

1 Resistance to Neoliberalism

Introduction

Between November 2020 and March 2021, hundreds of thousands of farmers from India's northern states marched and laid siege to the periphery of New Delhi in a massive sit-in and encampment on the arterial highways. The farmers directed their protests, with a prominent presence of women, against the deregulation of agricultural commodity prices and related policies and demanded a minimum price for their products. India's major labor unions joined in a one-day solidarity strike against the measures with an estimated 250 million workers participating. A few months earlier, Prime Minister Narendra Modi and his Bharatiya Janata Party (BJP) had passed three laws in Parliament that swiftly overturned legislation protecting rural producers that had been enacted in 1955 at the height of state-led development in the global South (Narayanan, 2020; Waghre, 2021). The dramatic actions in India represent the highest level of nation-based collective resistance to neoliberalism to date. In late 2021, after a year of permanent protest encampments and regional electoral losses, Prime Minister Modi announced he would repeal the farm laws.

In Chile, in a ten-week period between mid-October and December 2019, collective actors produced more than 3,300 protest events, with street marches reaching up to one million participants – the largest outpouring of mass dissent in decades (Somma et al., 2020). The *estallido social* also resulted in twenty deaths and thousands of injured citizens in the face of police repression (Somma et al., 2021). While sudden price hikes in public transportation triggered the initial uprising, the most frequent protests in the following weeks were over the weakening of the welfare state, with demands for more health care, educational access, housing, general social provisions (Somma et al., 2021) and, as also occurred in India, denunciations of the abuses of repressive forces (Godinez Galay and Binder, 2021). The Chileans' demands for expanded social citizenship rights appear especially striking given that for decades Chile has served as the exemplar for successful market reforms in the developing world (Harvey, 2005). The mass uprising also resulted in new elections for a Constituent Assembly in 2021, where left-of-center parties and new social movement constituencies performed exceedingly well. The year ended with the victory of the progressive Social Convergence coalition in the presidential elections.

The historic protests in India and Chile vividly demonstrate the ongoing resistance to neoliberalism across the globe. These large-scale campaigns also contain many of the components of collective action discussed in the pages that follow. We examine the dynamics of various forms of economic threats,

organizational fields and infrastructures, disruptive repertoires of contention, and the political consequences of mobilized opposition to neoliberalism. These collective challenges remain relevant as policy analysts forecast increasing economic austerity by governments across the globe through 2025 (Ortiz and Cummins, 2021).

Civil society actors have contested the fifty-year-long transition to a global economy based on the principles of deregulation, free trade, and a deepening market society. Scholars and activists alike generally refer to these principles as the doctrine of *neoliberalism*. Given the pervasiveness of market-driven reforms, mobilization against neoliberal measures represents one of the most common forms of social movement activity across the world. Most recently, in 2019, a new wave of economic-based uprisings occurred in Chile, Ecuador, France, Honduras, Iraq, Iran, Lebanon, South Africa, and Sudan.¹ Even in the midst of the global coronavirus pandemic between 2020 and 2022, massive popular protest campaigns against economic policies erupted in Ecuador, Costa Rica, Colombia, Cuba, Kazakhstan, Panama, Sri Lanka, Sudan, and India. Several of the recent campaigns broke national records for their size and scale. We explore the evolution of resistance to economic liberalization from the 1970s through the first two decades of the twenty-first century. The study highlights massive civic opposition to the implementation of free market policies in multiple arenas, including: specific economic policies that drive collective action; geographic distribution of major protest events across localities, world regions, and time; composition of protest coalitions; and the outcomes of movement campaigns.

The *economic context* of mobilization, especially in terms of various forms of trade, market regulation, and state-capital relations, has been de-emphasized in extant social movement studies. The most influential works that incorporate political economy into movement analyses tend to use broad neo-Polanyist frameworks of the “double-movement” as a counter to unfettered forms of market society (Roberts, 2008; Silva, 2009). Since neoliberalism operates at the global level as the dominant economic formation, and mass mobilization is often triggered directly or indirectly by its specific policies, a sustained focus on the economic drivers of protest and popular unrest offers huge payoffs to our understanding of social movements across multiple continents and over time.

Defining Neoliberalism: What are the Popular Sectors Contesting?

