

3. Market Patriotism: Liberal Democracy Unmasked

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We are living in confusing times. This is an age in which liberal democracy is being extended across the globe by ever more awesome and terrifying forms of policing and military violence. It is an age in which liberal democracy is being imposed without choice upon the most vulnerable economies by faceless and unaccountable financial institutions. And it is an age in which the most extreme forms of violence and economic force are produced by liberal democracies. Yet a close look at world history shows us that there is no contradiction between the model of liberal democracy and the violence that is necessary to ensure its prevalence. The history of both British and American Imperialisms, although their paths of development have been wholly different, show this umbilical connection between extreme violence and the spread of the model of liberal democracy most openly. In the British Empire, the open acknowledgment of this close connection is written into the blueprint for colonisation. Simply read John Locke's theory of property; which is nothing less than a rationale for a very Christian form of pillage and theft (Meiksins Wood, 2003). At the height of the American Empire, in the late 20th century, the doctrine of liberal democracy was rhetorically trawled out in US foreign policy as the same government sponsored and ensured the survival of regimes that routinely practised torture and organised death squads (Herman, 1982).

The starting point for the argument I will develop here is not a particularly new one. Yet it is one that is - perhaps as a result of its obviousness - commonly missed in debates about the nature of power in

contemporary capitalist societies. This point is that we need to distinguish between what liberal democracy *does* and what it *says* it does. This may seem obvious, but this basic conflation remains the source of so much obfuscation and mystification that it continues to obscure our view of how the world really works. Most contemporary social theory that has become prominent in academic disciplines and political debates suffers from a basic misunderstanding of liberal democracy: that liberal democracy is democratic. Yet the political and economic systems that we know as ‘democracies’ are far from what they claim to be. Consider the Chambers dictionary definition of the term:

Democracy (Noun)

- 1 *A form of government in which the supreme power is vested in the people collectively, and is administered by them or by officers appointed by them*
- 2 *The common people*
- 3 *The state of society characterised by the recognition of equality of rights and privileges of all people*
- 4 *Political social or legal equality*

The argument that will be briefly developed in what follows is that liberal democracy remains the same as it ever was: a set of political principles that claims to guarantee equality of access and collective decision making to all, but delivers the opposite. Further, the argument will be that in current times of ‘turbo-capitalism’ or ‘neo-liberalism’, those myths of equality and universal access are quickly evaporating.¹

The Universalising Myths of Liberal Democracy

In every system of social organisation, those that rule must provide a narrative which on one hand justifies the ruling elite’s right to rule and on the other hand justifies the pre-eminence of *systems* of social and political organisation which enable them to rule. (See in the specific context of a university Thorpe, Chapter 15.) The various forms of liberal democracy that have evolved over the past 400 years are no different. They have evolved as the political system that best supports capitalist social orders. And in liberal democratic capitalist states, those that rule have required a legitimate narrative that justifies *capitalist* rule. The ways in which bids for capitalist legitimacy change across history and across different national and local contexts are infinitely complex. Yet, if we look at how the system of liberal democratic rule in capitalist social

orders has been historically legitimised, there are some remarkably consistent themes. The argument here is that two of those themes are of particular significance, and, as we shall see, are now becoming more vulnerable to challenge than before.

First, liberal democracy makes claim to a principle of *universal political representation*. From this perspective, parliamentary democracy, although rarely presented to us as a form of 'perfect' representation, is nonetheless depicted in its liberal incarnation as a more or less efficient means of ensuring that governments can faithfully reflect the will of the people. Political apparatuses and public institutions are conceptualised as relatively open systems of power, whereby citizens have equal rights to representation, and the government's right to impose obligations on citizens is in turn limited by ensuring that the democratic rights of citizens are upheld. (See also Fisher, Chapter 2.)

Second, justifications for capitalist social orders have historically been rooted in a rationale of *universal prosperity* which sets out a technical case for capitalism. Central to this rationale is the claim that the general social wealth is improved by encouraging particular forms of economic activity. The benefits from economic growth, measured in terms of gross national product (GNP) will be universally experienced as economic prosperity in absolute terms, no matter how unequal this prosperity is. Claims of universal economic benefit are always posited using the language of economic freedoms, whereby the 'freedom' to act in commoditised systems - to engage in contracts with employers, to buy and sell in markets, to make investments and so on - is guaranteed by liberal democratic rules and institutions. Thus, for example, employment rights and working conditions are guaranteed by labour law, by arbitration systems and by the various tribunal systems and commissions that ensure such freedoms are upheld.

