

# The Sophistry of Free Market Fundamentalism

July 19, 2011 Category: Economics

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Neoliberal ideology (i.e. free market fundamentalism) invokes ersatz-principles that are covertly pernicious and blatantly duplicitous. The ideology is based on a logic that is inconsistent and hypocritical. Nevertheless, this memeplex manages to metastasize based on a successful program of sophistry. The Neoliberal polemicist has many tools in his “bag of tricks”. For example, there are three common scare-tactics used in Neoliberal polemic by the ideology’s strident apologists:

**1** If ROTA (regulation, oversight, transparency, accountability) is ever put into practice, capitalism itself will collapse.

Of course, as we’ve seen time and time and time again, when ROTA is NOT in place, capitalism collapses. But this fact undermines the claims of the free market fundamentalist, who’s laissez-fair fetishes preclude any acknowledgement of Reality.

**2** PSI is tantamount to “statism”, so if we devote public funds to providing UAHQPE, Stalinist / Maoist style tyranny will ensue.

The trick here is to conflate PSI (State provision of UAHQPE) with the m.o. of statist regimes—as if public services amounted to tyranny. For the Neoliberal polemicist, providing UAHQPE is a matter of CONTROL OVER the general populace as opposed to EMPOWERMENT OF the general populace. It’s as if providing UAHQPE entailed *taking away* civil liberties—as opposed to *bolstering* them. The only thing that UAHQPE hurts is the ability of corporate power to subordinate, dominate, exploit and marginalize the rank and file.

In reality provision of UAHQPE isn’t about intervening in our private affairs, infringing on our individual liberties / prerogatives, or interfering with (intruding into) our personal lives. Nevertheless, this is precisely the menacing scenario depicted in Neoliberal polemic. In their formula, PSI = Statism. If we don’t allow private power to run amok, we risk falling into some Soviet-style scenario.

Contrary to what free market fundamentalists would have us believe, UAHQPE is a fundamental and crucial part of a democratic society: It abets individual autonomy and bolsters freedom. PSI is based on civic-mindedness, and is in no way antithetical to healthy private enterprise and a flourishing free market. In fact, PSI is symbiotic with free enterprise and entrepreneurship—with a vibrant private sector...and can exist in perfect harmony with the marketplace. What it does is remove structural inequalities, power asymmetries, and negative externalities...all while facilitating a meritocratic theater in which competition is fair and opportunity is universal.

**3** If we tax big business or the super-rich, innovation and enterprise will be crippled—thereby handicapping the economy.

A common myth promulgated by those who fetishize private power (euphemistically dubbed “private enterprise”) is that progressive taxation deters incentive to innovate and be productive. It’s as if higher taxes on the super-rich and mega-corporations was antithetical to industriousness and entrepreneurship. Neoliberals demonize taxes per se, painting taxation as inherently penal in nature—and even as outright “theft”. They talk as if higher taxes on the wealthiest and most powerful somehow attenuates motivation to engage in enterprise. This is, of course, sheer nonsense—a fiction promulgated by free market

fundamentalists in an attempt to abet HCP in the form of private power.

Neoliberal boilerplate makes use of a finely-honed repertoire of catchy scare-words (words like “redistribution”, “statism” and “welfare state”). Such terms are found in right-wing talking points on a daily basis—yet those credulous enough to be taken in by the sophistry fail to see what’s really going on behind the words.

The menacing “redistribution” Neoliberals mention refers to any **DOWNWARD** redistribution—using the assets from wealthier sectors to fund public services that may also benefit poorer sectors (i.e. the rest of the general populace). Meanwhile, Neoliberals regularly facilitate redistribution **UPWARD**—in the form of corporate socialism (socializing risk/costs/losses while privatizing gains/rewards/profits).

They don’t acknowledge the fact that PSI has nothing to do with “taking from” some in order to “doll out handouts” to others. Nor do they acknowledge the rigged system they prescribe—a system that befits the well-positioned few at everyone else’s expense.

In Neoliberal polemic, we often encounter the menacing term, “statism”. This refers to HCP in the form of **STATE** power—domination and control by the government—a perfectly legitimate concern. Meanwhile, Neoliberal ideologues actively promote HCP in the form of **PRIVATE** power (domination and control by corporate power). This rhetorical sleight-of-hand tragically serves as an effective diversion—allowing the desired agenda to be carried out under the auspices of “preventing big government”.

