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## The pathway out of neoliberalism and the analysis of political ideology in the post-crisis world

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## Abstract

Neoliberalism has not simply 'survived'; it has failed to die, seemingly outlived the socio-economic conditions that gave rise to its existence. In this way, the non-death of neoliberalism raises some important questions about the nature of ideology, principally: its relationship to socio-economic determinants; how it exercises its grip over subjects and how this grip, or hold, can itself be exorcised. Seeking insights into these questions, this paper tells the story of the scholarly response to the non-death of neoliberalism over a ten year period of crisis: a pre-crisis era beginning with the Asian financial crisis (1997-2007) and a post-crisis era beginning with the global financial crisis to the present day (2008-2015). The paper considers key scholarly responses to the persistence of neoliberalism at three fundamental levels: (a) the trajectory of their analytical technique, or the key concepts that underpin their wider project; (b) their critique of neoliberalism, or how these concepts render the construction of core neoliberal ideals; and, (c) their ideological response to neoliberalism, or their recommendations regarding the pathway out of neoliberalism. On this basis, the paper engages in a discussion of the most plausible explanation for the non-death of neoliberalism and the most likely avenue along which the post-crisis world might build an escape.

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## **The Pathway out of Neoliberalism and the Analysis of Political Ideology in the Post-Crisis World**

### **1. The Non-death of Neoliberalism**

Rocking pluralist notions of collectivism and the public interest, neoliberalism emerged in the late 1970s and early 1980s trumpeting its core notions of competitive markets and a limited state as the solution to the nagging problems of unemployment, inflation and the lack of economic growth. In the decades that followed, neoliberalism reoriented key policy sectors in national economies across the North Atlantic and the Asia Pacific from health and education, to banking and finance, to trade and international relations. In the first decade of the new millennium, however, a liquidity shortfall in the US mortgage market precipitated a crisis that only state intervention prevented from becoming a catastrophic melt-down of the entire global financial system. At the height of the crisis, former agents of neoliberalism demanded decisive state intervention in the very governance regimes in which they had supplanted state authority, assumed self-regulatory functions and pressed consistently for still greater autonomy and market based freedoms. As the crisis unfolded, states demonstrated the centrality of their capacities for redistributive politics and shaping social compromises to the smooth functioning of the global economy. They seized control of troubled banks and investment houses. They printed and spent vast sums of public money to provide stimulus to faltering national economies. They bailed-out failing private enterprises, providing them with massive public subsidies. They brought fluidity to frozen markets and returned key businesses to states of profitability.<sup>1 2 3</sup> In the wake of the crisis, the role of decisive state action in restoring confidence to the global economy seemed to have thrown down the gauntlet to the neoliberal principles of competitive markets and a limited state. Even Alan Greenspan, the former head of the US Federal Reserve, publically apologised for his ideological zeal in pursuing the development of unfettered markets.<sup>4</sup> Popular concern for fundamental questions regarding the role of the state in the national economy also reemerged. Citizen movements, like Occupy Wall Street, gave voice to the ideals of a growing 'global justice movement', which embraced notions of participatory democracy, universal rights, global solidarity and equality of access to resources and opportunities.<sup>5</sup> By 2009, the world seemed to stand on the brink of a new era. Where, in 1980, incoming US President Ronald Reagan had told the people of the United States that 'government was the problem'; in 2009, newly elected President Barack Obama told the Wall Street bankers that the only thing standing between them and the pitchforks was his administration.<sup>6</sup>

And yet, today, neoliberalism seems more politically powerful than ever. Somewhat counterintuitively, the practical policy solutions to a crisis that had its origins in the US financial sector were to socialise private losses, cut back government spending and reel in the

welfare state.<sup>7</sup> In the years directly following the crisis, financial elites proved remarkably effective in defending the principles of competitive markets and a limited state, frustrating initiatives for reform.<sup>8</sup> In both the UK and the US, competitive electoral politics produced dissatisfying efforts to re-regulate key sectors of the economy.<sup>9</sup> And where technocrats and regulators remained convinced of “the need to produce an intellectually coherent account of regulation”; the resilience of the financial sector’s commitment to the pre-crisis imperatives of efficient markets and a minimal state has been striking.<sup>10</sup> Even today, socialised private sector losses are still being managed under a pre-crisis narrative of preserving incentives for top executives, protecting the management of rescued institutions from politics and the state, and maximising shareholder value.<sup>11</sup> While public outrage continues to simmer, all impetus for major policy change seems lost. Despite a decade long succession of political, international and economic crises that began with the 1997 East-Asian financial crisis and concluded with the 2008 global financial crisis, each of which would seem to have outmoded its core conceptual notions that market competition and a limited state offer the best prospects for growth, innovation and employment, neoliberalism continues to flourish. It is still here, stronger than ever, the predominant political ideology of the new millennium.

How could this have possibly happened? How could an ideology, which, at its core, is averse to all forms of government planning, which is hostile to notions of the public interest, which limits the role of the state to the protection of individual property rights, which ignores all social groups and collectives, which sees only rational self-interested consumers, which, in fact, holds that there is no such thing as society, and which ultimately seeks to implement a practical policy programme of tax-cuts, privatisation, market competition, de-regulation and competitive contracts and tendering, possibly have emerged as the solution to the greatest economic catastrophe since the crash of 1929? In the academic literature, this, the curious case of the non-death of neoliberalism, is an issue of some importance.<sup>12</sup> Indeed, neoliberalism has not simply ‘survived’; it has failed to die; and for many scholars, seems to have outlived the socio-economic conditions that gave rise to its existence. Neoliberalism is not even really alive; it is un-dead, a zombie, risen from the grave, one that stalks the post-crisis era with as much, if not more resolve, than its live incarnation menaced the pre-crisis era. In this way, the non-death of neoliberalism, raises some fundamental questions about the nature of ideology, principally: its relationship to socio-economic determinants, how it exercises its grip over subjects and how this grip, or hold, can itself be exorcised. Seeking insights into these issues, this paper tells the story of the scholarly response to the non-death of neoliberalism over a ten year period of crisis: a pre-crisis era beginning with the Asian financial crisis (1997-2007) and a post-crisis era beginning with the global financial crisis and concluding with the present day (2008-2015). The paper considers key scholarly responses to the persistence, or non-death of neoliberalism, at three fundamental levels: (a) the trajectory of their analytical technique, or the key concepts that underpin their wider project; (b) their critique of neoliberalism, or how these concepts render the construction of core

neoliberal ideals; and, (c) their ideological response to neoliberal ideals, or their recommendations regarding a pathway out of neoliberalism. On this basis, the paper engages in a discussion of the most plausible explanation for the non-death of neoliberalism and the most likely pathway along which the post-crisis world might fashion an escape.

