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Dissolving the Public Realm? The Logics and Limits of Neo-liberalism

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Abstract

This paper explores the changing fortunes of the public realm during the last two decades. It poses the problem of how we think about globalisation and neo-liberalism as forces driving these changes. It then examines how different aspects of the public realm – understood as public interest, as public services and as a collective identity – have been subjected to processes of dissolution. Different processes have combined in this dissolution – in particular, attempts to privatise and marketise public services have been interleaved with attempts to de-politicise the public realm. Tracing these processes reveals that they have not been wholly successful – encountering resistances, refusals and negotiations that mean the outcomes (so far) do not match the world imagined in neo-liberal fantasies.

For many, the development of a robust and vigorous public realm was one of the defining features of Western capitalist democracies: a core element of ‘welfare capitalism’ in its many varieties (Esping-Andersen, 1990; Huber and Stephens, 2001). At the beginning of the twenty-first century, the public realm looks rather less robust. Here I examine the dissolution of the public realm – and how to think about the forces seeking to dissolve it. This focus on the public realm is rather wider than the question of ‘welfare states’, although they overlap in important ways. I will be using the term ‘public’ to refer to a number of intersecting social phenomena: the idea of a ‘public interest’ which may require forms of collectivised expression; the institutionalisation of ‘public services’ (as a means of meeting the public’s needs); and the conception of a public – a collective (usually national) body that is capable of having interests and needs. In various ways, these aspects of a public realm have been challenged in the name of the ‘private’, bringing about what John Baldock has called the ‘declining publicness of public services’ (2003: 68). I will argue that globalisation and neo-liberalism have been identified as two of the core forces in the process of dissolving the public. I will also be arguing that the dominant views of these forces tend to overstate their scope and effects, while ignoring their uneven and unfinished character.

But first it is important to say a little more about these conceptions of the public realm. Our understandings of the public realm rest on a dichotomous
distinction between the public and the private. Much debated, this distinction tends to cohere around the poles of private-as-individual/familial/domestic, and public-as-market/state/politics/bureaucracy (see, for example, Landes, 1998; Ribbens McCarthy and Edwards, 2002; Slater, 1998). It will already be clear that these clusters are not the same as the distinction between state and market that has been prominent in social policy. Indeed, the market has a tendency to be categorised as both private and public in different ways of drawing the distinction between the public and private. So, in contrast to the private as familial/domestic, the market is part of the public domain, but, in contrast to the public sector or public services, the market is understood as private (referring to the private sector, private interests and so on). There are, then, ambiguities about what counts as public and private that result largely from the historically and culturally variable construction of the boundary. As (almost) everyone agrees, this is not a universal, eternal or natural structuring of the social world. Writing about the emergence of new forms of the private in post-Socialist China, Judith Farquhar argues that:

some writers have been tempted to see new forms of subjectivity and intimacy in reform China as a reappearance of something that was always hidden there, a liberation in which the natural individual throws off the yoke of an oppressive collectivism. I think this is a mistake. The simplistic idea of a natural individual with universal needs and capacities cannot explain for me the considerable labor that reform era writers devoted to the task of producing new forms of experience, selfhood, memory and discourse. (2002: 176)

The construction (and reconstruction) of a distinction between public and private involves the division of institutions, activities, dispositions and what Ribbens McCarthy and Edwards (2002: 201) call ‘ways of being’ into the different realms. In the process, boundaries are drawn – identities and positions are allocated – and an apparently clear separation is affirmed. This boundary is central to the world of social policy – defining what may be safely left to the ‘natural’ instincts of the private world of the family and what needs must be met publicly. It involves defining the terms of the private realm (especially through legal regulation); and the conditions under which the public power may intervene in the private realm (see, for example, Gordon, 1989; Land, 1997). This dichotomous distinction is also a relationship – the public and private are ‘mutually constitutive’. Each pole needs the other to define itself against – and the boundary between them is one that is traversed regularly (this is a generic feature of borders and boundaries, see Leontidou and Afouxenidis, 1999). Rules and norms govern the practices of boundary crossing – enforcing standards, ‘liberating’ choices, licensing relationships, surveilling behaviours, and organising economic and emotional ‘investments’ in the private realm. In social policy terms, the rise of ‘welfarism’ in western capitalism saw the boundary redrawn towards an expanded (and more interventionist) public realm. But it is
this ‘welfarist’ form of public–private distinction that has been most obviously challenged in the last twenty-five years.

Globalisation has been identified as a major driving force – an inexorable economic transition responsible for undermining nation states, rendering public spending indefensible, dismantling welfare states and over-riding democratic political control. This apocalyptic view has a number of problems, only some of which I want to touch on here (there is a growing literature debating the subject, see, inter alia, Deacon, 1997; Gough, 2000; Sykes, Palier and Prior, 2001, and Yeates, 2001 in social policy). First, the apocalyptic or ‘strong’ (Yeates, 2001) view of globalisation overstates the extent and scale of change in the public realm in many of the advanced capitalist societies of the West. Those researching welfare systems have emphasised the (surprising) resilience of public spending and provisioning, and have suggested the need to contrast globalisation with attention to national and local political and social institutions (Esping-Andersen, 1997; Huber and Stephens, 2001; Kuhnle, 2000; Taylor-Gooby, 2001a). Nevertheless, there is a danger of forcing a binary choice here: either transformative globalisation or the persistence of the nation-state/welfare state. Obscured by such binary choices are a range of destabilising processes of apparently settled institutions, formations, borders and boundaries – including the ways in which nations, states and welfare are being aligned (these arguments are developed in Clarke, forthcoming, a and b).

