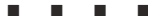


T H R E E



NEOLIBERALISM AND THE END OF LIBERAL DEMOCRACY

IT IS commonplace to speak of the present regime in the United States as a neoconservative one, and to cast as a consolidated “neoon” project present efforts to intensify U.S. military capacity, increase U.S. global hegemony, dismantle the welfare state, retrench civil liberties, eliminate the right to abortion and affirmative action, re-Christianize the state, deregulate corporations, gut environmental protections, reverse progressive taxation, reduce education spending while increasing prison budgets, and feather the nests of the rich while criminalizing the poor. I do not contest the existence of a religious-political project known as neoconservatism or challenge the appropriateness of understanding many of the links between these objectives in terms of a neoconservative agenda. However, I want to think to one side of this agenda in order to consider our current predicament in terms of a neoliberal political rationality, a rationality that exceeds particular positions on particular issues and that undergirds important features of the Clinton decade as well as the Reagan-Bush years. Further, I want to consider the way that this rationality is emerging as governmentality—a mode of governance encompassing but not limited to the state, and one that produces subjects, forms of citizenship and behavior, and a new organization of the social.¹

ECONOMIC LIBERALISM, POLITICAL LIBERALISM, AND WHAT IS THE NEO IN NEOLIBERALISM

In ordinary parlance, neoliberalism refers to the repudiation of Keynesian welfare state economics and the ascendance of the Chicago School of political economy—von Hayek, Friedman, and others. In popular

usage, neoliberalism is equated with a radically free market: maximized competition and free trade achieved through economic deregulation, elimination of tariffs, and a range of monetary and social policies favorable to business and indifferent toward poverty, social deracination, cultural decimation, long-term resource depletion, and environmental destruction. Neoliberalism is most often invoked in relation to the Third World, referring either to NAFTA-like schemes that increase the vulnerability of poor nations to the vicissitudes of globalization or to International Monetary Fund and World Bank policies that, through financing packages attached to “restructuring” requirements, yank the chains of every aspect of Third World existence, including political institutions and social formations. For progressives, neoliberalism is thus a pejorative not only because it conjures economic policies that sustain or deepen local poverty and the subordination of peripheral to core nations, but also because it is compatible with, and sometimes even productive of, authoritarian, despotic, paramilitaristic, and corrupt state forms as well as agents within civil society.

While these referents capture important effects of neoliberalism, they also reduce neoliberalism to a bundle of economic policies with inadvertent political and social consequences: they fail to address the *political rationality* that both organizes these policies and reaches beyond the market. Moreover, these referents do not capture the *neo* in neoliberalism, tending instead to treat the contemporary phenomenon as little more than a revival of classical liberal political economy. Finally, they obscure the specifically political register of neoliberalism in the First World: that is, its powerful erosion of liberal democratic institutions and practices in places like the United States. My concern in this essay is with these neglected dimensions of neoliberalism.

One of the more incisive accounts of neoliberal political rationality comes from a surprising quarter: Michel Foucault is not generally heralded as a theorist of liberalism or of political economy. Yet Foucault’s 1978 and 1979 Collège de France lectures, long unpublished,² consisted of his critical analysis of two groups of neoliberal economists: the *Ordo*-liberal school in postwar Germany (so named because its members, originally members of the Freiburg School, published mainly in the journal *Ordo*) and the Chicago School that arose midcentury in the United States. Thanks to the German sociologist Thomas Lemke, we have an excellent summary and interpretation of Foucault’s lectures on neoliberalism; in what follows I will draw extensively from Lemke’s work.³

It may be helpful, before beginning a consideration of neoliberalism as a political rationality, to mark the conventional difference between political and economic liberalism—a difference especially confusing for Americans for whom “liberal” tends to signify a progressive political viewpoint and, in particular, support for the welfare state and other New Deal institutions, along with relatively high levels of political and legal intervention in the social sphere.⁴ In addition, given the contemporary phenomena of both neoconservatism and neoliberalism, and the association of both with the political right, ours is a time of often bewildering political nomenclature.⁵ Briefly, then, in *economic* thought, liberalism contrasts with mercantilism on one side and Keynesianism or socialism on the other; its classical version refers to a maximization of free trade and competition achieved by minimum interference from political institutions. In the history of *political* thought, while individual liberty remains a touchstone, liberalism signifies an order in which the state exists to secure the freedom of individuals on a formally egalitarian basis. A liberal political order may harbor either liberal or Keynesian economic policies—it may lean in the direction of maximizing liberty (its politically “conservative” tilt) or of maximizing equality (its politically “liberal” tilt), but in contemporary political parlance, it is no more or less a liberal democracy because of one leaning or the other. Indeed, the American convention of referring to advocates of the welfare state as political liberals is especially peculiar, given that American conservatives generally hew more closely to both the classical economic and the political doctrines of liberalism—it turns the meaning of liberalism in the direction of *liberality* rather than *liberty*.

For our purposes, what is crucial is that *the liberalism in what has come to be called neoliberalism refers to liberalism’s economic variant*, recuperating selected pre-Keynesian assumptions about the generation of wealth and its distribution, rather than to liberalism as a political doctrine, as a set of political institutions, or as political practices. The *neo* in neoliberalism, however, establishes these principles on a significantly different analytic basis from those set forth by Adam Smith, as will become clear below. Moreover, neoliberalism is not simply a set of economic policies; it is not only about facilitating free trade, maximizing corporate profits, and challenging welfarism. Rather, neoliberalism carries a social analysis that, when deployed as a form of governmentality, reaches from the soul of the citizen-subject to education policy to practices of empire. Neoliberal rationality, while foregrounding the market, is not only or even primarily focused on the economy; it involves

extending and disseminating market values to all institutions and social action, even as the market itself remains a distinctive player. This essay explores the *political* implications of neoliberal rationality for liberal democracy—the implications of the political rationality corresponding to, legitimating, and legitimated by the neoliberal turn.

