While circulating since the 1940s, neoliberalism began to exert a heavy ideological influence from the late 1970s to become the defining aspect of postmodernity. Application of free market, individualist, small government principles has impacted not only economic and political policies but has also shaped social and cultural aspects of the postmodern age. The perceived failures of the modernist social state and the emergence of postmodern concepts of the individual and fragmented expression aided the adoption of neoliberal principles. Exported from the developed, capitalist Western nations, the influence of neoliberalism has been a global trend that has been adopted by influential international organisations such as the International Monetary Fund (IMF) and the World Bank. Evidence of neoliberal influence in social policy, cultural identity, development and globalisation indicates that it is the defining ideology of postmodernity.

The late modern era was characterised by the Keynesian economic approach which sought to achieve a workable balance between capital, government and labour. In an attempt to promote a period of stability, growth and peace that had been lacking for much of the early 20th century, modernist concepts of rationality and order were applied on a national and international level through the structures established by the Bretton Woods agreements.1 The IMF and the International Bank of Reconstruction and Development (IBRD, later to morph into the World Bank), along with fixed exchange rates anchored by the US dollar, were established to facilitate the flow of trade, strike a balance between capital and labour, and promote stable international relations between the capitalist, democratic states of the Western world. While there were structural differences between these states, all had in common a state policy of full employment, economic growth and a focus on the welfare of national citizens; there was a consensus that state power should be deployed to

---

intervene in market processes to ensure these goals were achieved. Ruggie dubbed this system ‘embedded liberalism’, as the system was based on liberal principles facilitating the open flow of trade while also embedding the market within the control of the state apparatus. These Keynesian-influenced economic policies sought to promote prosperity for all citizens through establishing a regulatory environment encircling the market and maintaining a class compromise through intervention in industry policy and setting of a social wage, in an attempt to keep the threat and destruction of war and revolution that had destabilised the previous decades at bay.

By the 1970s, rising unemployment tied with inflationary pressures and limited economic growth (stagflation) across the revived Western nations led to the breakdown and criticism of embedded liberalism and its underlying theory. Fordist production based on Keynesian economic principles of compromise between capital, state and labour, striking a balance between the two great ideologies of the 20th century, capitalism and communism, was found to be failing. Attacks mounted on the increased size, scope and cost of governmental spending on social programs. With the unmaintainable system of fixed exchange rates crumbling and a dramatic spike in oil prices caused by the 1973 oil crisis, came the demise of the system and ‘handed free-market liberals their biggest soapbox in decades.’ Neoliberalism had found a foothold as the dominant paradigm replacing the modernist concepts of embedded liberalism, made concrete by the 1979 election of Margaret Thatcher in Britain and 1980 election of Ronald Reagan in the United States. The neoliberals followed a creed that defence of the market was defence of freedom: if the market could function then so could freedom. Thatcher and Reagan led their countries and the world to follow this creed and embrace the neoliberal policies and practice that were clearly becoming the hegemonic ideology of postmodernity ‘to the point where it has

---

become incorporated into the common sense way we interpret, live in and understand the world.\textsuperscript{10} Deregulation, liberalisation of markets, and privatisation extended not only to industrial and financial policy but further into areas of social policy such as housing, health and education. To the point where the ‘ripple of deregulation would turn into a tidal wave that washed away controls from large segments of the economy in the last two decades of the twentieth century.’\textsuperscript{11}

The ideologically neoliberal push of free market policies show clearly in a review of Margaret Thatcher’s approach to housing and urban issues. In 1979, twenty-five percent of the British population lived in public housing with a further five percent living in social or assisted housing schemes run by housing associations for low-income groups.\textsuperscript{12} To remove this large investment from the hands of government, and shift from the modernist emphasis of a social wage, Thatcher’s Right to Buy policy sought to address the issue of disadvantage through incentives, deregulation and the creation of opportunities for engagement in the private market for individuals. Under the scheme tenants were given the opportunity to purchase a home at a substantially reduced amount with no requirements for a deposit. Over two million homes were purchased through the policy. The reduced role for the state, central to neoliberalism, was epitomised by the privatisation of public housing in Britain, and represents a clear break from Keynesian past.\textsuperscript{13}

The influence of the neoliberal belief in the superiority of free market solution is evident in The Right to Buy policy, ‘the first and most popular of the Thatcher government’s landmark privatisations.’\textsuperscript{14} The popularity of the scheme paved the way for a greater spread and acceptance of underlying neoliberal ideology amongst the public. Building on the traditional liberal and conservative belief in the importance of private property, neoliberal theory added an argument for great efficiency to this belief.\textsuperscript{15} The argument followed that the most efficient means of delivering better service and outcomes for the disadvantaged

