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**July 2019** Veronika Sušová-Salminen Constructing the Neoliberal Subject in the "Cool" Capitalism of Central and **Eastern Europe** 



# Constructing the Neoliberal Subject in the "Cool" Capitalism of Central and Eastern Europe

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# Constructing the Neoliberal Subject in the "Cool" Capitalism of Central and Eastern Europe

Veronika Sušová-Salminen

Neoliberalism is considered a key paradigm and a building block of post-communist transformation. In terms of the economy and economic policies, there is the so-called Washington consensus, which acts as a neoliberal scenario/model (not only) for Central and Eastern European transformations. Post-communist transformation, a complex set of economic, social, political and cultural processes, is often approached linearly, as a transition from and to. However, such linearity ignores its hybrid and discontinuous representations in the very specific contexts of the diverse region of Central and Eastern Europe (CEE).

Neoliberalism is a buzzword, which means that it becomes rather vague and self-referential. Everybody uses it, but nobody defines what they mean. In this paper, I am interested not only in the notion itself, but also in the construction of the neoliberal subject as a composite part (and "product") of transformation processes in CEE. It is an attempt to analytically expand on my argument from last year's article. My key interest is to help understanding in terms of the ideological and cultural foundation upon which transformation was based. Moreover, I am interested in some of its consequences, which shape the politics in this region on a very general level today.

The region of Central and Eastern Europe is very diverse. It is impossible to fully address its diversity in this paper. I must, therefore, limit myself to some examples from my field of expertise. I also think it is very important to bear in mind that there are indeed many similarities and convergences with other regions in Europe and beyond. I am sure that many examples will relate to experiences in other countries, while some of them will not be relevant at all. Similarly, I will not limit myself to EU members, because CEE is politically more diverse than that. Similarities and convergent phenomena and problems are often shared beyond the EU border.

## **NOT JUST IDEOLOGY**

Neoliberalism is not just a political ideology, but it is a doctrine of political economy. It is a way of redistributing economic and political power, and, as David Harvey argues, it is an instrument for restoring class power. Under neoliberalism, the market becomes a key social force for constructing a prosperous and free society. Besides the market, there is another sacrosanct notion of neoliberalism, which is private property and an emphasis on privatisation and personal responsibility. As Harvey argues in his seminal book, "A Brief History of Neoliberalism", "the assumption that individual freedoms are guaranteed by freedom of the market and of trade is a cardinal feature of neoliberal thinking"<sup>2</sup>. Neoliberalism also speaks of perfect competition as an effective and even democratic fundament for a successful and prosperous society.

Indeed, the idea of competition is very important in general. This is because, it also very much influences the neoliberal vision of the market as a social force. In comparison with the classical liberalism of the 19th century, today's neoliberalism sees competition as the backbone of the market. Instead, in its classical interpretation, it was the exchange that was considered an important building block of the liberal economic orthodoxy. This is an important difference.

In his early observations about neoliberalism, French philosopher Michel Foucault argues that neoliberalism is based on a new subjectivity, which he refers to as homo economicus. Homo economicus is "an entrepreneur, an entrepreneur of himself", which differs from what Foucault sees as homo juridicus, or a legal subject of the state. Homo economicus is driven by different motivations, not by (citizen) rights and obligations but by interests, aspirations and desires, which are again interlinked with competition and

<sup>1</sup> Sušová-Salminen Veronika, After Neoliberal Transformation. Authoritarian Tendencies in Central and Eastern Europe, https://www.transform-network.net/fileadmin/user\_upload/epaper\_susova\_cee\_after\_neoliberal\_transformation-end.pdf.

<sup>2</sup> Harvey David, A Brief History of Neoliberalism, Oxford-New York 2005, 7.



individualism. Varieties of cultural expressions of neoliberalism, consumerism and post-democracy, including the marketisation of politics and turning citizens into consumers, stem from this subjectivity.