Most forms of liberal democracy also claim to guarantee some form of universal access to social support, to public amenities and services or social welfare. Typically, social supports - just like access to political representation and participation in the economy - are conceptualised in highly individualised terms and are always qualified in relation to political and economic freedoms. Thus, in liberal democracies with high levels of access to social welfare and health care, the 'right' to such provision is always defined as an element of political citizenship. In liberal democracies with relatively low levels of social provision, social provision is always conceptualised as being reducible to economic and political freedoms, and is often posed in opposition to undue government intervention in the lives of citizens.

In liberal democratic thought and practice, political and economic freedoms are generally seen to be complementary; there is always a *positive* mutually re-enforcing relationship between the way that individual freedoms are realised in markets and in the sphere of production, and the way that such freedoms are realised politically, in terms of civil liberties, political rights to representation and so on. The realization of individual freedoms are partly guaranteed by the formal separation of powers within government. This model divides the state into branches with separate and independent powers; divisions are normally drawn across separate branches of legislature, executive, and judiciary. Liberal democracies are also guaranteed by a formal segregation of the public and private spheres. It is assumed that in liberal democratic systems, public policy-making is insulated from the corrupting influence of private interest; the political order is based upon the formal constitutional segregation between public and private spheres. It is this barrier that ostensibly ensures governments protect the public interest. (See also Fisher, Chapter 2.)

Liberal democracy is therefore a system of political organisation that does not recognize any conflict between the realization of political and economic freedoms; or between the realization of public and private interests. Yet it is when those conflicts rise to the surface that liberal democratic narratives of equality and universality, and of formal organization are rendered fragile and vulnerable to exposure for the legitimating *myths* that they are. It is the argument here that those narratives are facing renewed challenges to their credibility. (See also Robinson, Chapter 2.)

The Mask Slips

The process of *neo-liberal* capitalist social ordering, which intensified in the latter part of the 20th and early part of the 21st centuries, has brought with it growing levels of highly visible *inequality* in political representation and material wealth. Increased access to mass media and to the internet has increased our capacity to know about inequality and patterns in relative wealth, just as it has improved access to *some* information about political institutions. This is not to argue, like Bill Gates does, that access to the internet itself is a new form of liberal universalism; merely that internet access has expanded our capacity to see power in different ways. The volume of information and analyses about the post-2008 financial crash means that we can quickly access

detailed information about executive wage inflation, and about the devastating impacts of public spending cuts on communities. Our knowledge about power has found a far from perfect, but nonetheless far reaching means of dissemination. Raw data about social inequality has become more accessible and visible. It is no longer possible to hide the fact that whilst Phil Knight in his last year as CEO of Nike earned a total of \$3.7 million, many of Nike's workers in Indonesia were kept on the poverty line, earning as little as 50c an hour (Karmini and Wright, 2011). As such evidence becomes more easily disseminated, it becomes much more difficult for anyone to seriously claim that capitalism offers a way to universal prosperity.

In any case, the idea that, as the rich accumulate more wealth, a portion of this wealth will stimulate the economic growth necessary to raise the living standards of even the lowest socio-economic groups (often called 'trickle down' economics), is now doubted even by neo-liberalism's most enthusiastic champions. Indeed, in economic research, there has never existed a body of empirical evidence which supports a 'trickle down' thesis. The idea is sometimes articulated in rhetorical political discourse (and surfaces intermittently in right-wing political arguments for high end tax cuts) but rarely in a carefully supported economic strategy. But increasingly the 'trickle down' perspective is presented in much more naked terms as something that should be defended on its own terms: to increase prosperity for the rich, rather than to spread the benefits of wealth creation. Take this recent statement from the World Bank in answer to the question, why should we care about inequality?

Some studies show that high inequality [encourages] poor people to choose very high tax rates on the rich, which reduces investments and growth rates. That's one [reason we should care].

(World Bank, 2012).

