Liberalism, Neoliberalism and the Global Public Good: The Consequences of Climate Change

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The thesis

- Climate change is having/could foreseeably have a major impact on transforming the political and economic settlement as they have operated from the 17th to the 20th centuries

- Classical liberalism of Hobbes and Locke from the 17th to 19th centuries was premised on contractual obligations by self-interested, self-owning individuals who utilised society for their individual ends

Neoliberalism

- Was a 20th century adaptation of classical liberalism which sought to displace the 19th century welfare liberal variant by undermining the notion of the public good, and welfare rights, as they had been introduced by writers in the late 19th century and early 20th century such as Thomas Hill Green, L.T.Hobhouse, J.A.Hobson, and J.M.Keynes.
- Important precursors of neoliberalism were Milton Friedman, Friedrich von Hayek, James Buchanan, Gary Becker, Oliver Williamson, Kenneth Arrow and John Nash (Human Capital Theory, Public Choice theory, Agency theory, Property Rights theory, and Cost-Transaction Economics)
- Not just concerned with extension of free-market economics but with redesigning public sector and making business more efficient

Neoliberalism

- Attacked the idea of a public good which underpinned the welfare state
- Civil servants who claimed to follow the public good or duty were in fact advancing their own private interests
- James Buchanan, father of Public Choice theory, developed quasi-market procedures – performance targets and incentive structures to base public performance on the self-interest of individuals

Cont…

- As markets were self-regulating, only minimal government would be needed and all of life could be run on market principles.
- Neoliberalism sought the extension of the ‚market to all areas of life and every corner of the world. US sought deregulation and marketisation on global scale

Attack on idea of Public Good

- Received technical argument from Arrow (1951: 24) in his book *Social Choice and Individual Values*
- he argued that it is impossible to devise an integrated public good from diverse individual preferences, without discounting at least some preferences, unless one is *dictatorial*.

As Arrow says

“If we exclude the possibility of interpersonal comparisons of utility, then the only method of passing from individual tastes to social preferences which will be satisfactory and which will be defined for a wide range of sets of individual orderings are either imposed or dictatorial” (1951: 24)

Cont…

- Amartya Sen says that Arrow's formulation was central to the development of welfare economics in the post-war era
- John Nash (*A Beautiful Mind)* put forward a game theoretic formulation which argued that a system driven purely by self-interest could maintain equilibrium as everyone's self interest would be balanced by everyone else's
- Supported idea of a purely free market system with no idea of public good or duty

- A set of strategies is deemed a Nash equilibrium so long as it constitutes the best set of responses in relation to all other strategies.
- ‘Best’ in this sense are those strategies that succeed in competitive market terms
- Nash won a Nobel Prize in economics
- His most famous game was called “Fuck You Buddy” where the only way to win was to betray your opponent.

- Reinforced priority of competition and irrelevance of cooperation for personal or group strategies
- Paranoid schizophrenia later acknowledged as a cause of this excessively individualistic approach to social relations
- Buchanan also had individualistic approach seeing all public action as ‘disguised’ personal advantage or rent-seeking (e.g. *Yes, Prime Minister*)

Climate change

- Alters the context in a way not foreseen by liberal economists.
- Under liberal and neoliberal settlements environment taken as a constant, as something that does not alter
- *Climate change* in conjunction with *population explosion* reintroduces the necessity of collective politics and the public or common good

Cont…

- That collective and individual survival and well-being coalesce in a way not hitherto theorised.
- This will require new ethical and moral codes and ways of valuing and judging in a way that not even Kant foresaw.

