1 The Neoliberalism–Nationalism Nexus

Nationalism has been usefully described as "thin ideology" (Freeden 1998), akin to feminism or ecology, incapable of providing comprehensive solutions to the full panoply of sociopolitical problems and thus dependent on thicker "host vessels" such as liberalism, conservatism, or fascism. Michael Freeden (1998:751–4) identifies as the "core structure" of nationalism the "prioritization" of a particular group (the "nation"), its "positive valorization," to give "politico-institutional expression" to it (in the form of a state), a corresponding identity that prizes a particular "space and time," and membership of this group being a matter of "sentiment and emotion." This indeterminate core structure, to be filled up by "adjacent" or "proximate" concepts (such as liberty, democracy, ethnicity, etc.), allows for many combinations and "multiple nationalisms."

The most common way of capturing the extreme ends of possible nationalisms is with the "ethnic" vs. "civic" binary, which goes back to the Czech–American historian Hans Kohn (1944) and has been influentially imported into contemporary sociology by Rogers Brubaker (1992). It suggests that some nationalisms and corresponding forms of nationhood are primordial and closed while others are more political and open. John Plamenatz (1973) captured the opposite normative connotations of both poles of nationalism in his influential contrast of "illiberal" East European and "liberal" West European nationalism. The ethnic–civic distinction has been rightly criticized for its Manichean juxtaposition of two types of nationalism, one "good" and one "bad" (Yack 1996; Brubaker 1998). Its critics point out that real-world nationhood and nationalism always contains elements of both, an element of genealogical closure and stasis *and* an element of civic inclusiveness and progression.

But the ethnic–civic binary continues to be useful for understanding contemporary expressions of nationalism. An analysis of the "new nationalism" of Trump and others immediately evokes the contrast between a "civic nationalism," which is "conciliatory and forward-looking" and "appeals to universal values, such as freedom and equality,"

and "ethnic nationalism," which is "zero-sum, aggressive and nostalgic and which draws on race or history to set the nation apart";[1] and, as one would guess, it locates the current "league of nationalists" firmly on the ethnic side.[2]

The twenty-first century new nationalism to be explored in this chapter is a world apart from the optimistic nineteenth-century nation-building nationalism depicted by the modernist mainstream of nationalism theory. For Ernest Gellner (1983:48), nationalism, while it may misleadingly clothe itself in ancient folk tale, myth, and atavism, is "the consequence of a new form of social organization, based on deeply internalized education-dependent high cultures," providing the possibility for context-free communication and social mobility that are required for the functioning of a post-agrarian "industrial society." The positive function of nationalism and nationhood in an already modernized, contemporary society has not become anachronistic, though perhaps more in the moral terms of making "social justice" and "democratic politics" possible than in the cognitive terms of furnishing rationality and serial connectivity, as stressed by Gellner.[3] Paul Collier's (2013:25) critical analysis of contemporary migration rightly points out that it is the "fruits of successful nationhood" that attract migrants in the first place, though their massive arrival, in turn, may put at risk the "mutual regard" and "benign fellow-feeling" (2013:61) that successful nationhood both requires and provides.

While boundary-drawing is constitutive of all things national, their positive variant, which is highlighted in modernistic and liberal nationalism theories, is primarily integrating and boundary-transcending, turning strangers into associates. By contrast, the negative variant of nationalism arises against the backdrop of *achieved* nation-building, and it reinforces the selective if not discriminatory function of boundaries to close "us" off from "them." As a rare empirical analysis of "neo-nationalism" put it aptly, the latter "is a subset of nationalism that can be considered a boundary-maintenance project rather than a nation-building project" (Eger and Valdez 2015:127). It arises in the context of an unprecedented external opening of nation-states for the movement of goods, capital, ideas, and to a degree also people, which since the late 1980s has been known as "globalization," and which is ideologically framed and institutionally supported by a distinct variant of liberalism, "neoliberalism." To

[1] "The new nationalism," *The Economist*, November 19, 2016, p.9.
[2] "League of nationalists," *The Economist*, November 19, 2016, pp.51–4.
[3] See Miller (1995) and similar works on "liberal nationalism," like Tamir (1993).

explore the "neoliberalism–nationalism nexus" is the subject of this chapter.

