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UNIVERSITY OF CALIFORNIA,  
IRVINE

Finding the Political: The Ethical Consumer and Neoliberalism

DISSERTATION

submitted in partial satisfaction of the requirements  
for the degree of

DOCTOR OF PHILOSOPHY

in Political Science

by

Bryan Joseph Nelle

Dissertation Committee:  
Associate Professor Kevin Olson, Chair  
Associate Professor Keith Topper  
Professor Cecelia Lynch

2015



## DEDICATION

To

the two most important people in my life

in recognition of their love and support.

... only love has the power to forgive. For love, although it is one of the rarest occurrences  
in human lives,  
indeed possesses an unequaled power of self-revelation and an unequaled clarity of vision  
for the disclosure of who,  
precisely because it is unconcerned to the point of total unworldiness with what the loved  
person may be,  
with his qualities and shortcomings no less than with his achievements, failings and  
transgressions.

Hannah Arendt  
"The Human Condition"

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## **CURRICULUM VITAE**

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Political Theory, Political Science, Ethical Consumerism

# **ABSTRACT OF THE DISSERTATION**

Finding the Political: Ethical Consumerism and Neoliberalism

By

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Doctor of Philosophy in Political Science

University of California, Irvine, 2015

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Over the course of the last thirty years in the United States and Britain there has been a pronounced shift toward neoliberal government that has rendered problematic the relationship between neoliberalism and the political. Neoliberal governmentality has drastically reduced our perceived sense of what is politically actionable as it relates to state intervention in the economy. From the perspective of those that value “public goods”, neoliberalism has a two-fold depoliticization problem: (1) it shrinks our political imagination, our capability to cognize public goods or the potential substance of political action; and (2) it narrows the actual public space from which to politically act and speak in front of others. In the place of a vigorous political realm is a disengaged and atomized citizenry who build and secure their lives via the market as responsible consumers.

Though this characterization is certainly not incorrect, the following dissertation seeks to problematize the idea that neoliberalism only ever depoliticizes or is anti-political. Rather, I argue that neoliberal government is quite capable of rendering political opportunities in its own market-oriented way. It is my contention that the particular relationship between the state and the economy in neoliberal government results in channeling more political action through economic



modalities. Here, I focus on neoliberal governmentality's production of the ethical consumer as an example of the type of political actors that may emerge and the political possibilities afforded to them in a neoliberal society. Ultimately, I contend that our inclinations to view the political as a sphere only coterminous with the state often prevents us from seeing the way in which neoliberal governmentality actually opens up political possibilities within the market itself. While it is certainly true that neoliberalism diminishes political action in important ways, this significant pitfall should not excuse us from a more nuanced understanding of the political and its relationship with neoliberal forms of government. This dissertation hopes to move the discussion in a way that fundamentally forces us to confront biases in our understanding of political action.

## **INTRODUCTION**

### **Neoliberalism and its Separations**

Liberals used to set up boundaries and barriers. Only 25 years ago Michael Walzer noted how “liberal theorists preached and practiced an art of separation” where they constructed walls around various types of human practices and effectively sealed them off from other non-autonomous coercive influences (Walzer 1984, 315). Walzer had many separations in mind when he wrote his article, like that between public and private domains or church and state. But, for Walzer, and my concerns here, the most problematic separation was undoubtedly that between the economy and the state. Ultimately, Walzer attempted to carve out a pragmatic middle ground between a natural rights based liberalism that characterized itself by a unidirectional barrier that prevented the state from intervening in the economy (but not the economy from intervening on the state) and a Marxism that saw the social world and the economy as an integrated organic whole free of arbitrary boundaries. Walzer argued for the practical functionality of liberalism’s walls of separation, but not before qualifying their classical liberal form by ridding them of naturalistic foundations, problematizing their contingent and politically contested borders, and finally assuring that the state was safe from the unidirectional assault of market forces.

Walzer’s thesis is interesting in its own regard, but I recall it here in order to provide some context for a problem that this work seeks to investigate, namely the relationship between neoliberalism and the political. Walzer’s thesis provides an interesting entry point to this problematic by virtue of viewing how far its assumptions about “liberalism and the art of separation” have changed in our contemporary context. In some sense, his thesis from our

contemporary perspective seems slightly outdated. Of course, by “outdated” I do not mean to insinuate his engagement with the vitality of Marxism, though Marxist theory has certainly waned a little since 1984. Rather, what is astonishing is the degree to which his fundamental assumption about liberalism’s wall of separation between the economy and state, that is, the extent to which economic relations are cordoned off from state intervention and manipulation, has been leveled down. In its place is not the organic view of the social world posited by Marx, but a new liberal one. A neoliberal one, as most like to call it, where the state is not separated from the market but almost entirely coterminous with it. Only now the state does not act to correct the market, its externalities and imbalances, but actively seeks to extend the market and its regulative principle of competition within all sectors of society, from the domestic to the international and beyond.<sup>1</sup> This is not to say that there are not any vestiges of classical liberal rationalities still around. Much of the discourse of neoliberalism and laissez-faire liberalism is shared, making the distinction between the two fuzzy and often difficult to decipher. Nevertheless, the contemporary neoliberal state, as many have persuasively shown, is characterized by its activist and intervening nature.

One significant effect of this difference between neoliberal and liberal political rationality is the built-in tendency of neoliberal government to metastasize and proselytize. In other words, neoliberal government is inclined to spread and grow across and within polities. In the process, it seeks to convert and produce followers. Hence, in shifting from a naturalistic laissez-faire

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<sup>1</sup> The big caveat here being the 2007-2009 financial crisis where state’s actively intervened in the most significant crisis of capitalism since the Great Depression and the passage of the Health Care Reform Act. But, it is important to notice the type of intervention pursued by the state. TARP rescued not workers, but bailed out banks. The Health Care Reform Act included new regulations and mandates but certainly did not authorize anything close to a state controlled health care system like single-payer. Still, only a couple years removed from the passage of these programs, conservative parties have retaken control of their states and Congress behind the rhetoric calling for a smaller role for government.

liberalism - where the state recognizes and refuses to intervene on the natural behavior of economic actors - to an “achieved and normative” neoliberalism – where the state no longer recognizes the market as a natural realm needing to be free from interference but rather makes the market the principle of a state’s activism - one loses the boundedness of a classical liberal rationality for the all-penetrating governing logic of neoliberal rationality (Brown 2006, 694). Neoliberalism, in this sense, has breached the wall of separation between the state and the economy and thereby activated a new governing sensibility within the state to search out and open up new markets. It has done all this while conditioning a new type of subject that increasingly understands himself and the world around him according to a market framework of costs and benefits, human capital, and productivity.

Though the leveling of the wall has facilitated the state’s activist nature, it would be a mistake to assume that liberalism’s wall has been completely knocked down. The art of separating the economic from the political remains an important part of neoliberal governmentality. Namely, as a way of thinking and cognizing what constitutes the governable from the perspective of the state, neoliberal rationality views any interference in market processes, specifically the price/value mechanism, as counterproductive. Thus, redistributive or socializing policies that interrupt the role of competition in valuing and pricing scarce resources and thus in regulating social relations are nonstarters when comes to social legislation.<sup>2</sup> As Foucault put it, neoliberal government has a certain “style” of intervention. It is this style, or as Hayek phrased it, planning in the “good sense”, that necessitates reinforcing sections of

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<sup>2</sup> I am not attempting to ignore the passing of health care and financial reform legislation in the U.S. But, these examples are illustrative of the extent to which American’s can rationalize government involvement and conceive of public goods. Even with complete control of the legislative and executive branches, the Democrats failed to secure universal access or a public option in the health care legislation and, as many criticized, failed to enact strict regulations and preventative mechanisms on the financial services industry.

liberalism's wall constraining the state, while also authorizing and enabling the state to act on the market in a specific way.

It is this very shift to neoliberalism over the last 30 years - the activation of a state that governs on the behalf of the market and the constraining remnants of liberalism's wall - that has combined and rendered problematic the relationship between neoliberalism and the political. Quite obviously, the determinate effects of such a combination into a dominant governing rationality means that the only type of political-economic concerns considered worthy of action are those that further a competitive market logic. Hence, neoliberal governmentality drastically reduces the perceived sense of what is politically actionable as it relates to state intervention in the economy. From the perspective of the political left or those that value "public goods", this becomes increasingly problematic as privatization and deregulatory policies close in upon public space. Thus, not only must the political left overcome a dominant governing mentality amongst leaders and the lay community as it relates to broadening what they see as the proper role of state intervention in the economy but they must also do so from a space that is almost completely private. Hence, there is a two-fold depoliticization problem: (1) a shrinking of our political imagination, of cognizing the potential substance of political action; and (2) a narrowing of the actual public space from which to act and speak in front of others.

Critics are quick to point out neoliberalism's depoliticizing or anti-political character. For instance, cultural theorist Henry Giroux has argued that neoliberalism is responsible for a loss in the sense of efficacy people feel for politics, a sure sign of the two-fold depoliticization problem. In Giroux's analysis, only the market is viewed as a viable medium to pursue social concerns. He writes, "The government is now discounted as a means of addressing basic, economic, educational, and social problems. Market-based initiatives are touted as the only

avenue for resolving issues such as unemployment, education, housing, and poverty” (Giroux 2003, 30). Astonishingly, this rings true today only two short years after journalists, scholars, and political leaders proclaimed the death of unrestrained capitalism after the global Financial Crisis, the greatest crisis of capital since the Great Depression. Somehow, the ascendant narrative today is still one that calls for reducing government intervention on private capital and setting the market free. For an eminent thinker like Zygmunt Bauman, such a rationalization is indicative of a society that has lost their sense of what actually constitutes a public good. In neoliberal society, “The ‘public’ has been emptied of its own separate contents; it has been left with no agenda of its own – it is now but an agglomeration of private troubles, worries, and problems” (Bauman 1999, 65). Hence, neoliberal government produces an atomized subject devoid of any appreciation for speaking and acting in front of a human plurality. Neoliberal subjects are left “in search of politics” in a society bereft of both public space to act and, more important, any affirmation of the value of public goods necessary to motivate political action. Neoliberal rationality imbues what Carl Boggs calls “antipolitics” and a process of depoliticization. “Depoliticization is the more or less inevitable mass response to a system that is designed to marginalize dissent, privatize social relations, and reduce the scope of democratic participation” (Boggs 2000). Thus, nearly all of its critics disparage neoliberalism’s cancerous tendency to infect and swallow up public space and effectively depoliticize its citizenry.

But is this really true? Plenty of empirical research in political science seems to back up the claims of these theorists, at least as it regards their assertion of a decline in political and civic participation.<sup>3</sup> Of course, the most famous of these arguments chronicling the decline of political

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<sup>3</sup> So much so that there is a considered effort by some political scientists like Russell Dalton, Pippa Norris, and others to rethink traditional models and concepts of empirical participation

participation was given by Robert Putnam in his work *Bowling Alone* (Putnam 2000).

Interestingly enough, Putnam borrowed a market metaphor in social “capital” from Pierre Bourdieu to explain an apparent breakdown in the value individuals placed on their social contacts and networks. According to Putnam, the decline in social capital has led to a more atomized and individualistic society, which in turn has had deleterious effects on the proclivity of Americans to participate politically and within their communities. Martin Wattenberg has also repeatedly pointed out America’s poor rates of political participation, particularly in voting and among the young (Wattenberg 2002). Only he points out the complexity and frequency of elections and the decline in party membership as significant contributing factors. All in all, the research indicates decline in participation began precipitously in the 1970’s after the civil rights movement. Though none of these scholars specifically point out the ascendancy of neoliberal governmentality as responsible for a certain conditions of possibility where social capital, political parties, and voting are rationalized as being less important and efficacious, political theorists specifically have. As Boggs puts it, “Citizen participation, which once defined the very essence of liberal-democratic politics, now seems thoroughly undermined by a culture that glorifies the single-minded pursuit of (economic) self-interest” (Boggs 2000, 7).

The question that the following seeks to address is whether neoliberalism allows for enough political imagination and political space to elicit any sort of economically motivated political action. Or, put in other words, does the specific combination of a state constraint (as it relates to intervening in the market) and state activation (as it relates to extending and opening up markets) leave any room for political action in neoliberal society? The answer to this, of course, is going to be both yes and no, but not in a way you would initially think. The more intuitive or

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result. They offer an alternative narrative that attempts to paint participation in a slightly better light.

conditioned reply to this question mimics those we read above, that is, neoliberalism closes political space and political thinking. In place of politics is a disengaged citizenry who must make their way via the market as a responsible self-interested consumer. For the critics above then, the consumer is the antipolitical expression of neoliberal society par excellence. Giroux would certainly agree. He argues, “Neoliberalism has thrown into question the very feasibility of politics and democracy, and, in part, has been successful in doing so because it defines citizenship through the narrow logic of consumerism, and politics as having no foundation in agency as a form of self-determination and critical strategic action” (Giroux 2003, 52). On the forefront of Giroux’s mind here, and many others as it regards the notion of citizenship in neoliberal society, was President Bush’s call after the 9/11 terrorist attacks for American citizens to do their civic duty by shopping to help the American economy. Giroux and others are right to point this out. Bush’s call for patriotic consumption is indicative of neoliberal government’s need for a healthy consumer society, at least insofar as its goal is a limited state that depends upon individuals governing themselves through procuring their needs in the market (Rose 1999). Giroux and others are also correct to point out that such a system of governance is largely inconsistent with *democratic* values and a healthy functioning democratic state. In all these ways, neoliberalism seems to leave little room for political action.

But, the rejection of traditional democratic principles and the celebration of the consumer-citizen do not mean that neoliberal society has extinguished the political or is in any sense “antipolitical”. Rather, as I hope to show, neoliberal governance is quite capable of rendering political opportunities in its own way, though its democratic character may be uncertain. In this work, I aim to demonstrate neoliberalism’s political potential through a detailed examination of certain political agents operating within neoliberal society. It is my



contention that the particular relationship between the state and economy, as reflected by the art of separation between them, results in channeling political behavior through economic modalities, be they through entrepreneurship, consumerism, or some other form of agency. I will focus in particular on the ethical or socially responsible/conscious consumer as an example of the type of political actors that emerge in neoliberal society and the political possibilities afforded to them. Ultimately, I will contend that our inclinations to view the political as a sphere coterminous with the state often prevents us from seeing the way in which neoliberal governmentality actually opens up political possibilities in the market itself for political action. In no way am I arguing, however, that this realization authorizes neoliberalism and its market politics as superior form of political practice and state organization. Neoliberalism certainly closes down political action in important ways and there are serious limits to the efficacy of a politics that operates through market processes. But, these pitfalls should not excuse us from a more nuanced understanding of neoliberalism and the political. Thus, this dissertation hopes to move the discussion in a way that fundamentally forces us to confront biases in our understanding of politics, political participation, and the state, and their relationship to the economic.

### **Neoliberalism as Political Movement**

The first chapter of my dissertation will consist of a history of the institutional development of neoliberalism in the United States and Britain from the 1930s till the present. The specific focus on the United States and Britain is important for a number of reasons. First, it is important to recognize that there is not one single neoliberalism, but rather many neoliberalisms that have been taken up in slightly different ways by different actors in different countries. My analysis, in this sense, will only focus on one of these varieties, though it is

certainly the most dominant. An extremely important caveat to add here, however, is that the development of these neoliberalisms has always been uniquely cosmopolitan. As this chapter will show, neoliberalization in the U.S., U.K., and elsewhere can be attributed to the success of its protagonists in establishing international networks among scholars, journalists, politicians, and others through forums like universities, periodicals, and think tanks. Hence, though my focus will be on the U.S. and the U.K., it will not necessarily be limited to key American and British players. Lastly, the other significant reason for limiting my focus on the American and British variety of neoliberalism is because it allows me to discuss the emergence of the socially responsible and/or ethical consumer in later chapters, an actor whose emergence is specific though not limited to these states. This chapter largely serves to provide context and orient the reader to the conditions of possibility responsible for the emergence of the ethical consumer in the U.S. and Britain. Thus, in order to maintain methodological consistency with the following chapters, I limit the scope of my investigation to the U.S. and the U.K.

Ultimately, this chapter is about the extraordinary efforts of scholars, activists, politicians, and others in pursuing and institutionalizing the central tenets of neoliberalism. These efforts began in the 1930s, succeeded in securing political power in the 1980s, and proliferated throughout the 1990s and 2000s. The first step in telling this story of neoliberalization will be to give a basic rendering of neoliberalism's fundamental principles. The beginning of the chapter will do this by explaining the central importance of the notion of "freedom", the role of "competition" in regulating society, the "rule of law", and the relationship between "state planning" and "totalitarianism". I will do so by utilizing a combination of primary and secondary sources and by leaning heavily on the work of F.A. von Hayek, a thinker of fundamental importance to the American and British varieties of neoliberalism. Next, with

that basic understanding in hand, I will begin to explain the extensive efforts undertaken by key players and institutions to articulate neoliberal ideas and principles to scholars, journalists, policy-makers, and others. Key in this process will be a discussion of the fundamental role of think tanks, universities, and knowledge societies in providing forums and vehicles for the articulation of ideas to people of political and financial importance. These institutions played an integral role in translating neoliberal ideas and principles into concrete policy proposals and then delivering them to key policy-makers for implementation. An explanation of the fundamental role played by these actors will likely take up a considerable percentage of the chapter. The last portion of this chapter will discuss how the actual policy ideas emanating from these think tanks were taken up and implemented in the 1980s under Reagan and Thatcher. What ensued were significant structural adjustments toward privatization of industries, deregulation, and lower taxes - in addition to ideological shifts in the center-left parties headed up by Tony Blair and Bill Clinton – that have continued on relatively unabated. Though these ideas have certainly encountered resistance and setbacks, it is hard to argue that they are not still hegemonic. Neoliberal ideas and policy form an essential power/knowledge nexus in American and British societies. The goal in this chapter is to provide context for the subsequent chapters about this particular power/knowledge nexus and ultimately illuminate the conditions of possibility responsible for producing actors that seek to act politically through market modalities.

### **The Emergence of the Ethical Consumer: Genealogy & Neoliberal Governmentality**

In the second and third chapters, I explore the emergence of other-oriented, as opposed to self-interested, market-based practices that have spread with increasing popularity beginning in the 80s and 90s with the rise of neoliberal reforms and governmentality. Ultimately, I aim to depict these market-based practices as *political* practices that have been channeled through the

marketplace and economic modalities, only now the marketplace functions as a sleeping political medium waiting to be awakened by those looking to use its channels for deciding certain disagreements and allocating certain values and valued things. One of the most prominent of these market-based practices is the ethical consumer phenomenon. It will comprise the focus of my study in this chapter. But, to illustrate my larger point about the market functioning as a political medium, I will occasionally draw on a host of other discourses and practices like Corporate Social Responsibility discourse and practices, Ethical Investment, Social Entrepreneurship, and the development of international Corporate Conduct Codes among others.

For these latter practices, I will chiefly use secondary literature to illustrate the ways in which they share congruent histories, similar discourse, and patterns of behavior with the ethical consumer. As for the ethical consumer, I will employ a combination of primary and secondary sources to both explain what ethical consumerism is and to explore how they rationalize their market-based practices through discourse. My primary sources will be almost exclusively composed of ethical consumer websites, though I will also use ethical consumer magazines and “how to” guide books. I will draw on a host of cross-disciplinary secondary literature of the ethical consumer from the humanities and social sciences. Since the ethical consumer was recognized in scholarly research in the mid to late 90s, there has been a steadily growing mix of research focusing on different questions surrounding its appearance in mainstream society, its effectiveness as a form of activism, and the empirical concerns of marketers and others trying to understand the potential market share of ethical consumers and their motivations behind their purchasing behavior. I will engage these issues and these sources only insofar as they help illustrate how ethical consumer organizations and authorities talk about and understand their behavior. In other words, questions of the effectiveness of ethical consumer practices, like

questions of the motivations lying behind individual ethical consumer purchasing behavior, do not directly touch on my concerns which focuses on the relationship between ethical consumer rationality and the emergence of neoliberal hegemony.

Hence, my primary goal in this chapter will be to provide a genealogy of the ethical consumer's emergence. It will consist of a two-pronged argument. First, I will give an account of the microphysical processes of power at play in the ethical consumer's emergence. To this end, I will argue that the ethical consumer's emergence is best understood in terms of the ways in which business, consumers, and other actors took up and struggled over a discourse concerned with the distribution of social responsibilities for market actors. In depicting this, I closely follow the historical development of a "social responsibility" discourse - paying close attention to its focus on market actors, its peculiar orientation toward the state, and the ways in which it was deployed by various protagonists - in order to illustrate the particular rationality motivating and justifying ethical consumer practices. It becomes clear in this demonstration that the ethical consumer's emergence and proliferation was neither a complete function of the consumer's assertion of marketplace agency nor was it another example of the coercive ability of businesses to channel social unrest into consumptive needs and desires. Rather, the birth of the ethical consumer is best described in terms of as an agonistic struggle between different actors attempting to shape the actions of the other; or as Foucault would call it, governmental relations.

In illustrating the governmental character of the ethical consumer's emergence, this genealogy provides the necessary *groundwork* for the second prong of my argument that demonstrates a relationship between a political shift toward neoliberal government and the creation of the conditions of possibility receptive to the emergence of the ethical consumer and other market-based political practices. By this political shift, I mean to denote the historical

process outlined in the first chapter, whereby the principle of social/political regulation moved from being a concern of citizens who sought redress in the political apparatuses of the state (generally) to the de facto aggregate outcome of consumer behavior in the marketplace (practically). In this chapter however, I move away from its institutional history to focus more clearly on how it operates as a political rationality and mode of human governance. In other words, I treat it specifically in terms of governmentality. I argue that the shift to a neoliberal governmentality has been one where the regulation of human “conduct” and the *endorsing or privileging of social values* has occurred more frequently in the marketplace by market actors upon other market actors rather than in the *traditional* public sphere by the *state* upon its citizens. To understand this shift, both historically but more so conceptually, I borrow from the insights of Michel Foucault in his lectures “Security, Territory, Population” and “The Birth of Biopolitics”. I find Foucault’s notion of “government” to be particularly useful here. His understanding of government allows us to view the marketplace as a site – *operating alongside of and sometimes supplanting the state* - where the shaping and directing of human “conduct” and values occurs. Viewing the practices and concerns of ethical consumers from this perspective of a shift to neoliberal governmentality will ultimately show how neoliberal government created political conditions of possibility for the ethical consumer, among others, to appear and act politically via the market.

### **The Political and the Ethical Consumer**

Lacking in the first few chapters is any sort of justification or argument for labeling ethical consumer practice as political. Though the undertones are clear and governmentality is most often read as a political analytic, it is necessary to give this a more thorough examination so that we may finally grapple with the relationship between neoliberalism and the political in the

final chapter. Thus, here I explore the political nature of ethical consumer practices; or rather I develop an argument for understanding ethical consumer practices as political action as opposed to something else, namely economic action.

There are certainly many theories of the political that one could draw on for these purposes. But, I propose to take up Hannah Arendt and her work on the political in *The Human Condition* as my model for showing the political nature of ethical consumerism. Before doing so, however, I will first engage with the various attempts that have been made to understand ethical and activist consumption as political. Though there are not many examples, it is necessary to show how these different approaches have fallen short. The prominent player here will be “political consumption” literature. Though I am certainly sympathetic to their efforts to understand activist consumption via a political lens, I will ultimately argue that they have not clearly worked out what is political about “political consumerism.” Alternatively, I will suggest that we turn to Hannah Arendt to understand the political nature of ethical consumerism.

Using Arendt brings an interesting perspective to bear on my problem. Arendt is considered both a scholar of the political par excellence and is a harsh critic of consumerism or “consumer society”. Thus, in *THC*, Arendt develops a robust theory of political action and speech and a defense of man as political animal within the context of burgeoning anti-political consumer society. In this sense Arendt represents somewhat of a hard case for our problem insofar as she both establishes strict limits on what constitutes political action (non-instrumental action and speech before a human plurality) and she criticizes consumerism as the personification of the anti-political behavior of animal laborans and homo faber. If there ever was going to be case or theory where ethical consumer practices were likely to fall short as constitutive of political action, Arendt’s theory is likely it.

