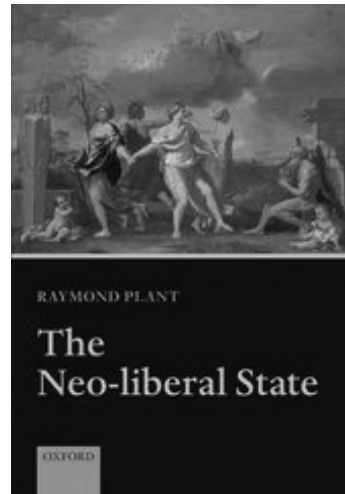


Raymond Plant, *The Neo-liberal State*

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Angelo LETIZIA*

In his 2010 work *The Neo-liberal State*, Raymond Plant gives us a fresh look at the theories of neo-liberalism. The subject matter is extremely relevant. Neo-liberal theories in many ways underpin globalization. In addition, the foundation of many of the fiscal policies of the Republican Party in the United States stem from neo-liberal theories. The 2012 election centered on neo-liberalism as well; questions regarding the privatization of social security and Medicare as well as tax cuts all derive from neo-liberal theory. Thus, Plant's analysis is of crucial importance for policymakers, academics



and the general public. Plant states that he himself is a neo-liberal theorist. He believes that a neo-liberal society is possible. However he argues that if a true neo-liberal state is to emerge, the present neo-liberal theories must be criticized and made more viable. While he does critique classic and current theories of neo-liberalism and create a stronger case for the neo-liberal state, there are some not insubstantial flaws however which ultimately detract from the power of the work.

* PhD student at the College of William and Mary, US. ajletizia@email.wm.edu

The first strength of the work is that Plant gives a very direct but thorough review of neo-liberalism. He begins by distinguishing between the notions of a teleocracy and a nomocracy. Plant argues that these two terms are crucial for an understanding of neo-liberalism and he continually references them throughout the work. A teleocracy is a society based on some higher purpose or goal. It is where the citizens are animated by something higher than just personal gain and satisfaction. A nomocracy is a society where there is no higher end for individuals. Individuals simply live in freedom and pursue their own ends so long as they do not hurt anyone else. This is the idea of negative freedom; it is simply a freedom from coercion. Neo-liberals disdain any sort of teleocracy. The foundation of a neo-liberal state is a nomocracy. The overarching theme in Plant's work is the establishment of true and nomocracy. After establishing these two critical notions, Plant undertakes a painstaking review of the various theories of a possible nomocratic state. He then critiques them in an attempt to arrive at the ideal nomocratic state.

A second strength of Plant's work is the wide range of neo-liberal theories that he critiques. He examines the works of such neo-liberal thinkers as F.A. Hayek, Robert Buchanan, Robert Nozick, Murray Rothbard and Ludwig von Mises among others. He specifically reviews their ideas on the formation of some basis of morality in a neo-liberal state. It will be remembered that any sort of moral claim or social justice claim above the individual is antithetical to a nomocratic order. Yet, some bond is necessary to maintain a working state. So, Plant takes all of these thinkers to task in an effort to understand what type of bond this would be all without violating the nomocratic ethos that must underpin any true neo-liberal state. In some ways Plant's work serves as an excellent literature review of the important theories of neo-liberalism. Of course, Plant's work is much more than a literature review. As stated earlier, his purpose is to elucidate a strong neo-liberal state based on sound theory.

After the painstaking examinations of various neo-liberal thinkers Plant elucidates his vision of the ideal neo-liberal state. The foundation of any true neo-liberal state is the notion of a nomocracy. There can be no *teleos*, no higher visions which individuals must subordinate their interests and desires to. Plant argues that any notion of social justice is incompatible with a true neo-liberal state. Social justice actually violates an individual's rights because it forces certain individuals to give up certain resources. The most relevant point here is taxation. Taxation is coercive because it redistributes individual earnings usually for causes of social justice. Not incidentally, taxation as social justice was a volatile issue in the election of

2012. Instead of taxation, Plant argues that the less fortunate would benefit more from a trickle down effect. Essentially, by allowing the better off members of society to keep their money and invest it how they see fit, this would lead to economic harmony which would benefit all.