Neoliberals don’t seem to recognize that PSI has nothing to do with HCP or government “control” (i.e. *control over* people). Nor do they want to admit that the most dangerous form of domination and control currently in the U.S. is in the form of corporate (i.e. private) power. The diversion has been tragically effective: people are running scared of the chimerical menace of government tyranny via PSI while remaining utterly oblivious of the role of HCP in the form of private power.

“Welfare state” is also a common element of Neoliberal boilerplate (as in: welfare for the poor and disenfranchised). Meanwhile, Neoliberals enthusiastically endorse corporate welfare at every turn (e.g. the military industrial complex, corporate subsidies, etc.) The hypocrisy here is astounding. Yet we constantly hear this scare term used by right-wing pundits and in standard G.O.P. talking points.

A related scare-word commonly found in right-wing polemic is the notorious, emotionally-laden, hyper-stigmatized, perpetually-reified term, “socialism”. (Queue the spooky music.) “Socialism” is a euphemism strategically employed to conflate PSI with Soviet-style “Communism”. The trick is simple, executed in two steps:

Step one: Anything having to do with PSI (i.e. public infrastructure that is appropriately administered within a delimited domain) is dubbed “socialism”. Step two: In a rhetorical sleight-of-hand, a non-sequitor is invoked so as to equate “socialism” with statism. Presto: Public works is equated with tyranny. PSI can also be labeled other menacing sobriquets: “nanny state”, “big government”, “bureaucracy”, “government take-over”, “government control” and other spooky-sounding terms—all inane euphemisms used as scare-words to frighten people away from PSI.

So long as they are under the impression that PSI is **BAD**, the rank and file will support the agenda of corporate power, thinking all the while that they are avoiding “tyranny” ...while championing “freedom”. By supporting the freedom of Big Business to run amok, they are under the impression that they are supporting freedom for the rank and file. Corporate rights and human rights are conflated. The former is glorified in the name of the latter, when all the while the former is trumping the latter.

The irony is, of course, that while the rabble is running scared of HCP in the form of State power, their attention is diverted from HCP in the form of private power (i.e. corporate power). Moreover, while the

rabble is pissed off about “government handouts” (qua social assistance for the rabble), corporatists are free to siphon the government handouts to Big Business. It is an effective ruse for the ill-informed.

“We promise,” they say, “The benefits will eventually trickle down to you, the rabble. Take our word for it. What’s good for us is eventually good for you. But you’ll benefit only if WE receive benefits in the ways we demand.”

Distilled to its essence, the free market fundamentalist’s claim is quite straight-forward. “If you take away the liberties of corporate power, you’d be depriving YOURSELF of liberty,” he insists to the rank and file. Commercial / financial freedom is equated with human freedom. The ruse effective because it’s vision is seductive: a pristine Valhalla of perfect meritocracy and free enterprise. No neighborhood effects. No negative externalities. No barriers to entry. No structural inequalities. No information asymmetries. And private power / wealth that when highly concentrated is utterly anodyne...if not beneficial to everyone else. So don’t worry: If it’s good for corporate power, it’s good for the general welfare. Corporate interests and the common good are consonant.

The State panders and caters to corporate power under the auspices of “free enterprise”. Corporatists warn that if the rabble is taken care of via PSI, the rabble will be deprived of liberties. PSI, we’re told, is tantamount to government tyranny. Meanwhile, corporate freedom is equated with HUMAN freedom. The diversion is complete.

The overall strategy with right-wing polemic is relatively straight-forward: Stoke anger and fuel fear, preying on the ignorance of America’s most ignorant and credulous. The target audience for these tactics is quite clear: the uneducated, the insecure, the resentful, the frustrated, the disenchanting. What is striking is the degree to which the program can so effectively exploit the innate human penchant for mass mania and mass hysteria.

The efficacy of the approach is predicated on certain conditions: that the target audience has poor analytical and critical thinking skills, that it is ill-informed, and that it is prone to paranoia, shame and outrage. Exploiting such psychological conditions, the program can then rally the crowd, galvanize support, and mobilize a reactionary, zealous movement—as if corralling a herd of emotionally-charged cattle. The name of the game is simple: Channel the anger, capitalize on the fear, and harness it to amass a following that will unwittingly support the desired agenda.