A different view of globalisation would foreground questions of social and spatial unevenness – rather than treating it as a unified, unilinear and monological process (see, inter alia, Brah, Hickman and MacanGhaill, 1999; Gupta, 1997, 2000; Ong, 1999). It would avoid the profoundly reductive form of economic determinism of apocalyptic views of globalisation – celebrating, or bewailing, the irresistible capacity of global capital to conform the world to its desires. I think there are political and theoretical reasons to resist such determinism, not least because it marks the coincidence of neo-liberal fantasies and left-wing nightmares in overstating the coherence, power and achievements of capital (see the discussions by Gibson-Graham, 1996; and Morris, 1998). Instead, I want to insist on treating contradiction and contestation as integral elements of these processes. I want to argue that there are contradictions within and between the processes of globalisation, manifested in unevennesses, disturbances and encounters with old and new resistances and refusals.

It seems to me that such starting points might allow us to think of globalisation in a more differentiated, more uneven, more contradictory and more unfinished way than the view from an apocalyptic political economy. It might also allow us to think of neo-liberal globalisation as one strategy that aims to conform the world to its grand plan, rather than being the whole (and only) globalisation (Massey, 1999). The attempt to create the conditions for US-dominated formations of transnational capital to be mobile, flexible and
profitable is certainly the dominant tendency of contemporary globalisation, but it is by no means the only. There are other transnational relations, processes and realignments – from ‘global care chains’ (Hochschild, 2001), through regional and inter-regional migrations (Castles and Davidson, 2000) and new forms of international solidarity and political action (most obviously the anti-globalisation movement). It is also significant that neo-liberal globalisation looks more dominant and compelling from the point of view of the Anglophone West (especially the US/UK axis). From elsewhere, it more obviously resembles one way of constructing capitalist modernity. For example, Aihwa Ong has argued that the attempt to construct a ‘Confucian capitalism’ involves China and other Asian states ‘in the process of constructing alternative modernities based on new relations with their populations, with capital and with the West’ (1999: 35).

Of course, these are not just different trends that sit side by side. The US driven neo-liberal globalisation also attempts to install itself as the only, the necessary and the most desirable way. It attempts to ‘hegemonise’ supra-national institutions (Deacon, 1997, 2001). It works through such institutions as the WTO, World Bank and IMF to install its ‘truths’ on dependent nations around the globe (with particular effects on Eastern Europe, South America and Africa). It attempts to subordinate, dislocate or de-mobilise ‘alternative modernities’ wherever it encounters them. In the process it deploys various forms of power: military, economic, political, cultural and – of particular interest for me here – discursive power. Put crudely, neo-liberalism tells stories about the world, the future and how they will develop – and tries to make them come true. I do not mean to deny its undoubted successes. Studying the politics of welfare in the UK and the USA for the past twenty years is hardly the basis for an optimistic view. But even here, thinking of neo-liberalism as a strategy allows us to explore the gaps between ambition and achievement – rather than taking neo-liberals’ word for it. We are perhaps too ready to treat policy texts and political visions as if they translate immediately and unproblematically into practice. Catherine Kingfisher argues that neo-liberalism ‘is neither unitary nor immutable, and it is always in interaction with other cultural formations or discourses’ (2002: 165). To achieve dominance neo-liberalism has to do political work – forming alliances and blocs, and de-mobilising alternative possibilities. Kingfisher’s study of welfare reform in different Anglophone states reveals substantial variation, as well as shared tendencies. In looking at the public realm, I want to suggest that this approach to neo-liberal globalisation as a mobile strategy enables us to think about contradictions and contestation. It allows us to explore the changing sites and forms of refusal, resistance and accommodation: to see why neo-liberalism still fails to rule the world.

**Against the public**
The neo-liberal strategy has been consistently hostile to the public realm. Its distinctive combination of anti-welfarism and anti-statism means that it has
sought to dismantle welfare states, and the social, political, economic and organisational settlements that sustained them (Clarke and Newman, 1997). Neo-liberalism has challenged conceptions of the public interest, striving to replace them by the rule of private interests, co-ordinated by markets. It has insisted that the ‘monopoly providers’ of public services be replaced by efficient suppliers, disciplined by the competitive realities of the market. It has disintegrated conceptions of the public as a collective identity, attempting to substitute individualised and economised identities as taxpayers and consumers (Clarke, 1997). These remain core commitments of the neo-liberal strategy, although in practice they are modulated in different ways through their encounters with particular national political-cultural formations (Clarke, forthcoming a; Kingfisher, 2002). Here, I will be focussing on the UK during the last twenty-five years, but a UK understood as part of shifting geo-political alignments, not least in its articulation with the USA and Europe (see also Garland, 2002; King, 1999; King and Wickham-Jones, 1998).

I want to draw out some of the different means of dissolving the public realm used by neo-liberalism (and in its alliances with neo-conservatism). The starting point must be the powerful and complex insistence on the primacy of the private. In neo-liberal discourse, the ‘private’ means a number of inter-locking things, each of which is naturalised by being grounded in extra-social or pre-social forms. First, it designates the market as the site of private interests and exchange. Private interests in this sense are both those of the abstract individual (known as ‘economic man’ for good reason) and the anthropomorphised corporation, treated as if it was an individual. This personifying of the corporation extends to its having needs, wishes, rights and even feelings. Corporations are, in a sense, doubly personified – both in the persons of their heroic leaders (Chief Executive Officers) and in the corporate entity itself (Frank, 2000). This personification enables some distinctive populist rhetorics characteristic of neo-liberalism. Both types of individual (economic man and the corporation) suffer the burdens of taxation, the excesses of regulation, the interference with their freedom and shackling of the ‘entrepreneurial spirit’ by ‘big government’. Government/the state/public institutions are challenged in the name of what Frank (2000) calls ‘market populism’. But the individualist definition of the private is also a point of crossover between the market and the familial/domestic meaning of private. ‘Economic man’ is also ‘family man’, motivated by the interests of himself and his family. The individual of neo-liberalism is profoundly, normatively and complexly gendered (Kingfisher, 2002: 23–5). Kingfisher argues that the ‘possessive individualist’ form of personhood involves distinctive understandings of ‘independence’ and ‘self-sufficiency’: ‘Autonomy, the pursuit of rational self-interest and the market are mutually constitutive in this formulation . . . there is an equivalence between individualism and self-sufficiency’ (2002: 18). This conception of the independent individual – detached from social relationships – is grounded in the distinction between public and private in a different form:
In this construction, ‘independence’ is displayed in the public realm, while ‘dependence’ is sequestered to the private sphere... the public, civil society generated by means of the social contract is predicated on the simultaneous generation of a private sphere, into which is jettisoned all that which is not amenable to contract. (2002: 24)