Cont…

- While Buchanan, Arrow and Nash showed that individual accountability is an issue (witness the expense scandals) idea of a public good does not disappear as they thought

- Issue of Credit Crunch and Bank Crisis also undermine idea of market system as self-regulating

Cont…

- Free market economics did not easily transplant to Russia or Iraq

- Arrow's technical argument that a public good can only be imposed dictatorially is overcome if a suitable good can be based on an *objective ethic* and *political-institutional model*

Objective ethic

- Must express humanity's goals and values
- Be theoretically adequate to the principles of democracy
- Be adequate to historical contingency of which climate change and population explosion are major causes
- These new dangers are producing rather an evolution toward cooperation (Robert Axelrod, 1990)
- A new calculus of what constitutes a shared interest vs an individual self-interest is emerging

Cont…

- Self-interest cannot thus be ontologically tied to human nature as liberalism thought, but rather to context

- Climate change shows inter-relatedness of individual to collective which Russell Hardin (1968) told of in his essay '*The tragedy of the commons'*. How freedom of each brings ruin to all as each farmer over-exploits the commons

The relevance of Foucault/Nietzsche

- Foucault/Nietzsche enables a social philosophy which can better theorise contingency, mutability and historicity in the way that climate change and population pressures are forcing us to cope with
- Foucault/Nietzsche provides a philosophy of the future which is different to Marx, Hegel, Plato, Aristotle, Darwin, or any other philosophy
- Enables us to see shifting basic ontology of shared relative to individual interests

The shadow of the future

- The more danger or security becomes an issue for the future, the greater the shared *vis a vis* the individual interest
- The greater ethical norms of responsibility are emphasized compared to individual success or advancement
- The greater obligation and care become important ethical norms
- liberal rights give way to more communitarian concerns

Cont…

- New shared concerns emerge as constitutive material realities (Chernobyl)
- Interests shifts from being concerned with individuals to being common to all
- More regulation in economic and political affairs
- Conceivably the modification or end of capitalism

Complexity theory

- If we look for a scientific theory to enable such an altered framework, we find problems with classical physics or quantum physics, or even Einstein and relativity physics
- Too individualist; see individual as separate and insulated from environment; depend on metaphysics of substances and essences which see parts as unchanging and as having immutable natures

Ilya Prigogine

- Ilya Prigogine's complexity physics, developed from 1950s at the Solvay Institute in Brussels emphasises that science is historical activity and build in systems variables, downward causation, historicity, contingency and mutability as core features

- Published *Order Out of Chaos* in 1985 and many books since

Concepts of complexity

- A post-quantum approach to science
- Has roots in ancient Chinese and Greek world
- Constitute a materialistic approach to science
- Account for phenomena in terms of systemic interactional changes
- Chaos theory is one variant of complexity theory
- Chaos theory concerned with the “qualitative study of unstable aperiodic behaviour in deterministic non-linear dynamical systems” (Sardar and Abrams, 1999)
- The brain, language and society are complex systems in that they emerge in historical time. So are swine flu, etc

A compositional materialism

- When one thing changes, so others do
- New notion of order: non-mechanistic, i.e., not constituted by entities external to each other in sense they exist independently in space
- Not a set of separate unchangeable, indivisible existents or ‘elementary particles’ (atoms, electrons, protons, quarks) which constitute the ‘building blocks’ of the universe
- Rejects primacy of particle concept

Cont…

- Aristotle posited a world of things – quasi rigid bodies with essential features
- Classical structure analysed everything to constituent parts in interaction (machine)
- Foucault champions holism where parts defined contextually – as a field

A relational ontology of forces

- The unit of explanation is not the form or function or substance of an organism but how identities and beings are affected through relations through interaction;
- The environment is a field of forces, structured by contingent exigencies
- Changes, even death, are effected by external encounters – *affects*

Cont…

- Early complexity theorists include Gregory Bateson, Heinz von Foerster, the Macy Conferences, Isabelle Stengers, Nikolas Luhmann, Kurt Gödel, Lionel Turing, Robert May and others
- In complex systems internal structures and parts change together – are dynamically related
- Concepts of self-organisation, emergence, bifurication, uncertainty, time irreversibility, unpredictability, chaos, non-equilibrium, and chance

Cont…

- Sees history as an open system where novel and unpredictable events disturb existing settlements and habits and ways of life

- Maintains a realist theory of time, and reinstate Henri Bergson's conception of time as real and *irreversible*

Conclusion

- Hence, enables traditional conundrums such as determinism and free will to overcome
- Compatible with philosophy of Gilles Deleuze and Michel Foucault who maintain more historical approach to science and knowledge

The End

Thank You