The major problem that Plant has with social justice is that it engenders so many messy questions. If we decide to redistribute money through taxation, on what basis do we redistribute it? Further who do we put in charge of redistributing it? Here Plant attacks any notion of public bureaucracy. He argues that contrary to popular thought any public entity is self-serving and ultimately too inept to redistribute resources or tackle any social task. With regards to resource distribution, if the less well off in society are not taken care of by trickle down, Plant calls on the 3rd sector to pick up the slack. The 3rd sector is made up of non-profit organizations, churches and charities. Plant however does not dismiss the need for some sort of social bond, albeit a very thin social bond. He recalls that Hayek and other neo-liberal thinkers did begrudgingly realize that some sort of government backed safety net may be needed especially as capitalism led to a greater and greater income disparity.

Plant realizes that a strict nomocracy may not be feasible. So, despite his aversion social justice, he calls for minimalist government intervention and faint social bonds to sustain the neo-liberal state. Towards the end of the work, he gives a concrete example of these faint social bonds and minimalist government intervention. He argues that most neo-liberals realized the consequences of letting the big banks fail after the 2008 housing crisis. Most neo-liberals reluctantly argued that government bailouts were the right move because the entire economy would have collapsed.

While Plant makes a pervasive case for a neo-liberal state, his analysis ultimately falls short because he does not contend with two persistent trends that render the neo-liberal state untenable. These trends are the growing necessity of bureaucracies as well as the steadily increasing income disparity.

Plant objects to bureaucracies because he sees them as incapable of redistributing resources. There are many ways to redistribute resources if a society chooses to do so; for instance by merit or need. The first problem for a bureaucracy is determining which standard to redistribute according to. Plant maintains there is really no adequate way of determining which method is sufficient. Further, he argues that even if a method is agreed upon, redistribution undertaken by bureaucracies are based on the discretion of bureaucrats and not any systematic analysis. This discretion is sus-

ceptible to special interests and lobbying. Plant also maintains that once established, bureaucracies are self serving entities which despite popular belief are not animated by any public ethos, but only self seeking behavior. The public ethos can be described as a will to serve humanity and the public good that public servants embody. Instead, neo-liberals look at the public sector rather as animated by rationalistic self interested individualism, the same as the private sector. Plant's aversion to bureaucracy is untenable for two main reasons.

First, it would be a grave oversimplification to label all bureaucrats and administrators as self-interested profit maximizers. This is not to say that market factor is not at work for some upper level bureaucrats. Yet, there are many of administrators and bureaucrats who diligently work for the public good. What many neo-liberals, in their disdain for bureaucracy fail to realize is that public entities must compete in a capitalistic society. These entities are judged according to the rules of the market, not by any public ethos. This is especially true in regards to higher education for example. Institutions of higher education across the United States are becoming more entrepreneurial. Collegiate sports, patenting endeavors by college officials, the growth of R and D departments and administrators all speak to this growing entrepreneurial spirit. This entrepreneurialism is necessary in many ways for colleges to keep pace in an increasingly neo-liberal society, which measures all success by profit. Further, this market driven behavior must also be seen in light of declining state revenues. Thus, what Plant fails to recognize is that bureaucracies are forced to compete in a capitalist society which is why they may at times exhibit self seeking behavior. This is at least in part due to necessity, not an inherent flaw in bureaucracy. So while many bureaucrats may be animated by the profit motive, we cannot separate this fact from the pressures of the capitalist system itself. Indeed, to keep pace with its growing inequities, and to ensure that profit is still made, these functions are necessary.

