

The problem of Cornish devolution in a context of neoliberalism

Naomi Klein identifies an unfortunate coincidence. Just as the scientific consensus cohered around dangerous climate change caused by humanity's fossil-fuel based growth, an ideology was successfully imposing itself on the global consciousness.¹ Klein calls it a 'collective misfortune' that the diagnosis of the climate threat appeared a decade or so after the 'Great Turn' to neoliberalism as a framework for organising society. In a similar, although considerably less catastrophic, way campaigners for a Cornish Assembly have the added misfortune of seeking devolution to Cornwall in the context of a Britain thoroughly immersed in neoliberal rationality.

But what do I mean by neoliberal rationality? The strategists of neoliberalism have, by and large, preferred to work in the shadows, focusing their efforts on influencing businesses, policy elites, elected politicians and academics since the 1970s. Neoliberal ideologues such as Milton Friedman or Friedrich Hayek never stood for election; their manifesto was never summarised in newspapers. In fact, the media hardly ever use the term 'neoliberal' and, even after a generation of neoliberal policies, most people are unaware of its all-pervasive influence on our lives. They're also largely unaware of how far the ideas of these economists have been enthusiastically adopted by elites across the globe. The groundwork achieved, neoliberal strategists have ruthlessly seized the opportunity to impose neoliberal nostrums in conditions in crisis and times of uncertainty. From Chile in the 1970s to South Africa and Russia in the 1990s they popped up to offer simple solutions for new rulers. And their domination is the reason why, unlike in the 1930s, the crisis of financial capitalism in 2007/08 has led to more capitalism rather than less.

In this contribution I want to put the struggle to achieve some initial level of self-determination in Cornwall into this neoliberal context. I will first outline the key features of neoliberalism, before moving on to their consequences for democracy. Turning to the specific effect on the local arm of the state, I finish by drawing out the implications for a Cornish Assembly. Understanding how many of the assertions made by politicians and journalists are in reality ideological claims rather than fact may point to possible weak spots in the current hegemonic domination of neoliberal ideas and hold lessons for Assembly campaigners.

What is neoliberalism?²

Neoliberalism is the rationality of contemporary capitalism. It provides the language with which we understand the workings of our economy and society. It steers the actions of rulers and it frames the conduct of the ruled. Although its philosophical foundations were laid much earlier, it emerged as a credible challenge to the prevailing consensus in the 1970s. This was the decade when the limits of Fordist post-war growth, based on mass production and consumption, constantly rising wages and Keynesian management of the macro-economy, were reached. The system could not cope with the oil price shock of 1973 and high levels of inflation coupled with mass unemployment. Furthermore, 'stagflation' meant falling profit levels in addition to high inflation and mass unemployment. All of which was linked by some to growing problems of governability.

In such conditions the simple slogans of the neoliberals found receptive ears. We were over-taxed, wages were over-generous, business over-regulated and vested interests, including transnational corporations but more often limited to trade unions and civil servants, had too much influence. This was the age of 'Yes, Minister', subtly popularising this neoliberal critique. The solution? Lower taxes, deregulate, and let the market decide. In short, reduce the role of the state. Tied to concepts of liberty and freedom, such views quickly found favour among the elites who were paying the high taxes but were seeing their profits slide. But they also appealed to the mass of the population at the sharp end of the inability of the social democratic consensus to reduce unemployment. They were also woven into a more general critique of the welfare state, which gobbled up these high taxes and was supposed to lead to 'dependency' and a culture averse to risk.

These ideas come together in four key elements of neoliberal thought. Neoliberalism's key principle is competitiveness, the more competitive the better, while markets are always more efficient at allocating resources than the state. Even if goods and services cannot be wholly delivered by private companies, then the principles of competitiveness and efficiency have to be central. In this way, marketization seeps into education and healthcare.

The second element is an active state. Neoliberals such as Margaret Thatcher put much store on rolling back state bureaucracies but at the same time they put in place an active state redeployed to ensure that the legal framework of competitiveness is enhanced. Andrew Gamble's description of Thatcherism as 'free economy, strong state' neatly sums up the thrust of neoliberalism. This is an active state that drives down wages and redistributes wealth unashamedly to the rich so that they can take more risks and invest, so, in theory at least, producing rising productivity. It's also a state that disciplines labour, introducing laws to curtail the right to strike for example. Moreover, the state's actions are part of a boomerang effect. Having busily deregulated businesses and facilitated a global financial sector and capital market, the state then turns disingenuously around and claims it has no choice but to act 'realistically' within the confines of that global market. Yet it was the key actor in creating that market in the first place.