Thus we are experiencing a period in which when low taxes for the rich can be pursued by international financial institutions (IFIs) as ends in themselves, regardless of their consequences, and combating inequality can only be justified as a safeguard against the poor demanding tax increases for the rich! Evidence produced by both the World Bank and the IMF shows that we have faced unprecedented rises in global inequality in the past 2 decades (Milanovic, 2011; Wade, 2001). This general trend is being experienced across most liberal democracies. In the UK, as the OECD has noted recently, annual average income of

the top 10% is about 12 times higher than that of the bottom 10%, a multiplier that has risen from 8:1 in 1985 (OECD, 2011).

The promise of universal prosperity is rarely based upon trickle down theory alone, but is increasingly expressed in conditional terms. Prosperity is thus guaranteed to the poor if they adapt to the demands of the new economy. For individuals in the labour market, this means learning 'flexible' skills and being prepared to follow the demands of the market. For developing countries in the global economy, this means accepting unequal trading relationships in exchange for incorporation into those markets. In contemporary forms of capitalism, the conditions which enable entry into a system of (claimed) universal prosperity are shaped more than ever before by the realities of gross socio-economic inequalities. Relatively weak economies are often forced to accept the neo-liberal restructuring as a condition for membership of the international trade system, or as pre-conditions for IFI loans and debt relief.

Similarly, neo-liberalism implies both material losses and economic insecurity for the most vulnerable sections of domestic populations even in the strongest nation states. Neo-liberalism has deepened economic inequalities in the US and the UK. The coercive and anti-democratic way that those policies are implemented poses a problem for the organisation of the legitimacy of both the ruling elite and the capitalist system in core and periphery countries. The perennial problem of capitalist social orders is that the real experienced conditions of capitalism render its legitimising myths impossible to sustain.

The Public/Private Veil Slips

Rising inequality has a negative impact on the functioning of electoral systems, especially upon the participation of lower socio-economic groups in elections and their inclusion in the democratic processes. As one recent study of the declining participation of the poor in elections in liberal democracies notes:

Economic inequality shapes the quality of democratic life. Greater inequality concentrates power among a smaller group of people and increases politicians' responsiveness to a smaller group of advantaged citizens.

(Anderson and Beramendi, 2012: 732)

Growing disparities between rich and poor - the legacy of the neo-liberal period - has undermined the institutional basis of democracy. This has meant, as Rita Abrahamsen has shown in her analysis of the relationship between structural adjustment and democracy in the majority world, that:

the influence of citizens has been severely curtailed by the power of international financial institutions and Africa's dependence on continued development assistance. In fact it could be asked whether multi-party democracy has any meaning at all.

(Abrahamsen, 2000: 134)

Whilst the declining representativeness of the democratic process and of representation in political institutions undermines the legitimacy of liberal democracy, many of the most far-reaching political decisions are made without reference to those political institutions in the first place.

When the UK Chancellor of the Exchequer Alistair Darling completed his £500 billion bank bail-out deal in October 2008, he did so before it could be debated in Parliament. This decision, perhaps the most high-impact political decision in recent memory, that has ensured that Britain will remain in a fiscal and public sector funding crisis for a long time to come, was thrashed out behind close doors between leading bankers, politicians and senior civil servants.

The bank bailout was one of those moments of exposure that revealed the 'market autonomy' dogma so often relied upon by governments as nonsense. For here was a moment in which national governments intervened to save 'private' banks from the ravage of market forces, something that is so often disavowed as a strategy when jobs are threatened by offshoring production, or when meaningful curbs on executive pay are suggested. In the bank bail-out, the 'invisible' hand of the market began to look like the very clearly visible hand of the state. It was a moment at which the illusion of the formal separation of bureaucratic power between the public and the private sector/civil society was shattered as governments around the globe scrambled to save *their* banks.