This distinction between public and private is deeply gendered (Pateman, 1988; Lister, 1997). It has two implications for neo-liberalism. On the one hand, it is the site of potential alliances with a range of other political discourses that sustain a gendered and familialised conception of social order (from Catholic familialism to Christian Socialism, for example). On the other, it is a focus for tensions and conflicts around women’s dual role (articulating public and private realms in the ‘dual shift’ of waged and unwaged labour). Welfare reform – in the US, UK and elsewhere – has been partly about the resolution of these tensions in relation to lone motherhood (Kingfisher, 2002).

This double sense of the ‘private’ (as the market and the domestic) leads to what might be called ‘the two privatisations’ in the process of neo-liberal remakings of the public realm. The first concerns a shift between sectors; the second, a shift between spheres. Privatisation has involved the shift of activities, resources and the provision of goods and services from the public sector to the private sector (variously described as commercial, corporate, for profit). The voluntary, independent, not-for-profit or ‘third’ sector occupies an ambivalent place in this privatisation – being not-public, being not-for-profit; and being expected to behave in a more ‘business-like’ fashion in the contract culture (see, for example, Deakin, 2001; Lewis, 1995). The shift from public to private sector has been legitimised in a number of ways. At the core was an assault on ‘bureaucratic’ inertia and inefficiency (Du Gay, 2000) and the celebration of the market as dynamic, innovative and flexible. But there was also the contrast between ‘monopoly providers’ and plural provision to enable ‘consumer choice’; and the juxtaposition of ‘producer’ and ‘consumer’ interests (Clarke, 1997; Clarke and Newman, 1997).

The dissolution of public sector based service organisations has significant consequences for the political, economic and social relations of welfare (see Mackintosh, 1998). In particular, this process dislocated patterns of employment which had been a major route to waged work for women and minorities (Huber and Stephens, 2001: 47; Malveaux, 1987). Similarly, conditions of service (including job security and progression) were typically severely worsened by the transfer of provision to the private sector (see Standing, 2002, on the spread of ‘labour insecurity’). At the same time, controls over the quality, level and conditions of provision typically became attenuated in the process of privatisation, raising new problems of contracting, regulating and inspecting ‘at arm’s length’ (Clarke and Newman, 1997; Hoggett, 1996; Walsh, 1995). This is not intended to romanticise either the experience of working for, or being served by, public service professional-bureaucracies, but to acknowledge the new problems created by privatisation processes.
The second form of privatisation has been the shift of social responsibilities from the public sphere (where they formed part of the business of government) to the private sphere (where they become matters of individual, familial or household concern). This process has been most visible in relation to providing (and to some extent funding) care for elderly and disabled people, in the movement to ‘community care’ after the 1990 NHS and Community Care Act. The gendered structuring of care as obligation is well understood. But this privatising process has also affected other public services and welfare provision. For example, in education, schooling increasingly relies on familial support for children and schools with both finance and unpaid labour (as governors, as unpaid assistants, as fund-raisers, as ‘active parents’ evoked in home–school contracts). This all goes alongside the more visible shift to parents as choice exercising ‘consumers’ of their children’s education (Gewirtz, Ball and Bowe, 1995). In health care, improvements in medical procedures (alongside a commitment to high turnover in ‘bed management’) have typically transferred recovery and convalescence from institutional settings to domestic ones. Meanwhile policy aims to produce ‘responsible subjects’ in a range of activities from adopting ‘healthy life styles’, through ‘self-management’ of chronic conditions, to the more disciplined use of the telephone in contacting either emergency services or General Practitioners (Secretary of State for Health, 1997, 1999). Finally, the shift to meaner and more conditional forms of income support ‘privatises’ the tasks of ‘getting by’: from personal investment calculations and risks (e.g., in pensions); to new forms of family economy (multiple wage-earning); and to indebtedness, loan sharking, and illicit sources of income as means of filling the gap (Williams, 2001).

Such changes have involved significant – and largely invisible – transfers between the public and private realm, including transferring costs from public resources to (typically unmeasured) household resources. This form of privatisation assumes the existence of a stable nuclear family as the norm of household formation, and the persistence of a gendered division of domestic/caring labour. The conception of infinitely elastic female labour continues to underpin such privatisation, even in the face of substantial change in the patterns of women’s paid employment. Policy makers have clung on to these beliefs with remarkable consistency despite the impact of social and economic change, and despite the political struggles that have challenged this complex of familial, patriarchal and heterosexual norms. Of course, this ‘privatisation’ is not merely a process of transfer to an unchanged private space. The private is re-worked in the process – subject to processes of responsibilisation and regulation; and opened to new forms of surveillance and scrutiny. Both corporate and state processes aim to ‘liberate’ the private – but expect the liberated subjects to behave responsibly (as consumers, as parents, as citizen-consumers). Whether such subjects come when they are called is a different matter.

