a specific form - that helps to create and sustain flexible labor markets and defray the cost to capital of providing a living wage. Neoliberalism is also dependent

upon anti-welfare rhetoric that shapes public beliefs on the merits of individual responsibility and the evils of the undeserving poor (Hartman 2005). The welfare state is thus a tool of neoliberalism that serves two essential functions: one, transforming the labor market into one that is amenable to the needs of the neoliberal project, and two, reinforcing the sustaining myths of neoliberalism, largely that of individual responsibility.

Instead of envisioning the welfare state as a countervailing force against the exigencies of market forces, neoliberalism reshapes the mission of the welfare state into an agency that supports the functioning of the market. Nowhere is this more evident than in the replacement of welfare with so-called workfare policies (MacLeavy 2010).

The term “workfare” as an alternative way of framing and designing welfare social safety nets premiered in 1969 in a televised speech by then-President Nixon. The workfare concept gained momentum through the Reagan years, but it wasn’t until the Clinton presidency that workfare became codified into law with the passage of the 1996 Personal Responsibility and Work Reconciliation Act (PRWoRA) (Peck 1998). During his years in office, Clinton achieved greater gains in shrinking the social safety net than either of his Republican predecessors. The transformation was not subtle: AFDC was replaced with TANF, welfare became "workfare," assistance turned into surveillance, the social safety net morphed into the socialization of individual responsibility and a more permanent job insecurity while the welfare caseload in the US shrunk by more than half (Platt 2003). The concept of workfare thus represents the culmination of neoliberal efforts from re-shaping popular perception and political framing to its canonization into law.

Workfare places conditionalities on the receiving of welfare benefits, including training and compulsory work requirements (MacLeavy 2010). The neoliberal welfare state uses these workfare conditionalities to create more flexible labor markets. Through the workfare requirements, an army of temporary workers is created by those who have to take

any job in order to qualify for benefits. The supply of no-contract or temporary (precarious) jobs swells, while the number of full-time, full benefits positions, which are more expensive to capital, dwindles. Workfare requirements also weaken the position of unionized workers by providing a pool of people who are willing to work regardless of work conditions and far below union pay simply so that they can maintain their benefits (Platt 2003).

The training requirements of workfare essentially mean that the cost of training is outsourced from the company to either the state or the individual and that the individual bears the responsibility of molding herself into the type of worker any given company prefers. The training programs that are offered by the private sector - though funded by the state - work to re-educate individuals in the ethos of neoliberalism (Hartman 2005; MacLeavy 2010).

The minimum level of income provided by welfare benefits and the temporary market, allows for workers to continue to participate in the consumerism which has replaced social relationships in the intensifying market setting under capitalism. Welfare benefits actually help capital more than workers by defraying private labor costs; if individuals are not paid a living wage, it falls to the state to make up the difference. In this sense, welfare is truly corporate welfare that does more for the capital than ever intended to help the individual (MacLeavy 2010).

The more the welfare state is scaled back, the more disciplined all workers become; as the social safety net shrinks, job insecurity looms larger, and workers afraid of losing their jobs are also afraid to demand higher wages, better working conditions, or join unions (Piven 1998). The scaling back of welfare benefits and the strengthening of workfare conditionalities rather than the complete elimination of the welfare state creates a dual labor market with a disciplined, non-unionized workforce occupying a shrinking number of positions and a growing secondary tier with precarious employment (MacLeavy 2010). Unemployment is cast by neoliberal advocates as the consequence of an individual's choices,

which suggests that the solution to unemployment should come from the individual, not the state. Conceptualizing unemployment in this way not only absolves the state, it actually admonishes the state when it does so and frames the failure to find employment as individual failure.

The requirements of workfare create flexible labor markets, but workfare also perpetuates the convenient myth that people receiving state assistance must be forced to work (Hartman 2005). The neoliberal welfare state maintains that the market will provide - all it needs is willing participants, into which the revised program of workfare proposes to transform the idle (MacLeavy 2010). Along with creating greater job insecurity by insuring a glut of labor supply in the lower rungs of the labor market through workfare conditionalities, the cultural perception of welfare recipients as unconditional "takers" is reinforced, and indignation further inflamed as the dividing line between the welfare poor and the working poor becomes increasingly culturally defined and the working poor can construct a demon out of the welfare poor, as well as see themselves as morally superior to them (Piven 1998).

Throughout history, every version of the welfare state has been accompanied by a concern of the morality of the recipients, centered primarily on work ethic and sexual promiscuity (Piven 1998). With the emergence of neoliberalism, there comes a revival in the Victorian framing of welfare recipients into categories of “deserving” and “undeserving” (MacLeavy 2010). The reframing is crucial to sustaining popular support for neoliberalism, because it creates a scapegoat out of the “undeserving” poor and enables neoliberalism to frame welfare as a moral issue in a peculiar way. The welfare state is portrayed as incentivizing a lack of morality that emerges from idleness and dependency, and encouraging generational poverty (MacLeavy 2010).

Coming out of the Great Depression, the welfare state was viewed as a way to assist those who had fallen prey to the vicissitudes of capitalism (Gilbert 2009). Beginning in the

late 1970s, with Reagan's infamous “welfare queen,” the victimology switched to that of the tax payer having to fund sycophants on the dole. The shift in conceptualizing the welfare state as the embodiment of social responsibility - a shared unwillingness to allow fellow citizens to linger in the deprivation epitomized by the experience of the Great Depression - to that of unearned, undeserved entitlement represents a regressive shift to the Victorian mindset, rooted firmly in the begrudging English Poor Laws (Hartman 2005).

