



NEOLIBERALISM, AUTHORITARIANISM, AND THE CRISIS OF DEMOCRACY (THEORETICAL PERSPECTIVE)

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Abstract

This essay argues that neoliberalism is not merely an economic theory but a political project that has transformed governance and weakened democratic accountability. By elevating market efficiency above public responsibility, neoliberal policies have eroded the social contract and empowered economic elites. Deregulation, privatization, and the dismantling of welfare protections have deepened inequality and public distrust. The state has shifted from serving citizens to managing them as market actors while insulating corporate power from democratic oversight. These changes have fragmented society, hollowed institutions, and fueled political alienation. Neoliberalism's portrayal as neutral economics obscures its role in reinforcing elite control. Neoliberal economic policies and their radical conception of society have undermined the standard of living of the middle and working class and people experiencing poverty. Neoliberalism has hollowed out democracies and civil society by recasting the entire social and political field into the image of the market. It reconfigures critical institutions, particularly the neoliberal state, that actively work to create markets and protect them from alternative discourses while helping to shape society into the image of the market. Neoliberalism has captured our political system and set the national agenda, which sociologist Loic Wacquant calls a new mode of governance.

Keywords

Neoliberalism, Markets, Inequality, Ideology, Reality

Introduction: The Neoliberal Revolution

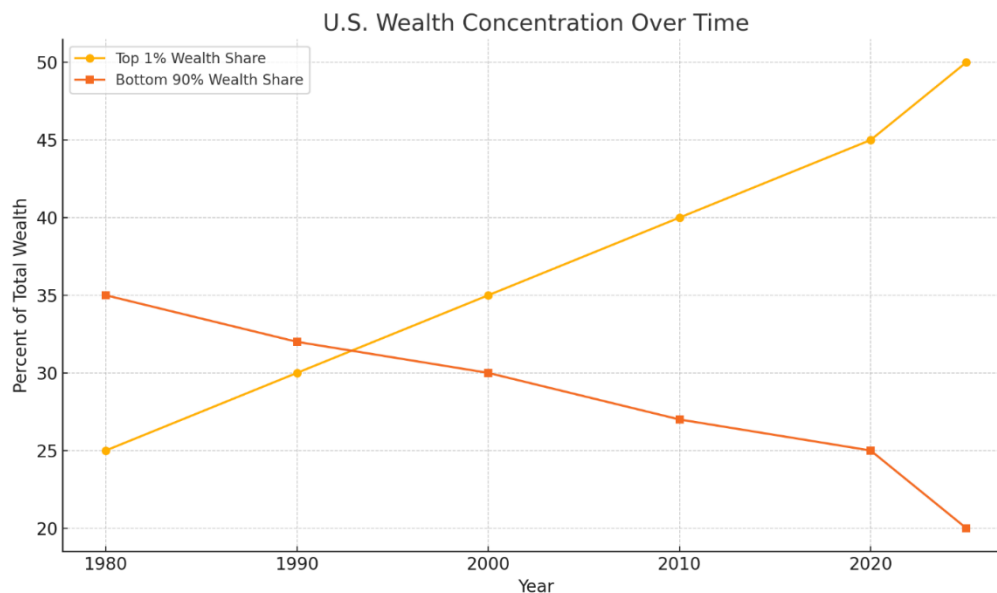
Since the 1970s, a revolution has been underway in America and worldwide. The revolution that I am referring to is neoliberalism. The neoliberal revolution has been an unquestioned success for its architects, proselytizers, and those better positioned financially to benefit from its policies. However, that success has come with a price. The benefits of neoliberalism have largely not trickled down as promised to most middle-class earners, except in India, China, and a few others (Kwon, Roberts, & Zingula, 2017). For the working class and the poor, neoliberalism has been a tragic failure of significant proportions. Years after being told that free markets would lead them to a freer and more productive society, voters in Western countries, particularly Americans and citizens of the U.K., have discovered that they are less free and less secure and have less say in their democracy (Brown & Enos, 2021). Despite its claims, neoliberalism does not advocate genuinely free markets (Jelavich, 2020).

Markets depend on government regulations for their creation and operation, and the idea of truly free markets is a myth that is central to neoliberal ideology (Saad-Filho & Johnston, 2005, p. 189). While free markets meet consumer needs, they often put the interests of the wealthy first, weakening democracy and deepening inequality. These fuels growing divides between regions and social groups, especially over support for the poor.

While the media and political leaders often focus on the struggles of the middle class, the working class receives far less attention. In the new economy, working-class people have faced significant hardships, struggling to make ends meet. They find themselves excluded from the benefits of the new economy and many government programs funded by their taxes (Porter, 2017). Middle-income families, who are also struggling, may not realize that welfare programs for people experiencing poverty are so limited that they provide very little help. However, they do notice when they lose out on benefits like the earned income tax credit because their family income reaches \$50,000 (Porter, 2017).