The paradox of neoliberalism is its emphasis on freedom or freedoms, which is, however, just a disguise for a new transformation of power in society and upon society in general. This is indeed the reason why David Harvey says that freedom has become just another word. He emphasises that the "concepts of dignity and individual freedom are powerful in their own right"<sup>3</sup>, with a historical reference to dissent movements in Central and Eastern Europe. Indeed, precisely because of this, neoliberalism was able to colonise popular emancipatory movements based on democratic political demands, which helped to enforce its soft power in the region of CEE after 1989. Even with the first emergence of neoliberalism in Pinochet's Chile, it has proven that it doesn't need any democracy to be successfully implemented. But Harvey also warns that, "any political movement that holds individual freedoms to be sacrosanct is vulnerable to incorporation into the neoliberal fold"<sup>4</sup>. These words are again very current in relation to new right populist parties and movements. In Foucauldian interpretation, we can speak of freedom as a regime of governance, or rather, the state of being governed through freedom.

I believe it is beneficial to realise that neoliberalism is also an ongoing process of struggle and compromise, through which the meaning of neoliberalism is re-examined and reaffirmed. The contestations of neoliberalism help to reproduce and transform it. So, it is perhaps better to see neoliberal hegemony in terms of "neoliberal hegemonic constellations". This means that neoliberalism cannot be seen as something "stable" or rigid, but as something that is transforming, evolving and changing to maintain its power.

With a fresh insight into neoliberalism and its effects on democracy, Wendy Brown conceptualises neoliberalism as a type of contemporary rationality, of normative reason remaking state, society and subject. As such, it is generating social policy, positioning truth and the theory of law. It means that neoliberalism is naturalised and is permeating today's societies.<sup>6</sup>

I have already mentioned the problem of restoring class power. I think, when seeing the historical trajectory of CEE, this is very true. In official language, it was called a return to "normality" or, in relation to the EU, it was a self-orientalising return "to Europe". The key misunderstanding of this narrative was the idea that CEE would make it into times that have ended in the West. Instead, the region is becoming a laboratory of neoliberalism and the next key driver of neoliberalisation in Europe, an avant-garde take on Thatcher's Britain. In short, CEE has become a nemesis of socially embedded capitalism (or welfare capitalism) in the postwar period rather than a place for its "return". It is not just something that was built on the then ruins of the Soviet socialist experiment.

However, in their study on the neoliberal turn in CEE, Dorothee Bohle and Gisela Neunhöffer sum up: "Nowhere in the world could neoliberal ideology and practice win so radically and quickly against competing paradigms as in the former state socialist countries of Eastern Europe." This is well put, considering the idea of transformation itself as a discontinuous transition from the state-dominated economy to the market economy, which was also seen as a guarantee for democratisation. There was another hidden factor of peripherality, which made the region subaltern and, therefore, also very imitative of Western prescriptions in the form of "Europeanisation", "accession process", or institutional guides of the IMF or World Bank. In the end, it is fair to say that neoliberalisation undermined the processes of politi-

<sup>3</sup> Harvey 2005, 5.

<sup>4</sup> Harvey 2005, 41.

<sup>5</sup> Plehwe, Dieter – Walpen, Bernhard – Neunhöffer Gisela: Introduction: Reconsidering Neoliberal Hegemony, in Plehwe, D. – Walpen, B. – Neunhöffer, G. (eds), *Neoliberal Hegemony. A Global Critique*. London-New York, Routledge 2006, 2-4.

<sup>6</sup> Brown, Wendy, Undoing the Demos. Neoliberalism's Stealth Revolution, Cambridge-London 2015.

Bohle, Dorothee – Neunhöffer, Gisela, Why Is There No Third Way. The Role of Neoliberal Ideology, Networks and Think Tanks in Combating Market Socialism and Shaping Transformation in Poland, in Plehwe, D. – Walpen, B. – Neunhöffer, G. (eds), *Neoliberal Hegemony. A Global Critique*. London-New York, Routledge 2006, 89.

cal democratisation in the region, even though neoliberal policies were very diverse considering their radicality within the region, as shown in the Bohle and Greskovits study.<sup>8</sup>

## PERFECT HOMO NEOLIBERALIS?

Of course, it is easy to blame some anonymous processes or even point a finger at the West. The truth is more complex. The Central and Eastern Europe situation is a composite part of global processes, not a separate and isolated "special" story. Having said that, there are specific conditions and contexts, such as those of the transformation itself and systemic discontinuity, which must be considered. It is useful to realise that the region's neoliberalisation did not take place against the will of the transformed, but largely with their consent. It had to win over their hearts and minds, and it continues to do so today in terms of the "hegemonic constellations" mentioned above. Although there are some cracks in the narrative and dissenting voices as a corollary of the Great Recession, neoliberal thinking and governmentality are still very strong in the region (and beyond). They have also been transformed in many ways. In many cases, they continue to be a linguistic tool for rightist populists with their socially conservative ideologies and politics of fear embedded in neoliberal thinking. These include nationalistic appeals, which are by no means alien to neoliberal(ised) states.

