

## NOTES ON HARVEY

*WE'RE ALL GETTING MORE FREE! (EVEN THOUGH WE HAVE TO WORK MULTIPLE JOBS AND HAVE NO HEALTH CARE)*

*WE'RE SPREADING FREEDOM TO THE WORLD! (EVEN THOUGH WE'RE BOMBING THEM AND PROPPING UP DICTATORSHIPS)*

### I. WHAT'S HAPPENING AT THE LEVEL OF IDEOLOGY-MEDIA-LANGUAGE-SUBJECTIVITY-CULTURE

#### A. "FREEDOM" → = "FREE MARKET" / "FREE TRADE" (1940-2010)

##### 1. THE MOBILIZATION OF THE IDEOLOGICAL NOTION OF "FREEDOM" (Harvey 2005)

Key Question: How has the ideology of the "free market," the ideology of NEOLIBERALISM, come to be equated with "freedom" altogether? That is, how has neoliberalism conquered common sense, such that challenges to its premises are typically regarded as silly, impertinent, even confused and meaningless? How did neoliberalism CAPTURE the notion of "freedom" and make it its own?

- How was 911 "an attack on freedom"?
- How is it that the world is a struggle between "freedom and its foes"?

2. HARVEY: All these devices = a "system of justification and legitimation" veiling the re-conquest of owner-class power. (And if you look carefully, the neoliberals often contradict neoliberal doctrine, for example by favoring state regulation protecting private property and attacking labor).

3. Note that this is based on the history we've studied.

"Common Sense" and "consent" to neoliberalism are being PRODUCED very intentionally, by picking up old ideological tropes and re-interpreting them. Thus "freedom," a long-standing U.S. "value" (though torn and contradicted from the moment the puritans arrived), will now be bent to mean "free enterprise."

"Freedom," says Harvey, is the "button pushed by elites" to "justify almost anything."

4. They SEIZE ON pre-existing ideological elements. "Freedom." But also the anti-State sentiment of the 1960s... Except now this anti-State is NOT anti-corporate. Just the one, not the other. Thus contemporary libertarianism.

5. Neoliberal ideology became dominant "common sense" step by step, on the ground of ISAs: internal corporate culture, media, universities, schools, churches, professional associations...

6. This move to ideological domination (the idea that "free market" = "freedom," as "common sense") involved the organization of think tanks, the capture of certain segments of the media (especially Fox News), the conversion of intellectuals (for example in Business and Economics departments at Universities)... then eventually the capture of political parties and finally the capture of state power.

7. Liberty will now = things like "consumer choice."

8. They set it up as human dignity / individual freedom... vs. fascism, dictatorship, communism, STATE...(meanwhile of course they use the State plenty)

## B. HISTORY OF THE IDEOLOGICAL DIMENSION

1950s **NAM** employs Fifield to produce a Libertarian, pro-free-market (pro-business) **Christian Right. Disney's** in on that. "Spiritual Mobilization." This movement was already incorporating writing etc of

- Friedrich von Hayek: who says that the "battle for ideas" is key... academia is a battlefield (for producing "common sense.")
- Ludwig von Mises
- Karl Popper
- Milton Friedman....
- all of the Mont Pelerin society

### Message(s):

- "Central values of civilization are in danger." Human dignity and freedom have disappeared.
- Allegedly this has occurred because of a denial of "absolute moral standards," and a decline in belief in "private property and the competitive market."
- They go with Adam Smith that the "hidden hand of the market," if left alone and unregulated, produces the good for everybody. (Note that this is directly opposite what New Deal and "Embedded Liberalism" models assume. They were responding to 1920s monopolism, the 1929 crash resulting from speculation...)
- And of course they are ("therefore") opposed to state intervention (except to defend private property, "entrepreneurial freedom," etc. – they want THEIR regulations, not regulations ON THEM).