Understandably, many overburdened working middle-class mothers feel frustrated upon learning that roughly 30 percent of low-income families receive childcare through government subsidies (Shao & Wang, 2023), while Rural communities think that they get the shaft when it comes to resource allocation (Logeshwaran et al., 2023) and that decisions made by Washington not only ignore their needs but also undermine their way of life and cultural heritage (Kantaros et al., 2023). They are angry after years of feeling neglected, living with stagnant wages, and working precarious jobs middle-income families, despite struggling with childcare costs, receive little to no financial support (Porter, 2017).

The divide in America is particularly deep between rural communities and those living in major cities. However, much of their anger is severely misplaced. Feeling that the government prioritizes helping "others" over them, many voters support the party that promises to shrink the government and cut social services for people experiencing poverty (Acemoglu & Robinson, 2015). However, many of these voters overlook that without government support through transfer payments and subsidies, they would struggle to put food on the table, risk their families' health, and see their state economies collapse (Kucinich, 2017). Secondly, the problem is not the poor; the real culprit is that our political economy is orgaized to create poverty and inequality (Kucinich, 2017). Nineteen of every 20 dollars of new wealth created goes to the top one percent (Kucinich, 2017, para.19). The wealth gap is widening, with the top 1% now holding more wealth than the bottom 90% (Kucinich, 2017, para. 19). A recent Federal Reserve survey on household wealth and income showed that between 2010 and 2013, the median income for the top 10% rose by 2 percent to \$223,200. However, in recent years, households in the top10% income bracket earning in 2025 have increased to around \$250,000 or more annually (Levin, 2025, para. 2).

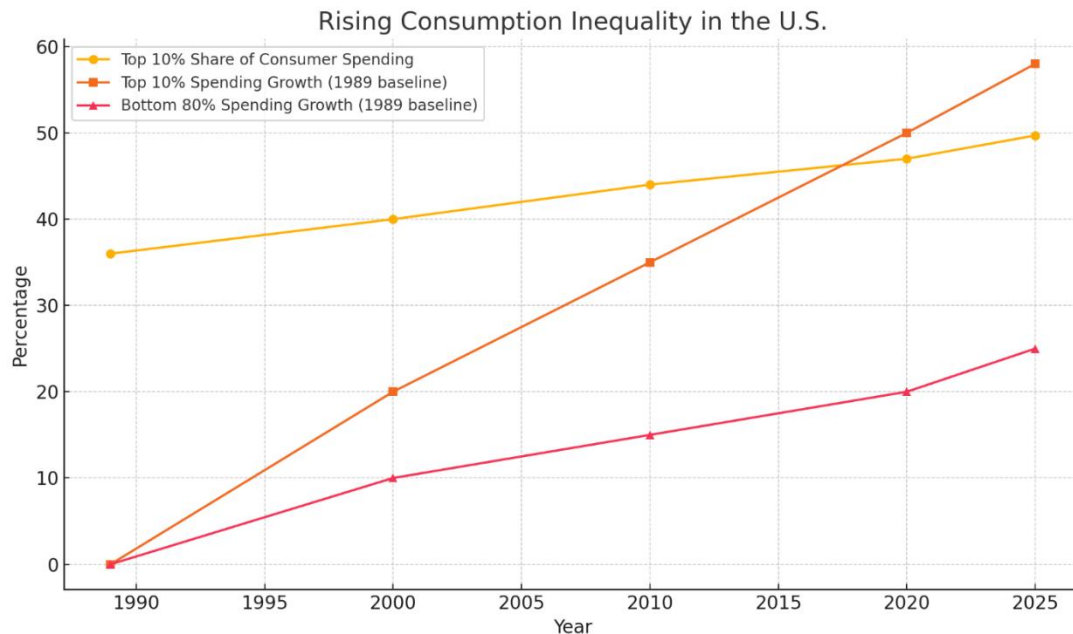


Sources: Federal Reserve Economic Data (FRED), 2025 projections

According to a Moody's Analytics analysis, the wealthiest consumers now make up 49.7% of all consumer spending, the highest level since records began in 1989. In contrast, they contributed only about 36% three decades ago (Ensign, 2025). As a result, the economy is now heavily dependent on continued spending by affluent Americans. Mark Zandi, Moody's chief economist, estimates that the top 10% of earners alone are responsible for nearly one-third of the nation's GDP (Ensign, 2025, para. 4).

Overall, higher-income individuals have significantly increased their spending beyond the inflation rate, while most others have not kept pace (Ensign, 2025, para. 7). Over the past four years, the bottom 80% of earners increased their spending by 25%, just slightly above the 21% rise in prices (Ensign,

2025, para. 7). In contrast, the top 10% boosted their spending by 58% during the same period (Ensign, 2025, para. 7). According to Federal Reserve data, the top 20 percent of earners saw their net worth increase by over \$35 trillion—or 45 percent—since the end of 2019 (Armstrong, 2025, para. 24). Although the rest of the population experienced a comparable rate of growth, it amounted to a significantly smaller total gain of just \$14 trillion (Armstrong, 2025, para. 24).



Source: Ensign, R. (2025). *Moody's Analytics Consumer Spending Report*.

It should come as no surprise that so many Americans are falling behind and that inequality is worsening, as capitalism inherently produces such outcomes. In *Capital in the Twenty-First Century*, Thomas Piketty (2014) argues that, aside from the brief period between 1945 and 1970 when the middle class expanded significantly, capitalism over the past 300 years has consistently generated broad, persistent, and often extreme inequalities in income and wealth (Derber & Magrass, 2016).