As I have already pointed out, homo neoliberalis or homo economicus is driven by specific motivations, such as aspirations, interests and desires. They see themselves as an "investor" and as "human capital" living not primarily in society but on the market. They have no class identity and – this is very important – they do not share any predicaments with others. They are an individualised individual who believes that they belong to themselves only. They are largely self-reliant, which prevents them from participating in collectivist solidarity.

As Jim McGuigan argues, the key players of today's capitalism are the "successful entrepreneur, sovereign consumer and hard-working taxpayer". They are a composite part of the narrative surrounding "cool" capitalism. And "cool" capitalism, as

McGuigan further argues, is "the incorporation of disaffection into capitalism itself" by means of seductive power.9

Indeed, it has been very easy to promote the image of "cool" capitalism in Central and Eastern Europe. The collapse of the Soviet bloc inevitably meant the collapse of critical approaches to capitalism. It was a real (hopefully temporary) triumph of capitalism. Marxism or any leftist or critical approaches were completely marginalised with argumentation regarding their totalitarian and anti-democratic character, as well as economic bankruptcy. The slogan of the day was, and still is for many, that capitalism is not only "the only possible" (TINA) but is also actually "cool" and a good thing. This lack of a critical approach and the idea that capitalism means freedom and democracy while its critics were plotting a return to the past, i.e., time travel before 1989, was very significant in designing neoliberal policies. The lack of critical thinking and healthy scepticism represent key failures of transformation as democratisation.

# PILLARS OF NEOLIBERAL SUBJECTIVITY

Unsurprisingly, the powerful pillar of neoliberal subjectivity and hegemony in CEE (not only there but here as well, especially considering the historical context) was, and still is, a narrative of anti-communism. It is a complex ideological device based on a black-and-white interpretation of history before 1989. In the nineties, it was especially radical in the Central European context - in the Czech Republic, Slovakia, Hungary and Poland (with internal nuances), and in the Baltic countries. Less radical examples can be found in the context of post-Soviet Eastern Europe and in Russia. For example, it is no coincidence that Ukraine's "de-Sovietisation" became an important argument for the new post-Maidan transformation of Ukraine, explicitly based on a Polish neoliberal model but with clear features of "disaster capitalism". The components of anti-communist politics were, for instance, lustrations or state-sponsored politics of history and memory, institutionalised in so-called "national memory institutes" that researched the "time of unfreedom". Their main task was to establish an anti-communist historical and national narrative.

<sup>8</sup> Bohle, Dorothee – Greskovits, Béla, *Capitalist Diversity on Europe's Periphery*, Ithaca-London 2012.

<sup>9</sup> McGuigan, Jim, The Coolness of Capitalism Today. In tripleC: Communication, Capitalism & Critique. 10/2012, 425-438.



**Example 1**/ In recent mainstream discussion on the current oligarchisation of politics, the rise of the ANO movement "owned" by Czech billionaire Andrej Babiš is often interpreted as a return to the past, and not as a consequence of transformation. Babiš is seen as a threat for Czech democracy, less so because he consolidates economic, media and political power, and merges his private and public life in the portrayal of his figure, but more so as a former agent of the communist StB (state security) in the 1980s. None of these critiques can answer the question why, under their watch, Andrej Babiš was able to become one of the richest private entrepreneurs in the country. Furthermore, it is somewhat working with the idea that "former people" cannot become democrats, which consequently divides society between "former people" who cannot be democratised and "us" liberal democrats. This division is, however, very arbitrary and fluid. Its effect is clear: exclusion.

