

**THE PEP**

**GAZETTE**

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## **FOREWARD**

This is perhaps the last edition of PEPS for a while, as we start the process of looking for a new executive team. As always, thanks for reading and congratulations to the recent graduates.

*Natalie Locke*

# IDEOLOGY AND POWER FEEDBACK LOOPS: NEOLIBERAL CYCLES OF INEQUALITY IN THE 21<sup>ST</sup> CENTURY

*Scott Ripley*

In 2019, a metro fare hike in Santiago became the trigger for the release of nearly half a century's worth of discontent with the status quo among the Chilean population. Declarations that "Neoliberalism was born in Chile and will die in Chile" were common among the protesters (Contreras Cerda & Saavedra Utman, 2021). Those continuing to march across Chile in the years since the protests are right to identify this ideology as the cause of the unequal economic realities they have suffered under. While neoliberalism was birthed in Chile, in the five decades in which its principles have been practiced by governments it has grown to be the dominant, hegemonic force shaping political and economic thinking globally (Harvey, 2005). As in Chile, the prevalence of neoliberal ideology is responsible for the global rise of economic inequality in the 21st century. It does so by creating self-reinforcing mechanisms that filter capital to the few and away from the many. This system is maintained through the manufactured idea that inequality is, by nature, a just and beneficial aspect of society. The conceptual foundations of neoliberal ideology are best described by the economic geographer David Harvey (2005) in his book outlining the history of the subject, as:

... a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices (p. 2)

It is through this understanding of the term that this ideology's impact on the severity of economic inequality can be understood. An emergent property of neoliberalism is the existence of positive and negative feedback loops that result in capital flowing towards smaller, more powerful groups and away from the more numerous, albeit less institutionally powerful majority. This article will outline ways that the state creates these frameworks through an exploration of neoliberal influences in the areas of post-secondary education, labour relations, and the welfare system. It will also examine how a symbolic interactionist analysis of life under neoliberal policies delegitimizes the narrative of radical personal responsibility used to perpetuate ideological support for such policies.

The prohibitively high cost of higher education tends to be one of the first conduits through which individuals come to directly experience the effects of neoliberalism. An effect of the free-market ethos adopted by governments is the reduction of state money and influence on education. Bozheva (2020) outlines several characteristics of neoliberal states, such as Canada,

in the realm of higher education, including the reduction of public funding and regulation, and increased level of corporatization, privatization, and individualization. Post-secondary institutions are then forced into market competition to maintain their standing and existence. The loss of funding along with the pressures to out-compete rival institutions results in increased costs to students. In Canadian schools it has been seen that increasing tuition costs are associated with decreasing rates of enrollment among youth in poorer families (Coelli, 2009). This issue is compounded when intersecting dimensions of exclusion are involved, as Shanouda and Spagnuolo's (2021) analysis of disability and funding in Canada has found, showing that the neoliberal approach "created severe barriers for disabled students accessing higher education" (p. 549). Those who, despite factors like class and ability, do secure funding to access post-secondary education often have to go into significant debt to do so. In the four years after the 2008 economic crash, tuition costs in many major American universities increased at over twice the rate it had in the three decades previous (Washington Monthly, 2013, as cited in Goodnight et al., 2015). These factors perpetuate a negative feedback loop that, on aggregate, restricts the economic lower class from gaining financial advantages. Conversely, the economic elites in society can benefit from the exclusion of the lower class because they are able to make up a disproportionate number of post-secondary graduates and shoulder less debt burden upon graduation. This then creates a positive feedback loop wherein those with disproportionate wealth and power can gain more of both through their privileged access to education.

The typical second area of life that people experience neoliberal ideology directly is the workforce. This is seen in two related parts of working life: wages and the strength of unions. As a part of the type of government deregulation seen in neoliberal states, the deregulation of labour has allowed for the stagnation of real wages among the lowest earners in Australia since the 1990s (Watson, 2016). The lack of outside regulation has also proven to exasperate existing structures of exclusion in the workforce, namely gender inequality as shown by van Gellecum et al. (2008) in their analysis of the Australian labour market in the same timeframe as Watson's (2016) analysis. Wages are the most easily measured metric to see the effects of neoliberal policy. Less visible but also reflected in stagnant wages is the lessening of union power since the 1980s. In the United States, administrations since Reagan have been using appointments to the National Labor Relations Board to successfully limit the growth of unionization (Jacobs & Meyers, 2014). In post-Recession Canada, Harper's push to leave government regulation out of private business has resulted in a

