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**ARTIGO**

**THE CLAWS AND FANGS OF NEO LIBERALISM  
(NEW?) POLITICAL ADMINISTRATION OF THE CAPITAL**

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## **The Claws and Fangs of Neoliberalism: The (New?) Political Administration of the Capital**

### **Las garras y los colmillos del neoliberalismo: la (¿nueva?) Administración política de la capital**

#### **Abstract**

The main objective of this essay is to analyse neoliberalism as an alternative for political administration. According to a theory developed in Brazil, political administration encompasses both macro- and micromanagement principles to represent the interests and agenda of a social class, or some fraction of it. The main findings are that the neoliberal *rationale* and its management principles—efficiency, accountability, performance, and competition—are employed to reprogramme entire societies to transfer wealth to rentier capital. That is why wherever it takes root, neoliberalism brings unemployment, impoverishment, economic instability, exhaustion of natural resources, and income inequality.

**Keywords:** Neoliberalism. Efficiency. Performance. Accountability. Political Administration.

#### **Resumen**

El principal objetivo de este ensayo es analizar el neoliberalismo como alternativa para la administración política. Según la teoría propuesta en Brasil, la administración política abarca principios de macro y microgestión para representar los intereses y la agenda de una clase social o fracción. Los principales hallazgos son que la lógica neoliberal y sus principios de gestión — eficiencia, *accountability*, desempeño y competitividad — se emplean para reprogramar sociedades enteras para transferir riqueza al capital rentista. Por eso, dondequiera que arraigue, el neoliberalismo trae desempleo, empobrecimiento, inestabilidad económica, agotamiento de los recursos naturales y desigualdad.

**Palabras clave:** Neoliberalismo. Eficiencia. Desempeño. Accountability. Administración política.

## Introduction

Economic and social formations in the capitalist world are regulated by immanent macro-management standards, which articulate organizational processes from companies to the Government, and beyond (Cristaldo, Ribeiro & Pessina 2017). These standards are what we recognize as the capitalist “political administration” (Paço Cunha 2019: 155). The political administration is understood here as the social macro process that gives logical sense and direction to uncoordinated decision-making throughout the whole system. Not as a somehow all-pervasive collusion, but as shared beliefs on *what is* rational and desirable in organizational management (Paço Cunha 2020).

Accordingly, the political administration of capitalism appears in the micro-managerial level both in companies and in the State. The wide collection of technique and principles known as business management and public administration are what we understand as “professional administration” (Cristaldo 2009: 57). Alongside it, there is an ideological component to the political administration of capitalism that establishes what is considered rational in terms of organizational management (Caribé 2008). Together, these principles, techniques, and ideology materialize the interests and agenda of the dominant class (Paço Cunha 2019).

However, this managerial order is far from harmonic. Indeed, since the very idea of shared interests comes from the way a collective may structure their social relations to build its material base (Marx 2013), any singular mode of economic integration engenders distinct interests, political, and cultural agendas (Jessop 2016), which means different political and professional administrations (Cristaldo et al 2017). Consequently, class struggles and its fractions indicate that their dissimilar, even contradictory interests take the shape of the debates (or the confrontation of power) regarding political administration.

In a way, the idea of *mode of development*—which is complementary to the concept of mode of production, as a “[...] connection between a way of obtaining an improvement in hourly labour productivity (at the macroeconomic level) and a way of using this improvement to change the living conditions of the population” (Billaudot 2002: 140)—has a very important contribution to this debate. The same can be said about the concept of *mode de régulation* as “[...] *la régulation de la coévolution des divers ordres (économique, politique et domestique) qui ne font pas système sur un mode fonctionnel mais ne forment un tout que sur le mode symbolique, communicationnel.*” (Montagne 2018: 82).