Piketty emphasized that this troubling situation does not indicate that markets have failed; rather, "it is the way capitalist markets get designed to work" (Derber & Magrass, 2016, p. 33). He clarifies that even under ideal conditions, markets would still generate inequality, and no built-in mechanism exists to correct or reduce it (Derber & Magrass, 2016, p. 33). It is important to understand that poverty is not simply the result of individuals making poor choices; instead, it stems from the system itself, and the decisions imposed on people (Rentschler & Leonova, 2023).

In *Men in Dark Times* and *The Origins of Totalitarianism*, Hannah Arendt warned about periods like today, when large numbers of people feel dispossessed, alienated from major social institutions, and view the political party system as corrupt and dominated by elite conditions that create fertile ground for a "mob mentality" (Issac, 2016). Feeling insecure and resentful toward those in better positions and believing their fellow citizens have betrayed them, "the mob hates society from which it feels excluded, as well as [the government] where it [feels] not represented" (Issac, 2016). Arendt warned that when a society is filled with resentment, it becomes easy for attention-seeking leaders to manipulate people with exaggerated and misleading messages. What persuades large groups of people isn't actual facts or even made-up ones but how well those "facts" fit into a believable and consistent story or worldview (Isaac, 2016). Authoritarian propaganda works best when people stop trusting reality and start believing in made-up stories, and these stories can go against basic common sense, however only in places where common sense no longer matters (Isaac, 2016).

Arendt takes us back to pre-World War II Germany and Austria to remind us how reactionary forces of National Socialism exploited the mass of economically emasculated, politically isolated to start a movement that, in the end, unleashed one of the most destructive forces the world has ever seen (Seethaler & Melischek, 2023). The masses of which Arendt spoke of are not just the poor and working classes; instead, they were also some of Germany's most affluent and better classes that were supportive of the

Nazis as well (Canovan, 2015). Voting records of fourteen of Germany's most significant cities show that the Fascists received substantive support. For example, in 1932, the fascists received a third of the vote in Hamburg (Baehr, 2014). Equally alarming is the fact that the fascists disproportionately attracted public sector workers and professionals such as lawyers, teachers, civil servants, doctors, and the police to their ranks. Authoritarian appeal crosses all social boundaries and classes because, in dark times, everyone has a grievance, and those grievances have had a devastating effect on the popularity of democracies and the rise of illiberal democracies and autocratic governments.

A recent report released by the V-DEM Institute found that autocratic regimes now outnumber democracies globally (Nord et al., 2025). According to the Regimes of the World (RoW) classification, there are currently 91 autocracies (both electoral and closed) compared to 88 democracies (electoral and liberal) (Nord et al., 2025, p.12). This represents a complete reversal from the previous year, when democracies held the majority (Nord et al., 2025, p.12). The year 2024 is the first time since 2002 that autocracies have surpassed democracies—a clear indicator of the deepening global democratic backslide (Nord et al., 2025, p.12). In 2024, liberal democracies—now the rarest form of government with only 29 countries—account for less than 12% of the global population (about 0.9 billion people), marking a 50-year low, while a staggering 72% of the world's population lives under autocratic regimes, the highest proportion since 1978 (Nord et al., 2025, p. 12).

Although no two events are the same, we should look for parallels and draw the correct conclusion to prevent yesterday's misfortunes from becoming our today. Remember this fact, "it was the masses of embittered people across all class lines that furnished the social basis of the Nazi dictatorship and, after 1940, the totalitarian regime" (ushmmm.org, n.d.). An important study by Larry Bartels of democratic trends in Europe over the last few years found that democracies "erode from the top" rather than at the behest of their citizens (Carothers and Hartnett, 2024, para.4). History urges us to remember that fascism arose not in isolation, but from harsh post-WWI penalties, political instability, mass unemployment, displacement, and missed opportunities (ushmm.org, n.d.). We live in different times and under different circumstances but share many of the socioeconomic conditions of the past. However, we still find ourselves in this moment of crisis where discontent has risen to a level where many consciously or unconsciously turn from democracy toward authoritarianism by electing politicians with illiberal orientations.

What is Neoliberalism

Neoliberalism is often confused with globalization. Globalization is "defined as the increase in the free trade, internationalization of states, the prioritization of finance services over the productive capital, and the free flow of commodities made possible by a revolution in communications" (Canterbury, 2005; Wang et al., 2023). However, "the application of neoliberal policies to the international economic order has become known as neoliberal globalization" (Navarro, 2007).

According to Alfredo Saad-Filho and Deborah Johnston (2005), "Neoliberal globalization is a worldwide strategy of accumulation and social discipline...[that] imposes a specific form of social and economic regulation based on the prominence of finance, international elite integration, subordination of the poor in every country and universal compliance with US interests." Saad-Filho and Johnston (2005) argue that neoliberalism is deeply interlinked with imperialism and globalization (p.2). While globalization is often portrayed as an inevitable, unstoppable, and positive force that promotes competition, enhances welfare, and advances democracy worldwide, Saad-Filho (2003) argues that, in reality, what is labeled globalization is essentially just the international extension of neoliberalism (Saad-Filho & Johnston, 2005, p.2). It serves as a global strategy for wealth accumulation and social control, functioning simultaneously as an imperialist project driven by an alliance between the US ruling elite and dominant capitalist groups within individual countries (Saad-Filho & Johnston, 2005, p.2).

