



14 Myths of Neoliberal Ideology

1

Marginal progressive taxation fetters innovation. That is, taxing high incomes at a higher rate (marginally) than lower incomes somehow inhibits incentive to be industrious. The contention is based on the fiction that higher taxes on corporations / the super-rich deter motivations to engage in productive enterprise.

2

The EMH is sound. The contention is based on the fiction that markets are self-regulating and can be self-policing.

3

Regulation stifles innovation. The contention is based on the fiction that entrepreneurs can only thrive when they don't need to worry about regulations.

4

Trickle-down economics: Cutting taxes on the richest and abetting corporate power will somehow stimulate the economy in ways that benefit ALL. This contention is based on the fiction that any benefits to the richest will somehow 'trickle down' to the general populace.

5

Supply-side economics works. This contention is based on the view that the more capital big businesses have to play with, the better the economy will do. This is actually true. The "catch" is that it only benefits the few who are well-positioned in society, and leaves everyone else out in the cold. (See "trickle-down" economics.) We always must ask of any policy: Cui bono? Merely saying that "the economy" is doing well tells us nothing about who is reaping the benefits of that thriving economy.

6

The free market entails a meritocracy. This impression is based on the fiction that the highest salaries attract the best people—that the cream rises to the top. This is related to the perverse myth that rich are rich because they deserve it; the poor are



poor because they deserve it. In other words: how much money one manages to accumulate for oneself correlates with one's objective merit / virtue. This is predicated on the denial that structural inequalities exist (that the only kind of inequality is ascribable to outcomes consequent to differences in merit).

7

Government power is the only form of HCP with which we need to be concerned. (HCP in the form of private power is not dangerous.) This is based on the myth that only form of tyranny—systematic domination and exploitation—is STATE tyranny. It is also based on the myth that the only form of bureaucracy with which we should be concerned is STATE bureaucracy, and that CORPORATE bureaucracies aren't nearly as dangerous.

8

PSI is tantamount to State tyranny. This contention is based on the myth that PSI is about CONTROLLING us, rather than EMPOWERING us. In other words, PSI is a matter of intervening in our private affairs, infringing on our prerogative / individual liberties, and thus depriving us of freedom.

9

UAHQPE is about taking from the productive...and doling out handouts to the slothful—thereby enabling sloth and fostering irresponsibility. It is a matter of “rationing”. This is based on the myth that State provision of UAHQPE entails facilitating parasitism (i.e. enabling free-riders and moochers) and leading to homogenization...that the provision of basic public services is a matter of “redistributing” money: taking from some in order to give it to others.

10

PSI / UAHQPE exist to equalize OUTCOMES (as opposed to being provided in order to equalize OPPORTUNITY). This contention is enabled by utterly denying that structural inequality exists...Thus holding that the only kind of inequality is CIRCUMSTANTIAL inequality.

11

A highly financialized, highly-securitized economy is good. This contention is based on the fiction that lots of speculation and usury are healthy for the economy.



12

The private sector can deliver the stuff of PSI to the general populace (qua consumers) better than PSI can provide it. This contention is based on the myth that PSI is inherently inefficient (i.e. hyper-bureaucratic), while private enterprise is inherently efficient. This vision is predicated on a utopia where citizens, as customers, shop around in a marketplace. This is rationalized by the rhetoric of “choice”, conflated with “freedom”, where citizens (qua customers) choose between offerings being hawked, peddled and sold in a marketplace of goods and services.

13

The State should be viewed as, treated as, and run as a BUSINESS. This contention is based on the view that citizens, ultimately, are CONSUMERS when it comes to all things. Thus, the stuff of PSI is best treated as products/services to be sold (for a profit) on the marketplace to those willing and able to buy—as opposed to PUBLIC SERVICES to be provided because everyone, by being part of the society, is entitled to them.

14

FREE trade entails FAIR trade. This conflation is sold on the fiction that EVERYONE benefits when transnational corporations are able spread, often exploiting low-wage labor in developing countries, often colluding with one-another and with governments, so as to grow their business and maximize corporate profits.

Incorrect theories yield dysfunctional activity. In other words: Defective ideology leads to horribly flawed policy / legislation.

Case in point:

The economic catastrophe of 2008. The right wing political establishment promulgated all 14 myths enumerated above. Greenspan, Rubin, Summers, Geithner and Paulson were the primary culprits—as were the chief executives of the financial industry to whom they were beholden. Also guilty: All those in academia who succumbed to intellectual capture—providing cover for Neoliberal ideology by offering a veneer of scholarly legitimacy to the rationalizations—in return for lots of money, clout, status and fancy prizes.

The outcome:

Not only the financial collapse of 2008, but the BP oil spill of 2010.

The Neoliberal ideology involves a deeply-ingrained mixture of arrogance and ignorance. Avarice and idiocy make a malignant cocktail, and it is currently the most common elixir found in the halls of power. The Neoliberal has a Manichean view of the world, in which our shared / common humanity and sense of community are anathema.

Another case in point: Fannie Mae & Freddie Mac:

FM & FM were privatized and deregulated, for-profit institutions with public backing. The fact that they were NOT purely public service arms of the State was the source of the problem. FM & FM were examples of provide incentives where profit incentives didn't belong. Profit incentives in inappropriate places entails COI, dubious motives and a hazardous incentivization structure—a recipe for looting by a well-positioned few...and thus bad things down the road for everyone else.

FM & FM are examples of corporate socialism: a scheme rigged to benefit a few now at everyone else's expense later on. This scenario was enabled by the corporatist politicians (those within the government) colluding with greedy bankers out to line their own pockets. Overall, the fallout didn't hurt these well-positioned few: they were laughing all the way to the bank even as everyone else reaped the horrible consequences of their schemes. This is precisely what happens when private interests are allowed where the profit motive is inappropriate. FM & FM ended up being run by private (for-profit) interests...FUNDED with public funds. In other words: they were examples of corporate socialism and its negative consequences.

Neoliberals like to point fingers at chimeras. The incessant mantra, "Blame the elites" is standard invective employed by the Neoliberal polemicist. The problem with this line of attack is that "elites" here conflates two very different things: the ECONOMIC elites (the executives of Big Business) and the SCHOLASTIC elites (the top scholars). To obfuscate the crucial difference between such drastically different things is to confuse the barons of corporate power with the great intellects outside the business world.

The former is to blame for most economic woes (e.g. the catastrophe of 2008); the latter is primarily comprised of those who fought against that tide. The irony is: it is the FORMER that corresponds to the Neoliberal movement, while the latter corresponds to its antithesis. Economic elites tend to be the anarcho-capitalists and fetishizers of free enterprise / the free market... while the scholastic elites know



better. Thus, when the Neoliberal proclaims, “Blame the elites!” he wants the audience to misdirect their anger at intellectual elites (i.e. scholars). But what he would mean if he were honest is quite different: “Blame the economic elites”...which basically amounts to, “Blame ME.”