Our thesis is that *political administration* encompasses both *mode of development* and *mode de régulation* in a comprehensive fashion, a concrete totality. Nevertheless, while the French theory of *régulation* sees it as the institutional evolution of economic order, a somewhat natural and organic development of capitalist mode of production (at least at the national level), we advocate that the capitalist political administration is not a closed system, but a struggle space in which different projects and agendas compete for social hegemony. In other words, contradictory and conflictual macro-management principles, techniques and ideologies coexist as immanent evidence of the hoping-to-become hegemonic (or dominant) class fractions.

To illustrate that, in this theoretical paper we analyse neoliberalism as one of those political administration agendas. As is widely known, neoliberalism emerged around the 1940s and became widely hegemonic in the last decades of the past century (Harvey 2005). It is a global class strategy (Dumenil & Lévy 2004) that combines individual behaviour

reprogramming (Dardot & Laval 2016), management rules and principles (Gurgel 2003) and a political agenda for State and Government reform (Palley 2005). Hence, our objective in this essay is to highlight the organizational aspects of neoliberal political administration, trying to show that its management principles— managerialism (Dumenil & Lévy 2020)—are its core feature.

This paper therefore is organised in two sections. Following this introduction we present an interpretation of neoliberalism as a chameleon social process, which changes its features and agenda in distinct countries, historical contexts or political environments, in order to achieve its main goal: reprogramming entire societies to transfer almost all of their wealth to a minority elite. Additionally, the last section highlights the management principles that feature neoliberal political administration as an immanent agenda of control. Finally, we present the main insights that followed this debate in the conclusions.

## **1 The Rise of the Neoliberal Age**

Reactions or objections to what is known as neoliberalism have been emerging both in the form of macro-processes, such as the reconversion of Latin America (Marini 1992), the dismantlement of the Welfare State (Dardot & Laval 2016) and the *mundialization* of capital (Chesnais 1996); as well as meso processes, such as the restructuring of higher education (Giroux 2014), the re-signification of the land issue in developing countries (Oya 2005), or even the incorporation of efficiency logics within large organized religions (Buchardt 2017), among many others. In this section we assess the broad meaning of these agendas that, in our understanding, come to determine the spirit of our time, the logics of neoliberalism.

Indeed, there is a dense, almost numinous mist enfolding the conception of neoliberalism. Although it is apparently a clear-cut and well-determined historical social process, virtually tangible nowadays, its description by critical thinkers is spread throughout numberless alternatives. If, according to mainstream economic sciences and conservative circles, this notion intermingles with truth itself, a synonym for Reason (Nguyen 2017), for alternative, heterodox or even critical currents of thought, neoliberalism plays the villain role, the source of all-evil, the opponent to be fought. This may be one of the few things that unite neo, new and post-Keynesians (Palley 2005, Shaikh 2005), structuralists and post-structuralists (Peters 2002), Marxists (Dumenil & Lévy 2004), and even psychoanalysts (Rustin 2014), among researchers from different intellectual fields.

“Neoliberalism is anything but a succinct, clearly defined political philosophy.” (Plehwe 2009: 1). What we understand as neoliberalism, nonetheless, seems still imprecise: it is as if its existence were striking enough to be felt by everyone, at least as a ghostly negative presence; but its body were always too foggy whenever we try to precisely see it. We understand that this imprecision is not due to a lack of quality in those investigations which tried to understand neoliberalism, but to the very nature of this social process. In other words, we believe that there are as many equally important colours as possible behind the notion of neoliberalism, because it is not a mere system of thought, nor only political, not even economic, whose understanding could relay solely in comprehending its inputs and outputs and its transformation and processing mechanisms. It is convenient, therefore, to briefly compare some of those explanatory alternatives of what we call neoliberalism. Still,

“[...] neoliberalism remains a major ideology that is poorly understood but, curiously, draws some of its prodigious strength from that obscurity.” (Plehwe 2009: 3).