Neoliberalism is a set of economic policies with political, ideological, and cultural components. Understanding these components helps us to better

¹ See, www.ucpress.edu/blog/47494/the-global-protests-of-october-2019/.

specify the conditions and the context that eventuate in collective struggles against neoliberalism. The term emerged from classical liberalism, a period of unregulated capitalism between the 1830s and 1930s (Polanyi, 1944). This was the epoch whereby governments swept away the last vestiges of feudal laws protecting vulnerable populations from an emerging market society in Europe (Markoff, 1996). Classical liberalism met its demise with the onset of the Great Depression of the 1930s. The period was followed by state intervention in economic planning and a rapid expansion of the welfare state between the 1930s and 1970s (including labor protections). In the affluent nations of the global North, these decades are known as the era of Keynesianism, for the state-interventionist economic policies associated with the British economist, John Maynard Keynes. In lower- and middle-income countries of the global South, the mid-twentieth century is referred to as the period of state-led development. The reemergence of deregulation in the 1970s and 1980s by national, regional, and local governments institutionalized a new round of economic liberalism commonly known as *neoliberalism*. Since neoliberalism has become such a buzzword in the twenty-first century (especially for its critics), it is essential to more precisely define its usage and separate the multidimensional concept from other practices and economic policies.

Economic Dimension: The “neo” component emphasizes that neoliberalism is a revised version of the classical liberal doctrine that emerged in the nineteenth century. This new economic liberalism had to be adjusted to fit a context characterized by economic and political actors that did not exist under classical liberalism such as transnational firms with monopoly powers, and democratic states with commitments to social welfare (Evans and Sewell, 2013; Mann, 2012a; Brenner et al., 2010). Neoliberalism encompasses a set of market-based economic policies, including the privatization of public infrastructure and services, dismantling of social welfare apparatuses, reduced controls on capital transfers and investments, deregulation of credit and labor markets, free trade agreements, structural adjustment mandated by international financial institutions (IFIs), fiscal austerity, and new regimes of intellectual property (Prasad, 2006). All of these components transform the relationship between citizens and the state. This ample range of policy prescriptions came to be known as the “Washington Consensus” in the late 1980s and early 1990s (Williamson, 1993). The IFIs and a growing number of state managers considered the Washington Consensus policies as the “best practice” for developing economies (Fourcade-Gourinchas and Babb, 2002; Evans and Sewell, 2013). Also, the expansion of the financial services sector (i.e., financialization) opened new areas for capitalist profit-making (Krippner, 2011; Brown, 2015: 70–72). Along with financialization (Prechel and Berkowitz, 2020), increased globalization of economic

activity, technological changes, and international investment booms have also been salient features of the neoliberal era (Dicken, 2015; Almeida and Chase-Dunn, 2018).

Market fundamentalism has decreased the power of organized labor and intensified income inequality (Moody, 1997; Piketty, 2014). In this line of analysis, scholars locate the shift from welfare to “workfare” under neoliberalism as one of the major indicators of increased commodification or contractualization processes in multiple realms of social life (Standing, 2011; Reese, 2011). These practices, when applied to employment, are referred to as *labor flexibility*. Standing (2011) contends that neoliberalism has produced a new global class, the “precariat,” characterized by limited employment-related security. Large segments of the population are vulnerable to precarity, but some groups are more exposed than others, especially youth, women, the elderly, immigrants, and racialized populations (Canizales, 2021).

Political Dimension: A comprehensive or thick sociological explanation of neoliberalism should go beyond its economic definition and incorporate the power of states. A more globalized world is not one in which markets have been freed from politics or governments. At the transnational level, powerful states in the world system continue to engage in efforts to gain political and economic control over other countries by political and military means (Evans and Sewell, 2013). Neoliberalism is a transnational political project aspiring to reconstruct from above the relationships between the market, the state, and social citizenship (Robinson, 2014). As Polanyi (1944) noted, there is no market freedom without a state that regulates and reproduces it. The centrality of state actors in diffusing market fundamentalism shows that neoliberalism is not simply anti-statist (Bockman, 2013; Brown, 2015).

Another component of the political dimension of neoliberalism is the global growth of a proactive penal or carceral state (Wacquant, 2009). With economies more focused on precarious labor markets, mass unemployment, labor union decline, and flexible labor contracts, huge swathes of the population fall into pockets of economic insecurity. One response from wealthier states is to control low-income and precarious populations with punitive laws that lead to mass incarceration (Flores, 2018) and mass deportation (Golash-Boza, 2015).