Combining domestic neoliberalism with global imperialism, this ambitious agenda is carried out through each nation's various political, social, and economic coalitions (Saad-Filho & Johnston, 2005, p.2). However, the interests of local financial sectors and the US ruling class, heavily influenced by finance, generally maintain dominance (Saad-Filho & Johnston, 2005, p.2). Neoliberalism is both the latest iteration of capitalism and the dominant form of governance worldwide, and it is fundamentally a new social order (Dumenil & Levy, 2005). Neoliberalism is also the face of corporate power. Big companies have gained more power, banks and financial firms hold more control than ever, and politics have shifted

more toward the right. (Saad-Filho & Johnston, 2005, p 3). Neoliberalism is a specific form of capitalism designed to safeguard capital and weaken the influence of labor (Saad-Filho & Johnston, 2005, p.3).

Pressured by the forces of neoliberalism, left parties, and trade unions have imploded, mass organizations largely disorganized, political power has shifted away from the majority to corporate elites, and the political spectrum has shifted to the right (Saad-Filho & Johnston, 2005, p. 3). In its most systematic usage, neoliberalism could refer to a theory, a set of ideas, a political strategy, or a historical period (Harvey, 2014). In this paper, the focus is on neoliberalism as a set of ideas and as a political strategy or project. Neoliberalism is a form of capitalism where the market plays the central role in shaping government and society. Unlike earlier forms of capitalism that focused on trade and exchange, neoliberalism is built around constant competition.

Why did capitalists turn to neoliberalism? It was a response to a structural crisis: the policies, practices, and institutions that once effectively supported capital accumulation were no longer working (Saad-Filho & Johnston, 2005, p. 189). More specifically, capitalism moved away from the Keynesian compromise as profit rates declined, driven by the belief that neoliberalism would restore profitability and enhance capital accumulation (Saad-Filho & Johnston, 2005, p. 189). Neoliberalism emerged in the 1970s to restore the power of finance capital, open global markets for profit, and weaken labor and radical movements. These movements had previously secured major reforms like the Environmental Protection Agency and OSHA and expanded labor rights, posing what elites saw as existential threats (Harvey, 2014). Progressive ideas promoting gender, minority, and lifestyle inclusivity increasingly is displaced conservative traditions, alarming economic and moral conservatives who felt their way of life was under attack. In response to rapid social change, many individuals and especially older persons support authoritarian leaders who promised to restore order and roll back liberal reforms, appealing to fears of instability and cultural loss.

Conservative administrations like Nixon's, Reagan's, and Bush's capitalized on this backlash, launching neoliberal strategies that cut social programs, suppressed unions, imposed harsh labor conditions, and deepened insecurity among the working class (Mariani, 2001; Kyriakopoulos, Marinoudi, & Samikou, 2014). The financial crises and social crisis (stagflation) of the 70s were a gift from God to the neoliberals and their allies. The crisis allowed architects of neoliberalism to successfully paint the financial crisis as a problem of big government, and the social crisis as a failure of national morals. Kramer (2018) notes that Milton Friedman, one of the chief architects of neoliberalism, developed complex and nuanced views on political economy, but they can be distilled into three relatively simple main points:

- First, Friedman viewed society as made up of rational individuals who aim to maximize their utility. Central to this view is the belief that "society" as a collective entity does not truly exist—only isolated individuals acting in their own self-interest. Because individuals are assumed to act rationally, competition becomes a fundamental force shaping human relations. Friedman's perspective is not merely descriptive but also normative: he saw the unrestricted ability of individuals to compete in pursuit of their own welfare as the very essence of "liberty."
- Second, a nation's success is judged by the amount of wealth it generates, with wealth broadly defined to encompass whatever goods or forms of utility individuals value. The greater a nation's production, typically measured by indicators like GDP, the more successful it is considered to be.
- Third, based on the first two principles, the government's primary role is to create and safeguard free markets. These markets are seen as the most effective way for rational, self-interested individuals to collectively maximize overall wealth.

(Kramer, 2018, para. 1)

Neoliberals pushed free-market, laissez-faire economics, while neoconservatives emphasized a return to traditional morality and personal responsibility (McCluskey, 2005). Although not a natural alliance, their partnership strengthened the right by shifting focus from class conflict to cultural battles, helping to protect right-wing economic policies. By exploiting the crisis, neoliberals promoted small government and market-based solutions as fixes for the nation's social, racial, and economic problems.