While Lemke, following Foucault, is careful to mark some of the differences between *Ordo*-liberal thought and its successor and radicalizer, the Chicago School, I will be treating contemporary neoliberal political rationality without attending to these differences in some of its source material. A rich genealogy of neoliberalism as it is currently practiced—one that mapped and contextualized the contributions of the two schools of political economy, traced the ways that rational choice theory differentially adhered and evolved in the various social sciences and their governmental applications, and described the interplay of all these currents with developments in capital over the past half century—would be quite useful. But this essay is not such a genealogy. Rather, my aim is to consider our current political predicament in terms of neoliberal political rationality, whose chief characteristics are enumerated below.

1. The political sphere, along with every other dimension of contemporary existence, is submitted to an economic rationality; or, put the other way around, not only is the human being configured exhaustively as *homo œconomicus*, but all dimensions of human life are cast in terms of a market rationality. While this entails submitting every action and policy to considerations of profitability, equally important is the production of all human and institutional action as rational entrepreneurial action, conducted according to a calculus of utility, benefit, or satisfaction against a microeconomic grid of scarcity, supply and demand, and moral value-neutrality. Neoliberalism does not simply assume that all aspects of social, cultural, and political life can be reduced to such a calculus; rather, it develops institutional practices and rewards for enacting this vision. That is, through discourse and policy promulgating its criteria, neoliberalism produces rational actors and imposes a market rationale for decision making in all spheres. Importantly, then, neoliberalism involves a normative rather than ontological claim about the pervasiveness of economic rationality and it advocates the institution building, policies, and discourse development appropriate to such a claim. Neoliberalism is a constructivist project: it does not presume the ontological givenness of a thoroughgoing economic rationality for all domains of society but rather

takes as its task the development, dissemination, and institutionalization of such a rationality. This point is further developed in (2) below.

2. In contrast with the notorious *laissez-faire* and human propensity to “truck and barter” stressed by classical economic liberalism, neoliberalism does not conceive of either the market itself or rational economic behavior as purely natural. Both are constructed—organized by law and political institutions, and requiring political intervention and orchestration. Far from flourishing when left alone, the economy must be directed, buttressed, and protected by law and policy as well as by the dissemination of social norms designed to facilitate competition, free trade, and rational economic action on the part of every member and institution of society. In Lemke’s account, “In the *Ordo*-liberal scheme, the market does not amount to a natural economic reality, with intrinsic laws that the art of government must bear in mind and respect; instead, the market can be constituted and kept alive only by dint of political interventions. . . . [C]ompetition, too, is not a natural fact. . . . [T]his fundamental economic mechanism can function only if support is forthcoming to bolster a series of conditions, and adherence to the latter must consistently be guaranteed by legal measures” (193).

The neoliberal formulation of the state and especially of specific legal arrangements and decisions as the precondition and ongoing condition of the market does not mean that the market is controlled by the state but precisely the opposite. The market is the organizing and regulative principle of the state and society, along three different lines:

a. The state openly responds to needs of the market, whether through monetary and fiscal policy, immigration policy, the treatment of criminals, or the structure of public education. In so doing, the state is no longer encumbered by the danger of incurring the legitimation deficits predicted by 1970s social theorists and political economists such as Nicos Poulantzas, Jürgen Habermas, and James O’Connor.⁶ Rather, neoliberal rationality extended to the state itself indexes the state’s success according to its ability to sustain and foster the market and ties state legitimacy to such success. This is a new form of legitimation, one that “founds a state,” according to Lemke, and contrasts with the Hegelian and French revolutionary notion of the constitutional state as the emergent universal representative of the people. As Lemke describes Foucault’s account of *Ordo*-liberal thinking, “economic liberty produces the legitimacy for a form of sovereignty limited to guaranteeing economic activity . . . a state that was no longer

defined in terms of an historical mission but legitimated itself with reference to economic growth" (196).

b. The state itself is enfolded and animated by market rationality: that is, not simply profitability but a generalized calculation of cost and benefit becomes the measure of all state practices. Political discourse on all matters is framed in entrepreneurial terms; *the state must not simply concern itself with the market but think and behave like a market actor* across all of its functions, including law.⁷

c. Putting (a) and (b) together, the health and growth of the economy is *the* basis of state legitimacy, both because the state is forthrightly responsible for the health of the economy and because of the economic rationality to which state practices have been submitted. Thus, "It's the economy, stupid" becomes more than a campaign slogan; rather, it expresses the principle of the state's legitimacy and the basis for state action—from constitutional adjudication and campaign finance reform to welfare and education policy to foreign policy, including warfare and the organization of "homeland security."

3. The extension of economic rationality to formerly noneconomic domains and institutions reaches individual conduct, or, more precisely, prescribes the citizen-subject of a neoliberal order. Whereas classical liberalism articulated a distinction, and at times even a tension, among the criteria for individual moral, associational, and economic actions (hence the striking differences in tone, subject matter, and even prescriptions between Adam Smith's *Wealth of Nations* and his *Theory of Moral Sentiments*), neoliberalism normatively constructs and interpellates individuals as entrepreneurial actors in every sphere of life. It figures individuals as rational, calculating creatures whose moral autonomy is measured by their capacity for "self-care"—the ability to provide for their own needs and service their own ambitions. In making the individual fully responsible for her- or himself, neoliberalism equates moral responsibility with rational action; it erases the discrepancy between economic and moral behavior by configuring morality entirely as a matter of rational deliberation about costs, benefits, and consequences. But in so doing, it carries responsibility for the self to new heights: the rationally calculating individual bears full responsibility for the consequences of his or her action no matter how severe the constraints on this action—for example, lack of skills, education, and child care in a period of high unemployment and limited welfare benefits. Correspondingly, a "mismanaged life," the neoliberal appellation for failure to navigate impediments to prosperity, becomes a

