



The State in the Neoliberal Economy and Problems of Modern Society

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Abstract: *Neoliberalism rejects a society based on tradition, encourages the weakening of state institutions and especially undermines the system of social protection through poorly implemented privatization and thus creates ideal conditions for international corporations to acquire huge capital. This leads to the fact that the state and state bodies can no longer perform their role of regulators on the national market, but practically serve the interests of large international corporations.*

In recent years, modern society has witnessed the expansion of global crises manifested through climate changes, the imbalance of the global economy and other inequalities, which ultimately through economic poverty leads to an explosion in nature that manifests itself in global pandemics such as this one today. All this requires a special approach and the development of long-term strategies in order to avoid such crises in the future or at least reduce them to the level of tolerability.

1. INTRODUCTION

At the end of the 20th and the beginning of the 21st century, mankind (in addition to the usual, primarily military) is facing new means of destroying national states. High technologies in the field of media, which were previously used only as a supplement, today have become the main manipulative mechanism in the fight against the traditional understanding of the world. Actually, with the permanent influence on people's consciousness, tradition is desecrated and the consumer mentality is aroused to infinity. This new consumer society is redirected only to the economic-commercial dimension, and at the same time neglects the existing state aspect. In the conditions of free trade, when only those whose production accumulates the most profit survive, the power of the state begins to decline due to the impossibility of fulfilling its obligations, primarily in the military sector and then in the scientific and educational field. This leads to the gradual disillusionment of the family as the nucleus of every society, the decline of morals and other various, for the state and society, destructive aberrations such as alcoholism, prostitution and drug addiction.

2. CONSUMER SOCIETY AND PANDEMIC

Having in mind the market economy that exists on the postulate of a constant increase in consumption, neoliberal democracy imposes its standards to the whole world with its propaganda. It erases the boundaries between established conventional terms, accepted worldwide, such as citizen and consumer. Thus, the hegemonic ideology of neoliberalism, which puts the individual in the forefront, wants to summarize the individuality of the economy based on neoliberal principles with a collective sign (Barrett, 2016).

On the other hand, the inequality that is immanent to neoliberalism is understood as a great gain through which the created wealth is distributed in the way that it is done at the free mar-

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ket, which corresponds to the personal contribution of each member of the social community. However, market competition destroys all human and social institutions. Family, friendship, social inclusion, etc. are rapidly collapsing with the arrival of a new «value system». Also, the weakening of the power of the state is achieved primarily due to the rejection of ethics, and then through the weakening in the educational, energy and production spheres. The interventionist role of the state in the economy is diminishing and with it the concern for citizens and their well-being (Harvey, 2007). Therefore, if the program of the neoliberal concept is implemented to the end, there will be a great fragmentation of states and eventually the disappearance of borders between national states, and the collapse of the family as the basic cell of every society.

Creating such an absolute consumer society is possible only under the condition that the economy is constantly growing, which implies permanent development of the economy and, of course, what everything is based on - continuous growth of consumption. Regardless of that, although human needs are fully met, consumption in such an economic model must constantly grow. Otherwise, the overproduction of industrial products would remain unrealized, which would result in the collapse of such an economic model and eventually the neoliberal state would in fact disappear. That is exactly the reason why huge funds are being invested in the production of new products today, which are, basically, absolutely unnecessary for a person. Because, even a very small drop in total consumption worries democratic governments around the world, and they are forced to use artificial measures to stimulate it as much as possible. Through various advertising campaigns and the use of various modern technological means, a large world population is literally forced to buy. People are simply surrounded by messages and images in which a comfortable and easy life is presented, where the amount of consumption is exactly proportional to the level of happiness and well-being (Goodman, Douglas, & Cohen). It does not matter to such a system what customers will do with these «unnecessary» products, it is only important that they are purchased. Of course, this process seems pointless, but a consumption-based economy cannot survive in any other way. In this regard, the entire state structure would also collapse if there were no equilibrium between consumption and production.