Both meanings of the private (as sector and as sphere) and both processes of privatisation have been central to the dissolution of the public realm under
neoliberalism in the UK, embodied in the Thatcherite Conservative Party’s mission to break the ‘shackles of socialism’. Although they have not gone uncontested (by workers, users, other citizens and some policy experts and advocates), they have been dominant tendencies. They have undercut both the meanings and the institutional forms of the public realm. In part, they have done so by insisting that there is no general public interest (only private choices). Alternatively, they have insisted that if there is a public interest, it takes the form of a consumerist desire for efficient and high-quality services, which will be best served by private provision and private choices. Here, it is possible to see traces of the partial shift from the period of ‘high Thatcherism’ (‘There are no such thing as society, only individual men and women and their families’), to what Colin Hay called ‘Blaijorism’ (1996: ch. 8), the management of the post-Thatcher political settlement. Here, in the governments of Major and Blair, public services have made a partial return (though always problematised), as have notions of society and the ‘social’ (captured in Blair’s distinctive formulation of ‘social-ism’, meaning a recognition that there is such a thing as society . . . ). In what follows, I want to examine both the processes of neo-liberal dissolution, the limitations and unfulfilled ambitions of that project, and the shifting political accommodations to the persistence of the public.

**Beyond politics: Neo-liberalism’s reason**

These processes of dissolution also included attempts to *de-politicise* the public realm. By this I mean the attempt to deny, defuse or displace the possibility of political conflict, choice or decision by subjecting public issues to alternative ‘regimes of truth’. This Foucauldian concept points to contested knowledge formations that lay claim to defining the world, its problems and possibilities and the directions that need to be taken. Politics – in its liberal democratic sense – is both a regime of truth (ruling out the irrational, marginal, irresponsible or utopian Others who are not part of the party political field of ‘real politics’) and a field in which (some) regimes of truth, some discourses, contend. Paradoxically, then, politics is the site through which the de-politicisation of the public realm must be conducted. This paradox is reflected in transatlantic politics of the New Right – an ‘ideological politics’ that sought to establish regimes of truth ‘beyond politics’. The New Right systematically set itself against (variously) the post-war consensus, elite liberalism, social democracy and the like (Clarke, 1991: ch. 6). In the process, they actively politicised areas that were apparently ‘settled’ as matters of political consensus or professional neutrality. At the same time, New Right governments endeavoured to de-politicise critical public issues through installing economic and managerial discourses as the dominant frameworks for decision making.

By economic discourse, I mean the framing of public, political and governmental choices through a universalising logic of cost calculation (Newman,
1998; see also Prince, 2001, on fiscal and market discourse). This is perhaps most visible in the framing of welfare policy in terms of ‘what we can afford’ (typically in the construction of an equivalence between national public spending and the domestic ‘purse’). Good fiscal housekeeping became an obligation that (supposedly) governed the behaviour of prudent consumers, corporate managers and national governments alike. In practice, of course, the long boom was financed by a mix of household, corporate and national debt. The imagery of financial probity became increasingly separated from corporate practice (as revealed in financial and auditing ‘irregularities’ of Enron, Worldcom and others in 2002). Nevertheless, the logic of international competitiveness in a global economy placed economics in command – over-riding or denying the possibility of political choices. This economic discourse is partly legitimised by reference to the universality and superiority of the market as a decision-making mechanism. Its effects are felt around large-scale decisions (the presumed superiority of private sector providers) and micro-level decisions (the purchasing of care for a disabled person). The logic of cost competition (the pursuit of ‘Value for Money’) aims to drive out or subordinate ‘ambiguous’ issues of values, orientations and other political choice-making criteria in favour of the rational, transparent and readily calculable ‘bottom line’. That which cannot be financially represented (economically valorised) is ruled inappropriate or irrelevant (Power, 1997). There is a further neo-liberal paradox here. The economic calculus of neo-liberalism expels that which cannot be counted – but it seeks to bring more and more of human activity within the economic calculus. Most things – even those previously decommodified or uncommodified – can be brought to market.

There have been different ‘routes to market’ in terms of service and organisational design (Clarke, 1999a), including:

- Direct privatisation – the transfer of services, organisations and resources to the private (for-profit) sector (Whitfield, 2000).
- Public/private partnerships involving finance; capital projects; facility and service management, and the basis for many ’pilot projects’, ‘zone’ initiatives and so on (Glendinning, Powell and Rummery, 2002).
- Outsourcing – the requirement that public bodies purchase service provision through contracting processes (Walsh, 1995). These have ranged from Compulsory Competitive Tendering for Local Authorities and the NHS, through Market Testing in the Civil Service to the ‘Best Value’ regime introduced by New Labour.
- Creating new markets – public bodies being required to develop markets for particular services by prompting alternative service providers (for-profit and not-for-profit). The development of Community Care involved ‘ring fenced’ resources given to Social Services Departments to buy services from independent (i.e., non-public sector) providers.
- Making internal markets (separating purchasers and providers) within an organisation or a service, visible in different forms in health and social care (Mohan, 2002).

- Creating new conditions for competitive success (e.g., in school recruitment; in ‘performance’ evaluation; in bidding for ‘extra’ resources).

