

# Ideology and economics in the present moment

Doreen Massey

Battling our way out of the neoliberal terrain requires new thinking on ideology as well economics.

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As I understand it, the conjunctural analysis we have been discussing in recent issues of *Soundings* is about deep structural movements.<sup>1</sup> It is not particularly about parliament and parties, though actions and events there may well be the spark that sets off tectonic shifts. A conjunctural approach leads us to examine the movements of the different instances in a social formation, and the potential social forces. The question that arises from this for the left is: is there going to be, and how can we contribute to the provocation of, a moment of rupture in which the different instances interlock in crisis and open up the ground for a shift in the balance of social power.

In terms of this architectonics of the conjuncture, the prime characteristic (in the sense especially of being the most debilitating for the left) is that we face a continuing economic crisis in the UK, but, as I shall go on to explore, although there are openings, there is no real crisis in the ideological formation that is described by Stuart Hall in this issue. There has therefore been no significant shift in the balance of social forces (if anything it has shifted towards the elite strata). There has been no fracturing of the hegemonic common sense (if anything this too has shifted rightwards). Moreover, it is argued in what follows, without a serious engagement with the current ideological hegemony it will be impossible to break the stranglehold of the present economic discourse.

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## The ideological scaffolding

In this essay I want to focus on the ideological thread in this structure. And I want to do so for two reasons: firstly that it does seem, as I shall argue, that there is here some real room for effective contestation; and secondly that there seems to be in this crisis a quite particular and complex intersection between the economic and the ideological that both is interesting in its own right and may offer openings for productive political engagement.

First, then, there *was* a moment at the height of the financial implosion when questions were raised that went far deeper than the economic. They went beyond the fact that the basic tenets of neoliberalism had been found wanting. They went beyond hostility to individual bankers - to touch upon, and question, the philosophy of greed and self-interest that underpinned their wealth and our crisis. There was not just a hostility to bonuses and such but a felt antipathy to the very mode of being human that had led us to this pass. Questions were raised of the wider ideological framing of life, and questions of ethics too. There were for a moment glimmerings of the possibility that the ideological underpinnings of the economic itself might be brought into the light and acknowledged.

Within months this sudden clarity seemed to have been obscured. Although it was widely agreed that in purely economic terms we could not return to 'business as usual' (although in fact it seems likely that broadly speaking we will), in ideological terms it was soon very much business as usual. Those bigger questions were buried - they ceased to be questions, and discussion was reabsorbed into the old common sense.

My own response (and I think that of others) to this disappearing act (and to the transformation of subsidiary issues - how did a crisis of banking turn into a crisis of government overspending?) was a kind of startled 'how did *that* happen?'. But of course it didn't just 'happen', the ideological ground had been prepared over years. The right, defined very broadly, had put in a huge amount of work. The discourse of the naturalness of market forces had long been won (see below). There had been a sustained attack on public-sector workers (on their wages, their pensions, their supposed job security ...). There was of course then no party-political opposition. Labour was unable to respond because it was itself implicated - though all too rarely do we hear it pointed out that the Tories were enthusiastic supporters of the main

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pillars of the system in which Labour had enmeshed itself - in its general obeisance to finance, its refusal to regulate it seriously, and so forth. The complicity of Labour is often remarked upon, but the real problem - and the effect of its complicity in conjunctural terms - went far beyond the usually noted support for finance. New Labour subscribed totally to TINA - that there is no better way to do things, that we must resign ourselves. They reduced politics to administration ('what matters is what works', and so forth). And as a result they utterly failed to define political frontiers. This runs far deeper than implication through the selection of particular policies. It is about the very scaffolding of our political imaginations. And the vast bulk of the media has utterly bought into this too. It is not seriously open to deeper questioning or to alternative voices from the left. Indeed, the ownership and structure of the media should be a far higher priority for the left in political debate. Their impact has been enormous both in general (their near universal acquiescence in the 'cuts are necessary' position) and in particular campaigns (the MPs' expenses scandal was important in deflecting attention from the banks, for instance). In other words, the obscuring of the ideological issues momentarily laid bare by the financial crisis didn't just happen - it was a political result.

