



CIPRIANI COLLEGE
OF LABOUR AND CO-OPERATIVE STUDIES

WORK MATTERS COLUMN

MARCH 2023

Neoliberalism, Consumerism, And Social Well-Being

I would like to categorically state that working peoples' social solidarity and the spirit of the 14th century French Revolution watchwords of democracy; fraternity, equality, and liberty are assumed to be dead. Simultaneously, rationalizing the European's Industrial Revolution with an economic trajectory, created the social class continuum as a crucial mechanism for changing the social system.

Since that time, neoliberalism has become the dominant ideology in the democratic world. Based on social identity to wealth, we see increasing competition among individuals and a reduction in people's sense of connection with others around them. It has been argued that neoliberalism can increase loneliness and compromise well-being of people, as we are social animals, and we need a certain amount of social contact in our lives. It seems that the more neoliberal people perceive society to be, the worse their well-being, and that this relationship is mediated via loneliness. The exposure to neoliberal ideology increased loneliness and decreased well-being by reducing people's sense of connection to others and by increasing perceptions of competing with others. This has left many people feelings disconnected with others in society.

A key principle of neoliberal ideology is that economies and societies should be organized along the free market principles. The merits and shortcomings of this ideology are routinely debated in the fields of political science and economics. It is argued that neoliberalism will generally be beneficial because this ideology encourages individuals to strive for self-actualization, personal growth, and happiness. In reality, we often find that this system leads to vast levels of inequality in society and leave many on the fringes of poverty and disillusionment.

It is also argued that individuals are harmed by neoliberalism because this ideology promotes competition and, in the process, undermines people's sense of solidarity and social security. In fact, under neoliberalism, economic disparities are seen as accurate reflections of differences in hard work and deservingness and the neoliberal age

has seen a corresponding rise in inequality. It can be argued that the system is set-up to breed inequality and can only be efficient if there are vast differences in relation to access to resources and power relations in society, which in turn reinforce the economic inequalities.

Neoliberalism is founded on assertions that human well-being and progress can best be secured by increasing entrepreneurial freedom, individual responsibility, property ownership, and free trade while at the same time keeping government and state involvement in economic affairs to a minimum. This has become the dominant political-economic ideology across the globe in recent decades. But to utilize entrepreneurial freedom and the like, one has to have access to resources, and in most cases, this access is restricted, thus the majority of the people do not benefit from the theoretical promises of the system.

Common economic and social consequences of neoliberal policies include reduced access to social security and increased social inequality. Indeed, it has been argued that inequality is not an unintended result, but itself an important feature of neoliberal politics because it is supposed to serve as a mechanism to increase competition and productivity. As such we have to evaluate the benefits of following this system blindly and wholeheartedly.

To be sure, neoliberalism views people as rational economic maximizers, while in reality we know that this may not be the case. In theory, deregulation and the increase in marketplace choice and competition through price mechanisms seek to empower the consumer, while producers are forced to respond to their expressed preferences. In the process of economic deregulation in the early 1980s, a new social contract was struck by several Western governments with their citizens. In return for reduced governmental regulation, consumers would be required to take greater control and responsibility for their lives and to manage their own risks; how successful this practice has been, is left to interpretation by the reader.

Neoliberalism functions through discourses and techniques that shift the regulatory competence of the state onto individual consumers. The advent of neoliberalism and the concomitant policy shift from a focus on external government toward self-government saw collective social provision give way to individualism, competition, enterprise, and consumerism. To fully understand the values of this system, one needs to be aware of the positives and negatives as well as evaluate how it has been used over time. One must seek to decide if the system has benefited the majority of people, or whether it has increased the power of those who are already have an advantageous position in society.

Valentine Smith PhD.

Fellow

CCLCS