## **2. Scholarly Responses to Neoliberalism in the Pre-Crisis Era (1998-2007)**

In 1936, Keynes was sure that the power of vested interests was vastly exaggerated compared with the influence of ideas over politics.<sup>13</sup> In those days, Keynes was referring to the predominance of laissez-faire liberalism, to which economists of his generation ascribed the great crash of 1929. Following the East Asian financial crisis of 1997, however, Keynes' views on the influence of ideas over politics chimed with the work of individuals and scholarly collectives who became interested in the predominance of a new form of liberalism over politics and economics, namely neoliberalism, which continued to rule supreme during the period 1997-2008, and seemingly in the absence of the same kind of informed and authoritative challenge that economists like Keynes once mounted against laissez-faire liberalism. In response to the apparent neoliberal hegemony of the post-millennial world, these scholars set themselves the task of explaining how and why neoliberal ideology had obtained and retained its power in Europe and the United States, and what possible pathways out of neoliberalism remained open to the world. Today, these responses are sufficiently settled and diverse to display unique, and indeed quite fundamental, characteristics that facilitate a systematic investigation. In this section, the paper considers key responses to the neoliberal hegemony of the pre-crisis era (1997-2008), exploring their general characteristics and bringing them into proximity with each other at three elementary levels: (a) analytic, (b) critique, and (c) ideology.

The decade long sequence of crises through which neoliberalism maintained its domination over politics and economics began with the East Asian financial crisis of 1997. The Asian financial crisis was the product of a dramatic reversal of foreign capital flows that sent regional currencies plummeting, brought several key economies to the brink of default and shattered market confidence throughout the entire Asian region. The precise cause of the crisis has been the subject of robust debate. Some analysts attribute the massive capital outflows to fundamental economic weaknesses and policy making inadequacies across the region. Others, however, argue that self-fulfilling expectations and financial panic were largely responsible for the depth and severity of the crisis.<sup>14</sup> But, in general, analysts associate the collapse with insufficient regulatory oversight, or, the rapid decentralisation of the financial sector in the absence of adequate mechanisms for its supervision and regulation.<sup>15 16 17</sup> For our purpose, however, the point is that scholarly doubt about neoliberalism's influence as a doctrine, which pretended to rule and understand the global economy, was also among the major results of the crisis. And, in the years following, Anthony Giddens, with his *Third Way: The Renewal of Social Democracy*, was among the first

authoritative scholars to deliver a sustained and systematic response to the dubious levels of influence that neoliberalism had achieved over national and global policy making.<sup>18</sup>

### *2a. The Liberal Epistemological Response*

In *The Third Way*, Giddens analysed political ideologies, principally old style social democracy and neoliberalism, by comparing them, or essentially, by attempting to understand them in relation to one another. Herein, his analytical technique involved an epistemological and, more specifically, liberal approach to ideological analysis. *The Third Way* assembled the ideologies of neoliberalism and classical social democracy, set them side-by-side and considered the terrain. The work argued that social democracy was about collectivism, demand management, a mixed economy and pervasive state intervention. By contrast, neoliberalism was about markets, individualism and a limited state. Like a liberal of the Millian stripe, Giddens analysed each ideology as a fallible perspective, or truth claim. Social democracy, he suggested, had failed to grasp the utility of markets in providing essential data for buyers and sellers. It had underestimated the capacity of capitalism to innovate, to adapt and to generate higher levels of productivity. By contrast neoliberalism had ignored the social basis of the market and had cast the communal foundations on which they depended to the winds. At its core, *The Third Way* was about understanding ideology, about a process of liberal conciliation. It assembled conflicting ideologies, extracted and catalogued their key ideals; and, it analysed them as fallible approximations of truth. Giddens's technique was about discussion, dialogue and elucidation, about teasing out a compromise, or a consensus, around a new, or third, set of ideals: essentially, the third way.

Based on this liberal analytic, Giddens critique of neoliberalism evaluated the veracity of its core ideational content for its internal coherency, and ultimately attempted to dissolve the consensus that had built up around it. Writing in 1998, only one year after the Asian financial crisis, Giddens argued that neoliberalism was already "in trouble", highlighting serious internal tensions within the doctrine, suggesting that its two halves stood in marked contradiction.<sup>19</sup> Neoliberalism was about hostility to big government and the welfare state. It was about enthusiasm for competitive markets, Thatcherism and globalisation. However, Giddens thought these core ideals lacked consistency. For Thatcherites, on the one hand, the conservative ideals of the traditional family and national identity circumscribed neoliberalism's core notions of choice and individualism. On the other hand, for neoliberals of a Randian ilk, the ideals of market competition, individualism and free trade trumped, and thereby fractured, all traditional notions of family and national citizenship through an outright denial of the social and political basis of the market. The crux of Giddens's critique was that neoliberalism fragmented as much as it unified; and that, therefore, states were necessary as a stabilising force.<sup>20</sup>

Based on this critique, the work sought to build a new consensus around an alternate set of core ideals, 'a third way', which Giddens offered as ideology, a contribution to the debate about the future of social democratic politics. As a term, the third way had "no particular significance in itself".<sup>21</sup> Indeed, the third way was simply a compromise position between older pluralist notions of collective politics and the public interest, and the contemporary neoliberal hegemony of competitive markets and a limited state. As such, *The Third Way* made an ideological case for a revival of social democracy and the construction of a neo-pluralist cosmopolitan state based on a five key dilemmas of the global age. At heart, this ideological case for the renewal of social democracy was thoroughly liberal and epistemological; it was about the rational recognition of the need to solve key dilemmas of a new political age. To some extent, *The Third Way* was a remarkably unambitious response to the neoliberal hegemony, it was a compromise, a conciliation, little more than a classic liberal exercise in facilitating public debate, gathering agreement and building consensus around a key set of practical political problems.

Following close on the heels of the Asian financial crisis, a further series of economic, political and international catastrophes continued to shake at neoliberalism's key notions of competitive markets and a limited state. In March 2000, the burst of a speculative bubble in the information-technology sector, associated with the easy availability of venture capital, produced a bear market and a recession, which some analysts argue led to the extended period of low long-term interest rates that accompanied the growth of the bubble in the US housing market.<sup>22 23 24</sup> In September 2001, acts of international terrorism raised a new appreciation for the ability of the state to provide security for citizens. In the wake of the attacks, president George W. Bush beefed-up the American military and established the Department of Homeland Security, initiating the biggest expansion of the American state since the presidency of Lyndon Johnson.<sup>25</sup> In the aftermath of the 2003 invasion of Iraq, the stunning magnitude of the US failure to bring stability to the country, which persists even to the time of writing, pointed to the consequences of dismantling the institutions of sovereignty and the necessity of the state for establishing a sustainable and legitimate peace.<sup>26</sup> Even the build-up to the Iraq invasion seemed to demonstrate, however perversely, the power of the state to set and achieve policy goals both unilaterally and against the advice of international organisations and the sentiment of the wider global community. In the face of these events, however, neoliberalism remained the common place of how many people understood and interpreted the world.<sup>27</sup> In response, the scholarly critique of neoliberalism gained momentum. In 2005, David Harvey published an influential account of the origins of neoliberalism and its proliferation on the world stage, *A Brief History of Neoliberalism*. Like Giddens' *Third Way*, Harvey's *A Brief History* is well known. For our purposes, however, the point worth emphasising is that the work develops a similarly epistemological analysis, but sets out both its critique of neoliberalism and its ideological programme along broadly Marxist lines.

