



# Neoliberal Dynamics and the Ascent of Far Right Ideologies Among the Global Working Class

## The Strange Paradox

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### Abstract

In the 1970s and 1980s, two countries led the promotion of neoliberal economic solutions to conventional issues associated with the nature of capitalism itself. Margaret Thatcher in the United Kingdom, and Ronald Reagan in the United States, championed the export of neoliberal economic reforms, cataloged under the term Structural Adjustment Policies (SAPs), whose goal was to turn countries into profitable destinies for foreign investment, as well as trustworthy money borrowers. SAPs turned into a cross-ideological tool to keep the global economy working since conservative as well as labor governments had to carry them out. The price to pay for the countries’ economic reliability was an impoverished global working class, who lost acquisitive power and social rights for the sake of a major “common good.” As years went by, workers around the world realized that right-wing and left-wing governments applied exactly the same economic measures, so they blamed socialist and labor parties for contributing to their pauperization. In the last decade, far-right political formations have come to fill in the gap that leftist parties left behind, persuading the workers that they are the ones who will actually pay attention to their needs. That is how it is possible to explain the ascent of neo-conservatism and far-right political leaders worldwide.

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Workers, however, do not realize that those parties and leaders actually represent ultra-liberal solutions that will only impoverish them even further.

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**Keywords**

Neoliberalism · Working class · Far right · Populism · SAPs

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## 1 Introduction

In the last 30 years, society has witnessed the working class' detachment from its ideological framework, traditionally based on left-wing positions, and its approach to more conservative views. Two complementary factors explain the current situation: firstly, the world's proletariat has experienced a progressive social demobilization, given the triumph of neoliberal economic values. Therefore, workers have prioritized individual prosperity above other major and abstract goals, in a process that has turned the so-called "American dream" into a worldwide phenomenon. Secondly, since the 1970s, namely, during the 1990s, several western left-wing political formations have faced economic crises by applying the formula that they called "the third way/track." The latter consisted of a combination of social democratic political and ideological programs, on the one hand, and neoliberal economic solutions, on the other hand, which meant that classic left-wing organizations were renouncing one of their funding pillars: economic socialism, in other words, state-regulated economy, nationalizations, and the common good over individual interest. The immediate implication of such a combo was the workers' conviction that they needed to do their best to benefit from forthcoming economic progress, in order to achieve their main aspiration: becoming members of the middle class. The aspiration itself was fallacious, as regular employees would never be capable of carrying out the social promotion that governors and business people promised them because the rules of the neoliberal game would always prevent them from doing so. However, the implementation of such aspiration on the working class' collective imagination was more than enough to destroy class conscience, faced with the competition of a much stronger enemy: human ambition and a sense of individuality.

The crash of communism in the 1980s and the end of the Cold War were essential for culminating the destruction of the proletariat's collective class conscience. Transition to democracy in most former Eastern-block countries revealed the dramatic reality within those states, where the political regime had survived in power by cutting down basic rights, as well as by turning planned economy into a business that benefited the *nomenklatura* in every case. Therefore, on the eve of the 1990s, the workers of the world confronted a cruel reality: not only had their eastern communist idols and models turned out to be de facto tyrants, practically opposed to the socialist principles that Marx and Engels theorized, but also the so-called Western social democratic parties were adopting the economic program of traditional conservatives. Faced with that state of things, they performed an ideological and political transition of class identity, which translated into the shift of their former leftist vote to

conservative parties. In the prospect of suffering the effects of neoliberal economic policies, they preferred to do so under the rule of the conservatives, that is, the genuine neoliberals, than under the rule of “their own people.” Thus, at least, they did not feel betrayed by their “legitimate representatives.”

The goal of the chapter is first to explain the workers’ ideological and political transition that has previously been presented. Firstly, it is needed to study the concept of “the third track,” identifying the historical milestones that led the way toward its consolidation throughout the 1970s, 1980s, and 1990s. In the second place, an analysis of the birth and evolution of social democracy is presented, to dig deeper into the disappointment about the communist myth and the look for alternative formulae that made coexistence between socialism and liberal democracy possible. Thirdly, the Spanish case is studied in detail to illustrate the characteristics that the aforementioned transition process presented in the country, underlining the elements that can be exported to other states ruled by socialist parties. Finally, the main conclusions are summed up.