new mode of depoliticizing social and economic powers and at the same time reduces political citizenship to an unprecedented degree of passivity and political complacency. The model neoliberal citizen is one who strategizes for her- or himself among various social, political, and economic options, not one who strives with others to alter or organize these options. A fully realized neoliberal citizenry would be the opposite of public-minded; indeed, it would barely exist as a public. The body politic ceases to be a body but is rather a group of individual entrepreneurs and consumers . . . which is, of course, exactly how voters are addressed in most American campaign discourse.⁸ Other evidence for progress in the development of such a citizenry is not far from hand: consider the market rationality permeating universities today, from admissions and recruiting to the relentless consumer mentality of students as they consider university brand names, courses, and services, from faculty raiding and pay scales to promotion criteria.⁹ Or consider the way in which consequential moral lapses (of a sexual or criminal nature) by politicians, business executives, or church and university administrators are so often apologized for as “mistakes in judgment,” implying that it was the calculation that was wrong, not the act, actor, or rationale.

The state is not without a project in the making of the neoliberal subject. It attempts to construct prudent subjects through policies that organize such prudence: this is the basis of a range of welfare reforms such as workfare and single-parent penalties, changes in the criminal code such as the “three strikes law,” and educational voucher schemes. Because neoliberalism casts rational action as a norm rather than an ontology, social policy is the means by which the state produces subjects whose compass is set entirely by their rational assessment of the costs and benefits of certain acts, whether those acts pertain to teen pregnancy, tax fraud, or retirement planning. The neoliberal citizen is calculating rather than rule abiding, a Benthamite rather than a Hobbesian. The state is one of many sites framing the calculations leading to social behaviors that keep costs low and productivity high.

This mode of governmentality (techniques of governing that exceed express state action and orchestrate the subject’s conduct toward him- or herself) convenes a “free” subject who rationally deliberates about alternative courses of action, makes choices, and bears responsibility for the consequences of these choices. In this way, Lemke argues, “the state leads and controls subjects without being responsible for them”; as individual “entrepreneurs” in every aspect of life, subjects become wholly responsible for their well-being and citizenship is reduced to

success in this entrepreneurship (201). Neoliberal subjects are controlled *through* their freedom—not simply, as thinkers from the Frankfurt School through Foucault have argued, because freedom within an order of domination can be an instrument of that domination, but because of neoliberalism’s *moralization* of the consequences of this freedom. Such control also means that the withdrawal of the state from certain domains, followed by the privatization of certain state functions, does not amount to a dismantling of government but rather constitutes a technique of governing; indeed, it is the signature technique of neoliberal governance, in which rational economic action suffused throughout society replaces express state rule or provision. Neoliberalism shifts “the regulatory competence of the state onto ‘responsible,’ ‘rational’ individuals [with the aim of] encourag[ing] individuals to give their lives a specific entrepreneurial form” (Lemke, 202).

4. Finally, the suffusion of both the state and the subject with economic rationality has the effect of radically transforming and narrowing the criteria for good social policy vis-à-vis classical liberal democracy. Not only must social policy meet profitability tests, incite and unblock competition, and produce rational subjects, it obeys the entrepreneurial principle of “equal inequality for all” as it “multiplies and expands entrepreneurial forms with the body social” (Lemke, 195). This is the principle that links the neoliberal governmentalization of the state with that of the social and the subject.

Taken together, the extension of economic rationality to all aspects of thought and activity, the placement of the state in forthright and direct service to the economy, the rendering of the state *tout court* as an enterprise organized by market rationality, the production of the moral subject as an entrepreneurial subject, and the construction of social policy according to these criteria might appear as a more intensive rather than fundamentally new form of the saturation of social and political realms by capital. That is, the political rationality of neoliberalism might be read as issuing from a stage of capitalism that simply underscores Marx’s argument that capital penetrates and transforms every aspect of life—remaking everything in its image and reducing every value and activity to its cold rationale. All that would be new here is the flagrant and relentless submission of the state and the individual, the church and the university, morality, sex, marriage, and leisure practices to this rationale. Or better, the only novelty would be the recently achieved hegemony of rational choice theory in the human

sciences, self-represented as an independent and objective branch of knowledge rather than an expression of the dominance of capital.

Another reading that would figure neoliberalism as continuous with the past would theorize it through Weber's rationalization thesis rather than Marx's argument about capital. The extension of market rationality to every sphere, and especially the reduction of moral and political judgment to a cost-benefit calculus, would represent precisely the evisceration of substantive values by instrumental rationality that Weber predicted as the future of a disenchanting world. Thinking and judging are reduced to instrumental calculation in Weber's "polar night of icy darkness"—there is no morality, no faith, no heroism, indeed no meaning outside the market.