Perhaps the formally separate relationship between public and private spheres has never been able to mask entirely the embeddedness of states in markets (Polanyi, 1962). But the interconnectedness of public and private has certainly become more *visible* under contemporary capitalism. This is, of course, partly as a result of the very real transfer of public social and economic functions to private corporations and the

rash of privatisations that all liberal democracies have experienced in recent years. It is also a result of the tendency in neo-liberal capitalism to encourage closer collaboration between government and capital at an institutional and individual level. An increasingly visible manifestation of this process is the 'revolving door' that often facilitates the movement of personnel between public and private sectors and provides the social networks that are ultimately used to concentrate power in social elites. In some industrial sectors, revolving door appointments make it difficult to draw a formal distinction between 'public' and 'private' interest. Amy Goodman's book *Exception to the Rulers* (2004) is one example amongst a huge body of literature attesting to this process in the global arms industry. At the time of writing this article, a British newspaper investigation revealed that over the previous 16 years, senior military officers and officials from the Ministry of Defence took up more than 3,500 jobs in arms corporations (*The Guardian*, 15th October, 2012).

A further indicator of the way that the veil between public and private interest is visibly slipping is that even under the most criminal of circumstances, corporations and their senior officers still enjoy relative impunity. This is the issue at stake in the consistent interventions of the British government to prevent the prosecution of BAE Systems for alleged corruption in arms deals with a number of governments.² As Charles Ferguson's book and documentary *Inside Job* showed with great skill and clarity, there are a large number of individuals in the US finance industry that could be held accountable and prosecuted for a range of serious frauds that were causal in the 2008 financial crash (Ferguson, 2012). Almost all have been granted immunity from prosecution.

The general acceptance, and in many industries, the normalization of revolving door appointments between government and industry, and generalised immunity granted to the most serious fraudsters suggests that we are witnessing a more open corruption of the political system in the neo-liberal period. This is empirically most obvious in relation to the effects of political strategies that place corporate executives at the heart of political decision-making, and the growing influence of the corporate lobby in most liberal democracies. In other words, the idea that liberal democracies preserve the neutrality of government and 'state' - and ensure their insulation from corporate interests - has become barely credible.

The same crisis in legitimacy that has its roots in the deepening of inequalities and the intensification of economic insecurity for the majority also stems from the visibility of the common interest that

corporate officials share with government officials. The legitimacy of liberal democracy is melting before our eyes.

Market Patriotism

Unlikely though it may seem in a world that we are continually being told is a global village, or is more interconnected and unified than ever before, a key response by governments to the melting legitimacy of liberal democracy is a very traditional form of nationalism, or what I describe here as ‘market patriotism’. This resort to market patriotism is becoming more prevalent as a replacement form of legitimisation for the fading myths of liberal universalism.

In place of those universalising premises of liberal democracy, the rationale for neo-liberalism is very often reduced to the economic ‘success’ of a given nation state. In some contexts a particular supra-nation state grouping (such as the European Union) or urban area can be promoted as a ‘patriotic’ territory for the purposes of reshaping economic policy (Coleman, 2009). Ideological supports for capitalist social orders defend ‘market’ and ‘nation’ in equal measure. The term ‘market patriotism’ is used here to describe the hegemonic attempt to crudely couple the public interest to the economic interest of the ruling elite. It is in market patriotism that we find the most open ideological defence of the naked brutality and economic egoism of neo-liberalism.

Elsewhere, I have shown how, under conditions of a ‘war on terror’ (no matter how contrived this ‘war’ might be), market patriotism has been mobilised to facilitate the un-interrupted accumulation of profits, to provide a basis for heightened collaboration between corporations and government institutions, and to provide a more general ‘common’ sense basis for the mobilisation of public and private apparatuses to ‘secure the imperium’ at home and abroad (Whyte, 2008). Thus, following the September 2001 attacks on the World Trade Centre and the Pentagon, ideologies of market supremacy became prominent in relation to the defence of ‘our’ markets and ‘our’ market system against the ‘terrorists’. Typically, such national security crises are coupled with appeals to ‘consumer patriotism’. Thus former President of the US Bill Clinton took to the streets in a public shopping spree for ties in order to remind citizens of their “patriotic duty to spend money” (Whyte, 2002). When the New York Stock Exchange re-opened on 17th September 2001 it organised a ceremony that included a recital of God Bless America led by a US Marine. The traders themselves were lauded as “heroes” after they

managed to buy and sell a record value in shares that day (*The Financial Times*, 22nd/23rd September, 2001).