Thus, the question in this chapter becomes does Arendt provide enough interpretative space for an understanding of ethical or activist consumption as political considering her tough criticisms of consumerism and her strict limitations on what can be considered political? If she does, we may be safe in assuming that the political potential of consumptive acts has been ignored by modern political science and analyses of political participation to its own detriment. In concluding my argument, I will attempt to make this implication even greater as I relate it back to our findings in the previous chapter. For if neoliberal governmentality is responsible for activating a market-based political potential of the consumer then what does this mean for the dominant understanding and criticism of neoliberalism as being antipolitical?

### **The Political and Neoliberalism**

In the concluding chapter, I set out to address the strength and implications of my thesis; stated again, that neoliberal government and governmentality contributed to the production of the ethical consumer as a new type of political actor. The strength of my thesis is brought into question when we further question the extent to which neoliberals *intended* to produce the ethical consumer as a unique neoliberal actor. According to neoliberals, it is of the utmost importance that the constitution of a neoliberal political order includes the pragmatic separation of the political function from the economic so as to insure the most complete reduction of coercive forces in civil society. Neoliberals come to this position via an awkward two-step in which they must first assert, in recognition of their committed constructivism, the primacy of the political. Hence, in the same breath neoliberals acknowledge the primacy of the political and then use it to argue away or diminish its reach in economic and social affairs for the sake of safe guarding individual liberty. Limiting coercion, in this way, is the source of the neoliberal's antipathy toward the political. The problem here is that the recognition of neoliberalism's open hostility



toward the political would seem to diminish the strength of my thesis that neoliberalism contributed to the production of the ethical consumer as a political actor, for it casts doubt upon the idea that neoliberal government and governmentality *intended*, let alone desired, the production of the ethical consumer as a new political actor. In this concluding chapter, I set out to clarify just how neoliberal government and governmentality could have contributed to the ethical consumer's emergence given their obvious antipathy toward the expansion of politics and its reach to the economic domain. I argue that, though neoliberals did not intend the production of the ethical consumer, their use of language and advocacy for consumer sovereignty and market democracy allowed for such an interpretative direction to emerge and be appropriated by consumer activists. Neoliberalism gave the ethical consumer, in this sense, interpretative direction.

Finally, the conclusion briefly explores an important implication of this thesis, which is that both neoliberal advocates and their democratic critics are each forced to confront the extent to which they can maintain their positions on the depoliticizing character of neoliberalism. As it relates to the former, it is difficult to see how neoliberals can maintain their pragmatic separation of the political from the economic in a way consistent with a "policy of freedom" given what we have learned herein, namely that neoliberal government tends to channel political concerns into the marketplace where, rather than these political issues being eliminated, they are merely sublimated to newly politicized economic actors. In other words, neoliberal governmentality's production of the ethical consumer as a political actor fundamentally questions the ability of neoliberals to actually reduce the political field without their own significant coercive interventions upon economic actors. Democratic critics, on the other hand, must confront a related, but slightly different problem. Though neoliberals profess their antipathy toward

political action and attempt to diminish its reach as much as possible, and certainly do so in important ways, it is inaccurate for their democratic critics to label neoliberal government as antipolitical or depoliticizing. For what the example of the ethical consumer demonstrates, is that neoliberal government is also responsible for the generation of new types of political spaces and political actors. This space just happens to be the market and the political actors just happen to be market actors. This is certainly not a better political system for committed democrats, but it is political nevertheless and its recognition as a site of political contestation within neoliberal regimes may be central in the fight to turn back or turn toward a new governing rationality. Like neoliberal proponents who attempted to reduce the reach of the political within the economic, democratic critics of neoliberalism have also misjudged the nature of the political, and thusly have failed to fully explore potential locations for articulating counter conducts.

## **Chapter One**

### **Neoliberalism: From Political Movement to Hegemonic Policy in the United States and Britain**

This introduction to neoliberalism shall begin rather unconventionally with the example of Chile. If you are thinking that Chile seems like an anomalous entry point into neoliberalism, you are probably not alone. To be plain, introductions to the topic of neoliberalism usually do not begin with the example of Chile. For one, the notion of neoliberalism is so problematic in contemporary discourse that it generally calls for immediate explanations of things like the origins of its “neo” root or the tendency of commentators to treat it singularly, as if the school of thought was not diverse in opinions, transnational applications, and interpretative schema (Plehwe 2009). Let me quickly concede these well-heeded points here and admit that my use of the term in this chapter may appear no less problematic in the early going. From sometimes treated as policy to other times as ideology, and mostly focused on its American and British antecedents and influences, my early treatment of neoliberalism is strategically simple and rather undefined.<sup>1</sup> Nevertheless, I encourage readers to be patient, as layers of neoliberalism’s complexity will gradually be revealed in this and the following chapters. The other reason why Chile may conjure up some unease as an introduction to neoliberalism is that it provides such a compelling historical example from which to evaluate neoliberalism’s theoretical claims, at least the ones we can say have a general consensus among thinkers, that it just naturally fits better

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<sup>1</sup> Note that in Chapter 4 neoliberalism is approached through a Foucauldian governmentality framework.

after an introduction to its main tenets.<sup>2</sup> Properly situated, Chile's experience with neoliberalism demonstrates to the critic just how wanting or, for the advocate, how fulfilling its claims actually are. Chile's empirical utility, in this sense, has certainly been treated as greater than its contextual utility for those taking up neoliberalism. In full recognition of the merits of these well-founded interpretative choices, here I wish to make a particular and concise rendering of Chile's contextual utility for introducing neoliberalism as a historical political movement in the U.S. and Britain.

Even this aim seems oddly suited for my overall concerns here, however, as I am not principally interested in the character of Chilean neoliberalism or its relationship with the 1973 coup and Augusto Pinochet's subsequent free market reforms. I am interested in the character of American and British neoliberalism and their relation to the historical emergence of the ethical consumer as a political actor in these countries. As I indicated in the introduction, in the forthcoming chapters I intend to argue that a whole-scale shift in the United States and Britain in the late 20<sup>th</sup> century toward a neoliberal governmentality has facilitated conditions of possibility favorable to the production of practices like ethical consumerism. This argument's dual premises – the shift toward neoliberal government and the concomitant emergence of the ethical consumer in the U.S. and Britain – are in need of vital context. In this chapter, I offer a rendering of the former premise, articulating the political movement and subsequent historical shift toward neoliberal policy in the United States and Britain. How Chile provides context to these transatlantic neoliberalization narratives is still not exactly clear. In lieu of continuing this explanation, I propose we jump right in.

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<sup>2</sup> This is largely due to the relatively unmediated way in which Chilean neoliberal reforms were carried out. Chile's implementation of neoliberalism was almost lab-like, due to its controlled political environment and muzzled political dissent.

## A New Lesson From Old Chile

Just how does Chile serve as a useful entry point to the historical emergence of American and British neoliberal policy? The answer, quite simply, is that Chile's path to neoliberalism unfolded in much the same way as those efforts made within the U.S. and Britain. Now, this seems quite counterintuitive so it is imperative to clarify here that I am referring to neither the American efforts made in goading, coercing, or initiating Chile's move toward a foreign neoliberalism or to Augusto Pinochet's authoritarian implementation of neoliberal market and labor reforms in the 1970s and 80s. Obviously, these non-autonomous and anti-democratic elements were not readily present in the American or British shift to neoliberal government. Hence, here I suggest that we quickly concede their *determining* role in Chile's turn toward neoliberal governance in order to focus on the relatively autonomous form of growth that neoliberal discourse took in Chile between these bookend forces. For it is my contention that both popular and academic interest in these bookend forces – that is, the U.S.'s subversive actions in Chile as well as the authoritarian form with which the neoliberal reforms were instituted – have distracted the attention of observers away from recognizing how the growth of Chilean neoliberal discourse was observationally similar to those efforts in the U.S. and Britain. Stated simply, the Chilean strategy for pursuing neoliberal policy took the following observational form: (1) build the movement outward from a scholarly center; (2) target elites of the traditional political right; and (3) focus efforts on ideological rather than immediate electoral change. Though Chile provides a slightly anachronistic example, the smaller historical scale of their political efforts to build a neoliberal movement provide us a concise but illuminating foreword to the political strategy used by neoliberal advocates to revitalize liberalism's popularity in the U.S. and Britain in the late 20<sup>th</sup> century.

The political *strategy* taken up by Chilean neoliberals – if we can call it that, because our knowledge of it is merely behavioral and not grounded in any expressed political writings or speeches – was one that was built and operated from the academy outward. It was a strategy that was committed firstly and principally upon locating, developing, and consolidating disparate *learned* individuals dedicated to classical liberalism into an elite intellectual and ideological network. The work of constructing this network in Chile was initiated in a rather non-autonomous manner, hence the first bookend force; but it was not one lacking an invitation. Prior to 1956, there was not much support in Chile, very much like the rest of the world and the region, for laissez-faire style liberalism. Though Chile possessed liberal political parties, economically, it was overwhelmingly committed to a state-centered developmentalism. Support for state involvement in the economy and protection of local industries was especially fervent in academic circles and, though to a lesser extent, amongst business leaders and policymakers. Chile really had no significant free market culture or core supporters with a significant desire to organize around the notion, that is, beyond a few academics and administrators at the Catholic University of Santiago (CU). CU president Alfredo Silva and law professor Julio Chana were most instrumental in setting into motion a liberal political project within Chile (Fischer 2009). For in a state with a dearth of liberal compatriots, it was they who accepted an invitation to partner with the U.S. State Department and the Economics Department at the University of

Chicago (hereafter the Chicago School).<sup>3</sup> These three parties produced the first essential element of the Chilean neoliberal movement: the Chilean neoliberal *academic*.<sup>4</sup>

The project of creating Chilean neoliberal academics emerged out of the different strategic interests of these three key parties. Catholic University, for instance, was interested in building a research institute dedicated to the study and promotion of foreign investment (Fischer 2009, 310). CU needed an economics faculty committed to these ideals, of which their home country could not readily fulfill. Meanwhile, the U.S. State Department (in the form of International Cooperation Administration (ICA) - itself a derivative of the U.S. Point Four Program) was actively seeking ways to destabilize the academic and political hegemony of left-leaning economic policy in the region and saw Chilean economics education as one prime entry road, among others (Fischer 2009, 309). Theodore W. Schultz, chairman of the Department of Economics at the University of Chicago, agreed that there was a need to “modernize” economics education in the region in order to “change the formation of men” and thus future policy (Klein 2007). Of course, to “modernize,” was simply code speak for promoting a free enterprise system, already a transnational project and focus of the Chicago School in the 1950’s. Hence, the Chicago School’s participation fit within the scope of their liberal activism and promised them not only potential new intellectual adherents to a revitalized liberalism as part of their broader transnational political fight against Keynesianism and socialism, but also potential access to future Chilean economic policy circles, i.e., a chance to actually practice or at least influence neoliberal state-craft. Schultz committed to partner with the ICA in creating a student exchange

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<sup>3</sup> I also intend the “Chicago School” moniker to capture those University of Chicago academics outside the economics department who were principally committed to the same liberal political project. The most important example being Friedrich Hayek, whose appointment from 1950 – 1962 was located in the law school.

<sup>4</sup> Emphasis is added here to connote a slightly different, and yet unexplained, understanding of the word “intellectual.” This Hayekian understanding will be explained shortly.

program that would send Chilean economics students to Chicago to study with the famed Department, as well send Chicago faculty to CU to conduct research and teach in Chile.

Recognizing their aligned interests, the parties overcame initial resistance from Chilean academics at other universities to sign a deal in 1956, one that was responsible for the exchange of persons and transfer of liberal ideas for almost two decades (Fischer 2009, 310).<sup>5</sup> All told, “Project Chile” resulted in over 100 select Chilean students receiving training by the Economics Department in Chicago (Klein 2007, 73). Initially, funds primarily came from the ICA, but continued in later years with mostly private support from the “Economics Department at the University of Chicago, the Ford and Rockefeller Foundations, the Organization of American States, the Chilean Central Bank, and Chile’s planning office ODEPLAN (Oficina de Planificacion Nacional)” (Fischer 2009, 310). Fischer notes that as much as a third of the graduate student body in the Chicago Economics Department during the 1960’s was composed of Chilean and Latin American students. What set “Project Chile” apart from other regional exchange programs, as Naomi Klein has detailed, was its unabashed ideological character, infamously exemplified by the exchange students’ first seminar whereby Chicago faculty presented liberal criticisms of the corporatist Chilean political economy (Klein 2009, 73). This ideological reach extended all the way into Chile itself with Chicago School faculty visiting the CU campus to conduct research and seminars for students and faculty on the “positive science” of free markets, the trademark of Chicago School neoliberalism.

This exchange of persons and transfer of ideas from the Chicago School to CU students and faculty, the initial bookend force, set into motion the “academy outward” political development of neoliberalism in Chile. Beginning in the late 1950s and continuing into the

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<sup>5</sup> Here, Fischer notes how Chilean academics were worried about importation of foreign liberal thought.



1970s, Chilean nationals returned home from Chicago (or graduated from CU) as neoliberal scholars and, and more importantly, committed neoliberal proponents. The Chicago-trained grads took up employment throughout influential sectors of the Chilean economy, finding themselves in business (conglomerates), civil service, politics/campaigns, and, of course, higher education, among other areas (Fischer 2009, 311). Their presence was most directly felt at CU, where by 1963 almost the entire thirteen-person economics faculty was comprised of Chicago School graduates, or “Chicago Boys” as they would later become known (Klein 2007, 75). The centrally located exchange program also had the effect of securing a neoliberal network and bond amongst the Chilean grads without having to put forth much organizational effort. “Project Chile” produced a connected and ideologically devoted neoliberal core in Chile, the small beginnings of a Chilean neoliberal intellectual class.

With this group of committed and erudite liberals on the ground, the work of building a neoliberal political movement and coalition in Chile began autonomously without explicit urging or direction from Chicago. The Chicago School’s role, at least up until the coup and Pinochet’s rule, was simply that of manufacturing Chilean neoliberals for export to Chile. What the Chicago Boys did upon their return was done mostly on their volition. In fact, the further pull to the political left throughout Chilean society in the 1960s was enough to arise autonomous efforts of liberal resistance and coalition building by the Chicago Boys. Such efforts, they realized, would require significantly more than establishing an ideological economics department and sprinkling some Chicago Boys throughout various social and business sectors, though the economics department certainly did constitute an intellectual headquarters. Rather than take their case for a free enterprise system directly to the demos, the Chicago Boys chose to focus outreach efforts on the *elite* power centers of the traditional political right. Beyond providing

funding, communicative infrastructure, and invaluable political networks, these “intellectual” elites – whether it was the businessman, journalist, politician, military leader, or some other social leader, expert, or grouping – were the targets of choice actors for the Chicago Boys. The Chicago Boys set out to convince these intellectual leaders of the potential of a liberal Chilean state, much like their Chicago professors had done to them in their first American grad seminar.

Some of the Chicago Boys’ first efforts were focused on acquiring ideological allies amongst political leaders, policymakers, and bureaucrats in the 1960s. The Chicago Boys sought to influence these elite political and governmental actors toward a market-oriented philosophy from positions that typically advocated for a “corporatist closed-economy” (Fischer 2009, 313). Their goals here were not concrete electoral victories, which were often fleeting, but rather were ideological changes amongst influential party and bureaucratic faithful in line with a liberal philosophy of privatization, deregulation, and free trade. Some institutional ideological change was accomplished via the simple acquisition of employment in civil service. Chicago Boys took up noteworthy influential positions in the “Central Bank (e.g., Alvaro Bardon, Carlos Massad, Jorge Cauas), the budget agency, and the supraministerial planning office ODEPLAN (Fischer 2009, 311). Their influence in these agencies, in the least, helped provide continued funding for Project Chile. Later efforts were taken to influence the 1970 presidential campaign of Jorge Alessandri and the gremialista movement.<sup>6</sup> According to Fischer, the Chicago Boys made important inroads with each attempt, forming working alliances with key leaders/campaigns while also planting seeds of an alternative economic vision, most significantly with gremialista leader (and subsequent advisor to Pinochet) Jaime Guzman (See also O’Brien 1983). None of

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<sup>6</sup> The former Chilean president was the select pick of the Chilean right (and U.S.) to stave off a socialist victory from Salvadore Allende. The gremialista movement was most popular right-wing Chilean movement at the time.

these efforts produced immediate political change for a liberal policy, however they began to shape economic beliefs that would turn tangible after the coup.

Probably more important than their outreach in the political sphere were their efforts aimed at influencing business leaders. They spent significant time and work in swaying the long-engrained economic philosophies of the powerful business conglomerates. Not only did the conglomerates and their leaders represent a source of potential funding for their efforts, but also they were generally as indebted to state-oriented economic policy as was Chilean labor and other sectors of Chilean society.<sup>7</sup> Thus, they represented both a major hurdle and a key constituency in their efforts to build support for free market reforms. The Chicago Boys courted the business class primarily through educational lectures given to leaders of the top industrial conglomerates through the industrialists' association, Sociedad de Fomento Fabril/Federation for the Promotion of Industry (SOFOFA) (Fischer 2009, 313). Lectures explained the concrete benefits of moving away from a corporatist system toward a free enterprise one. Efforts here proved more immediately tangible; the Chicago Boys gained important leadership positions within SOFOFA, explicitly altering the organization's economic policy positions toward free market ones while growing the most important segment of the neoliberal intellectual class.

The Chicago Boys, and their slowly expanding network of elites, also worked to form vital media alliances. Businessman and Chicago-trained economist Alvaro Saieh was integral in opening public channels to their free market message.<sup>8</sup> But, no one was as singularly important as Augustin Edwards Eastman, publisher of the conservative Chilean newspaper *El*

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<sup>7</sup> Business resistance to Allende was not principled in this sense. It was driven not out of a concern for the maintenance of a capitalist free enterprise system but rather out of concern that Allende would discontinue favorable state relationships with their companies.

<sup>8</sup> Fischer (313) also notes that the Edwards Group was a leader of one of the industrial conglomerates.

*Mercurio*, and his partner Hernan Cubillos, a former navy officer. *El Mercurio* was the most important piece of neoliberal infrastructure, providing, among other things, a prominent non-partisan public mouthpiece for liberal public advocacy, rendering critical public legitimacy to the nascent neoliberal thinking. Chicago trained economist Emilio Sanfuentes – himself the owner and operator of *Que Pasa*, a magazine dedicated to building middle class support for free market reform – was also instrumental here, providing a consistent neoliberal voice as *El Mercurio*'s economic editor (Fischer 2009, 313; O'Brien 1983, 34). Edwards, on the other hand, also helped found and fund Chile's first neoliberal think tank, CESEC (Center for Social and Economic Studies). CESEC proved to be an incubator of free market reform ideas for the Chicago Boys and the growing group of neoliberal intellectuals. Many of the liberal market reforms later adopted by Pinochet were first proposed and discussed in this group.

After Allende's election in 1971, the outreach efforts by the Chicago Boys and their growing cohort of supporters progressively ceased as a more singular focus on removing Allende from office replaced it. Allende's election and subsequent economic moves – in particular the continuation of the expropriation of private property, increase in money supply, and the nationalization of industry – ushered in the capstone of bookend forces responsible for removing Allende and steering in neoliberal economic policy. These were the CIA and Chilean military. The role of these two forces in initiating the coup, not to discount the genuine autonomous opposition from Chilean civil society, have been well documented and do not need to be revisited here. However, it is important to quickly highlight how the Chicago Boys became involved and convinced the military of their market reforms because their marriage was certainly not pre-arranged. The genesis of the connection between the Chicago Boys with the military junta was one derived from the fruit of their neoliberal network, beginning in particular with

Augustin Edwards and Hernan Cubillos. Cubillos, an ex-navy officer, was left in charge of Edward's media empire after Edwards had fled the country. In mid 1971, he helped establish, along with CESEC staff, the informal "Monday Club," a group operating out of El Mercurio's offices that met to discuss and coordinate the (CIA funded) campaign against Allende (Fischer 2009, 314). Roberto Kelly, also a former navy officer whom had close ties to Pinochet and Navy Admiral Jose Merino, contacted Cubillos (O'Brien 1983). He indicated that the navy was intent on a coup but needed assistance with planning and operating the post-coup economy, of which they had little expertise. Cubillos passed along this information to Monday Club member Orlando Saenz (himself a Chicago Boy and President of SOFOFA) and he along with others immediately began work planning economic reforms. Their economic prescriptions, at the time wholly new, now seem like common refrain from the political right; they advocated for privatization, deregulation, monetary reform (inflation control), free trade, and the massive reduction of government expenditures.<sup>9</sup> Two years after the coup and a couple of years of failed economic policy, this plan, known as "El Ladrillo" (The Brick) because of the weight of the 500-page document, gained the full go-ahead support of Pinochet, mind you with some persuasive lobbying from a visiting Milton Friedman. The Chicago Boys, and the neoliberal intellectual class they largely organized, quickly ascended to top economic positions within the authoritarian junta, helping to cement Chile's structural reform and neoliberal future.

Though the role of the CIA and the Chilean military were undoubtedly the most important determining factors in Chile's turn and commitment to neoliberal structural adjustment, it is important not to overlook the role and success of the Chicago Boys in this turn. Their success was not a democratic one. For by the time Augusto Pinochet took control of the

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<sup>9</sup> See Fischer (316) and Klein (86). El Ladrillo means "the brick", connoting the sizable work that the Chicago Boys delivered to the navy and junta.

junta, the Chicago Boys' efforts had not yet reached a critical democratic mass. In fact, their support was still relegated to the elite minority they had been targeting. Hence, by the time of the coup, their political efforts had significantly ceased and their "academy outward" strategy had failed to produce any neoliberal reforms by popular vote. In due fairness to this characterization, it is important to point out that the concomitant neoliberal movement in the U.S. and Britain had been ongoing since the 1930s and only began to bear fruit in the late 1970s. The Chicago Boys' intellectually centered approach was still, in comparison to their American and British counterparts, young in its deployment. It is certainly conceivable, in this sense, that had the coup not occurred and the Chilean neoliberal movement continued its "academy outward" maturation, that it may have achieved some measure of democratic success through the ballot box at some point in the future. Regardless of this speculation, the Chicago Boys did still achieve success. For in spite of their movement's young age, the Chicago Boys were able to create a small but powerful and ideologically connected neoliberal intellectual class in Chile where there previously had been none. And, it was this invaluable network that was ultimately responsible for introducing them and their ideas to the Chilean military and Pinochet's junta. In short, without the organizational efforts of the Chicago Boys in connecting and converting neoliberal elites throughout Chile, it is unlikely that Pinochet's junta would have ever made the neoliberal structural reforms it did when it did.<sup>10</sup>

The growth of a neoliberal movement in Chile, from the return of the Chicago Boys up until their introduction to Augusto Pinochet, provides important context to the development of the neoliberal political movements in the United States and Britain. As I noted, this is not for the

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<sup>10</sup> It is important to note that most of Pinochet's economic advisors during the first two years of the junta were committed to a mixed economy not totally unlike that of Allende. Hence, without the voices of Chilean neoliberal network, it is unlikely that such free market ideas would have ever entered into the thinking of Pinochet's junta.

popular reasons that commentators generally take notice of: like showing neoliberalism's inclination for authoritarianism and distrust of democracy or highlighting the Chilean "economic miracle." Rather, it illustrates the centrality of a political strategy focused on the role of intellectual elites for popularizing a neoliberal vision of governance. Now, it must be noted again that the characterization of the Chicago Boys' "political strategy" as an "academy outward" approach or as one driven "by intellectuals to intellectuals" is really nothing more than a descriptive observation of their political behavior. Nowhere has such a strategy been articulated in written or spoken word by the Chicago Boys themselves. Whether their behavior actually reflected a programmatic strategy, yet unfound or expressed, or was more simply the result of them taking action by utilizing their local knowledge, personal networks, and perhaps some Chicago experience is still open to debate. However, what is less open to debate is the degree to which their political behavior both mimicked the political behavior of their mentors and counterparts in the U.S. and Britain and is explained by a political strategy articulated by the founder and most important leader of the American and British neoliberal movements: Friedrich August von Hayek. For it was Hayek that argued that liberalism's revitalization in the western world, in the midst of a political environment dominated by forms of collectivism, would be dependent on convincing societies' "intellectuals", or the "secondhand dealers in ideas", to join the battlefield of the war of ideas. Beginning in the 1930s and following Hayek's lead, a relatively small group of transatlantic intellectuals began organizing a neoliberal political movement around this principle, establishing a powerfully connected ideological network of transnational and transatlantic "intellectuals" and institutions committed to the articulation and long-term political success of a neoliberal state. Much like the Chicago Boys in Chile, when economic crises presented political opportunities in the mid-1970s in the U.S. and Britain this

neoliberal network was readily prepared to offer policymakers an alternative approach to economic governance. The remaining portion of this chapter explores how the neoliberal movement became the alternative approach in the U.S. and Britain behind an organizational strategy focused on the role of “intellectuals” as disseminators of political knowledge.