Yet invaluable as Marx's theory of capital and Weber's theory of rationalization are in understanding certain aspects of neoliberalism, neither brings into view the historical-institutional rupture it signifies, the form of governmentality it replaces and the form it inaugurates, and hence the modalities of resistance it renders outmoded and those that must be developed if it is to be effectively challenged. Neoliberalism is not an inevitable historical development of capital and instrumental rationality; it is not the unfolding of laws of capital or of instrumental rationality suggested by a Marxist or Weberian analysis but represents instead a new and contingent organization and operation of both. Moreover, neither analysis articulates the shift neoliberalism heralds from relatively *differentiated* moral, economic, and political rationalities and venues in liberal democratic orders to their discursive and practical integration. Neoliberal governmentality undermines the relative autonomy of certain institutions—law, elections, the police, the public sphere—from one another and from the market, an independence that formerly sustained an interval and a tension between a capitalist political economy and a liberal democratic political system. The implications of this transformation are significant. Herbert Marcuse worried about the loss of a dialectical opposition *within* capitalism when it "delivers the goods"—that is, when, by the mid-twentieth century, a relatively complacent middle class had taken the place of the hard-laboring impoverished masses Marx depicted as the negating contradiction to the concentrated wealth of capital—but neoliberalism entails the erosion of oppositional political, moral, or subjective claims located *outside* capitalist rationality yet inside liberal democratic society, that is, the erosion of institutions, venues, and values organized by nonmarket rationalities in democracies. When democratic principles

of governance, civil codes, and even religious morality are submitted to economic calculation, when no value or good stands outside of this calculus, then sources of opposition to, and mere modulation of, capitalist rationality disappear. This reminds us that however much a left analysis has identified a liberal political order with legitimating, cloaking, and mystifying the stratifications of society achieved by capitalism (and achieved as well by racial, sexual, and gender superordinations), it is also the case that liberal democratic principles of governance—liberalism as a political doctrine—have functioned as something of an antagonist to these stratifications. As Marx himself argued in “On the Jewish Question,” formal political principles of equality and freedom (with their attendant promises of individual autonomy and dignity) figure an alternative vision of humanity and alternative social and moral referents to those of the capitalist order within which they are asserted. This is the Janus-face or at least Janus-potential of liberal democracy vis-à-vis a capitalist economy: while liberal democracy encodes, reflects, and legitimates capitalist social relations, it simultaneously resists, counters, and tempers them.

Put simply, what liberal democracy has provided over the past two centuries is a modest ethical gap between economy and polity. Even as liberal democracy converges with many capitalist values (property rights, individualism, Hobbesian assumptions underneath all contracts, etc.), the formal distinction it establishes between moral and political principles on the one hand and the economic order on the other has also served to insulate citizens against the ghastriness of life exhaustively ordered by the market and measured by market values. It is this gap that a neoliberal political rationality closes as it submits every aspect of political and social life to economic calculation: asking not, for example, what liberal constitutionalism stands for, what moral or political values it protects and preserves, but rather what efficacy or profitability constitutionalism promotes . . . or interdicts.

Liberal democracy cannot be submitted to neoliberal political governmentality and survive. There is nothing in liberal democracy’s basic institutions or values—from free elections, representative democracy, and individual liberties equally distributed to modest power-sharing or even more substantive political participation—that inherently meets the test of serving economic competitiveness or inherently withstands a cost-benefit analysis. And it is liberal democracy that is going under in the present moment, even as the flag of American “democracy” is being planted everywhere it can find or

create soft ground. (That “democracy” is the rubric under which so much antidemocratic imperial and domestic policy is enacted suggests that we are in an interregnum—or, more precisely, that neoliberalism borrows extensively from the old regime to legitimate itself even as it also develops and disseminates new codes of legitimacy. More about this below.)

Nor is liberal democracy a temporary casualty of recent events or of a neoconservative agenda. As the foregoing account of neoliberal governmentality suggests, while post-9/11 international and domestic policy may have both hastened and highlighted the erosion of liberal democratic institutions and principles, this erosion is not simply the result of a national security strategy or even of the Bush administration’s unprecedented indifference to the plight of the poor, civil liberties, law valued as principle rather than tactic, or conventional liberal democratic criteria for legitimate foreign policy.¹⁰ My argument here is twofold. First, neoliberal rationality has not caused but rather has facilitated the dismantling of democracy during the current national security crisis. Democratic values and institutions are trumped by a cost-benefit and efficiency rationale for practices ranging from government secrecy (even government lying) to the curtailment of civil liberties. Second, the post-9/11 period has brought the ramifications of neoliberal rationality into sharp focus, largely through practices and policies that progressives assail as hypocrisies, lies, or contradictions but that may be better understood as neoliberal policies and actions taking shape under the legitimating cloth of a liberal democratic discourse increasingly void of substance.

The Bush administration’s imperial adventures in Afghanistan and Iraq clearly borrowed extensively from the legitimating rhetoric of democracy. Not only were both wars undertaken as battles for “our way of life” against regimes said to harbor enemies (terrorists) or dangers (weapons of mass destruction) to that way of life, but both violations of national sovereignty were justified by the argument that democracy could and ought to take shape in those places—each nation is said to need liberation from brutal and despotic rule. The standard left criticism of the first justification is that “our way of life” is more seriously threatened by a politics of imperialism and by certain policies of homeland security than by these small nations. But this criticism ignores the extent to which “our way of life” is being figured not in a classically liberal democratic but in a neoliberal idiom: that is, as the ability of the entrepreneurial subject and state to rationally plot means and ends and the ability of the state to secure the conditions, at home

and abroad, for a market rationality and subjectivity by removing their impediments (whether Islamic fundamentalism or excessive and arbitrary state sovereignty in the figure of Saddam Hussein). Civil liberties are perfectly expendable within this conception of “our way of life”; unlike property rights, they are largely irrelevant to *homo aeconomicus*. Their attenuation or elimination does not falsify the project of protecting democracy in its neoliberal mode.