Achieving such a level of relations is realizable only if the mass media are under the control of the governing structures of the state nomenclature. Considering that elected democratic governments depend on the market and its conjuncture, it follows that the mass media are dependent on market influences. And it is known that in that case, there can be no question of real and impartial information. In that sense, the myth of the market economy necessity has been presented and well-nurtured over a long period, as a path leading to secure prosperity and abundance for the whole world and forever. However, reality has denied Hollywood movies and glittering magazines, not only within Western society, but throughout humanity as a whole. Practically such a system is unsustainable. Consumer civilization is a destructive factor of the modern world. It cannot have any perspective in the future. It is sufficient to say that all the Anglo-Saxon countries were developed and built powerful economic empires just the opposite of neoliberal theory, but through bare protectionism. Such a result could be achieved only in such socio-political conditions, where the bearers of economic policy were not limited by a short period but were enabled to set goals for several decades in advance.

Considering political freedom as the main lever of the idea of freedom, neoliberals promote economic freedoms as a new foundation of democracy (Biebricher, 2015). How far one goes in the direction of political consumerism is also shown by the generally accepted motto that customers are rare and not the products (Kotler, Dipak, & Maesincee). Thus, by placing profit at the top

of the pyramid of human values, all humanity is transformed into consumer machinery. In that sense, the economy becomes the state foundation whose role would be to encourage people to spend as much as possible. Neoliberal Democrats explain such a way of life by the guaranteed (constitutional) freedoms and absolute rights of any citizen of the world. Huge capital is created, a kind of material asset, which is determined for expanded reproduction and self-accumulation. In such conditions, mechanisms whose only goal is profit are created without addressing the interests of society as a whole. The forms of these structures are transnational corporations, which network the whole world. Unlike start-up corporations, today's corporations and their managers see nothing but their interest in transforming the global economy into global corporate totalitarianism (Sorokin, 2009). This creates a symbiosis between the economy and management structures, and the security of the state is entrusted to people who ultimately make decisions and work for the benefit of those same giant corporations. This is not surprising, considering that the open market, if it pulls someone into its profit network, it completely wears them out, leaving no trace of hope for the preservation of its resources.

No country in the world has such a democratic system as it is presented to every person on the planet. Actually, all European, primarily Western powers have failed to nurture this system even after more than a hundred years, realizing its shortcomings. «Democracy is under attack at the global level, including leading industrialized countries, at least democracy in the meaningful sense of the term, which includes the ability of people to manage their collective and personal affairs» (Homskij, 2002). Neoliberal doctrine, which advocates a reduction in state intervention, leads to market fundamentalism. The assumption that the market can only regulate supply and demand relations by itself, without state interference in liberal and legal relations, in fact thus creates space for the influence of politicians and their agitation in favor of transnational corporations. This way of acting logically abolishes democratic principles. That is why a quasi-democratic order is being established, from which political parties emerge, which in essence represent legal and business entities that base their functioning at the expense of their own state. In their essence, they were established as a system of financing that engages such a profile of people whose understanding of social engagement does not go beyond their own (material) interest and career achievement. Such an approach of selecting staff for management positions means that all key positions in a country will go to people with a speculator's mindset. That is why citizens are very circumspect of politicians who have such motives (Hay, 2007). Knowing that their power is limited, they act purposefully on that temporality and try to «capture» as much as they can, with the least possible engagement. That is why such nomenclatures perceive power only as a mere means of accumulating material benefits, and not as an obligation and task for serving the people and the state.

According to that, the neoliberal promotion of the market's natural neutrality has led to such a state that the interests of consumers are subordinated to the interests of increasing the profits of large corporations. At the same time, the diminishing influence of trade union organization has totally disenfranchised the working class around the world and left it without any protection against the rush of low-paid jobs. This came to light in particular during the COVID-19 virus pandemic. Actually, neoliberal capitalism has finally, after several decades, shown its inhumanity through the prism of a pandemic and discovered that without the role of the state, its economic policy and, most importantly, solidarity, there is no health security. It is the national states that, in the conditions of a pandemic, must provide jobs and conditions in order for the population to have a secure minimum income necessary for basic living needs. To achieve this, national banking systems must be monitored by the state in order to prevent speculative actions and create conditions for the smooth circulation of credit. Also, central banks must provide the economy

with sufficient liquidity to sustain the entire system, and improve the health sector, thus accelerating the fight to stop the pandemic and speed up the economic recovery (Mankiw, 2020).