Neoliberalism emerges in the third quarter of the 20<sup>th</sup> century, first as an intellectual movement (Plehwe 2009), then as a political strategy (Harvey 2005), and as an agenda for public management reform (Dardot & Laval 2016). The neoliberal motto is to protect freedom of decision and that individual self-determination is paramount. To fulfil this target, they say that the freedom of market is the only way to reach social and individual freedom. Market is understood as a spontaneous order, with its own laws, resulting from—but not teleologically circumscribed—to human action in society. To protect market freedom, however, the State needs to suppress any obstruction and intervention to its “natural” functioning, such as regulations, labour legislation, protections and rights, labour unions, customs tariffs etc. In other words, the Government, under the logic of neoliberalism, tends to guarantee broad freedom of economic action (for a minority) while restricting other ways of expressing freedom.

Following that orientation, the neoliberal agenda is materialized in a fairly short list of so-called reforms: (i) the deregulation of capital markets; (ii) the “de-bureaucratization” of labour relations; (iii) the disassembly of State-controlled social security apparatuses; (iv) the gradual or even immediate elimination of customs barriers; (v) the disarticulation of the claiming capacity of trade unions; (vi) the abolition of subsidies and other State-funded incentives to specific economic sectors; (vii) the monetarist reorientation of the macroeconomic management of the State, among others (Harvey 2005). Those principles were neither univocal nor universal; what we understand as neoliberalism was coated with particular characteristics in every space it has spread to, often sustained by principles sometimes opposed to those mentioned above (Saad-Filho & Morais 2018).

This chameleon feature is so because neoliberalism, before being solely an effort of economic liberation, is a strategy for collective action (Dumenil & Lévy 2004). The movement gained strength since the crisis, criticism and burial (not necessarily in that order) of the Welfare State in core economies of world. The events of the first half of the 20<sup>th</sup> century, which culminated in the Second World War, have helped to shape a scenery shift within the capitalist world. The new post-War order was characterized by the consolidation of the great enterprise (big business) as the dominant institution of capitalism; by the separation between possession and control of capital—and the consequent growth of the power of workers in management positions; and by a social pact that articulated a Keynesian macroeconomic management of State-funded social security apparatuses to institutional forms of decision-making coordination for the economic planning in tripartite arrangements among capital, labour and the State, the so-called neo-corporatism (Schmitter 1974)<sup>1</sup>.

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1 Advocates of the French theory of regulation presented the concept of “Fordist regime of accumulation” (Boyer 2015: 76, translated by the author) to characterize the scenario that lasted until the first half of the 1970s. According to Boyer (2015), the State would act to maintain adequate levels of effective demand and investment induction, while the great enterprise would take advantage of scale and scope economies founded in mass production. This strategy aimed to achieve full employment of production factors, labor included. In this sense, the link between State, Labor and Capital was not only political but was also, and above all, economic. As maybe never seen before in the history of capitalism (and probably never after either), that regime of accumulation flourished, associated to a specific mode of regulation.

The neo-corporatist coalition was responsible for one of the most distinguished periods of growth in capitalist history, the thirty years of the “Golden Age”, 1945-1975 (Hobsbawm 1995: 8). Nevertheless, a very disturbing anomaly emerged from the 1960s, a systemic decline in profitability that would especially harm capital owners. This decline, which soon began a widespread crisis (from the perspective of the capital, naturally), would have motivated a collusion among the rentier minority of core capitalist countries for, throughout its most traditional representative, the financial industry, to claim back the control of the State and of economies as a whole (Dardot & Laval 2016).

The British geographer David Harvey (2005) describes the (almost) hostile takeover of the US Republican Party performed by conservative portions of the North-American society in the second half of the 20<sup>th</sup> century. The Tory party in England was led by Margaret Thatcher towards a neoliberal turn, which became a crusade against labour unionism and the Welfare State (Arestis & Sawyer 2005). Even (self-proclaimed) progressive parties and politicians in Latin America embraced the new credo, such as the Mexican *Partido Nacional Institucional*, Fernando Henrique Cardoso in Brazil, or the *peronista* Carlos Menem in Argentina (Saad-Filho 2005). The objective was (and still is) to create and reinforce mechanisms of wealth, income and power transfer from every other portion of society to the 1% (Dumenil & Lévy 2004). In some cases, that strategy was deliberate and planned; in others, it emerged from disarray and crisis, but always following the same goal.