The Left criticized the second justification, that the United States could or ought to liberate Afghanistan from the Taliban and Iraq from Hussein, as both hypocritical (the United States had previously funded and otherwise propped up both regimes) and disingenuous (U.S. foreign policy has never rested on the principle of developing democracy and was not serious about the project in these settings). Again, however, translated into neoliberal terms, “democracy,” here or there, does not signify a set of independent political institutions and civic practices comprising equality, freedom, autonomy and the principle of popular sovereignty but rather indicates only a state and subjects organized by market rationality. Indeed, democracy could even be understood as a code word for availability to this rationality; removal of the Taliban and Baath party pave the way to that availability, and democracy is simply the name of the regime, conforming to neoliberal requirements, that must replace them. When Paul Bremer, the U.S.-appointed interim governor of Iraq, declared on May 26, 2003 (just weeks after the sacking of Baghdad and four days after the UN lifted economic sanctions), that Iraq was “open for business,” he made clear exactly how democracy would take shape in post-Saddam Iraq. Duty-free imported goods poured into the country, finishing off many local Iraqi businesses already damaged by the war. Multinationals tumbled over themselves to get a piece of the action, and foreign direct investment to replace and privatize state industry was described by the corporate executives advising the Bush administration as the “answer to all of Iraq’s problems.”¹¹ The question of democratic institutions, as Bremer made clear by scrapping early plans to form an interim Iraqi government in favor of installing his own team of advisers, was at best secondary to the project of privatizing large portions of the economy and outsourcing the business of policing a society in rubble, chaos, and terror occasioned by the combination of ongoing military skirmishes and armed local gangs.¹²

It is not news that replacements for the Taliban and the Baath regimes need not be rights-based, formally egalitarian, representative, or otherwise substantively democratic in order to serve the purposes

of global capitalism or the particular geopolitical interests of the United States. Nor is it news that the replacements of these regimes need not be administered by the Afghans or Iraqis themselves to satisfy American and global capitalist purposes and interests, though the residues of old-fashioned democracy inside the legitimation project of neoliberalism make even puppet or faux rule by an appointed governing council, or by officials elected in severely compromised election conditions, ideologically preferable to full-fledged directorship by the American occupation. What is striking, however, is the boldness of a raw market approach to political problem solving, the extent to which radical privatization schemes and a flourishing market economy built on foreign investment are offered not simply as the path to democracy but as the name and the measure of democracy in these nations, a naming and measuring first appearing in post-1989 Eastern Europe a decade earlier. Not only are democratic institutions largely irrelevant—and at times even impediments—to neoliberal governmentality, but the success of such governmentality does not depend on the question of whether it is locally administered or externally imposed. Market rationality knows no culture or country, and administrators are, as the economists say, fungible. Indeed, at this juncture in the displacement of liberal democracy by neoliberal governmentality, the question is how much legitimacy neoliberal governance requires from a democratic vocabulary—how much does neoliberalism have to cloak itself in liberal democratic discourse and work with liberal democratic institutions? This is less a theoretical than a historical-empirical question about how deeply and extensively neoliberal rationality has taken hold as ideology, that is, how much and where neoliberal governance can legitimate itself in its own terms, without borrowing from other discourses. (Neoliberalism can become dominant as governmentality without being dominant as ideology—the former refers to governing practices and the latter to a popular order of belief that may or may not be fully in line with the former, and that may even be a site of resistance to it.) Clearly, a rhetoric of democracy and the shell of liberal democratic institutions remain more important in the imperial heartland than in recently “liberated” or conquered societies with few if any democratic traditions of legitimacy. However, the fact that George W. Bush retains the support of the majority of the American people, despite his open flaunting of democratic principles amid a failing economy and despite, too, evidence that the public justification for invading Iraq relied on cooked intelligence, suggests that neoliberalism

has taken deep hold in the homeland. Particularly striking is the number of pundits who have characterized this willful deceit of the people as necessary rather than criminal, as a means to a rational end, thereby reminding us that one of the more dangerous features of neoliberal evisceration of a non-market morality lies in undercutting the basis for judging government actions by any criteria other than expedience.¹³

Just as neoliberal governmentality reduces the tension historically borne by the state between democratic values and the needs of capital as it openly weds the state to capital and resignifies democracy as ubiquitous entrepreneurialism, so neoliberalism also smooths an old wrinkle in the fabric of liberal democratic foreign policy between domestic political values and international interests. During the cold war, political progressives could use American sanctimony about democracy to condemn international actions that propped up or installed authoritarian regimes and overthrew popularly elected leaders in the Third World. The divergence between strategic international interests and democratic ideology produced a potential legitimation problem for foreign policy, especially as applied to Southeast Asia and Central and Latin America. Neoliberalism, by redefining democracy as thoroughgoing market rationality in state and society, a redefinition abetted by the postcommunist “democratization” process in Eastern Europe, largely eliminates that problem. Certainly human rights talk is ubiquitous in global democracy discourse, but not since Jimmy Carter’s ill-fated efforts to make human rights a substantive dimension of foreign policy have they served as more than window dressing for neoliberal adventures in democracy.

MOURNING LIBERAL DEMOCRACY

An assault on liberal democratic values and institutions has been plainly evident in recent events: civil liberties undermined by the USA Patriot Acts and the Total Information Awareness (later renamed Total Terror Awareness) scheme, Oakland police shooting wood and rubber bullets at peaceful antiwar protesters, a proposed Oregon law to punish all civil disobedience as terrorism (replete with twenty five-year jail terms), and McCarthyite deployments of patriotism to suppress ordinary dissent and its iconography. It is evident as well in the staging of aggressive imperial wars and ensuing occupations along with the continued dismantling of the welfare state and the progressive taxation schemes already diluted by the Reagan, G.H.W. Bush, and

Clinton administrations. It has been more subtly apparent in “softer” events, such as the de-funding of public education that led eighty four Oregon school districts to sheer almost a month off the school year in spring 2003 and delivered provisional pink slips to thousands of California teachers at the end of the 2002–03 academic year.¹⁴ Or consider the debate about whether antiwar protests constituted unacceptable costs for a financially strapped cities—even many critics of current U.S. foreign policy expressed anger at peaceful civil disobedients over the expense and disruption they caused, implying that the value of public opinion and protest should be measured against its dollar cost.¹⁵ Together these phenomena suggest a transformation of American liberal democracy into a political and social form for which we do not yet have a name, a form organized by a combination of neoliberal governmentality and imperial world politics, shaped in the short run by global economic and security crises. They indicate a form in which an imperial agenda is able to take hold precisely because the domestic soil has been loosened for it by neoliberal rationality.