In order to impose and generalise these ideas there have to be disciplinary systems in place. Neoliberalism's disciplinary tools extend their project into everyday behaviour. First, we have an obligation to choose. We must become good consumers in order to ensure that markets work properly. The recent revelation that half of households in the UK are not regularly switching their gas or electricity provider might suggest that, despite 35 years of neoliberalism, consumers are stubbornly refusing to spend all their waking hours comparing their utility contracts and are still not the perfectly competitive agents beloved of liberal economists. Nonetheless, the obligation is on us to choose, not to reform the market failure in utilities through better regulation or re-nationalization.

The second disciplinary system of neoliberalism is the flexible labour market. The rise of part-time working came first, soon followed by contract workers and zero-hours contracts. De-unionisation is a key factor in ensuring a flexible labour market, as worker solidarity must be replaced by individual competition. The unemployed, Marx's reserve army of labour, have to become more submissive, cowed by sanctions, rigorously assessed (by outsourced agencies) and their stingy benefits reduced even further. It helps if the unemployed can be demonised as shiftless scroungers. To do this, the media are brought into play to back up the offensive, using a barrage of moral pressure to urge us into work. Meanwhile, politicians queue up to persuade us to embrace the dignity of selling our labour (at minimal rates). The previous coalition Tory/Lib Dem Government even went so far as effectively to restore the nineteenth century concept of a division between deserving (in work) poor and undeserving (out of work) poor.

The third disciplinary measure of neoliberalism occurs within the enterprise. Shareholder value is now the priority as stock market valuation becomes the key measurement of company performance. The role of stock markets has been part and parcel of the global, deregulated financial capitalism that emerged in the 1990s and 2000s as the preferred organising form for neoliberalism. While global and transnational companies have been encouraged by the state to maximise their profits (and their tax avoidance treated comparatively leniently), life within those companies has become both more competitive and more bureaucratic. Hand in hand with shareholder value has come 'new managerialism'. While devolving responsibility to individual units or even individuals within an enterprise, this simultaneously encourages competition between these units and individuals. In order to do this performance metrics are used. Individuals are set against each other and urged to emulate a constantly moving and never achieved 'best practice'. Metrics are not confined to the private sector as the new managerialism insinuates itself into our schools, hospitals and universities. This

is again knowingly colluded in by the state. Just before the 2015 election, the UK Government was offering 'top performing teachers' a 2% pay rise while restricting all other teachers to less than 1%. Indeed, in the absence of an alternative measure of profit or loss in the market, metrics become the main means of disciplining public sector workers.

The final element of neoliberalism is the creation of an entrepreneurial subject. Neoliberalism is not short of ambition. Its aims are truly radical. It does not end at restructuring the economy so that more goes to the super-rich – redefined as 'wealth creators' – than needy undeserving 'dependents'. It wants to transform the individual. We have to view ourselves as human capital, amassing the resources over the life course to pay for our retirement and pass some on to future generations. Unemployment, financial difficulties, obesity, criminality, even illness, become the result of poor individual choices. If we have problems than we haven't taken sufficient responsibility and made the right decisions. The entrepreneurial subject must 'take responsibility' - find a job, pay for the university education, make provision against retirement and ill-health. We become responsible for the outcomes and if our bad decisions produce poor outcomes, then whose fault is that but our own? We can see how this bleak vision of the subject as an island of individual responsibility appeals to conservative morality, even as it works to institutionalise the constant 'reform' and 'modernisation' (although to what end is rarely spelt out) which undermines traditional institutions.

This ideological matrix of neoliberalism has become taken for granted. So much so that it's no longer seen as an ideology at all. It's just common sense, the way of the world, endlessly repeated and monotonously reinforced by a procession of experts, politicians, academics and journalists who lecture us on the absolute necessity to drive down public debt and the budget deficit and to take responsibility for our lives. They assert that markets always bring efficiency and governments always waste, that businessmen (and it's usually men) are the repository of wisdom, and that there is a lack of money to invest in public projects (despite an economy three and a half times bigger than in 1955 even after allowing for population growth).

This way of the world is not limited to conservative politicians but is accepted as the elite consensus by formerly social democratic parties, the so-called 'modern left'. Both Blairite Labour Party and Cleggite Liberal Democrats fully accepted the central faiths of neoliberalism. For example, from their perspective there's little criticism of the flexible labour market, the efficiency of markets and inefficiency of state provision, globalised trade and financial capitalism, or the need for austerity policies to drive down the debt. The Labour Party fulminates about 'Tory cuts', but swaps them only for 'sensible cuts'. Arguments within the parliamentary class come down to small differences. How much and how quickly shall we dismantle the welfare state, how many pence should be added to the minimum wage, how far should marketization go? Opposition becomes merely symbolic and rhetorical, a prelude to changing the management while the neoliberal machine is allowed to run on unimpeded. With all four main political parties wedded to the neoliberal way of the world we might already suspect that neoliberalism is re-shaping democracy in the UK.