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## 2 Historical Context for the Triumph of Neoliberalism

The victory of neoliberalism since the 1970s finished the dominion of the Keynesian model, named after British economist John Maynard Keynes, during the Post War period (1945–1973). Keynesian theories, crucial for reactivating world economy after the 1920s and 1930s Great Depression, and for guaranteeing the recovery of western countries after the Second World War, were based on two major principles: on the one hand, state intervention to modulate the effect of economic recession, always respecting free market; on the other hand, the focus of state intervention on counter-cycle tax policies, to reduce the impact of economic depression by controlling economic expansion. For example, in order to fight back the economic crisis in the United States at the turn of the 1920s, Keynes advised the reduction of tax pressure on regular contributors, state investment in public works that required new workforce, and the preservation of the level of salaries to consolidate the people’s ability to buy new products. It seems that common sense warns about such initiatives in a period of crisis, but paradoxically they increased the people’s trust in the market. In an economic system like capitalism, in which trust means to consume, and therefore money circulation, Keynesian politics became the best way to fight the depression. So economic recovery accelerated after President Franklin Delano Roosevelt implemented the New Deal in 1933 (Keynes, 2002; Jahan, 2014, pp. 53–54).

Post War economic takeoff had also been based on Henry Ford’s production model. Under the influence of F.W. Taylor (1911), who used the scientific method applied to industrial relations for improving productivity, H. Ford worked for making work more efficient in factories by means of mechanization of industrial production. Thus, even non-qualified workers could perform every task. At the same time, Ford linked the workers’ salary to their productivity, and he institutionalized chain production in his automobile factories (Banta, 1993). The Post War model

worked until the autumn of 1973, when the Organization of Petroleum Exporting Countries (OPEC) stopped oil supply to the West, as retaliation for western support to Israel in the Yom Kippur War (6th–25th October 1973) against Egypt and Syria (Herzog, 2004). Dependency on eastern oil severely harmed the western industrial sector, in terms of productivity contraction, at the same time that the price of industrial products raised. Employers and workers had then opposite interests in the crisis: the former wished to preserve their profit, cutting down salaries and even firing their employees. Meanwhile, the latter lost acquisitive power, and in many cases their jobs, while governments proved incapable of handling a totally new situation (Salazar Martínez de Iturrate, 2017, pp. 49–84).

As had previously happened with Keynesianism, neoliberalism now appeared as the perfect solution for the new global crisis. Under the lead of the Chicago School of Economics, neoliberal theorists had one major goal (Palda, 2016): reducing inflation, for which it was required to limit circulating money, too. In order to achieve both targets, neoliberal governments raised interest rates, which in turn raised prices, contracting consumption, and investment, namely, public investment in basic services. Global economic contraction increased prices, and it also encouraged employers to fire workers, rising up the unemployment rates. As a consequence of all these initiatives, consumer trust in the market was broken, and money circulation sank. It was obvious that the balance in state budgets could only be possible thanks to privatizations, and to increasing unemployment rates, but neoliberal governments were more than ready to apply those remedies in order to make their states look trustworthy, at least in front of the international institutions and organizations that could lend them money for making economic recovery possible. The set of solutions proposed by the Chicago School of Economics is known as Structural Adjustment Policies (SAPs), which were adopted not only by western, fully developed countries. Developing countries, and countries that had just experienced a political transition to democracy, applied them, too. Hence, neoliberalism imposed in governments the conviction that macroeconomic positive indicators were a priority, as these indicators showed the state's ability to give money back to its main investors. If in microeconomic terms the state's recovery meant the ruin of the citizens, international institutions and moneylenders, such as the International Monetary Fund and the World Bank, would not care at all. These principles inspired Margaret Thatcher's program in the United Kingdom in the 1980s, as well as Ronald Reagan's recovery project in the United States in the same decade (Toye, 1993). The key points to the SAPs that both the United Kingdom and the United States implemented, which were later exported to other territories, were free trade and no state intervention in the market; export of agricultural products, especially cash crops, and of minerals and metals; currency devaluation, to promote exports and prevent imports; and foreign investment in key sectors (Willis, 2014, pp. 297–311).