### **The Road to Neoliberalism in the U.S. and U.K.: The Bleak Early Years**

That Friedrich Hayek, an *Austrian* economist and political theorist, came to be regarded as the most important political leader of the neoliberal movements in the *U.S. and Britain* says as much about the success of the political strategy he articulated and pioneered as it does of the international political environment he crafted it within.<sup>11</sup> For the political environment of the Western world from the 1930s through the 1940s was so inhospitable to laissez-faire liberalism and contained such a dearth of liberal free market proponents and institutions that Hayek and other like-minded liberal advocates were often compelled to seek allies and support across borders and seas. Ultimately, this environment was responsible for sending Hayek to the University of Chicago in the mid 1940s, permanently beginning in 1950, where he followed the prospect of both financial and ideological support from whence to mount a neoliberal political movement. From Chicago, Hayek planned and implemented liberalism’s transnational political come back – along with a lot of help from intellectuals, financiers, and think-tanks – and made his legacy as its most important organizational political leader in the U.S. and Britain. The following is very much a story about how Hayek accomplished this feat via a political strategy focused on the role of intellectuals as disseminators of political knowledge and constructors of

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<sup>11</sup> The latest works in neoliberal history have firmly planted Hayek as its most important political leader for creating or facilitating the institutional structures from which the neoliberal movement launched, namely the Mont Pelerin Society, the late Chicago School, and various important think tanks, like the Institute for Economic Affairs.



ideology, but is also about those events, individuals, and institutions that helped lead and carry out its messy details. This story begins with that inhospitable political environment.

By the time Hayek accepted a permanent post at the London School of Economics in 1931 – a position offered, ironically, by Sir William Beveridge – laissez-faire liberalism no longer enjoyed the unbridled popular appeal it had held for much of the 19<sup>th</sup> century in Britain and the U.S. In fact, it was pretty much dead. As the turn of the 20<sup>th</sup> century approached, the traditional calls for individual liberty, free trade, and government non-interference increasingly appeared morally bankrupt in face of growing inequities, social problems, and scientific advancement. Rather gradually, the belief that states can and should (to various degrees) manipulate the levers of their economy to the benefit of their populations began to take hold of political imaginations. This was especially true in the U.K., due in significant part to the influence of the Fabian socialists. As early as 1906, this shift in thinking made its way into policy as British governments began utilizing the tools of the state to combat unemployment and the effects of poverty, introducing public programs like “old-age pensions, social insurance, school meals and other welfare measures” (Cockett 1995, 15). Successful government efforts to produce necessary resources to fight in WWI also helped to license further government action that aimed to improve the public welfare. Hence, British governments curtailed free trade through the imposition of duties on luxury imports, nationalized much of the coal industry, and created many new government agencies (Cockett 1995, 16). These interventions in the market legitimized the argument of socialists and mixed economy advocates that the state was capable of helping its citizens, so much so that John Maynard Keynes famously declared “The End of Laissez-Faire” in 1924 (Burgin 2012). With a more developed welfare state already in operation, Britain’s reaction to the “Great Slump” of the early 30s was more conservative and even

bordered on the austere. The broadly perceived failure of this approach, however, soon spawned tremendous postwar government spending on universal pensions, unemployment insurance, and the National Health Service (Jones 2012, 27).<sup>12</sup>

In the United States, on the other hand, the progressive era began to chip away at the hegemonic role of laissez-faire in economic governance in the 1890s. The government took an active role in regulating monopolies and passed a host of other regulations affecting labor, industry, and agriculture. Under President Woodrow Wilson, the U.S. also legalized the imposition of a federal income tax in 1913 via the passage of the 16<sup>th</sup> Amendment, though its genesis was not explicitly tied to government spending for the purpose of the improvement of the general welfare. Despite these state incursions, the sentiment for small limited government largely remained until the stock market crash of 1929 and the resulting Great Depression. The massive unemployment, poverty, and hunger, among other effects, prompted Roosevelt's New Deal programs, which between 1933 and 1936 resulted in unprecedented public spending programs, new and expansive regulatory structures, collective bargaining rights for unions, and a social insurance safety net in the creation of Social Security. The New Deal programs and regulations, in addition to WWII efforts, ushered in a new governing mentality in the U.S. and abroad that saw the state as the guarantor of full employment and active manager of prosperous economic activity.

It was within the context of massive government growth and the state's intervention in American and British economies, in addition to the ever-present threats posed by communist Russia, German National Socialism, and Italian fascism, that classical liberals in the west confronted their widespread marginalization in the 1930s. This marginalization reflected not

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<sup>12</sup> Note that the Beveridge Report suggested many of these programs.

only a shift in policy, but also one in academic economic thinking many years in the making. By the time of the Great Depression, traditional laissez-faire economists had become a bit of an endangered species, as the profession had come to be dominated by Keynesians (or some form of mixed economy advocates) and socialists. Keynes – notably with the publication of the *General Theory of Employment, Interest, and Money* in 1936 – had risen to the top of the economics profession, much by offering a positive remedy to capitalism’s inherent propensity for economic crises (a topic that Hayek would famously debate Keynes on throughout the 1930s). Though Marxist and socialist advocates had prominent voices amongst the intelligentsia, and as seen in the Fabian Society, Keynes staked himself out as a new kind of “middle way” liberal who wished to reform and manipulate markets in order to save them. Keynes aversion to socialism and identification with the liberal tradition was undoubtedly a significant part of his appeal in the U.S. and U.K. In his work, Keynes made the issue of aggregate demand a chief concern of the state, offering solutions to curb economic recessions and depressions through the use of fiscal policies that stimulate consumer spending. In periods of economic contraction, Keynes argued that the state was the only institution financially capable of boosting aggregate demand enough to alleviate unemployment, poverty, and its associated human suffering. The laissez-faire approach of waiting out the natural market correction, though still popular among businessmen and some conservatives, ultimately lost its appeal among most economists and policymakers when confronted with an alternative prospect of a new moral agency through state action. For as Keynes famously quipped regarding the wisdom of waiting out market corrections, “In the long run we are all dead.”

## **Building a New, Positive Liberalism**

This was the political, ideological, and academic environment that laissez-faire liberals – from the academic to the journalist to the businessmen – were left to confront throughout the 1930s and 40s. They were marginalized along all fronts. To say that their political mood was one of total and complete despair may border on the understated. The anguish they felt at the loss of liberty and of its future prospect was palpable, but it was, nonetheless, an environment that many of the more academic among them recognized they had helped create. This is not to say the laissez-faire liberals recognized the cause of the Great Depression as one inherent in the market itself. Not at all, in fact, much of the academic literature produced during this era by classical liberals offered theses counter to this dominant narrative, pinpointing the state as the major culprit. Rather, there was a growing sense that the idea of laissez-faire was itself a problem, as it did a poor job of expressing the positive attributes of markets and the role of the state. Laissez-faire was only ever critical and negative, castigating most state actions and effectively rendering it impotent in economic matters. Beginning in the 1930s, some classical liberals, like Henry Simmons at the University of Chicago, started to articulate a need for a positive depiction of market liberalism and what the state's role was in fostering and maintaining it. In 1934, Simmons published *A Positive Program for Laissez-Faire* as a free enterprise alternative to the New Deal, arguing that the primary principle for state intervention in the market was to promote or maintain individual liberty and market competition. For Simmons, laissez-faire was significantly misunderstood, as the state was not only charged with maintaining market conditions, but also establishing them. From this principle Simmons proposed a host of policies that fit comfortably within the bounds of 1930s classical liberalism, but today read as if the radical Left might have proposed them: including a “steeply progressive” income tax,

nationalization of railroads and utilities, and limitations on the size of corporations (See Burgin 2012, 40; Van Horn and Mirowski 2009). Simmons' aim was to improve the competitive market mechanism by ensuring an equitable playing field or legal framework that disallowed concentrations of power capable of infringing on individual liberty. Though later neoliberals would find his policy suggestions completely objectionable, at the time Simmons' work was viewed favorably as a defense of market liberalism and an interesting step toward the articulation of a new positive liberalism.

Hayek was certainly one of these liberals that found the articulation of a positive liberalism as a step in the right direction. His arguments for free markets and his debates with Keynes had not found a particularly receptive audience and he was frustrated with their limited acceptance (Burgin 2012). Hence, Hayek knew that a more positive vision of liberalism was necessary in order to make it more compelling and politically attractive. But, by the mid 1930s, Hayek had yet to figure out what that positive liberalism looked like. Likewise, he was not exactly sure how a depiction of a positive liberalism fit within a broader political strategy for liberalism's re-articulation. As early as 1931, Hayek began thinking about the physics of economic ideas and the ways in which they become politically and culturally dominant. About the only clarity he had with regard to their movement was that they took generations to achieve dominance. This is one of the few areas of agreement he had with Keynes (Burgin 2012, 2). In fact, in a 1933 lecture at the London School of Economics, Hayek reminded those listening that ideological change was born of a long-term process that can be "traced to the economists of a generation or so ago" (Burgin 2012, 16). That ideas took time to trickle down to the layman and the policymaker from their source was, for Hayek, well established; how they did so remained in need of clarity.

By the mid 1930s Hayek had become convinced that the political success of free market liberalism would take a generation to produce and would require a theoretical reworking of laissez-faire in which markets and the state's role were recast in the affirmative ala Simmons' work in *The Positive Program for Laissez-Faire*. A formative moment in the development of the later came in 1937 with Walter Lippmann's publication of *The Good Society*. The publication of *The Good Society* was formative for two chief reasons: first, in combination with a scathing criticism of collectivism, Lippmann articulated a criticism of laissez-faire and classical economics precisely for its failure to be positive and affirm the state's role in liberalism's promulgation; and two, unlike Simmons' work it collectively inspired disparate free market liberals the Western world over to see a need to discuss their work and organize their principles, resulting in the first international meeting of free market liberals in Paris in 1938 (Lippmann 1937; Burgin 2012). Let's take these two reasons in turn.

First, in addition to his critique of collectivism, which was also novel in many ways, Lippmann argued that the doctrine of laissez-faire and classical economics were responsible for liberalism's decline at the turn of the 20<sup>th</sup> century precisely because they made the state impotent in its ability to address social problems with market solutions. Of course, this idea itself was not new per se, as Simmons had made a similar claim in his work. However, Lippmann's reasoning certainly was original and he was less inclined to save laissez-faire than was Simmons. As it regarded laissez-faire, the problem derived from a tendency to treat the free market as if it were a "natural" or an ajuridical institution operating separately from laws, customs, and norms. In actuality, Lippmann argued, these were the very components that create free markets and, as such, were "inconceivable apart from that context" (Lippmann 1937, 189). John Stuart Mill and Herbert Spencer were integral in laissez-faire's poor articulation, according to Lippmann,

contributing to a growing sense that markets were anarchic, but virtuous realms of natural freedom. By definition then, any law promulgated by the state was an interference of natural market processes and an infringement upon individual liberty. The effect of this understanding of laissez-faire, Lippmann wrote, “was to make the political philosophy of liberalism a grand negation, a general non possumus, and a complacent defense of the dominant classes” (Lippmann 1937, 203). All liberalism could ever do, in this sense, was protect the status quo. Laissez-faire had turned liberalism, which Lippmann and others viewed as dynamic and progressive, into conservative dogma.

Classical economists, on the other hand, only furthered liberalism’s inability to do anything constructive. According to Lippmann, Ricardo and Malthus made the error of assuming that their theoretical idealizations of market actors and market conditions were actually real. They assumed that “only perfect and fair competition among equally intelligent, equally informed, equally placed and universally adaptable men” existed in real markets. For Lippmann, this failure to mistake theoretical idealizations for the actual conditions of markets resulted in a tremendous tragedy in the history of liberalism. It meant that classical liberals were unable to see how such idealizations actually created a political agenda for liberalism by describing “an order in which the frictions and abuses of the actual world had been removed” (Lippmann 1937, 200). Hence, the goal of a liberal policy should have been to create these idealized market conditions in order to make markets work better. This would, of course, license the state to actively intervene in the economy in a particular manner. Unfortunately, in Lippman’s analysis, the real effect of their mistake was “to close their imaginations and their sympathies to the crying need of reform” (Lippmann 1937, 203).

As Angus Burgin puts it, Lippmann's work "sent seismic waves through the Depression era's nascent network of academic supporters of free markets" (Burgin 2012, 55). What had been merely transnational bonds of ideological anguish began to transform into something more constructive as marginalized liberal academics rallied behind the book's message and popularity. Hayek, for instance, took up active correspondence with Lippmann and German economist Wilhelm Ropke in the summer of 1937 regarding the possibilities of organizing a forum, discussion, or journal around the ideas in *The Good Society* (Burgin 2012, 65). Lippmann's arguments on the dangers of collectivism and theoretical flaws of laissez-faire had seemed to provoke awareness regarding the need to organize intellectual resources toward the reassembly of liberalism. Liberalism was, after all, in dire crisis. Hayek, in particular, wrote of his hope of organizing a retreat to the Alps for "Enlightened Liberals" to "cross-fertilise their ideas for a week," presaging his creation of the Mont Pelerin Society (Burgin 2012, 67). Though Hayek's idea for an international gathering of liberals would not materialize for another ten years, his French colleague, Louis Rougier, began his own effort to bring together leading free market thinkers to discuss Lippmann's work and the crisis of liberalism. Like Hayek, Rougier's purpose was also political and centered around fleshing out a positive liberalism, or as he specified in a letter to German economist William Rappard, "an international crusade in favor of constructive liberalism" (Denord 2009, 47). In late August of 1938, Rougier convened twenty-six individuals for the Colloque Walter Lippmann in Paris, including influential liberals Walter Lippmann, Friedrich Hayek, Ludwig von Mises, Michael Polanyi, Wilhelm Ropke, and Alexander Rustow (Denord 2009, 48; Burgin 2012, 71).<sup>13</sup>

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<sup>13</sup> American and British neoliberals were noticeably absent from the gathering.



Out of this gathering resulted a couple important developments. First, a substantive effort was made to name the movement they were there to express. Among the many names put forward was “individualism,” “positive liberalism,” “liberalism of the left,” and “neoliberalism” (Denord 2009, 48; Burgin 2012, 73). None of the names were adopted outright at the meeting and it was not until after the Colloque, as Denord notes, that “neoliberalism” became the preferred strategic choice. The participants settled on neoliberalism because it implied “the recognition that “laissez-faire” economics was not enough and that, in the name of liberalism, a modern economic policy was needed” (Denord 2009, 48). The general agreement that laissez-faire was fundamentally flawed and that a “positive” or “constructive” liberalism needed to be reflected in the new name did nothing, however, to answer the question of what would be new, positive or constructive about it. Lippmann’s work had obviously pushed this question in the right direction, but for most liberals neither it nor discussion at the Colloque had provided sufficient answers (Burgin 2012). Exactly how and to what extent the state should intervene in economic affairs were questions that Rougier suggested, and others agreed, be taken up in a more systematic and organized manner established through an liberal international organization dedicated to its study. Though the organization never fully got off the ground due to the incursion of WWII into France and the rest of Western world, Rougier had essentially proposed to lead an organization incredibly similar to Hayek’s Mont Pelerin Society nine years prior to its constitution. Over the next year, Rougier began to assemble the Paris chapter of the organization until the war proved it impossible to continue. It was not until 1944, near the conclusion of the war in Europe, that a movement to renovate liberalism would reemerge, this time with Hayek at the helm.<sup>14</sup>

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<sup>14</sup> Prior to WWII, Rougier was the undisputed organizational leader amongst academic liberals,

The genesis of Hayek's emergence as the organizational leader for neoliberalism was the publication of his immensely popular book *The Road to Serfdom* (hereafter *TRS*) in March of 1944. The *TRS* marked Hayek's hesitant break from academic work into semi-popular social and political philosophy.<sup>15</sup> Hayek rushed the book to print in order to time its publication with debates swirling in the U.K. regarding post-war economic planning and the reforms suggested in the Beveridge Report. Hayek hoped his book would help British citizens reflect on the need to reduce the size and the role of government in economic affairs following the war. In order to do this, Hayek attempted to link the parliamentary "economic planning" of Britain with the rise of German National Socialism by arguing that they were derived of the same "collectivist" character insofar as both utilized "central planning" to achieve their ends. This idea was not necessarily new either, as Lippmann also had attempted to tie nationalism, socialism, and fascism to the collectivist mentality in *The Good Society*. However, Hayek took this point further by clarifying that the problem with collectivisms of any kind was not "planning" or "direction" as such, as all political acts are an act of planning. Rather, it was that collectivism advocated a particularly "bad" kind of planning that lays "down how the resources of society should be consciously directed to serve particular ends in a definite way" (Hayek and Caldwell 2007, 85). Even democracies with the rule of law, Hayek contended by pointing to Hitler's rise within the Weimar Republic, were not barriers from a descent to totalitarianism if they themselves were not sufficiently limited in their power. Absent a "rule of law" that limits the scope of legislation in advance, democracy dominated by a collectivist creed "will inevitably

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but ultimately lost trust among the group due to his associations with the Vichy government.

<sup>15</sup> Though it receives little attention here, historians have been apt to point out the hesitancy on the part of academic liberals, and in particular Hayek, to engage in polemics out of regard for the academic and scientific reputations. Ultimately, this was a move the Hayek felt must be made, but that also somewhat tarnished his academic career.

destroy itself” (Hayek and Caldwell 2007, 110). Hence, Hayek hammered home his central thesis: central planning used to achieve distributive ideals, even when legislated by liberal democracies, was not only ineffective but contained the seeds of its own destruction, or tendencies that led to less freedom and totalitarianism. This was Hayek’s plea for Great Britain and “the socialists of all parties.”

In conjunction with his critical analysis of collectivism and central planning, Hayek also articulated the beginnings of a positive liberalism for the first time. Much like Lippmann, Hayek was at pains to make clear that the laissez-faire did a disservice to the cause of liberalism through the perpetuation of a mentality that sought to leave things as they are. This was a mistake, according to Hayek, as the liberal state should very much be involved in the business of planning. It was a matter of how the state should plan, as noted above. Hayek (2007, 85) wrote,

*“The question is whether for this purpose it is better that the holder of coercive power should confine himself in general to creating conditions under which the knowledge and initiative of individuals are given the best scope so that they can plan most successfully; or whether a rational utilization of our resources requires central direction and organization of all our activities according to some consciously constructed “blueprint.”*

Hence, in “creating conditions” the state should not only be precluded from enacting certain laws but also should be actively prescribing them. The idea was for the state to plan *for* market competition rather than against it, i.e., to create markets where none exist or to make competition operate better. In this way, competition should become the principle of social organization in a legal framework. Exactly what type of laws this licensed the state to enact, Hayek was not yet sure and deferred to further study. However, he noted this principle did not preclude an “extensive system of social services,” or prohibitions on certain methods of production (Hayek notes worker safety concerns, limits on working hours, or the prohibition of poisonous substances) so long as the law applied to all equally (Hayek and Caldwell 2007, 86-87). Hayek’s

acceptance of an extensive system of social services was characteristic of early neoliberals and something that later neoliberals, led by Milton Friedman, would gradually purge.

Hayek's articulation of a positive liberalism occupied a very small portion of *TRS*, and as such did not grab the imaginations of readers like his criticism of central planning did. As Richard Cockett has documented, this work had an enormous impact on Conservative party discourse in the 1945 British elections. Churchill's party explicitly presented the election as a choice between socialism and its inevitable road toward servitude, as represented in the Labour party's platform to expand the welfare state, or the British tradition of individual liberty and free enterprise, as represented by Churchill's Conservative party (Cockett 1995, 79-98).

Unfortunately, but not surprisingly for Hayek, his book and the Conservative party's messaging did nothing to stem the public desire for the continued public programs and services. The Labour party won in a landslide and famously went on to pursue a Keynesian full employment strategy with significantly expanded programs and social services. Despite the loss, Hayek's message did manage to make an indelible impression on the younger Conservative MPs, which would prove important in later years.

### **The Mont Pelerin Society, the Modern Chicago School, and the Role of Intellectuals**

Interestingly, it was the book's popularity and success in the U.S. that facilitated Hayek's transition to building and leading a neoliberal movement. The *TRS* was an unexpected success in the U.S., overcoming its specific British and learned orientation, due in significant part to its condensed and revised publication in the widely circulated magazine, *The Reader's Digest*. In fact, its publication in the magazine was so successful that it altered Hayek's itinerary for a scheduled visit in April 1945. Upon stepping off the boat into New York, Hayek's publisher

informed him that his college speaking tour had been significantly expanded into a national public lecture tour. It was upon this tour that Hayek would meet Harold Luhnow, who would prove to be one of the most significant financiers of the American neoliberal movement. Luhnow was a businessman who had taken over his uncle's successful furniture distribution business and its attached namesake philanthropic fund, the William Volker Fund. Luhnow began to take the charity fund in a new overtly political direction after being exposed to the libertarian thought and work of Loren Miller in the late 30s and 40s (McVicar 2011). Luhnow was a part of a growing, but rather unconnected movement of American businessmen attempting to stem the tide of the New Deal via economics education programs and influence on policy (Phillip-Fein 2009). In addition to the Volker Fund's formation in 1932, the American Economics Foundation (AEF) was formed in Cleveland by Fred G. Clark in 1939 and the American Enterprise Institute (AEI) was formed in Washington, D.C. in 1943. Enthralled with his work in *TRS*, Luhnow wanted to wrap Hayek into this emergent counter-movement by writing an American version of the *TRS* with his fund's financial support. Though Hayek did not want pen another *Road to Serfdom* book, the prospect of establishing a working relationship with a financier such as the Volker Fund was an opportunity too good to pass up. Hayek's real ambition was to resume his focus on the creation of an international society of liberal intellectuals, especially now that the war was over and Rougier's international organization was no more. So, Hayek agreed to produce the project, rather than write it, conceiving of it as a subordinate part of larger plan for leading liberalism's resurgence (Van Horn and Mirowski 2009, 149). Little did he know at the time, the production of the project would help build the modern Chicago School of Economics.

By 1946, Hayek's thought regarding how to stage and organize liberalism's resurgence had progressed some. Hayek was still insistent that the war of ideas was a protracted one, taking many years to achieve policy success. He was under no illusion that the publication of a few important and popular liberal books would immediately translate into political change. And, even if it did, it would likely be short lived. That is because lasting change required altering ideology, or the conceptual framework with which individuals view the world. This sort of change required a long-term perspective and much effort over many years. Fortunately, Luhnnow's project to create an American version of *TRS* fit in with Hayek's long-term perspective, at least in the way he reconfigured it. In what was originally conceived by Luhnnow to be the simple task of producing the book, Hayek somehow managed to transform into something much grander, namely the birth of the modern Chicago School of Economics. Hayek, with significant consultation from Henry Simmons (who tragically committed suicide prior to the project's commencement) and other American liberal economists, like Aaron Director and Milton Friedman, was able to convince the Chicago Law School to house a "*Free Market Project*," of which selected collaborators would engage in producing an "American Road to Serfdom." The real coup was that Hayek convinced the Law School to bring Aaron Director back to the university from Washington, D.C., to lead the project, as well as Allen Wallis from Stanford (who replaced Simmons in the project). At the same time, Milton Friedman, Director's brother-in-law, joined the economics department. It was not long before Luhnnow had also convinced Hayek to join them as well. Hayek officially joined the University of Chicago in 1950 in the interdisciplinary Committee for Social Thought.<sup>16</sup> Suddenly, due to Hayek's tireless

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<sup>16</sup> The Economics Department famously did not want Hayek to join their staff due to his departure into work geared toward more general audiences. The Department wanted to be more closely associated with rigorous science.

organizing, Chicago had replaced their old liberal guard with a new breed of liberal academic, much of which was significantly subsidized with funding from Luhnnow's Volker Fund. The Volker Fund not only bankrolled the *Free Market Study*, but also paid for Director and Hayek's salary. By the midcentury mark, Hayek and Luhnnow had managed to help Chicago become the undisputed academic center of neoliberal thought in the world, an institution ready for the protracted battle against all forms of collectivism.