So the moment of possibility for ideological challenge seemed to pass. Perhaps, we thought, they had managed to suture it all together again. Or perhaps not; for there seem to be deeper shifts at work that evidence longer lasting unease. Even the political parties and those around them seem to recognise this. There is the discussion in Labour-oriented circles of the Good Society. There is Glasman and co's attempt to articulate something that has been called Blue Labour. There is all the happiness stuff. Further right there is Philip Blond and Jesse Norman. Even Cameron's Big Society, though it may be a cover for cuts (it is), is nonetheless crafted in a way that aims to touch on people's sense of aridity and depersonalisation (which the Tories attribute to the state, though it is far more characteristic of a market philosophy that sees us as preconstituted individuals who interact only through monetised exchange). Cameron muses that there is more to life than GDP ...

However inadequate the analyses and proposals offered up from some of these quarters (of which, more later), what their very existence may evidence is intimations that all is not well with the current ideological hegemony. There is an unease. The moment for an ideological challenge would seem still to be open.

The second reason for engaging here specifically with the ideological field is that

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the form of intersection of the economic and the ideological is quite particular to this conjunctural moment. There are a number of aspects to this.

To begin with, one of the most striking features of the last three decades, those of neoliberal hegemony, is the way in which 'the economic' has been removed from the sphere of politico-ideological contestation. This was central to the establishment of a singular narrative and its ineluctability. It was central to Thatcher's TINA, as it was to Blair's narrative of modernisation (which could only take one form), and it is now the anchor for Osborne's pronouncements as he slices back the public sector that he really doesn't want to do this, but there is no choice but to bow before economic necessity. All, of course, are assertions, meant to staple down a particular common sense. There are always political alternatives.

One response to this argument in relation to the current austerity is that it is not necessary, it is ideological. And this is correct so far as it goes. But it also needs to go further. One aspect of the ideological formation being referred to in such a response is neoliberalism. Indeed the whole period of hegemony that succeeded the dissolution of the post-war social-democratic settlement is often referred to as 'neoliberal'. I have many times done this myself, and I agree with Stuart Hall's argument about this in this issue. But even in specific reference to the economic, this is a characterisation that must come with a host of caveats. For one thing, insofar as 'neoliberal' describes a stance in relation to economic policy, it has over the last thirty years been a doctrine conspicuous by its selective use, brought out to legitimise privatisations and cuts to public services, for instance; quietly ignored when it would not serve dominant interests.<sup>2</sup> When capital itself needs state intervention or subsidy - from infrastructure, to the bail-out of the banks, to the requirements of the South East of England - the rubrics of neoliberalism are ignored. And this is the further point: what this mobilisation of a particular economic theory is really about is playing to particular interests. The response to the assertion of the unavoidable necessity of the cuts, then, is not just that they are ideological, but that they are meant to serve certain interests as opposed to others. The contest in the end, whether or not this becomes politically visible, is between the interests of different social groups - which takes us to the heart of whether or not this current dislocation can be turned into a moment of real conjunctural rupture.

So this is crucial. Without challenging the idea that the economic is some kind of external force we cannot change the terms of debate about it. Within this, perhaps

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the crucial founding assumption is that markets are natural, market forces a force of nature. The degree to which this is inscribed in common sense is astonishing. This is true both in the small negotiations of the daily lives of individuals whose very imaginations have been financialised and in the grand continental sweep as 'the markets' roam Europe dragging economy after economy into policies of their own choosing. That markets are natural is now so embedded in the structure of thought that even the fact that it is an assumption is rarely brought to light. It is, of course, not a new common sense. Karl Polanyi in *The Great Transformation* raged brilliantly against it, both at the level of individual behaviour and at the level of society. But it does seem at the moment peculiarly startling and pervasive.<sup>3</sup>