It was her implementation of SAPs in the United Kingdom, as well as her stubbornness to carry out her economic program despite contestation on the streets, which earned Mrs. Thatcher the nickname "the Iron Lady." In fact, the reforms that she performed on British soil shaped the model that SAPs would follow in other global territories in future decades. For example, the British Prime Minister reduced

the number of civil servants to 200,000, in order to cut down on salaries paid by the State, which were a major and disposable expense, as far as she was concerned. In addition to that, in order to illustrate how neoliberalism has traditionally tried to foster the people's ambition to promote socially, Margaret Thatcher sold 1,000,000 public houses to their inhabitants, so the latter became tenants and in the future paid for the basic services that the houses required. Another example of her attempt to hide her neoliberal spirit under the mask of granting the people the chance of social promotion was the de-nationalization of public companies, which were divided into shares that they offered to the workers, who could now become the owners of their own company if they wished. However, other reforms could not be hidden under the appearance of fostering individual entrepreneurship: for instance, Thatcher's will to privatize electricity and water found strong opposition from the Labour Party, the trade unions, and society in general, and she could only fulfill it partially (Fernández, 1988, pp. 657–550; Judt, 2010, pp. 539–547).

But before western countries experienced the effects of neoliberalism, politicians applied the SAPs for the first time in the Global South, especially in Latin American states that had just undergone a deep social, political, and economic transformation. For a long time, poor countries in need of foreign support to experience the economic takeoff, such as Augusto Pinochet's Chile, adopted the neoliberal program, expressed in the SAPs, to meet the requirements of foreign investors and moneylenders. Under Salvador Allende, Chile had struggled to nationalize copper mines and threw US companies out of the country, given the abuses they had committed in previous decades to benefit from the difference between the low prices of Chilean copper and the high prices of manufactured copper. This, among other reasons, motivated the CIA's support to Pinochet's coup in 1973 that took Allende's life and turned the country into a military dictatorship, devoted to erase the "shadow of communism," and to turn Chile into an appealing destiny for foreign capital again. Following the program of the Chicago School of Economics, Pinochet authorized privatizations of basic public services, dismantling the Chilean social state. At the same time, civil workers were fired to cut down the states' salary expenses (Bravo Vargas, 2012, pp. 85–112). The reforms that the dictatorship carried out attracted foreign investors, and showed Chile as a trustworthy ally, capable of giving back the money that the IMF and the WB lent to the Chilean state for achieving the country's economic takeoff. When Pinochet left office in 1989, he could show off by turning Chile into a dynamic Latin American economic actor, but the price was very high: the country was in the hands of financial holdings controlled by elite families, linked to the government, who consumed most Chilean products, too expensive for the rest of the population. Meanwhile, Chilean working class had become poorer, salaries reached a historical low point, unemployment levels beat records, too, and the social breach between the rich and the poor broadened.

It was clear that the neoliberal formula worked in macroeconomic terms, whereas it failed to guarantee social justice and equality from a microeconomic perspective. Nevertheless, governments all over the West had already subscribed to the ideas of the Chicago scholars, so neoliberalism turned into the dominating economic doctrine to govern states and to face subsequent economic crises provoked by the very same

dynamics of the capitalist global market itself, which neoliberal policies consolidated. The first of those events that affected Western countries again at the end of the twentieth century was the Japanese asset price bubble, which exploded at the turn of the 1980s. Regarded as the United States' main ally in the Pacific, Japan received huge foreign investments in the decades following the Second World War, experiencing what they called "the Japanese miracle," which turned the country into the world's third most powerful market by the 1970s. Japanese economy continued growing over its own possibilities during the 1980s, thanks to the concession of preferential money loans to economic sectors and activities that the government declared strategic, but were actually very risky, among them technology, but especially housing. Asset prices grew artificially, and as late as 1989 the Bank of Japan tried to slow down the speed of growth by imposing new taxes on loans and money transactions related to those sectors. Investments stopped at once, and Japanese economy sank, affecting the economy of its main allies in the global market. The second event occurred only 1 year later, when in the summer of 1990 Saddam Hussein invaded Kuwait, starting the second Gulf War (1990–1991). The insecurity unleashed in the Middle East by Hussein's aggression on Kuwait provoked an escalation of oil prices, which once more revealed itself as dramatic for the Western economy, highly dependent on that energetic source. By that time no economic scholar or politician doubted that SAPs were the solution to exit the crisis, but as has been previously argued neoliberal economic programs would have a high cost on regular people's lives, and consequently on the future of the global left, recently shaken by the fall of the Soviet Union, too.