Neoliberalism and democracy

Neoliberals emphasise the value of individual liberty and the protection of individual property. These are familiar values for traditional liberalism but they omit the latter's idea of political citizenship and the participation of individuals in decision-making. For neoliberals the good of communities or society flows only from the health of the individual and his or her family. It was in this sense that Margaret Thatcher memorably proclaimed that 'there is no such thing as society'.

Democracy therefore becomes a means to the end of individual liberty rather than an end in itself. Referring to Chile's General Pinochet in the 1970s, Friedrich Hayek said 'I prefer a liberal dictator to democratic government lacking liberalism'.³ For neoliberals like Hayek democracy is much less important than the operation of markets and the encouragement of competitiveness. As elected

representatives are more likely to be swayed by the 'irrational' and 'short-term' (from the neoliberal perspective) populist sentiments of those who elect them, neoliberals much prefer decision-making by a competent elite insulated from such democratic pressures. We now find that elite populating the secretive and unaccountable quangos that take decisions. Whether they're any more competent than elected representatives is another research question.

In 1975 the Trilateral Commission, a forerunner of the annual Davos shindig, brought together a global political and economic elite. It set out its concerns about what its participants in the 1970s viewed as the growing ungovernability of society. In their view this was being caused by emerging demands for equal treatment and increased participation from hitherto excluded and marginalised groups. Seeing the potential threat this brought for the profits and power of the elite that made up its membership, the Trilateral Commission concluded that what was required was 'some measure of apathy and non-involvement on the part of some individuals and groups'.⁴ Is it therefore a coincidence that since the 1970s most western democracies have seen sharp rises in voter abstention, particularly among younger, poorer and dispossessed groups?

Alienation from the political process has been reinforced by the convergence of mainstream political parties around the new neoliberal consensus. This replaces vision with management and explicitly informs voters that politics make little difference. Politicians should be confined to tinkering with the market system to ensure its smooth functioning, even though these politicians had played a major role in actively constructing the framework for a deregulated global capitalism in the first place. In such a context politics loses all meaning for many people and voting becomes a purposeless activity. (Although politics have been deliberately dumbed down, to reach their nadir in the moronic 'debate' accompanying the recent UK General Election, voters still retain sufficient insight to see through the differences in the packaging and conclude that 'they're all the same'.) Electioneering is reduced to sound-bites about minor technical points of difference while the commentariat focus on the idiosyncrasies of party leaders and studiously avoid raising the question of long-term visions or issues such as global warming or the consequences of inequality.

The neoliberal elite has succeeded in 'emptying democracy of its substance without formally abolishing it'. This has occurred in four main ways. First, politics are reduced to economics. Outdoing the most doctrinaire marxist materialist, neoliberals apply cost-benefit analysis rigidly to all aspects of life, including democracy. Everything has its price, and the cost of democracy is just too high for some.

Second, executive power is enhanced at the expense of legislative. This has been happening for some time in central government as party leaderships and government whips ensure Westminster is made safe for Cabinet Government. But it's now spread into local government, with its cabinets and mayors taking the decisions and councillors more often than not reduced to mere rubber-stamping duties.

Third, active participation in the political process is discouraged. Real engagement is replaced by meaningless 'consultations' which 'consult' very few and in any case usually ignore those opinions which disagree with the decisions being consulted on. In the UK the citizen-subject has now become a citizen-consumer-subject. The sovereignty of the people is reduced to the sovereignty of the consumer. We can choose which supermarket to shop in, but we can't choose how many of these supermarkets are provided.

Finally, neoliberalism perverts democracy, subordinating it to the pursuit of profitability, performance and efficiency. 'Growth' becomes the taken for granted mantra, unchallenged and uncriticized. We consumer-subjects keep quiet, pay homage to mammon and let the technicized administration run by 'experts' engineer our world for us. Meanwhile, a short-sighted neoliberal

political class squabbles over which of them holds the levers and a business-orientated media distract us with celebrity culture.

To sum up, liberal democracy has been replaced by post-democracy or de-democratisation.⁵

Neoliberalism and the local state

As the central state is strengthened, so the local state is rolled back. Since the 1980s, a process of compulsory competitive tendering, outsourcing, vicious budget cuts and privatisation has been imposed on local government in the UK, particularly in England. In parallel, there has been a consistent move to 'streamline' local government, which invariably involves a reduction in the number of elected representatives. The ability of those remaining to represent the wishes of their communities on such issues as planning has in any case been severely curtailed by devices such as the Labour Government's banning of 'predetermination', defined as taking a stance on an issue prior to its discussion in the council chamber. This limited the ability of campaigners to lobby councillors, acted as a gag on councillors and increased the power both of developers, who could do their lobbying behind the scenes, and the technical planning 'experts' employed by the councils.