Meanwhile, Hayek and his liberal colleagues were also in the midst of working out the conceptual framework for a positive liberalism. Though there was much work still needed in 1946, the work done by Simmons, Lippmann, the Paris conference, and Hayek had helped move liberal thought in the right "constructive" direction. The *Free Market Study* was also promising in this regard. Nevertheless, a positive liberalism remained incipient. Hayek believed now more than ever that a positive articulation of a movement's idea, that is, what the idea will do rather than just prevent or preclude, was an integral component of winning over converts. The ascendancy of Keynesianism economic theory during the Great Depression had attested to this. Hayek had grown convinced that scholars were essential in creating this positive vision, for articulating where, how, and why neoliberal policy should become active, relevant, and improve people's lives. This was the work of original thinkers and, as such, was a significant impetus behind his desire to move forward on creating and organizing an international society of liberal scholars. Hayek was careful to insinuate as much to his colleagues when organizing the gathering. For Hayek, the group's focus should not be overtly political insofar as "being concerned with short run policies, or even the peculiar problems of particular countries" (Burgin 2012, 95). Concern with policy rather than philosophy, according to Hayek, would ignore the ideological hurdle that scholars needed to jump first. The scholar's role should firstly be

concerned with altering the mentality of those that govern rather than their policies. In this way the goal was, Hayek would say, to “develop a common philosophy and to spread its understanding” (As quoted in Burgin 2012, 95). As he put it,

*“Our effort therefore differs from any political task in that it must be essentially a long-run effort, concerned not so much with what would be immediately practicable, but with the beliefs which must regain ascendance if the dangers are to be averted which at the moment threaten individual freedom” (As quoted in Cockett 1995, 104).*

Thus, in 1946 Hayek’s political strategy was taking form. Institutions like the Chicago School and his proposed international “Acton Society” were necessary to engaged in a long-term battle of ideas. From these institutions, free market liberals were not to be overly concerned with everyday politics, policy, and elections in their capacities as scholars. Their job was bigger than this. It was to be oriented toward the long-run formation of political minds, to reconfigure Western political reasoning concerning what, who, and how things should be governed. They were to engage in the battle of ideas to alter perceptions of possibility and advisability. Hence, the articulation of a positive liberalism was not so much a call to engage in policy debates, as it was to create a vision of a new liberal philosophy capable of winning converts in an ideological struggle over the hearts and minds of men. For Hayek, the international society of liberal scholars was at the core of this effort.

Hayek’s vision for a meeting in the Alps, conceived some ten years earlier, finally came to fruition in the spring of 1947 when thirty-nine individuals, mostly European economists and journalists, met for a week long conference in Mont Pelerin, Switzerland. The meeting would prove to be the first of many for the Mont Pelerin Society. The inaugural meeting was largely financed by the Swiss business and banking connections of Arnold Hunold, who would serve an



integral administrative and funding role in the early years of the Society.<sup>17</sup> The Volker Fund, despite some apprehensions regarding the Society's potential, paid for the expenses of the attending Americans, which were: the Chicago School contingent of Milton Friedman, Aaron Director, Frank Knight, and George Stigler, and a smattering of journalists and think-tank advocates like F.A. Harper, Leonard Read, Henry Hazlit, and the Volker Fund's own Loren Miller. From Hayek's home of England, he invited Lionel Robbins, Arnold Plant, and Karl Popper, Peter Bauer, and W.H. Hutt among a few others. Exiled Austrians like Ludwig Von Mises, Fritz Machlup, and Karl Brandt were also in attendance. Finally, the other significant delegation was the German Ordoliberals or the Freiburg School as they also had become known: consisting of Wilhelm Ropke, William Rappard, and Walter Eucken (Ludwig Erhard would join later). Businessmen were also noticeably absent from the first meeting, as the group diligently tried to preserve a sense of academic integrity and objectivity.

The group assembled held a broad array of specific views regarding state intervention and liberalism in general, enough to cause some consternation amongst the more traditional liberals in attendance like von Mises. This diversity of thought was important to Hayek, however, and characteristic of his early leadership. Nevertheless, Hayek still stipulated that attendance at the conference should be based on a fundamental belief "in the value of individual freedom... and, finally, an equal opposition to all forms of totalitarianism, whether it be from the Right or from the Left" (Hayek quoted in Cockett 1995, 102). This loose identification necessarily set up the challenge of further definition, which was a primary task of the first meeting. Just what did the society believe and what would be their purpose? Like the Lippmann

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<sup>17</sup> Hunold would bitterly separate from the MPS in the early 60s. Hunold's departure coincided with Friedman taking over leadership in the Society and taking it in a decidedly more ideological path.

conference, the process of definition proved difficult as participants battled between hard line positions and newer ones reflecting more deference for state action. By the completion of the conference, the group was able to agree to a statement of aims calling for further study. As drafted by Lionel Robbins, they were:

1. The nature of the present crisis of liberalism.
2. The positive functions of the liberal state.
3. Methods of establishing a rule of law that would serve to protect individual liberty.
4. The possibility of establishing minimum standards of social welfare not inimical to the functioning of a competitive market.
5. Combating the misuse of history.
6. The problem of creating an international order based on free trade (Plehwe 2009, 25).

So, the Society tasked itself with areas of study that had largely figured most important since the onset of the Great Depression, and they were united in their belief in economic freedom and individualism, the importance of the price mechanism, the importance of absolute moral standards, the rule of law, and the positive liberal state, among other principles.

The “statement of aims” also indicated that its central purpose was to confront collectivism as an ideology through sound philosophy and science. Robbins wrote, “what is essentially an ideological movement must be met by intellectual argument and the reassertion of valid ideas” (Plehwe 2009, 25-26). Hayek’s influence in this last quote is clear, as it confirms his emphasis on both the ideological struggle over minds and the scholars role in altering it. Prior to the conference, Hayek’s colleagues had little exposure to his thinking on liberalism as a movement, outside of descriptions of the Society’s purpose circulated to members prior to the first meeting. However, Hayek circulated a working paper to Mont Pelerin Society (MPS) members during the inaugural meeting that laid out his ideas regarding ideological change (Cockett 1995, 104). “The Intellectuals and Socialism,” which was later published in the *Chicago Law Review* in 1949, was Hayek’s first and only comprehensive attempt at explaining

the terrain of ideological change, encapsulating ideas he had been working on since his arrival at the LSE in 1931 (Hayek 1949). In this work, Hayek finally articulated a theory behind the physics of ideological change, that is, how ideas move and ascend to positions of social and political authority. For Hayek, the role of “intellectuals” was essential to understand the process. “Intellectuals,” Hayek stipulated, were integral in the physics of ideology insofar as they propagated, legitimized, and filtered ideas to the public. Intellectuals were not, as commonly assumed, responsible for the generation of ideas. The generation of ideas was properly the domain of the “original thinker,” “the scholar,” or the “expert in a particular field of thought” (Hayek 1949, 372). Intellectuals, on the other hand, were what Hayek called “second hand dealers of ideas.” They were distinguished by their ability to read and speak/write, their proximity to new ideas, and the speed by which they take in ideas secondhand and then communicate or translate them to laypeople. Being an intellectual or performing intellectual activity, in this sense, was a more common form of behavior or communicative activity than was typically understood by the term. As Hayek confirmed, this communicative function could be taken up by various types of professional people – like journalists, teachers, ministers, lecturers, publicists, radio commentators, writers of fiction, cartoonists, and artists... also professional men and technicians, such as scientists and doctors – insofar as they actively conveyed second hand ideas outside their own field of expertise (Hayek 1949, 372). In other words, a doctor speaking to a group of doctors about medicine is not performing the intellectual function. This is the activity of the expert. However, when the said doctor blogs about the risks of sun exposure or unprotected sex to a general audience, she is performing the intellectual function.

For Hayek, it was vital to understand the formative role that the intellectual class played as the social gatekeeper of ideology. He wrote (1949, 372-373),

*“There is little that the ordinary man of today learns about events or ideas except through the medium of this class; and outside our special fields of work we are in this respect almost all ordinary men, dependent for our information and instruction on those who make it their job to keep abreast of opinion. It is the intellectuals in this sense who decide what views and opinions are to reach us, which facts are important enough to be told to us, and in what form and from what angle they are to be presented. Whether we shall ever learn of the results of the work of the expert and the original thinker depends mainly on their decision.”*

Of course, the problem for free market liberals was that the political rationality of the intellectual class had been colonized by a collectivist creed, which had the corresponding effect of disallowing, delegitimizing, and/or perverting free market ideas as they filtered through their gate to the mass public. Collectivist ideas like the pursuit of “full employment” or the moral superiority of the welfare state become assumed or normalized such that the only legitimate discussion takes place within their limits. Hence, the question of how to resist the intransigence of intellectuals becomes essential.

For the answer to this question, Hayek turned to lessons learned from the Fabian socialists. Historian Daniel Stedman Jones notes that Hayek was “deeply impressed by the influence of the British Fabian Society in developing social policy in the UK through its books, the LSE, and the infiltration of government and social institutions with an educated elite of public servants” (Jones 2012, 78). For Hayek, their success in gaining the support of the intellectual class, and thus public opinion, stemmed from their “courage to be Utopian” (Hayek 1949, 384). Hayek explained that the socialists recognized the essential proclivity of intellectuals to tend toward theoretical speculation. As generalists, they did not want to be bothered by the practical or technical details of economics. Rather, what appeals to intellectuals are “broad visions” or “spacious comprehensions of the social order as a whole,” as they satisfy the “legitimate desire for the understanding of the rational basis of any social order” (Hayek 1949, 380). Hayek (1949, 380) wrote, “It is because theirs has become the only explicit general

philosophy of social policy held by a large group, the only system or theory which raises new problems and opens new horizons, that they [socialists] have succeeded in inspiring the imagination of the intellectuals.” Hence, Hayek argued that liberals needed to offer a utopian alternative capable of appealing to this speculative desire of intellectuals. He wrote (1949, 384) that:

*“we must be able to offer a new liberal program which appeals to the imagination. We must make the building of a free society once more an intellectual adventure, a deed of courage. What we lack is a liberal Utopia, a program which seems neither a mere defense of things as they are nor a diluted kind of socialism, but a truly liberal radicalism which does not spare the susceptibilities of the mighty (including the trade unions), which is not too severely practical, and which does not confine itself to what appears today as politically possible.”*

Thus, in order for neoliberalism to grab the political imaginations of intellectuals, which was foundational in altering public opinion and thus policy, it needed to articulate an uncompromising and systematic liberal philosophy. It needed to move beyond laissez-faire and a “middle way” approach; it needed to mythologize individual liberty and the capabilities of markets to improve lives in all facets of social and economic life. In short, it needed to create an ideal vision of a market based society and enlist intellectuals in the ideal’s propagation.

### **Crafting the Neoliberal Agenda for Intellectuals**

Much of the work of the neoliberal movement over the next few decades, from 1950 through the 1970s, effectively did just this, and Hayek’s dual institutional creations of the MPS and the modern Chicago School of Economics were often at the core of it. Firstly and most importantly, the collective work emanating from these two institutions did much to create the impression, especially among think-tank intellectuals and policymakers (which we will turn to shortly), that the market mechanism was basically infallible and capable of being extended to

new domains of activity. Of course, careful readings of neoliberal work during this period were often slightly more nuanced, but, as Hayek predicted, “intellectuals” were not so concerned with nuance. Hence, neoliberal arguments on the problem of unions, monopoly and the size of corporations, regulation, taxes, monetary policy, and education, among other areas, had the net result of mythologizing the market and making it the principle solution for all social problems. By the time these arguments made their way into policy discussions in the 70s and 80s, the market mechanism had been idealized in libertarian and conservative political circles.

Hayek himself did much to contribute to this mythologized picture of the market mechanism in the U.S. and U.K. with his thinking on the problem of unions. Hayek argued that the unions legally protected use of collective bargaining power over employers was not only coercive and a threat to economic liberty, but also produced market distortions like artificially high wages and operational inefficiencies. These distortions resulted in increased costs for the consumer, passed down in products and services, and higher levels of unemployment, as employers reduce workforce levels due to increased labor and operational costs. The solution to these problems, Hayek advocated, was a return to the competitive market mechanism by limiting unions’ legally ensured collective bargaining power (Steiner 2009, 195). This argument against organized labor, which he published through think tanks and presented at the MPS and other conferences, fit within a broader focus on monopoly and the size of corporations. In fact, this was often how think tanks preferred to present the argument against labor because people generally liked unions but heavily disliked monopolies. This was especially true of the work coming out of Chicago in the *Free Market Study* and its successor study, the *Antitrust Project*, which was also financed by the Volker Fund and arranged by Hayek (Van Horn 2009). Unions were treated as monopolies of labor; thus their recommended break up fit within the broader

liberal argument for the break up of anti-competitive monopolistic enterprises.

The later argument was crucially important to neoliberals of the time for it engaged a central criticism levied by the left which posited a central tendency for capital to concentrate.

As Rob Van Horn (2009, 205) put it,

*“The left had been arguing that since the start of the twentieth century monopoly had been expanding apace throughout the United States and Western Europe, such that the bulk of the economy – owing to this inexorable growth – would inevitably soon be controlled by monopolies. The left predicted that the forces of competition would continue to prove ineffectual in the face of such growth.”*

In 1947 at the first MPS meeting, generally all in attendance seemed to take the classical liberal position previously outlined by Henry Simmons in 1934, which argued that gigantic corporations and monopolistic enterprises were enormous concentration of power and, as such, were inimical to a competitive market order, a healthy democracy, and individual liberty. The dangers of private monopoly and “controlling combinations among workers and businesses,” Aaron Director argued in his speech at the inaugural MPS meeting, required a strong state to enact and enforce appropriate antitrust law (Van Horn 2009, 212). With the right legal framework ensuring competition, monopolies could be avoided without resorting to central planning. But, in the early 1950s, this position on the dangers of monopolies and the size of corporations began to change and radicalize amongst Chicago School neoliberals. Led by Director and Friedman, the Chicago School contingent abruptly changed course to argue that private monopolies and behemoth corporations were far from dangerous because competitive pressures still worked to undermine them (Van Horn 2012). The market mechanism, they argued, worked appropriately when untouched to limit the power of corporations. It was only when the state intervened, often at the request of the corporation, that monopolies were formed and protected from competitive pressures. Hence, monopolies of all kinds needed not state control, but rather exposure to

competitive market pressures. Like Hayek's argument on unions, these arguments from the *Free Market Study* and *Antitrust Project* presented a radical liberal alternative with no viable political prospects in the 50s and 60s. But, they were exactly the kind of enticing and salient proposals necessary to arouse "intellectuals" and the business funded think tanks.

As influential as these were, probably no one contributed as much to the impression of markets as the ultimate "save-all" then Milton Friedman did during this time period, both due his scholarly contributions and to his persistent leadership and advocacy. Friedman did more than any other scholar to extend the market mechanism to new areas of policy, taking neoliberalism's call for a "positive" orientation to the extreme. For instance, in his 1962 publication of *Capitalism and Freedom*, which was derived from lectures Friedman had been giving at Volker Fund conferences in the mid to late 50s, Friedman called for the dismantling of the progressive income tax, the minimum wage, public housing, farm subsidies, social security, and universal public education, among other liberal market reforms (Friedman 1962). In each and every one of these cases, Friedman essentially argued that government programs hurt rather than helped the people they intended and/or that government programs simply did not work effectively. Minimum wage laws, for example, hurt low skilled workers by reducing available work while public education trapped poor minorities in failing schools which had no market incentive to improve their performance. The solution to these problems was not simply for the government to leave the market alone, though Friedman would certainly contend that a laissez-faire approach was better than the status quo. Rather, Friedman offered "market friendly" solutions to these problems that reduced the administrative role of government and its costs, while also upholding a higher standard of economic freedom for the individual. Hence, Friedman famously advocated for things like private school vouchers to foster school choice and competition among private



and public schools, a flat tax that would more effectively collect government revenue, the privatization of social security, and cash grants for affordable housing rather than government provided housing projects.

The idea of “regulatory capture” played a significant role in Friedman’s thinking on the unintended effects of government programs and regulations. “Regulatory capture” argued that regulations almost always reflected the interests of the regulated rather than some broader public good (Jones 2012, 128). The regulated, in this sense, captured the regulatory bodies responsible for their industry such that the only permissible rules established by them would be ones that furthered their firm’s bottom line. This was an argument for deregulation or, at best, for changing the incentives of the political actors/bodies responsible for regulation. Friedman’s good friend and Chicago colleague George Stigler developed the theory of regulatory capture.<sup>18</sup> Stigler was the leader among a growing contingent of Chicago School thinkers that sought to apply methodological individualism to the field of politics. In addition to Stigler, thinkers like James Buchanan, Gordon Tullock, and William Riker sought to examine the behavior of political actors as rationally self-interested utility maximizers (Jones 2012, 129). Their approach to political analysis would come to be called Public Choice and/or Rational Choice Theory. The push by these thinkers into the field of politics was driven by their desire to make political science more “rigorous” by treating essential human motivations accurately across all domains of social activity, that is, as self-interested utility maximizers. In effect, they extended market reasoning into new domains of social activity, reconfiguring the way in which political behavior was viewed and measured.

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<sup>18</sup> Stigler joined the Economics Department at Chicago in 1958.

## The Construction of the Neoliberal Intellectual Class

Neoliberals in the 50s and 60s offered a radically different approach to economic governance than was the standard bearer at the time in both the U.S. and U.K, which was Keynesian-inspired policies that used the tools of fiscal and monetary policy to achieve various distributive ideals like full employment and poverty reduction. This was the dominant approach to economic governance; it enjoyed overwhelming support in intellectual circles and was pursued by both left and right leaning administrations during the time period. Given its broad hegemony, it is not surprising that the policy suggestions from the neoliberal thinkers above on the issues of unions, monopolies and corporate size, taxes, nationalization, education, and regulation were considered too radical to garner support or attention from conservative policymakers.<sup>19</sup> These ideas did, however, generate a tremendous amount of excitement from financiers like Harold Luhnow at the Volker Fund and a growing cadre of neoliberal think tank institutions in the U.S. and U.K. As a number of historians have documented, the production of these neoliberal think tanks were pivotal in the academic translation and dissemination of the neoliberal knowledge coming from thinkers at the MPS, the Chicago School, and other academic settings. Together with academics, journalists, pundits, and financiers (foundations), they formed a vital “transatlantic neoliberal network” that would partner, collaborate, and depend on each other for staging a united assault on behalf of neoliberalism against Keynesianism, socialism, and collectivisms of all kind.<sup>20</sup> As Jones (2012, 135) aptly describes them,

*“They helped turn neoliberal thought into a neoliberal political program. They hustled to establish a media presence by raising their profile among sympathetic journalists, and to secure financial robustness for their organizations, and they fought for influence in the*

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<sup>19</sup> This was less the case in the U.S where support for free markets also had more popular appeal than in Britain. Barry Goldwater’s presidential campaign is the obvious example here.

<sup>20</sup> Jones (2012) coined the quoted phrase, but nearly all historians use some variation of the above to connote the same idea.

*political process through the powerful promotion of free markets.”*

In short, this network of individuals and institutions established the beginnings of the neoliberal “intellectual” class called for by Hayek in “The Intellectuals and Socialism.”<sup>21</sup> For Hayek, such institutions epitomized the intellectual function and, as such, their activities were foundational in the long-term ideological battle.

It is probably not surprising then that Hayek took a special interest in think tanks and actively supported them by sitting on their boards, writing for them, and attending their numerous conferences and meetings. In fact, Hayek is actually credited with influencing the creation of the most important British think tank, the Institute for Economic Affairs (IEA). Antony Fisher founded the IEA in 1955. Fisher openly credits Hayek for imparting the idea to him in a chance meeting in 1945, after Fisher sought Hayek’s advice on how he could best fight collectivism. Rather than running for political office, as Fisher was considering, Hayek suggested that forming a free market advocacy organization that “concentrated on publishing papers and pamphlets for an *intellectual audience*” would actually have a larger political impact over the course of time (Jones 2012, 156, *emphasis mine*). This suggestion was, of course, consistent with the political strategy Hayek outlined in “Intellectuals.” And, Hayek’s advice proved correct, as the IEA grew significantly influential with conservative MPs in 1960s and 70s, including amongst Margaret Thatcher and her administration. This was due to the combined efforts of Fisher, who focused more on fundraising and organization, and liberal British economists Ralph Harris and Arthur Seldon, who Fisher brought on to lead the IEA’s intellectual focus on economic journalism. Together, through self-published pamphlets and articles in newspapers and journals, and through the organization’s conferences where neoliberal academics

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<sup>21</sup> This is a point broadly shared by historians of the neoliberal movement, but one not widely known outside of the small literature.

would connect with policymakers and other influential individuals, the IEA popularized the new free market ideal advocated by Hayek, Friedman, and Stigler. The IEA was also influential in the U.S. by virtue of their collaboration with American think tanks and academics like Hayek and Friedman, who contributed often to the IEA.

Think tanks in the United States often emphasized the same or similar activities as did the IEA, including organizing conferences, publishing educational materials and articles in journals and newspapers, legislative analysis and lobbying, and, above all, showcasing the ideas and work of important thinkers, again, most often Hayek and Friedman. Prior to 1970, the two most important American neoliberal think tanks were the American Enterprise Institute (AEI) and the Foundation for Economic Education (FEE). Businessman Lewis H. Brown formed the AEI in 1943 with the purpose to provide objective, high quality legislative policy analysis “free of left-wing bias.” Under his leadership, however, the AEI struggled to make their influence felt and were often viewed as a mouthpiece for business interests, which, judging by their financial supporters, was not inaccurate. However, William Baroody took over the AEI in 1954 after Brown’s death and turned the organization into a success, establishing it as the authoritative voice for free enterprise in Washington, D.C. prior to the 1970s. Baroody, undoubtedly influenced by Hayek, was driven by a desire to erect an “intellectual reservoir” of conservative thought capable of altering the American ideological landscape by competing with the liberal intellectual bastions of colleges and universities. Baroody, in this sense, wanted to change the climate of ideas. In order to build an alternative intellectual infrastructure, Baroody became a relentless fundraiser of corporate America. The financial security enabled the AEI to focus on legislative “spot” analyses and topical policy research, especially on things close to the concerns of business, notably regulations and unions. This focus, in turn, helped support and reinforce

Baroody's fundraising. These reports and studies proved to be quite influential among policymakers, as nearly all members of congress received the AEI's reports by the end of the 50s (Phillips-Fein 2009, 65).

The Foundation for Economic Education (FEE), on the other hand, was much less focused on immediate legislative influence than they were on advocating the principled argument for individual liberty, particularly to businessmen. Leonard Read and journalist Henry Hazlitt formed the FEE in 1946 with grants from the Volker Fund. Read was the former head of the Los Angeles Chamber of Commerce who had become radicalized via his interactions with W.C. Mullendore, the president of Southern California Edison (Phillips-Fein 2009). Read had become disillusioned with business executives and their lack of understanding of the principles undergirding a free enterprise system, so the FEE was created as mechanism to further their philosophical understanding of freedom (Phillips-Fein 2009, 55). The FEE was quite active in its promotion of "economic education," offering "courses, publications, leaflets, pamphlets and books, radio, lectures, and scholarships" (Jones 2012, 155). One of the FEE's first publications was written by Friedman and Stigler, called *Roofs or Ceilings*, which bemoaned the counterproductive tendencies of rent control. Though 36,000 copies were circulated, the experience was actually a sour one for Friedman and Stigler due to the FEE's insistence on editing certain portions of their essay out of a fear it conceded too much ground to collectivists (Jones 2012, 156).<sup>22</sup> Read and his organization had a reputation for being dogmatic and controlling in their work, which often hurt their reputation among academics. Both Friedman and Stigler suspended their relationship with the FEE following the publication. Nevertheless,

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<sup>22</sup> Phillips-Fein (2009) notes that Ayn Rand, who had befriended Read, wrote him following the publication of the article and admonished the organization for publishing it, confirming the organization's position that it was not principled enough.

the FEE was able to secure scholars like von Mises and F.A. “Baldy” Harper to their staff, while also sponsoring the work of many others (“About”). Much of their work and other FEE writers, after 1956, were published in their magazine, called *The Freeman*, which had a significant reach in conservative circles (Jones 2012, 155). “I, pencil,” by Leonard Read, was one *The Freeman’s* most popular essays, arguing against central planning by showing the complexities and diversity of knowledge required for producing a simple pencil.