Milton Friedman argued that genuine change occurs mainly during crises real or perceived when only pre-existing ideas are adopted, making it essential to keep alternative policies ready until the politically impossible becomes inevitable (Bruff, 2017). Similarly, Ha-Joon Chang (2014) argues that financial crises in the neoliberal era sometimes is used to justify austerity measures like spending cuts, tax

reductions, and deficit control not merely to balance budgets but to restructure social-democratic welfare states into neoliberal systems. For instance, the economic slowdown of the late 1970s allowed the Federal Reserve to be pressured by financial elites to hike interest rates. This decision curbed inflation, benefited creditors, and justified assaults on the welfare state by drawing attention to government debt (Mayordomo & Roibás, 2023).

As a political strategy, neoliberalism is also "the capitalist response to the global profitability crisis, aimed at restoring (finance) capital's power vis-à-vis labor and opening up valuable public sector services, assets, and space to new rounds of accumulation through privatization and liberalization policies" (Hodkinson & Lawrence, 2011). It also included rolling back state intervention (regulations, subsidies, protections, ownership, services) and rolling out new modes of pro-capitalist regulation and regimes of governance" (Hodkinson & Lawrence, 2011). A central part of the neoliberal program is the transformation of the state. Under neoliberalism, the state is obliged to regard itself as an enterprise both in its internal functioning and relationship with other states" and in performing its duties (Dardot & Laval, 2014). Thus, the state in the neoliberal regime performs many functions in the service of neoliberalism.

Privatization is one of the key components to the implementation of neoliberalism political strategy (project). Privatization of housing, for instance, has played a particularly key role in neoliberalism, supplying shelter for the poor once the job of the public welfare system is now firmly [back] in the hands of the private sector, back into the precarious, commodified world of competitive markets, property speculation, and self-provision" (Hodkinson & Lawrence, 2011). Privatization has some serious disadvantages. For example, the rapid transition of the Russian state from a command economy left the Russian economy in the hands of few oligarchs (Rutland, 2025). Also, privatizing the state's assets to market actors makes the state more "reliant on those market actors to achieve public purposes" (Soss, Fording & Schram, 2011). Privatization also embeds private-sector mindsets and methods into the functioning of the state, leading government officials and public servants to increasingly adopt the attitudes and behaviors of business entrepreneurs (Morales, Gendron, & Guénin-Paracini, 2010).

Private companies are often guaranteed returns on their capital investments even when no profits are earned (Polytechnica, 2016). Private sector actors are also very adept at building those parts of the project that will be the most profitable to them first and completing the part that is least profitable last, even if it is the most needed one. Agreements that favor the private sector create perverse incentives (Knight & Hastey, 2022). Privatization allows companies to evade their legal responsibilities, often shifting the financial burden onto the state (Bruff, 2018). Public agencies may use contracting, outsourcing, or public-private partnerships to perform their functions. However, these arrangements must be evaluated by how much control the public retains, as we must resist ceding authority over public goods to private interests (Cohen & Mikaelian, 2021, pp. 8-9).

Neoliberalism presents its policies as neutral and based on market logic, but in reality, it pushes conservative beliefs like individualism, personal responsibility, and the idea that welfare undermines self-reliance (Cornelissen, 2015). They also insist that government welfare services promote social ills: irresponsibility, high "rates of illiteracy, juvenile delinquents, alcoholism, drug addictions, and dysfunctional families, especially amongst the poor" (Gutin, 2023; Li et al., 2023; Edwards & Grant, 2023; Shafiq, 2022; Nixon, 2011). The cure for these illnesses and pathologies is identifying, evaluating, and directing welfare recipients to the appropriate treatment centers. With the proper training and motivation, they can more quickly overcome their moral failures and change their pathological behaviors and psychology to reduce their dependence on the state. The neoliberal environment does not just shape our psychology; it absorbs and reflects its influences (Ratner, 2019, p. x).

As Vygotsky (1994b) strongly argued, the environment is the source of personality development, not merely its backdrop (Ratner, 2019, p. x). Neoliberalism is not only the system we live under; it is something we internalize and embody (Ratner, 2019, p. x). We do not just exist within neoliberal capitalism; we live in it (Ratner, 2019, p. x). Neoliberalism defines our lives, and we, in turn, sustain neoliberal capitalism (Ratner, 2019, p. x). We are its subjects, its agents, and our psychology reflects the subjectivity created by the neoliberal system (Ratner, 2019, p. x).

The Myths of Neoliberalism

Neoliberalism as a cultural project has a radical understanding of human nature. Before Adam Smith's Wealth of Nations (1776), political philosopher articulated the relationships between members of societies regarding social contract theory as the moment when individuals freely and consensually agree to give up

some of their freedom for security. Wedded by bonds of mutuality (duties, privileges, egalitarianism) they bound themselves to political authority and related to that authority as citizens (Carretero, Vuorikari, & Punie, 2017). Furthermore, it is the political authority's (the state) responsibility to coordinate and facilitate economic activities assisted by social commitment toward the good of society (Shi & Brasseur, 2020). Smith's unique view was that society should be organized around the economy rather than politics, believing that individual self-interest in the marketplace would unintentionally produce the common good (Wolin, 2016). Smith argued that the economic actor focuses solely on personal gain and does not aim to serve the public interest—yet, guided by an "invisible hand," ends up contributing to the public good unintentionally (Wolin, 2016, p. 401). Neoliberalism sees humans primarily as greedy, self-interested creatures. It argues that since human nature is motivated by greed and self-interest, it makes sense that the economy and all of social life should be organized in recognition of this fact.

