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**Neoliberalism and its Discontents:
Commentary on Social Psychology of Neoliberalism**

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Invited Commentary on Special issue in Journal of Social Issues

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Neoliberalism is an odd word that crept into our everyday discourse. According to my quick Ngram search of Google Books¹, it began to appear in the 1980s around the time of the Thatcher-Reagan trans-Atlantic alliance, and its popularity outpaced even that of “Trump” in its combined corpus of American and British books – though I doubt if that’s still the case now especially after 2016. I used to think neoliberalism meant a class of economic theories about a market as a mechanism for balancing the production and consumption of everyday goods and services like bread and butter, rice and soy sauce, or pita and hummus, whose core assumption is *homo economicus*, a fictional being that a Nobel laureate of economics Eleanor Ostrom (2000) once called a rational egoist. But its meaning has expanded (wrongly, I thought) over the decades to cover goods and services of all sorts, including labour, education, and health care – a kind of “concept creep” that Nick Haslam (2016) described about our ordinary use of psychological concepts. Beattie’s (2019) critical dissection has corrected my misunderstanding. Even from the start, the loose cluster of ideas that is now called neoliberalism was a political-economic ideology. It was meant to provide a foundational design principle for constructing institutions of governance.

Nonetheless, it seems correct to say that neoliberalism has at least two component idea clusters: the rational and self-interested *homo economicus* as a model of the person and the idealized market with perfect information transmission and infinite computational capacity (or what Beattie, 2019, called the super-computer metaphor) as a model of the society. Put differently, neoliberalism is a model of the person and the society – a kind of utopian vision – which was meant to describe *and* prescribe the way human sociality carries on. Every school boy and girl ought to know (if they don’t yet) that models are abstractions and can never be “true” in the sense of a simple-minded correspondence theory of truth – a

¹ I did a search with “neoliberalism” (case insensitive) and “Trump” (case sensitive) in Ngram Viewer (<https://books.google.com/ngrams>).

map ought not to be mistaken for the terrain it is meant to represent. Still, *ideological models* insinuate that the reality be made in the image of the models.

Neoliberalism as an ideology is clearly located within a long tradition of individualism in the Western European thought. Lukes (1973) in his scholarly treatise of individualism from a history of ideas perspective traced the appearance of the word *individualisme* to the 19th century France, where the word was used by counterrevolutionary sympathizers of the French Revolution in their critique of “the Enlightenment’s glorification of the individual, their horror of social atomization and anarchy, as well as their desire for an organic, stable, hierarchically organized, harmonious social order (Lukes, 1973, p. 6).” Lukes analysed the subsequent development of individualism by teasing out several of its component ideas. In my view, two among them are perhaps fundamental to the discussion of neoliberalism – the individual as an *autonomous* and *abstract* being. To borrow Geertz’s (1983) well-known characterization of the Western conception of the person, autonomy implies the individual as “a dynamic center of awareness, emotion, judgment, and action organized into a whole (p. 59),” and abstract individualism, as “set contrastively both against other such wholes and its social and natural background (p. 59)”.

Neoliberalism is a version of the individualist model of the person as autonomous and abstract. As Adams, Estrada-Vallalta, Sullivan, and Markus (2019) astutely observed, neoliberalism combines radical abstraction with a conception of the person as an autonomous being that is entrepreneurially driven towards the external world, but also self-regulating the interiority of personal emotional experience, and even expansively self-constructing the future self. As a model of the person, it guides psychologists’ attention to the substantive research questions about those psychological processes that neoliberalism says people ought to engage in – entrepreneurship, emotion regulation, and self growth. I would say it’s not just neoliberalism. *Any* model of the person that psychologists explicitly or implicitly adopt

would guide our research. No matter, neoliberalism as a model of the society presupposes the model of the person as homo economicus, and the psychological being that is autonomous and abstract. Perhaps we should not be surprised to see that institutions of governance is being constructed in the image of the neoliberal ideal person and society, in higher education (Gjorgjioska & Tomicic, 2019), psychiatric care (Dougherty, 2019), the counselling of rape victims (Peters, 2019), and inter-racial relations in the United States by prioritizing individual responsibility over structural and institutional discrimination (Perez & Salter, 2019). These analyses illuminate how neoliberalism as ideas appear to have shaped the design of social institutions and their on-going operations within the overarching institution of nation-states.

Clearly, neoliberalism's reach did not stop at the policy making and implementation, however. It may have started in the elite discourse among intellectuals like the Colloque Lippmann and later Mont Pèlerin Society, but its core ideas – a model of the person and the society – began to be elaborated, extended, and further contextualized within the post-Keynesian politico-economic circumstances of the Western capitalist democracies (Beattie, 2019), and thus spread into the political discourse and transformed into a nebulous collection of ideas, something that may be somewhat pejoratively called a 'folk' model of the person and society or what Serge Moscovici (2008) called social representations, which structure and organize public opinions, effecting "selfway" in everyday life (Adams et al., 2019). Bay-Cheng, Fitz, Alizaga, and Zucker's (2015) Neoliberal Beliefs Inventory identified four components: *Inequality* (e.g., I think people imagine more barriers, such as discrimination, than actually exist), *Competition* (e.g., Competition is a good way to discover and motivate the best people), *Personal wherewithal* (e.g., A person's success in life is determined more by his or her personal efforts than by society), and *Government interference* (e.g., A problem with government social programs is that they get in the way of personal freedom). Bay-

Cheng et al. (2015) found neoliberal beliefs are closely associated with political and social conservatism at least in the US undergraduates.