Nationalism in a neoliberal context comes in various forms. It attacks the cosmopolitan elites and immigrants who are seen as driving or profiting from globalization, and in Europe it is carried by increasingly successful radical-right parties and movements. However, in part reflecting the electoral successes of the populist groundswell, new nationalism can also be dressed in suit and tie and take the form of state policy. For instance, diminished by the primacy of markets in a neoliberal age, states symbolically "perform" sovereignty, defending "national identity" and "values" at the immigration and citizenship front (see Ocak 2016). One observer characterized this statist variant of contemporary nationalism as diversity-hostile "nation-freezing" (Suvarierol 2012). At the extreme, neo-nationalist states build physical walls to protect themselves, not as in the past from other states, but from certain "non-state transnational actors" – which is Wendy Brown's (2010) euphemism for irregular migrants, smugglers, and drug dealers who are *also* unleashed by neoliberal globalization.

The statist variant of the new nationalism sits on top of a structural nationalism that is built into membership policy as such. It is a truism but always to be kept in mind that under international law, states are sovereign to decide about territorial access and membership, that is, about immigration and citizenship. This is also a logical requirement because the constitution of the demos cannot itself be constrained by liberal-democratic rules that can only emanate once the demos has been constituted. The determination of membership, one could argue with Stefano Bartolini (2018:106), is the genuine site of "the political," which is "factual imposition" denuded of all "legal" decorum": "The integrity of the membership or territorial group and the physical security of its members are constantly at stake. The field of constitutive predicaments of community life is the area in which 'politics' is most clearly foreign and irreducible to law."

The defense of place is the original political experience. This is nicely captured in German poet Hans Magnus Enzensberger's (1994) allegory of a railway compartment "defended" by its original occupants: "Two passengers in a railway compartment … Their consciousness is that of natives claiming the whole space for themselves. This view cannot rationally be justified. It appears all the more rooted" (1994:105). Enter two more passengers: "Their arrival is not welcomed" (1994), and the initially unrelated first passengers form an implicit alliance against the intruders. Enter yet two more, and the newcomers face an alliance of *four* original occupants – "curious, the rapidity with which one's own

origin is concealed and denied" (1994:106). Enzensberger concludes that "sectional self-interest and xenophobia are anthropological constants which predate every rationalization" (1994).

Unlike contemporary liberals, late nineteenth-century liberals still had a sense of the political anthropology evinced by the German twentieth-century poet. Consider this statement by political theorist Henry Sidgwick (1891:235): "A State must obviously have the right to admit aliens on its own terms, imposing any conditions on entrance or any tolls on transit, and subjecting them to any legal restrictions or disabilities that it may deem expedient … (A)s it may legitimately exclude them altogether, it must clearly have a right to treat them in any way whatever, after due warning given and due time allowed for withdrawal."

This brutish-sounding statement by a liberal-progressive thinker at his time shows how much immigration policy and citizenship policy have become "liberalized" and domesticated by law in the meantime, constraining state discretion even in this innermost circle of sovereignty, no doubt under the impact of post-WW II human-rights law and discourse. Even a supporter of liberal nationalism, like David Miller (2008:376), who prioritizes the need for a "shared national identity" over the claims of multiculturalism, concedes that state sovereignty is no longer a "trump card" and that immigrants "have to be admitted as equal citizens." Sidgwickians would be considered racists today. British Premier Gordon Brown, for instance, when calling for "British jobs for British workers," was accused by his own Labour peers of "racism, pure and simple." But, as David Goodhart noted, Brown "didn't actually say British jobs for white British workers." Goodhart rightly concludes that the "language of liberal universalism" rules out what "until about twenty-five years ago … would have seemed so banal as to be hardly worth uttering."[4]

In its most benign reading, new nationalism, whether in its protest or its statist form, may be seen as an attempt to retrieve the structural nationalism that is built into sovereign membership policy *ab ovo*, and to free the latter from the legal-liberal decorum to which we have become accustomed over the past half-century. Sidgwick would be little surprised by a recent law in Denmark, whose immigration policies have long been dictated by the populist radical-right Danish People's Party, that requires asylum-seekers to hand over their valuables, including jewelry and gold, to pay for their processing and stay in Denmark.[5] This would simply flow from Denmark's "right to treat (aliens) in any way whatever, after due

[4] The event and Goodhart's commentary on it is reported by Haidt (2016).
[5] Dan Bilefsky, "Danish law requires asylum seekers to hand over valuables," *New York Times*, January 26, 2016.

warning given and due time allowed for withdrawal" (Sidgwick 1891:235). Sidgwick's added proviso is the precise rationale of the nasty policy, which is deterrence.