\textsuperscript{11} Stedman Jones, \textit{Masters of the Universe}, p. 216.
\textsuperscript{12} \textit{Ibid.}, p. 275.
\textsuperscript{14} Stedman Jones, \textit{Masters of the Universe}, p. 289.
\textsuperscript{15} \textit{Ibid.}, p. 276.
was not through the government provision of housing stock but rather through an individual’s engagement with and investment in the market encouraged through deregulation and tax relief. Introducing competition and private enterprise would allow individuals to prosper. The counter argument was that much of the best public housing was sold, and that which was left under government ownership fell into disrepair through a series of escalating cuts to funding. This popular push by the Thatcher government for a move to homeowner democracy introduced to the public a neoliberal concept of the supremacy of free markets, paving the way for continued and more controversial privatisations of other national industries. The continuing neoliberal emphasis entailed a progression from citizen democracy, to homeowner democracy, to shareholder democracy.

The rigid structures of postwar Keynesianism were argued by neoliberals to be limiting flexibility and confining the market; Harvey states ‘the neoliberal project is to disembell capital from these restraints.’ Neoliberal faith in the mechanisms of free market meant that deregulation was not only required from the government in relation to economic involvement, but could also be applied as ‘a principle of decipherment of social relations and individual behaviour.’ The central assumption that through free markets an individual will be able to realise economic freedom and be guaranteed other freedoms, is the central feature of neoliberal ideology. Harvey dubs this state a ‘neoliberal state’ and argues, ‘the freedoms it embodies reflect the interests of private property owners, business, multinational corporations and financial capital.’ Harvey presents the argument that neoliberalism is in fact an effort to restore the position of economic elites that had been eroded through the modernist efforts of the late twentieth century which sought to maintain a balance between capital and labour. For Harvey, when the principle of neoliberalism clashes with the espoused objectives, such as an individual’s freedom, the objective is abandoned in favour of the principle to sustain the growth of the economic elites. ‘Redistributive effects and increasing social inequality have in fact been such a

---

16 Ibid., p. 275.
17 Ibid., p. 299.
18 Harvey, A Brief History of Neoliberalism, p. 11.
20 Harvey, A Brief History of Neoliberalism, p. 7.
21 Ibid., p. 19.
persistent feature of neoliberalism as to be regarded as structural to the whole project.’\textsuperscript{22} Data supports this claim of rapid redistribution of wealth: from 1970 to 2000, median salary ratios between CEOs and workers skyrocketed from 30:1 to 500:1. In 1976 the top 1 percent of America possessed 8.9 percent of its wealth, and by 2005 that figure was 21.8 percent.\textsuperscript{23}

Globalisation has been a key defining feature of postmodernity, a concept widely used however poorly defined. The breakdown of clear lines dividing states politically, economically, socially and culturally, and the growth of transnational and multilateral bodies, are all evidence of increased globalisation in postmodernity. A ‘determinational’ is at its core.\textsuperscript{24} Globalisation has been driven by rapid technological development in communications and transportation, and has become closely associated with the spreading neoliberalisation of the world through sustained arguments that it is only the free market that is able integrate the world into one mass economy. The market-driven morality of globalised individuals has been dominated by commercial interests leading to ‘widespread acceptance of the corporate narrative of globalisation as a \textit{fait accompli}.’\textsuperscript{25} While there are many disparate versions of globalisation, the most widely recognised is that defined by the neoliberal ideology of free markets, government deregulation and individual property ownership. Neoliberals have been able to utilise globalisation to support the claims summed up by Thatcher and Reagan that there is ‘no such thing as society’ and that ‘government is the problem not the solution.’\textsuperscript{26} ‘The world stumbled toward neoliberalism through a series of gyrations and chaotic motions that eventually converged\textsuperscript{27} into what is now recognised as globalisation, a development crystallised by was to be dubbed the Washington Consensus.

Neoliberal theories of development, commonly referred to as the Washington Consensus– focusing heavily on enhancing developing states’ involvement in international trade and the global economy– had by the 1980s spread to the Bretton Woods institutions

\textsuperscript{22}Ibid., p. 16.
\textsuperscript{27} Harvey, ‘Neoliberalism as Creative Destruction,’ p. 27.
the IMF and the World Bank.\textsuperscript{28} Through Structural Adjustment Policies (SAPs), imposed by the organisations on debtor countries for access to loans, these institutions sought to dismantle the development policies of the preceding decades through enforcing adoption of neoliberal programs. These SAPs included the privatisation of state-owned industries, removal of tariff protectionism, currency devaluation and the deregulation of states allowing access for direct foreign investment.\textsuperscript{29} Following the enforced adherence to neoliberal policies, studies released by the United Nations demonstrate that between 1980 and 2005 the vast majority of low and middle income countries witnessed slower economic growth and social indicator progress than in the preceding two decades. Further, when excluding China, the average trade deficit of these countries was three percent of GDP higher during the 1990s than it was during the 1970s.\textsuperscript{30}

