

## The Precariat is Stirring: Is Neo-Liberalism Imploding?

*Guy Standing*

[Published as 'El precariado se rebela', *El País*, 15 November 2019]

Across the world, the precariat is stirring. In recent weeks, it has been led by brave people in the streets and squares of Chile. It has also been brave in the mass demonstrations in Lebanon, and in the actions of the *gilets jaune* in France, and in Hong Kong. The anger has reached a threshold. Revolt is in the air.

In each case, something specific, often minor, triggers the revolt, and the focus of the protests varies. But what turns long simmering resentment about inequalities and insecurity into open revolt is a double-sided sentiment, that economic and social policies, and the institutions behind them, are morally corrupt and that an alternative reality is both desirable and feasible.

Consider the Extinction Rebellion. It is about the onrushing ecological catastrophe, and is spearheaded by teenagers, encouraged by educated members of the salariat and precariat. The revolt is about how society has been structured, how capitalism is depleting the planet's resources, how the plutocracy and elites have a lifestyle that is visibly polluting and depleting all types of commons.

What is happening in Santiago or Hong Kong differs from what has been happening in Catalonia, Lebanon, Iraq, Ecuador or Haiti. But what is similar is that all the protests represent a struggle against the existing state, and that a leading energetic role is being played by educated people in the precariat, those living bits-and-pieces lives, without occupational security and feeling living standards are being 'squeezed'.

The background is that since the 1980s, the global transformation has allowed the creation of neoliberal states serving the interests of rentier capitalism. In the name of free market capitalism, institutions have supported policies that favour those making income from property – financial, physical and so-called intellectual property. This has served the interests of the *plutocracy* – global citizens making billions of dollars or euros – and national *elites* also making most of their money from rent-seeking investments. But it has also deprived the growing mass class, the precariat, of any semblance of economic security.

To understand what is happening and why this is a pivotal moment, we must go back to 1947, when a small group of economists, united by a hatred of socialism, met in a Swiss resort and formed the Mont Pelerin Society. It is still going today.

The MPS advocated free markets, individualism and abhorrence of any bodies favouring social solidarity. It has been the most influential group of economists in history, and yet most people are unaware of it. Of the original 36 members, no fewer than eight went on to receive Nobel Prizes in Economics. Based in the University of Chicago, the initial leaders were Friedrich von Hayek, Milton Friedman and Arnold Harberger, all of whom supported the bloody coup in Chile in 1973, visited the country and met Augusto Pinochet.

They were also advisers to Margaret Thatcher and Ronald Reagan. Many of their students became ministers of finance in various countries or central bank governors, or occupied senior positions in the US Treasury, World Bank and International Monetary Fund. Most pernicious MPS founder was James Buchanan, who received the Nobel Prize in 1986, who mentored the

Koch Brothers, billionaire funders of far-right causes around the world. He believed governments should be run by 'makers' (property owners) not 'takers' (those without property).

In 1981, the MPS held its annual meeting in Vina del Mar, the Chilean resort where Pinochet had planned the coup of 1973. Chile is remarkably symbolic, having been the first country in which full neo-liberalism was launched. The objective was to minimise the social state, to privatise not just every economic activity but all social services, including social security, education, healthcare, transport, roads and other infrastructure. This is precisely what Margaret Thatcher set out to do in Britain. Thatcher was a warm admirer of Pinochet, giving him bottles of fine whisky while protecting him in Britain during a period of medical treatment. Thatcher, for her part, was lionised by the political right and centre across Europe and elsewhere.

Since then, in country after country the state has been captured by officials and politicians believing in neo-liberalism. Key features of the neo-liberal state across the world are the systematic dismantling of institutions of social solidarity and the plunder of the commons.

The ideology of privatisation of the commons is private for-profit provision is to be preferred in all spheres. Thus, we have the privatisation of healthcare, legal services, schooling and universities, hospital building, housing, prisons and much else. In effect, the interests of capital and investors are put first, the interests of those who can pay for the services second, the interests of those who cannot pay last. To pretend otherwise may fool some people for some of the time, but most realise this is a confidence trick at their expense. Many may not care, until it affects them or those they love. But as privatisation spreads, more and more people suffer, until enough are ready to protest.

That is what has happened in Chile. And the fact that the epi-centre of the precariat revolt is there is poignant. As graffiti on a wall in Santiago has put it, 'Neoliberalism was born in Chile and it will die in Chile.' It would be wonderfully apt if that turns out to be the case.

Nothing is decided. The latest stage is conflict between the precariat in the streets and the descendants of Pinochet, led by Jose Antonio Kast, leader of the right-wing Republican Party, supporter of President Pinera, advocate of 'less taxes, less government, less migration' and supporter of right-wing Brazilian President Jair Bolsonaro.

The big question in Chile and elsewhere is whether the state will react by taking a more authoritarian, repressive direction or, finally, move away from neo-liberalism. Much will depend on the energy of the precariat in the streets and the emergence of an organised opposition to neoliberalism with a coherent alternative agenda. They cannot remain 'leaderless'.

Is revolt justified? This is a hard question to ask. It is an admission that normal channels of democracy are blocked and corrupted. There is a growing feeling that enough people can be manipulated by simplistic sound bites, public relations, and a media predominantly owned by the plutocracy that the neo-liberal model can be preserved. Governments are being elected with about 30% of the votes, and much less in terms of the whole electorate. This will be shown again in the British General Election in December, where the political right has hired expensive international consultants that go from country to country to manipulate elections. We need to strengthen the integrity of democracy.

An even more frightening question lies ahead. Is the neo-liberal state gradually building an authoritarian apparatus, in which surveillance and other techniques can control counter-movements, or allow occasional mass protests and then continue with impunity? Commentators point out that there have been more mass protests in the past two decades than at any time in history, yet the situation is worse today. The danger of authoritarian control is real. If the energy in the educated precariat can mobilise new progressive movements, there is still time to forge a politics of paradise to overcome our worst fears. But time is running short.

*Guy Standing is author of *The Plunder of the Commons: A Manifesto for Sharing Public Wealth*.*