In the 1990s, the patronizing perception of the irresponsible single mother on welfare was codified into law, most notably through the 1996 TANF legislation (but also continuing through the 1998 Family Support Act) which placed restrictions on benefit access, such as the requirements that teenage mothers live with adult relatives and attempt to establish paternity, and blocked access to drug offenders (Gilbert 2009). Under the regime of workfare, access to benefits is strictly regulated by conditions of compliance which subject the individual to routine invasions of privacy and surveillance of the state (Hartman 2005). States were freed by TANF to construct their own conditionalities on access to benefits, including blocking access to benefits if a woman has a child while already receiving benefits (Gilbert 2009).

The codifying of moral standards as conditions for access to welfare benefits illustrates clearly the perceived moral depravity projected on recipients. Attempts to legislate welfare state recipients into approved moral behavior does more than discipline individuals into particular behaviors - it communicates to the individual and the general public that without legislation, recipients of welfare would not be able to govern their own passions. As such, this legislation communicates a specific image of the welfare recipient to the general public. The villainy of welfare recipients creates a locus for blame for the failings of the welfare state generally or for overspending by the state more specifically. Furthermore, welfare recipients are effectively silenced on the matter as individuals are loathe to identify themselves as the perceived villains. The illusion of social cohesion is maintained as the

effectively silenced welfare recipients still participate in the labor market and still consume goods - although both precariously - while society writ large, especially those who make just enough not to qualify for benefits, have a hazily defined person to blame (Hartman 2005). Cultural perceptions of the moral inferiority of welfare recipients helps to fuel the social movements supporting the cutting back of the social safety net. Individuals fail to see the inverse relationship between the size of the social safety net and the level of job insecurity (Piven 1998).

Concluding remarks

Political-economic regimes are not reducible to a single ideology, and the application of an ideology cannot ever be expected to be pure. Surely, whatever the brand of regime, there remains a necessary impulse of flexibility to address with some degree of pragmatic efficiency the spontaneous needs of society (Hartman 2005). The longer view, however would suggest that said regime would attempt to right the course, to move back toward ideological purity as the heat of any immediate crisis fades. Systemic incongruence between ideology and reality is an entirely different matter; herein we find hypocrisy, double standards, corruption, and outright lies.

This analysis of the neoliberal narrative is not meant to suggest that there is a comprehensive and complete 'Neoliberal Agenda' that is actively enforced by maniacal powers-that-be, conspiring to trick the masses through an elaborate web of lies and deceit. Instead, we see powerful interests repeating a simple mantra – individual responsibility – in a variety of ways, while taking whatever action suits their immediate needs. From this emerges the ideological narrative of neoliberalism.

The neoliberal narrative consists of this simple, central ideological construct – that of primal individualism – upon which the justification of its core enabling myths rests, such that the consequences of the neoliberal narrative become much greater than the unifying principle

on which it stands. The ethos of primal individualism systematically dismantles the power of collective action for the general population while protecting the power of collective action among and across corporate entities, industries, or the interests of capital writ large.

The three enabling myths of neoliberalism fail to deliver what they've promised. Privatization promises more efficiency for government, but yields more profits for capital. Deregulation promises greater efficiency for capital, but yields increased capital irresponsibility, speculation, and concentration. Retrenchment promises more appropriate incentives for labor, but provides flexibilities for management and subsidies for capital's labor costs.

This immanent critique of neoliberalism demonstrates that these three myths are not simply rhetorical devices meant to obfuscate or grease the wheels of political policy-making. These myths are enabling in the sense that they allow advocates of neoliberalism to not practice what they preach, but more importantly, that if these enabling myths were made reality, if business interests were exposed to the same market exigencies that individuals face, that the market would become more volatile, unpredictable, and might well cease to be 'business- friendly.'

Complete deregulation would mean that the financial industry would have no "last resort" safety nets. The media industry would no longer have technology developed by the state, like the Internet, to commercialize and there would cease to be broadcast television as access to the spectrum is currently and entirely government regulated in the US.   Over 40 cents per tax dollar spent on Federal programs goes into private coffers (US House 2007). The privatized industries of private militias and private prisons would collapse if entirely privatized and forced to operate without government funding or if forced to contract privately with each individual in need of their services. Without the social programs of the welfare state, corporations would have to pay a living wage or they would soon run out of paying

customers. If neoliberal advocates were forced to toe their own ideological line, if the government actually practiced neoliberal doctrine, the system would unravel. Free markets are simply not self-sustaining.

The continued success of the neoliberal narrative is due in part to the easy villains it creates and the easy solutions if offers: deregulate, privatize, cut 'entitlements.' Despite the prevailing neoliberal narrative, many individuals are uncomfortable with some of these established myths. This can create a cognitive dissonance that is difficult for the individual to articulate and as a consequence, quietly catalyze unfocused resistance. If we hope to redesign our social institutions, then we must aim a critical eye toward these enabling myths, unveil, and debunk them through immanent critique – before we can convince someone of an inconvenient truth, we must first help them to see the convenient myth.

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