As a ‘folk’ model of human sociality, neoliberalism is closely linked to one of the conceptual models or *relational models*, which Alan Fiske (1991) postulates all humans use to understand our social life. Neoliberalism is an idealization of Fiske's Market Pricing (MP), but he postulated three other relational models as well. They are Communal Sharing (CS), Authority Ranking (AR), and Equality Matching (EM). In a sense, neoliberalism took one of the four relational models, and blew it out of proportion to paste it all over the human social universe. Fiske (1991) suggests that these relational models are conceptually linked to different types of measurement: nominal (CS), ordinal (AR), interval (EM), and ratio (MP) scales. If Fiske is right about Market Pricing and it presupposes that human psychological phenomena are ratio scalable, then neoliberalism is indeed resonant with attempts to measure individuality by a ratio scale, a special, and perhaps even peculiar, way of conceptualizing what Ian Hacking (1995) called human kind. Features of humanity are measurable and treatable as ratio scalable quantity. Gjorgjioska and Tomicic (2019) is right if positivism is understood in this particular way of human kind observation and its quantification, a kind of the Enlightenment project prevalent in psychology (Kashima & Gelfand, 2012). It is certainly a version of methodological individualism that has close affinity with economic and political individualism that grandfathers of neoliberalism like Hayek imagined.

Fiske’s analysis of conceptual models of social life notwithstanding, people surely understand some aspects of their social life as profit maximizing entrepreneurs in a market (MP), but they also see some other aspects of their life as members of a community in which goods and services are shared (CS), as superiors or subordinates within a hierarchy (AR), or as equal participants in a public sphere (EM). Taken to its extreme, neoliberalism would legitimize one of the four relational models, Market Pricing, at the expense of the other three,

and demand that the latter be treated as non-existent, irrelevant, or even wrongheaded. If people are told that three quarters of their conceptual universe of human sociality (if Fiske is to be believed) ought to be ignored or “corrected”, it is not too surprising that there is some pushback. Jost et al. (2019) clearly shows that this is what happened in the United States and the United Kingdom, where Ronald Reagan and Margaret Thatcher championed the neoliberal ideology. The political polarization of liberalism and conservatism structures public opinions as they relate to neoliberal political and economic policies. Likewise, in US samples, Dutt and Kohfeldt (2019) found neoliberal beliefs are associated with anti-Central American immigrants sentiment, and Panne, Leone, and Carrus (2019) found a component of neoliberal beliefs – negative attitudes towards government driven income redistribution to promote equality – is linked to climate change scepticism.

Particularly intriguing is what appears to be a causal association from neoliberal beliefs to populist sentiments. Panne et al. (2019) found an association between a neoliberal belief and support for Donald Trump, a populist politician *par excellence*. More to the point, Hartwich and Becker (2019) showed that priming neoliberal beliefs drive anti-establishment attitudes in Germany and the United Kingdom. In both Germany and the UK, participants showed negative reactions to a neoliberal vision of future society that prioritizes individual flexibility and freedom over equality and justice, which then drove their anti-elitist sentiments. In other words, anti-establishment sentiment – a component of populism – seems to be a reaction to neoliberalism as a threat to their life world, rather than an endorsement of neoliberalism. In contrast, populism – if Trump support is regarded as such – seems to go with *endorsement* of neoliberal beliefs in the United States. If neoliberal political and economic policies exacerbated within-nation inequality between the rich and the poor, and cross-national inequality between the wealthy and poorer countries through trade liberalizations and globalization as Bettache and Chiu (2019) suggest – and I believe they are

right about this – why should believers of neoliberalism be anti-establishment? That those who suffer from neoliberalism dislike the establishment that exalted it in Germany and the UK makes sense, but how do you make sense of the true believers of neoliberalism despising the establishment in the US?

Karl Mannheim (1936) observed that the same word or even the same concept “means very different things when used by differently situated persons (p. 245).” Likewise, Beattie, Bettache, and Chong (2019) showed neoliberalism and its connotations depend on the historical trajectory of a national culture. Whereas the anti-egalitarianism of neoliberal beliefs that Bay-Cheng et al. (2015) identified is well and alive in the United States, their Indian counterparts do not appear to have this component. Zhang and Xin (2019) pointed out, correctly in my view, that market as an institution has an element of competition among profit-maximizing entrepreneurs, which they called impetus, and also an element of a rule-governed space for fair trade and exchange of goods and services. Although neoliberal beliefs in the United States and perhaps capitalist democracies of the West include a belief in a small government and an aversion to government regulation and “interference” in favour of “freedom” of market (e.g., Bay-Cheng et al., 2015; Jost et al., 2019), it seems to me that is a belief built on the assumption that there is a well-established regulatory institution of commercial law and its enforcement mechanisms. Fair and free transactions in a market are only possible when there is a system of market governance and enforcement. In its absence, a market can be a corrupt, inefficient system for coaxing the production and consumption of goods and services. Zhang and Xin’s (2019) findings seem to me to suggest that it is the idea of market as a space for cut-throat competition combined with a *failure* of the idea of market as a rule-governed space for fair trade and exchange that drive down the interpersonal trust in China as People’s Republic of China deepens its marketization and become more entrenched in the process of globalization in the 21st century.

In total, the contributions collected in this special issue are a study of cultural dynamics of neoliberalism – how ideas may be generated in intellectual elite circles, spread broadly not only to politicians, policy makers, and a bureaucratic system at large, but also to general public and out into the world around the globe, shaping everyday discourse and actions, as well as institutional designs and operations. Here we find exciting beginnings of the investigations rich with theoretical and pragmatic implications for social psychology. Bettache, Chiu, and the contributors have successfully given a first deep go at cultivating this fertile field, and I am willing to bet that there are more to come. I shall observe, and perhaps participate in, its future development with great excitement and awe.

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