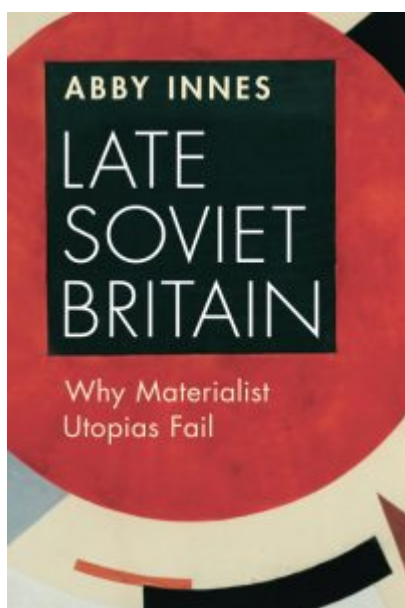


Abby Innes introduces Late Soviet Britain: Why Materialist Utopias Fail

*In an excerpt from the introduction to her new book, **Late Soviet Britain: Why Materialist Utopias Fail**, Associate Professor of Political Economy at LSE's European Institute **Abby Innes** considers how factors including the rise of neoliberalism have destabilised Britain's governing institutions.*

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Why has Great Britain, historically one of the strongest democracies in the world, become so unstable? What changed? [This book](#) demonstrates that a major part of the answer lies in the transformation of its state. It shows how Britain championed radical economic liberalisation only to weaken and ultimately break its own governing institutions. This history has direct parallels not just in the United States but across all the advanced capitalist economies that adopted neoliberal reforms. The shattering of the British state over the last forty years was driven by the idea that markets are always more efficient than the state: the private sector morally and

functionally superior to the public sector. But as this book shows, this claim was ill-founded, based as it was on the most abstract materialist utopia of the twentieth century. The neoliberal revolution in Great Britain and Northern Ireland – the United Kingdom – has failed accordingly, and we are living with the systemic consequences of that failure.

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The rise of nationalist populism in some of the world's richest countries has brought forward many urgent analyses of contemporary capitalism. What this book offers, by contrast, is the explanation of a dark historical joke. It explores for the first time how the Leninist and neoliberal revolutions fail for many of the same reasons. Leninism and neoliberalism may have been utterly opposed in their political values, but when we grasp the kinship between their forms of economic argument and their practical strategies for government, we may better understand the causes of state failure in both systems, as well as their calamitous results.

Comparing the neoclassical and Soviet economic utopias, [w]hat emerges are mirror images – two visions of a perfectly efficient economy and an essentially stateless future.

Britain's neoliberal policies have their roots in neoclassical economics, and Part I begins by comparing the neoclassical and Soviet economic utopias. What emerges are mirror images – two visions of a perfectly efficient economy and an essentially stateless future. These affinities are rooted in their common dependence on a machine model of the political economy and hence, by necessity, the shared adoption of a hyper-rational conception of human motivation: a perfect utilitarian rationality versus a perfect social rationality. As the later policy chapters demonstrate, these theoretical similarities produce real institutional effects: a clear institutional isomorphism between neoliberal systems of government and Soviet central planning.

When it comes to the mechanics of government, both systems justify a near identical methodology of quantification, forecasting, target setting and output-planning, albeit administrative and service output-planning in the neoliberal case and economy-wide outputs in the Soviet. Since the world in practice is dynamic and synergistic, however, it follows that the state's increasing reliance on methods that presume rational calculation

within an unvarying underlying universal order can only lead to a continuous misfit between governmental theory and reality. These techniques will tend to fail around any task characterised by uncertainty, intricacy, interdependence and evolution, which are precisely the qualities of most of the tasks uploaded to the modern democratic state.

In neoliberalism, the state has been more gradually stripped of its capacity for economic government

The Soviet and neoliberal conceptions of the political economy as a mechanism ruled by predetermined laws of economic behaviour were used to promote pure systems of economic coordination, be that by the state or the market. Leninism, as it evolved into Stalinist command planning, dictated the near-complete subordination of markets to the central plan. In neoliberalism, the state has been more gradually stripped of its capacity for economic government and, over time, for prudential, strategic action, as its offices, authority and revenues are subordinated to market-like mechanisms. Both Soviet and neoliberal political elites proved wildly over-optimistic about the integrity of their doctrines, even as they demonised the alternatives.

