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The End of Neoliberalism[1]

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Neoliberalism was one of the most successful attempts to reshape individuals in human history. Its achievements rank alongside those productive and destructive sectarian practices that we call religion, colonialism, nationalism, and state socialism.

Neoliberalism's lust for market conduct was so powerful that its prelates opined on every topic imaginable, from birth rates to divorce, from suicide to abortion, from performance-enhancing drugs to altruism. It stood rhetorically against elitism (for populism); against subvention (for markets); and against public service (for philanthropy) (Gorbachev, 2009; Hall & Massey, 2010). Neoliberalism, however, had a grand contradiction at its heart: a passion for intervention in the name of nonintervention. It pleaded for investments in human capital yet derided social engineering. It called for the generation of markets by the state but rejected democratic controls. It hailed freedom as a natural basis for life but policed property relations. To take just one example: the embedded neoliberalism of the US judiciary has defanged antitrust law from its robust Progressive-era refusal of monopolization because it concentrated social, political, and financial power to a case-by-case inquiry into whether particular practices affect consumer prices. They rarely do, so monopolies thrive.

We are concerned here with the United States because its "Washington Consensus" dominated global and local public policy for a generation (Frank, 2009). Michel Foucault's recently translated (2008) insights on neoliberalism's birth in the 1970s provide "a way of thinking about this

[1] This draws on Miller, 2008, 2010.

problem before it became actual," before it "ruined people's lives and wrecked social, political and economic institutions" (Tribe, 2009, p. 694). He did not equate the concept with a stage of economic development, nor did he fall for the *canard* that it sought to withdraw the state from economic activity. Rather, Foucault explained that neoliberalism governed populations through market imperatives, invoking and training them as ratiocinative liberal actors. Their creativity would be unlocked to create "an enterprise society" through the pretense that the latter was a natural (but never-achieved) state of affairs. At the same time, competition was imposed to regulate everyday life in the most subtly comprehensive statism imaginable (Foucault, 2008, pp. 218, 147, 145). Foucault investigated coin-operated think tanks such as the American Enterprise Institute, the intellectual handservants of neoliberalism. While these chorines offered a "permanent criticism of government policy" (2008, p. 247), they sought permanent influence *over* that policy, with markets the privileged "interface of government and the individual" (2008, p. 253).

We are using the past tense to describe neoliberalism because the world's descent into an economic *mise-en-abîme* since 2008, via the delayed disasters of derivatives deregulation and the New International Division of Labor, has forced this religion's clerisy, from Beijing to the Bourse, to pick over its ruins. What *are* its ruins in the United States? Over the past three decades, the capacity to exit poverty has diminished, thanks to a gigantic clumping of wealth at the apex of the nation, atop a poor, unskilled, and unhealthy base. Forty-six million US residents are indigent, 52 million are functionally analphabetic, and 46 million lack health insurance, with tens of millions of others at risk of losing it and/or experiencing severe difficulties meeting their medical expenses (Miller, 2008). The demonstrable failure of market-driven mechanisms to achieve a fair distribution of health care has not dislodged the ideology of marketplace "solutions." The 2010 health bill contained no public option but merely some light-touch regulation that may extend affordable health insurance to some of the uninsured.

Yet 20 years ago, neoclassical economists hailed the triumph of market precepts over social democracy, because 10 years into their hegemony, just 20% of the public's future income was predictable based on paternal income. Today, after two more decades of deregulation, that figure has doubled; some analysts suggest it now stands at 60%. In the three decades from 1979, the highest paid 1% of the population doubled its share of national pretax income, to 18%. Incomes of the top 1% increased 194%; the top 20%, 70%; and the bottom 20%, just 6.4%. The Gini index saw inequality attain the same level as the Great Depression. Corporate profits are at their highest level in five decades, while wages and salaries have the lowest share of the national pie on record. Between 2001 and 2005, profits rose 60%, wages just 10%. In the three years from 2003, hourly wages (adjusted for inflation) declined, despite increases in productivity. Between 1999 and 2004, the bottom 90% of U.S. households saw their income rise 2%; for those "earning" over US$1 million annually, income grew by more than 87% (Miller, 2008).

Put another way, neoliberalism's apogee saw the gap between what labor produces and what it reaps become greater than at any point in recorded history. This bizarre re-concentration of wealth in the hands of the *haute bourgeoisie* is unprecedented since the advent of working-class electoral franchises. (Neoliberalism has even sought to obliterate such terminology: the working class is no longer acknowledged. It is subsumed within a rhetorical "middle class" to which all except the *lumpen* Other — the poor and the undocumented — belong.)