Who and what is the new nationalism, and why has it emerged *now*? Its rise has to be seen in the context of a neoliberal restructuring of Western economies and societies, which has been ongoing since the mid-1970s, but has shifted to high gear only with the onset of globalization, post-1989. The new nationalism, I shall argue, is on the one hand *reactive* and *oppositional* to neoliberalism; but, particularly in its statist incarnation, it has also *complemented* and even *incorporated* elements of neoliberalism, most importantly its rhetoric of "responsibilizing" the individual. The latter undergirds a new type of harsh and punitive post-welfare social policy that has widely overlooked nation-building implications. Not everything in the new nationalism is ethnic or racial, of which its populist variant is often especially suspected. In reality, this crude variant of nationalism is easily dismissed, and even populists and the severest critics of political correctness shy away from it. Instead, the new nationalism's exclusivist narrative may also draw from other, neoliberal sources. The neoliberalism–nationalism nexus needs to be seen as a dialectic, in which each component is impacting on the other while both are jointly evolving.

What Is Neoliberalism?

Neoliberal Theory

It is not easy, but essential, to distinguish neoliberalism from liberalism. What they share is the centrality of the individual in the constitution of social and political order – public functions have to be justified by protecting the integrity of the individual and her freedoms. Friedrich Hayek (1982:2), neoliberalism's chief thinker, put it this way: "In a free society the general good consists principally in the facilitation of the pursuit of unknown individual purposes." No liberal, from Benjamin Constant to Isaiah Berlin, would disagree, and the underlying intuition has recently been reformulated as the idea of state "neutrality" on "conception(s) of the good life" (Dworkin 1985:191). Where liberals and neoliberals part ways is with respect to a second feature of liberalism, which Michael Walzer (1984:315) has called the "art of separation": "Liberalism is a world of walls, and each one creates a new liberty."[6]

[6] See also Crouch (2011:3), who defined "liberalism" proper, a term "as slippery as a political term can be," as "seeking various separations" (2011:4), for the sake of limiting power and increasing freedoms.

The classic example is the "wall" separating the state from religion, whereby the state could become fully secular and religion truly religious. But the logic of separation can be extended to other spheres. This liberalism is not just a political ideology, to be distinguished from socialism or conservatism (e.g., Alexander 2015), but the reflexive theory of a functionally differentiated society, in which each sphere is subject only to its own domain-specific rules and prerogatives – those of power and the public good in the polity, of money and individual gain in the economy, of influence and deliberation in the civic sphere, of love and socialization in the family, etc., without any of these spheres being dominated in their operations by a master sphere.[7]

Neoliberalism, by contrast, does not respect the art of separation: the market trumps all other spheres, in particular the political sphere, which is denied its autonomy. This position is polemically but rightly characterized by a term originally attributed to investment billionaire George Soros: "market fundamentalism."[8] In Hayek's classic formulation (1982:15), neoliberalism is grounded in a deep anti-rationalism, the assumption of a limited ability of human reason to apprehend social complexity. This leads him to prioritize "spontaneous order" (*kosmos*), which is "rule-governed" and best achieved through market exchanges, over "organization" (*taxis*) and planning, which is "end-governed" and the natural medium of the state.[9] Hayek's preference for "spontaneous order" is echoed in Michel Foucault's (2007:48) definition of the "game of liberalism" as "letting things follow their course." For Hayek (1982:64), "society," understood as spontaneous order, is kept together merely by a purpose-free "rule of law" (essentially private and criminal law), and society as such "is incapable of acting for a specific purpose." Hayek's most ardent political disciple, British Prime Minister Margaret Thatcher, popularized this view in her famous diction that there is "no such thing as society, only individual men and women (and their families)." Being purpose-free, the rule of law sets the framework for people to pursue their own purposes, and intervening in this process for an overarching purpose, such as redistribution and social justice, creates the grave danger of totalitarianism. Moreover, inequality that results from market behavior is the unintended outcome of a multiplicity of individual exchanges, and qua being unintended, this outcome cannot be considered unjust, so that there is no collective responsibility to rectify it. In Hayek's neoliberal reasoning, justice or its opposite, injustice, is

[7] For a systems-theoretical account, see Luhmann (1986). [8] Block and Somers (2014).
[9] This resembles Oakeshott's (1975) distinction between "nomocratic" and "teleocratic order," and his apodictic preference for nomocracy.

exclusively an attribute of the individual and her intentional action. Accordingly, poverty and deprivation, insofar as they are the unintended outcome of aggregate market behavior, cannot be subject to justice considerations – they are "evils" but not "injustices."[10]