Neoliberal polemicists treat everything as a BUSINESS. They see EVERY service as opportunity for a for-profit venture. They see everything in the public domain as if it were in the MARKETPLACE. They see citizens as CONSUMERS. The notions of “public goods” and “the commons” and “neighborhood effects” are anathema to them.

It is important to clearly establish when people are civilians first, and when they are consumers. Private enterprise—by its very nature—treats people as (target) customers first and foremost. Public services, by contrast, treat people primarily as CIVILIANS: fellow members of society.

Thus, we must ask: With such things as public health, public education, and public safety, are we CUSTOMERS? Is justice a CONSUMER PRODUCT—something we should SHOP FOR in a MARKETPLACE? Is basic, quality education something to be hawked, peddled and sold for a profit...provided only to those willing and able to buy it? How about public health or public safety? Are these to be treated as consumer products or as basic public services? Are they a BUSINESS...or are they social conditions that it is the State's role to foster? In a democracy, we find, it is the State's duty to ensure certain basic societal conditions...and our civic duty to all be involved in that process as fellow citizens.

Meanwhile... The apologist for free market fundamentalism twists and contorts Reality—depicting PSI as a menace to democracy—as something that undermines freedom and enterprise. In Reality, PSI is a boon to the economy (for the general populace). It is a VEHICLE FOR individual liberty, not an infringement on it. It is the means by which equal opportunity for all is fully realized. It realizes such conditions by counteracting / preventing any / all STRUCTURAL inequality.

Neoliberals present a distorted caricature of PSI—depicting it as some scheme to homogenize income...or to bring about equality of outcome...or to penalize “success”...or to take from “the producers” in order to doll out handouts to the slothful...or to CONTROL us...or to “take away our freedom”. Such depictions are not only disingenuous, but patently fraudulent. PSI involves no such things.

The trick to pulling off such polemical stunts is simple: Equate private power (under the euphemism “enterprise”) with “freedom”...as if they were synonyms. Then, convince the credulous that to get in the way of the agenda of private power is to be an enemy of freedom...that to endorse PSI is to be a supporter of Soviet-style tyranny. Myths about “trickle down economics” and “supply side economics” and “socialism” have also traditionally been tragically effective...myths that rank up there with creationism, Millenianism, flat Earth theory, Christian Founding Fathers, Area 51 and the Lockness Monster. Whether one is waiting for the Rapture, 71 virgins on a cloud after they die, or benefits to somehow “trickle down” to the rank and file from executive office suites, one has allowed himself to become deluded to an astonishing degree.

Regardless of how often they are proven wrong, Neoliberal ideologues stick to their agenda like Scientologists to Dianetics. They quote Shibboleths about trickle-down economics like Evangelical Christians quote Revelations.

Snazzy catch-phrases are often invoked in Neoliberal polemic...catchy terms that end up being nothing other than euphemisms. We find “individualism” (which means “narcissism” as opposed to autonomy), “rugged individualism” (a queer term that essentially amounts to Machiavellianism), “self-reliance” (which means self-absorption), and “work ethic” (which means selling out, pandering to the Machine, and playing the game). The “individualism” they use ends up meaning the opposite of what was meant by Kant. The “self-reliance” they use ends up meaning nothing remotely close to what was meant by Thoreau.

The self-reliance of New England Transcendentalism and the individual autonomy of the Enlightenment are in keeping with the ideals of humanism. Contrary to the distorted versions found in Neoliberal polemic, both ideals are in keeping with civic-mindedness; both involve an embracing of our shared / common humanity. It is no surprise that right-wing ideologues don't understand this. Instead, they invoke these enticing words to rationalize an agenda that is utterly at odds with their real meaning.

We can modify the platitude of St. Timothy, “Money is the root of all evil” to “Money treated as an end in itself is the root of all evil.” We rephrase this with the understanding that money is the financial manifestation of power. Thus: “Power pursued for its own sake is the root of all evil.” We should note that Jesus of Nazareth was only overtly angry once in the canonical gospels: when he witnessed the money-

changers in the temple. It is the power elite within the whited sepulchers of which we should be wary. Recall that it was the super-wealthy that would not enter the kingdom of heaven: those who'd hoarded so much for themselves, without using their resources to contribute to society—to help “the least of these”. Anarcho-capitalism is the antithesis of everything preached by Jesus of Nazareth.

