Neoliberal Capitalism & Decline of Democracy

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Definitions

**Neoliberal capitalism**

reduction of state regulation leading to the rise of finance to dominance

**Democracy (representative)**

system of governance in which policies are decided by elected representatives selected through a process of universal suffrage with effective limits on power arising from inequalities
**Dictatorship**

**Anti-democratic**

system with formal representative democracy without effective limits to power resulting from inequality

**Authoritarian**

system without representative democracy

**Fascist**

authoritarian, explicitly anti-enlightenment, with a mass base (usually in petty bourgeoisie & unemployed)
Idealized
(Athenian model)

Closer to reality
Democracy/Market contradiction

Components

Myth of free markets
Liberation of capital
Finance capital
Analytical framework:

Why capitalist competition

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conflict
In the *Economic Journal* (57, 227, page 316, 1947) K W Rothschild wrote:

The oligopolistic struggle for position and security includes political action of all sorts right up to imperialism. The inclusion of these "non-economic" elements is essential for a full explanation of oligopoly behaviour...
19th/20th century first imperialist powers

New imperialist powers
Thus, the analytical starting point:

Capitalist competition is a process of conflict within economic sphere that spreads into the political sphere and includes at its limit civil & military conflict.
Competition & Distribution
Britain: wage share in national income

US size distribution of income
Managed competition

- Limited competition
  - Reduced class conflict
    - Stable distribution of income & wealth
      - Compliance through consent
“Free” competition & inequality

Competition

↓

Class conflict

↓

Concentration of income & wealth

↓

Compliance through repression
compliance through consent (repression exceptional)

social democracy

compliance through systematic repression

authoritarian capitalism
Common interpretation of 20\textsuperscript{th} century

The generally accepted interpretation of 20\textsuperscript{st} century history is that it involved a conflict between capitalism and communism/socialism. The collapse of the Soviet Union resolved this conflict with capitalism the victor (though the victory may prove temporary).
Re-interpretation

20\textsuperscript{st} century history & into the 21\textsuperscript{st} involved a conflict between anti-democratic and democratic movements.

For most of the last 100 years anti-democratic forces have been the stronger.
The cause of labour is the hope of the world.

A Merry Christmas & a Happy New Year,
With good luck to labour, hand, heart, and brain.
Stick fast to your banner, stand solid, nor veer,
Till the cause of the Workers reigns earth again.
Democratic & anti-democratic tendencies 1920-2017

1920-1938 Strengthening of anti-democratic movements & tendencies
- fascism (Europe, Japan)
- authoritarianism capitalism (central & eastern Europe)
- authoritarian socialism/communism (Soviet Union)
- continuation of authoritarian colonial rule

Democratic counter tendency in United States with rise of trade unions and farmer-labour alliances in several states
1939-1950

Strengthening of democratic movements
- defeat of fascist form of capitalist authoritarianism
- most progressive US period (1940-44)
- election of labour government in Britain
- first anti-colonial victories

Anti-democratic counter-tendencies