### *2b. The Marxist Epistemological Response*

In *A Brief History*, Harvey analysed neoliberalism exclusively. Unlike the more liberal Giddens, he did not assemble opposed ideologies, compare and contrast them, analyse them as fallible truth claims. Instead, the work highlighted the divergences between neoliberal ideology and the practical policy making of neoliberal governments. Nevertheless, the analytical technique of *A Brief History* remained thoroughly epistemological. Harvey's aim was to understand the hegemonic rise of the neoliberal state: establish its origins, track its development, identify its policy applications. For Harvey, the basic analytical problem was that the neoliberal state was incoherent. It didn't make sense. It was an "unstable and contradictory political form".<sup>28</sup> For example, in the U.S., Harvey observed that neoliberals, like Ronald Reagan and George W. Bush, had advocated markets, competition and free trade; but that they had also introduced tariffs to support local industry and imposed quotas on foreign imports to protect domestic suppliers. Further, Reagan and Bush had also presided over massive budget deficits and dramatic increases in government spending, particularly on defence and security. Similarly, in the EU, neoliberal member states had advocated policies on free trade only to impose restrictions on agriculture. With their US counterparts, they had preached programmes of de-regulation, but had in fact legislated to widen the regulatory domain. In addition, EU states had also increased government spending, run large deficits and regularly intervened in the market for the purpose of gathering political support. Attempting to resolve these inconsistencies, *A Brief History* developed an eminently reasonable conclusion: neoliberal ideology was too demanding; even the most fundamental neoliberal state, it suggested, would experience difficulty adhering to the neoliberal policy agenda at all times. And here, the problem was twofold: neoliberal ideology not only conflicted with the different state forms that had existed prior to the neoliberal turn; but external geographical features also complicated any attempt to construct a stable prototypical neoliberal state.<sup>29</sup>

At the level of critique, however, *A Brief History* took an odd and decidedly Marxist turn. Given that the neoliberal state was an unstable political form that didn't really make much sense; the work conjectured that the hegemony must exist for other than purely rational reasons. And at this point, Harvey turned to the ready and familiar notion of Marxist class struggle. For Harvey, the hegemony of the neoliberal state pointed to "the crucial role of class struggle in either checking or restoring elite class power".<sup>30</sup> And even more than that, the entire period from the late seventies to the new millennium amounted to "a whole generation of sophisticated strategizing on the part of ruling elites to restore or enhance overwhelming class power", which neoliberal ideology had "effectively disguised".<sup>31</sup> In the new millennium, the subsequent turn to the neo-conservatism of the second Bush administration served as an indication of how far economic elites were prepared to go, and indeed the authoritarian strategies they were prepared to deploy, in order to sustain their power.<sup>32</sup>

Based on this Marxist critique, *A Brief History* developed an ideology of resistance and democratic struggle. Unlike Giddens, Harvey was not about building consensus around a new set of core dilemmas and policy solutions. *A Brief History* was about initiating a “political process that can lead us to point where feasible alternatives, real possibilities, become identifiable”.<sup>33</sup> And significantly, *A Brief History* pointed out that Marxist notions of class, class struggle and resistance were realities of this process. The world’s population, Harvey suggested, must either respond to neoliberalism in class based terms or resign itself to a historical and geographical trajectory defined by overwhelming upper class power.<sup>34</sup> Nevertheless, *A Brief History* did not “wax nostalgic” for the rediscovery of the old revolutionary proletarian class. Rather, its ideology was about an agenda of popular mass politics and social democracy, about uniting global justice movements, regaining popular control of the state apparatus and deepening the democratic practices and values that underlay “the juggernaut of market power”.<sup>35</sup> In this way, Harvey’s ideology was unambiguously Marxist. And to some extent, it renders *A Brief History* an almost schizophrenic response to the post-millennial hegemony. Having cast the neoliberal state as an unstable political form, the work seems to have abandoned, or become somehow unable, or even unwilling, to sustain the epistemological trajectory of its analysis, and to have reached, with no little gusto, for the convenient and familiar notions of the neoliberal state as mask for elite power, and for a practical political programme of resurgent mass social and political movements voicing popular demands for egalitarian politics, economic justice, fair trade and economic security.<sup>36</sup>

That same year, however, *A Brief History* was joined by two important, and indeed very different, responses to the predominance of neoliberalism. The first essentially consisted of a dialogue between two scholars, Michael Freeden and Manfred Steger, about the broader study of ideology. In 2005, this dialogue was not really a response to the apparent neoliberal hegemony; however, it remains worthy of consideration given both its trajectory, and, the influence it would come to exercise over other scholars in the field following the crisis of 2008. The second response was a more collective, essentially functionalist, scholarly endeavour that developed a substantive hypothesis for a new world of regulatory capitalism.<sup>37</sup>

### *2c. The Ideational Response*

In 2005, Manfred Steger challenged Michael Freeden’s sceptical assessment that it was too early to announce ‘globalism’ as an established ideology.<sup>38 39</sup> The significance of this challenge was that it belated an emerging technique for the analysis of political ideology. At its core, this technique was ideational, and involved the empirical study of ideas as real and existing concrete entities. By implication, its critique of neoliberalism was morphological. However, in 2005, neither the analytic nor the critique constituted a response to the neoliberal hegemony of the post-millennial world. Instead, these elements largely responded to

developments in the theory of language. It was only after 2008 that Steger would fully elaborate and expand both Freeden's analytic and critique to develop a direct ideological response to the neoliberal hegemony.

For Michael Freeden, policy is the embodiment of ideology. Indeed, Freeden holds that the core claims of an ideology essentially vie for implementation as public policy. In this way, ideologies have an important political role as instruments for fashioning collective decisions.<sup>40</sup> And at this point, Freeden's work is far from political science's old hostility to political ideas as the expression of material self-interest. For Steger too, ideologies enable political action. Further, they also bind people to circumscribed worldviews and constrain their activity. Like Freeden's, Steger's analytical technique was ideational. Ideology and its conceptual content are the raw materials, the empirical data, on which the analysis of political action depends. Under this technique, the analyst is concerned with utterances, speeches and writings of key stakeholders and influential advocates.<sup>41</sup> Within the technique, the key issue is largely one of establishing the ideational boundaries of ideological systems. Here, the technique involves the concept of morphologies. Conventionally, ideological thinking has been linked to great ideological families, like liberalism and socialism, between and around which scholars have drawn sharp lines of difference, creating distinct and separate spheres of thought. However, developments in the philosophy of language have shown that words and languages overlap, complement and delineate each other's meanings. Consequently, the ideational technique holds that conceptual meanings always reflect the adjacency of one concept to another. In other words, a change in the meaning of one concept will affect the meanings of other concepts in the same relational network.<sup>42</sup> For the ideationalist, the analytical task is about capturing and recording the changing morphologies of ideological systems.