The politics of mass incarceration can be viewed as the repressive side of neoliberalism, even in democratic states (Cobbina, 2019; Flores, 2018). This remaking of the state encompasses the combination of restrictive “workfare” with an expansive “prisonfare” aiming to discipline the precariat. Through this double social-penal regulation the state reasserts its responsibility and potency in crime management, while simultaneously failing to enact market restrictions to protect social citizenship rights and the environment (Gilmore, 2007). In this

conception, the neoliberal state regulates social insecurity and deepening inequality through “a carceral big government” historically driven in the United States not by trends in criminality, but by the class and racial backlash against progressive social policies advocated by the social movements of the 1960s and 1970s (Alexander, 2010; Davis, 2003). These “made in the USA” penal measures and policies devised during the “war on crime” in the 1980s and 1990s have been widely diffused, not without variations, across Western Europe (Wacquant, 2009) and the world. According to Robinson (2020), the “global police state” is centrally aimed at coercive exclusion of surplus humanity through social control and militarized accumulation. It expresses itself not only through mass incarceration, but also as racist police violence and paramilitary repression against social movements, US-led drug wars in Latin America, the Chinese high-tech systems of mass surveillance, the persecution of immigrants and refugees, and the repression of environmental justice activists opposing extractive industries and agribusinesses, among many others.

The active recourse to law-and-order mechanisms as a regular feature of neoliberalism to exercise control over marginalized social groups and generate subordination (Auyero et al., 2015; De Giorgi, 2017) leads to the formation of a “centaur state” (Wacquant, 2009). Such a government shows drastically different faces at the two ends of the social hierarchy: liberal and permissive toward the middle and upper classes, and authoritarian toward the lower classes. Traditional political parties representing the right to the center-left have also converged on this two-pronged strategy of promoting neoliberal economic policies combined with punitive laws against the racialized poor. For example, in the mid-1990s, former US president Bill Clinton championed North American free trade while simultaneously enacting harsh crime and immigration legislation. Indeed, by the 1980s even social democratic parties across the global North abandoned Keynesianism, and came under the influence of market-oriented economists to shift their policy platforms along neoliberal lines (Mudge, 2018). In most cases of economically induced collective action, it is the political dimension that oppositional groups directly confront. More specifically, collective action coalesces around a particular neoliberal policy enacted by a local or national government and the state becomes the final arbiter in implementing the measure or not (e.g., protest campaigns against privatization, free trade, and austerity).

Ideological and Cultural Dimension: Scholars who emphasize the ideational and cultural components of neoliberalism reject the notion of “neoliberal inevitability” – i.e., neoliberalism as a product of natural law, economic evolution, or some other inescapable historical mechanism (Burridge and Markoff, 2022). In this respect, market fundamentalism has become “the prevailing

ideational regime” (Somers, 2008: 2) and “common sense” in the current era (Brown, 2015: 35). These sentiments strengthened over time as Keynesianism faded to the distant past.

The ideational hegemony of neoliberal culture has flourished within expert and academic communities, government policy circles (Markoff and Montecinos, 1993; Mudge, 2018), and popular culture (Centeno and Cohen, 2012). Neoliberal ideological dominance arises from institutional changes occurring through national and transnational interest groups and advocacy networks of experts and think tanks (Peck, 2010; Bockman and Eyal, 2002; Kentikelenis and Babb, 2019). Moreover, in policy and government circles, a “rhetoric of reaction” has been established (Centeno and Cohen, 2012). This means that policy shifts away from market logic are deemed to result in perverse outcomes and systemic dangers. Indeed, the “perverse thesis” that welfare regimes produce poverty and a culture of dependency is one of neoliberalism’s most successful ideational schemes (Somers, 2008: 80). The IFIs also subscribe to and promote this type of market fundamentalism (Babb and Kentikelenis, 2021).

As a form of popular culture, neoliberalism promotes individualism (Evans and Sewell, 2013; Harvey, 2005). Individual responsibility becomes a central vocabulary of motive for the construction of an entrepreneur self, the spread of markets, and the legitimization for intensified competition. For our purposes, the focus on individualism and heightened consumerism would appear to present substantial obstacles for collective action, especially with the weakening of traditional actors in the interorganizational field of civil society, and what others arguably claim is an overall decline in social capital and civic life (Sarracino and Mikucka, 2017). In summary, the political, ideological, and cultural dimensions of neoliberalism shape the specific economic policies generating collective resistance.