These varieties of privatisation and marketisation enact the economic discourse of neo-liberalism. They are ways of making its claims to truth come true in practice. In the process, they dislocate apparently settled understandings of the ‘public’ character of public services – separating and changing structures, relationships and systems. They disrupt the apparent integration of finance, provision, and sectoral location in the production of public service. They contribute to the creation of what we have called a ‘dispersed state’ (Clarke and Newman, 1997). ‘Dispersal’ multiplies the number of agents and agencies involved in delivering a particular service. It engages more agencies and agents as the proxies of state power. It creates new horizontal and vertical relationships between organisations, such that horizontal relations are primarily competitive (for ‘customers’ or resources, or in performance evaluation). The vertical relations – between core and periphery – involve selective decentralisation: ‘the freedom to manage’ (Pollitt, Birchall and Putnam, 1998). This is combined with the centralisation of direction supported by new means of control at a distance: new systems of regulation, inspection and audit (Clarke et al., 2000).

Managerialism – as an ideology and a discourse – is clearly linked with economic discourse (Clarke and Newman, 1997). Indeed, managerialism embodies this decision-making calculus in its commitment to a rational, ruthless, business-like view of organisational and policy choices. ‘Managers’ are the bearers of ‘real-world’ wisdom of how to be ‘business-like’. They embody the generic ‘corporate’ ethos of transformation, innovation, efficiency and flexibility (Cutler and Waine, 1998). Managerialism has provided a cohering thread across the range of different organisational forms that have emerged in the remaking of public services. Voluntary and public, as well as private, sector organisations are now expected to be ‘business-like’. Managerialism provides the discourse (and set of practices) that functions as an internal ‘organisational glue’ and the currency through which inter-organisational relationships are conducted.

Managerialism adds other legitimating resources to the power of economic discourse. It differentiates managers from other sorts of organisational (and social) actors, who are flawed by comparison. Other organisational and occupational groups are prone to making choices on the basis of narrow professional or sectional interests – managers rise above such narrow interests to take a wholly corporate view of what is necessary. Where other occupational groups rely on particularistic knowledge to solve problems, managers bring to bear an open and transparent rationality. Where the narrow interests of occupational groups threaten to produce organisational chaos, managers produce
decisions which are both transcendent and integrative (see the discussion of hospital ‘bed management’ in Green and Armstrong, 1995). But managerialism also attempts to subordinate political actors. Where managers are pragmatic, politicians are dogmatic. Where managers are rational, politicians are partisan. Where managers are rooted in the ‘real world’, politicians are either rooted in ideology or rootless, tossed in the winds of public opinion. In these ways, managerialism not only embodies the economic calculus, it also tries to dissolve the competing claims of organisational and policy-making power. I want to stress the ‘tries to’ in the preceding sentence (and in this analysis generally) because managerialism still has ‘troubles’.

It has trouble with ‘professionals’ – both because of their power bases and for practical reasons (they often know and do necessary things). Managerialism has trouble, too, with politicians (local and national) involving uncertainty and conflict about relationships of domination and servitude, about the boundaries between policy and implementation, or strategic and operational matters. Managerialism also has its own problems of public trust – managers are not yet viewed as heroes or angels (as nurses are) in the public imagination (Clarke, 1996). The troubles of managerialism are paralleled by some of the troubles of the dispersed state. These transformations of public services have produced some paradoxical perverse consequences. Some of these have been addressed by New Labour as a way of marking out the distinctiveness of the Third Way (between old left and new right, and between state and market: Blair, 1998; Giddens, 1998). ‘Dispersal’ has fragmented service provision, multiplying the number of agents and agencies involved, increasing the number of (micro) decision-making settings and generating new problems of co-ordination, regulation and scrutiny. A second, and related, effect is the creation of boundary disputes between organisations about the limits and scope of organisational responsibilities (sometimes expansive, but more often defensive, as a means of turning away claims on a limited budget). The increased centrality of resource management at all levels of the organisation has produced a new ‘proprietorialism’ – a sense of ownership of budgets and resources that makes them the focus of inter- and intra-organisational tactics (these effects are discussed in Clarke, 1999b). Dispersed systems also seem to require new control and co-ordination processes (in the UK this has seen the creation and expansion of new systems of audit and inspection, Hood et al., 1998; Power, 1997).

Since the mid-1990s, New Labour has attempted to appropriate and address problems of fragmentation and dis-integration by a new emphasis on partnership, working together in ‘joined-up government’ (Newman, 2001; Glendinning, Powell and Rummery, 2002). They have also massively expanded the array and range of audit and inspection systems (Clarke et al., 2000). Processes of privatisation and marketisation have been the subject of much rhetorical argument – in relation to the NHS, transport (the railways and London Underground), Public–Private Partnerships for capital and other projects. But in
practice they have continued as core features of how services will be organised and ‘modernised’, with only occasional reflections on the limits and limitations of markets (Brown, 2003).

Dispersed systems also seem to be prone to oscillations around the axis of strategic and operational management (as both government and service managers seek more power and less responsibility). New Labour has placed both resource and discursive emphasis on ‘delivery’, addressing the task of overcoming the organisational, occupational and cultural obstacles to ‘modernisation’ in public services (Newman, 2001). It has combined centralising zeal (over policy, resources and objectives) with an enthusiasm for local innovation and managerial autonomy – so long as the local autonomy is exercised in the right directions. ‘Freedom’ from central control can be ‘earned’ by performance – and performance measurement and management have been the consistent theme of New Labour governance (Clarke, 2003). This ‘managerialist’ cast of New Labour displays some continuities and discontinuities from the Conservative governments of the 1980s and 1990s. There is a continuity of commitment to disparaging ‘bureaucracy’, ‘red tape’ and unnecessary ‘regulation’ (including the creation of a Better Regulation Taskforce), and to the building of better management capacity to bring about modernisation and the better delivery of better quality services. But perhaps the most obvious ‘Third Way’ articulation of managerialism came in the commitment to ‘Evidence Based’ policy and practice (Davies, Nutley and Smith, 2000; Trinder and Reynolds, 2000). The ‘Third Way’ eschewed dogmatic preference for either the state or the market, valuing instead a ‘pragmatic’ view that ‘What counts is what works’ (Blair, 1998). This pragmatic and managerialist rationalism attempts to defuse and depoliticise conflicts both within the Labour Party and in the wider political field.