This form is not fascism or totalitarian as we have known them historically, nor are these labels likely to prove helpful in identifying or criticizing it.¹⁶ Rather, this is a political condition in which the substance of many of the significant features of constitutional and representative democracy have been gutted, jettisoned, or end-run, even as they continue to be promulgated ideologically, serving as a foil and shield for their undoing and for the doing of death elsewhere. These features include civil liberties equally distributed and protected; a press and other journalistic media minimally free from corporate ownership on one side and state control on the other; uncorrupted and unbought elections; quality public education oriented, *inter alia*, to producing the literacies relevant to informed and active citizenship; government openness, honesty, and accountability; a judiciary modestly insulated from political and commercial influence; separation of church and state; and a foreign policy guided at least in part by the rationale of protecting these domestic values. None of these constitutive elements of liberal democracy was ever fully realized in its short history—they have always been compromised by a variety of economic and social powers, from white supremacy to capitalism. And liberal democracies in the First World have always required other peoples to pay—politically, socially, and economically—for what these societies have enjoyed; that is, there has always been a colonially and imperially inflected gap between what has been valued in the core and

what has been required from the periphery. So it is important to be precise here. Ours is not the first time in which elections have been bought, manipulated, and even engineered by the courts, the first time the press has been slavish to state and corporate power, the first time the United States has launched an aggressive assault on a sovereign nation or threatened the entire world with its own weapons of mass destruction. What is unprecedented about this time is the extent to which basic principles and institutions of democracy are becoming nothing other than ideological shells concealing their opposite as well as the extent to which these principles and institutions even as values are being abandoned by large parts of the American population. Elements in this transformation include the development of the most secretive government in fifty years (the gutting of the Freedom of Information Act was one of the quiet early accomplishments of the G. W. Bush administration, the “classified” status of its more than 1,000 contracts with Halliburton one of its more recent); the plumping of corporate wealth combined with the reduction of social spending for limiting the economic vulnerability of the poor and middle classes; a bought, consolidated, and muffled press that willingly cooperates in its servitude (emblematic in this regard is the Judith Miller (non)scandal, in which the star *New York Times* journalist wittingly reported Pentagon propaganda about Iraqi WMDs as journalistically discovered fact); and intensified policing in every corner of American life—airports, university admissions offices, mosques, libraries, workplaces—a policing undertaken both by official agents of the state and by an interpellated citizenry. A potentially permanent “state of emergency” combined with an infinitely expandable rhetoric of patriotism overtly legitimates undercutting the Bill of Rights and legitimates as well abrogation of conventional democratic principles in setting foreign policy, principles that include respect for nation-state sovereignty and reasoned justifications for war. But behind these rhetorics there is another layer of discourse facilitating the dismantling of liberal democratic institutions and practices: a governmentality of neoliberalism that eviscerates nonmarket morality and thus erodes the root of democracy in principle at the same time that it raises the status of profit and expediency as the criteria for policy making.

There is much that is disturbing in the emergence of neoliberal governmentality and a great deal more work to do in theorizing its contribution to the organization and possibilities in current and future political life in the United States. In particular, as I suggested at the

outset of this essay, filling in the contemporary political picture would require mapping the convergences and tensions between a (nonpartisan) neoliberal governmentality on the one hand and the specific agendas of Clintonian centrists and Reagan-Bush neoconservatives on the other. It would require exploring the continued efficacy of political rhetorics of morality and principle as neoliberalism voids the substance of and undercuts the need for extramarket morality. It would require discerning what distinguishes neoliberal governmentality from old-fashioned corporatism and old-fashioned political realism. It would require examining the contradictory political imperatives delivered by the market and set as well by the tensions between nation-state interests and globalized capitalism indifferent to states and sovereignty. And it would require examining the points at which U.S. imperial policies converge with and diverge from or even conflict with neoliberal governmentality.

By way of conclusion, however, I leave aside these questions to reflect briefly on the implications for the Left of neoliberalism's erosion of liberal democracy. While leftists of the past quarter century were rarely as antagonistic to liberal democracy as the Old Left, neither did we fully embrace it; at times we resented and railed against it, and certainly we harbored an aim to transform it into something else—social democracy or some form of radical democracy. So the Left is losing something it never loved, or at best was highly ambivalent about. We are also losing a site of criticism and political agitation—we criticized liberal democracy not only for its hypocrisy and ideological trickery but also for its institutional and rhetorical embedding of bourgeois, white, masculinist, and heterosexual superordination at the heart of humanism. Whatever loose identity we had as a Left took shape in terms of a differentiation from liberalism's willful obliviousness to social stratification and injury that were glossed and hence secured by its formal juridical categories of liberty and equality.

Still, liberalism, as Gayatri Spivak once wrote in a very different context, is also that which one "cannot not want" (given the other historical possibilities, given the current historical meaning of its deprivation). Even here, though, the desire is framed as roundabout and against itself, as Spivak's artful double negative indicates. It indicates a dependency we are not altogether happy about, an organization of desire we wish were otherwise. What might be the psychic/social/intellectual implications for leftists of losing this vexed object of attachment? What are the possible trajectories for a melancholic incorporation of that

toward which one is openly ambivalent; or perhaps even hostile, resentful, rebellious?