Economic Policy Drivers of Collective Action

One way scholars gain analytical leverage from the concept of neoliberalism involves focusing on specific policies or actions by states and international governing bodies. These include the economic policies of austerity, structural adjustment, privatization, and free trade.²

Austerity Policies: The earliest forms of neoliberalism encompassed austerity policies in the global North and were soon emulated in the global South. Starting with the global economic recession in the early 1970s, wealthier

² Intensified and less-regulated resource extraction could also be added to this list of economic policies driving anti-neoliberal collective action.

governments in the global North faced a “fiscal crisis of the state” (O’Connor, 1973). This came after two decades of unprecedented economic growth driven by Keynesian policies of state intervention and a massive expansion of the welfare state seeking full employment. Governments began to implement austerity programs across the industrialized capitalist world in the mid-1970s. Austerity policies centered on reducing budget deficits and public debt. Policymakers introduced a range of actions, including funding cuts to social services, budget reductions in public education, mass layoffs and wage freezes in the public sector, removal of government subsidies to basic consumption items, housing, and transportation, among many other cutbacks.

Structural Adjustment Programs: A set of neoliberal policies closely related to austerity, structural adjustment originates from the debt crisis in the global South that emerged in the early 1980s and continues to the present. The crisis began from a combination of massive foreign lending, falling commodity prices for global South exports, and rising interest rates. In 1970, global South governments owed \$64 billion to foreign banks and governments. The global South debt grew to \$686 billion in 1984 and then to \$2.2 trillion in 2000 (Walton and Seddon, 1994; Robinson, 2004). At the end of 2020, the total external debt for low- and middle-income countries combined reached \$8.7 trillion (World Bank, 2022). The IFIs, especially the International Monetary Fund (IMF) and World Bank, intervened to manage the crisis. The IFIs brokered negotiations between the governments of newly indebted countries and banks in the global North. They also negotiated future lines of credit, rescheduled debt payments, and reduced overall debt in exchange for the borrowing countries’ willingness to adjust their national economic policymaking in a more unregulated fashion.

The adjustments to economies in Asia, Africa, Eastern Europe, the former Soviet Union, and Latin America came to be known as *structural adjustment agreements*. Global South governments signed agreements for debt rescheduling and relief in exchange for making deep changes to their national economies. The signed accords stipulated a number of measures to be undertaken (referred to as “conditionality”), such as: reducing state price controls and consumer subsidies; removal of import tariffs; a focus on export production, nontraditional agricultural crops, and foreign direct investment; labor flexibility; and many of the austerity policies discussed earlier in the global North. From 1955 to 1970, only six developing countries had signed such agreements with the World Bank and IMF. In the 1970s, about three countries per year entered into debt rescheduling. In the early 1980s, the number of debt reschedulings in the global South rose dramatically from twenty-three in 1981–2, to sixty-five in 1983–4 (Walton and Seddon, 1994: 13–17).

Between 1980 and mid-1995, structural adjustment largely included traditional austerity measures of wage freezes and subsidy cuts affecting the urban and rural popular classes. By the late 1990s, new structural adjustment agreements also included the *privatization* of substantial portions of the economic and public infrastructure. Between 1985 and 2014 alone, the IMF placed an astonishing 55,000 conditions on 133 countries (Kentikelenis et al., 2016). Figure 1 provides a global heat map of the intensity of IMF and World Bank conditionality from 1981 to 2020 by highlighting the number of years a country is under the influence of either the World Bank or IMF. As the heat map illustrates, it is largely the nations of the global South and Eastern Europe that have endured the external pressure to restructure their national economies in a market-oriented framework. Such a wide and homogenous push toward market reforms across multiple continents, goes far in explaining the isomorphism of neoliberal policymaking on a global level. It also assists in our understanding of the frequent outbreak of protest campaigns around the world challenging the measures.

Privatization Policies: Privatization has nearly become synonymous with neoliberalism. In the global North, privatization policies in Britain trace back to Thatcherism in the early 1980s with the selling off of state assets such as mines and railroads. In the global South, privatization emerged a decade later (with important exceptions such as the privatizations in Pinochet's Chile in the late 1970s). Some of the most common targets for privatization by IFIs, foreign investors, and local economic elites tied to transnational capital include: petroleum/natural gas reserves; water administration; electricity and power distribution; port management, public health care and pension systems (social security); telecommunications; and education. Most of these state institutions and assets came into existence in the early to mid-twentieth century at the height of state-led development, while public utilities were initially created in the late nineteenth century in the global North. At the end of economic liberalism in the late 1920s, with the onset of the Great Depression, national governments switched paths and began to take over strategic components of the economy.