Since then, diverse ways of arranging capitalism under the plot of a neoliberal narrative came to light, representing dissimilar cultural environment and economic structures, international contexts, and (or, *mainly*) specific interests of rentier capital. For instance, the neoliberal State can be minimal (Lazzarato 2015), necropolitical (Estévez 2018), or “entrepreneurial, prisonfare & workfare” (Puello-Socarrás 2021: 40, translated by the author), among others, whichever helps the capital to gain the most value. Although the neoliberal agenda spreads itself widely throughout society, that confirms that the political administration of the capital depends on the State apparatus to flourish and thrive (Paço Cunha 2019).

The neoliberal strategy was mostly characterized by the rise of international finance as its global proxy, its most visible shade. Banks and other financial institutions were not that powerful in the past. Until the 1970s, in the core countries (and in many of the peripheral ones), the financial system was rigidly regulated by laws and conventions imposed around the 1930s and 1940s, aimed to limit its capacity of action (Chesnais 1996). There were limits to capital inversion, prohibition to entry parallel markets, barriers aimed to limit operations to a single regional space, safeguards regarding foreign capital, lists of allowed financial products, among many others. These were measures created throughout the years to prevent crisis like the one of 1929. With the rise of the neoliberal class strategy and the coming to power of its representatives—first in the United Kingdom, then in the United States, and finally the in rest of the world (Harvey 2005)—practically every measure taken after that was done in order to end those regulations, ensuring financial markets were dynamic and had the flexibility to look for and put toward investment opportunities.

The financial industry, which in the 1970s was largely fragmented in a myriad of feeble organizations confined in a regional scope, faced many cycles of capital concentration and centralization—mergers, acquisitions, strategic alliances etc.—that enabled the constitution of powerful global conglomerates acting in multiple financial fields, a world

hydra (Morin 2015).<sup>2</sup> All this power was employed to impose the financial *rationale* over any aspects of society. Rentier accumulation became the new reason of everything (Dardot & Laval 2016). The main goal was to discipline the *Government*, through administrative reforms, privatizations and the end of the Welfare State, *Labour*, using work flexibleness, trade unionism repression and unemployment, and even *Private and Public Companies*, through corporate governance and other apparatuses of external management control (Dumenil and Lévy 2004).

Nonetheless, if the rise of international Finance to rule the capitalist world was the most striking feature of the neoliberal strategy, its essence is elsewhere. The ontological functioning of neoliberalism is that of being a new rationality not circumscribed to the management of the State nor of the Enterprise, but widespread, aiming at shaping even the most subjective individual characteristics (Dardot and Laval 2016). Its main tactic is to inculcate people with an entrepreneurial mentality in order to subsume every choice, even personal or intimate, to rational calculus in an endless dispute. Every single aspect of social life, therefore, is assimilated and transformed by the neoliberal doctrine; only the useful knowledge to generating higher earnings or competitive advantage is good and true; social justice may only come through competition; a good individual character is understood as the capacity of accumulating wealth, and so on

However, it is necessary to shape people's mind to act that way, since this competitive behaviour is not natural to individuals, not even within the neoliberal ideology (Plehwe 2009). The market, the hero of every liberal narrative, appears with that function, not limited to being an economic institution, but gaining also a didactic and educational role in conforming individuals to the full realization of their potential (provided that selfish and egocentric) through competition (Dardot & Laval 2016). It was necessary for the market to be supported from the outside so its main principles must be reinforced so it can work properly. That is where the State comes into play: not a minimal State, but a strong interventionist State in order to shape behaviours and mindsets according to the logic of market competition. The neoliberal State plays *in practice* the role of substituting the docile and easily dominated *homo economicus* State of modern disciplinary society (Escobar 1995) for an aggressive (yet not revolutionary) *homo competitive* one, equally unnatural, for this new hypermodern self-disciplinary society.