I have tried to draw out the de-politicising ambitions of economic and managerial discourses in the remaking of the public realm in the UK. The economic calculus is installed as the dominant decision-making calculus at supra-national, national, local and organisational levels. It provides the framing assumptions which other discourses have to contest or negotiate. But the view that choices in public policy cannot be reduced to economic calculation has been remarkably persistent. Public attitudes have shown a surprising degree of continuity throughout this period of neo-liberal dominance, tending to see ‘more resources’ rather than ‘better management’ as the key to improving public services (particularly in health and education); and viewing responsibility for service provision (and service failures) as located with government, rather than ‘local management’. There is a remarkable persistence (given the intensity of the neo-liberal onslaught over the last three decades) in the belief that serving the public is the ‘government’s business’. Public support for publicly provided welfare persists at a high level (Commission on Taxation and Citizenship, 2000: 36–8, 44–56; Taylor-Gooby, 2002).
Who counts? Representing the public

There has been a sustained effort to dislocate the dominant conceptions of the public as a collective identity with (more or less) common interests and rights in relation to the state. One of the accomplishments of New Right politics was to split the citizen identity into three differentiated figures: the tax-payer, the scrounger and the consumer (Clarke, 1997). In the process, taxes (and their payers) were placed in a potentially antagonistic relationship with the user/abuser of services (the scrounger). Separating out the ‘taxpayers’ in this way makes it possible to attribute to them a distinctive interest. As Davina Cooper has shown in her analysis of the concept of ‘Fiduciary Duty’ in local government, ‘taxpayers’ interests are equated with efficient, cost-effective services and business-like practices’ (1998: 83). She suggests that this equivalence rules out other social and political orientations to public service. It also conceals a double discursive construction. In the process, an economic calculus for the evaluation of public services was further naturalised, and the ‘disconnection’ between taxes and services was deepened (Commission for Taxation and Citizenship, 2000: 55).

The figure of the consumer embodies a different view of the public. Although there are extensive arguments about the consumer model and its use in public services, it is clear that the idea of the consumer has added new dimensions to the way the public interest is being represented. Above all, ‘the consumer’ is held to mark a shift from ‘passive recipient’ to ‘active choice maker’ in relation to services. This active consumer is the force that requires modern public services to be adaptive, responsive, flexible and diverse rather than paternalist, monolithic and operating on a model of ‘one size fits all’. The consumer thus forges a story about the past and future of public services (Clarke, 1998). Like the taxpayer, s/he is an economic invention. Consumers know their own wants, can make rational choices and expect producers to serve them. Like taxpayers, consumers are abstracted from other social roles and positions, including the problematic and stressful conditions in which many public services may be used (Barnes and Prior, 1995). Consumerism registers diversity (everyone has different wants) but does not recognise the inequalities of social differentiation. Finally, consumerism constructs the public interest as a series of specific and individualised encounters and interactions: each consumer consumes a particular bit of service. Collective consumption of public services is invisible (as is the ‘enforced consumption’ of services).

Evaluative agencies engaged in the inspection and audit of services have been constructed as representatives (if not ‘champions’) of the public as consumers. They construe themselves as representatives of users/consumers in a potentially adversarial relationship to ‘producer interests’. Despite the nominal diversity of consumerism, consumers are often practically invoked in normative ways (such that the ‘normal family’ remains the template against which others may have ‘special needs’). This model of rational choice implies that we would all make the
same calculations about price/quality trade-offs (and are unlikely to let ‘dogma’, ‘ideology’ or other forms of unreason cloud our choices). The collection of evaluative and comparative information is understood as making organisations more ‘transparent’ to consumers and making information available that will enable the exercise of rational choice on the part of consumers (Clarke et al., 2000). Where the public as taxpayer legitimates the pursuit of efficiency (and economy), the public as consumer legitimates the pursuit of comparability and permanent improvement in standards of service. The taxpayer and consumer have been the dominant representations of the public and its interests in the last decade, but there are signs of an emergent third view of the public.

Where the taxpayer and consumer conceptions of the public imagine a privatised identity for the public, other pressures have shaped a more differentiated conception of the public at the end of the twentieth century. In part, this reflects the refusal of conceptions of the public and the social to disappear under the neo-liberal challenge. In a variety of ways attachments to collective identities and solidarities persist – even when they are internally conflict ridden. So, conceptions of the public as a nation jostle with anti-racist and multi-cultural challenges to the tendency to equate nation-people-race. Traditionalist or nostalgic images of the social contend with alternative views of modernity. Although this is not the place to explore these issues in detail, I want to stress the importance of such conceptions of the social and public – they are not merely ‘residual’: the traces of old ways of thinking (Clarke, 2000). They are active political and cultural discourses – around which people mobilise, organise and act. But in the dominant discourse – that of New Labour – the public is now imagined as a field of differences: different ‘communities’, different cultures, and different socio-demographic groups who may have different interests (Rose, 1999). There are a number of strands that play into such conceptions of a diverse public. One emerges from the range of activist social movements and their intersection with the local state around ‘equalities’ struggles (Breitenbach et al., 2002; Newman and Williams, 1995). A linked strand is formed by the pursuit of ‘access’, ‘anti-discriminatory’ or ‘anti-oppressive’ practices in different professional fields (Lewis, 2000). Increasingly sophisticated marketing and sampling processes attentive to both demographic and ‘lifestyle’ differentiation have also played a part. New Labour’s response to the impoverished conception of the public realm of neo-liberalism stresses consulting or even being in partnership with ‘communities’ of place and identity (Hughes and Mooney, 1998). All of these have, as Newman (2000, 2001) argues, made an issue out of the politics of representation and the ‘representativeness’ of public services.