... deterioration of living and working conditions for broad sections of the population in industrial countries, as indicated by rising inequalities, growing poverty, increasing numbers of precarious jobs, unemployed and underemployed, declining union density, diminishing mental and physical health, growing homelessness and rising rates of depression, alcoholism and suicide (Ferdosi, 2020, p. 17)

A Marxist analysis of the dynamic between the owning and working classes is useful in seeing how neoliberalism drives feedback loops of inequality in the area of labour. It is in the nature of the bourgeois class to maximize profit, and thus they have incentive to minimize wages. It is in the nature of the proletariat to want to maximize wages, which put them into direct conflict with the bourgeoisie. The owning class's power comes from their ownership of the means of production, and the working class can wield power through the withholding of their labour, an option made possible with the existence of strong unions. Neoliberal governments tip the scale in the favour of the owning class by not keeping their power in check through regulation. By holding the idea of "free markets" as the highest priority, governments give an institutional advantage to the bourgeoisie, who then reinforce their wealth, and thus power, with the additional surplus labour value they are allowed to extract from the proletariat. The working class is forced into a negative feedback loop wherein their lack of wages and union representation deny them the economic stability to fairly bargain with their employers.

Those facing the effects of neoliberal policies in the previously discussed areas of life are at risk of having to face it in a significantly more vulnerable context, within the welfare system. Welfare recipients have been among the many victims of budget cuts from neoliberal governments (Keil, 2002). The direct and material impact governments have in the lives of those needing welfare gives them among the most unequal relationships possible under neoliberalism. The dismantling of the welfare state began with Thatcher shifting the United Kingdom away from the type of government involvement inherent to Keynesian economic policies (Harvey, 2005). An aspect of Harperian neoliberalism in Canada has been the weakening of the welfare state as a part of a wider push to undermine publicly funded social programs (Gorman, 2016). Australia, too, has weakened their welfare system as a result of their push for increased marketization of services (Spies-Butcher & Chester, 2014). Post-apartheid South Africa is another example of this, having instituted restrictive means-testing measures and outsourcing service delivery to the private sector (McDonald, 2007). As in the two previously discussed contexts, neoliberal intervention in the welfare system plays a role in the self-reinforcing mechanisms of inequality. Primarily, this context contributes to the negative feedback loop that makes it less likely for those in a position of needing welfare to be able to improve their situation. The lack of adequate funding by neoliberal governments presents the obvious issue of having fewer resources available to help an increasing number of people. Requiring that recipients must seek and accept any job offer that comes their way acts as a reduction of the working class's bargaining power by making it so that people cannot afford to not take low paying and exploitative jobs.

Framing how neoliberal ideology shapes government action, and how those actions effect the distribution of power in a society is critical for understanding what effect neoliberalism has on the severity of inequality in the 21st century. The types of feedback loops discussed so far can

best be conceptualized through a symbolic interactionist view of society. People are not confined to a set economic fate because of any identity or any specific social structure in which they inhabit. People are also not entirely responsible for their economic fate through their actions as is believed in the purely individualist view of neoliberalism. Individual agency is restricted by the structural contexts within which people exercise that agency. Neoliberalism defines this context through how the various social structures in life operate. It uses existing structures of conflict and exclusion (e.g. gender, class, race, ability) to create systems of inequality. This view recognizes that society is not an external environment within which inequality occurs, but instead it is the sum total of all the interactions between individuals and groups with other individuals and groups (Fleras, 2017). Inequality is thus not an inevitable aspect of society but an emergent property of systems where the powerful creates structures of inequality. If inequality benefits so few people, and if it is not intrinsic to the existence of society, it becomes necessary to ask how such a system is able to sustain itself.