Within our own domain of popular communication, the eclipse of neoliberalism leaves a nasty afterglow because of the dominance of particular myths: that consumption is sovereign, labor is a problem, the economy works because of entrepreneurs and executives, meritocracy is real and omnipresent, and collective action (by progressives) is wrong. The heyday of neoliberalism may be over, but such distortions still color much of the *bourgeois* media, "Readers Liberation Movement" cultural studies[2], and the normal science of communications. Consumption is turned on its head: everyone is creative and no one is a spectator. Internally divided, but happily so, each person is "a consumer on the one hand, but [. . .] also a producer" (Foucault, 2008, p. 226).

Perhaps neoliberalism's most pernicious impact on popular communication has been the financialization of news and current affairs. Neoclassical economic theory is deemed palatable in a way that theory is not accepted elsewhere, and stories are presented in terms of their monetary significance to investors. Leading news sources rely on finance reporting for much of their revenue. Business advisors dominate discussion on dedicated finance cable stations such as CNBC and Bloomberg and are granted the status of seers when they appear on MSNBC, CNN, and the networks. The focus of "news" has become stock markets, earnings, profits, and portfolio management. Journalists stalk politics in order to discredit democratic activities that might restrain capital. Labor news has been transmogrified into corporate news, and politics is measured in terms of its reception by business. Even the recent crisis has not eroded journalistic faith in reactionary solutions to a radical problem, as the bizarre press coverage of the meltdown indicates (Pew, 2009; Thompson, 2009). The ranting CNBC stock tipster Jim Cramer, despite being discredited for his boosterism before the crash, still dispenses "advice" on *Mad Money*, lionizing the market with absolute credulity.

Fortunately, ordinary people across the world do not think capitalism works absent major state intervention (globescan.com/news_archives/bbc2009_berlin_wall). They recognize that crises are endemic to any system built on selfishness and exploitation. For when major breakdowns occur, as they did in the 1920s and 1970s, major realignments follow: while the Depression generated state intervention and welfarism, the oil shocks stimulated neoclassical fundamentalism (Kotz, 2009). If this latest failure undermines neoliberalism, as we suspect, then the death of Yanqui journalism, destroyed by its own weapon of financialization, will bring into being a new world of popular communication. We can only guess what that will look like – but we must fight for its future.

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[2] A concept introduced by Terry Eagleton (1982).

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Rethinking the Music Industry

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In January 2009, Europe's largest music industry tradeshow, MIDEM (which stands for Marché International du Disque et de l'Edition Musicale), met in Cannes. The running joke? *They* already knew how to cope with the Global Financial Crisis. After all, *they'd* been in recession for years. Behind the gallows humor lay an important truth. The music industry and its troubles are early harbingers of broader shifts in social and economic structures (Baym & Burnett, 2009; Benkler, 2006), particularly within industries built on the control of digital content. The model driving the music industries for decades has been one of economic exchange in which the musicians and other professional producers provide scarce goods (e.g., records, CDs, live performances, merchandise) for which the audience pays money, providing producers with their primary revenue stream. The ubiquity of filesharing brought recession to the music industry early, as it made their core scarce good of recorded music infinitely replicable. The fundamental shift to distributed and networked consumers continues to ripple out into many other industries. Audiences that can distribute content themselves are less convinced it is worth money, although many still buy. A recent survey by Forrester found that a minority of American internet users, including those who buy digital music, think it is worth paying for digital song files (Goldman, 2010).

Initially, digital media were good for most music businesses, especially the recording industry. The 1990s were the global industry's best decade, reaching an all-time worldwide sales peak in 1998. In 1999, US music sales reached $14.6 billion. Since then, sales and licensing have fallen more than 40%, returning to mid-1980s levels (Goldman, 2010). This was not small in the 1980s, and it is not small now. An International Federation of the Phonographic Industry (IFPI) report in early 2010 described the industry as having more than 4,000 major label artists, thousands of independent artists, and claimed that that the "broader music sector, including live music, radio, publishing and audio equipment," is worth an annual $160 billion (Paine, 2010). Yet costs have risen, budgets have shrunk, and workforces and artist rosters have been cut more than 25% (Wikström, 2009). There is no doubt that the economics of music have been profoundly disrupted.