Based on this analytic, the ideational critique of neoliberalism is about redrawing or re-categorising its conceptual boundaries, and the concomitant assertion that neoliberalism is about conceptual pluralities, not singularities. Thus, and consistent with shifts in the theory of language, neoliberalism must also necessarily come in many permutations. For example, although neoliberals may share a common belief in the power of self-regulating free markets and a limited state, the doctrine will necessarily involve different hues and multiple variations on these components, some of which will display significant differences. And where any singular notion of neoliberalism—like the one presented in this essay—in terms of free-markets and a limited state can possibly hold meaning; it is only as an ideal-typical composite that enables scholars in field to pursue their theoretical tasks more easily. As such, the ideational critique of neoliberalism does not really respond to the neoliberal hegemony of the pre-crisis era; to a large extent it is about keeping pace with developments in the philosophy of language, about establishing, or tracking, a relational network of adjacent concepts, and core claims that play crucial semantic and political roles, through which the commitment to free-markets and a limited state derives meaning. And for Steger, this particular network of

concepts did not even amount to something called 'neoliberalism', but to something else called 'globalism'.<sup>43</sup> Where Freedman had presented an ideational analytical technique for the purpose of providing insights and clarities, not for "definitively resolving the issues of which ideologies exist in the world of politics",<sup>44</sup> Steger had challenged and expanded Freedman's analytic into an indirect, or nascent, critique of the neoliberal hegemony via the construction of a relational network of core and adjacent concepts called 'globalism', which, he argued, was both "the dominant ideology of our time" and the network of meaning "against which all challengers must define themselves".<sup>45</sup> However, in 2005, Steger's nascent critique still lacked ideology, or a notion of the pathway out of the apparent 'globalist' hegemony. But this would come only later, in 2012, with the identification of a worthy challenger network.<sup>46</sup>

That same year, 2005, David Levi-Faur, Jacint Jordana and John Braithwaite advanced a thesis for regulatory capitalism, a term intended, like Steger's globalism, as a replacement for other terms, like 'the new world order', 'global capitalism' or 'the neoliberal hegemony'.<sup>47 48 49</sup><sup>50</sup> But unlike the ideationalists, regulatory capitalism did not try to understand the ideological content, the intellectual origins, the policy applications, and certainly not the conceptual network through which neoliberal commitments derived their meaning. Indeed, this new analytical technique had its origins in political science, was seemingly pragmatic, functional, to some extent even realist, or put simply, the very antithesis of Freedman's ideational analytic, and almost, but not quite, a return to political sciences' rationalisation of political ideology as unabashed self-interest.

#### *2d. The Functionalist Response*

From about the middle of the 1990s, scholars of regulatory governance had begun to write about the significant changes gripping the organization of governments and policy sectors in the United States, Europe and around the world. Collectively, these scholars produced a substantive body of work that reflected on the multiplicity of cross-national and cross-sectoral policymaking changes ushered in by neoliberal governments since the mid-1970s. Regulatory governance scholars were interested in the nature of these changes. They were interested in why they had occurred, whether they were particular to individual countries or whether they witnessing a more fundamental change to the structure of western government and society itself. Common to all their accounts of change was the observation that neoliberalism and its program of de-regulation and privatization was not matched with substantial deregulation at the practical level of policy making. Rather, the Thatcher government and the Reagan administration had ushered in a substantive re-regulation of state, market, and society. They had created freer-markets. But they had also introduced many more rules in order to make them work.<sup>51 52</sup>

On the basis of this peculiar observation, regulatory governance scholars began to develop a new analytical technique that applied within a global governance context. This analytic

suggested that public ownership and centralized planning of national economies were being displaced by the construction of a new array of regulatory governance techniques and mechanisms as applied by a range of newly established independent regulatory agencies.<sup>53</sup> In the main, the new analytic was about recognizing and highlighting systemic differences and policy divergences between national policy sectors. Equally, however, it also about emphasizing deeper processes of convergence, which related to the functional rather than territorial basis on which policy sectors were becoming increasingly organized. Using this functional analytical technique, regulatory governance scholars argued that nation states had become rule takers as much as rule makers. And in some sectors, they took more rules than in others. For example, in policy sectors like banking, finance, shipping and air safety, the demand for regulation was inherently global and beyond the control of an individual nation state.<sup>54</sup> Because, in today's globalized world, functional rather than territorial considerations were more relevant to policy making across nearly all policy sectors.<sup>55</sup> Accordingly, the analytical technique was about tracking the spread, or the contagious diffusion, of regulatory demands, instruments and governance techniques across global policy networks.

The conceptual significance this functional analytic should not be understated. In the first place, unlike Freeden and Steger's ideational technique, which reflected recent shifts and developments in the philosophy of language, the functional analytic was a direct response to the apparent neoliberal hegemony of the 1980s and 1990s. In the second place, it explicitly rejected the ideational construction of political action. Under the functional analytic, ideologies have no political role. They are neither instruments for fashioning collective decisions, nor rationales that enable political action. Indeed, the functional analytic explicitly denies that ideologies like neoliberalism constrain activity and bind people to circumscribed worldviews. Ultimately, the key observation of 'freer markets, more rules' expresses not simply a rejection of the core thesis of the ideational technique, but the inverse proposition: it was the rules that mattered, not the ideals.

Nevertheless, the functional critique of neoliberalism was also removed from the old and well known hostility of political science to ideology as the rationalization of material self-interest. For regulatory governance scholars, the contagious diffusion of regulatory devices and instruments suggested that governance structures of late capitalist economies had undergone fundamental changes, in which regulatory solutions shaped in North America and Europe had been projected internationally. In other words, ours was not a world of neoliberalism. It was a new era of regulatory capitalism, under which political institutions and strategic nodes of governance, with their capacities for rule-making, were the primary source of power. On this basis, the functionalist critique of neoliberalism involved a fundamental challenge to the wider neoliberal notion that power resided in free-markets, competition and a minimal state, and likewise an adjacent challenge to the Marxist proposition that power lay in

class struggle, class domination and wider economic processes. By contrast, the functionalist critique held that, in a world of regulatory capitalism, power lay in the capacity for rule-making.