Freud posits melancholy as occasioned by ambivalence, though the ambivalence may be more unconsciously sustained than I am suggesting is the case for the Left's relationship to liberal democracy. More precisely, Freud's focus in theorizing melancholy is love that does not know or want to avow its hostility, whereas the task before us is to consider hostility that does not know or want to avow its love or dependency. Still, Freud's thinking about melancholia remains useful here as a theory of loss amid ambivalent attachment and dependence and a theory of identity formation at the site of an ungrievable passion or attachment. It reminds us to consider how left melancholia about liberal democracy would not just be a problematic affect but would constitute a formation of the Left itself.

Incorporating the death of a loathed object to which one was nonetheless attached often takes the form of acting out the loathed qualities of the object. I once had an acquaintance whose much-despised and abusive father died. While my friend overtly rejoiced at his passing, in the ensuing months she engaged in extraordinary outbursts of verbal and physical abuse toward friends and colleagues, even throwing things at them as she had described her father throwing household objects during her childhood. Another friend buried, after years of illness, a childish, hysterical, histrionic, and demanding mother, one who relentlessly produced herself as a victim amid her own aggressive demands. Relieved as my friend was to have done with this parent, what should emerge over the following year but exactly such tendencies in her own relationships? So this is one danger: that we would act out to keep alive those aspects of the political formation we are losing, that we would take up and perform liberal democracy's complacencies, cruelties, or duplicities, stage them in our own work and thinking. This behavior would issue in part from the need to preserve the left identity and project that took shape at the site of liberal democracy, and in part from ambivalence about liberal democracy itself. In response to the loss of an object both loved and loathed, in which only the loathing or contempt is avowed, melancholy sustains the loved object, and continues to provide a cover for the love—a continued means of disavowing it—by incorporating and performing the loathsomeness.

There are other ways ambivalently structured loss can take shape as melancholic, including the straightforward possibility of idealizing a

lost object as it was never idealized when alive. Straightforward, perhaps, but not simple, for this affect also involves remorse for a past of not loving the object well enough and self-reproach for ever having wished for its death or replacement. As idealization fueled by guilt, this affect also entails heightened aggression toward challenges or challengers to the idealization. In this guilt, anxiety, and defensiveness over the loss of liberal democracy, we would feel compelled to defend basic principles of liberalism or simply defend liberalism as a whole *in a liberal way*, that is, we would give up being critical of liberalism and, in doing so, give up being left. Freud identifies this surrender of identity upon the death of an ambivalent object as the suicidal wish in melancholia,¹⁷ a wish abetted in our case by a more general disorientation about what the Left is or stands for today. Evidence for such a surrender in the present extends from our strikingly unnuanced defenses of free speech, privacy, and other civil liberties to the staging of anti-war protests as “patriotic” through the iconography of the American flag. Often explained as what the Left must do when public discourse moves rightward, such accounts presume a single political continuum, ranged from extreme left to extreme right, in which liberals and conservatives are nothing more than the moderate versions of the extremes (communists and fascists). Not only does the model of the continuum reduce the variety of political possibility in modernity to matters of degree rather than kind, it erases the distinctiveness of a left critique and vision. Just as today’s neoliberals bear little in common with traditional conservatives, so the Left has traditionally stood for a set of values and possibilities qualitatively different from those of welfare state liberals. Times of alliance and spheres of overlap obviously exist, but a continuum does not capture the nature of these convergences and tactical linkages any better than it captures the differences between, for example, a liberal commitment to rights-based equality and a left commitment to emancipating the realm of production, or between a liberal enthusiasm for the welfare state and a left critique of its ideological and regulatory dimensions. So the idea that leftists must automatically defend liberal political values when they are on the ropes, while sensible from a liberal perspective, does not facilitate a left challenge to neoliberalism if the Left still wishes to advocate in the long run for something other than liberal democracy in a capitalist socioeconomic order.

Of course, there are aspects of liberal democracy that the Left has come to value and incorporate into its own vision of the good

society—for example, an array of individual liberties that are largely unrelated to the freedom from domination promised by transforming the realm of production. But articulating this renewed left vision differs from defending civil liberties in liberal terms, a defense that itself erases a left project as it consigns it to something outside those terms. Similarly, patriotism and flag-waving are surely at odds with a left formulation of justice, even as love of America, represented through icons other than the flag or through narratives other than “supporting the troops,” might well have a part in this formulation. Finally, not only does defending liberal democracy in liberal terms sacrifice a left vision, but this sacrifice discredits the Left by tacitly reducing it to nothing more than a permanent objection to the existing regime. It renders the Left a party of complaint rather than a party with an alternative political, social, and economic vision.

Still, if we are slipping from liberalism to fascism, and if radical democracy or socialism is nowhere on the political horizon, don't we have to defend liberal democratic institutions and values? Isn't this the lesson of Weimar? I have labored to suggest that this is not the right diagnosis of our predicament: it does not grasp what is at stake in neoliberal governmentality—which is not fascism—nor on what grounds it might be challenged. Indeed, the left defense of the welfare state in the 1980s, which seemed to stem from precisely such an analysis—“if we can't have socialism, at least we should preserve welfare state capitalism”—backfired from just such a misdiagnosis. On the one hand, rather than articulating an emancipatory vision that included the eradication rather than regulation of poverty, the Left appeared aligned with big government, big spending, and misplaced compassion for those construed as failing to give their lives proper entrepreneurial shape. On the other hand, the welfare state was dismantled on grounds that had almost nothing to do with the terms of liberal democracy and everything to do with neoliberal economic and political rationality. We are not simply in the throes of a right-wing or conservative positioning within liberal democracy but rather at the threshold of a different political formation, one that conducts and legitimates itself on different grounds from liberal democracy even as it does not immediately divest itself of the name. It is a formation that is developing a domestic imperium correlative with a global one, achieved through a secretive and remarkably agentic state; through corporatized media, schools, and prisons; and through a variety of technologies for intensified local administrative, regulatory, and police

powers. It is a formation made possible by the production of citizens as individual entrepreneurial actors across all dimensions of their lives, by the reduction of civil society to a domain for exercising this entrepreneurship, and by the figuration of the state as a firm whose products are rational individual subjects, an expanding economy, national security, and global power.