In market-based societies, just as markets are governed by free competition, individuals are also pushed to compete for access to social and economic resources (Bell, 2011). Inequality, then, results from competition because some individuals are just better than others and deserve more. Therefore, under these social arrangements, neither the state nor society is responsible for individual members' failure. The state's leading role is to foster and manage economic growth rather than address its negative consequences (Fortin, Hepting, & Jaffe, 2020). As a result, inequality is framed as a natural outcome of competition (Manyika, 2011).

The proselytizers of this mythology say that competition instills market values into neoliberal subjects. It teaches them that they are morally responsible for themselves. Those who are 'responsible' and 'deserving' will succeed, while the 'irresponsible' and 'undeserving' will naturally fail" (Bell, 2011). Society assists those who have fallen behind by teaching them the importance of work. Work becomes the sole remedy for overcoming their shortcomings (regardless of the low wages) and offers a path for former welfare recipients to rejoin society as fully productive and functioning members (Schram, 2015). They get told they can eventually succeed if they keep working hard, build their skills, and follow the rules.

The idea that everyone can succeed simply by becoming better competitors, working harder, and following the rules is just as misleading as the belief that housing prices will keep rising indefinitely—a myth that the housing crisis ultimately shattered. Richard Norgaard (2015) rightly argues that neoliberal economics disguises reactionary politics as value-free science by trying to reduce all social relations to market logic. He points out that "what is entirely missing from the economic view of modern life is an understanding of the social world," such as the assumption that people make choices purely to maximize utility rather than being influenced by broader social factors (Norgaard, 2015, p. 2).

Norgaard asserts that although economics cloaks itself in the rhetoric of science, the modern economy runs on faith, much like any other religious sect (Norgaard, 2015, p. 2). When the gods (the Federal Reserve Banks and the president) make interest rate adjustments or cut taxes on big businesses, Wall Street and the rest of true believers' exuberance causes them to buy and sell more. As faith in the market grows, stock trading increases, and wealth expands. The opposite also holds. Every religion promotes a system of morality, and neoliberal moralism reflects the belief that humans are primarily greedy and self-interested, suggesting that the economy would function best by harnessing this fundamental trait. However, this is a statement of faith, not fact, and everyday experiences easily disprove it. The actions of first responders, police officers, soldiers, firefighters, and EMTs who regularly risk their lives for the public and each other clearly show that social factors strongly influence human decision-making.

Neoliberalism and Narcissistic Culture

Competitive individualism has become a way of life in this Social Darwinian system. It produces an alienation where people ostensibly see each other as objects. These objects become vehicles we can use or obstacles that must be removed to achieve our goals (psychforums.com). In a fully commodified society, survival takes precedence over all else. This environment can severely erode empathy and make mutual relationships difficult. A society becomes nihilistic when it bases its existence solely on self-promotion, finding no purpose beyond the free market operations. It turns narcissistic when buying and selling become its only shared value, and individual desires get placed above all other considerations.

In its last phase, neoliberalism leads to self-centered societies. These societies are not just struggling, they are also going through major changes. The people and the culture they create are deeply afraid of failure, show little empathy, and are emotionally fragile. Christopher Lasch (1979), in *The*

Culture of Narcissism, suggests that such a culture is caught in a death spiral, where extreme individualism ultimately leads to a destructive conflict of everyone against everyone else. Without empathy, a person's dominant emotion becomes anxiety rather than guilt, leading to deep insecurity and even doubts about their existence (Lasch, 1979, p. xvi). In response, the narcissist becomes increasingly self-focused, driven by a desperate need to appear superior while feeling inadequate both individually and culturally (Firestone, 2012). As a result, a narcissistic society deteriorates, displaying little regard for the future because it has already lost connection with the past (Lasch, 1979, p. xvi).

Lasch argues that in a society that sees no future, it becomes logical for individuals to focus solely on the present, obsess over their personal image, indulge in their own decline, and develop an intense self-awareness bordering on the spiritual (Lasch, 1979, p. 6). He insightfully reveals the core contradiction of a narcissistic society. It promotes self-absorption while also producing deep insecurity and dependence on social affirmation. Though the [neoliberal subject] may occasionally see himself as all-powerful, he remains dependent on others to reinforce his self-worth and cannot cope without the approval of an admiring audience (Lasch, 1979, p. 10). His seeming liberation from family ties and institutional authority does not empower him but instead intensifies his insecurity. To manage this, he attaches himself to figures who embody status, influence, and magnetism (Lasch, 1979, p. 10).

In neoliberal societies, concepts like "freedom" and "choice" are redefined to emphasize personal responsibility rather than collective obligation. Families USA reported that from 2005 to 2010, over 130,000 deaths in the United States were linked to the absence of health insurance (Morgan, 2012). The organization estimated that in 2010, this amounted to about three deaths per hour, with the problem affecting every state. In that same year, California saw over 3,000 deaths related to lack of insurance coverage (Morgan, 2012, para.2).