Such a view of the public raises some profound, and profoundly contested, problems. How is such diversity to be understood? Can the public interest be produced from sampling the population by age, ethnicity, gender, sexual orientation or other socio-demographic categorisations? How is a diverse public
to be consulted and represented? Are there differences in how services are to be evaluated? If so, how can they be either accommodated or reconciled (if not by the imposition of majoritarian norms)? New Labour has operated with an uneasy combination of choice and consultation that tends to be dominated by managerialist orientations (Rowe and Shepherd, 2002). Choice – the prerogative of the ‘demanding, sceptical citizen-consumer’ (Secretary of State for Social Security, 1998: 16) – is deployed in the modernisation-through-marketisation approach that dominates New Labour’s approach to services (Andrews, 2003). But this sits alongside growing demands for consultation and participation (at the local level) with the public and communities, including, especially, the ‘business community’ (DETR, 1998). Adding such collective dimensions to the taxpayer/consumer models of the public implies political, processual and technical problems for the articulation of a public interest (see also, Ellison, 1999; Fraser, 1997).

**New Labour, neo-liberalism and ‘modernising’ the public realm**

I have tried to indicate some of the ways in which New Labour’s relationship to the public realm has continuities and discontinuities with the period of Thatcherism. How to assess the political tendency or direction of New Labour remains one of the more controversial issues in academic (and journalistic) analysis. This is rather different from the evaluation of New Labour’s policy impact (Powell, 2002a; Toynbee and Walker, 2001). Rather, this question goes back to the relationship between neo-liberalism as a transnational strategy and specific national political formations and projects. National political formations, party ideologies and governmental programmes are rarely ‘pure’ expressions of larger logics. They are compound formations, articulations of different discourses in temporary unities that (possibly) create party and electoral blocs. Thatcherism itself was never a purely neo-liberal project. It combined neo-liberal elements with aspects of conservatism, both old and new – nowhere more evidently than in the regressive ‘little Englanderism’ that overshadowed the UK’s relationship to the European Union (and revived images of imperial self-importance). Nevertheless, neo-liberalism dominated Conservative approaches to the economy, to the relationship between economy and society, and to the subordination of the public to the private (in both ‘privatisations’). The power and capacity of the state (in its dispersed form) was largely directed to supporting and enforcing these tendencies. But this neo-liberal dominated project was hardly a complete success – either in its own terms, or in its ambition to establish a new hegemony.

This incomplete project created the ground that New Labour has occupied – and left some of the political contradictions that New Labour has tried to manage. A central issue in this political terrain is the persistence of popular attachments to conceptions of the public and the social. These attachments have been regenerated around a number of focal points: for example, the failures of privatisations
(especially the railways), a concern for public transport, a refusal to see the National Health Service privatised (resulting in a variety of smaller corrosive reforms), and concern about market failures and public health (especially in food supply). There have also been expansive movements for human and social rights from diverse constituencies. All of these take place in a political culture riven by tensions about the nation, national identity, cosmopolitanism, internationalism and multiculturalism. New Labour’s rhetorical commitments to ‘social-ism’, to modernisation, to public services and to a more European sensibility spoke to some of those unresolved – and undissolved – sensibilities.

How has New Labour occupied this ground? Is it neo-liberalism by another name? Is it a social democratic government, modernising public services, addressing problems of social exclusion, social injustice and elitism? Is it dominated by communitarian impulses that focus attention on social integration rather than social equality? Is it formally ‘business friendly’ while ‘doing good by stealth’ – or is it in the pockets of financial capital? Is it European – or American? A case can be – and has been – made for all of these views (see, inter alia, Burden, Cooper and Petrie, 2000; Clarke, Gewirtz and McLaughlin, 2000; Glennerster, 1999; Hay, 1999, 2002; Powell, 2002b). But the difficult problem is not that of noticing that different tendencies are at play in New Labour – it is grasping how they are ‘structured in dominance’. In relation to the public realm, I want to argue that New Labour is, indeed, another neo-liberal dominated alliance, but that the subordinate elements are different from those of the transatlantic New Right of the 1980s and 1990s, with consequences for how the public realm is inscribed in political and policy discourse.

New Labour’s ‘modernisation’ requires the continued shift towards both versions of the private (sector and sphere) that are central to the neo-liberal strategy. Far from being ‘pragmatic’ about the public–private distinction, New Labour valorises the private: the private sector as the site of dynamic innovation; the private sphere as the site of responsible subjects. The function of the public realm – understood as the combination of government and services to the public – is to sustain and enable the private sector and responsible/responsibilised subjects. This includes creating the conditions for participating (as waged workers, primarily) in a dynamic, flexible, global economy. But it also includes participating as consumers, as responsible parents and as active citizens – all of which are seen as necessary conditions for a ‘modern society’ (that is not just a modern economy). Overcoming the blockages and inhibitions to being modern (that are effectively ‘pre-modern’ in New Labour terms) may need public investment, public effort and public services – but they are needed to liberate active subjects (individuals and corporations) from the past for the future.