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### **3 Walking the Path toward the "Third Track": Global Left in the 1980s and 1990s**

Several European and western countries were under the rule of left-wing governments when the previous events happened. Such facts coincided with the downfall of the USSR, and consequently, the global left saw itself faced with cruel reality: the regime that had operated at the other side of the Iron Curtain for decades revealed its defects to the common public. When it came to economic planning, it was evident that Soviet planned market and self-supply of resources by the USSR's satellites had totally failed. On the one hand, the five-year plans were soon abandoned by Stalin himself, and state intervention in the economy had turned communist territories into a closed market controlled by a small elite. The latter operated as a *de facto* capitalist oligarchy that enjoyed a lifestyle and social position similar to that of western elites. Moreover, self-supply proved also a failure, as it detached the Soviet territories from the economic progress and technological innovation that dominated the Western block, thus condemning the regimes of real socialism to eternal poverty. Not even Mikhail Gorbachev succeeded in his attempt to open the Soviet market a little, trying to make free market and socialist rule work together. In addition to that, the 1986 nuclear accident in Chernobyl caused by the building of cheaper graphite reactors in different USSR power plants, made it clear to the rest of the world that communism

and poverty seemed to form an equation that no one could solve. As for the political and social structure of communist countries, western left woke up to a cruel nightmare between 1988 and 1991: what it had imagined as paradise-on-Earth turned out to be an illusion, as communist regimes in the eastern block had deployed extreme violence against the people to remain in power, erasing any kind of opposition and violating human rights. That was why the end of the Cold War brought with it what the neoconservative lobby in the United States called “the end of History” as the world had known it since 1945 (Fukuyama, 1989, pp. 3–18), meaning that a new era had started in which capitalism, and particularly the neoliberal formula, was the only possible answer to the hypothetical question: which one is the best economic order to rule the people?

The natural consequence of the supposed “end of an era” was no other than the need of socialist governments and political parties all over the West to redefine their political, economic, and social programs. The situation was rather urgent as many western governments that faced the economic crises in the 1980s and 1990s were actually either inspired by socialist ideas, or rather proclaimed themselves openly as socialists. In order to carry out the required transformation in the minds of the Western people, especially in the eyes of Western working class, and to demonstrate that socialism could be a respectable political option that had nothing to do with the events in the eastern side of the Iron Curtain, socialist governments and organizations started a two-fold transformation: firstly, in the ideological field, they erased Marxism from their political program, identifying Marxism with everything that had gone wrong within the former Soviet block. The alternative that they presented to their followers was a new concept: social democracy, meaning that they would always respect the rules of the democratic game, and would never attempt to seize power by force, or to prioritize the common interest of the people and social equality above individual freedom. Such was the case of François Mitterrand in France, Mário Soares in Portugal, Ingvar Carlsson in Sweden, Gro Harlem-Brundtland in Norway, or Felipe González in Spain. All of them were prime ministers when the economic crises in the last two decades of the twentieth century happened, and they needed to react quickly to the troubling context to show that their parties were the true alternative to the conservative rule.