Neoliberalism relies on a model of inequality that blames the individual for their condition. As has been shown, this model ignores the necessary component of structure in people's individual economic outcomes. The question then becomes how this ideology is ingrained in society despite its fundamentally flawed reasoning. Fleras (2017) explains that ideologies

... also exist to co-opt non-dominant groups into co-operating with an unequal status quo. Reference to ideology as hegemony helps to explain the process by which the powerful can secure consensus and co-operation – not through coercion, but by consent – so that people's attitudes change without their awareness of what is happening (p. 41)

Neoliberalism achieves this by pushing ideas such as all aspects of life being able to be seen in market terms and that free markets produce the most just outcomes, which lead to an acceptance that inequality is good because it serves as a motivating factor for individuals to perform better in the market. By shaping public discourse to suit these ideas, actors in society that benefit from them are able to convince people at-large that the systems neoliberalism creates are the best way for society to function.

The individualist construction of society is brought about by framing society within the context of a market. Within neoliberal thinking the individual is “re-cast as an economic agent who moves in the world by perpetually calculating and systematically responding to incentives” (Madra & Adaman, 2014, p. 708). Human agency is reduced to an algorithmic process of economic maximization, it is given the same dispassionate classification as automata following binary instructions. It is a simplified conception of human motivation cloaked under the guise of rationality. In this view of society, individuals' economic interactions with one another are privileged over their relationships relative to one another. This leaves a false impression that

individuals are acting on a level playing field and ignores the social context in which they interact, a concept Cahill (2020) refers to as “market fetishism” (p. 28). The marketization of society extends into the political sphere as well. The concept of one-person-one-vote is seen as meaning that all voters have equal political influence, a concept used by neoliberal politicians like Stephen Harper to misrepresent the influence of wealth in politics and to justify how they exercise power (Brabazon & Kirsten, 2018). Neoliberalism spreads a narrative that the individual is the most important actor in society, encouraging people to see themselves “as an enterprise” in competition with all others (Dardot & Laval, 2013, p. 8 as cited in Fine & Saad-Filho, 2017, p. 698). In a marketized view of society, market-based solutions to social and economic problems are seen as the ideal mechanism through which society should develop. At the core of this is the belief that competition should be the driving force for the functioning of all aspects of society (Standing, 2011). It is through the focus on individual action and the faith in markets to produce justified outcomes that the belief in the good and necessary nature of inequality emerges.

Perhaps the consequence of neoliberalism that is most responsible for the pervasiveness of economic inequality in the 21st century is the widespread belief that inequality is not a failure of society but is instead a beneficial feature. This is brought about through the way people are socialized under neoliberalism. Individual responsibility and accountability to themselves is taught as superseding one’s responsibility to others (Wrenn, 2015). The onus for one’s economic condition is thus placed on the individual, and the impact of structural factors is maligned. One vector for this type of neoliberal socialization is through religious institutions. Within American Christianity is an institution called Prosperity Gospel, which preaches the idea that one’s wealth and one’s personal relationship to God are intertwined. This idea parallels that of the neoliberal concept of personal responsibility, adding a layer of religious legitimacy to what is ostensibly an economic theory (Wrenn, 2019). Ruccio (2015) refers to this as a “religious version of the neoliberal gospel of self-governance” (p. 621). These two ideas act symbiotically with one another, each offering justification to the other and opening up avenues for people to come to believe the other.

The primacy of self-reliance as a virtue creates a society in which the solution to social and economic problems is to ensure the individualization of responsibility and the marketization of social interactions (Fine & Saad-Filho, 2020). Conversely, those who are seen as successful in the socioeconomic marketplace are placed in a privileged position, being seen as the sole person to credit for their success. A consequence of this type of hyper-individualist thinking is the creation of the myth of the “self-made man”. Duncan (2014) draws connections to this myth and gambling, where luck is a component of each that is deemphasized when attempting to individualize successes. While in the realm of gambling luck is understood as a beneficial randomness, in the realm of economic class the luck comes from the advantages one has that

give them better access to opportunities for economic growth. To extend Duncan's analogy, the belief in the motivational power of inequality can be likened to the gambler's fallacy. The belief that, because "hard work" has created prior successes, one is bound to also be successful so long as they work hard is the driving rationalization that creates the false idea that inequality will encourage people to be successful. When luck, or in this case intersecting privileges, is ignored, it is easy to convince people that those who succeed have earned it and those who have not deserve their failure.