Hayek (1960:71) espouses an austere view of "liberty," according to which the reverse side of the "opportunity … of choice" is to "bear the consequences" of one's actions: "Liberty and responsibility are inseparable." If one combines the "fact that people are very different" with their equal treatment under law in a *Rechtsstaat*, "the result must be inequality in their actual position" (1960:87), for which only the people themselves are to be held responsible. To make them equal would require them to be treated differently, which "cannot be accepted in a free society" (1960), as it conflicts with the *Rechtsstaat* idea of equality before the law. "Equality before the law" is one thing, and "material equality" is quite another – both cannot be had "at the same time," and a choice has to be made (1960). As Hayek put it in his best-known work (1944:87–8), which like all of his works is a monochrome defense of "liberalism" against "socialism" (or "collectivism" and "planning," which included at the time Fascism and National Socialism), "a substantive ideal of distributive justice must lead to the destruction of the Rule of Law. To produce the same result for different people is to treat them differently." "Social justice," as Hayek (1982:144) put it in the ultimate statement of his views, is a "mirage," an atavism, or hangover from a previous "teleological" society in which overriding goals could be pursued, "revolt of the tribal spirit against the abstract requirements of the coherence of the Great Society with no such visible common purpose." Worse still, in reality social justice is the "dislike of people who are better off than oneself, or simply envy" (1982:99). By contrast, "(i)n a society of free men whose members are allowed to use their own knowledge for their own purposes the term 'social justice' is wholly devoid of meaning or content" (1982:96). In a "nomocratic" society with no overarching ends, in which the law merely facilitates the realization of private ends, common moral values like "social justice," which wrongly and mischievously suggest that "society" could act, make no sense and should be abandoned.

The premise that "each capable adult is primarily responsible for his own and his dependents' welfare" (Hayek 1982:99) and the rejection of any corrective government intervention in the market order (*catallaxy*) as

[10] H. B. Acton, quoted in Plant (2010:88).

merely "the protection of entrenched interests" (1982:96),[11] clearly marks neoliberalism as distinct from liberalism. Because, as one of liberalism's foremost theorists clarified (Holmes 1995:241), from the early nineteenth century on, liberals have always been for a "just order" and not just for "any kind of order." In liberalism's canonic late-twentieth-century formulation, by John Rawls (1971), perhaps even more than before, liberalism is constitutively concerned about social justice. In Rawls' terms, this is the point of his second, "difference" principle of justice, which tolerates inequality only to the degree that it is of advantage to the worst-off. Rawlsian liberalism is a social-democratic liberalism that is favorable to redistribution and helping out the needy.[12] And, as Stephen Holmes has demonstrated (1995:258), there is "continuity" in this respect between "classical" and contemporary "welfare-state liberalism," both revolving around the central (if differently interpreted) value of "security."

The Neoliberal State

The relationship between neoliberalism and the state is "inherently unstable" (Harvey 2005:81) because neoliberalism simultaneously refutes *and* requires the state. Ideologically, the state is refuted. Colin Crouch (2004:41) put it nicely, that in neoliberal reasoning the state is "a kind of institutional idiot": in its ham-handed collectivism, the state is notoriously underinformed and easily outsmarted and thus better kept out of the economy and the social process at large, while it is simultaneously beholden to politicians' "parasitic spinning and electioneering" (2004:43). Hayek and Austrian (and later Chicago School) economists provided the clues for the first plank of this aversion, while "public choice" theory, developed by James Buchanan and Gordon Tullock at the University of Virginia, provided the clues for the second. For too long political analysis had naively assumed that "policymakers were benevolent and acted in the public interest," as two chroniclers of neoliberalism paraphrase public choice theory's negative point of departure (Cahill and Konings 2017:43). Now it was time for "politics without romance," as Buchanan put it (quoted by Streeck 2013:55, n.30). In Buchanan and

[11] Not all neoliberals, however, eschew a stronger ordering hand of the state. An example is the German Ordo-Liberals, a branch of whom the postwar German "social market economy" refers back to (see Friedrich 1955).

[12] When Hayek wrote *The Road to Serfdom*, it was Keynes, with whom Hayek was friendly and in a candid exchange, who typified liberalism's interventionist streak, not quite adequately described by Stedman Jones as "liberalism's twentieth-century metamorphosis" (2012:62).