For all their political antipathy, what binds Leninists and neoliberals together is their shared fantasy of an infallible 'governing science' – of scientific management writ large. The result is that Britain has reproduced Soviet governmental failures, only now in capitalist form. When we understand the isomorphism between Soviet and neoliberal statecraft, we can see more clearly why their states share pathologies that span from administrative rigidity to rising costs, from rent-seeking enterprises to corporate state capture, from their flawed analytical monocultures to the demoralisation of the state's personnel and, ultimately, a crisis in the legitimacy of the governing system itself. This time around, however, the crisis is of liberal democracy.

The book's policy chapters in Part II explore how the neoliberal revolution has transformed the British state's core functions in the political economy: in administration, welfare, tax and regulation and the management of future public risk.

After setting out the philosophical foundations of these ideologies, the book's policy chapters in Part II explore how the neoliberal revolution has transformed the British state's core functions in the political economy: in administration, welfare, tax and

regulation and the management of future public risk. In Part III I examine the political consequences of these changes, and demonstrate how Britain's exit from the European Union has played out as an institutionally fatal confrontation between economic libertarianism and reality. The final chapter considers how the neoliberal revolution, like its Leninist counterpart, has failed within the terms by which it was justified and instead induced a profound crisis not only of political and economic development but also of political culture.

Under 'late' neoliberalism we can see a similar moment of political hiatus, as neoliberal governments likewise resort to nationalism and the politics of cultural reaction to forestall public disillusionment and a shift in paradigm.

I use different periods of Soviet history as an analytical benchmark throughout the book, but the Brezhnev years (1964–1982) were those of the fullest systemic entropy: the period of ossification, self-dealing and directionless political churn. Under 'late' neoliberalism we can see a similar moment of political hiatus, as neoliberal governments likewise resort to nationalism and the politics of cultural reaction to forestall public disillusionment and a shift in paradigm. I use the United Kingdom as the case study because it was both a pioneer of these reforms and, in many respects, has gone furthest with them. If neoliberalism as a doctrine had been analytically well-founded, it was in the United Kingdom, with its comparatively long and strong liberal traditions, that we should have seen its most positive outcomes.

By the early 2020s the Conservative government of Boris Johnson had sought to criminalise peaceful protest, to constrain media independence and to insulate the political executive from parliamentary and public scrutiny.

To be clear, Britain's neoliberals were never totalitarians of the Soviet variety. They never used revolutionary violence to create a one-party state, deployed ubiquitous intelligence agencies to enforce repression or used systems of mass incarceration and murder for political ends. Britain's neoliberal consensus has nevertheless favoured a one-doctrine state, and the violent suppression of specific, typically economy-related, protests has been a periodic feature of its politics since 1979. Britain's neoliberal governments have also developed an increasingly callous attitude to social hardship and suffering. Most troubling of all is that the more neoliberalism has been implemented, the more the country has been driven to the end of its democratic road. By the early 2020s

the Conservative government of Boris Johnson had sought to criminalise peaceful protest, to constrain media independence and to insulate the political executive from parliamentary and public scrutiny. In short, it had abused its authority to disable legitimate political opposition. What I hope to explain is why any regime that commits itself to neoliberal economics must travel in this direction or abandon this ideology.

What follows is an argument about the collapse of the empiricist political centre and its replacement by utopian radicalism. Specifically, this is a story of how the pioneering and socially progressive philosophy of liberalism is being discredited by utopian economics and the practically clientelist methods of government that follow from it, just as the politics of social solidarity essential to a civilised world was undermined by the violence and corruption of the Soviet experiment. As the old Soviet joke had it, 'Capitalism is the exploitation of man by man. Communism is its exact opposite.' There are, of course, many challenges distinct to neoliberalism and I pay attention to them, but my purpose here is to see what we can learn about the political economy of the neoliberal state when we look at it through the lens of comparative materialist utopias.

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