When Tony Blair recently argued at a conference of the Iraq British Business Council, that British companies are obliged to take advantage of Iraq's economic opportunities because British troops fought there with "heroism and sacrifice", he was merely articulating what many already suspected about the motivations for war (*The Telegraph*, 5th November 2012). It was the unashamed way that he directly described the war as a business opportunity that surprised many. And in this respect it was a moment reminiscent of US Deputy Secretary of State Paul Wolfowitz's admission, 3 months after the invasion, that the motivation for war was that Iraq "swims in a sea of oil" (*The Guardian*, 4th June, 2003). We now know that major figures in the US and UK oil companies had been involved in the planning of the invasion and even in the capture of the oil fields (Whyte, 2008). And we know that UK ministers intervened directly on behalf of the British oil company BP in the negotiations of the carve-up of Iraq's oil fields (Muttitt, 2011). But what is significant about both Wolfowitz and Blair's statements was that they were made in public, not in private, and yet, they were not scandalised in the mass media. Such statements - which link war to national economic, or even business interests - are becoming part and parcel of normal political discourse.

As the preceding section indicates, a key problem for ruling elites seeking to maintain their grip on power at this juncture, is the apparent paradox of how to maintain legitimacy in an economic system that continually undermines the stated basis of this legitimacy; this problem is essentially one of how to maintain enough popular support to guarantee stable hegemonic rule. As the liberal mask begins to slip, glib claims about universal prosperity, representation or 'freedoms' are less likely to have popular appeal. Consent or social incorporation is now less likely to be secured consensually with reference to universality, and is increasingly sought through a more naked brand of economic force. Thus ruling elites must find ways of securing consent for neo-liberal policies and strategies that are increasingly pared down to a purely economic rationale. There is no sophisticated way to do this. Neo-liberalism in the present era is reliant upon ever more vulgar means of seeking consent for ever more vulgar forms of social organisation.

Now, the argument here is not that the universalising claims that underpin capitalist social orders can or will be abandoned in political discourse entirely. Politics, as the Italian Marxist, Antonio Gramsci argued, is always underpinned by hybrid philosophies and ideas (Gramsci, 1996). No government rules with reference to one intellectual

tradition and discourse is never formed around a fully coherent conceptual architecture (also, Foucault, 1991). Claims to universal prosperity, representation and freedom have been central ideological supports for the ruling elite in capitalist societies for three centuries and are not likely to be erased overnight. Indeed, conditional versions of those universalising myths remain central to the rhetoric that the G8 and G20 governments use to defend neo-liberalism. Those governments continue to make claims that are located in, for example, the idea that universal prosperity can be achieved *if* poor nations liberalise their economies and ‘trade’ their way out of poverty; or that excluded groups will be included and prosper *if* they adapt themselves to the flexibility required by the new economy. Rather than obliterating the universalising premises that have been historically important in legitimising capitalist social orders, the preceding argument proposes that the claims on which those premises are based are increasingly conditional. They are also accompanied by a growing small print of exceptions to the rule of universality.

Typically, market patriotism is opportunistic. In times of war or acute economic crisis, nation states have traditionally relied upon some kind of market patriotism as a technique of popular mobilisation. In the Second World War, appeals for people to adapt their patterns of consumption in line with the war effort were commonplace (Calder, 1969). In this respect it is also worth recalling ‘Buy British’ and ‘Buy American’ campaigns that surface intermittently during economic crises. In the context of the ‘war on terror’, market patriotism has been used as a means of abstracting crises in uneven-development or the uneven distribution of profits by conflating a common security threat to the general population (terrorism) with a threat to uninterrupted profit accumulation. The new market patriotism therefore couples the common public interest to the unobstructed accumulation of profits by capital in a way that does not rely on - and explicitly eschews - principles of universal prosperity and representation. Market patriotism ensures that states as well as market actors are brought into line with the exigencies of neo-liberal markets.