One reason for this lies in the structural dominance of the financial sector within the economy. On the one hand the very nature of finance chimes with the times - its apparent immateriality, its apparent lightness and disembeddedness, its ease of global flow, its character of pure exchange, the individualistic character of its 'production' process. In all of this finance fits the ideological moment (if in a distorted and distorting way). So challenging the dominance of finance within the economy and geography of this country (which is anyway necessary) could mean also challenging some deeply woven elements in the hegemonic imagination. But finance chimes with the times precisely because it plays into other developments, in ideology and culture, that have been happening independently. All those challenges raised in the 1960s and subsequently to the classic characteristics of the social-democratic settlement have been crucial here. The emphasis on flexibility, differentiation, movement rather than stasis, on the individual rather than the preconstituted group - all these independent developments, subverted and subsumed into a capitalist framework to be sure, have in turn proved fertile ground within which the ideological underpinnings of speculative finance could flourish and take popular hold.

### **Taking a leap**

Challenging the terms of this ideological dominance implies a step change in political debate, including the terms of debate over the economy. It means attacking from somewhere else entirely. For instance, challenging the assumed naturalness of markets - even pointing out that this is an assumption - means going beyond social democracy in its current formulation. 'Social democracy' has meant many

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things over its lifetime, but crucial to its present imaginary is a formulation that it is necessary to intervene in markets in order to ameliorate their sometimes noxious effects. But this gives the whole game away from the beginning. It accepts the imagination of markets as 'out there', and of social actors, such as governments, as intervening in this external force. (This, of course, is precisely the opposite of Polanyi's formulation.) To challenge this would change the imagination of the economy: not natural force and intervention but a whole variety of social relations that need some kind of coordination.

This kind of leap is what is needed. At the moment the bulk of public debate takes place on terrain marked out by Tories and New Labour. An ideological challenge should be about redefining this political field, establishing our own terrain, and thus bringing about a (re)definition of political frontiers, clearer and sharper and about what kind of society, and whose interests, we stand for. *That* might be worth fighting for.

What follows is a brief introduction to three potential areas of engagement.

## *What is the economy for?*

First, in response to the usual terminally boring questions that restrict the imagination to, basically, what we have now, we could respond with a bigger question: 'What is an economy *for*?'<sup>4</sup> As already noted, even Cameron has mused that what matters is more than GDP. The trouble is that most of the people voicing such thoughts seem to be in search of something warm and cuddly to *add on to* 'the economic'. In fact what should be at issue are the forms of organisation, the orientation and the priorities, of the economic itself. What kind of economy do we want? What do we want it to provide?

There is in fact lots of work around on alternative models for the UK economy (see, for instance, new economics foundation, New Political Economy Group, the Green New Deal, etc). There is no shortage of ideas. The constant onslaught of denial that anyone has any alternative to offer is (i) wrong (ii) part of the political strategy of asserting necessity and (iii) a reflection of the general difficulty in gaining public purchase for ideas from the left.

One of the reasons for this difficulty in gaining traction is that to the extent

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that ideas from the left do get a hearing they tend to (have to) be argued on the political terrain of existing economic policy. The unthought common sense remains undisturbed; it is not brought up from its deep sedimentation in the accepted terms of the social, to be made political in the sense of challengeable. It is this nature of the framing argument that has to be questioned. What if we were to start somewhere else?

What if we did ask what an economy is for? What if we brought to centre-stage issues of care, for instance, and its current undervaluing? This would certainly touch upon the discontents in the current structure of feeling. It would raise the question of why, if we all say we value these qualities so much, they are so deprioritised and underpaid. It would speak to women, currently being hit hardest by the cuts. It is a positive argument for sections of the public sector. It would make the ideas for different economic models more comprehensible, for they would be set in a different ideological field. Even in current economic terms there is the argument that the multiplier effects of investment in care are more likely to stay local, and certainly to be, regionally, more evenly distributed than those of investment in almost any other sector. But most of all it would set the question of the economic in a different ideological field, and a different prioritisation of values. Similar kinds of argument can be made for prioritising ecological sustainability.