This formation produces a twofold challenge for the Left. First, it compels us to consider the implications of losing liberal democracy and especially its implications for our own work by learning what the Left has depended on and demanded from liberal democracy, which aspects of it have formed the basis of our critiques of it, rebellions against it, and identity based on differentiation from it. We may also need to mourn liberal democracy, avowing our ambivalent attachment to it, our need for it, our mix of love and hostility toward it. The aim of this work is framed by the second challenge, that of devising intelligent left strategies for challenging the neoliberal political-economic formation now taking shape and an intelligent left countervision to this formation.

A half century ago, Marcuse argued that capitalism had eliminated a revolutionary subject (the proletariat) representing the negation of capitalism; consequently, he insisted, the Left had to derive and cultivate anticapitalist principles, possibilities, and agency from capitalism's constitutive *outside*. That is, the Left needed to tap the desires—not for wealth or goods but for beauty, love, mental and physical well-being, meaningful work, and peace—manifestly unmet within a capitalist order and to appeal to those desires as the basis for rejecting and replacing the order. No longer could *economic* contradictions of capitalism inherently fuel opposition to it; rather, opposition had to be founded in an alternative table of values. Today, the problem Marcuse diagnosed has expanded from capitalism to liberal democracy: oppositional consciousness cannot be generated from liberal democracy's false promises and hypocrisies. The space between liberal democratic ideals and lived realities has ceased to be exploitable, because liberal democracy itself is no longer the most salient discourse of political legitimacy and the good life. Put the other way around, the politically exploitable hollowness in formal promises of freedom and equality has largely vanished to the extent that both freedom and equality have been redefined by neoliberalism. Similarly, revealed connections between political and economic actors—not merely bought politicians but arrangements of mutual profiteering between corporate America

and its political elite—do not incite outrage at malfeasance, corruption, or injustice but appear instead as a potentially rational set of linkages between state and economy. Thus, from the “scandal” of Enron to the “scandal” of Vice President Cheney delivering Iraq to Halliburton to clean up and rebuild, there is no scandal. There is only market rationality, a rationality that can encompass even a modest amount of criminality but also treats close state-corporate ties as a potentially positive value—maximizing the aims of each—rather than as a conflict of interest.¹⁸ Similarly, even as the Bush administration fails to come up with WMDs in Iraq and fails to be able to install order let alone democracy there, such deficiencies are irrelevant to the neoliberal criteria for success in that military episode. Indeed, even the scandal of Bush’s installation as president by a politicized Supreme Court in 2000 was more or less ingested by the American people as business as usual, an ingestion that represents a shift from the expectation that the Supreme Court is independent of political influence to one that tacitly accepts its inclusion in the governmentality of neoliberalism. Similarly, John Poindexter, a key figure in the Iran-Contra affair and director of the proposed “Terrorism Information Awareness” program that would have put all Americans under surveillance, continued to have power and legitimacy at the Pentagon until the flap over the scheme to run a futures market on political violence in the Middle East. All three of these projects are instances of neoliberalism’s indifference to democracy; only the last forced Poindexter into retirement.

These examples suggest that not only liberal democratic principles but democratic *morality* has been largely eviscerated—in neoliberal terms, each of these “scandals” is framed as a matter of miscalculation or political maneuvering rather than by right and wrong, truth or falsehood, institutional propriety or impropriety. Consequently, the Left cannot count on revealed deception, hypocrisies, interlocking directorates, featherbedding, or corruption to stir opposition to the existing regime. It cannot count on the expectation that moral principle undergirds political action or even on consistency as a value by which to judge state practices or aims. Much of the American public appeared indifferent to the fact that both the Afghan and Iraqi regimes targeted by Bush had previously been supported or even built by earlier U.S. foreign policy. It also appeared indifferent to the touting of the “liberation” of Afghan women as one of the great immediate achievements of the overthrow of the Taliban while the overthrow of the Baath regime set into motion an immediately more oppressive regime

of gender in Iraq. The inconsistency does not matter much, because political reasons and reasoning that exceed or precede neoliberal criteria have ceased to matter much. This is serious political nihilism, which no mere defense of free speech and privacy, let alone securing the right to gay marriage or an increase in the minimum wage, will reverse.

What remains for the Left, then, is to challenge emerging neoliberal governmentality in Euro-Atlantic states with an alternative vision of the good, one that rejects *homo œconomicus* as the norm of the human and rejects this norm's correlative formations of economy, society, state, and (non)morality. In its barest form, this would be a vision in which justice would center not on maximizing individual wealth or rights but on developing and enhancing the capacity of citizens to share power and hence to collaboratively govern themselves. In such an order, rights and elections would be the background rather than token of democracy; or better, rights would function to safeguard the individual against radical democratic enthusiasms but would not themselves signal the presence or constitute the principle of democracy. Instead, a left vision of justice would focus on practices and institutions of popular power; a modestly egalitarian distribution of wealth and access to institutions; an incessant reckoning with all forms of power—social, economic, political, and even psychic; a long view of the fragility and finitude of nonhuman nature; and the importance of both meaningful activity and hospitable dwellings to human flourishing. However differently others might place the accent marks, none of these values can be derived from neoliberal rationality or meet neoliberal criteria for the good. The drive to develop and promulgate such a counterrationality—a different figuration of human beings, citizenship, economic life, and the political—is critical both to the long labor of fashioning a more just future and to the immediate task of challenging the deadly policies of the imperial American state.