Another more fundamental issue that Plant fails to take into account is the necessity of bureaucracies in a post-industrial society. Post-industrial society is based on a few key tenets. In the economic sector there was a change from the production of goods to information and services. The occupational distribution gave way from factory workers to knowledge workers and to a professional and technical class. The axial principal of post-industrial society is theoretical knowledge. Post-industrial society is based on the control of technology and technological assessment. As the complexity of society increases, events cannot be left to chance. Therefore decision-making, the creation of a new intellectual technology, manage-

ment and planning became predominant in post-industrial society). What all this points to is the fact that the exponential increase of information in post industrial society makes bureaucracies become necessary. As problems and situations become more complex and require more specialized solutions, bureaucracies are necessary to tackle large scale and complicated problems. Plant dismisses all bureaucracy is one swoop and does not take into account the necessity of bureaucracies in a post-industrial society.

Plant does not adequately deal with the effects of capitalism. Plant does acknowledge that capitalism does destroy necessary social bonds, but he does not connect this destruction to the ideas of social justice. For one, the capitalist system itself necessitates the creation of many public entities, such as regulatory agencies, public assistance and welfare and even entities such as unions. Neo-liberals tend to see these entities in isolation and as detached from historical and societal conditions. These entities in some ways work to repair the social bonds that capitalism destroys by its tendency toward atomism. What Plant and many other neo-liberals either fail or simply choose not to recognize is the fact that government assistance is absolutely necessary to the continued functioning of a neo-liberal state.

Perhaps the biggest flaw in Plant's work is his neglect of the role of what he terms social justice. For one, he sees social justice merely as a redistribution of individual resources from the better off members of society to less well off members of society. Yet what Plant fails to recognize is that this redistribution actually allows the capitalist system to function and further it allows those better off members to continue to amass their individual profits. This may be the ultimate paradox. Capitalism inevitably produces winners and losers. As the number of losers in the capitalist system grows, they must be compensated. If they are not, the entire system may implode. Plant takes trickle down theory as a given and assumes it is beneficial to all, but he never considers the role of trickle down theory in the *creation* of income inequality. In addition, while the third sector can be of some relief it is extremely naïve to assume that charities and churches can deal with the problem of income inequality and poverty. This is actually a pre-industrial solution. For most of European and American history, there was no government safety net. Charities and churches were expected to take care of the sick and the poor. Industrial society rendered this method obsolete. Yet now Plant is advocating a return to this obsolete method. A nomocratic society where there is no higher goal than individual accumulation has the potential to engender massive income inequality because individuals do not accumulate in a vacuum. Rather, they accumulate at the expense of members of society. Redistributive justice is a necessity for the continual functioning of a nomocratic society.

Plant, like many neo-liberals favor the free-market over government. Allowed to operate unencumbered, neo-liberals believe that the free market will distribute resources in a just and fair manner. Yet as Love points out, there is a serious flaw in this line of thinking. At some point there must be some agreed upon rules and enforcement of rules for a market to operate. If there was no agreement or no penalties, how could the market operate? But the very agreements and rules needed to sustain a free-market imply some type of consensus between individuals and further more some type of individual sacrifice. This harkens back to Hobbsian and Lockean social contract theory. Individuals must acknowledge some sort of power outside themselves in order to maximize their ability to accumulate resources. Plant argues that this recognition does not constitute any teleos or overarching morality, but it does nonetheless point to the fact that individuals cannot simply be left to their own devices. Plant however does not seem to recognize that this need of consensus undermines his entire claim to a neo-liberal state. This need of some communal consensus at the heart of the neo-liberal state is the exception that proves the rule. Individual gain cannot be pursued without a communal agreement, which is detestable to neo-liberals.

Plant puts forth a pervasive and well reasoned plea for a neo-liberal state. In the end however, his vision is untenable. He does not adequately recognize the necessity and the true functioning of bureaucracies in a post-industrial society. He does not realize the relation between redistributive justice, income disparity and the maintenance of the capitalist system. More fundamentally, he does see the contradiction deep in the heart of neo-liberal theory. We are left wondering how the neo-liberal state would tackle these issues. Plant's neo-liberal theories are detached from the real state of affairs, they do not take into account real world happenings.