Hoarding as much for yourself as possible isn't “individualism”; it's greed. Anyone who values genuine human greatness, noble achievements, and Aristotelian excellence isn't concerned with hoarding the spoils he may have garnered as a result of his accomplishments...or even in accumulating lots of spoils to begin with. Meanwhile, the anarcho-capitalist values the spoils over the achievement, conquest over excellence, business savvy over virtue, careerism over human greatness, “success” over Success, hoarding money over civic contribution, “making it rich” over genuine flourishing. The Neoliberal vision posits an alternate reality where financial wealth is the barometer for human excellence.

It is important to recognize that we are not just individuals (ideally, sovereign over our own identity, our own mind, our own life) but members of a community—with certain civic responsibilities. It is not just myopic and narcissistic, but hubristic, to use the perverse conception of “individualism” touted in Neoliberal polemic—as if we lived in an every-man-for-himself scenario where interconnectedness and neighborhood effects didn't matter.

In reality, structural inequalities drastically undermine the pristine “upward mobility” touted in the Neoliberal's romanticized caricature of the world. In this caricature, the crème usually rises to the top. “Look at the top, find the crème,” goes the contention. “Those at the top are the crème—lest they not be at the top.” In this value system, people are revered because they've managed to accumulate lots of money / power for themselves. In other words, they're revered for the fact THAT they have money / power, not for what they did to acquire it or what they're doing with it now that they have it.

This makes perfect sense when one posits a meritocratic order of things.

This queer vision is the result of the MMM (Money Measures Merit) Syndrome. A corollary of MMM is: “The poor are poor because they bring it upon themselves. THEIR poor lot is not MY problem.” Anyone oblivious and hubristic enough to take such an outlandish and perverse proposition seriously has either utterly deluded himself or is outright delusional. We all well know that one's compensation sometimes does, yet often does not, reflect one's merit.

The notion that profit motive is the primary driver of innovation and creativity is patently false—as is clearly demonstrated by the lifestyle of many great scholars and artists. Were the greatest minds in history also the wealthiest people? Almost never. Nevertheless, this myth is still widely believed by those taken in by Neoliberal sophistry.

One may ask: How many people go into investment banking who are NOT looking to make a mountain of money for themselves as the primary goal? Here, the vocation is a means to an end. Nobody goes into Hedge Funds or Private Equity Management because they're looking to make a contribution to society above all else. (How many people would have ambitions in such fields if it entailed waiting tables most nights to pay the rent while they “did what they love”, even if doing what they love entailed probably living a subsistence lifestyle for a decade or more?)

When THE ONLY reason a field exists is for careerists to use it to accumulate piles of money for themselves (without actually CREATING anything for the world), we should become very wary of its social value. Yet these careerists tend to be the wealthiest people in society. These are precisely the people who are not so much aspiring to make a positive contribution to the world, but to become some of the wealthiest people in society.

A fundamental question to pose: Is one enriching himself BY GENUINELY HELPING others (making a positive contribution to society)...or is one enriching himself AT THE EXPENSE OF others? By one doing what one does, cui bono?

Organized labor, civil rights, labor rights, consumer rights, fair trade, and the crucial value of UAHQPE in a healthy society: such things are anathema to the Neoliberal ideologue. The free market fundamentalist advocates dogma that utterly ignores (or even denies) the existence of information asymmetries, power asymmetries, neighborhood effects, negative externalities, barriers to entry, any hint at exploitation of the disenfranchised by a well-positioned few, the dangers of HCP in the form of private power, and the fundamental role of PSI in a genuine democracy.

A genuinely democratic society is predicated on a few simple understandings. Civil liberties are PRIMARY freedoms—HUMAN freedoms—and are thus more fundamental than DERIVATIVE freedoms like commercial, business, trade and financial freedoms. Human rights and property rights can co-exist in harmony, for they are often symbiotic (as Hayek pointed out). But when and if the two come into conflict, human rights must ALWAYS trump property rights, and civil liberties must always trump the power of Big Business.

When corporate rights systematically undermine or compromise human rights, we no longer live in a democracy; we live in a corporatocracy. When the ability of corporations to maximize profits trumps the general welfare (the public interest), we no longer live in a democracy; we live in a corporatocracy. The first step in addressing any problem is to identify and accurately diagnose the problem. Calling a spade a spade is a good start. As long as we persist in calling a corporatocracy a democracy, we'll continue to obfuscate the underlying problems that plague our society.