## **2 Management Patterns of the Neoliberal Political Administration**

Again, one can understand the ontological functioning of neoliberalism as a new rationality of action, not circumscribed to the management of the State nor of the Company, but widespread, aiming at shaping everything to its image and likeness. And this image is the monetary gain, the maximization of profit, and the ethics of winning at any (externalizable) cost (Harvey 2005). Thus, neoliberalism seems to be the spiritual heir of utilitarianism, for

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2 Morin (2015) shows that at the time when his research was originally published, international finance was subject to the mood of only 28 banks, which had their hands in roughly USD 50.3 trillion (while the world debt would be of USD 48.9 trillion)—higher than the sum of the debt of 200 nations, approximately 90% of bank financial assets in circulation. Together, they controlled more money than the annual capacity of wealth production of the economies of the US, China, Japan, Germany, United Kingdom, France, and Brazil (the seven largest world economies then) together.

which any human decision is a result of rational calculation (Plehwe 2009). But, as Dardot & Laval (2016) state, neoliberals accept that human beings are not naturally inclined to act as a maximization machine: they need to be programmed to do so, and that is one of the strategies of neoliberalism. In that sense, under the neoliberal aegis, every aspect of human relationships becomes ruled by (i) *efficiency*, the quantitative maximization of outcome—which necessarily presupposes goals, indexes, measuring, comparing, ranking, and higher instances of control and evaluation, which is known as (ii) *accountability*, (iii) *performance*, and (iv) *competition*.

In the last decades of the 20th century, local (Geddes 2014), national (Dumenil & Lévy 2004; Morin 2015), regional (Donegan 2006; Santander 2018) and even international/supranational (Pessina 2017) institutions, have embraced the core of the neoliberal management ideology as their holy grail, in which the concept of *efficiency* plays a central role. The idea of efficiency was pinched from private management principles as if they were universal, applicable in any case, context or scenario. However, private management relies on a very particular definition of efficiency, one that is ruled solely by profit. Leaving aside any idealism around the business *praxis*, its actual foundation is to exploit work, the natural environment, and technology in order to valorize capital (Marx 2013). Thus, its rationale is driven by employing as few resources as possible to get the maximum revenue *in monetary terms* (Klikauer 2013). No matter whether that means waste, environmental degradation, poverty, or violence, as long as *more* money is made. This distorted rationality allows companies and businesses to preach efficiency, but manage programmed obsolescence, induce consumerism, destroy rainforests, pollute water springs etc.

Alongside efficiency runs the concept of *accountability*, the idea that any strategy, action or decision should not be taken without supervision. Though apparently coherent and even desirable, accountability methods are one of the ways of political reaction against deviations from the well-being of the rentier capital. The agency problem, which was already described in the first half of the last century, although not with this terminology, by Berle Jr. & Means (1999), is the tendency of detachment of shareholder interests by hired agent decision-makers (managers). Withal, according to Fama & Jensen (1983a), the bigger the scope of the company, the worse the agency problem, as the increasing complexity of corporations reduces the capacity of shareholders to control decision-making. Besides the fact that the limitations of prediction by economic agents induce stakeholders to celebrate incomplete contracts—which will inevitably have loopholes and gaps—that could be used for opportunistic behavior by managers (Fama & Jensen 1983b).

Around the mid-20th century, one of the pillars of the Fordist Mode of Regulation was the institution of big corporation and its close relationship with the Welfare State (Boyer 2015). Inside it grew a “technobureaucracy” (Bresser-Pereira 2018: 17, in Portuguese), a social group of white-collar urban professionals who craved to become the dominant stratus of Western society. However, their concerns and interests not rarely diverged from shareholders, calling attention to the emergence of a so called “new industrial State” (Galbraith 2007: 12) led by big corporation managers, in which *planning* and *strategic management* would be a consensus (Boyer 2009), and an ideological manifesto (Shrivastava 1986), all at once. Nevertheless, this new *planning State* was halted by the emergence of the neoliberal strategy. Through financialization—the growing role of indebtedness and the need



for credit in the capital markets—in the last quarter of 20<sup>th</sup> century (Harvey 2005), it was possible to impose an agenda for external control of corporations, the State and even international agencies. It was called the apparently neutral concept of Corporate Governance.