Secondly, obligated to compete with the effective economic program that conservatism represented in the United States and the United Kingdom, at least in terms of improving macroeconomic indicators in a context of economic depression, the rulers listed above chose the easiest and quickest way toward solving the crisis home: copying the economic program that the Reagan and Thatcher administrations were already applying in their respective countries. That is why they ended up sanctioning such legal initiatives and reforms as tax rising, cutting down social expenses, privatizations, freezing or cutting down salaries, etc., which the neoconservatives would have happily approved. Therefore, global neoliberal infrastructure became institutionalized (Rodríguez Prieto, 2012, pp. 293–322), getting the key to guarantee the stability of liberal democracies all over the world, at the same time that democratic regimes in turn helped consolidate it. That is how Western society reached a paradoxical situation: the same people that had defended free market for

decades, showing their fierce opposition to planned economy, ended up constituting a complex global network of monopolistic and oligopolistic market interaction between companies, international economic institutions, global organizations, and governments. All of them are so interlinked by economic and political interests that their common bond cannot be broken easily, and the more time passes by, the more consolidated the new global order becomes. Therefore, the previously described system has become a western version of Soviet planned market, in the name of individual freedom and liberal democracy.

Another consequence of the adoption of social democracy and the economic principles of the Chicago School had to do with the internal dynamics of left-wing parties themselves. Little by little, as a result of the adoption of neoliberal rhetoric, and of the collaboration between private actors and socialist governments, the internal structure of these political formations became more and more hierarchical. At the same time, new people entered the party structure and participated in the new networks that the leaders of the parties were building. Hence, a complex organization chart made of individuals interlinked to each other consolidated within former western Marxist socialist movements. The interests that bonded members of leftist parties and institutions to each other became tighter, and what was more important, they turned into particular private interests, very distant from the concerns of common citizens. Moreover, the abandonment of concepts and expressions that were traditional in the global left, such as the term “class,” to substitute them with alternative realities, for example the “nation,” defined the ultimate ideological transition of social democratic formations, which transformed into liberal corporations far from their original socialist theoretical framework.

As can be easily deduced, left-wing parties began copying the economic program of neoliberal conservatives, and they continued imitating their organizational structure and their ideological speech, at least in the relevance given to some terms that were absent from the traditional left-wing’s ideology, such as nation. In other words, in the eyes of the working class, social democracy had turned into a moderate copy of traditional neoliberal conservatism, which was totally detached from the demands of the workers of the world. The people’s reaction to the described ideological and program transformation in the global left has been, as was previously mentioned, the proletariat’s drift to the right. The reason behind the working class’ ideological and political shift is simple: once social democracy had renounced to social justice and had adopted neoliberal principles, there was no practical difference between the economic horizon that the left and the right promised. So, since left-wing parties had walked the path toward social democracy by forgetting about their original principles and copying those of the right, why not vote for the original brand, instead of voting for its imperfect copy? In the end, the working class has also forgotten about its class awareness and has idolized individualism, prioritizing selfish comfort over common class interest. At most, it is only ready to fight for one single common cause: the national cause, which conservatives have exploited all over the world, persuaded that underlining the need to fight for national pride, it is possible to keep the specter of class struggle away (Rodríguez Prieto, 2012, pp. 308–322).



## 4 Social Democracy's Laboratory: Spain under Social Democracy (1982–1996)

The year 1982 marked a turning point in Spanish recent history thanks to the triumph of the socialist party (Partido Socialista Obrero Español, PSOE) in the general elections. For the first time since the 1930s, Spain had a government inspired by the principles of socialism, which in the eyes of many historians meant the consolidation of democracy after dictatorship Francisco Franco's death in 1975. The victory of social democracy in Spain could be explained because of the economic effects of the 1970s Oil Crisis in the country, together with the disintegration of the political party that had ruled the country since 1975, the conservative Unión de Centro Democrático (UCD). Popular support to the new socialist government was based on the assumption that Spanish left wing would approve initiatives to protect the working class, which had suffered the consequences of the global crisis. In addition to that, the failed coup on 23 February 1981 encouraged the Spanish left to vote for PSOE, in order to show those nostalgic of Franco's dictatorship that democracy had come to stay. However, two events persuaded the new executive, led by President Felipe González, to act otherwise: on the one hand, the economic principles inspired by the Chicago School of Economics had already been working for almost one decade, showing the global West the path that it needed to follow in order to contribute to the consolidation of the neoliberal global order; on the other hand, complementary to the aforementioned circumstance, the Soviet model was already giving signs of stagnation, motivated by Moscow's political instability, and by the weakness of USSR's finances to rescue its associates from the economic abyss into which they were entering in the 1980s.