1960s/70s **Neoliberal think-tanks** developing:

- Heritage Foundation
- Hoover Institute
- Center for the Study of American Business
- American Enterprise Institute...
- National Board of Economic Research

*These produce technical/empirical studies to support neoliberalism. (Note that "empirical" does not mean "exclusively true." It just means it uses verifiable data. But which data is selected or omitted, which questions are asked or ignored, etc. are all subject to ideological agendas.)*

### 1970s-1980s

Business captures the **Republican Party** by

1. forming powerful "Political Action Committees" (PACs) → change campaign finance laws. 1974: 89 PACS... 1982: 1,467 PACS...
2. 1976: Corporate political contributions "=" "freedom of speech"
3. Base = Christian Right... especially in 1978 with Falwell's "Moral Majority"

1972-1982 the **U.S. Chamber of Commerce** grows from 60K to 250K firms... works with NAM—propaganda campaigns aimed at universities, schools, media, publishing, courts

1974 Hayek gets the Nobel for Economics

1976 Friedman gets the Nobel for Economics (note that this Nobel prize, unlike all the others, is strictly controlled by Swedish banks).

1978 **Jerry Falwell** founds the "**Moral Majority**," which continues the process begun by Fifeild, nurturing and expanding a "**Christian Fundamentalist Right**" that will be the key underpinning socially of Neoliberal ideology (and practice). These people will come to **vote systematically against their own economic interest, in the name of morals**—which supposedly, somehow, the unrestrained activity of corporations is to reinstate.

- "Freedom" and "the free market" and "free trade" are taken by this group to = "freedom". (Note that "freedom," as we have studied, is an old concept in the U.S., and one that has gone through many waves of re-interpretation.)
- Falwell/Xtian Right movement... plays on
- religion and cultural nationalism of white working classes
- racism, homophobia, anti-feminism
- The problem = "liberals" who have used "excessive state power" for blacks, women, environmentalists

1981: Council for National Policy = Xtian Conservatives

1980s: Ideological agitation especially focusing on Universities... impacting especially business and economics departments.

- Books: Michael Nozick
- TV Shows: Friedman "Free to Choose"

1980s-1990s: post-modernism and identity politics in Universities; "Lifestyle diversification" = increasing consumer markets

1990s U.S. is "spreading freedom" militarily.

1990: all liberal elements now gone from the Republican party... Democratic party captured too (though it's less effective)

*NEOLIBERAL IDEOLOGY EFFECTIVELY = "COMMON SENSE" FOR MANY/MOST AMERICANS... AND IT'S THE DOMINANT/COMMON-SENSE PARADIGM FOR "POLITICAL" AND POLICY DISCUSSIONS, EVERYWHERE—FOR EXAMPLE HERE AT YOUR SCHOOL.*

*\*\*This is the battle you've been living through your whole life, though you didn't know it. What "you" "thought" has been the stake in the battle. If you continue to believe the above stuff, your opinions are a support for Neoliberalism.*

*Add to this the two following complications:*

*Postman: the U.S. and more broadly the Global populace is **becoming less rational** as a result of their integration into **the spectacle**.*

*Klein: the U.S. Left made a terrible mistake by focusing ON **the spectacle**... and thus being conveniently tricked into **IGNORING WHAT WAS REALLY HAPPENING** outside the TV screen.*

## II. WHAT'S HAPPENING AT THE LEVEL OF PHYSICAL SPACE-POWER-ECONOMY-DOMINATION

A. Harvey basic picture:

- "FREEDOM" really means the *INTERESTS OF PRIVATE PROPERTY, BUSINESSES, MULTINATIONAL CORPORATIONS, FINANCIAL CAPITAL* (Or rather, underneath the veil of "common sense" produced painstakingly through media and dominated social space... the ONLY FREEDOM that will be allowed to exist is really that of Corporations and Capital).
- (Economically—and militarily) NEOLIBERALISM = A strategy for the reconstruction/augmentation of class power—the power of the ultra-elite, rich.
- Generally:
- Massive increase in wealth inequality. In 1970 the average CEO makes 30x the average worker. In 2000 they make 500x. Now it's much more.