Tullock's "economics of politics," politicians and bureaucrats are finally depicted as the self-interested and utility-maximizing creatures that they really are, just like any other member of the human species, maximizing votes or piling up state funds just for the sake of it. Unfortunately, in political life there is no market and price mechanism around to restrain and discipline the natural propensity for "rent-seeking," so that there is an inevitable tendency for government and public bureaucracy to become bloated.

The economic theory of politics anticipates in academic garb the populist attack on a corrupt and self-aggrandizing "political class." In fact, when it was first presented, Tullock's cynical depiction of a self-seeking American government bureaucracy was pithily rejected by a leading scholar as an ill-informed and grotesque caricature.[13] That today not the charge but its sharp rejection raises eyebrows shows how much times have changed. While a negative or even cynical view of public bureaucrats and politicians has become the standard view, populists and public-choice theorists differ starkly in their proposed remedies. Populists seek to replace "corrupt elite" power through the *volonté générale* of the "pure people" (Mudde 2004:543), thus returning to original "democracy" as "rule of the people." By contrast, the public choicers prescribe the exactly opposite remedy of expelling democracy from a slimmed-down state, either by devolving state functions to the private sector or by shifting public power within the state to regulatory agencies unaccountable to executive-cum-democratic controls, like independent central banks.

Much as it hates the state, neoliberalism also cannot do without the state. Karl Polanyi (1944:68) famously insisted that already the nineteenth-century rise of the "self-regulating market" had required the helping hand of the state: "Regulation and markets, in effect, grew up together." And so it is today, in the neoliberal rescue of the market from the stranglehold of the interventionist state, because even de-regulation is still regulation. Quinn Slobodan (2018:3), in his history of the Geneva School of "Ordoglobalism," has put it well: "The neoliberal project focused on designing institutions – not to liberate markets but to encase them, to inoculate capitalism against the threat of democracy, to create a framework to contain often-irrational human behavior." This creates a paradox for neoliberals, nicely pointed out by Andrew Gamble (2006:28): "(T)heir revolution in government requires that a group of individuals be found who are not governed by self-interest, but are

[13] See Herbert Kaufman's review of Tullock's *The Politics of Bureaucracy* (Kaufman 1966).

motivated purely by the public goal of upholding the … market order" – a dilemma that is dissolved by the "wholesale dismantling of the state". Less tongue-in-cheek, Gamble (2006; also 1988) still insists that a "strong state" is a necessary complement to a "free economy." The formula "Free Economy—Strong State," in fact, goes back to the 1930s' inventor of the very word "neoliberalism," the German economist and political scientist Alexander Rüstow, whom Carl Joachim Friedrich (1955:512) even called "the ablest exponent" of the new "creed."

Perhaps not by accident, neoliberal Chicago Economics was first implemented under the Chilean dictator Pinochet after his violent coup d'état in 1973, shock-like replacing the protectionist import-substitution model that was typical for developing countries at the time by one of export-led growth exposed to the world market, at great cost to Chilean workers, whose organizations were brutally suppressed. Meanwhile, in Europe, British Prime Minister Thatcher adorned her neoliberal revamping of economy and state with a throaty war against Argentine over a few sparsely inhabited rocks in the South Atlantic, the Falkland Islands: "Britain is not prepared to be pushed around," she declared after a quick victory to a roaring Conservative Party audience.[14] In the United States, the advent of neoliberalism under Ronald Reagan also saw the rise of the "neocons," who combined an endorsement of unfettered capitalism with moral conservatism and military hawkishness. David Harvey (2005:85) concludes that "the neoliberal state needs nationalism of a certain sort to survive," without, however, specifying of what "sort" this nationalism exactly is.

That neoliberalism is not merely an "economic regime" but a "political project of state-crafting" has been provocatively emphasized by Loic Wacquant (2012:66), who became known for his dark account of the expanding "penal state" in the United States. In Wacquant's evocative definition, neoliberalism is "an articulation of state, market and citizenship that harnesses the first to impose the stamp of the second onto the third" (2012). Next to economic deregulation, which promotes the market by removing justice and equality constraints, the neoliberal "political project" has three other components: a shift from welfare to workfare, in a new type of punitive social policy that ties the receipt of slimmed unemployment and other social benefits to the obligation to work; the "cultural trope of individual responsibility"; and an extended penal apparatus of police, prisons, and courts (see Wacquant 2010:213–4). The French–American sociologist's name for the resultant

[14] Margaret Thatcher, Speech to Conservative Rally at Cheltenham, July 3, 1982 (www.margaretthatcher.org/document/104989).