Anti-communism not only creates an obstacle to discussing one's own past freely, but it is still creating a very powerful smokescreen. It translates recent problems inherent in capitalism into residuum of the past, which must be defeated in the present time and time again. Effectively, the image of "cool" capitalism can be maintained, and any socialist alternative can be translated as a "threat" to democracy and as a mere reflection of a "totalitarian past". The important parts of political struggle are focused on the past, rather than on the present or the future.

The neoliberal subject's focus on a socially generated desire goes hand in hand with consumption and consumerism as a cultural practice. In CEE, this was a very strong tendency, which was underlined by the ineffective socialist planned economy model of heavy industrialisation and industrialised agriculture – consumer goods were very often in short supply, whereas, after 1989, the region was massively filled with Western consumer goods. What happened can be called a "consumerist revolution" per se. However, this revolution had political consequences.

The neoliberal subject is driven by desire and seduction as part of an everyday life experience that needs to be saturated. Consumerism is, however, driven by other stimuli that are linked not only to their economic functions (profit) but also to their disciplinary effects. It was marketing and advertising that boomed after 1989 all over the region as a completely new phenomenon. Desire, images of success, the Hollywoodisation of popular culture and tabloidisation/infotainment helped to reproduce "cool" capitalism. They also colonised the political sphere forming "post-democracy" as Colin Crouch calls it. This is, of course, a composite part of the depoliticisation of politics as a typical feature of neoliberal hegemony.

Example 2/ The Putin era between 2000 and 2012 was particularly rich for merging politics with consumption and advertising. In this period, there was a popular cultural phenomenon of "glamur" (glamour)<sup>10</sup>, emphasising trendy style, Hollywoodisation (e.g., images of Putin as a 007 agent), Westernisation and, often, extreme richness. On the one hand, *glamur* was a composite part of the construction of Russian middle classes, as well as a composite part of the construction of gender identities. On the other hand, it was a consuming practice that was already normalising existing extreme inequalities in Russia. Indeed, the neoliberal subject not only thinks that capitalism can be "cool", but mainly believes that it can be "cool" for them too. They interpret anything to the contrary as an individual failure with individual responsibility (responsibilisation as Wendy Brown calls it), because it is indeed all just a question of competitiveness. Glamur as blatant admiration for extreme richness is, in my opinion, typical of extremely unequal countries, so not only Russia. It helps to normalise these inequalities in the context of neoliberal responsibilisation.

As I already observed, neoliberalism is all about freedom and the individual. It preaches maximum deregulation as a precondition for freedom. However, there is a darker side which illustrates that, as a hegemonic ideology, it is de-

<sup>10</sup> See Germesheim Menzel, Birgit, *Glamour Russian Style: The Putin Era*, in Russian Analytical Digest, 126/10/ April 2013, Pimenova, O.I., Glamur: Popytka sociologicheskoy kontseptualisatsii ponyatyiya v internet epokhu, online: http://elar.urfu.ru/bitstream/10995/59147/1/978-5-91256-403-1\_2018\_075.pdf.

signed to control and not to emancipate. It uses a simple trick where freedom is everything but nothing. Moreover, neoliberal freedom is a way to be governed. The combination of individual self-realisation in the form of desire or aspiration, seduction, and consumerism as neoliberal practice and types of seduction are linked with financialisation as a key economic activity in neoliberal capitalism. This is related to the debt economy and "debt slavery" on a personal and national level.

As David Harvey writes, neoliberalism brought in the *financialisation of everything* together with "innovations" in financial services and the banking sector. In "cool" capitalism, many people want to be cool, so they take out credit for what is frequently marketed as a composite part of "lifestyle". This is because taking out credit to credit their coolness is considered incredibly cool, as supported by a storm of advertising claims on TV and in other media. Indeed, when a new credit card appears through your letter box with your name on it, all you have to do is sign and use it!

Examples 3/ and 4/ Of course, everybody is so "cool" about taking out credit. In the Czech Republic, there are 863,000 citizens<sup>11</sup> in the debt collection regime (in 2017, that was over 8% of the total population) who cannot pay their debts today (remember, this should be the fifth year of economic growth!). Moreover, collecting debts is a deregulated private business based on profits. Thus, it has become nothing less than business with poverty (by the way, it is quite a "thriving" business activity in the Czech Republic). And, as a private business, predatory feeding on insolvencies is linked to Czech politics, where there is a kind of "cartel" among mainstream political parties. The anger and frustration surrounding this are used by rightwing populists who are promising to end this practice (while the social democrats were directly involved in this business).