B. PHYSICAL-ECONOMIC-SPATIAL-MILITARY HISTORY TO THIS POINT (= What's *really* happening!)

1920s-1930s

U.S. **neo-imperialist formula** solidified in **Nicaragua**: (this formula will form the geo-political / territorial-military dimension of Neoliberalism)

- find a local strongman
- provide him with economic/military assistance allowing him to repress/buy off opposition
- This strongman agrees to keep his country open to U.S. capital
- He promotes U.S. interests domestically and regionally (in this case, across Central America)

1953: Same thing in **Iran**: the socialist nationalizer Mossadegh is pushed out of power by the CIA, and the Shah is put in his place." The Shah works with CIA and Northern Capital. The CIA builds a nasty secret police force for him, called Savak, which disappears, imprisons, tortures extensively to hold down opposition. (This is the backdrop to the 1979 Islamic Revolution in Iran.)

1940s – 1960s

- Post—WW2 restructuring... New Deal continuations: a compromise between Capital and Labor. But recall the "power elite" is growing.
- ("Keynesian") goals = full employment, economic growth, citizen welfare... but with capital still protected and foundational. The idea was to regulate and pacify capitalism, dampening business cycles, avoiding crashes, protecting quality of life. Call this "embedded liberalism," since capitalist function was "embedded" in a web of regulations. It's this web from which neoliberalism has freed and continues to free capitalist practice.
- Under this system, for a period, the Global North prospers (that is, businesses profit). The Global South does not, as it's still being mercilessly exploited.
- Also post-WW2, the Bretton Woods agreement produces the UN, the World Bank, the International Monetary Fund (IMF)
- All of these institutions operated under the shield of U.S. military power, limited only by the USSR. (In 1989, this shield disappears).

1970s

Things start changing. There's a **crisis of "capital accumulation"**—corporations aren't making enough money. Tax revenues thus go down, and social expenses proportionately go up.

1970s

Deindustrialization of the rust belt → weakening of labor

1971 Fixed exchanged rates abandoned. Gold standard abandoned.

1973 Arab-Israeli war + OPEC oil embargo. U.S. threatens to invade Saudi Arabia. A deal is made whereby Saudi Arabia agrees to prevent OPEC embargos and to pass petrodollars through U.S. investment banks, in return for military and other preferencing in the region. (The U.S. props up Saudi Arabia militarily; Saudi Arabia props up the U.S. financially).

- This money is now available for use by these banks. It primarily becomes loans to nation-states, brokered by the IMF. These are good deals for banks as nation-states are prevented from pulling out of them. Before bankruptcy, the IMF will insist systematically on "austerity" and "structural adjustment." That is, payments will be taken from general populations and their basic supports (education, housing, food supplies...) (Neoliberalism takes from the poor and gives to the rich.)

1973: Chile: Pinochet coup promoted by domestic business elites threatened by Allende's nationalizations.

- Backed by US corporations, the **CIA**, Henry Kissinger's State Dept.
  - Violent repression of social movements
  - Dismantling of all forms of popular organization, eg. community health centers
  - Trade unions dismantled (= "freeing" the labor market)
- The "Chicago Boys"—U.S.-trained economists... go back to Chile and take over key positions in government. "Free Market Fundamentalism."
- They negotiate loans with the IMF and restructure the economy according to its guidelines:
  - Reverse nationalizations
  - Privatize public assets
  - Open up natural resources to private/unregulated exploitation... with real violence to indigenous people
  - Privatize social security
  - Facilitate foreign direct investment and "freer trade."
  - Right to repatriate profit outside of Chile
  - Export-led development (vs Allende's socialist production-for-Chileans)

1975 New York City crisis produced by deindustrialization...

- CitiBank forces bankruptcy
- poverty... social unrest
- Bailout by banks... in return for more managerial control especially over the city budget, and first claim on tax revenues. (The banks restructure NYC to their liking.—note that this is also the context in which Donald Trump gets going)
- Austerity measures imposed on NYC. Defunding of
  - Education