Between 1946 and 1970, these think tanks, in addition to a few others like the Liberty Fund and the Institute for Humane Studies, began to form an integrated and connected transnational network with academics and their affiliated institutions. They were financed by foundations like the Volker Fund, Relm Foundation, and Earhardt Foundation, and by individuals like Joseph Coors, Charles Koch, and Jasper Crane, and finally, by corporations like Ford, General Motors, General Electric, U.S. Steel, Du Pont, and Consolidated Edison (Phillips-Fein 2009). Together, with sympathetic journals like William Buckley’s *National Review* and the conservative *Human Events*, they formed an emergent, potentially powerful, and interdependent neoliberal intellectual class spanning the Atlantic. The consistent theme among this group was the importance of disseminating neoliberal ideas, mostly among elites, in order to affect the climate of opinion. Beginning in the early 1970s, the infrastructure of this neoliberal class grew exponentially with the addition of more influential, and explicitly political, think tanks.

In 1974, Sir Keith Joseph, with assistance from Margaret Thatcher, formed the Centre for Policy Studies (CPS) in Britain to serve as the political complement to the IEA’s intellectual focus on free market advocacy. Its aim was, as Joseph recognized, to “convert the Tory party” to economic liberalism (“History”). So, Joseph brought the work of the IEA and the thought of

Hayek and Friedman, especially on the problems of unions and inflation, directly to conservative MPs and a wider political and public audience. The CPS's work proved to be incredibly successful and influential. In 1977, another think tank joined the fray, the Adam Smith Institute (ASI). Founded by three graduates of St. Andrews University, the ASI viewed their specialty as tacticians of policy implementation. Cockett (1995, 283) cogently sums up the roles of these two think tanks in reference to the IEA when he writes,

*“Whereas the IEA had provided the general theory and principles, and the CPS had won a party political constituency for those principles, the ASI found a niche for itself as the policy engineers to develop practical policy proposals which could translate those principles into practice when the Conservative Government came to power.”*

Hence, each think tank built off of the success and work of the other, building up an apparatus for conservatives to make concrete shifts in policy toward free markets.

Meanwhile, the 1970s were also an active period for the production of new think tanks in the United States. In 1973, Ed Feulner, Paul Weyrich, and Joseph Coors opened the doors to the conservative Heritage Foundation. Feulner, who would become president of the organization in 1977 and later an MPS member, had interned at the IEA while in London completing his doctorate at the LSE. His valuable exposure to the inner workings of the think tank, as well as the many conservative connections he made working on Capitol Hill upon his return to the states, helped Feulner to conceive of the Heritage Foundation's specific aim: which was “to provide briefings and policy advice to congressmen, executive branch staffers, academics, and journalists” in an easily accessible format (Jones 2012, 163). Like the CPS, the Heritage Foundation played an instrumental role in bringing neoliberal ideas to conservative policymakers, in particular, the Reagan Administration. Tasking itself with a more intellectual role closer in kind to the IEA was the Cato Institute. Founded in 1977 by businessman Ed Crane with funding from Charles Koch and consultation from Antony Fisher, the Cato Institute

published decidedly more learned and extensive policy studies than the Heritage Foundation. This was partly due to the focus of co-founder and MPS member Murray Rothbard, an academic economist trained by Ludwig von Mises (Jones 2012, 165). Two of the Cato Institute's first books were by Hayek while Friedman's work on monetary policy formed the basis of Cato's advocacy on a stable money supply ("Nobel Laureates at Cato").<sup>23</sup>

By the late 1970s, the collective work of these think tanks had the effect of idealizing free markets, the power of competition, and the freedom of individuals to choose. Hayek's call for the creation of a neoliberal intellectual class capable of articulating, disseminating, and translating ideas had largely come to fruition. They had built a neoliberal intellectual infrastructure that was not only growing and reaching new audiences, but was also now actively involved in the articulation of concrete policy proposals. The economic liberalism of Hayek and Friedman had begun to appear as a viable, rather than radical, alternative model for just and effective economic governance. Neoliberal thought had reached a new level of political respectability in the late 70s. It did not do this via the mere persuasive power of its ideas, however. This was not merely the beginning of an ideological triumph won in the marketplace of ideas. Rather, neoliberal thought's ascension to viability was significantly aided by Keynesian policy failures (Jones 2012). Economic crises surrounding issues of high unemployment, high inflation, low growth, and labor relation impasses raised significant questions about the ability of Keynesian demand management to offer a viable remedies to problems that were largely perceived to be the result of it. Keynesian demand management and the pursuit of full employment had, after all, reigned supreme since the Great Depression. Hence, as Jones notes, what resulted was a "policy vacuum" where "neoliberal ideas found a

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<sup>23</sup> Those books by Hayek were *A Tiger by the Tail: The Keynesian Legacy of Inflation & Unemployment* and *Monetary Policy: Government as Generator of the "Business Cycle."*



receptive audience” among policymakers looking for viable alternatives to typical Keynesian solutions (Jones 2012, 217). Hence, the late 70s marked the turning point when neoliberal thought was finally made into actual government policy, in both the U.S. and the U.K., the first of many reforms over the next three decades that would fundamentally restructure the relationship between the state, the economy, and everyone in between.

### **Neoliberal Policy Shifts**

The first introduction to neoliberal policy came in Britain in 1976, when the Labour Government gave up pursuit of a full employment economic policy and adopted monetary targets in order to tame inflation, which had reached 26.9 percent in August of 1975 (Jones 2012, 241). Up until this point in time and since the completion of WWII, the official policy of all administrations in the U.K. and the U.S., to a greater or lesser degree, was the Keynesian pursuit of full employment through “fine-tuning” demand management (Jones 2012). This was the creation not of Keynes but of his successors, who argued that good economic data allowed policymakers to rapidly and “finely” adjust policy to the changing economic environment. Hence, in contracting economies with “high” levels of unemployment, policymakers could deploy government spending, tax reductions, and loose monetary policy in order to stimulate demand and reduce unemployment to a desired target, which the U.S. typically targeted around 4 percent and the U.K. around 2-3 percent (Jones 2012). An expanding economy, on the other hand, with high levels of employment and higher levels of inflation required the government to curb spending and tighten the money supply. According to the theory, inflation would generally follow an expanding economy and lowering levels of unemployment. Beginning in the late 60s, however, the governments of the U.S. and the U.K. began to confront rising inflation, rising

unemployment, and contracting economies. The question was what was the appropriate policy solution to this particular problem.

Up until this change in 1976, the consensus as articulated by Keynesians was to continue pursuing full employment in order to stimulate the economy, which meant loose monetary policy in order to encourage easy credit and, consequently, more spending. Unfortunately, continued demand management approaches in the 70s, most notably increases in the money supply, did nothing to abate rising unemployment, and inflation continued its concomitant rise. Enter one Milton Friedman. Since the early 1960s, Friedman had largely taken over the neoliberal movement's leadership reins from Hayek. He had become the president of the MPS, the star economist at the University of Chicago, the most desired academic among all the think tanks, and a popular success, via the publication of *Capitalism and Freedom*. However, it was Friedman's theory of monetarism and corresponding predictions that significantly elevated his intellectual and public profile. In 1963, Friedman and Anna Schwartz published *A Monetary History of the United States*, which famously argued that the stable control of the money supply was foundational in sound macroeconomic management. Significant increases and decreases in the quantity of money in circulation, they contended by pouring over data, were responsible for vast changes in income and prices, and it was the sudden restriction of the money supply that was ultimately responsible for the Great Depression (Burgin 2012, 179). Throughout the 60s and 70s Friedman ferociously advocated for a stable monetary policy in writings and speeches. No speech was more important, however, than his presidential address to the American Economics Association in 1967, where he presciently predicted ensuing stagflation if full employment strategies continued to be pursued (Jones 2012). Friedman attacked Keynesian full employment strategies by arguing that states could not achieve their low-targeted employment levels without

also accruing future high levels of inflation. “Inflation could stave off unemployment only as long as it grew at an accelerating rate. Such a path was self-evidently unsustainable: in attempting to inflate their way to full employment, governments were courting disaster” (Burgin 2012, 179).

With no other viable policy alternatives to assuage rising inflation, policymakers turned to Friedman’s monetarism, which had been assiduously circulated through think tank publications, print and visual media, and the corresponding word of mouth. The shift to monetarism actually proved to be relatively easy for left of center administrations, mostly because Friedman’s theory asked of no corresponding changes in fiscal policy, though policymakers did not always understand this. The root of the inflation issue for Friedman lied in loose monetary policy and was relatively unconnected to the effects of fiscal policy. For this, Friedman was often at odds with Hayek and others in the neoliberal movement who believed fiscal policy mattered for inflation. Of course, Friedman despised the corresponding fiscal policies associated with demand management as well, but for the different reasons discussed earlier. Hence, despite much confusion regarding Friedman’s theory and its implications, the Labour Government in 1976 instituted monetary targets in the restriction of the money supply (Jones 2012, 242). Likewise in the U.S. in 1979, President Carter appointed Paul Volcker to head the Federal Reserve, who immediately tightened the money supply by setting targets for monetary growth (Jones 2012, 251). Interest rates crept up “naturally,” and restricted the quantity of money circulation, significantly reducing inflation by the early 1980s. Ronald Reagan and Margaret Thatcher administrations merely picked up and intensified the pursuit of monetarism.

Given that Friedman’s monetarism did not require any corresponding fiscal changes, it

raises the question of whether we should even consider the introduction of monetarism as the first introduction of neoliberal policy in the U.S. and U.K. I do not intend to answer this here. However, it is important to note that even if one argues that it does not fit within the neoliberal canon, monetarism was still foundational in the shift to neoliberal policies for a couple reasons. First, monetarism was a rejection of Keynesian policies and it significantly discredited its long-term benefits. This, in of itself, had the tremendous consequence of shaking the confidence many had in the Keynesian conceptual framework and its associated ideology. This is important for the second reason, which is that monetarism elevated and legitimated neoliberal thought and its thinkers. Once considered radicals, the alternative vision for government advocated by neoliberalism suddenly appeared in a better light. And, with one's ideological framework in disarray, neoliberal thought offered a concrete and systematic alternative to the collectivist approach of Keynesianism in a field offering few other options.

Monetarism, in this sense, and its effectiveness helped facilitate neoliberal thought and policy changes on the fiscal side. Perhaps the one exception to this concerns the issue of deregulation, which actually began in the U.S. prior to Carter's switch to monetarism. In fact, President Gerald Ford gave Americans their first taste of neoliberal policy when he deregulated the railroad industry in 1976. Interestingly, Ford conceived of deregulation as one way to fight high inflation, hoping that deregulation would work to keep prices down (Crain 2007, 442). President Carter continued and increased the government's shift toward rolling back rules on business. First, he deregulated the Airline Industry in 1978, and then again, in 1980, followed this up with another deregulatory effort that reduced rules governing the trucking industry and the savings and loan banking industry. Hence, by the time Reagan took office in 1980, deregulation had already achieved a loose bipartisan consensus in the U.S.; one undoubtedly

influenced by George Stigler's work on the harmful effects of regulatory capture and a corresponding desire to stimulate the economy in some way from its slumber. President Reagan curtailed regulation even further by first removing "controls on oil and petrol that had been in place since the Nixon administration" (Jones 2012, 265). Reagan then moved on to deregulate the communication, transportation, and the banking industries, and also instituted an executive order requiring the use of statistical cost/benefit analysis in deciphering the value of regulation proposals (Roy and Steger 2010, 30-31). In the 1990s, President Clinton took over where Reagan left off and further deregulated the telecommunications industry in 1996 and the financial services industry in 1999. The Financial Services Modernization Act "removed legal divisions between commercial and investment banking as well as those between insurance companies and brokerage houses," and for many was a significant contributing factor to the 2008 Financial Crisis (Roy and Steger 2010, 60).

In Britain, Margaret Thatcher's focus was less on deregulation than on privatization, though she did famously deregulate credit markets in 1980 and the financial services industry in 1986 (Roy and Steger 2010, 42). Thatcher was interested in significantly reducing the size and responsibilities of government in line with neoliberal philosophy. Hence, one of the major ways of doing this in Britain, as opposed to the U.S., was to sell off or privatize many of the state-run industries. For Thatcher, state services would perform better if owned and operated by private owners in the competitive marketplace. Chief among these were the "National Freight Corporation, British Aerospace, various cable and wireless services, British Rail," Associated British Ports, "Rolls-Royce Aircraft Engines, British Airports Authority, British Petroleum, British Steel, and several water and power utilities" (Roy and Steger 2010, 41). Thatcher also privatized public housing by offering tenants the opportunity to purchase their government

provided house. In the U.S., there were less state-owned enterprises to privatize; so, privatization occupied less of the American neoliberal imagination than it did in Britain. However, the Reagan administration did propose to privatize federally owned land early in his first term, only to have the proposal fall flat and never come to fruition (Roy and Steger 2010, 34).

Beyond the shift to monetarism, probably no single issue was as important for the Thatcher administration than dealing with the union problem. And, for many thinkers, these two issues were interrelated. Neoliberal economists like Hayek, Peter Jay, and Samuel Brittan had circulated a number of writings in the IEA and elsewhere contending that unions were a significant contributing factor to inflation. Though Friedman did not agree, sticking to his opinion that inflation was only a monetary phenomenon, he was insistent that unions had become too strong relative to the power of government (Jones 2012, 238). Strikes or the threat of strikes by public unions too easily led to wage and benefit concessions from the government, which for neoliberals contributed to the state's unabated growth. Hence, one of the hallmark achievements of Margaret Thatcher and of neoliberalism was her refusal to concede to demands from striking coal miners in 1984 and 85. The result was the closing of numerous coalmines and the loss of employment for thousands of miners. Thatcher's action was encouraged by the results of Reagan's stand down with the air traffic controllers' union strike in 1981. Reagan ordered some 11,000 striking workers to return to their job in 48 hours or be fired. When they did not return, Reagan invoked the Taft-Hartley Act and fired them. Though Thatcher's victory was certainly more significant than Reagan's given the entrenched power of labor in Britain, their combined efforts signaled a significant reconfiguration of bargaining power between labor and the state in both countries.

The U.K. and U.S. also engaged in a number of other important supply-side reforms that further institutionalized the shift to neoliberal configurations of governance in the 1980s and the decades that followed. Most notable among these were decreases in income tax rates and the reduction of social services. Reducing federal income taxes was one of the Reagan administrations top priorities. In 1981, Reagan passed the Economic Recovery Tax Act (ERTA), which reduced taxes across all income brackets, though disproportionately among the highest earning bracket (from 70% to 50%), and reduced the capital gains tax from (from 28% to 20%). These tax changes were significant as they were the driven by the idea that the best remedy for poverty is a growing economy, and that growth is stimulated from those who invest. This was the famed “trickle-down” and “rising tides lifts all boats” argument. Reagan cut taxes again in 1986, consolidating to four tax brackets and reducing the top marginal tax rate from 50% to 28%. Reagan did also raise taxes eleven times over the course of his presidency, which recovered close to half of the revenue lost in the two major tax cuts. Nevertheless, the real effects of his tax cuts were massive budget deficits and also a dramatic widening of inequality. Clinton rolled back the supply-side tax cuts during his administration in an effort to balance the budget, only to see them return again under George W. Bush. Increases in the top marginal rates have not since come close to pre-Reagan levels. Meanwhile, in the U.K., tax policy under Thatcher was a little less consistently aimed at upper earners as it was in the U.S. Thatcher did, upon entering office, cut top rates from 83% to 60%. However, she also doubled the value-add tax and eliminated the lowest tax bracket of 25%, leaving the larger 30% bracket for low earners. Tony Blair’s approach was no less inconsistent, reflecting his “Third Way” approach of striking a middle ground between the market reforms of Thatcher and his focus of social justice consistent with Labour Party values. Hence, Blair did lower top income and business tax rates in order to

encourage financial investments, but also instituted targeted tax credits to aid the working poor (Roy and Steger 2010, 71). Though tax policy may not have been taken to the libertarian extreme, in either the Reagan/Thatcher regimes or the Blair/Clinton regimes, all administrations moved away and did not return to Keynesian style demand management.

Finally, a significant component of neoliberal reform from the 1980's onward has come from the elimination, reduction, and/or reforms to social services. Beyond the elimination and reduction of some services through privatization, like public housing, Thatcher's attempt to cut social services met significant intransigence. Thus, Thatcher's reforms were mostly limited to forcing a culture of entrepreneurialism on service-providing institutions, like universities. Blair, on the other hand, continued Thatcher's emphasis on building a culture of efficient public administration and also made further neoliberal headway in liberalizing work trading schemes and in instituting a tuition fee structure for higher education. In the United States, Reagan did not achieve any major reforms to entitlement programs, however he did manage to tighten budgets on many domestic spending programs. Reagan reduced the budgets of eight agencies in his first term and ten in the second, including a 40.1% cut to the Department of Housing and Urban Development and an 18.6% cut to the Department of Education. Under Clinton, the budgets of nine agencies were cut in his first term, including a 37% cut to the Department of Labor and a 23% cut to the Department of Agriculture (Rugy 2004). However, the most significant neoliberal change under Clinton, beyond his embrace and extension of free trade policies, was the replacement of welfare assistance to the poor with a temporary assistance program that capped benefits at five years and required the individual to return to work after the first two years.



## Conclusion

The neoliberal reconfiguration of governments in the United States and Britain began in the late 1970s under left wing administrations in a time of Keynesian economic crises. It was institutionalized under the conservative regimes of Reagan and Thatcher in the 1980s and has largely been maintained and/or furthered by subsequent administrations regardless of their partisan affiliations. The hallmark policies of this neoliberal shift were monetarism, privatization, deregulation, reduction of tax rates affecting top income earners and investors, trade liberalization, increase in corporate mergers, reduction of union power, elimination or reduction of government services/benefits, subcontracting of government services to private business, and market-oriented reforms to the administration of government and its programs (like new public management, charter schools/voucher programs, health savings accounts, healthcare market exchanges, tuition fees, and welfare-to-work programs, among many others). These policies have been justified by their advocates because they are alleged to further and/or protect individual liberty or the right choose; encourage investment and economic growth; increase the standard of living; encourage competition and the efficient allocation of resources and capital; increase labor mobility and flexibility; reduce the size, and thus the dangers, of government; encourage individual responsibility; and discourage government dependency and affirm the dignity of work. In short, neoliberal policies, so they argue, preserve the greatest amount of individual/economic liberty, which produces a dynamic growth-driven economy that results in higher standards of living than those of centrally directed economies.

These neoliberal policies and their rationalizations gained salience among intellectuals and policymakers through the latter half of the 20th century due to the articulations of a “transatlantic neoliberal network.” This network was composed of think tanks, universities,

intellectual societies, research projects, conferences, magazines, journals, newspapers, pamphlets, books, academics, journalists, businesses and businessmen, foundations, and financiers. The boundaries between these entities and individuals were fluid and mutually reinforcing, as each worked with and relied on the next for their success. The individuals and institutions composing this network were themselves the reaction to formative historical moments like the Great Depression, World War II, the New Deal, the Beveridge Plan, the Great Society, the publication of Keynes's *General Theory*, Marxism, Russian Communism, Italian Fascism, and German National Socialism. They understood these moments to be the result of collectivist thinking and were united in their belief in individual economic liberty to act as a guarantee against their totalitarian tendencies. Hence, they expressed this and made their reactions productive in publications and gatherings like *The Good Society*, *The Road to Serfdom*, *The Intellectuals and Socialism*, *Capitalism and Freedom*, *A Monetary History of the United States*, the *Colloque Walter Lippmann*, the University of Chicago, and the Mont Pelerin Society.

Undoubtedly, no one was as responsible for channeling, directing, and making productive this reaction than Friedrich Hayek. For it was Hayek, as we have seen, who constructed the political strategy responsible for neoliberalism's successful political articulation in the U.S. and Britain. Hayek's strategy, as outlined above, called for both a new kind of liberalism to be articulated, a systematic and positive one, and for that new liberalism to be articulated in a certain manner, that is, targeted at the social and political intellectuals responsible for shaping the ideological make-up of American and British political thinking. As it regards the former, Hayek and his neoliberal colleagues distinguished themselves from classical liberals by arguing for an integral and active role for modern liberal state, as it was the state's responsibility to not only safeguard the market but also *establish, extend, and improve* competitive market conditions.

Hence, neoliberal policy changes were not just the negative offerings of eliminating and/or reducing government programs/services, but also were positive in offering market-oriented approaches on issues like poverty relief, public education, healthcare, and social security. Though Hayek was not alone in this theoretical and policy emphasis, as it is Friedman who should be recognized as neoliberalism's greatest "positive" liberal advocate in the U.S. and U.K., it was Hayek who was most responsible for structuring this into a program for liberalism's political resurgence. In other words, Friedman worked within and benefited from the organizational program for neoliberalism created by Hayek. That program, as Hayek argued and organized it, was aimed at influencing social and political "intellectuals," or those individuals most responsible for articulating political ideas, toward neoliberal thought. These "second hand dealers of ideas" were gatekeepers of ideology and, as such, Hayek argued that neoliberalism's political focus should be on converting and growing its own intellectual class. This political strategy led to Hayek forming the Free Market Project (and hence the late Chicago School of Economics) and the Mont Pelerin Society; and it also led countless others to form entities and mediums for the dissemination of neoliberal knowledge, i.e., the "transatlantic neoliberal network." In all these ways and more, Hayek significantly facilitated liberalism's political comeback in the United States and Britain.

Considering the design of Hayek's political strategy and special role accorded to "intellectuals", one must wonder to what degree Hayek's ideas influenced or were shared with those Chilean graduate students attending the University of Chicago in the 1950s and 60s. As it was in the American and British examples, a readied neoliberal intellectual class was able to exploit a crisis and introduce neoliberal policy in Chile. Though there were some significant differences between these examples and the "successes" of each, it is nevertheless interesting

that the Chilean Chicago boys took toward organizing a liberal political movement the kind advocated by Hayek in “The Intellectuals and Socialism.”

In the following chapter, we explore the emergence of a new type of political actor who emerged and has thrived within the American and British shift to neoliberal government: the ethical consumer. In this chapter, we will explore just who ethical consumers are, what ethical consumers do, and how they understand themselves and their behavior. As we will ultimately discover, ethical consumers are political actors that use their purchasing power in concert with others in order to influence the behavior of corporations toward some desired end, be it more environmentally friendly products, better working conditions for their employees, or some other desired good. The following chapter investigates, via genealogy, how this particular type of political consumer emerged into the historical record as it grappled with the notion “social responsibility” and the concept of “consumer sovereignty.” How neoliberal government enabled the ethical consumer’s emergence and what this means for our understanding neoliberalism is the focus of this and the following chapters.

## Chapter Two

### A Genealogy of the Ethical Consumer

Arising almost concomitantly with the development of neoliberal policies in the United States and the Britain over the last 30 years has been a consumer identity and style of consumer activism marked by its distinct orientation toward the state and the marketplace. Known as “ethical,” “socially responsible,” “socially conscious,” and/or “green” consumers in popular discourse, hereafter called ethical consumers, these consumers have increasingly seen the marketplace, as opposed to the state, as the more immediate and effective medium to pursue changes in the productive and consumptive behavior of market actors.<sup>1</sup> Whether driven by the promise of “sustainability,” “fair-trade,” animal welfare, or just a general sense of “social responsibility” toward society and the environment, these “activists” have increasingly educated and utilized consumers’ marketplace “purchasing power” to coax businesses to adopt more “ethical” productive and distributive practices. Though ethical consumers do not abjure utilizing the state and traditional forms of politicking in pursuing their concerns, the degree to which they do scratches at one’s curiosity and begs us to examine their emergence in relation to neoliberalism’s parallel development.

While consumer activism aimed at market actors is not particularly new, the diversity of ethical consumer practices, their proliferation and rise in popularity, as well as business’s general recognition of the ethical consumer has been unprecedented over the last 30 years.<sup>2</sup> In contrast

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<sup>1</sup> I do not wish to obfuscate the different trajectories these various consumer identifiers had in their specific emergence by lumping them all together as “ethical consumer” practices. I delineate their particular appearance in the historical record and their relation to the ethical consumer appearance toward the end of this chapter.