Under this critique, the 1997 Asian financial crisis was the smoking gun, the proof that the apparent neoliberal hegemony was little more than a façade. For functionalists, the crisis amounted to the last gasp of neoliberalism as a coherent ideology that pretended to rule the world.<sup>56</sup> The critique held that while, in the 1980s and early 1990s, the Chicago-led Washington Consensus had taken hold at the International Monetary Fund (IMF), the World Bank and important states across Europe and the Asia Pacific Rim; it had not taken hold in Asia. In the wake of the 1997 crisis, the economies that recovered most quickly were those, like South Korea and Malaysia, whose governments emphatically rejected the IMF's neoliberal prescription for steering their economies out of crisis. In the aftermath, the Washington Consensus collapsed under the realization that the economies of Asia were not exceptions to the neoliberal hegemony; but, in fact, half the world—and also the half that was performing best economically. As the 1990s progressed, the functionalist critique ran that the Washington consensus began to break down in the UK and the US where “third-way” economists, like Joseph Stiglitz, and other key intellectual figures, such as Giddens himself, became influential in stemming the tide of market fundamentalism and reshaping the thinking of the Clinton administration and the Blair government around notions of good governance and the rule of law.<sup>57 58</sup>

By 2005, however, the thesis for regulatory capitalism had not developed an explicitly ideological component, which, like Steger's, would arrive only in the wake of the 2008 financial crisis. For the present, regulatory governance scholars were content with their analytic and their critique, on the basis of which that they could confidently point out, and with no small element of justification, that those who thought we lived in an era of neoliberalism were, quite simply, mistaken.<sup>59</sup>

### **3. Scholarly Responses to Neoliberalism in the Post-Crisis Era (2008- )**

In 2008, the decade long sequence of political, international and economic catastrophes that had begun with the Asian financial crisis culminated with a liquidity shortfall in the US banking system that contributed to the failure of key businesses, an equities rout across global stock markets and a major decline in world economic activity, or in other words, the 2008 global financial crisis—the most serious economic crisis since the Great Depression. The immediate cause of the crisis was the growth of a housing bubble across the North Atlantic. From 1997 to 2007, both housing and commercial real estate soared in Europe and North America. In the US, housing prices alone rose 175 percent. In Spain, prices rose 180 percent. In the UK: 210 percent. And in Ireland: 240 percent.<sup>60</sup> Today, economists generally associate the steady inflation of the bubble with four factors: a prolonged period of low interest rates, ready inflows of foreign capital, the development of complex mortgage

securities in the financial sector and the popularity of government sponsored housing programs. When the bubble burst, many assumed that neoliberalism would burst with it; or, at least, that neoliberal ideas had passed their peak and would likely survive as a critique of pluralist notions of collectivism and the public interest.<sup>61</sup>

But neoliberalism defied such predictions. Practical policy solutions to the crisis amounted to a socialization of private losses, the public bailout and subsidization of banks and financial houses, cuts to government spending on social services and a more general reeling-in of the welfare state, in other words, initiatives consistent with the pre-crisis neoliberal narrative of competitive markets and a limited state. Despite a decade long sequence of economic, international and political catastrophes, each of which seemed to have outmoded much of its ideational content, neoliberalism had survived. After 2008, the curious persistence, or non-death, of neoliberalism provoked the interest of an even wider range of scholars and scholarly collectives.<sup>62 63</sup> Post 2008, a new psychoanalytic response emerged, and existing ideational and functionalist responses became much more sophisticated, with each gaining an explicit ideological component. Beyond 2008, the ideational and liberal responses would become the most persuasive, influencing the thinking of a variety of scholars from other fields, who embarked on a number of projects that sought to explain the seemingly unshakeable hold of the neoliberal hegemony on the post-crisis era.

### *3a. The Psychoanalytic Response*

The psychoanalytic response to the persistence of neoliberalism was not homogenous, and involved the contributions of several different scholars working at various analytical, critical and ideological levels, which both extended and, to some extent, even abrogated each other. While a joint discussion of the levels at which these varied responses were formulated facilitates the completion of the task at hand, it should also be stressed that there are significant nuances and grounds for disagreement at each level, and that the use of the term 'the psychoanalytic response' is wholly artificial, and has been adopted only in the interest of seeing off the task.

At the level of analytical technique, the psychoanalytic response involves two key positions. Under the first, ideology is a non-rational process of rationalising human society. Under the second, ideology is an imposter for the lack of a social essence. The first analytical, and essentially non-rational, technique has its origins in the work of Michael Rosen.<sup>64</sup> For Rosen, human beings are gripped by a psychological need to make the world in which they live more acceptable to themselves. And in this way, human societies are systems that maintain themselves through non-rational means. For example, Rosen held that unequal societies, in particular, were not simply preserved by the material forces of coercion, such as the police and the army, but also by a kind of 'false consciousness' or 'non-rational rationalising' on the part of ordinary citizens, who, in any other case, would have genuine material interests in

bringing change to that society.<sup>65</sup> Under this analytic, Rosen was indebted to Nietzsche, who had argued that human beings carry off their non-rational rationalisation of society either by Dionysian intoxication and abandonment, or by Apollonian imagining of an ideal realm, based on the notion that there is a reason for everything, even suffering. Unlike Nietzsche, however, Rosen's analytic was less artistic and much more scholarly: it was about uncovering how, in historically specific cases, "certain models of intelligibility and models of the nature of reality come to exercise a hold over particular societies at particular times by meeting the need for explanation in certain ways".<sup>66</sup>

At the level of analytic, the second key technique within the psychoanalytic response was much more radical and imaginative, and pushed these same Nietzschean sentiments into somewhat cynical terrain. For Slavoj Žižek, ideology was neither a Dionysian numbing of the senses, nor an idealised Apollonian dream world created to escape a traumatic social reality. Rather, it was a necessary illusion, the purpose of which was to structure both individual human subjectivities, and indeed the social and political relationships that make human societies possible. For Žižek, human society lacks an essence, or a non-material adhesive, capable of binding societies and individual people together. Ideology, he argued, was the imposter for this lack. It was a placebo-like adhesive that pretends to glue society together, that offers a structure through which human subjectivities can develop, and along which human relationships and wider society can both exist and proceed. And more than this even, Žižek's analytic also involved an amusingly cynical component. Subjects, he insisted, were aware of the imposter. They understood that ideology was a sham, a placebo. Yet, they would insist upon it. Because social subjectivities needed ideology. And they needed it not because they needed a non-rational rationalisation of their world, but because traumatic events such as natural disasters, human catastrophes, or, in other words, shocking, unexpected and unrecognisable events, or in other words again, 'the Lacanian real', necessarily permeated their everyday lives. In this way, the real threatens to rupture society, to tear apart both individual subjectivities and social relationships. The role of ideology is to bring meaning to these ruptures, to restore normality by instructing individuals on how to proceed in the face of the traumatic real. For Žižek, ideology is the antidote for the real. It sutures over unexpected events, crises and catastrophes, which would otherwise make social and political life impossible.<sup>67 68</sup> At this end of the psychoanalytic technique, ideology is much more than a non-rational rationalisation of society, it is a necessary condition both for the perception of a social reality, and also, for the very fostering of the human subjectivities that are even capable of engaging in a shared social and political life.