Five days after the bank bail-out was announced, British Prime Minister Gordon Brown invoked the “spirit of the blitz” as the way out of the deepening financial crisis and argued that Britain’s economy - the government alongside the banks alongside the people - could lead the global recovery (*Sunday Mirror*, 12th October, 2008). No political party challenged this appeal. Indeed, there was a remarkable solidarity amongst political elites that the way out of the crisis was to donate enormous sums to the banks and get everyone else to pay for it. This

manufactured national unity - that we are “all in this together” - is a seductive reflex for governments caught in a fiscal crisis.³ It enables governments to appeal to a unity that is not based upon unsustainable myths of universalism, but merely based upon an appeal for economic success, as measured in neo-liberal terms. A more openly economically egotistic premise is revealed at the core of those appeals, whereby economic success is justified not as a means to achieve socially useful or politically fair ends, but is simply sought as an end in itself (Tombs, 2001). Contemporary capitalism has created the necessity for a more nakedly *economic/egotistic* rationale in its legitimating narratives. It is this gradual rejection of any other reasoning for the spread of neo-liberal capitalism other than for economic growth and the accumulation of profit as ends in themselves that marks out the contemporary brand of liberal democracy as particularly brutal.

Brown’s successor, David Cameron has taken the same approach in his appeal for unity. In his 2012 Conservative Party Conference, he argued:

We are in a global race today. And that means an hour of reckoning for countries like ours. Sink or swim. Do or decline... Today I’m going to set out a serious argument to this country about how... we compete and thrive in this world... how we can make sure in this century, like the ones before, Britain is on the rise. Nothing matters more. Every battle we fight, every plan we make, every decision we take is to achieve that end... Britain on the rise.⁴

It is an approach that sidesteps the political reasons behind the deepening economic inequalities that characterise the governments’ response to *crisis*, and at the same time recasts both the cause of the fiscal crisis and the political response as collective responsibilities. There is, in the logic of market patriotism, no alternative to embedding the interests of capital in public mechanisms of political representation:

To get Britain on the rise we need a whole new economy... more enterprising, more aspirational... Britain leading; Britain on the rise... When I became Prime Minister I said to the Foreign Office: those embassies you’ve got... turn them into showrooms for our cars, department stores for our fashion, technology hubs for British start-ups. Yes, you’re diplomats but you need to be our country’s salesforce too. ... And to those who question whether it’s

right to load up a plane with businesspeople - whether we're flying to Africa, Indonesia, to the Gulf or China... whether we're taking people from energy, finance, technology or yes - defence... I say - there is a global battle out there to win jobs, orders, contracts... and in that battle I believe in leading from the front.⁵

Market patriotism mobilises general support for a project of 'national unity' in which the interests of state-corporate elites are aligned with the general public interest. At the same time, it seeks to reconcile conflict between different sections of the ruling elite. The key effects of market patriotism are the development of intellectual legitimacy for, and the provision of momentum towards, particular formations of government-capital symbiosis. It is concerned on the one hand with organising the support of subordinate groups for projects of national unity and on the other with organising unity across ruling elites. Market patriotism directs us away from asking about the politics and economics that is taking some of the worlds most developed countries to the brink of collapse.

The post-2008 fiscal crisis and the post-2001 'war on terror' - have both been legitimised by a form of market patriotism which asserts that we are "all in this together" and, therefore, that we share a common interest in refusing to deviate from a broadly neo-liberal social and economic strategy.

Conclusion

The mechanisms that deepen inequalities and intensify insecurity for most of the world's population are precisely the same ones that create a crisis in legitimacy in global capitalism. Neo-liberal governments are set to fall back upon market patriotism more frequently as a means of legitimising a literally bankrupt economic system, as a means of justifying the intensification of state attacks upon individual liberties and as a means of excusing the extreme violence used against subordinate populations to secure the 'national interest' at home and abroad. (See also, Robinson, Chapter 4.) Yet it is not market patriotism that is behind the brutal turn in neo-liberalism; market patriotism is merely a surface reflection of the need for ruling elites to find new ways to justify policies that are increasingly being seen as unjust.

Market patriotism seeks to provide the same universalising function that the myths of classical liberal theory provide. But in so far as it seeks a promotion of purely sectional interests, its potential for *universal* appeal is, by definition, limited. Indeed, it is probably a measure of the brutality of contemporary capitalism that the legitimating narratives which claim to be *inclusive* rather than *exclusive* are in decline. As Christian Parenti (2004) perceptively observed in the wake of the 2003 invasion of Iraq, the bluntness of official arguments justifying American domination of the globe has left little room for critique. In one sense, market patriotism is the last refuge for systems of government caught in a remarkably intricate, and now public, web of personal connections that inter-link senior politicians with monopoly capital. Their personal and class interests are impossible to mask, so the legitimating narrative cannot now seek to hide those interests. It must find a narrative that openly acknowledges the corruption and violence that is part of the not-so-hidden structure of liberal democracy.