Rather than acknowledging structural inequities, such societies blame individuals and their families, arguing that insurance is universally accessible while ignoring economic barriers. Even when the victims are predominantly vulnerable populations such as poor women and children a culture saturated with radical individualism absolves itself of accountability. In the end, neoliberalism's cultivation of a narcissistic ethos accelerates the decline of society.

The collapse of a neoliberal society is marked by the disappearance of trust and cooperation, replaced by fear, deprivation, and systemic violence. In such conditions, mass incarceration and the criminalization of poverty emerge as dominant strategies for managing social problems. Apathy toward widespread suffering and pervasive fear become central features of social life.

The U.S., leading the world in gun deaths with over 33,000 annually, contrasts sharply with Japan's strict gun laws and just 11 shooting homicides in 2008, leaving many puzzled by America's trend toward loosening firearm regulations despite its high gun violence rate (Houser, 2012). Neoliberalism has reshaped American society, promoting the belief that healthcare is a privilege rather than a right and that the free market can fix its failures—even as evidence points to for-profit insurance as the problem. Fueled by media-driven fear and a cultural attachment to guns, Americans see violence as a solution to violence, expanding gun rights and enacting laws like Stand Your Ground. Once a "can-do" nation, America has become a "do-it-yourself" society.

Although Obamacare aimed to address America's healthcare crisis, no matter what comes as a replacement, it most likely would yield even worse outcomes. Under neoliberalism, whether dealing with healthcare or gun violence, administrations continue to push free-market solutions to problems the market cannot solve. With little value placed on lessons from the past, living only for the present becomes the norm. Friedrich Hayek, a key thinker and major theoretician of neoliberal thought, claimed in *The Constitution of Liberty* (1960) that free healthcare was flawed because medical needs cannot be objectively determined (Gaffney, 2014).

We all have different preferences for how much health care we want in proportion to the other "material advantages" in life. In other words, crudely speaking, one person might prefer paying rent to having a mammogram, while another might need heart surgery over a week on vacation. "Though we all dislike the fact that we have to balance immaterial values like health and life against material advantages," Hayek put it, "and wish that the choices were unnecessary, we all do have to make the choice because of facts we cannot alter." As a result, the idea that there is an "objectively determinable standard of medical services which can and ought to be provided for all, [therefore universal healthcare], has no relation to reality... Why should we have universal health care, in other words, if our desires for health care are not universal? Health care should therefore be distributed like other commodities: according to the

takes of the individual consumer, each of whom acts as a rational actor in electing to purchase the quantity and quality of health care goods that he or she desires. Any attempt to dictate such consumption would be tantamount to an infringement on one's economic freedom, or so the argument goes.

(As Quoted in Gaffney, 2014)

From the end of World War II until the 1980s, neoliberal ideas were seen as fringe and largely dismissed. Since then, the belief in universal healthcare as a right has faded from mainstream politics, and Hayek's once-marginal rejection of objective health standards has become dominant. Konczal, Milani, and Evans (2020) argue that Supporters of deregulation claimed it would lead to more efficient markets and stronger economic growth, measured by increases in gross domestic product, with the benefits eventually "trickling down" to the broader economy. They likened this process to a rising tide that lifts all boats (Konczal et al., 2020, para.5). However, in practice, regressive policies—such as tax cuts for corporations and the wealthy, deregulation, and privatization- have contributed to slower economic growth, rising income inequality, stagnant wages, and reduced labor market mobility (Konczal et al., 2020, para.5).

The Neoliberal Project

Neoliberalism's failure to deliver tangible benefits is unsurprising to its critics, who have long exposed the model's contradictory and unrealistic foundations (Saad-Filho & Johnson, 2005). Similarly, Stiglitz (2024) adds that economic theory has criticized neoliberalism for nearly fifty years, pointing out that many of its core principles were already flawed before the ideology gained popularity (Stiglitz, 2024, p. 48). He also argues that free trade and capital market liberalization can harm overall welfare without risk markets and that trade restrictions may sometimes support growth in developing countries (Stiglitz, 2024, p. 48). Stiglitz (2024) emphasizes that the economic theory of "perfect markets," which underpins neoliberalism, had already been discredited when neoliberalism rose to prominence (Stiglitz, 2024, p. 48).

He explains that neoliberalism should be seen not as an economic theory but as a political project (Stiglitz, 2024, p. 48). The term "neoliberalism" itself is misleading, but while it suggests promoting freedom, it actually masked policies that benefited some at the expense of others (Stiglitz, 2024, p. 48). Drawing on Isaiah Berlin's insight that "freedom for the wolves often means death to the sheep," Stiglitz argues that neoliberalism was less about liberalization and more about rewriting economic rules to favor the powerful, all while denying the existence of power in its theoretical framework (Stiglitz, 2024, p. 48). Alfredo Saad-Filho and Deborah Johnson (2005) claim that neoliberalism is not meant to reflect the world as it is but to reshape it to fit its ideals. The goal is not a more accurate model of reality but to force reality to conform to the model (p.57):

Neoliberalism owes its strength to its ideological appeal, but neoliberalism is not

merely an ideology, it purports to rest on the scientific foundations of modern liberal economics. Modern neoliberal economics is no less dogmatic than its nineteenth-century predecessor in resting on a set of simplistic assertions about the character of the market and the behavior of market actors. The economist critics of neoliberalism have repeatedly exposed how restrictive and unrealistic are the assumptions on which the neoliberal model is based. However, to argue that the neoliberal model is unrealistic is somewhat to miss the point, since the neoliberal model does not purport so much to describe the world as it is, but the world as it should be. The point for neoliberalism is not to make a model that is more adequate to the real world, but to make the real world more adequate to its model. This is not merely an intellectual fantasy; it is a very real political project. Neoliberalism has conquered the commanding heights of global intellectual, political and economic power, all of which are mobilized to realize the neoliberal project of subjecting the whole world's population to the judgment and morality of capital.