Within this very broad analytic terrain, the psychoanalytic response developed manifold critiques of the resurgence of neoliberalism in the post-crisis era. Some leaned on the analytic of non-rational rationalisation, emphasising the need for long-held common sense reactions to the problematic events of a crisis-wracked world. For example, Andrew Gamble

argued that, in the UK, neoliberalism successfully appealed to classic British notions of balanced budgets and reduced spending, which had been widely regarded as the antidote to fiscal instability since the end of the Napoleonic Wars.<sup>69</sup> In the US, neoliberalism appealed to the principles of fiscal conservatism and a limited state, which had steered the country out of the economic slump of the early 1970s. Thus, the persistence of neoliberalism simply reflected the widespread apprehension among citizens that something needed to be done about debts and deficits. Consequently, familiar neoliberal ideals supplied the everyday common sense that dominated popular discourses about post crisis economic policy. And to some extent, government was also rather innocently involved, simply reapplying familiar neoliberal ideals in the hope that growth would return in the future as it always had in the past. Thus, the critique held that neoliberalism's resilience was about the profound earlier successes it had enjoyed as a popular and political discourse of economic common sense.<sup>70</sup>

Others, however, developed their critique along the more radical analytic lines of ideology as imposter. For example, Jason Glynos sketched out the persistence of neoliberalism in terms of a restorative 'cooling out' process, under which the citizens of the north Atlantic became 'marks', who were 'taken-in' and 'blown-off' by unscrupulous neoliberal agents.<sup>71 72</sup> Under this elaborate critique, neoliberal discourse sutured over the privations of the crisis, the catastrophic real, and worked to re-affirm the norms of the pre-crisis financial regime. In the pre-crisis boom, Glynos argued that UK citizens, or 'the marks', placed their trust, actively or tacitly, in the financial system, which had facilitated a dramatic rise in asset prices through low interest rates and easy access to credit.<sup>73</sup> Those citizens who took out loans and bought assets were 'taken in'. And with the coming of the crisis in 2008, the practices and manoeuvres, under which ailing financial houses were bailed out and losses were socialised, amounted to a 'blowing-off' phase, in which the marks unwittingly found themselves the lenders of last resort left to 'pick-up the tab' for bankers and financial houses who had become 'too big to fail'. In the 'big blow off', the marks suffered wage freezes, job losses, benefit cuts, reduced public services and the erosion of their savings through lower interest rates for several years to come. These sufferings produced a 'squawking phase', or a round of banker-bashing, in which public outrage found expression in movements like Occupy London, media focus on the wealthy one percent, the fat cats, and wider calls for a substantive transformation of the political and economic order. Nevertheless, the marks were successfully 'cooled out' during a final phase in which a series expert reports and government White Papers reasserted the norms of the neoliberal finance regime. These reports hailed the benefits of the old regime and recommended piecemeal reform. They manufactured a narrative of shareholder democracy, bolstered by the establishment of concrete institutions, like UK Financial Investments Limited, which combined to suggest that the bubble would return, and the marks would one day get their money back.<sup>74</sup>

From this end of the psychoanalytical response, neoliberalism, at the level of critique, is about the perverse application of restorative language by which the 2008 crisis was constructed as a 'freak accident' grounded in personal and moral culpability. At the level of ideology, however, this end of the response also cultivated notions of fantasy, which seem to resonate, even if only slightly, with Rosen's analytic regarding the non-rational rationalisation of society. Post 2008, the application of this restorative language had enabled both the condemnation of the recklessness of the pre-crisis era and the marginalisation of alternative ideologies via the reaffirmation of the basis of the old neoliberal finance regime under the logics of austerity, prudent banking and shareholder citizenship. But the irrational fantasies of North Atlantic citizens had also played a critical role. Gripped by the resilient dream of 'no more bust, only boom', citizens of the North Atlantic 'wanted their bubble back'. And so they readily succumbed to the restorative logic and were prepared to insist upon neoliberal ideology even in the face of further disaster. As a result, the perspective developed an ideology of social awareness, rationalising the operation of fantasmic logics and developing of collective capacity to counter their restorative force. Escaping neoliberalism was about discovering a language capable of making sense of the current state of affairs, of outlining a range of solutions beyond neoliberalism, and of addressing problems in a manner that "minimises and, and hopefully removes, the risk of a repeat of the GFC [global financial crisis]".<sup>75</sup>

However, other psychoanalytic respondents cultivated a significantly more radical and redemptive, rather than rationalising and therapeutic, ideology. Žižek, for example, argued that escaping neoliberalism was about mobilising the Lacanian notion of 'the act', nurturing a redemptive political moment, taking a leap of political and economic faith.<sup>76 77</sup> Under this radical and redemptive ideology, escaping neoliberalism involved radical action and risk taking, "a step into the open with no guarantee of the final outcome".<sup>78</sup> The purpose of the redemptive act was to change the coordinates of the political situation of the post-crisis world, to interrupt "the present predominant movement".<sup>79</sup> At this radical level, liberal epistemological notions of social democracy, which attempted to counteract the system's excesses, were merely expressions of the limits of common sense, and, for this reason, were doomed to failure.<sup>80</sup> Provocatively, Žižek argued that the potentialities for a truly redemptive political moment would always be lost under any Giddens-like agenda of building consensus around counteractive ideals.<sup>81</sup> For Žižek, the horizon of common sense could not provide the answers, and "one must risk the leap of faith".<sup>82</sup>

In terms of specifics, such a leap would involve, for example, not necessarily violence, but some form of mass collective action sufficient to disrupt the core principles of global capitalism followed by the "proper revolutionary work" of transforming the society that gave birth to global capitalism.<sup>83</sup> In this way, the revolution, or the leap, is ongoing. It must be repeated, again and again, and always in the face of disintegrating popular unity, until a true unity, grounded in the universalisms of democracy and social justice can emerge, freed from

the illusory universalism which gave impetus to the initial revolutionary moment. However, Žižek also chided that such redemptive leaps of faith, or genuinely revolutionary moments, were indeed rare, and that “no teleology guarantees them”.<sup>84</sup> Their success is entirely dependent on the emergence of skilled political agents, revolutionary masters, with the capacity to seize, understand and shape a contingent and unpredictable opening.<sup>85</sup> Thus, at the level of ideology, Žižek’s position on the pathway out of neo-liberalism, or global capitalism as it may be, is really quite simple, and surprisingly unimaginative. It’s about learning lessons from the past, about making observations in relation to the failed courses of past revolutions, attempting to set them right in the future with talk of fashioning a new, non-illusory, post-revolutionary collective unity based on the principles of social justice and democracy.<sup>86</sup>

### *3b. Ideational and Functionalist Ideology*

After 2008, both the ideational thesis for globalism and the functionalist thesis for regulatory capitalism gained important ideological components. In 2008, Braithwaite asserted that the new era regulatory capitalism was not even really a hypothesis, and more “a fact of how capitalism has evolved.” It was a global order from which there was “no opt out”; and that, left ungoverned, would afflict our world “with unspeakable misery”.<sup>87</sup> At the analytical level, Levi-Faur and Jordana had already argued that the capacity for ruling making, monitoring and enforcement, or regulation, had become the major source of power in the twenty-first century, a fact that contested both Marxist and neoliberal constructions of power at the fundamental level. After 2008, Braithwaite tracked the unfolding of this new regulatory order through the eighteenth-century police economy, the laissez-faire economy of the nineteenth century, the state provider economy of the mid twentieth century up to the arrival of twenty-first century hegemony of regulatory capitalism, delivering an account of the economic, political, and social evolution of capitalism both before and after the industrial revolution.<sup>88</sup> Braithwaite argued that the unprecedented contemporary demand for regulation had emerged from the development of international communications technology, the growth of global mega-corporations, the spread of American business culture following the close of the Second World War, and the projection of regulatory solutions developed in the North Atlantic across policy sectors around the globe.

