

Review of: "Neoliberalism, Strong State and Democracy"

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Your article shows again, how neoliberalism has retasked the state (Jamie Peck, *Constructions of Neoliberal Reason*, 2010) instead of “starving the beast,” as William Niskanen from the Cato Institute once stated. Underresourced have been only public services, whereas tax money has flown into research and development, from the development of the internet to the “green reconstruction” and replacement of private investments (M. Mazzucato). During the neoliberal decades since the 1980s, the amount of money has been increased exponentially but companies have rather paid dividends and bought their own assets (Jonathan Levy, *Ages of American Capitalism*, 2021). Consequently, public investment is needed to reinvigorate growth and increase productivity (Daniel Alper 2013, *The Age of Oversupply*; Martin Wolf, 2023, *The Crisis of Democratic Capitalism*). Last but not least, tax money is needed to manage bank runs and recurrent financial crisis in the globalized system of interconnected financial markets.

Introducing Carl Schmitt, the legal ideologist of the German monarchy and the *Führerstaat*, among the “usual suspects” of Mont Pèlerin and Chicago boys sounds insincere. Schmitt opposed the majority rule like neoliberals, for whom democracy signaled appropriation of others’ money by taxation. Schmitt believed that civil society could maintain freedom also in the case of *Ausnahmezustand* (state of emergency), trumping over legal constraints and democratic procedures. For Schmitt, the ultimate sovereign was not the people but the state itself. Neoliberals tried since the fall of first globalization with its free trade and legal guarantees of direct foreign investments dreamt of returning an overarching authority to override national protectionism and to prevent confiscations (Slobodian 2018). WTO, recently crippled by big power politics, and the EU have tried to enable freedom of capital movements. Within the European Union, the contradiction between majoritarian democracy and the interests of investors is repeated in the disputes concerning the *No bail out* principle and the *Schuldbremse* of 60 percent of the corresponding GDP.

Another contradiction is immanent of the state-centered neoliberalism: increasing the amount money to rescue asset and estate values ultimately endangers savings and pensions with inflation. German ordo-liberals see in the spoiling of money the most effective way to destroy capitalism, as Keynes once sarcastically put it (see Hans-Werner Sinn (2012) *Die Target-Falle. Gefahr für unser Geld und unsere Kinder*, (2021) *Die wundersame Geldvermehrung*; Ulrich Blum (2021) *Wirtschaftskrieg*). This contradiction may shatter moral foundations of the capital order since individual savers have taken responsibility not only for themselves but their families. Bourgeois self-justification during the 19th century and even between the world wars identified savers as potential investors and job-creators, thereby justifying the maintenance of hard money and high interest rates at the cost of employment, redistribution, and social services. The moral dualism contrasting makers and takers even helped to put off equal franchise. (Donald Sassoon (2019) *The Anxious Triumph*;

Clara Mattei (2022) *The Capital Order*).

The obvious tension between the disciplinary, even authoritarian states and neoliberal dreams self-organization without regulation from the top is resolved when the proprietors are seen as fit for freedom while irresponsible, dependent masses are left aside or ghettoized – as in dystopic fictions of post-apocalyptic hierarchies among survivors. Quinn Slobodian has recently depicted (2023) the utopians of libertarian “anarcho-capitalists,” realized already in this world in special zones outside national regulation and taxation but obviously enjoying the protection of some national elites.

The New Public Management is mentioned as the way to implement market principles within public administration and services. It could be added that this pseudo-marketization has meant swelling of the administrative overhead at the cost of shrinking staffing of floor-level services. The overhead is needed to produce statistics for the self-fuelling auditing industry to show the progress. Needless to mention that documentation of the promised savings and customer satisfaction has remained inconclusive (Christopher Pollitt et al.). The state can be bulging and atrophied, simultaneously, as you indicate.