In today's Russia, there is an increasing level of indebted households due to continuous economic stagnation combined with geopolitical risks (sanctions). As their accomplice, the credit business is thriving. In 2017, Russians indebted approximately \$\beta\$ 12.2 trillion in total (for comparison purposes, the Russian state budget makes approximately \$\beta\$ 17 trillion). About half of all mortgage debts cannot be paid regularly, and about 82 million Russians find themselves in debt.\(^{12}\) There are some 6 million Russians who are temporarily not allowed to travel abroad due to their unpaid debts.\(^{13}\)

These are just some examples of the debt slavery that is imprinted in neoliberal capitalism and that creates social but also psychological problems. But there are also examples of symbiosis between debt slavery and another typical feature of neoliberal capitalism: rent seeking.

Neoliberalism in Central and Eastern Europe was perhaps based, more so than in other cases, on the breeding of intergenerational conflict: a specific type of division creation in society with the intention to exclude. This problem is directly associated with a solidarity issue too. "Cool" capitalism is mainly for "cool" young people, who rely on themselves and can quickly adapt to precarious environments. As one of the members of the Czech Pirate Party put it recently, freedom for young people is more important than (social) security. What about those old people, pensioners, who spent the majority of their lives in the communist era? The anti-communist narrative has an answer: their lives were obsolete and useless; their pensions are a burden, and their voting patterns are a dangerous threat (real democracy will come once they die out). It is the classical divide and rule strategy within a given society. The young and successful are turned against the older generation who historically failed.

<sup>11</sup> Data from Mapa exekucí: http://mapaexekuci.cz/index.php/mapa-2/.

<sup>12</sup> V Rusku hrozivě narůstá zadlužení, November 1 2018, !Argument, online: http://casopisargument.cz/2018/11/01/v-rusku-hrozive-narusta-zadluzeni/.

<sup>13</sup> Shest milionov rossiyan lisheny prava vyezda za rubezh iz-za dolgov, November 12 2018, Nezavisimaya Gazeta, online: http://www.ng.ru/news/632498.html



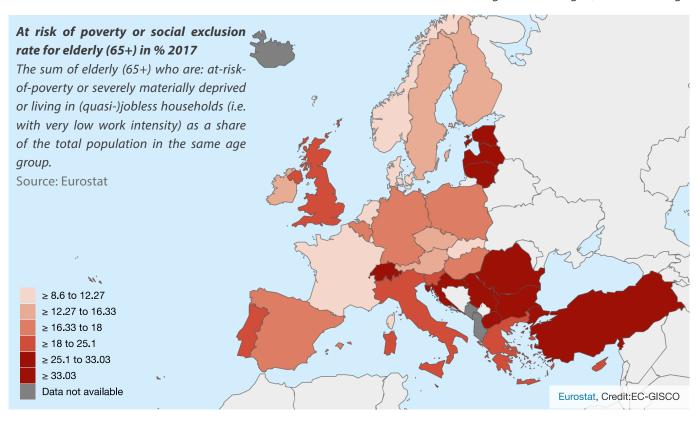
Examples 5/ and 6/ Here, the composite part of economic and social transformation was the conscious pauperisation of the elderly. This also resulted in substantive cuts to pensions, which meant that for example the average pension was 45% less than it had been before 1991 in Baltic countries. Minimal pensions were not only a way to cut public spending as part of the austerity dogma, they also reflected a loss of social status for people who spent their lives under communism. In Latvia, as some authors put it, the elderly have become "human waste". The Latvian welfare minister even made it extremely clear when addressing pensioners: "You do not need big pensions, because you worked under the communist regime and your work accomplished nothing." 14

Latvia (43.9%), Estonia (42%) and Lithuania (40.3%) have some of the highest numbers of elderly people (aged 65+) at risk of poverty or in the social exclusion zone. But figures which are even slightly worse can be found in Bulgaria (48.9%) and Romania (33.2%), which, on average, are over double the EU average (18.1% in 2017).<sup>15</sup>

Such conscious policies have very deep consequences for social solidarity and feelings of social responsibility. They also contribute to recreating social anomie, a situation in which society does not provide enough moral guidance for its members. In addition, they are reproducing the message that, in "cool" capitalism, it is cool to be young, not old and on a pension. The signs of social anomie are apparent throughout the region and the case of migration is just another example of it. If we move beyond cultural explications, we find that there is nothing surprising about the neoliberalised condition in this region.

