

# Policy, empowerment and the neoliberal project

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# The question

How can we overcome the dominant neoliberal project?

How do we deal with

- technical (policy) issues
- political constraints
- institutional constraints
- ideological constraints
- social and political consensus

## For instance: the Euro-exit issue

Should we exit the Eurosystem? A possible account

- Dismantled policy tools
- Intergovernmental political constraints

Consequently, the exit would:

- bypass the political constraints
- restore the policy tools

# The Euro-exit issue – some doubts

## **A) Political conditions** in relation to policy goals and tools

1) Do we assume:

a) present conditions?

b) potential conditions?

2) Does it matter what the post-exit government pursues?

# The Euro-exit issue – some doubts

## B) Structural **economic conditions**

1. How would the exit affect domestic and international economic relations?
2. Alternatively, what change could Euro-partner bargaining lead to?
3. How would business, workers and consumers react to any expansionary macroeconomic policy?
4. Would these changes affect political conditions?

# The Euro-exit issue – some doubts

C) Given the **interdependence** of

- structural economic relations
- inter-governmental relations

can we actually predict how the Euro-exit would affect

- price-related and institutional strategies
- short-termism vs long-termism
- understanding of the state of affairs?

With so “many variables interacting in a non simple way” can we assume away the complexity of the environment?

## Two methodological perspectives

### **A rationalistic approach:**

You assume that you know what the outlook is (going to be)

### **A procedural approach:**

You adapt your action on a step by step basis

# Economic and policy issues

## Financialization and

- manufacturing: shareholder value, short-termism, unemployment and income and job precariousness
- consumption: financial keynesianism and private debt

## Neoliberal policies and

- dismantling of macroeconomic policy tools
- re-regulation of finance
- re-regulation of labor relations



# Key features of Neoliberal policy

1. Price-centered coordination of the economy
2. Commodification
3. Status quo relative prices

# A Neoliberal society

## The **regulatory effects** of Neoliberal institutions

- subordination of labor to (financial) business requirements
- externalization of public policy
- forsaking of class and social solidarity
- the enactment of “there is no such a thing as society”

## The **cognitive effects** of Neoliberal institutions

- redefined identity of workers through
- establishment of a mock *homo oeconomicus*
- establishment of a desocialized citizen

# A Neoliberal society

## The effects of Neoliberal institutions on individual **conduct**

### Ineffective employment policies

- aggregate demand and individual job negotiation
- bargaining power and income distribution

### Reinforced neoliberal political consensus

- distrust of policy and polity
- reliance on market conduct

Neoliberal  
hegemony

# Policy and society

The aim of the Neoliberal project is not a market economy,  
it is a **market society**

Making employment policy effective again involves:

- contrasting an **updated market culture**, not just an “obsolete market mentality”
- seeking a deliberatively-centered alternative societal culture: what a “**possible civilization**” may consist in
- **empowering** dispersed social groups

Exclusive focus on alternative employment policies fails to see that Neoliberal institutions change people, thus how the economy reacts to policy

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Thank you

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