Corporate Governance, according to the OCDE, encompasses “[...] a set of relationships between a company’s management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the *objectives* of the company are set, and the means of attaining those objectives and monitoring *performance* are determined.” (2015: 9, emphasis added). Following the OECD’s *Principles of Corporate Governance*, one can understand that the primal goal there is to induce a higher instance of management control in the figure of the *Board*. Stakeholders and Shareholders—with an emphasis on the latter, of course—may use the Board to hold management accountable, controlling their choices and practices, therefore imposing the terms of what they understand as a desirable performance. Considering that shareholders (some individuals, but mostly corporate ones, such as venture capital funds) normally are the strongest members of the board in political means, and since they indeed represent the sources of capital, their interests tend to become imperative, even compulsory.<sup>3</sup> Consequentially, short-term financial revenues come to be the standards of the evaluation of management (Dardot & Laval 2016).

It is not by chance that the *performance* of social [economic] actors has become one of the key concepts of neoliberalism. Since Marx (2013) revealed how the proper goal of capitalism is to increase the added value of labor working hours—misappropriating part of the surplus-value to increase profit—we understand that the very essence of class struggle is the run for productivity. This even led to the emergence of an entire field of knowledge dedicated to the exploitation and control of workforce: Management Science (Klikauer 2013). *Performance* refers to how much individuals, deeds or institutions contribute to rentier accumulation and valorization of capital: in other words, to the capitalistic affairs. Philosophically, the idea of performance is somehow rooted in the synthesis of liberalism and utilitarianism posed by John S. Mill in the late 1800s (Jones 2012). This idea was more or less assimilated by neoliberal thinkers as the most important goal of any singular or collective social actor in a competitive world (Dardot & Laval 2016).

Among these principles, *competition* reigns supreme. Though the idea of competition was added to economic reasoning only in the last breaths of the nineteenth century (Hunt & Lautzenheiser 2011)—which bound economic science to Herbert Spencer’s socio-evolutionism since then—, it was neoliberalism that promoted competition as its cornerstone. According to Dardot & Laval (2016), in neoliberal theory and politics, *competition* works as the basis for social regulation. In order to maximize *performance* and accomplish *efficiency*, companies, institutions, governments, and, above all, individuals, must compete with each other to prove who is the most gifted and capable. In the process, some would be righteously rewarded with wealth and luxury, and those unable to keep up

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<sup>3</sup> The very idea of something above management—the Board—shows how control is the goal of Neoliberalism. The OCDE’s *Principles* state that “board members should act on a fully informed basis, in good faith, with due diligence and care, and in *the best interest of the company and the shareholders*.” (OECD 2015: 45, emphasis added) but only to “[...] *take into account* the interests of stakeholders [solely if they have some time in their schedule?].” (OECD 2015: 46, emphasis added), clearly undermining the well-being of the latter. The board is not much no less than the presence of rentier capital.

should meet their demise. This would be the only social justice: every man, woman, and child for themselves. In the neoliberal ideology, every aspect of sociability must be regulated through the market. Well, markets depend on State apparatuses to ensure that society can assimilate competition as the only legitimate form of expression. Nonetheless, it is necessary to extinguish any remnants of social protection, collectivism and solidarity, since individuals must inculcate entrepreneurial reasoning. From the neoliberal point of view, according to Dardot & Laval (2016), market liberalism is the only way to fight poverty, help underdeveloped countries, and achieve individual freedom.

Considering neoliberalism an alternative strategy for the political administration of capitalist societies, it is fair that it should be judged by its capacity to improve social and economic development, since development is the phenomenological form of capitalist dynamics (Cristaldo 2018). In the next section, this possibility is addressed.