Yet, corporate and political elites still cannot risk being too open about their ambitions. State-market symbiosis, the source of the material strength of ruling elites is at the same time a source of its vulnerability. As the real consequences of state-capital symbioses - the corruption of political authority and the untrammelled violence of Imperialist wars - are laid bare, too much is revealed about the capitalist social order. Market patriotism, then, has limits in terms of its ability to forge a consensus across social classes. And it is at the openly violent frontiers of the neo-liberal market that consensus is less likely, and yet all the more necessary for the future of liberal democracy. Market patriotism is therefore unlikely to provide a stable basis for securing the social order.

Our times have been characterised by the routine resort to military invasions and occupations initiated by liberal democratic governments, particularly by the US and its allies. It is in this context that we can see the universalising liberal myths slowly begin to evaporate. Because of the volatility of economic cycles and the embeddedness of structural disadvantage to the poor that neo-liberalism demands the deepening of long term economic exclusion (whether we are talking in terms of individual incorporation into labour markets or in terms of the subordination of national economies within the global system) is a real prospect for a growing proportion of the world's population. It is for this reason that the basis for social incorporation under neo-liberal forms of capitalism is now sought with less reference to universality and consensus, but is sought by force, under conditions whereby refusal to be incorporated by harsh economic regimes has serious consequences.

Crucially, the lack of popular support and the volatility and insecurity that this implies for the lives of the citizens subject to neo-liberal policies means that they are implemented using techniques of economic coercion. The coruscating inequalities created by neo-liberal policies that leave large numbers of people dispossessed and impoverished provides stark evidence for everyone to see that the 'benefits' of neo-liberal economic policy are not universalised.

Alan Badiou has argued: "The only way to make truth out of the world we're living in is to dispel the aura of the word democracy and assume the burden of not being a democrat and so being heartily disapproved of by 'everyone'" (2010: 7). Yet, we should be wary of being forced into a false choice of being either 'with democracy or against democracy'. The fact is that economic force now more easily brushes aside the civil and political protections that come, selectively, with citizenship in more brutal and chaotic ways than we have recently known. We might, under those circumstances, begin to feel quite nostalgic about good old fashioned forms of democratic inequality. Yet what we are experiencing is merely a more open and visible administration of the gross inequalities that have *always* been inscribed into systems of liberal democracy. If the replacement discourse is no less mythical, its consequences are every bit as violent.

To make truth out of the world we are living in requires us to face up to the new barbarism. And one way to do this is to recognise 'democracy' for the mystified structure it is. In the world we find ourselves in, it has at least become easier to distinguish between what liberal democracy says it does and what it actually does.

Notes

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- 1 Neo-liberalism is used here to describe the term that we use for the system of socio-economic organization that emerged to dominate global politics in the late 20th/early 21st century - often referred to the Washington consensus - in which social relations are increasingly commoditised, and economic relations are structured around the intensification of regimes of capital accumulation.
 - 2 See The Corner House, 'Legal challenge to blanket immunity given to BAE Systems', first published 7 January, 2011.
<<http://www.thecornerhouse.org.uk/resource/legal-challenge-blanket-immunity-given-bae-systems>>

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- ³ I refer to the current economic crisis here as a fiscal crisis in order to emphasise the point that the current ‘crisis’ can be understood less as an abstract ‘financial’ crisis, but as a result of decisions made to change government expenditures and revenues. The burden of the current ‘crisis’ is being transferred to the majority of taxpayer, ultimately through cuts in public sector jobs and services at the same time as corporate taxation levels are being reduced. In the 2012/2013 tax year, the main rate of corporation tax in the UK will be reduced from 26% to 25%.
- ⁴ The full text of this speech is available at: <http://www.newstatesman.com/blogs/politics/2012/10/david-camerons-speech-conservative-conference-full-text>.
- ⁵ See footnote 3 above.

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