To be honest, González inherited an economic chaos that went back to the last months of Franco. The first Oil Crisis in 1973 increased prices of energy and raw materials and made Spanish per capita income sink, thus leading to economic depression. Inflation reached levels as high as 24.5% by 1977, Spanish GDP (Gross Domestic Product) grew under 2% per year, and there was deficit in the balance of payments since 1974. The economic crisis that affected other western countries became then manifest in Spain by 1975, the year of Franco's death, but unlike the other nations Spain had not implemented initiatives to fight the effects of the crisis, to control inflation levels, or to encourage industrial restructuring. For example, the minister of Finances, Barrera de Irimo, tried to preserve energy prices artificially, at the same time that he attempted to substitute external demand with the internal market, and to increase salaries over the Spanish Treasury's real possibilities. Inflation increased, as did deficit in the balance of payments and in the national budget. When Franco died, social protest exploded all over the country, while the first post-dictatorship government, led by Carlos Arias Navarro, was incapable of developing the reforms needed to make the economy recover from the crisis (Otero Carvajal 2003, p. 366; Revuelta Pérez, 2018). Struggling to overcome the depression, and highly indebted to foreign moneylenders (Spain's debt reached 12,000 million dollars by late 1970s), the country suffered the second Oil Crisis dramatically in 1979. In order to fight the critical context, on 25 October 1977 the Spanish government had approved

the Moncloa Pacts, which were meant to be Spain's peculiar Structural Adjustment Policy. Aimed at improving foreign trade and at fighting inflation, the Pacts implied firstly the devaluation of Spanish currency, the *peseta*, so exports increased more than imports and there was trade surplus, which the country achieved by 1978. In the second place, the Government fought inflation via a restrictive monetary policy that reduced circulating money and raised interest rates. The major social consequence of these reforms was the loss of acquisitive power by workers, as the Government froze salaries (Martínez Alíer & Roca Jusmet, 1988, pp. 25–62; Otero Carvajal, 2003, pp. 368–369).

Spanish struggle for economic recovery, which had not finished by 1979, explains why the country suffered so much when the second Oil Crisis occurred. Not only was Spanish industry highly dependent on oil, but it had also survived under very traditional circumstances: the steel and metal industry, together with the textile sector and mining, dominated the country's industrial infrastructure. From the perspective of the European common market, these were intermediate and low-demand sectors whose survival was only possible thanks to the protectionist legislation approved during the dictatorship, which created an artificial protected national market, safe from foreign competitors. Moreover, and paradoxically, all of them depended highly on foreign technological innovation, given the limited innovative capacity of the Spanish market. Hence, when the second Oil Crisis started and demand fell, Spain's industry suffered the consequences of the previously described context (Otero Carvajal, 2003, pp. 371–373). Given the circumstances, when the socialists reached power in 1982, they needed to solve the crisis at once, a task that they could only fulfill with external help. And foreign assistance would only come as long as the PSOE renounced to its socialist economic principles and accepted the condition that foreign moneylenders offered: the urgent approval of a radically neoliberal Structural Adjustment Policy in the country. To start, in Christmas 1982 the Government devaluated the *peseta* once more, and it raised interest rates. Trade exports increased at the same time that imports decreased, so the country registered a trade surplus again. Among all the neoliberal initiatives that the Spanish social democratic government applied, the most unpopular was freezing or cutting down salaries.

Favored by a global context of recovery, Spain's economy started to take off by 1984, when inflation rates were under 10% (the lowest in the last 10 years) (Otero Carvajal, 2003, pp. 374–375; Rodríguez López & Campos López, 2006, pp. 95–112). The price to pay for economic recovery was the pauperization of the Spanish working class, to which the PSOE owed its triumph in the 1982 elections. Many Spanish workers lost acquisitive power, and many others lost their jobs; in fact, the unemployment rate was 16.8% in 1982 and 21.7% in 1985. Which means that, according to neoliberal principles, the major goals were economic stability and low inflation rates, even at the cost of making more people unemployed. In other words, neoliberalism prioritizes macroeconomic positive indicators, in terms of making a country economically trustworthy and politically stable, that is, appealing to foreign investors, to microeconomic stability and full employment (Briales & López Calle, 2015, pp. 86–101). What really matters is that countries have governments that are ready to make