<sup>2</sup> See Lawrence Glickman’s “Buying Power” for an unparalleled history of American consumer activism. Though Glickman ends his history of American consumer activism prior to the

to market-oriented consumer activism of years past, ethical consumers have expanded the repertoire of market-oriented consumer practices beyond the boycott also to include derivatives of “buycotting” campaigns, ethical consumer education, market surveys, and simple everyday “ethically” guided shopping. Ethical consumers have also built and utilized vast networks composed of consumer nonprofit organizations, NGO’s, and corporate watchdog groups. These networks have facilitated the articulation of enormous sums of information on corporations and their products, setting the stage for the coordination of boycott and buycott campaigns and the production and dissemination of ethical shopping guides. If recent studies are any indication, these activities have been successful in increasing both the ranks and purchasing strength of ethical consumers.<sup>3</sup> For instance, a 2009 study by the Co-operative Bank in the U.K. noted that from 1999-2008, spending on ethical food and drink by British consumers had increased three-fold from 1.9 billion to over 6 billion pounds. In ethical investment, it increased another three-fold from 5.2 billion to 14.4 billion pounds. And lastly, in green home expenditures it increased five-fold from 1.4 billion to over 7 billion pounds (“Ten Years of Ethical Consumerism”). The study additionally noted an overall increase in British consumers who have actively purchased a product primarily for ethical reasons, from 29% in 1999 to 59% of consumers in 2008. In the United States, Zukin, Keeter, Andolina, Jenkins, and Delli Carpini recently found that consumer activism ranked behind only voting as the most prevalent form of political participation (Zukin et al. 2006). Zukin et al. (77-80) noted that 49% of individuals surveyed reported having been

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emergence of ethical consumerism, he makes clear that contemporary forms of consumer activism share significant continuities with past instantiations. Hence, this work departs from Glickman’s thesis. Still, Glickman would agree with the premise that consumer activism, particularly that of ethical consumerism, has seen a rebirth or renaissance since the 1980’s.

<sup>3</sup> Note that only British studies have sought to explicitly measure the “ethical consumer.” American studies have only shown interest in those consumers that boycott or buycott. These consumers may or may not be ethical consumers.

influenced by political or ethical reasons in their consumption decisions within the last year and roughly 45% of that group engaged in boycotting or buycotting activity at least once a month. Two additional 2010 surveys noted about a third of Americans engaging in boycotts, with even higher proportions of young American adults engaging in the practice (“Voting With Their Wallets”; “Millenials”).

Still, perhaps even more indicative of the difference between today’s ethical consumerism and consumer activism of history’s past is the general recognition of ethical consumers by business. From big box stores like Target and Wal-Mart to small independent local coffee shops, one has the choice to engage in an “ethical” style of consumption almost anywhere in the Western marketplace. The availability of these ethical goods and services has been actively publicized by various advertisements that play on the identities of consumers concerned with the social and environmental impact of business. Whether it is the broadcast of a GAP or Apple commercial touting their participation in the “Red” campaign to fight AIDS in Africa, one of the many advertisements by GE, BP, or Shell highlighting new “green” energy developments or discoveries, or a Starbucks commercial informing an audience of their Fair Trade practices with underdeveloped coffee producing communities, corporations have also been active in soliciting the attention and business of the ethical consumer. But, businesses efforts have also extended beyond marketing of ethical goods and services. Business has also taken an active role in the development, implementation, and enforcement of international labor codes and internal codes of conduct that attempt to regulate international working conditions and product supply chains. Corporate social responsibility departments, responsible sourcing consultants, and the social auditing of supply chains have become commonplace amongst transnational corporations. For these corporations, the costs associated with employing these specialists and engaging in

these audits far outweighs the potential risk to their brand's reputation when the media exposes how they currently employ child labor in China or utilize a decrepit and structurally unsound factory in Bangladesh.

Of course, this unprecedented recognition of the ethical consumer by business and others is not necessarily a sign that the global market is any more ethical or that consumption practices are a particularly effective mode of resistance. This may or may not be true for a variety of reasons and does not concern me here.<sup>4</sup> Rather, what does pique my interest is the peculiar timing of the ethical consumers emergence, that is, that the ethical consumer and its particular form of market-oriented activism and discourse has taken a more visible and prominent role in the public sphere over the course of these last three decades. For it was in these same pivotal years, as we saw in the previous, where neoliberal ideas were taken up by British and American lawmakers and actively extended into practice. In short, it was in the midst of trade liberalization, monetarism, tax rate reductions, deregulation, privatization, cuts to welfare provisions, union busting, and associated neoliberal discourses about the free market, individual liberty, and limited government that the ethical consumer emerged into the public space as a distinct historical actor. This parallel development of neoliberal governmentality and the emergence of the ethical consumer implore us to look deeper into the relationship between the two. Just how, if at all, is the ethical consumer's constitution as an actor related to the shift to neoliberal governmentality in the U.S. and Britain respectively? Can we actually say that the

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<sup>4</sup> I wish to make clear, again, that I am not concerned here with either the *effectiveness* or the *ethics* of ethical consumerism. My analysis is concerned with understanding the nature and genesis of ethical consumer practices. Questions regarding the effectiveness and ethics of ethical consumerism are complex and deserve their own thorough-going analysis. For further reading, see Follesdal (2004) and Greenberg (2004) for their analyses.



ethical consumer subject was produced by neoliberal governmentality, or is the story of the ethical consumer's emergence more complex and differentiated?

Over the course of the next two chapters I seek an answer to these questions by reconstructing *how* the ethical consumer emerged. Below, I begin the first part of this effort through a genealogical investigation of the ethical consumer's birth, paying particularly close attention to the microphysical relations of power at play in the constitution of ethical consumer as a historical actor. At this level of analysis, I argue that neoliberal governmentality's influence on the subject formation of the ethical consumer is present and influential, yet conflicted, uneven, and dispersed in the historical record. As we shall see, neoliberal governmentality's constitutive role in the formation of the ethical consumer subject remains allusive and undetermined at the genealogical level. What the genealogical record does reveal, however, is how the ethical consumer emerged in contestation and struggle over a discourse concerned with the distribution of social responsibilities for market actors. Here, I closely follow the historical development of two discourses, a discourse on "social responsibility" and a discourse on organized consumer sovereignty, and trace how these discourses ultimately come to play a formative role in the emergence of the ethical consumer. It becomes clear in this demonstration that the ethical consumer's constitution and proliferation as an actor was neither a complete function of the consumer's assertion of marketplace agency, or popular sovereignty, nor was it another example of the coercive ability of businesses to channel social unrest into consumptive needs and desires. Rather, the birth of the ethical consumer is best described in terms of an agonistic contest between actors attempting to shape the conduct of the other; or as Foucault might put it, governmental relations.

### ***The Ethical Consumer: Practices and Discourse***

Prior to jumping into this genealogy and exploring the relationship between the ethical consumer and neoliberal governmentality, we first need to possess a better understanding of our subject than the introductory one provided above. We need a more complete presentation and analysis of the ethical consumer and their activism. More specifically, we need to know exactly who ethical consumers are, what they do, and how they and others describe and justify their market-oriented practices in order to provide some context and a departure point for our genealogical investigation. Thus, here, we first examine the practices of the ethical consumer and then analyze their discourse in detail.

The ethical consumer, in all of its diversity and forms, is primarily engaged in practices that aim to shape the *conduct* of other market actors, mostly business and other consumers, toward specific “ethical” or “socially responsible” ends. To achieve this, ethical consumers, from the individual activist to the well-networked global nonprofit organization, employ a diversity of practices, all of which cannot be discussed here in full detail. A few, however, deserve a thorough explanation. The most obvious of these are the consuming-based practices, which we shall discuss below. But, in addition to these, there are also a host of other important practices utilized by ethical consumers that usually precipitate and act as a catalyst for the consuming-based practices. These are all those practices that, in one fashion or another, attempt to inform or educate consumers, business, and other market-actors in the hope of altering their market behavior in some way. The most popular of these information-oriented practices is the production of ethical consumer shopping guides. Ethical shopping guides provide basic information of interest on specific companies and products to ethically-minded consumers and are published or made publically available on organizations’ websites, in magazines or books for

purchase, and in mobile device applications.<sup>5</sup> Typically, these products and companies are graded or measured on different aspects of what these organizations call “social responsibility.” They generally include measures of environmental friendliness and sustainability, the treatment of workers (especially marginalized populations like women, children, and racial/ethnic/religious minorities), animal welfare, charitable outreach/efficacy, and politics. Grades or scores are then often followed with a simple stamp of purchase approval or purchase condemnation.

It is important to quickly deviate and note the distinct ideological bent to the left that ethical consumer groups organize around. While consumer activism is certainly not the sole domain of progressive politics, as shown among many historical examples like the “nonintercourse” movement by Southern rebels against the Union Northerners and by conservative groups boycotting French products during the early parts of the war in Iraq, ethical consumer groups certainly concern themselves with traditionally progressive issues. This is not, ultimately, what makes the ethical consumer distinguishable from consumer activists of years past. But, as I shall argue later, it is instructive of the role of neoliberal governmentality in the emergence of the ethical consumer.

With that said, the aim behind the practice of producing ethical shopping guides by these organizations and experts is generally two-fold. First, the guides solicit attention from interested consumers with the hope of increasing the ranks and/or intensity of the ethical consumer population. It works, as Malpass, Barnett, Clarke, and Cloke have noted, by “problematizing” an individual’s consumption choices according to the general ethical sensibility measures outlined by the various organizations (Malpass et al. 2007). Perusing consumers are obliged to confront

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<sup>5</sup> The list includes, but is not limited to: [knowmore.org](http://knowmore.org), [ethicalconsumer.org](http://ethicalconsumer.org), [corporatecritic.org](http://corporatecritic.org), [ethicalshopping.com](http://ethicalshopping.com), [roughguide-betterworld.com](http://roughguide-betterworld.com), [alonovo.com](http://alonovo.com), [greenamerica.org](http://greenamerica.org), [globalexchange.org](http://globalexchange.org), [shopwithmeaning.org](http://shopwithmeaning.org), [responsibleconsumer.net](http://responsibleconsumer.net), [dosomething.org](http://dosomething.org), [betterworldhandbook.com](http://betterworldhandbook.com), [socomarketplace.com](http://socomarketplace.com), [shoptostopslavery.com](http://shoptostopslavery.com), etc.

how well their consumption habits for particular items or brands align with their ethical proclivities. This practice is formative in the sense that it acts on the consumer's ethical disposition itself, educating and leading users of the guide to different products, different companies, and more broadly, an expanded and politicized set of consumer preferences. The hope here, of course, is that problematizing consumption choices leads to a concerted behavioral change in their consumption habits. This is the second aim behind the production of ethical shopping guides, a simple point whose constitutive importance was overlooked by Malpass et al. (2007).<sup>6</sup> The important aim here is not education for education's sake, but rather is to govern market behavior materially, in particular the behavior of business via the pressure wrought by ethical consumers. The point is to deliver actual change in the form of better labor conditions, "greener" products, less consumption, or what have you, by targeting market actors themselves. In this sense, the educational role is formative only insofar as it actually governs consumers who bring either concerted or "aggregated" transformative pressure upon business.

Another information-based practice pursued mostly by ethical consumer organizations seeks to solicit the attention of business even more so than consumers. This is the practice of producing data driven surveys of the ethical consumer marketplace. The UK Co-operative Bank (part of the larger UK Co-operative Group) and the Ethical Consumer Research Association have

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<sup>6</sup> Malpass et al. (2007) limit their governmentality analysis of the ethical consumer to only the ways in which ethical consumers are governed, i.e., through the same practices outlined here. They connect these practices to an empirically observed rationality that justifies these practices by reference to individuals' responsibility to others. This other-regarding nature leads them to discount any subject effects of neoliberal governmentality on the ethical consumer. The problem here is that this focus misses the constitutive importance behind the ethical consumer attempting to govern market actors themselves. That itself, I will argue, demonstrates a profound influence of neoliberal governmentality. Subject effects, in this way, are not only present in discourse – that is, how people speak and rationalize their practices, but also are in the practices themselves. Hence, the fact that ethical consumers, among many other market actors, seek to govern behavior via the market mechanism is an formative indication of a neoliberal subject effect.

jointly produced the most notable and respected surveys over the course of the last decade (“Ethical Purchasing Index”).<sup>7</sup> Though limited to the British marketplace, the Ethical Consumer Markets Report (formerly the Ethical Purchasing Index or EPI) has compiled data that explicitly aims to target business in order to increase the “visibility” of the ethical consumer in the marketplace. The early authors of the EPI envisioned the production of the report to be a public event; one covered annually by the business sections in every major news outlet and periodical.<sup>8</sup> The report itself would be a tool for business and others to gauge the size, demand, and potential profitability of the ethical consumer marketplace. Hence, by making the ethical consumer visible via market data, these consumer organizations seek to influence and shape the productive behavior of business and thus grow the ethical consumer marketplace.<sup>9</sup> Again, as it is with ethical consumer guides, the aim here is to produce a *material* change in the behavior of market actors in line with their ethical vision. Here, the material change is simply for companies to actively solicit the business of ethical consumers through producing socially responsible goods or services and by also ensuring that companies integrate measures of social responsibility throughout their business operations (Ethical Purchasing Index”). For ethical consumers, this can come through changes to existing business operations or it can come with the manifestation of new social entrepreneurship ventures.

As we can see, these information-based practices generally serve as a means to increase the ethical consuming activity itself, as it is the consuming-based practices that serve as the prime mechanism for governing market actors and producing actual behavioral changes. These

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<sup>7</sup> Early iterations of the EPI, like the one referenced here in 2001 was jointly produced by the Co-operative Bank and the New Economics Foundation. See “Ethical Purchasing Index 2001.”

<sup>8</sup> Malpass et al. (2007) was first to note how market surveys have aimed to make the ethical consumer visible to business.

<sup>9</sup> See again the 2001 Ethical Purchasing Index report where authors mention how they hope the report is integral to the growth of the ethical consumer marketplace.

ethical consumer consumption practices generally fall under two sorts of activities: (1) boycotting or negative consumption and/or (2) buycotting or positive consumption. The former practice requires little explanation, as most of us are familiar with the strategy of refusing to patronize certain companies or their products for principled reasons in the hope of changing some aspect of their behavior. Boycotting is the most popular and frequently employed type of ethical consumer practice, as a visit to an ethical consumer website will attest. This popularity likely comes from its direct nature and intuitive market logic, which, as Lawrence Glickman (2009) notes, every generation of consumer activists think they discovered for the first time. Boycott campaigns clearly define their enemy and outline their transgressions, generally via an oversimplification, and consumers are able to easily participate on a local level while seeing its global effect. Buycotting, on the other hand, shares similar attributes and market logic, but generally produces more local effects. This practice, which dates back to the Free Produce Movement beginning in the 1820s, actively seeks out socially responsible products and companies in order to reward their ethical behavior with concerted business. Carrot-mobbing is one of the newest derivatives of buycotting activities. In carrot-mobs, consumer and other nonprofit groups generate consumer mobs that descend upon a partnering business to purchase their goods in exchange for that business to become more “ethical” or “socially responsible” in some specific way. Examples range from a liquor store using the carrot-mob profits to “green” their everyday business operations to a coffee shop dedicating resources to study how they can import coffee using a wind-powered vessel. Ultimately, both boycotting and buycotting practices work to govern or shape the behavior of businesses toward some definite end.

Consumption-based practices often begin as coordinated campaigns initiated by civil society groups for a variety of different causes including but not limited to human rights abuses,

child/slave labor and worker treatment concerns, climate change/environmental issues, and animal welfare. These groups include both those that specifically identify as ethical consumer and attempt to facilitate ethical consumerism and those more traditional interest groups and international NGOs focused on specific issues. The groups coordinate strategic engagements with other like-minded groups and networks in order to bring attention to and change certain corporate behaviors. In order to do this, the campaigns aim to reach both dedicated ethical consumers and the wider public who may only occasionally participate in market-based politics. The networked nature of these events means that these individuals are being mobilized and informed by a variety of organizations and social network forums and not merely ethical consumer organizations. Ethical consumer organizations play an important role in the dissemination of boycotting and buycotting information, but they play less of a role in generating quick publicity and support. For campaign activity, NGOs and interest groups often take this up on the ground through the staging of public displays and media publicity, an integral component to any consumer based campaign.

As ethical consumption campaigns lose steam and fade from the public eye, ethical consumer organizations hope that they have politicized and converted the occasional ethical boycotter to the contingent of *lifestyle-driven* ethical consumers. Lifestyle-driven ethical consumerism simply attempts to incorporate socially responsible consumption choices into *everyday* consumption habits through the strategic avoidance of certain companies and products and through the strategic purchasing from certain companies and products. Here, ethical consumer organizations, as opposed to interest groups and NGOs, play the essential role through the provision of information and direction, mostly via internet communications, for everyday ethical shopping. As boycott and buycott campaigns politicize consumption by connecting

purchasing habits to the perpetuation of varieties of injustices, ethical consumer organizations solicit the political identities of the participating consumers by inviting them into their discursive space and thus channeling their behavior toward a lifestyle-driven ethical consumerism. Now, the degree to which ethical consumers actually participate in ethical consumerism obviously varies from individual to individual. This form of ethical consumption runs the gamut, from the activist ethical consumer who only shops at the most socially responsible companies to the everyday working mother who tries her best to avoid Wal-Mart when she can.

Because of the varied and unpredictable nature of lifestyle-driven ethical consumerism, critics often chastise consumer motives and challenge its efficacy as a political practice. It is often charged that such consumption practices represent isolated and unconnected activities of consumers with a guilty capitalist consciousness. Setting efficacy aside, such a description, I would argue, is a mistake, as it overlooks the formative role described above that those ethical consumer organizations and others serve in both educating consumers about products and companies and in coordinating boycott and buycott campaigns. When we reflect on the important discursive space provided by ethical consumer organizations and their articulation of information on companies and products and also consider that lifestyle-driven ethical consumption is often driven by perceptions of corporate behavior created by media coverage of boycotting and buycotting campaigns, it becomes more clear how lifestyle-driven ethical consumerism is also part of a broader *coordinated* strategy by ethical consumers to govern market actors.

Hence, life-style driven ethical consumption is similar to all other ethical consumer practices in just this way, that is, all ethical consumer practices are part of strategies aimed at shaping the conduct of business and consumers via direct “marketplace” actions. The question



presented here is how ethical consumers understand their strategic decisions to use these market-oriented practices, rather than governmental/regulatory actions, in order to target behavioral changes in market actors. Ethical consumers could simply use their organizational power and focus to lobby governments and traditional organs of political power, much like the National Consumers League and the “consumer movement” did throughout the 20<sup>th</sup> century. And though some effort is certainly put toward pursuing government regulation, these consumer organizations mostly solicit market participation rather than traditional political participation. Hence, they are significantly oriented toward practices that seek to interact with market actors directly via the market rather than indirectly via the juridical mechanism. Analyzing ethical consumer discourse, as written and displayed on organizational websites and various other mediums, can help us understand this strategic focus. That is, it helps us understand how ethical consumers rationalize their focus on these practices and justify their behavioral choices.

A simple survey of ethical consumer discourse quickly reveals their main target and problem, unchecked and exploitative corporate behavior. Ethical consumer organizations consistently present their mission in terms of a need to check and change a style of corporate behavior that pursues profit at the expense of humans, animals, and the environment. Knowmore.org writes, “The aim of [www.knowmore.org](http://www.knowmore.org) is to raise awareness of corporate abuse, and to serve as a catalyst for direct action against corporate power. Ethical Consumerism is an important movement toward corporate reform, through which individuals recognize their own role in systems of oppression, and take personal steps toward resistance and positive change” (“Take Action”). The problem, as knowmore.org and other organizations express it, is a social and political shift toward an unchecked corporate power structure. Ethical consumer organizations, in this sense, draw heavily from commonplace globalization arguments that see

corporations as operating with impunity and discretion only towards their bottom line and the state, at least generally, refusing or unable to regulate many aspects of their activity. Ethical.org puts it this way, “Multinational corporations continue to replace hundreds of thousands of small businesses, shopkeepers and farmers that traditionally generate most economic activity and employment. Because big firms, unlike small ones, can threaten to move their operations to countries where the fiscal environment is easier, governments’ ability to raise taxes is being reduced, in addition to governments being under pressure to reduce environmental and labour restrictions on the activities of corporations. The power of the nation state is being significantly eroded by a process that continues to be heavily subsidised by western governments” (“Why Shop Ethically”). Betterworldshopper.com makes the argument even more simply contending, “Money is power. And wherever large amounts of money collect, so also new centers of power form. The latest historical manifestation of this is the modern corporation. Make no mistake, these new power centers are not democracies. We don't vote for the CEO's or their policies (unless we are: rich enough to be significant shareholders, informed enough to know what's going on, and compassionate enough to care about more than just personal profit), yet our destinies are increasingly in their hands” (“the.idea”).

As we can see here, ethical consumers understand their problem and thus the need for their activist practices as one where corporations possess considerably more power over our daily lives than years past and use that power with little care towards people, animals, and the environment. But, it is also significantly more than just this manifestation of globalized corporate power. As alluded to above, it also the corresponding perception that the state has little interest and/or ability to actually govern the behavior of business given the globalized capitalist environment. States’ political power and political will, according to ethical consumers,

has been reduced in an environment where they must compete for the business of mobile transnational corporations by promising a “friendly” business setting. So, not only has the power of corporations grown, but also it has come at the cost of the state’s power to govern the marketplace. The problem, in this sense, is systemic and thus necessitates an unending participation in market governance by consumers. It is within this conceptional space that ethical consumer organizations rationalize their behavior and see their purpose. They perceive their practices of targeting market actors directly via market-oriented actions as filling a systemic regulatory void left by the state in a hypercompetitive globalized world environment. Rob Harrison, founder of the Ethical Consumer Research Association (ECRA) and Ethical Consumer Magazine, confirmed this point himself writing, “citizens appear to be stepping in to attempt ‘civil regulation’ of company behaviour in some cases” (Harrison 2005, 56). Or, as betterworldshopper.com aptly expresses it, as “power centers” shift in society from states to markets, “we must shift our own voices if we wish to be heard” (“the.idea”). The state and formal political processes as articulated in this discourse, while certainly still utilized as a resource by ethical consumers, no longer maintains its central importance as a mechanism for governance. Instead, the market has become the medium and cultural and economic behavioral change the means of pursuing political concerns, at least as they relate to the corporate externalities mentioned above. Harrison’s organization’s website, [ethicalconsumer.org](http://ethicalconsumer.org), makes this argument even more forcefully, “In a world where people feel politically disempowered, and where governments are becoming less powerful than corporations, citizens are beginning to realise that their economic vote may have as much influence as their political vote” (“Our Mission”). It is this fundamental truth claim in ethical consumer discourse, that “governments are becoming less powerful than corporations,” that justifies and rationalizes the need for

consumers to feel responsible for social concerns in their economic behavior (“Our Mission”). This belief forms the basis of their aims to govern and shape the behavior of business through practices that manipulate consumptive and productive behavior.

Considering this, it is not surprising the extent to which ethical consumers describe and understand their behavior as uniquely political, even though they eschew any partisan affiliations or traditional ideological identifications. In fact, ethical consumer organizations explicitly blur the distinction between the economic behaviors of consumption and production and the political behavior of governing economic conduct through strategic consumptive and productive practices. Most interestingly, this is done through socializing and politicizing the notion of *consumer sovereignty* by describing consumption activity as if it were the democratic practice of voting. Ethicalconsumer.org writes, “To the ethical consumer, their money is a vote which they use every time they go shopping... Buying cheap clothes which have been made in sweatshops is a vote for worker exploitation. Buying a gas guzzling 4X4, especially if you are a city dweller, is a vote for climate change” (“Why Buy Ethically?”). On the webpage of the Alonovo ethical consumer organization, the phrase, “Our money is like a vote,” is displayed prominently as is “voting with your wallet” and “buying the culture of your choice” (“introduction to alonovo”). Betterworldshopper.com is even more explicit with this analogy. They write, “As citizens, on average, we might vote once every 4 years, if at all. As consumers, we vote every single day with the purest form of power...money. The average American family spends around \$18,000 each year on goods and services. Think of it as casting 18,000 votes every year for the kind of world you want to live in. Use this site to take back your power” (“the.idea”).