Understanding both the mechanisms of inequality and the ideological supports used to sustain them is vital to approach the question of how to solve the problems of inequality under neoliberal hegemony. Changes to the structure of social, political, and economic institutions are needed to solve the problems of inequality. However, the motivation to do so on a societal level will only come from challenging the ideological supports of neoliberalism. Resistance to the neoliberal order, such as that seen in Chile, show the importance of unity among the lower classes as essential for confronting elite rule (Contreras Cerda & Saavedra Utman, 2021). A push for an intersectional understanding of inequality is needed to challenge the elitist notion of personal responsibility as the sole factor in one's economic outcomes. Wider acceptance of the existence of barriers for people excluded from privilege will help to shift focus onto the structural factors of inequality, and how they impact the influence of people's individual agency. This change in societal thinking is going to have to come about from outside current institutions. Solidarity among working people will be key. It will not be enough to attempt to reform existing systems because they are built for the one-way flow of capital. Neoliberal institutions need to be torn down and replaced with horizontal power structures that ensure collective well-being. What those new institutions will be is beyond the scope of this article, but it is certain that current institutions cannot be dissolved without other, more egalitarian, ones to take their place.



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## POLITICS IN THE WILD



The Mall, London, UK, the week of the King's coronation. *Natalie Locke, 2023.*



# Alberta Election 2023

## A Test of our Democracy

### THE 2023 ALBERTA GENERAL ELECTION - VOTING IN A CRISIS

*Logan Oderkirk*

The 2023 Alberta Election has drawn to a close and the UCP has cruised to another majority government. Though it was a tight election, it's not what I want to talk about today (shocking considering I am such a political nerd). Instead, I want to talk about the little-discussed test of our democratic system and media that occurred early on in Alberta's election.

A little background before I elaborate. In Canada, when an election is in a jurisdiction its parliament or legislature is dissolved. This means MPs or MLAs don't meet and no longer hold their office. Yes, that's right, MPs aren't MPs during a writ period. The government is put into what's called caretaking mode. Only essential activities are carried out by the executive branch and the public service will chug on offering regular government services on the direction of the government before the writ period.

These rules ensure that governments can't use the advantage of office to win an election. Imagine if a premier could buy a brand-new school in a key riding they are trying to win. This rule not only applies to the government but elsewhere.

You may have noticed that the media is very careful with how they refer to political candidates during a campaign. You will be pressed to find an article from the Alberta election coverage that

calls Danielle Smith the Premier of Alberta. Instead, she's referred to as Danielle Smith leader of the UCP. This rule is written in the Canadian Press Style Guide, a style of writing taught in journalism schools that all respected media outlets abide by. They follow this rule to ensure clarity as to which leader represents which party but above all, it is an attempt to try and minimize the incumbent's advantage. This is great and makes sense but as we all know things don't always operate in the perfect environment. What happens in an emergency?

This is the question that unfortunately had to be asked in this most recent Alberta election due to wildfires near the beginning of the campaign. Natural disasters require government intervention. The premier and her cabinet were required to act. Smith addressed the province and declared a state of emergency. The government of Alberta would also be offering relief funding for evacuees of the forest fires. She then stepped aside to let officials brief the media on the situation on the ground and answered any questions they had. All this would seemingly go against all the rules I just outlined above. It goes one step further as well. In articles written about these developments, the media called her Premier. Again, this seem like a break in the system but, it was working perfectly.

After Danielle Smith finished the press conference, she continued to monitor the situation but, the campaign carried on. She resumed her post as leader of the UCP and the media quickly switched back to that distinction. Not even the other parties criticized the handling of this emergency because it was textbook by the Premier, the government of Alberta and the media.

So why does this matter and why bother writing about it? In a time when our institutions are being questioned, our democracy is being tested, and many people asking if it's all broken, this moment offers a sparkle of hope. The executive branch used its authority properly. The other parties didn't take advantage of a crisis and make it a wedge issue. The media stayed true to its guiding principles. All these things weave together to create a beautiful moment of our system working under stress. Things working as they should often don't get written about. Most of the time it's not necessary but at a time like this, I felt it necessary. I hope you enjoyed the good news and maybe learned something new.

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“But when our understanding of reality differ, what language means to us may differ as well, often radically. In politics that happens so often that we have to pay close attention to the use of language.”

– George Lackoff, *The Political Mind: A Cognitive Scientist’s Guide to Your Brain and its Politics* (2009)