This subservient and enabling conception of the public realm is what aligns New Labour with US centred neo-liberal globalisation – and what disjunctures it from the ‘European social model’ (Ginsburg, 2001; Leibfried, 2000; Taylor-Gooby, 2001b). But its stronger conception of the public realm (as something more than
just corporate welfare) separates New Labour from US neo-liberalism (Kingfisher, 2002; Whitfield, 2000). But that more ‘public’ orientation is itself contradictory and ambiguous. It is not just a matter of juxtaposing ‘neo-liberal’ economy with a more ‘social’ public and social policy; or of contrasting neo-liberalism and social democracy (new or old). The significance of subordinate elements in a political formation is that their subordination inflects or reshapes their meaning and function. So, New Labour’s conceptions of the social and the public derive from a number of sources – communitarianism, European discourses of social exclusion/inclusion, English-centred discourses of nation and people (against the ‘excesses’ of asylum and migration), ‘old’ Labour puritanism and moralism (sometimes known as ‘Christian socialism’), and ‘equality’ struggles of the 1970s, 1980s and 1990s. But they are articulated to a neo-liberal conception of an economised society (and world) through the nodal point of ‘Work’ (Clarke and Newman, forthcoming; Lister, 2002).

But the presence of subordinated elements in political formations also has political, policy and practical consequences. New Labour is not just neo-liberal. These other elements reflect the problem of translating neo-liberalism into practice – especially in Western capitalist democracies. Enforcing neo-liberalism in other settings may be easier (whether through IMF structural adjustment policies or military force). But establishing neo-liberalism as the dominant trajectory in European settings has proved more problematic. Conceptions of the public and the social, and their embedding in collective institutions, relationships and identities, have proved surprisingly resistant to the threats and promises of neo-liberalism. New Labour’s modernisation speaks to those residual, persistent and emergent solidarities, and attempts to find ways of ‘socialising’ neo-liberalism (Hall, 1995). And it does so in the context of trying to unify a dominant political bloc and a sustainable electoral majority. Managing the contradictions of neo-liberal modernisation – domestically and internationally – looks like hard work.

New Labour needs to inhabit the terrain of the public and the social, even as it re-articulates them towards neo-liberal meanings and practices. It needs to do so for reasons of party (keeping organisation, resources, membership and the ‘labour movement’ more or less in place); for reasons of electoral success (sustaining the socially diverse base of New Labour support); and for reasons of national–international statecraft (positioning a ‘modern Britain’ in relation to neo-liberal globalisation). In this respect, New Labour attempts to settle conflicting conceptions of modernity – presenting one (more or less coherent) view of a modern society (Andrews, 1999; Clarke and Newman, forthcoming). In doing so, it has to address the social/public ‘excess’ that lies beyond the neo-liberal imagination – that which cannot be contained by the ‘private’. It enacts neo-liberalism in a political–cultural hybridised formation – as do other national–regional political projects (Kingfisher, 2002: 52–3). It does so through mixing a complex set of (more or less contradictory) conceptions of a modern
economy and society. This ‘hybridity’ is visible in the regular use of paradoxical terms to define New Labour’s programme: ‘liberal collectivism’ (Ginsburg, 2001); ‘market collectivism’ and ‘post-social communitarianism’ (Fitzpatrick, 1998); neo-liberal humanism’ (Andrews, 1999); ‘passive revolution’ (Johnson and Steinberg, forthcoming) and ‘regressive modernisation’ (Hall, 1988, 1996). These paradoxical designations deal with both principles (of ideology, philosophy, orientation) and processes (forms and directions of transformation). Neo-liberalism is enacted in different hybridised formations – in different national politics, in different regional contexts (Europe; North America, Africa, Asia and others); and in supra-national institutions and processes (WTO, IMF, etc.). New Labour’s modernisation programme may have strong transatlantic links, but its enactment of neo-liberalism is not the same as US Republicanism (or even Clinton era New Democrats), not least because of the different weight of conservative and neo-conservative discourses in the US. But nor is it ‘European’ – differing from the stronger public/social orientations of both Social and Christian Democracy which still attempt to accommodate and subordinate neo-liberal demands within national and regional strategies (Clarke, forthcoming a; Huber and Stephens, 2001). New Labour’s neo-liberal hybrid reflects something of its geo-political location and tendency – in the EU but not ‘European’, and with a ‘global’ orientation mobilised though economic, military and policy affinities as part of a transatlantic neo-liberalism.

I have tried to offer a view of partial, unfinished and contested dissolution of the public realm in the UK. While wanting to give analytic attention to the forces of neo-liberal globalisation, I have wanted to tell a story that examines some of the limits and limitations of this strategy, rather than celebrate or bemoan the ‘global roll out’ of neo-liberalism. I think it might be important to pose the question of why it is so hard to eliminate, dissolve or dismantle the public realm (in its different meanings and incarnations). I do not mean to underestimate the weight and range of the neo-liberal project, nor of the forces allied with it. Nor do I mean to romanticise the persistence of the public realm – it remains selective, unequal, differentiating, constraining and oppressive in many ways. But it is also the site of political-cultural investment, attachments, identifications as well as old and new solidarities. Its persistence speaks to two issues that matter (to me, at least). The first is that dominant strategies are just that – strategies. They require intense political-cultural work to make them come true – and we should be wary of reading outcomes from strategies. The second issue concerns questions of tensions, contradictions and contestation. Dominant strategies do not occupy an empty landscape. They have to overcome resistances, refusals, and blockages. For many reasons, the public realm (and the attachments that it mobilises) is part of the ‘grit’ that prevents the imagined neo-liberal world system functioning smoothly. It makes a difference to our view of the world if we start by looking for the grit – taking notice of the recalcitrance, resistance, obstruction, and incomplete rule – rather than throwing them in as a gestural last paragraph
after the ‘big story’ has been told. Starting with them in mind might create a little more thinking and breathing space by lifting the dead weight of the Big Stories from our minds. The contested fortunes of the public realm are testimony to the limitations of neo-liberalism’s plan to rule the world.

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