### **3 Neoliberalism and Economic Development: A Brief Balance**

Neoliberalism, as a dynamic socio-historical process, manifests concretely with specific singularities in each social space, be it an organization, a city, a region or a nation, according to the respective historical and material context (Plehwe 2009). In the same way, assimilation and resistance to the advance of neoliberal *rationale* will be inevitably distinct due the historical trajectories, resource availability, roles in the international division of labour, habits, values and cultural traits, worldview patterns, institutions, and norms and laws, which are different for each human community (Harvey 2005). Although the principles of *efficiency*, *accountability*, *performance*, and *competition* are a constant trait—which neoliberalism imposes as universal, as Reason itself—one may say that how those principles are adapted to the specific spaces where they land is neither plain nor humdrum.

There is a contradiction, though, haunting neoliberalism. The neoliberal agenda poses itself as the only way towards economic growth and development, as if it was a natural law. However, in practice, this agenda has produced very poor results over the years. According to Cooper (2012), both the US and the United Kingdom—nations that, after the experimental laboratory carried out in Chile during its dictatorship, were the first to openly bring about neoliberal reforms—managed to control levels of inflation as well as to revert the lowering profits trend. That was achieved, however, at growing unemployment rates, social insecurity, criminalization of trade unionism, and rising Government debt. Even in the 1990s, when those countries had a more impressive economic growth, it was clearly pulled by the financial industry (Morin 2015), while employment rates did not recover as fast, the working conditions deteriorated with salary reductions, labour flexibilization, dismantling of social security apparatus, ensuing a relative impoverishment of the working classes (Piketty 2014).

Mexico, for instance, has embraced the neoliberal agenda since the 1980s—deregulating labour, allowing free flows of capital, carrying out privatizations, liberalizing the financial system etc.—both in the governments of the Institutional Revolutionary Party (IRP), and of the National Action Party (NAP). Even when it managed to resume economic growth and profitability in the 2000s, the Mexican population was still living in poverty, while urban violence scaled up and trafficking networks grew (of drugs, weapons, and people) integrated to crime related to demand for products in the US and Europe (Murillo 2017). The North America Free Trade Agreement (NAFTA), which integrated Mexico,

Canada, and the United States of [North] America, had dubious effects. It has accomplished a large exportation increase, but also increasing importations (Wadgymar 2014), foreign direct inversions (FDI) from transnational companies (Millán 2014) seeking underemployment in conditions analogous to slavery (Arregui 2016), and gentrification (Martínez 2015), among many side effects. Indexes like GINI (from 0.469 in 1990 to 0.435 in 2010), HDI (from the 60<sup>th</sup> position in 1990 to the 70<sup>th</sup> in 2010), the Purchasing Power Parity of minimum wage (PPP of USD 190 in 1990 but USD 188 in 2010), and the percentage of people under the poverty line (approximately 53% in 1990, and 51% in 2010), did not show any improvement or worsened in past years in Mexico.<sup>4</sup>

Similarly, countries such as Brazil, Argentina, Bolivia, Equator and Colombia—which also suffered with the neoliberal reconversion of Latin America in the 1980s and 1990s, according to Marini (1992)—, have shown dreadful economic and social outcomes from their neoliberal governments (Rojas 2015). In short, every place where the neoliberal strategy gained power observed dubious economic performance *stricto sensu* (Saad-Filho 2005). In addition to unemployment, social insecurity, and impoverishment, there were also macroeconomic instability, financial crisis, and political distress, which have been associated to the stagnation and worsening of social conditions in general (Saad-Filho & Morais 2018). As shows by the study conducted by Pikketi (2014), during the last decades of the 20<sup>th</sup> century and the first decade of the 21<sup>st</sup> century—the neoliberal years—, despite the world economic growth, income inequalities among social, professional, and even national classes have increased more than proportionally. While dominant social fractions live in wealth and comfort, huge portions of the world population continue to live in extremely fragile conditions.