In the global South, much of the twentieth century involved the state reclaiming institutions and natural resource reserves from colonial and neocolonial powers in Europe, Japan, and the United States. From the Mexican Revolution to anti-colonial struggles in Africa and Asia, political leaders focused on state administration and control over strategic industries and natural reserves. For instance, the nationalization of US-owned oil companies by the Cuban revolutionary government in 1960 heralded a wave of nationalizations and expropriations that occurred in Saudi Arabia, Libya, and Iran during the 1970s

Years Under IMF/World Bank Conditionality

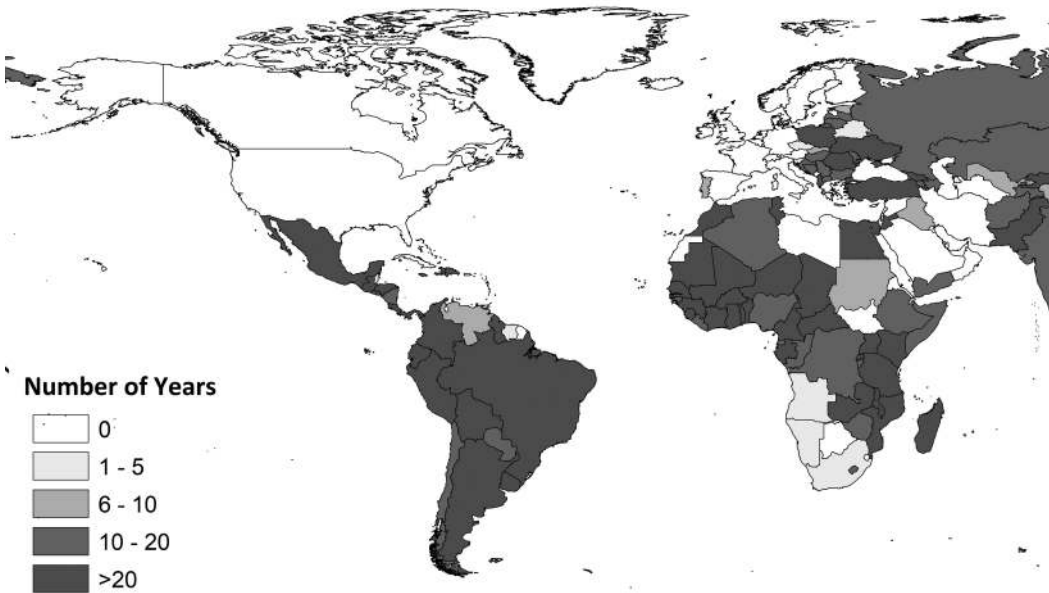


Figure 1 Structural adjustment, 1981–2020

Source: Created by the authors based on Abouharb and Cingranelli (2007), Abouharb and colleagues (2015), World Bank, and IMF Monitoring of Fund Arrangements Database (MONA).

Contentious Politics



Figure 2 Labor strikes in firms undergoing privatization and unionization rates
Source: Created by the authors from data in Chong and López-de-Silanes (2005). Representative sample drawn from universe of 1,500 privatized firms.

(Pérez Martín, 2020). With the advent of the global debt crisis in the 1980s and 1990s, structural adjustment in conjunction with the ascendance of market fundamentalist thinking introduced privatization policies throughout the world. Privatization measures faced stiff popular opposition. Figure 2 illustrates the contested nature of privatization from a representative sample of 308 privatized industries and units between 1982 and 2000. Labor strikes occurred in nearly half of the units under privatization (47.4 percent), and these were public firms that were highly unionized in nearly all world regions.

Free Trade Treaties: Around the same time as the ascendance of privatization policies in the 1990s came international free trade agreements. Free trade agreements call for domestic deregulation of economic activities and greater openness to foreign investment. Some forms of regional free trade blocs are loosely governed at the supranational level such as the European Union, ASEAN, APEC, CAFTA, and NAFTA. The World Trade Organization (WTO) came into existence in 1996 to guide a global system of free trade (formerly known as General Agreement on Tariffs and Trade, GATT). Other free trade agreements are bilateral such as the United States' free trade agreements with South Korea, Peru, Panama, and Colombia. Some regional free trade attempts have been embroiled in conflict such as the Free Trade Area of the Americas (FTAA) and the Trans-Pacific Partnership (TPP) and failed to materialize as formal agreements (Ayres, 1998). Free trade treaties also facilitate greater foreign investment in the extraction industries.