Bringing such ideas together with a challenge to the assumption of the naturalness of markets also brings down that other element of the hegemonic economic imaginary: that curious sequentialism which demands that first we grow the economy and then we redistribute. In fact, there are different models of 'growth' itself, with very different distributional implications (even a cursory comparison of, say, the Wilson and Thatcher periods will demonstrate that). Such a reorientation also provides a frame in which expenditure and regulation can be seen as positives, as part of building a society. It can encourage the thinking of society as a whole and, in some manner, as collective (like that notion of the NHS as collective insurance, as one element in the construction of a public).

### *Equality and liberty*

A second area of engagement - and an element that will surely be present in any left answer to the question 'what is an economy for' - is equality.

'Liberal democracy' is the product of an articulation between two different

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traditions - 'the liberal tradition constituted by the rule of law, the defence of human rights and the respect [for] individual liberty' and 'the democratic tradition whose main ideas are those of equality, identity between governing and governed and popular sovereignty.'<sup>5</sup> As Mouffe points out, there is an inherent conflict between the respective logics of these two traditions. Any particular social settlement, therefore, reflects the particular form of articulation between the two that has achieved hegemony.

I would argue that one absolutely crucial but perhaps not so often noted element in the shift between social settlements, from the post-war social-democratic settlement to the one we call neoliberal, has been a major change in the nature of this articulation. Basically, equality has lost out, hands down, to liberalism.

The simple increases in economic inequality under the present settlement are one indication of this. New Labour's pathological inability to refer to redistribution is another. Then there is the rise to prominence of discourses of individual choice (tied up with the general rubbishing of collectivism - see later), and even of discourses of multiculturalism in place of (though they did not have to be in place of) those of class. There is the prioritisation of electoral form over political substance. Archer captures it brilliantly in relation to the general election in the UK:

The *Guardian* made the remarkable claim - on the 1<sup>st</sup> of May no less - that the central issue of the election was reform of the electoral system ... the idea that in the middle of the biggest economic crisis since the 1930s, the demand for electoral reform should be the defining issue is quite extraordinary. Here we are, saddled with huge debts that will force major cuts - in jobs, benefits, pensions, and living standards - on totally blameless fellow citizens, and the great question of moment is ... electoral reform!<sup>6</sup>

Absolutely. And the same attitudes are evident at international level, where a rhetoric of 'democracy' has become a cover for an exclusive focus on liberalism: Western governments' readings of developments in other countries (from China to Venezuela) focus exclusively on evaluations of their 'democratic' status (evaluations that are often wildly wrong) and ignore all else, even when huge progress has been made in relieving poverty. Likewise the interpretation of recent events in North Africa and the Middle East has been moulded entirely around 'getting rid of (selected) dictators'. The seething

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discontent over poverty and unemployment is erased from the picture. In spite of the terminology of democracy that is brandished in all these instances, it is actually *liberalism* that is being prioritised; these discourses in fact say little about the real content of the democratic tradition among whose main principles is that of equality.

This shift from equality to liberalism is at the core of the change that has taken place in the articulation of the economic and the ideological. It is central to the shift from the post-war settlement to the current one. Indeed, neoliberalism represents a threat to democratic institutions.<sup>7</sup> And vice versa. Addressing this shift would raise again the question of what an economy is for. It might also help us focus on the much-noted divorce, within the left constituency, between the working class and the (so-called) progressive middle class.<sup>8</sup>

### *Collectivity*

A third area of engagement is collectivity - the loss of which is among the many aspects of the ideological that one might address. This loss has happened both in terms of collectivity as a material form and in terms of collectivity as a legitimate part of the political imaginary; and it represents a further symptom of the increasing dominance of individualism, which is of course itself part of the shift towards liberalism.