More recently, the Tory/Liberal Democrat Government's National Planning Policy Framework enshrines the principle of economic growth at almost any cost at the very heart of the planning process. In these ways central government creates the neoliberal structure whereby private interests rather than the public good determine the allocation of resources. In parallel, direct accountability quietly evaporates as a jungle of unelected quangos and outsourced agents serve to confuse lines of responsibility. Having done all this, central government then disingenuously points out that as local councillors have less to do, having privatised a large chunk of council functions, we should save money and have fewer of them. Democracy itself falls within the remit of cost-benefit analysis.

Take a measure of popular participation – voting. As potential points of pressure on the system have been cynically reduced so have opportunities to vote which leads to the decay of local political parties, central to the functioning of a healthy liberal democracy. As the ideologues of the 1970s recognised, they are surplus to the requirements of a 'competitive' economy and economic 'efficiency'. Even our great-grandfathers and great great-grandfathers enjoyed more opportunities to vote than we do in modern Cornwall. In the 1890s voters in Cornwall could vote from 21 to 31 times in a 20 year cycle, depending on whether they lived in the towns or the countryside. That's now been reduced to just 13, most of the reduction taking place at the local government level. Of course, more of us are able to vote; women and the poor are not now excluded from the franchise. But the poor and dispossessed are now more likely than other groups not be registered to vote, and if even they are, they're less likely to exercise their right to use that vote.

The neoliberal project to reduce layers of government has been uneven across the UK. However, it is noticeable that the geography of unitary authorities at former 'county' level has a peripheral bias. Two tier local government remains in most of south-east England, whereas in the peripheries, the north of England, the Welsh marches and Cornwall (along with the social class peripheries of the former metropolitan counties) unitary local government is the norm. It's also found in Scotland and Wales, although there the devolved national bodies have added a new layer.

The implications for a Cornish Assembly

In Cornwall however, no regional assembly has appeared to offset the decline of local government. In fact, in pursuit of the narrow neoliberal agenda of cost-cutting, the Labour Government collaborated with the local Liberal Democrat administration on Cornwall County Council in the 1990s to push through a top-down unitary authority reorganisation. This was a disaster for the campaign for a strategic Cornish assembly as it co-opted the geographical level of the latter. A single unit local government authority now squats on the geographical template of the assembly. It

is difficult, although not impossible, to imagine two separate authorities, one a strategic assembly and the other a local government unit managing day to day affairs, sharing the same geography. It is even more difficult to contemplate combining the roles of strategic assembly and local government in one body, something for which there is no obvious model anywhere else in Europe.

Establishing a Cornish assembly therefore logically now entails another reorganisation of local government in Cornwall to re-establish a local government level below that of the assembly. This would have the advantage of being closer to people and to some extent meet the criticisms of Cornwall Council being remote from local communities.

But the necessary political reorganisation of local government to produce a more responsive level of local government runs headlong up against the road block built by neoliberalism. We are told we must not, cannot, spend more money on democracy. Democracy has a price but in neoliberal rationality that's a price we cannot 'afford'. For many, even most, incapable of looking beyond the confines of the narrow economic blinkers supplied by neoliberalism, that's the end of the argument. For those who wish to see a genuine Cornish assembly exercising strategic powers in the interests of Cornwall, its communities and its people rather than merely exercising the orders of central government, the neoliberal context means that acquiring an assembly necessarily involves a lot more than constitutional tinkering. It will involve challenging neoliberal rationality and in this way may be a lot more radical than many of its advocates suspect.

- 1 Naomi Klein, *This Changes Everything: Capitalism vs the Climate*, Allen Lane, London, 2014, pp.16-20.
- 2 This paper is heavily indebted to the analysis in Pierre Dardot and Christian Laval, *The New Way of the World: On neoliberal society*, Verso, London, 2013, which shows how the neoliberal project goes far beyond economics. For other analyses of neoliberalism see Colin Crouch, *The Strange Non-Death of Neoliberalism*, Polity, Cambridge, 2011 and Naomi Klein, *The Shock Doctrine: the rise of disaster capitalism*, Penguin, London, 2008. For a more conventionally marxist analysis see David Harvey, *A Brief History of Neoliberalism*, Oxford UP, Oxford, 2005
- 3 Cited in Dardot and Laval, p.142.
- 4 Ibid., p.151.
- 5 Colin Crouch, *Post-democracy*, Polity, Cambridge 2004; Wendy Brown, *Edgework: Critical Essays in Knowledge and Politics*, Princeton UP, 2005