However, the current situation is such that neoliberalism has managed to fragment and privatize health systems in many countries, and on the other hand, the once vibrant working class has experienced a narcissus through inadequate working conditions, low wages, poor or no health care, inadequate housing, poor nutrition and as a consequence we have an unhealthy lifestyle (Soltz, 2020). It is this social stratum of society that is most submissive to a pandemic, especially when hospital capacities are overloaded and then doctors are forced to hospitalize patients according to the principle of priority. However, human rights must be protected when it comes to the means and measures taken in the public health service. This implies maximum access to existing challenges in order to preserve the legal rights and personal dignity of people during a pandemic (Policy Brief, 2020). Market logic of neoliberalism has contributed to this, by highlighting profit maximization in almost all areas of society, including health care, which did not have enough necessary equipment for all people who got sick. Thus, the pandemic brought to the surface the basic shortcomings of the neoliberal model related to insufficient investment in the public sector, declining productivity and declining economic growth dating back to the 2008-2012 economic crisis years (Lapavistas, 2020). Today, it is obvious that the pandemic of the coronavirus has shown that this is a deep political-economic and legal-ideological crisis, and not just a crisis that includes exclusively the medical sector. Its roots go back a long way to the time when governments of neoliberal foundations had been pushing the importance of public health into the background for decades, while also protecting global institutions that allowed them to do so. Also, this crisis is closely connected with the great stratification of society, where a small number of individuals becomes enormously rich, and on the other hand, a growing army of dissatisfied, disenfranchised and extremely poor people is growing. When this is followed by the neoliberal impact, through capital, on the environment, an extremely favorable ground is obtained for the spread of the virus and the creation of enormous problems for all of humanity. This means that climate changes must be placed at the top of the agenda of all national states in order to preserve the ecosystem necessary for human life on earth. In support of the disruption of human lifestyles in the last few decades, is the fact that we have a large number of dangerous viruses that are transmitted from animals to humans, with about seventy-five percent of the relationship (Woolhouse, 2001). Also, the disappearance of large forest areas in one place leads to the exodus of animals to other parts, wherein these new habitats, their infectious diseases find their way to domicile animals and humans. However, it is worth mentioning the huge concentration of pets around the world, where some can carry pathogens, such as influenza, some of which are dangerous to human health, because as many as sixty percent of infectious diseases in humans originate from animals (Woolhouse & Gowtage-Sequeria, 2005). In that sense, it is impossible to separate health from environmental policy, because human health is closely connected with other organisms that live in our environment, as well as with global climate changes. This implies a permanent fight against climate changes and the conduct of such a global policy in order to preserve the diversity of flora and fauna on earth, which is disappearing rapidly.

3. CONCLUSION

The pandemic has affected all countries of the world, regardless of their difference in material wealth. Therefore, it seems that now is the right time to reconsider the neoliberal model of development that subordinates overall social interests to the market. According to that, the individual approach that underlies the neoliberal model could not, and cannot provide a solution to

overcome the existing catastrophe that has engulfed the entire world. Instead of systematically neglecting the collective model and the obvious inefficiency of neoliberalism, it is necessary to strengthen public services that have a much greater capacity to act in emergency circumstances. The national state, which has been suppressed for the past four decades, has shown tremendous incentive power when Western governments during the pandemic ‘violated’ neoliberal principles and intervened in the free market through monetary gifts to US citizens, credit guarantees and additional funding in Great Britain, benefits for self-employment in Germany, as well as the nationalization of companies in France and Italy (International Monetary Fund, 2020).

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