Flexible accumulation, focusing on small-scale niche production and marketing, became the dominant organising framework of postmodernity under neoliberalism, and was aimed at boosting profit during declining growth periods.\textsuperscript{31} Central to flexible accumulation was the production of rapidly obsolete fads and consumables that minimised the production to profit timeframe, and set prices to exchange values rather than use values.\textsuperscript{32} Flexibility became chief to enable the production of consumables for highly specialised and small-scale market niches.\textsuperscript{33} The focus was no longer on the creation of economies of scale, dominating an existing market through the advantage of size, but rather economies of scope, through the creation and capture of new markets. Chandra argues that ‘the postmodern celebration of the fragmentary and the unstable chimes in with the dominant tones of the capitalist order since the crisis of Fordism in the early 1970s.’\textsuperscript{34}

The concept of flexible accumulation and its implications for postmodern cultural development are illustrated through Dinces’ study of subcultures and alternative sports,
with particular reference to skateboarding. Dinces argues that skateboarding subcultures are examples of ‘fluid and fragmented sites of postmodern identity formation’ however there is a longstanding ‘historical relationship between the development of skateboarding subcultures and the emergence of neoliberal regimes of accumulation.’\textsuperscript{35} Skateboarding subcultures seemingly possess a postmodern identity resistant to generalisation, highly fragmented and fluid. By applying Harvey’s argument surrounding flexible accumulation it is increasingly apparent that manufacturing culture and identity are important outputs of the neoliberal profit-generating processes. Constructing and promoting the identity of a rebellious alternative athlete, outside of the traditional sportsperson model, and therefore breaking the rules of society, can be viewed as ‘part of a broader emergence of the neoliberal individual within late capitalism.’\textsuperscript{36} The crafting of the subculture would not have succeeded if there were a blatant and transparent commercialism in alliance with the opposition to societal norms that the subculture required. Success required a delicate balance of rhetoric to highlight individuality and support commercial interests. Skateboarders’ literally being branded with tattoos of a corporate sponsor’s logo reinforces this balance. Dinces argues this was the same usage of flexibility dominant in neoliberal principles from the 1970s onwards.\textsuperscript{37}

Analysing skateboarding films, which began appearing in the 1960s and maintain an important place within the subculture, as the basis of the historical study, Dinces identifies \textit{Skateboard Madness} (1980) as the film that introduced ‘a tension between skateboarding as a spontaneous expression of subculture activity and skateboarding as a pre-packaged consumer product.’\textsuperscript{38} Filming the interactions between the group of skaters and a photojournalist highlights the transformation of skateboarding from leisure to labour and the confinement of the alternative athlete into the role of scripted performer. These films captured the everyday aspects of skateboarding, particularly with the rise of street skating, furthering the subculture’s image of individuality and rejection of society’s spatial norms, while advertising the skateboard as well as the skateboarder as commodities for mass consumption.

\textsuperscript{36} \textit{Ibid.}, p. 1514.
\textsuperscript{37} \textit{Ibid.}, p. 1518.
\textsuperscript{38} \textit{Ibid.}. 
consumption. Street skating in particular was incredibly successful in cultivating these two aspects, the anti-authoritarian image along with the commerciality of skateboarding, as now anyone could be a skater, not just those with access to a skate park. While maintaining an image of the industry as a group of upstart entrepreneurs producing goods for the consumption within its own subculture, by the 1990s just three distributors accounted for 70 percent of skate merchandise. This connects with the trend within neoliberalism to praise the virtues of competition while consolidating monopoly power within a small number of centralised elite corporations.

Neoliberalism has been the defining ideology of postmodernity. The late modern subscription to embedded liberalism through Keynesian economic principles was effectively dismantled by the end of the 1970s to be replaced by adherence to neoliberal principles of individualism, free markets and limited government intervention. The values prescribed through neoliberalism have effectively not only influenced economic and political thought to the point of hegemony, but have also defined social interaction and cultural production since this time. Capturing many of the defining characteristics of postmodernity, such as globalisation and the fluid and fragmentary aspects of the postmodern, neoliberalism has redefined these aspects in its own image. ‘For any system of thought to become dominant, it requires the articulation of fundamental concepts that become so deeply embedded in common sense understanding that they are taken for granted and beyond question.’ Neoliberalism has successfully reached this point in postmodernity, making it postmodernity’s defining ideological feature.

39 Ibid., p. 1519.
40 Ibid., p. 1524.
41 Harvey, ‘Neoliberalism as Creative Destruction,’ p. 24.
Bibliography