At the level of ideology, the pathway out of neoliberalism was about a sort of functional republicanism, about using the institutional architecture of liberal democratic states, and other strategic nodes of governance, to expand positive liberty and prevent the contraction of human freedom with the construction of regulatory governance arrangements that checked and balanced both state and corporate dominations.<sup>89</sup> For example, 1997 Asian financial crisis had not necessarily undermined the case for the liberalization of the financial sector. Rather, it provided strong support for proceeding more slowly in order to ensure that the requisite regulatory institutions were in place. Similarly, the 2008-9 financial crisis did not

undermine the case for innovation and development in the North Atlantic financial sector. It too provided strong support for matching financial innovation and development with improved mechanisms, institutions and techniques for the regulation and governance of the sector. Thus, the crises of 1997 and 2008 offered an important insight: the existence of a reciprocal relationship between liberalisation and innovation within a policy sector and the requirement for regulatory institutions and governance frameworks to ensure their effective function. Put in practical terms, innovative banking houses, like Lehman Brothers and Bear Stearns, actually stood in need of the very regulatory requirements on capital reserve holdings that their peculiar niche within sector had allowed them to avoid. Similarly, the purchasers of exotic securities, the agencies rating their quality and the companies issuing the shares, all required processes for managing the mortgage backed securities and collateralised debt obligations, the very innovative nature of which had also allowed them to avoid (Braithwaite 2010).<sup>90</sup> For regulatory capitalism, the pathway out of neoliberalism was about recognising these ironies and attempting to forge regulatory solutions based on the existence of a reciprocal relationship between regulation and corporatisation.<sup>91</sup> At this level, regulatory capitalism was far from the old political science notion of ideology as the rationalisation of material self-interest. Indeed, ideology now had a role to play. Braithwaite argued that old style social democratic politics remained as relevant today as it had been in the past; and that the architecture of the liberal democratic state, and other strategic nodes of influence, were open to manipulation by a wide range of interests, including neoliberal ones. But the point was that the pathway out of neoliberalism was not about engaging in class politics, rationalising fantasmic logics, cultivating a redemptive political moment, or even building a liberal consensus around some alternative ideal. Because the new era of regulatory capitalism was not something that the world could decide not to have.<sup>92</sup> It was already here. And the pathway out of neoliberalism was about understanding how it worked, and trying to make it work with a little bit more justice, liberty, equality and fairness.

By contrast, the ideological component of the ideational critique of neoliberalism was grounded in Freedman's morphological analytic. As an ideationalist, Freedman's focus was on the usage of words and concepts in delivering political outcomes: in effect, the antithesis of the functionalist response. For Freedman, ideology was a political act. It converted a pool of virtually unlimited meanings into a monolithic certainty of de-contested ideals necessary for undertaking political action.<sup>93</sup> Given that ideologies were not closed off from one another, the technique was also morphological. Ideologies, like liberalism and conservatism, crashed and bounced off each other, morphing and redefining themselves over the field of political activity for the purpose of binding people to a particular course of action.<sup>94</sup> This morphological, technique shared elements of its wider approach with the Cambridge school of political thought which, in the 1970s and 80s, had involved a similar analytic of ideology as the study de-contested meaning through which historical societies constituted their political culture.<sup>95</sup> However, where the technique of Cambridge historians, like Skinner, Dunn and Pocock,

involved the detailed unpacking of what historical figures might have meant by the use of a specific word or concept, how their work related to the conventions, contexts and issues of their time and place; the morphological approach was sensitive to the production and consumption of both intentional and unintentional meanings, how these morphed and transformed a wider conceptual network. In 2005, Steger had adopted and elaborated Freedman's technique to sketch the outlines of an ideological network, or movement, called globalism. And it was in 2012, when Steger and Wilson sketched the outlines of a contending network, 'justice globalism', that the ideational analytic developed an ideological component, or in other words, started to make prescriptions about possible pathways out of neoliberalism, and thus became a direct response to the neoliberal hegemony of the post-crisis world.<sup>96</sup>

Focusing on the usage of words and concepts in delivering political outcomes, Steger and Wilson collected data from global civil society organisations, establishing the network of political ideas with which they constituted their political culture, marking it as 'justice globalism'. For Steger and Wilson, justice globalism was a coherent and maturing political alter-ideology of global significance, the antagonist to their earlier notion of globalism.<sup>97</sup> And it was only through this construction of both a protagonist and an antagonist network of concepts that the ideational response was able to develop an ideological component. In this way, for ideationalists, the pathway out of neoliberalism became about offering the global justice movement suggestions on how it might move forward against its opponent.<sup>98</sup> And along these lines, Steger and colleagues advised, more than a little strangely, that justice globalism needed to capture and maintain the imagination of the masses by developing a coordinated political agenda.<sup>99</sup> And here, the ideational response seemed to come full circle, concluding that justice globalism needed to become less about "the meta-politics of values and ideology" and more about "a political movement seeking to capture political power".<sup>100</sup> In other words, it was the agenda that mattered. Almost counterintuitively, the key message of the ideational response to the neoliberal hegemony now pointed to justice globalism's need to develop some sort of a concrete political agenda—whatever that agenda might be.

#### **4. Discussion**

To date, key scholarly responses to the non-death of neoliberalism haven't taken Marxist, liberal, functionalist, ideational and psychoanalytical forms, which, at the levels of analytic, critique and ideology, display rather striking differences. In developing a plausible explanation for the persistence of neoliberalism, and forging a pathway out, perhaps the liberal and the ideational responses have been the most influential. For example, in 2009, Dryzek and Dunleavy directly argued that neo-pluralist ideology, namely, a Giddens-like revival of social democracy, offered the most profitable direction for future theorising on the role of the state and the market.<sup>101</sup> Alternatively, in 2014, Siems and Schnyder presented an essentially liberal, or Giddens-like, flirtation, not with a revival of social democracy, but instead with the more antiquated early 20<sup>th</sup> Century school of ordoliberalism as an additional

means by which the public sphere might develop some new policy tools, deflate bubbles, deliver transparency, link risks with responsibilities, and thereby escape neoliberalism's grip over the agenda.<sup>102</sup>

By contrast, in 2013, Schmidt and Thatcher offered a morphological analysis of neoliberalism, attempting to disentangle it from other forms of liberalism, noting how it had reversed the key principle of classic laissez faire liberalism, that political liberty ensures free markets, with the notion that economic freedom was a precondition of political freedom.<sup>103</sup> Other contributors to the same volume likewise suggested that the persistence of neoliberalism was about the mutability of its ideals, its capacity to graft new ideas onto older ones and to use old ideas in new ways.<sup>104</sup> It was about the advantages that neoliberal ideals held in policy debates compared with rivals, about how they made increasing competition and reducing barriers a priority across all policy sectors, thereby crowding out competing ideals.<sup>105 106</sup> Escaping neoliberalism was about envisaging a situation in which breakdowns and internal contradictions stretched neoliberalism beyond breaking point;<sup>107</sup> one in which key ideals might mix, hybridize and morph with statist or social democratic ideology.<sup>108</sup> Equally, gaps between rhetoric and reality might widen to such an extent that neoliberalism would become irrelevant to policy debates.<sup>109</sup> Possibly, rival ideas might gather consensus: neoliberalism might give way to a Giddens-like revival of social democracy, under which narratives of austerity and deficit reduction would yield to notions of community and collective responsibility, and to stakeholder as opposed to shareholder models of governance.<sup>110</sup>