# FOR LEFTIST POPULISM AND AGAINST HOMO NEOLIBERALIS

If we accept the idea that neoliberalism is a type of hegemonic political rationality, we must also accept that there is nothing eternal and unchangeable about it. It is also not a monolithic "creature". As in any hegemonic formation, it contains contradictions, cracks and loci of resistance and revolt. It can be challenged and changed, but it is a tough



<sup>14</sup> See Bohle – Greskovits, 2012.

<sup>15</sup> Compare here: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tespm090.

hydra with many heads. In my view, it is beneficial to realise two things: Firstly, neoliberal subjectivity is making us more powerless. It is designed to disenfranchise us as citizens and people. Neoliberal subjectivity empties the collectivist political spaces and democracy as such; Secondly, it is neoliberal language in the broadest sense of the word (also metalanguage, discourses, narratives, etc.), which all of us subconsciously help to reproduce on a daily basis.

Today's populism in Central and Eastern Europe has, so far, been mainly articulated in a conservative and reactionary manner. Thus, it is not really a break from the past, but rather, it represents its continuation (in the sense of continuation of the restoration of capitalist class power). It is temporary bifurcation of capitalist class power, if you will. As elsewhere, it reacts to neoliberal globalisation, which was, however, contextualised by "transformation" and its discontents. It demands people's loss of control over their lives, as well as over their decision-making about their present and futures. Rogers Brubaker observes that democratic demands (and not anti-democratic programmes) are the backbone of rightist populists in Western Europe, together with their specific "civilizational" approach. 16 This is the same in Central and Eastern Europe. It is not necessarily against the idea of democracy (as classical fascism), but it is certainly not liberal or progressive (and even less anti-capitalist) in its content.

As Chantal Mouffe argues, the Left must answer to populism with leftist populism, because currently, it is an instrument of change with regard to dominant neoliberal hegemony. 

It is not enough to oppose populism. In current conditions, simply opposing populism implies keeping the post-political status quo rotten. This does not mean we should not oppose and replace its rightist/conservative contents with leftist, progressive narratives and meanings. And I believe Mouffe is right to argue that this rotten post-political status quo is a breeding ground for populism, at least on a political level. It is also impossible to leave political space to rightist populists in a struggle for democratic renewal, which is a legitimate demand. Many rightist populists simply represent a graft of neoliberal rationality, with an eth-

nocratic or social-conservative programme, which defines democracy in a simplistic way as majority rule. It is obvious that there is a popular demand for collectivist (and solidarity-based) identity, which would not only provide identity (sense) but also control and power. The danger is that this may happen at the expense of democracy and in favour of the capital (but in the name of the people).

In my opinion, the future of the Central and Eastern European Left is very much connected with the following: How should leftist populism be defined in the specific (national) contexts of Central and Eastern Europe? What chain of equivalences should constitute a leftist version of the people? And, of course, which parties and movements could (and would) cover its entrance into the public sphere? The populist backlash is not only an opportunity for change, it is a cry for help from neoliberalised individuals, as well as an expression of anxiety, fear and insecurity from those who have been left "out there alone". The fundamental question is how to oppose and redefine neoliberal subjectivities that permeate our ways of thinking, feeling and acting. Without searching our own hearts and minds, and asking difficult questions of ourselves, there is no change that will work.

Brubaker, Rogers, The New Language of European Populism, in *Foreign Affairs*, December 6, 2017, online: https://www.foreignaffairs.com/articles/europe/2017-12-06/new-language-european-populism?cid=int-lea&pgtype=hpg.

<sup>17</sup> Mouffe, Chantal, For a Left Populism, London-New York 2018.



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