Even in core countries, an increasing impoverishment of the working class is observable, thanks to unemployment, lack of social security, and income inequality between those on the top of the pyramid and all the rest (Pikketi 2014). Ulrich Beck draws a nefarious prognostic when he suggests that the developed world could engage in a “Brazilianization” (2008: 110) process, a downgrade to poverty, extreme flexibility of labour relations, destruction of social security, gore enrichment of a tiny elite, and the individualization of the responsibilities of demise.

Broadly speaking, the processes of financial deregulation that are at the basis of the neoliberal strategy have promoted the transition to a mundialized economy under the aegis of the financial industry. In this context, free flux of capital reaches international markets in a volatile proportion that, eventually, will produce and maximize the effects of financial crises. Those crises, since the “Black Monday” of 1987, going through the crisis of the Mexican peso (1994), of Asia (1997), of Brazil (1997), of Russia (1998), of the dot.com in the 2000s, of Argentina (2001-2002), to the great recession of 2008-2012, among others, have demonstrated the system inability to ensure sustainable growth nor stability (Roberts 2016). Howsoever, crises have a very important role in the process of capital accumulation and centralization, therefore being tolerated and even desired by some capitalists that foresee, produce and then take advantage of it to broaden capital gains (Harvey 2011).

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4 Data from the United Nations Statistics Division, World Bank Statistics. Available at: <<http://data.un.org/>>. Last access on May 22, 2020.

It is true that although neoliberalism has emerged as an answer to a crisis—the alleged crisis of the Welfare State—and has crystallized as common sense, as if there were indeed no alternatives, the neoliberal agenda has produced even deeper crises without being capable of presenting not even one single example of success. On the contrary, wherever it passes, it delivers only poverty, social disintegration, extreme individualization, and economic imbalance. The inherent contradiction of the neoliberal agenda is that, in spite of presenting itself as the only possible way of reaching social growth—which they cynically call *modernization*—, its main and more striking effect, the only characteristic that unites the variegated forms of neoliberalism, is regression. Therefore, that is the reason neoliberalism is a chameleon social process: to achieve its goal of ensuring income transfers to the rentier elite, it has to do everything, even against its own principles, to spread chaos and profit with it. In fact, neoliberalism is only a smoke screen to bare-knuckle capitalism

#### **4 Conclusion**

The main idea of this essay was to analyse the management principles of neoliberalism as a political administration.

Accordingly, the first section was dedicated to show the trajectory and the principles of the neoliberal agenda. Neoliberalism was presented as a global class strategy to reprogramme entire societies—including individuals, institutions, organizations, businesses, and the State Government—to transfer wealth to the rentier capital. The financial industry was identified as its proxy, but the ontological nature of neoliberalism seems to be a new *rationale* of social action.

This innovative way of rational thinking presented by neoliberalism was characterized in the second section of this essay through four management principles: *efficiency*, *accountability*, *performance*, and *competition*. Ideally, neoliberalism is a way of modernizing societies in order to allow them to achieve its full potential. It can be done by mediating every aspect of social interaction through market competition, thus selecting those individuals, classes, organizations, and so on, which best replicate these four principles.

The last section discussed the outcomes of the neoliberal agenda, both in Latin America and some developed countries. In general, neoliberalism was not able to fulfil its claims of programming more productive societies. On the contrary, although the neoliberal agenda was able to improve the revenues to the rentier capital, entire nations—even developed ones—suffer with income inequality (Piketty 2014), impoverishment (Beck 2008), unemployment (Saad-Filho & Morais 2018), working class political alienation (Dardot & Laval 2016), exhaustion of natural resources (McBrien 2016), and economic instability (Bresser-Pereira 2018).

One can conclude that the neoliberal political administration goals was never the collective well-being. Indeed, as Dardot & Laval (2016), Dumenil & Lévy (2004), Harvey (2005), Plehwe (2009), Saad-Filho & Morais (2018), among many others, state, neoliberalism was, from the beginning, a strategy for the gross enrichment of the rentier capital. In that sense, neoliberalism achieved a great success, perhaps greater than expected. Perhaps that is the reason it is so difficult to get rid of it.

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