Arguably, however, the significant influence of the liberal and idealist responses is also a problematic feature of the debate. With regard to the liberal response, the problems are relatively minor. As previously noted, for example, Giddens's *The Third Way* was a remarkably unambitious work insofar as it aimed to build a liberal consensus around key policy dilemmas of the contemporary age. However, the great strength of *The Third Way* was that these dilemmas amounted a practical political agenda, elements of which the Blair Government in the UK and the Clinton Administration in the United States were actually able to implement. Indeed, even the functionalists remarked on the success of the third way in stemming the tide of neoliberalism in the 1990s. And so where the liberal epistemological response produces a practical political agenda, it seems to have useful applications in building a pathway out of neoliberalism. But the problems with the liberal epistemological framework lie largely in regard to the scholarly uses to which it has since been put. And indeed, where liberal responses retreat from building consensus around practical policy dilemmas to building consensus around ideals, both abstracted and antiquated, like neo-pluralism and ordo-liberalism, lack of ambition meets lack of an agenda.

With regard to the ideational response, the problems are much more serious. The ideational response to neoliberalism has its origins in the work of Michael Freeden and shares

conceptual commonalities with the Cambridge School's approach to the study of the history of political ideas. Freeden's work primarily responds to developments in the theory of language. And in turn, the work of the Cambridge School also responded to the old political science notion of the history of ideas as a history of the rationalisation of material self-interest. In this way, the ideational analytical technique was never intended as a practical and predictive instrument, let alone a device for sketching a pathway out of neoliberalism. Both schools are largely about taking ideas seriously. And indeed, when their analytical techniques are used to alternate ends, the ideational response largely implodes upon itself, either advising, somewhat banally, that the neoliberal hegemony will pass when its ideals stretch to breaking point, or recommending, somewhat counterintuitively, that social movements need to develop a concrete political agenda. More generally, this implosion at the ideological level also raises additional questions about the nature of ideology and the broader strategic purposes of ideational analytic itself. For example, ideationalists assert that ideology is a political act, that it circumscribes and enables political actions. However, both functionalist and Marxist observations regarding 'freer markets, more rules' on the one hand, and 'unstable and contradictory neo-liberal governments' on the other, would seem to suggest that such assertions are largely unsustainable. Further, if ideals exist as real things, even if we take them seriously, study them empirically, then what is the relationship between these concrete ideals and political actions; to what extent can ideals be abstracted from actions and still be considered to hold meaning; and more importantly, to what extent can ideals be abstracted from actions and still hold their utility across the wider social sciences? For ideationalists, developing a plausible response to the neoliberal hegemony, and forging a pathway out, relies heavily upon developing answers to these questions.

With regard to the less influential responses, such as the more rationalising elements of the psychoanalytic school, they too experience problems similar to those of the ideationalists, namely: the lack of a political agenda. At the ideological level, these rationalising responses are similarly banal, pointing to the need to build social awareness, the requirement to develop a collective capacity for dissolving the influence of restorative fantasmic logics. In practice, this, as they themselves suggest, does not amount to much more than helping citizens make sense of current affairs, outlining a range of solutions beyond neoliberalism, and addressing problems in such a way that minimises risk and removes the potential for a repeat of the 2008 crisis.

At the more radical end, however, the lack of a psychoanalytic influence on scholarly responses to neoliberalism is, to some extent, a major relief. The notion of cultivating a redemptive political moment that rights the course of past revolutions, and which, by its own admission, has little guarantee of success, is not only simplistic and unimaginative; but is at best irresponsible, and, at worst, absurd. A redemptive leap of faith is, not necessarily, but indeed potentially, about violent events of which the outcomes are uncertain and which

explicitly aim at destabilising the institutions of sovereignty. While radical psychoanalytic thinkers may apply their 'leap of faith' within a frame that emphasises ongoing revolutionary work and universalisms like social justice and democracy, such a frame may well have alternative manifestations, like the 2003 invasion of Iraq, like the 2011 air-campaign in Libya, 'redemptive' events that arguably involved neo-conservative assumptions about the end of history and the movement of all peoples towards the universals of liberty and capitalist enlightenment, rather than preferred universalisms of democracy and social justice. At the least 'irresponsible', the early history of the twenty-first century would seem to serve as a dire warning to radical psychoanalysts about dangerous uncertainties involved in risking leaps of faith and cultivating redemptive political moments.

But, thinking more generally, perhaps the strength of both the ideational and psychoanalytic responses is the emphasis they seem to place, however unrefined it may be, on the need to develop both a practical agenda and a deep understanding of the workings of global capitalism. Indeed, if outlining a range of solutions beyond neoliberalism involves understanding the current state of affairs; and, if developing a political agenda implies the need to understand both the problems of capitalism and the means for their redress; then both the ideational and the psychoanalytic responses would seem to emphasise the value of precisely the kind of understanding of the workings of global capitalism that the functionalist response sets itself to provide.

## 5. Conclusion

Perhaps the most troubling aspect about the scholarly response to the non-death of neoliberalism is the lack of influence that the functionalist perspective has exercised. If escaping neoliberalism is about understanding problems, discovering alternative languages and developing concrete agendas, then, arguably, the thesis for regulatory capitalism supplies these understandings. Bureaucratic expansion via specialized regulatory agencies expresses a major developmental trend in government, through which regulatory states and other strategic nodes have become key players and facilitators within a new system of capitalist governance.<sup>111 112 113 114</sup> As a result, rule-making, rule-monitoring and rule-enforcement, in short 'regulation', becomes a constitutive and mutually supportive element of capitalism, rather than a neoliberal antagonism, which opens up new avenues along which notions of liberty, fairness, legitimacy and equity can influence political, social and economic outcomes across a wide range of policy sectors. But the point is: it's the rules that matter. And consequently, the pathway out of neoliberalism would seem to be about using the architecture of the liberal democratic state, and other relevant strategic nodes of governance, to engage in regulation for the purpose of advancing classic republican notions of fairness, equality and positive liberty, or indeed, any other ideology. At this point, the functionalist thesis for regulatory capitalism is far from the old political science notion of ideology as the mere expression of material self-interest. Instead, regulatory capitalism suggests that political

concepts and political actions are, today, inextricably associated in the practice of rule-making, and that while the old emphasis of political science on actions over ideals may well have risked the wider trajectory of the political agenda; the contemporary emphasis of ideationalists on concepts over actions risks the utility of ideological analysis to the wider social sciences.

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