(Saad-Filho & Johnson, 2005, p. 57).

Recent empirical research challenges the long-standing belief that promoting equality through redistribution necessarily reduces economic efficiency, as measured by GDP growth (Konczal et al., 2020, para.11). According to Berg, Ostry, and Tsangarides (2014), a study by the International Monetary Fund (IMF), this tradeoff fails to appear in practice and may work in the opposite direction. Examining a broad set of countries over several decades, the IMF found that lower levels of inequality measured after taxes and income transfers—are associated with faster and more sustained economic growth (Konczal et al., 2020, para.11). Philosophical, economic, and political systems come and go. However, they all create stability, coherence, and a sense of meaning. For free-marketeers, meaning is found in consumption; for others, in natural law; and in the post-truth world, in personal desires and beliefs. In all cases, reality is reshaped to align with human cognitive needs and the illusion of fulfilling desires.

Nothing was to stand in the way of this myth, until the 2008 financial crisis decisively exposed the failures of neoliberalism, revealing the stark gap between elite promises and reality. No obstacles challenged this myth until the 2008 financial crisis, which clearly exposed the shortcomings of neoliberalism and highlighted the glaring disconnect between the assurances of elites and the actual outcomes (Steger & Roy, 2021).

In response, policymakers prioritized rescuing the architects of the collapse through massive bailouts, while the general public was left to absorb the costs through prolonged austerity measures. The theoretical flaws of neoliberalism and its ideology were found to be façade by the financial crisis (Kuttner, 2019, para. 9). British political economist Colin Crouch captures this paradox in his book *The Strange Non-Death of Neoliberalism*, posing the critical question: Why did neoliberalism not die (Kuttner, 2019, para.9)? Crouch explains that neoliberalism failed both as an economic theory and policy framework, yet it thrived as a mechanism of political power for economic elites (Kuttner, 2019, para. 9).

“Ideas are long lived, often outliving their originators and taking new and different forms. Some ideas live on because they are useful. Others die and are forgotten. But even when they have proved themselves wrong and dangerous, ideas are very hard to kill. Even after the evidence seems to have killed them, they keep coming back. These ideas are neither alive nor dead; rather [...] they are undead, or zombie ideas.” (Blake,2015).

The more perceptive figures among the neoliberal architects, particularly Hayek, recognized that the neoliberal economic agenda would be linked to major global shifts, which would inevitably provoke resistance (McManus, 2020, p. 59). The objective shifted toward securing economic changes within a legal framework, effectively shielding them from democratic influence (McManus, 2020, p. 59). This close connection between law and economics was significant, as international institutions like the IMF and WTO became legal protectors of economic processes that led to sweeping changes in lifestyles and the distribution of wealth worldwide (McManus, 2020, p. 59).

Ha-Joon Chang (2008) similarly notes that institutions like the IMF, World Bank, and WTO function not merely as regulatory agencies but as instruments for powerful economic and financial elites, working closely with them to advance their vision of a New World Order (Chossudovsky, 2003, p. 3). While wealthy nations and institutions like the IMF, World Bank, and WTO claim to support the development of all countries into modern industrial societies, they often "kick away the ladder" they once used to achieve their success (Chang,2008). Although self-interest is partly to blame, these powerful actors are often "Bad Samaritans," well-meaning but misguided, whose rigid free-market beliefs and limited grasp of historical realities cause them to impose harmful policies on others (Chang,2008, para.1). According to Chossudovsky (2003), regardless of a country's wealth or region, neoliberal policies serve the same global financial elites (p. 18).

Finally, neoliberal policies cause similar problems everywhere job loss, lower wages, social exclusion, failing small businesses, and food insecurity even in wealthy nations, where the urban poor are hit hardest (Chossudovsky, 2003, p. 18). Neoliberalism isn't just an economic idea; it's a political project that reshapes government and weakens democratic accountability by putting market efficiency ahead of public good. Neoliberal policies have eroded the social contract and empowered economic elites through deregulation, privatization, and the dismantling of welfare protections have deepened inequality and public distrust. The state has shifted from serving citizens to managing them as market actors while insulating corporate power from democratic oversight. These changes have fragmented society, hollowed out institutions, and fanned the flames of political alienation. Neoliberalism's portrayal as a neutral economic system conceals its role in reinforcing elite control; however, reversing this trajectory, the policy must

reassert the public interest and democratic control over key services. A sustainable future requires viewing public welfare as a human right rather than a market good.

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