It is evident in a thousand ways. Take, for instance, the Lib Dems. It is common to hear excoriation of the economic liberals within their party, coupled with a warmth towards 'social liberals'. But while the social liberals might be in favour of many freedoms and indeed of greater equality, they conceive of these things in individualist terms and deride any collective means of getting there. In the roundtable discussion in *Soundings* 45, Stuart Hall observed that 'the Lib Dems are more progressive. But they are more progressive, not more to the left', and he points out that the party 'has always been about the private individual, individualism'.<sup>9</sup> It is extremely important that this is recognised. (It resonates too, of course, with the shift from equality to liberalism, discussed above.) To mention again an author referred to earlier: it is worth returning to Polanyi's discussion of the suppression of 'combinations' in the nineteenth century. There was much talk then too about relieving poverty, but a simultaneous suppression of the poor's own means of political action. Lib-Dem and New Labour discourse is effectively a way of bringing about the same result, not by law but by dismissal from the popular imaginary of

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collective action (especially by trade unions). The *Guardian's* famous hostile editorial response to Len McCluskey was a real high (low) point of this. Sympathy for the poor is allowed, as is (very effective) documentation of poverty, but it must - for these commentators - be addressed by legislation proposed by them and absolutely not by the collective self-organisation, especially into trades unions, of people themselves.<sup>10</sup> The form of collectivity is changing, and indeed must change. New types of collective organising are emerging. They are essential to the achievement of political goals and to the changing of political consciousness.

## Conclusion

Referring to Labour before the last national election, when they already knew they had lost, Hall has argued that they had two choices: 'One was to move in a decisively different direction and perhaps be out of power for quite a long time but to build an alternative hegemony. And the other was to play on within the neoliberal terrain, and they chose the latter'.<sup>11</sup> This is the kind of leap that I was arguing for above, and, as I have also argued, getting out of the neoliberal terrain is a matter of the ideological as well as the economic. Maybe Ed Miliband, in insisting on taking his time, and on reframing arguments, is embarking on this. Certainly all those hostile voices urging speed are also a pressure to keep it superficial - yet more 'policies' within the same ideological ballpark. Certainly, too, the Labour Party will find significant shifts difficult to make without pressure from outside the party, and here the emergence of a host of grassroots voices gives some hope. What is certain is the need to redefine the political field across that crucial intersection between the ideological and the economic, and in favour of different social interests. Only then might a serious shift in the social balance of power be on the cards.

**Doreen Massey** is a founding editor of *Soundings*.

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## Notes

1. This essay is part of a *Soundings* series. For background, see Hall and Massey in issue 44. The present essay also draws on the more general analysis by

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- Massey, and the roundtable discussion, in issue 45.
2. D. Massey, 'The political struggle ahead', *Soundings* 45, summer 2010.
  3. There is a strange irony here. In the past world (in the UK) of material production, the left had to force the imagination of the enemy beyond the person/owner/capitalist to 'the system'. Now it is depersonalised, and definitely the system, but it is acquiesced in as ineluctable - in such a way that it is difficult to see the interests at stake.
  4. Some of the ideas in this section draw on the excellent discussions in the New Political Economy Group ([new-political-economy-network@googlegroups.com](mailto:new-political-economy-network@googlegroups.com)).
  5. C. Mouffe, *The democratic paradox*, Verso 2005, pp2-3.
  6. R. Archer, 'Leading Labour', Guest Editorial, *Renewal* 19.1, spring 2011, p8.
  7. *The democratic paradox*, p6 (see note 5).
  8. There is no space to go into this here, but as I write Ed Miliband is being bombarded by New Labour opponents and Mandelsonian policy groups, their voices magnified by the liberal (precisely) press, to listen to the feelings of the southern suburbs. Entirely in responsive mode, this admits no possibility of politicians *changing* the political scene (see again the excellent piece by Archer - note 6). Even more importantly, it is an argument about individual policies (a bribe here, a bribe there - no question of taking a leap), rather than the construction of an alternative vision, of a different kind of society, that might take hold more widely.
  9. S. Davison, S. Hall, M. Rustin and J. Rutherford, 'Labour in a time of coalition', *Soundings* 45, summer 2010, pp19, 20.
  10. There are exceptions to the non-recognition of collectivity, the prime one these days being London Citizens. But LC is itself antitrades union in much of its spokespersons' pronouncements, and is also riven with political problems (as are trade unions) which should be addressed more publicly. The trade unions are constantly attacked for *their* perceived deficiencies. London Citizens, by contrast, is idealised.
  11. 'Labour in a time of coalition', p30 (see note 9).