everything possible to guarantee that big companies can operate in their territory in order to get benefits. If governments agree to the rules of the neoliberal game, and apply the required reforms when the crisis comes so the market goes on operating, and the major investors still get their profit, the market will respect those governments, and it will consider them trustworthy. Yet, if governments claim that macroeconomic standards cannot prevail over microeconomic/familiar stability, and that the dignity of the people must be respected above any other consideration, threatening to apply alternative economic reforms, the market will not respect those governments, and it will do whatever it takes to try and substitute them for “more friendly” ones. In the end, neoliberalism has destroyed the welfare state, which liberalism consolidated after the Great Depression and the Second World War. The outcome is catastrophic, since the welfare state was a tool to enable governments to regulate the market and avoid future crises, while at the same time they guaranteed a good living standard for the people (Judt, 2010, pp. 72–77).

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## 5 Conclusion: Our People First

A new crisis in 1992 and subsequent neoliberal economic reforms made the Spanish working class realize that the social democrats had become part of the establishment. It is true that social democratic formations preserved a political and social program that showed their ideological compromise with disfavored groups and collectives, and with some major global issues, for example fighting global warming or providing shelter for refugees. But in the end, when it came to define the rules of the economic game that would condition the people’s living standard in years to come, they normally agreed to conservative reforms. Moreover, in Spain and in other countries, members of social democratic governments were accused of participating in illegal lucrative actions, and in many cases they were proved guilty, which once more evidenced how, by forgetting about their original ideological program, they had also detached themselves from the people, integrating the same economic elite that they once had pretended to fight. In 1996, a combination of corruption scandals and social depression meant socialist defeat in the elections and the victory of conservative Partido Popular (PP), led by José María Aznar. Similar processes happened in other countries in subsequent years, showing how a part of the working class was now taking the initiative to stay aside from left-wing parties: “if we are going to suffer the consequences of conservative reforms, at least we will experience them under the conservatives, not the socialists,” they seemed to think.

Apart from general disappointment with so-called socialist governments, the reason for the ideological shift in the working class was the slow but firm advance of neoliberal mentality, which worshiped individuality and persuaded citizens that their goal was not social common good, but individual comfort. That is how, little by little, political parties, economic institutions, international organizations, and big companies consolidated the idea that social classes did not exist anymore. Even social democratic and left-wing parties agreed to that, aware that the advance of individuality was so fast in popular mind that, instead of fighting the trend, it was

better to speak the same language that the people suddenly (and only) understood. New ideas substituted the class dialectic, and among those ideas one became the most powerful: the nation. In most cases, the concept of nation that politicians use is inspired by conservative ideas and refers to a human community that meets the characteristics that justify a very precise order of things. Therefore, meeting Hobsbawm's definitions (1984, 2000), the reinvented nation sees its origins in an invented shared past and agrees to the survival of precise values that apparently represent the whole community, but actually discriminate a group of people who are required to agree to the common identity, or to otherwise be regarded as bad patriots. In order to keep the nation united, several ideological tools are used, such as displaying the national flag and listening to (and/or singing) the national anthem, together with cultural tools that penetrate the people's minds effectively, namely, sports. Of course, in order to keep the nation united, it is always good to find an external, or internal, enemy that threatens its unity, so everyone joins against the supposed alien menace. Nevertheless, when political and economic institutions work so hard on strengthening national identity they are actually consolidating internal stability and "loyalty" in the country, so that no one questions any single element of the current order of things. Thus, the national identity that they defend is actually their (dominating) class identity, which they try to make everyone else in the country believe that they share, so the prospect of social conflict disappears.