As I will outline in more detail later, the equating of consumption to democratic practice dates back to the turn of 20<sup>th</sup> century where Austrian-school economist Frank Fetter introduced

the idea of “voting with your money” in 1905 in his *“The Principles of Economics”* (Fetter 1905, 211). Though William Harold Hutt, an economist and Mont Pelerin Society member, coined the notion of “consumer sovereignty” in 1934, the idea of using the power of consumer demand to pursue changes from market actors had been around much longer, before Fetter ever wrote about the idea.<sup>10</sup> As Hutt defined the term, “The consumer is sovereign when, in his role of citizen, he has not delegated to political institutions for authoritarian use the power which he can exercise socially through his power to demand (or refrain from demanding)” (Persky 1993, 184).<sup>11</sup> For Hutt, consumer sovereignty meant to express the power consumers autonomously possess in their relationship with the producers of goods and services. The logic is quite simple and rather intuitive. In order for the producers of goods and services to survive materially, to sustain themselves through commerce, they must produce things or services that consumers will purchase. It is only then that producers will see a monetary return for which they can turn into sustenance. In this sense, consumers possess the power to indicate or signal to business through their “power to demand” (or refrain from demanding) which goods and services and which companies providing them they like or dislike. Business, in this way, *must* listen and react to the purchasing will of consumers or risk total failure.<sup>12</sup> Now, in no way was Hutt thinking that such power would be used strategically by a collectivity, nor is it likely that he or other neoliberals would ever support such power being used by a collectivity, even if it was a spontaneously and voluntarily organized by free consumers. Rather, Hutt was simply attempting to articulate the

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<sup>10</sup> Scholars often point to Adam Smith as the conceptual father of consumer sovereignty. But, as I will detail later, the utilization of organized consumer sovereignty as political tactic predated Smith.

<sup>11</sup> Ordoliberal Wilhelm Ropke also spoke of a “democracy of consumers” and Hayek titled a section heading the “sovereignty of the consumer.”

<sup>12</sup> This argument is certainly flawed insofar as it overlooks the power of producers to *create* demand for products, through various forms of advertising, that otherwise would not exist. In this picture, the consumer is hardly a sovereign actor in the marketplace.

power and freedom that an *individual/consumer*, or an aggregation of individuals/consumers, gives up when the state assumes control over economic life and choices. For when this occurs, according to Hutt, an individual gives up their freedom to have democratic control, no matter how disproportionate, over the allocation of resources in society to the all-encompassing state. Consumer sovereignty, in Hutt's estimation, is an argument for economic liberalism and its protagonist, the free individual.

For ethical consumers, and their forbearers, this understanding of consumer sovereignty does not closely align with theirs. The idea of consumer sovereignty, as expressed in the various "consumption as voting" analogies, does not operate as a promotion of economic liberalism or as a defense of limited government for that matter. Rather, the idea of consumer sovereignty functions more clearly as a *popular* battle cry or as a call to recognize the potential agency of a collectivity of consumers' to exact change in the marketplace. It acts as a call to govern. This is why ethical consumer discourse is riddled with language that urges consumers to use their "purchasing", "spending", and "economic" power. When ethical consumers use this power, by participating in concerted consumption acts with others, they contend that they can change, and hence govern, corporate behavior. Gooshing.com, an online ethical shopping guide, illustrates this point nicely when they explain how their service fits into the wider ethical shopping movement where, "people everywhere are starting to unify their *spending power* to help persuade the biggest and worst corporations to act responsibly towards our fragile environment, animals, and less fortunate peoples" ("About us"). Similarly, greenamerica.org insists on highlighting their distinct "economic" focus, positing that their mission is "to harness *economic power*—the strength of consumers, investors, businesses, and the marketplace—to create a socially just and environmentally sustainable society" ("About"). In these examples and

countless others, concerns about personal liberty and state control over the allocation of resources do not appear in the language or form any part of the understanding of the consumer sovereignty analogies. Their focus is entirely on making visible the potential agency that consumers possess in their economic relationship with producers and how concerted and everyday consumptive actions can govern market actors toward more sustainable, socially responsible, ethical, and/or green ends.

Thus, ethical consumers' belief in their capacity to shape and govern the "social, environmental, and political practices of businesses," is profuse in their discourse and driven by this understanding of their "demand" power to extract concessions and manipulate the competitive marketplace positions of businesses ("Alonovo Concept"). This ability to manipulate the regulative principles of consumer demand and competition to their advantage, in both positive and negative consumption forms, is explicitly recognized as their mode of agency or mechanism of governance. The picture painted here is one that sees governing, or as Foucault put it, "managing the field of possibilities", as extending beyond the formal political realm of states and governments into the market itself. Consumption activity, a foundational activity of the economic, is disembedded from this realm and reaccessed by ethical consumers in a political field. It starts, as outlined above, when ethical consumers problematize the notion that consumption constitutes value-free economic activity unburdened by social consequences, pointing out that such consumption choices are imbued with social, environmental, and ethical/moral ramifications. The discourse educates and makes clear that one's social responsibilities do not leave merely because one is acting economically. The politicization continues with calls to "vote with your wallet," to use your consumer power strategically and in concert with others. And finally, it culminates in the activity itself. For it is only in the

consuming action that ethical consumers can lure the ear of business and govern corporate behavior toward “socially responsible” ends.

Taking this and the above analysis into consideration, it appears we can now render a working definition of the ethical consumer. The ethical consumer is a specific consumer identity that engages in a distinct discourse that justifies and rationalizes a set of market-based practices that aim to govern the behavior of businesses. The ethical consumer also seeks to shape the behavior of consumers themselves, as I pointed out above, through the production of various forms of ethical consumer information and education techniques. Such techniques are certainly integral to the success of ethical consumers. But, as our examination of ethical consumer discourse ultimately revealed, the governing of consumers or the cultivation of ethical consumers is merely a technique itself, one that intends to govern the behavior of corporations through direct consumer pressure. Ethical consumer discourse was quite clear on this point, as organization after organization singled out the unchecked power of corporations and, correspondingly, the absence of state oversight in the hyper competitive global marketplace as a reason to employ direct systematic consumer pressure. As Foucault might call it, such an understanding constitutes a truth regime for ethical consumers, one where direct consumer pressure upon business is seen as a reasonable response and method for communicating regulatory demands to political authority. Naturally, if one perceives a world where business does most of the shaping, one might also see the constitutive importance of consumption as a method of influencing that shaping. This is exactly the case for ethical consumers and it forms the basis of their calls for individuals to utilize their “spending power” in concert with others in the quest for an ethical, sustainable, green, or socially responsible marketplace.



## The Emergence of the Ethical Consumer

With this description and analysis of the ethical consumer as context, we can begin to explore how the ethical consumer emerged in the historical record and what role, if any, neoliberal governmentality played in the appearance of the ethical consumer subject. Thus far, the picture painted above attributes a muted and uncertain role to neoliberalism in the development of the ethical consumer as an actor. Interestingly, ethical consumer discourse seemed to suggest that their practices are a response to a changing world marked by neoliberal hegemony. Though ethical consumers would not employ those exact terms, they undoubtedly do insist that their actions are necessitated by the absence of the state in the presence of unrestrained corporate power and expanding international markets. This dialogue leads one to believe that ethical consumers are not so much the constituted subjects of neoliberalism but rather are critical opponents attempting to articulate a “counter-conduct.” Yet, if this is the case and their critical response to this neoliberal problem is the articulation and coordination of strategic consumption practices, this “counter-conduct” would seem, at least initially, to operate within the rules of neoliberal governance by pursuing such concerns within the market itself. This line of thought may be supported by the neoliberal coining and celebration of “consumer sovereignty”, a central *concept* in ethical consumer thinking that rationalizes their governing strategy and articulates their governing agency to other consumers and market actors. This picture of the ethical consumer appears to paint them more clearly as neoliberal subjects who understand the politics of resistance through the prism of market life and thinking. But, even this image is muddled and incomplete, for the above also seemed to indicate that ethical consumers have emptied consumer sovereignty of most neoliberal substance and understanding, other than perhaps its distinct market logic. Maybe this market logic is enough to surmise distinct traces of liberal/neoliberal

subject effects, but one would likely not discern such effects from the way they speak about consumer sovereignty in terms of a collective consumer agency and a call to govern the behavior of business. In sum, we are left with an uncertain depiction of the role of neoliberalism in the development and constitution of the ethical consumer identity, one for which the following genealogy aims to examine in more depth.

In choosing genealogy to approach this question, I aim to distinguish this analysis from others that tend to reduce ethical consumer activity to an ahistorical consumer category. The invention of the “political consumer” category is one such type of analysis. The originators of this concept, mostly European social scientists, advanced this category in order to capture and describe the recent proliferation consumer activism, like that of the ethical consumer. They have characterized this contemporary behavior, and all similar historical consumer activism, in terms of an explicit style of political participation and expression. As I will attest in chapter four, this emphasis on the political nature of this type of consumption activity is not misplaced and assuredly deserves theoretical development. In other words, there is nothing inherently obscene about such an approach. But, it must be executed in such a way that it does not reduce the ethical consumer’s behavior, and all other historical examples of activist consumption practices, to some totalizing or archetypal concept like political consumption.<sup>13</sup> Doing so has deleterious effects on a richer understanding of the ethical consumer’s emergence as an actor, as it has had in political consumer literature. Let me explain.

The problem, as I conceive it, is that “political consumer” literature conveys the distinct impression that the ethical consumer is part of a historically continuous “political consumer”

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<sup>13</sup> Unfortunately, the theoretical understanding of the political nature of these types of consumption practices is significantly underdeveloped. A subsequent chapter aims to more fully develop this understanding.

lineage precisely because it utilizes the same political practices used by other consumers of history's past.<sup>14</sup> Certainly, as I mentioned previously, similarities exist, even significant ones, between ethical consumers and other consumer activists in the historical record. Boycotts, as we will shortly explore, are not only germane to the ethical consumer, having been utilized by 18<sup>th</sup> century slave trade abolitionists and late 19<sup>th</sup> century labor unions, to name a few, many years prior to the emergence of the ethical consumer. Nevertheless, while these consumer boycotts shared similar logic and tactics, they possessed a different governing orientation than those used and rationalized by ethical consumers. Namely, these examples and others were not broad *strategic* attempts to govern the behavior of market actors toward different ends, but rather were tactical responses to single-issue problems. As I will argue below, this important difference in orientation is easily lost in focusing only on the political character of these consumer practices and not also on the specific conditions that fostered the emergence of a discourse used by such actors to describe and understand these practices. In particular, the role of power relations in the historical record goes unnoticed; that is, those disruptions in time where consumers may have been constituted as new subjects of power or governmentality go unexplored and thus fail to reveal anything interesting about the political rationality of these actors, practices, and the broader historical present. "Political consumer" literature, in this way, has been unsuccessful in capturing those moments where a new type of consumer emerged in the historical record, one that adopted and altered inherited consumer practices and created new consumer practices of its

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<sup>14</sup> Even Glickman (2009) falls into this trap. Part of this may be facilitated by the fact that Glickman's detailed historical analysis stops short of the ethical consumer's emergence. Still, he makes clear that he sees all subsequent consumer movements operating within the same evolutionary tradition of American *consumer activism*. For Glickman, there is not a significant discernable historical difference in either the practices or discourse of the ethical consumer and its antecedents like the Free Produce Movement, labor boycotts, and the early activity of the National Consumer's League.

own, all while rationalizing them according to their own distinct understanding of how such problems should be governed. Hence, my aim here is to encounter the ethical consumer's political rationality through genealogical analysis of ethical consumer discourse and finally confront the relationship between the ethical consumer and neoliberalism.

A genealogical examination of ethical consumer discourse does, however, pose a unique challenge, for there is no popular consensus, and it is certainly not obvious, how their discourse should be identified or what it is called. For that matter, there is also no definitive agreement over what the movement and these consumers are actually called, except perhaps in the U.K. There, most organizations and consumer activists commonly employ "ethical consumerism" to describe themselves and their behavior. But, they also utilize a host of other descriptors in their discourse. Words like "sustainability," "going green," "social responsibility," and "economic or social justice," are largely understood to fall within the scope of ethical consumer activity or goals, but they are also not used with any real decisive precision. For example, ethicalconsumer.org defines one of their primary goals as, "making businesses more *sustainable* through consumer pressure" ("Our Mission"). Here, "sustainability" is subsumed under the objectives of ethical consumer activity, but its meaning is expanded from its primarily environmental understanding to also include social issues.<sup>15</sup>

In the U.S., the picture is even less clear. There, the ethical consumer is significantly less salient as a consumer identity, though definitely not unknown. In its place, there appears to be parity amongst a couple different identifiers, namely the socially responsible consumer/shopper and the socially conscious consumer/shopper, or some derivative thereof. Like the U.K.,

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<sup>15</sup> I recognize that "sustainability" definitely has a "socio-economic" understanding in academic and policy discourse. Here, I refer more to its colloquial understanding, which is certainly more environmentally focused.

American organizations use the same vocabulary as their counterparts, frequently utilizing the words “sustainability,” “green,” and “economic justice,” among others, to describe their aims. And again, there is also a high degree of malleability for which they use these words to identify themselves and their activities, in addition to a continued looseness for how they define these terms. For instance, [greenamerica.org](http://greenamerica.org) actively identifies themselves as “green” rather than as an “ethical” or a “socially responsible” consumer organization. But, like [ethicalconsumer.org](http://ethicalconsumer.org) pushed the boundaries of the colloquial understanding of “sustainability,” [greenamerica.org](http://greenamerica.org) plays with what it means to be “green.” Being “green” is much more than just a focus on environmental issues. They argue, “We work on issues of social justice and environmental responsibility. We see these issues as completely linked in the quest for a sustainable world. It’s what we mean when we say “green” (“About”). To complicate this picture even further, [greenameria.org](http://greenameria.org) also utilizes the notion “social responsibility,” publishing an ethical consumer shopping guide called “Responsible Shopper” (“Responsible Shopper”). As we can see here, whether it is in the American or British context there is set of commonly used words by these organizations and consumers to describe themselves, their activities, and goals, unfortunately none of which easily identify with a well known discursive regime, especially neoliberalism. Given this difficulty, our starting point should be conceptual, a reconstruction project, and begin by considering what it is that makes the ethical consumer conceptually unique. Perhaps then we may find the origins of the discursive regime that produced the ethical consumer.

From the description and analysis of ethical consumer discourse and behavior provided above, I believe we can postulate the conceptual uniqueness of the ethical consumer to be the following: (1) their relative disinterest in traditional politicking through the medium of the state and the mechanism of juridical regulation, and (2) their strategic pushing of social/political

demands into the medium of the market through the mechanisms of consumer demand (i.e., consumer sovereignty) and competition. As we saw, ethical consumer discourse reflects a disposition that sees considerably more potential in the non-sovereign cultural politics of norms, values, and conduct change pursued in the marketplace and through market mechanisms than is a traditionally oriented movement that places emphasis on a state-oriented regulatory politics characteristic of political parties, elections, and the lobbying of public policy officials. Again, though ethical consumer groups do commit resources and efforts to lobbying governments for certain regulatory measures, it is nearly unheard of to find one that is primarily oriented in this way. Rather, the vast majority of ethical consumer groups orient themselves toward a politics that aims to change the conduct of business and consumers through non-state practices. In fact, ethical consumerism depends almost entirely upon this orientation. If ethical consumer discourse did not operate on the presuppositions that social relations were shapeable through a cultural politics of norms and values change and that such change may be manipulated through the exercise of organized collective consumer sovereignty in the marketplace, its behavior would basically be inexplicable. Thus, when considering the question of the ethical consumer's emergence as an identity, focus must be placed upon the development of a discourse that advocated the idea that the marketplace, as an alternative to the state, could be harnessed and market actions deployed as part of a *strategy* to *govern* and shape social relations. Such a discourse, I contend, can be found in the development of the notions of *social responsibility* and *consumer sovereignty*. Specifically, I argue that the ethical consumer emerged as consumers increasingly connected the tactics of collective consumer sovereignty with a discourse that advocated for the social responsibility of market actors as central to a *strategy* to check the power of business in the globalized world.

## The Discourse of Collective Consumer Sovereignty

A discourse and the practices of collective or organized consumer sovereignty emerged and developed much earlier than a discourse of social responsibility, most notably in the form of refusing to purchase goods in concert with others, i.e., the boycott (Glickman 2009).<sup>16</sup> The *conceptual* origins of the boycott idea is likely impossible to pinpoint with any exactness with many examples throughout history demonstrating a certain likeness.<sup>17</sup> Nevertheless, the nonimportation and nonconsumption movements of the 1760s and 1770s represent the first instance where an organized “refusal to purchase” campaign was widely used and articulated as a principal political strategy of a social movement (Glickman 2009). In these examples, American colonial merchants and patriot groups organized campaigns that advocated for the nonimportation and nonconsumption of British goods as part of an effort to resist attempts at British control over the colonies, especially as it related to increased taxes on imported British goods.<sup>18</sup> Essentially, these movements advocated for the complete *avoidance* of British goods by American revolutionaries. Merchants, and not everyday colonial citizens, constituted the most significant point of attack against the British, as the movement was largely carried out through their promotion and enforcement activities. Colonial merchant associations and patriot groups, like the Sons and Daughters of Liberty, played significant roles in this regard, by both

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<sup>16</sup> The act of refusing to purchase goods in concert with others was not coined with the name “boycott” until 1880. The act of the boycott went largely unnamed until then. Even the contemporary notion of the consumer, as being synonymous with the person who buys, did not gain a colloquial following until the late 1800’s.

<sup>17</sup> Glickman (2009, 36-37) traces the boycott tactic to the practice of ostracism with roots in classical Greece and ancient Christian practices. He also notes that Americans added the notion public shaming to ostracism. However, the key development in the utilization of this tactic was the articulation of an economic justification and agency.

<sup>18</sup> Efforts were primarily oriented around the repeal of the Stamp Act, Townshend Act, Sugar Act, and Tea Act, of which the latter obviously culminated in the famous Boston Tea Party.

articulating the logic of resistance efforts and by coaxing noncompliant or hesitant merchants to join the movement and refrain from selling and importing British goods.

Most importantly, merchant associations and colonial groups specifically connected the importation, purchase, and use of British goods by American revolutionaries with the perpetuation of unjust British control and power over the American colonies (Glickman 2009, 31-60). Hence, these actors and organizations carried out their resistance strategies with the explicit aim that their refusal to purchase British imports, especially tea, would engender behavioral changes and/or weaken the financial strength of the British Empire. As Glickman (2009, 55) noted, “colonists threatened the avaricious “mercenary wretches” who violated the “non-consumption agreement” with the promise that “we will not purchase any merchandize of them, or transact any business for them, or suffer them to transact any for us, but will wholly withdraw from them, and leave them to the consolation of possessing and contemplating the curious moments of British industry and American slavery, which they would so greedily amass to themselves for such sordid wicked purposes; and shall consider in the same light, every Person that shall purchase any such goods of them, or do business for them, or employ them in their business.” Such intention necessarily demonstrates that merchant associations and colonial groups, and to lesser degree colonial citizens, possessed an emergent understanding of the logic behind collective consumer sovereignty, one that was implicit in an understanding of market relations and not dissimilar, though certainly less developed, than that of the ethical consumer. Understanding that the power behind the campaign depended upon organization and numbers, the revolutionaries widely articulated their efforts and the campaign’s logic. As Glickman (2009, 51-55) meticulously detailed, write-ups in local newspapers, pamphlets, minutes, declarations, and public grievances disseminated narratives that consistently implied that



merchants possessed latent power in their capacity as import purchasers to affect the size of the duties collected by the British. Hence, these articulations called on merchants to participate in the campaign on behalf of the patriotic resistance.<sup>19</sup> These examples demonstrate that collective consumer sovereignty discourse and practice began to emerge with the American revolutionaries, one which, like ethical consumers, located a power to induce political demands with the organized act of refusing to purchase. The Revolutionaries, in this sense, conceptually revealed the purchaser as political agent to the transatlantic landscape. Revolutionary activists should thus be credited with making an important, though limited, advance in the development of collective consumer sovereignty.

It is important, however, not to interpret this contribution from Revolutionary activists anachronistically, for there are distinct differences between them and the ethical consumer. Most essential among these differences is that Revolutionary actors, merchants and lay colonists alike, did not identify themselves as “consumers.” This was impossible because the modern understanding of the consumer and consumption had yet to be invented. As Glickman (2009, 37) and Trentmann (2006, 23) have carefully pointed out, 18<sup>th</sup> Century British and American citizens understood consumption to connote the act of “using something up” rather than the act of purchasing. For most lay colonists then, participation in the nonconsumption movement did not actually mean they should refuse to purchase British goods, although this would be a component of avoiding British goods, but rather that they should avoid “using” British goods in all aspects of their daily lives (Glickman 2009, 37-39). As Glickman demonstrated, the practice of collective “nonuse” had relatively little connection to the politico-economic exercise of an organized collective consumer sovereignty campaign connected to a political strategy to weaken

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<sup>19</sup> The First Continental Congress passed nonconsumption and nonimportation acts in 1774 in the Declaration of Colonial Rights as a response to the Intolerable Acts.

British financial might. Rather, the practice of collective “nonuse” had more overtly religious lineages more closely associated with the maintenance of purity seen in the practices of shaming and shunning. So, while merchants i.e., practitioners of the 18<sup>th</sup> century marketplace, and the educated articulated a nonintercourse discourse more closely connected to a modern politico-economic understanding of organized “purchasing/consumer” sovereignty, colonists had not yet developed an identity as a consumer, let alone one that understood the agency connoted to consumers in the concept of consumer sovereignty. The actual agency realized by colonists and merchants was one not generated by the shared identity of American consumers, but one “generated by the shared identity of Americans and freeman” (Trentmann 2006, 22-23). Hence, though we cannot say the American Revolution marks the beginning of an authentic *consumer* discourse on collective *consumer* sovereignty, the nonimportation and nonconsumption examples mark the integral point in the historical record where the concept behind the central tactic of ethical consumers emerged into discourse and practice.

There is also little evidence in the example of the nonconsumption/nonimportation movements to support the idea that liberal thinkers and theories had a measurable influence in the Revolutionary actors’ conceptual understanding of the collective consumer sovereignty practice. This is not to say that merchant associations and patriot groups did not proclaim to be participating in the movements in the defense of their liberty, because they certainly did. But, it is to say that such ideas were not developed within the course of liberal debate and discourse. Most telling in this regard is that much of the articulations of the nonimportation campaign by the Revolutionary actors was completed prior to 1776 and the publication of Adam Smith’s *Wealth of Nations* where Smith posited the idea that consumption was “the sole end and purpose of all production” (Smith 1904, book iv, chapter 8, 49). In this idea Smith is often credited with

discovering the concept of consumer sovereignty in its most basic form; that aggregated consumer demand directs the actions of producers. The scant evidence of liberal influence seems to indicate that collective consumer sovereignty (in the form of a concerted effort to not purchase) originated more organically among the merchants and patriot groups, likely from their simple experiential understanding of market relations or rather the economic connections between producers, retailers, and government.<sup>20</sup>

Though we cannot say the conceptual emergence of a collective consumer sovereignty discourse and practice emanated from unique liberal lineages in the case of the American revolutionaries, such a conclusion does not necessarily imply that liberal governmentality lacked substantial influence in the constitution of the ethical consumer identity or the production of collective consumer sovereignty discourse. Nor does it mean that Adam Smith was insignificant to the development and proliferation of the idea among future consumer activists. In fact, Glickman discovered that Smith was quite influential for the organizers of a 19<sup>th</sup> century consumer movement, one that actively utilized our modern understanding of the consumer (Glickman 2009, 68). The “free produce” movement, organized by abolitionists and Quakers, attempted to end slavery through the creation of an alternative “free labor” market that would ultimately out-compete the slave labor market and compel slave owners to join it (Glickman 2009, 78). They did so by opening over 50 free produce stores in nine different states, from roughly 1820 to 1867, that only sold products produced by free labor (Glickman 2009, 69). In addition to boycotting efforts of slave produced goods, free produce advocates attempted to organize consumers from the productive side of market relations by creating an ethical market

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<sup>20</sup> It is instructive, in this sense, that the nonimportation and nonconsumption campaigns were articulated by the educated business class, for these actors were much more likely to possess an understanding of markets and the relationship between producers and consumers than the average colonist.

for goods free from slave labor. Claiming to stand on the shoulders of the American revolutionaries and borrowing from the Quaker inspired consumer tactics utilized in the British sugar boycotts of the 1790's, free produce advocates took their consumer activism a step further than the revolutionaries and advocated the first American consumer boycott (Glickman 2009, 69).