- Public Health
- Transportation
- Municipal unions weakened.
- Wage freezes/cutbacks in employment
- **Tuition** for the first time at CUNY.
- Requirement: municipal unions have to invest their pension funds in city bonds
- All this = WEALTH REDISTRIBUTION
- Goal = "a good business climate."
- Use public resources to build appropriate infrastructures FOR BUSINESS, especially telecomm.
- Subsidies for corporations
- Tax incentives for corporations
- (=welfare for corporations, not people)
- Then turn NYC to tourism: sell image of city
- Rebuild NYC around
  - financial activities
  - legal services
  - media
  - diversified consumerism – with gentrification
- CONTROL/ City decision-making now = *behind closed doors*

1975-1976 Financial crisis in Britain. Britain bailed out by **IMF**.

1970-1980s: Corporations becoming ever more "financialized." They no longer do JUST manufacturing etc... they diversify into credit cards, futures investment, etc. FINANCE CAPITAL is emerging.

1978: Pharma breakthroughs funded by NIH → all patents privatized

1979 **Thatcher** attacks trade unions, social solidarity, professional organizations, the welfare state...

- (All social solidarities attacked, leaving "individualism," "Private property," "Personal responsibility," "family values.")
- Reduce taxes
- Encourage "entrepreneurship"
- "Create a favorable business climate"
- Induce foreign investment

1980s: Business operating as a unified class vs.

- consumer protection
- labor protection
- taxation
- regulations
- anti-trust

1980s: **Reagan**:

- National Labor Relations Board is used to attack/regulate rights of labor
- Revision of tax code

1980-2010

Immense concentration of corporate power; moves toward monopoly in

- Energy

- Media
- Pharmaceuticals
- Transportation
- Retail

1981: **Reagan** fires 12,000 air traffic controllers, banning them from federal service for life.

1982-4 **Mexico** defaults on IMF loans after Volcker raises interests rates in U.S. (Loans were tied to the U.S. dollar)... IMF agrees to **roll over debt \*in return for neoliberal reforms**. This is the clearest early example of this now-dominant strategy.

- Offer loans
- Random/sometimes-intentional pressures produce default on loans
- Further loans to pay the first loans, or temporary "rollover" of loans, are granted only on the basis of "structural adjustment" and "austerity measures" (privatization of public goods and removal of social safety nets/resources). **Governments borrow, peoples pay.**

1980s The class that is benefiting from all this is **CEOs, key board members of corporations, financial, legal and technical leaders... a certain "Power Elite" ... still connected in various ways with the "defense" complex.**

1990s Neoliberal policy stabilized with Clinton and Blair as the "Washington Consensus"

1990s: "Elites" like Rupert Murdoch, Warren Buffett, Bill Gates, Paul Allen, Carlos Slim, the Walton Family... are beyond nation-states, but exert control over multiple nation-states as a part of their strategy.

- Elites now meet at places like Davos Switzerland to make plans and integrate with global political leaders.

2003: **Iraq**: What was really happening in Iraq? "Freedom" there = "Free Market Fundamentalism" (*Paul Bremer set up a constitution where*):

1. full privatization of public enterprises
  - public services
  - manufacturing
  - transport
  - finance
  - construction
2. full ownership rights by foreign firms of Iraqi businesses
3. full repatriation of foreign profits
4. open banks to foreign control
5. elimination of (nearly) all trade barriers

III. NEOLIBERALS... Lie. They're supposedly "vs the State" and "Regulation"...

- *But they're not totally anti-state, or anti-regulation.* LABOR and organized labor = strictly regulated. Strikes prohibited, at least in key sectors. Right to unionize = strictly regulated.
- *They use the State* to facilitate conditions for
- Profitable capital accumulation (outside the territory/population of the nation)

- THIS = the Neoliberal State. *It's primarily about repression of average people, and especially the repression of social solidarities which might across time produce a counterforce to capitalistic ownership and control.* NEOLIBERALISM DESTROYS COMMUNITY AND POPULAR POWER.