Worshipping individuality and nationalism at the same time seems contradictory, and it actually is, but both concepts can work together for brief periods of time in the consolidation of the neoliberal order. For example, in the first years of the twenty-first century individualism and nationalism collaborated in persuading western countries that they were wealthy, thanks to the economic expansion registered between 2001 and 2007, so their people could find and perform well-paid jobs easily. From an individual scope, people thought that they were too good to perform some downgraded occupations, such as cleaning the street, driving the bus, or working at the supermarket. From a national perspective, the sum of many individual wills led to the general conviction that the country was too rich to have its people perform such jobs. In a moment when a revolution in transport was making it possible to travel the world around quickly, given the uncontested progress of globalization, migrants from poor countries came to the West to work in the same occupations that westerners rejected, looking at them over the shoulder. Loss of historical memory made us believe that our economic progress would never finish, as had already happened in the 1929 Great Depression, so people demanded more and more products from the global market, and they got used to getting them fast and at any moment. Even if the price to pay were the exploitation of women, children, and workers in poor countries, the West would never care.

Yet, in the summer of 2007, the collapse of Lehman Brothers advanced the global crisis that would shake the world 1 year later. The world's economy collapsed and people lost their jobs by millions. When the new "crack" happened and Western people, "the wealthy of the world," were destitute, they were desperate to work in the same positions that they had previously despised. Migrants were accused of

“usurping” those jobs and xenophobic attitudes aroused. It was useless to explain westerners that the same pressure groups that had inspired the nationalist feeling that they shared were the ones hiring migrant labor at low salaries before, so they could get broader benefits for the companies in which they participated. Surprisingly, conservative pressure groups, corporations, and governments hid the evidence behind an ideological curtain: as left-wing parties had preserved a program of social compromise toward “the wretched of the earth,” they were to blame for the coming of migrants from poor to rich countries, for the waves of refugees who escaped their nations, normally shaken by war, to find a future in the West, and for social policies to protect these minorities once they reached western coasts. Given the circumstances, national workers who had lost their jobs and struggled day after day for their lives never understood that people coming from abroad had what they believed were “more rights than us.” They were not ready to realize that the same influential lobbies that had fed individualist spirit, making them worry about personal success instead of social welfare, were to blame for the global crisis that turned thousands of proletarians into socially destitute people. Doing so implied acknowledging everyone’s individual responsibility in the complex and long-term process that had led to the triumph of neoliberalism and individualism, and it also meant that a solution would not come quickly or easily.

That is why most workers of the world, faced with global crisis, took the easiest solution: to blame “the other” for a critical situation that has only been caused by us. Because blaming the other provides society with a scapegoat on whom it can take revenge here and now, thus getting fast relief to its desperation, as well as a quick and easy answer to the trouble that one and his/her beloved face to make a living. Seeing how social mood was evolving after 2008 some far-right elements in conservative parties all around the world, which had remained silent for decades, while the echoes of both world wars and the consequences of extreme nationalism still rang in the ears of the people, now saw the chance to come to the front. Realizing that they would never seize power in normal circumstances, as their role in traditional conservative parties was only secondary, they decided to detach themselves from what they called the “shy right wing” and they created ultra-nationalist, far-right wing formations. Not surprisingly, in the last two decades such political organizations and ideas have gained broader support, translating into Donald Trump’s victory in the United States in 2016, Jair Bolsonaro’s election in Brazil in 2017, Boris Johnson’s victory in the United Kingdom in 2019, and recently Giorgia Meloni’s election in Italy in 2022. The working class’ shift toward far right is complete. Sharing the same claim, “we first,” these governments have encouraged ultra-liberal politics in the economic sphere, but have failed in almost any other political reform meant to annihilate the successes achieved by social struggle the world around. In most cases, the pauperization of the workers during their rule, and the realization that what they promise cannot be achieved, given the unstoppable advance of basic rights, has led to their defeat when new elections have happened. Unluckily, their fall has not implied the disappearance of the ideas that they fostered, so for the time being radicalization and polarization of global society seem to consolidate.

## 6 Cross-References

- ▶ [Changing Social Movements and Social Change Through Direct Action: Challenging Capitalism with Democratic Interference](#)
- ▶ [Liberation Theologies, Social Justice and Sovereignty: Perspectives Against Globalization and Neoliberalism](#)
- ▶ [Neoliberal Globalization, Class Conflict, and Social Change](#)
- ▶ [Social Justice as a Tool for Social Change](#)

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