As Glickman's history of the free produce movement discovered, a distinctly Smithian understanding of consumer sovereignty drove some abolitionists to address the problem of slavery through consumer behavior. Unlike the articulations of collective consumer sovereignty disseminated by the revolutionary actors - which lacked a modern conception of the consumer and seemed to be generated by these actors experiential understanding of the relation of dependence between production and consumption - free produce advocates transformed their understanding of consumption and consistently demonstrated an indebtedness to Smith in their descriptions of the logic behind the free produce movement. Consumption, in this regard, was tied to the act of purchasing (rather than use) and was reliably described as *primary* in market relations. As it concerned the latter, it was only from the need to consume that the need to produce followed. Or, as one free produce advocate put it, consumption was "the original cause, the first mover" of all economic activity (Glickman 2009, 67). Of course, this realization had different implications for each. For Smith, the primacy of consumption simply illustrated how the hidden *individual* hands of the marketplace best allocated societies' resources. Consumer demand, in this picture, was always an aggregation of freely choosing, non-conspiring individuals acting in their self-interest. For the free produce advocates, on the other hand, the discovery of consumer demand as the initiator of economic activity meant that consumer power could be directed and manipulated to a desired effect. Whether it was an aggregation of a

million individual consumer choices or a concerted consumer campaign, consumer demand in sufficient force would direct the behavior of producers either way.

Such thinking, when applied to the problem of slavery, had significant implications. First and foremost, it meant that abolitionists possessed power over slave owners in their capacities as consumers; for it was consumer demand that causally controlled and directed the moral conduct, whether implicit and explicit, of productive behavior. This consumer agency was not as vociferously and explicitly expressed as present day ethical consumers with the terms like “spending power” or “consumer power.” Still, free producers made clear that the most effective route to change the conscience of slave owners was through the “medium of the pocket” (Glickman 2009, 65). Free produce advocates understood slave owners to be motivated like any other production based economic actor, by self-interest and primarily for profits. Hence, they reasoned that if demand for free labor goods was powerful enough, slave owners would be compelled by the pursuit of profit to change their productive practices and free their labor (Glickman 2009, 74).<sup>21</sup> According to free produce advocates, cultural biases and noneconomic interests, i.e., slave culture, would not inhibit slave owners from responding to overwhelming market-demand for goods produced by free labor.<sup>22</sup> The market mechanism, they posited, would prove to be too compelling. It was for this reason that free producers actively affirmed the free market as an institution capable, and in this case best suited, to liberating the slave. And, consumers, as the initiators of economic activity, were the agents responsible for its success or failure. For if a considerable market-demand for free labor goods existed, free producers

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<sup>21</sup> Glickman notes that free produce thinkers believed that a truly free market would not allow slave labor due to slave labor being prohibitively expensive and less efficient than free labor. Hence, free labor products would result in more favorable returns for their producers not just due to consumer distaste for slave produced goods, but because such goods would be cheaper to buy.

<sup>22</sup> Interestingly, free-producers treated consumers exactly in the opposite way.

posited, “free enterprise would rush to the task of meeting their wants,” presumably with greater coercion, quickness, and efficiency than governments would (Glickman 2009, 78). Such was the power of the market mechanism and collective consumer sovereignty.

The second, and perhaps more important, implication arising from the free produce advocates realization of consumer agency was their corresponding recognition of consumer *responsibility*. Consumers not only possessed power to act collectively to control and direct the moral conduct of producers who utilize slave labor, but they also had a *responsibility* to do so when productive behavior breached the immoral. While such a sense of ethical obligation was present in the discourse of the revolutionaries, it became explicitly moral rather than patriotic in free produce discourse. This sense of responsibility derived from the culpability of the consumer inherent in the causal logic of consumer sovereignty. Productive behavior, in this sense, can only breach the immoral when consumption and its agents license it to do so. Consumers, as the “first movers” or initiators of economic activity, are the primary ethically culpable market agents; for it is they who actually direct and perpetuate the use of slave labor through continued consumption of slave produced goods. In some cases, as Glickman chronicled, free produce activists assigned this culpability quite literally to the consumer. As one free produce advocate put it, “demand is the main prop and stay of slavery,” “the slaveholder is comparatively innocent” (Glickman 2009, 76). Producers, i.e., slave owners, in this picture, bore little responsibility for slavery (Glickman 2009, 75). It was consumers who were directly responsible for slavery, for they were guilty of purchases that signaled to slave owners that slave labor was an acceptable method of production. Hence, the creation of free produce stores aimed to accomplish the dual goals of facilitating responsible consumption while also signaling to market actors the demand for goods produced with free labor.

Though the free produce movement has a number of obvious differences from the ethical consumer movement, it is difficult to ignore the similarities between the two. Consider the following description of the free produce movement and how aptly it also describes the ethical consumer: the free produce movement actively engaged in a collective consumer sovereignty discourse, advocating and implementing corresponding boycott and buycott practices, and added a new corresponding discourse about the responsibility of the consumer in the perpetuation of unjust productive practices i.e., slave labor. At first glance here, all the elements of my postulate above regarding the discursive conditions of the ethical consumer's emergence appear in this example of the free produce movement, namely that ethical responsibilities were assigned to market actors and consumers articulated and utilized the tactics of collective consumer sovereignty in order to compel "socially irresponsible" market actors to better behavior. Moreover, unlike the American revolutionaries, the free produce movement utilized a modern understanding of the consumer and consumer agency, and displayed a strong indebtedness to liberal economic thought. This discursive similarity with the ethical consumer movement and its appearance in an early 19<sup>th</sup> century movement instantly calls into question my claim about the uniqueness and significance of the ethical consumer's emergence as a late 20<sup>th</sup> century historical actor. It suggests that Glickman may be right to assert that ethical consumers, like other post-free produce consumer movements, are not significantly different from the consumer activists that preceded them.<sup>23</sup> It indicates that the appearance of the ethical consumer represents nothing meaningfully new and is simply the latest iteration of a 150-year old tradition of consumer activism, albeit one that consistently forgets about its forbearers. More importantly,

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<sup>23</sup> Again, Glickman never directly engages with the ethical consumer. He does, however, argue on multiple occasions that contemporary consumer activism is not significantly different from the free produce movement or National Consumers League.

it suggests that the ethical consumer is a considerably older subject, one that is not significantly related to the emergence and growth of neoliberal governmentality in the late 20<sup>th</sup> century. The free produce example, among others, points to an *evolutional* historical arrival of the ethical consumer rather than, as I have claimed, a rupture in the historical record consistent with the birth of a new subject of a new governmentality. So, just how can we reconcile this competing interpretation?

The answer to this problem, I contend, is revealed when one looks for historical rupture not only in the adoption or appropriation of new discourses (and practices) but also in the transformation of meaning in existing discourses. The birth of the ethical consumer did not commence with new language or even significantly altered language (or practices) from previous consumer movements. Like their forbearers, or other social movements for that matter, ethical consumers largely drew on the language and practices already in circulation with one significant exception. A new discourse of responsibility, commonly referred to as *social* responsibility, had unknowingly supplanted, but not replaced, the more individualistic and moral sense of responsibility utilized by the free produce movement and the National Consumers League (NCL). By the late 1970s and 1980s, this discourse of social responsibility had fundamentally transformed consumers', and to a significant extent businesses', understanding of marketplace responsibility. The former sense of responsibility, which made the consumer the market agent most culpable for productive malfeasances, was not forgotten so much as it was usurped by a more compelling and salient sense of *social* responsibility. In this new discourse, the former sense of responsibility was turned on its head. Social responsibility articulated business as the agent most culpable for unethical productive behavior. Consumers were no longer the market agent most responsible for the conditions of production or product safety. This was largely



because the strict logic of consumer sovereignty seen in the free produce movement, which made consumers the generator of economic activity and thus those most responsible for marketplace injustices, was relaxed. In turn, consumer sovereignty was now used primarily to indicate consumer agency and power, calling on consumers to *govern* the behavior of irresponsible companies. Hence, discursive emphasis was no longer placed on the immoral behavior of the consumer. The change, though subtle, went from consumer responsibility to corporate responsibility with the purpose now being, “to alert consumers and investors to problems with companies that they may shop with or invest in, and encourage individuals to use their economic clout to demand greater corporate responsibility” (“Responsible Shopper”). As seen here, the demand for responsibility is placed upon business and consumers are the mechanism in which governance - enforcement of *social* responsibilities - is delivered. Though the observed behavior from the consumer may be the same as it was before, the governing rationality, or truth regime in which such actions have meaning for market actors, has been significantly altered. To understand just what that governing rationality is and how it came to supplant the former sense of consumer responsibility, we need to look further into the development of this discourse and how it facilitated a shift from consumer morality to consumer market governance.

### **The Discourse of Social Responsibility**

Stretching much further than the 1960’s, the notion of responsibility has consistently played an important role in debates concerning the functioning of a liberal market economy and the obligations of individuals and businesses within it. As evidenced with 18<sup>th</sup> and 19<sup>th</sup> century British discussions and criticisms of the Speenhamland Acts and the Poor Laws, the emphasis in liberal discourse has generally been laid upon *individual* or personal responsibility. T.R.

Malthus, an ardent critic of the Poor Laws, which supplemented the poor's income according to rises in the price of bread, contended that the state's intervention into the market ultimately promoted irresponsible individual (economic) behavior amongst the poor, damaging the "natural" balances of a market economy and failing as the state British social policy (Block and Somers 2003). The hard liberal line on *social* responsibility, at least if it was pursued by the state, was clear enough: society's well-being is impeded when social/economic risks are regulated by the state and advanced when *individuals* are responsible for insuring their own preservation; only when the later is fulfilled can the "natural" mechanisms of the market function as they should for the (economic) good of society. Malthus' critique is rather unsurprising considering the dogmatic fashion in which the individual forms the foundation of naturalistic liberal thought concerning a market economy. His argument expressed a general disposition among liberals, one that continued well into the 20<sup>th</sup> century, that when states attempt to determine the social responsibilities of economic actors rather than let individuals assume and determine their own responsibilities, the market is better off and the economic freedom of individuals to determine their own interests is conserved.

Interestingly, liberals held this view not just for states, but also for any sort of collectivity that engaged in economic activity. This meant that corporate leaders, at least for neoliberals, were also harangued for assuming any social responsibilities upon the corporation that may hurt shareholder profits. In fact, anything more than adhering to profit maximization and pursuing economic interests was downright socialist, as only individuals were to determine their responsibilities. This was how Milton Friedman expressed it in his infamous 1970 New York Times Magazine article. In the popular essay, Friedman viciously attacked the intellectual notion of corporate social responsibility (CSR) and the rhetoric of corporations that affirmed

CSR on the ground such discourse conflated economic and political spheres and decreased the freedom of economic actors (Friedman 1970). In pursuing social responsibilities, *or what he deemed as anything beyond maximizing profits*, Friedman argued that corporations were assuming *political* functions by not allowing market mechanisms “to determine the allocation of scarce re-sources to alternative uses.” Thus, any sort of corporate decision that did not take the pursuit of profit as its ultimate reason for operation was socialist in essence, as the allocation of its resources would not be the result of voluntary market decisions of market actors but rather the result of decisions of an unrepresentative political entity. For Friedman, decisions to pursue social responsibilities by business inevitably would hurt company stakeholders (like consumers, workers, stockholders, etc.) and thus meant that these individuals’ freedom as homo economicus was *involuntarily* abridged.<sup>24</sup>

While Friedman’s article is rife with difficulties, most notably his insistence that the economic and political spheres *should* be kept separate, his thoughts demonstrate a continuity with liberal economic thinkers while developing new insights concerning the role of business in bearing and determining social responsibilities.<sup>25</sup> Before Friedman’s critique and entrance into the CSR debates in the 60s and 70s, the notion of “social responsibility” remained little discussed in both popular and academic environments. Liberal discourse, from 19<sup>th</sup> century Malthus to 20<sup>th</sup>

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<sup>24</sup> According to Friedman (1970), company stakeholders would be hurt by more expensive products, less jobs, lower wages, and less profits. Thus, the freedom of homo economicus to purchase cheap goods, make money on investments, and have a job was involuntarily infringed upon in the sense that their market opportunities were altered by a *political* decision (and not market decisions) of the unrepresentative and unaccountable kind.

<sup>25</sup> Notice that here I place an emphasis on “should”. Friedman, while not entirely clear in this respect, seems to hint that if the economic and political realms are to be separate, it can only be the result of upholding a political principle to do so. This is why he claims that the market has a political principle the underlines it. As long as it is upheld, that is, the political principle of unanimity, the market can remain free. Of course, for Friedman this means free of politics, something that is only possible when a political principle enforces it.

century Friedman, had been significantly focused on the individualistic variant of liberal responsibility. When criticisms of this liberal form of responsibility were made – mostly, and often indirectly, by Marx and his followers - they invariably appealed to the *state* as the medium to address social concerns and risks amongst its citizenry. This line of state-centric discourse on social responsibility would go on to have many influences, but the ethical consumer was not meaningfully one of them. Rather, the ethical consumer appropriated a discourse of social responsibility that was primarily market centric in its concerns. Yet, this market centric focus was also not of the variety advocated by the likes of Milton Friedman and other hard line neoliberals. This was a discourse of social responsibility that attempted, in some sense, to split the difference; that is, it would embrace the market and its actors as catalysts for change. It was not until 1916 and the publication of “The Changing Basis of Economic Responsibility” by John Maurice Clark, an American economist, that we saw the first introduction of a discourse that promoted the idea that the market and its actors can be the means of governing social problems and shaping social change (Clark 1916).

In the article, Clark criticized the liberal tenet of individual responsibility that dominated both the mentality of American business and the field of academic economics. As an alternative, he advocated the importance of an ethic of *economic* responsibility amongst economic actors as a pragmatic middle ground approach to preserving our integrity as responsible individual agents while meeting our social obligations. Of course, the hard sell here was in convincing his colleagues that economic actors had social obligations beyond utility maximization. To do this, Clark argued that developments in the social sciences had fundamentally challenged *liberalism's* thesis that one only need be responsible for their own given socio-economic situation and interests. Social statistics had made this position untenable by showing indisputable evidence of

the effects that one's social/economic environment have on that individual's future. For Clark, it was not as simple as pulling up one's bootstraps and making responsible decisions. This social "determinism" for Clark needed to be accounted for by economic outlooks. Precisely because liberal economics failed to acknowledge this, due to its theoretical insistence of "separating business sharply off from the rest of life," the field actually advocated an "economics of irresponsibility." As such, liberalism justified absolving itself and its protagonists from recognizing their social responsibilities as market actors.

When one incorporated this quasi-determinism into their economic worldview, however, Clark contended that it had tremendous consequences for how one should view the social responsibilities of business and market actors in general. For now it was the practices of homo economicus that were complicit in determining some to lives of misery and destitution. In other words, acknowledging determinism and understanding the social causes of social ills meant that actors of all sorts must accept responsibility for remedying the social problems that they in part engendered. For business to ignore this fact in favor of outdated naturalistic theories concerning the proper functioning of a free and competitive market economy was, for Clark, simply ignorant. Clark argued that business needed "responsibility as a force", *one embedded within the business mentality*, that would result in market actors *voluntarily* embracing cooperative responsibilities before the state regulated such relations.

This idea of "responsibility as a force" intended to change the way market actors rationalized and conceived their market activity in order to change their market conduct. In this manner, it simply would not be sufficient for businesses, stockholders, workers, and consumers to think only of themselves and their respective responsibilities, in the sense of individualistic utility maximization, if they wanted to maintain their economic freedoms. Such a governing

mentality would only compound social problems and create a greater urge for the state to step in and regulate. What was needed, and was thus implied by Clark in the notion of “responsibility as a force”, was a government-of-self that would be distinctly oriented toward the social rather than the individual. Thus, much like Rousseau’s citizen who cannot make decisions for himself without thinking and acting on the behalf of the general will, Clark’s economic actor would not transact without thinking of the social externalities involved in those market transactions. Clark hoped that such a mentality would govern the decisions of economic actors so that one’s personal responsibilities would eventually become indistinguishable from their social responsibilities.

Ultimately, Clark’s work provided the incipient movement of a discourse on social responsibility that was particularly oriented toward the market and its actors, as opposed to the state and the citizen, as an additional site and means for shaping desired social norms and values. Clark’s main influence, however, would *not* prove to be consumers or consumer movements of the time period, but rather business. It was business to the extent that businesses increasingly adopted positions on corporate social responsibility, a discourse that owed its conceptual impetus to Clark.<sup>26</sup> After Clark penned his thoughts on the social responsibilities of economic actors in 1916, work focusing on this line of thought was not continued in any significant capacity until the 1930s and 40s (Carroll 1999). And, even during this period of time, it was barely on the register of academic concern, let alone a concern for actual business managers or consumers (Carroll 1999). This all changed in 1953 after the publication of Howard Rothman Bowen’s influential work, entitled “The Social Responsibilities of the Businessman.” Similarly to Clark, Bowen argued that the businessman [sic], as a source of significant power, had responsibilities

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<sup>26</sup> Not much attention has been given in CSR literature to J.M. Clark and his connection to their discourse, outside of a few scant footnotes and anecdotes.

beyond simple maximization of profit (Carroll 1999, 269-270). For Bowen, it was the businessman's obligation "to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Cited from Carroll 1999, 270). As evinced here in his definition, Bowen's work on social responsibility clearly continued the line of thinking started by Clark in emphasizing the potential for governance by market actors, or as to paraphrase Bowen above, to pursue desirable objectives and values of our society. It was this conceptual idea within the notion of the social responsibilities of business - or as it would come to be known by later, corporate social responsibility - that remained constant in the development of this school of thought throughout the 1960's and onward (Carroll 1999, 270). Though there existed (and still does) little agreement about what exactly it meant to pursue social responsibilities and what those responsibilities were, among adherents to the philosophy there was a definite belief that market actors should have a distinct role in shaping society (Garriga and Mele 2004).

The saliency of CSR discourse increased exponentially in the 1960's and 70's. Prompted by concerns over mounting social and political unrest in the public - specifically over issues concerning civil rights, women's rights, environmental degradation, and the Vietnam War - the popularity of CSR discourse increased, as both scholars and corporate managers gave the topic more attention. While many corporate managers upheld Friedman's belief in the absurdity of responsibilities beyond profits, others increasingly felt pressure to listen to social responsibility advocates and to adapt to social pressures, especially as they became targets of protests and mass media attention, a result of being implicated in engendering social ills like pollution, racial and sexual discrimination, and war profiteering, among others. It was out of a great concern for losing profits and a genuine concern, at least for some, of the social situation that business

leaders began to seriously address CSR discourse and issues.

Business managers, and CSR discourse in late 60s and 70s, were quick to point out that making profits and meeting one's social responsibilities were not incompatible endeavors, especially from a long-term perspective (Carroll 1999, 274; Garriga and Mele 2004, 53-54; Friedman 1970).<sup>27</sup> Corporations could successfully pursue both. This was, in fact, the strategy pursued in the production of the "socially conscious" and "socially responsible" consumer, a close sibling to the ethical consumer (Antil 1984).<sup>28</sup> Beginning in 1972, with the publication of "The Socially Conscious Consumer" by Anderson and Cunningham, and continuing through the 80's with investigations of the "socially responsible consumer", market researchers started identifying and attempting to segment those portions of the socially active public that would be amenable to "socially responsible" products, services, and brands. Essentially, market researchers suggested that social activists represented a new untapped market, and that this market merely needed to be delimited so that it could be accessed.<sup>29</sup> By determining the characteristics of the socially conscious consumer, by disaggregating them demographically and discovering their preferences and inclinations, these consumers could be presented with new consumer choices and information about the social values being pursued by corporations (Anderson and Cunningham 1972; Booker 1976). The issue for marketers here, in contrast to the corporations, was not so much social responsibility as it was market segmentation. It is worth quoting Anderson and Cunningham (1972, 23-24) in length on this point. They wrote,

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<sup>27</sup> Note Friedman argued that when profits and social responsibilities align, then it cannot really be said that corporations are pursuing social responsibilities because they are merely doing so to accumulate profits.

<sup>28</sup> Market researchers used these names almost interchangeably in the 70s and 80s.

<sup>29</sup> It should be telling that the primary concern of marketers in their research on the socially conscious consumer was whether this consumer was willing to pay a premium for these new goods.



*“A central question confronting corporate management today concerns the viability of social activism as a short-run marketing strategy. Some continue to see the requirements of profitability and of social action as irreconcilable. Social activism, in their view, does not yield a high rate of return in any conventional economic sense, or falls more properly within the domain of governmental or regulatory responsibility. Others, however, argue that with further amplification in the demands for social and environmental responsibility the cost to the firm of ignoring social and environmental context in which it operates may not be profit, the cost may well be survival.”*

*“Thus, the issue has shifted from one of corporate social responsibility to a more conventional market segmentation problem: Which consumers constitute the market for products, services, or other corporate actions that promote social and/or environmental well-being?”*

Only with an understanding of the socially active market via consumer research, which, as Anderson and Cunningham pointed out, is a rather traditional tool used for economic success, could corporations actually meet, or be perceived as meeting, their social responsibilities by fulfilling demands for more socially and environmentally responsible goods and services. This is how the “socially responsible” and “socially conscious” consumers emerged, the product of marketers and corporations attempting reconcile *demands* for social responsibility and profits.

The production of the socially “conscious” and “responsible” consumer was not, however, one that was merely created out of thin air. An important condition needed to be in place for the actions of the marketers and corporations to have effect. Namely, there needed to be a well-developed activist consumer culture in which groups and individuals identified themselves as consumers, without which such socially responsible marketing would not be possible.

Obviously, as most already know, this was not much of a problem by the 1970s.<sup>30</sup> In fact, as Trentmann (2006, 31) and others have showed, the modern consumer emerged as early as the mid to late 1800s in both the U.S. and the U.K (Gabriel and Lang 2006, 156-157). From the early development of these consumers in the 1800s throughout the spawning of different sorts of

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<sup>30</sup> Hannah Arendt, the subject of a subsequent chapter, wrote about the shift to a consumer society as early as 1958 in *The Human Condition*.

consumer groups until the 1970s, consumer movements and groups during this period generally shared an orientation that conceived of the state as the appropriate medium to pursue their concerns (Gabriel and Lang 2006). This was particularly true of consumer groups that were concerned with product safety protections and regulations. American consumer groups like Consumers Research Inc., Consumers Union, Ralph Nader's groups (the Center for the Study of Responsive Law and the Project for Corporate Responsibility), and the post-1920s National Consumer League, all sought and achieved consumer protections from the state with concerted lobbying efforts (Gabriel and Lang 2006, 152-171).<sup>31</sup> Though there are certainly important caveats to be added, particularly with the early activities of the National Consumer League from the 1890s to 1920s, consumer activism displayed a rationality that was distinctly state-centric.

Thus, by the time of the 1970s and the production of the socially responsible consumer, the necessity of the consumer's existence was more than fulfilled by a robust consumer culture, albeit one that was primarily state-centric. In other words, the consumer was there to be acted upon by business. But this indispensable condition, the existence of the consumer, was not sufficient in order for business to act. That is, not only was a consumer required for marketers and corporations to act upon it, but also a *need* was required for them to pursue marketing strategies on a consumer in the first place. In other words, it is not as if corporations and marketers solicited consumers with socially responsible products, services, and brand images because the consumers simply existed and business wanted to create a new niche market. Rather, what is vitally important here and central to understanding the birth of the socially

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<sup>31</sup> This seems to ring truer of consumers emanating from the "Nader" movement and their incessant emphasis on consumers becoming more involved in their democracy as citizens than it does of groups like Consumers Research Inc. and the Consumers Union. These latter groups were more focused on providing independent information regarding the quality and safety of products to consumers.

conscious consumer, and thus the ethical consumer, is that consumers were applying social pressure upon business, in this case in the 60s and 70s, before corporations and marketers decided to act. The social and competitive pressures brought by consumers upon business precipitated the actions of business to act upon the inclinations of the yet to be named socially conscious/responsible consumer. Business, in this sense, was *reacting* to consumer behavior. Marketers and consumer researchers certainly recognized this in their attempts to determine the *characteristics* of this new consumer. For instance, in 1975 Frederick Webster Jr.'s definition of the socially conscious consumer as, "a consumer who takes into account the public consequences of his or her private consumption or *who attempts to use his or her purchasing power to bring about social change*," certainly held the assumption that the market needed to respond to the behavior of a consumer that was already having an effect on the market (Webster 1975). The very fact that marketers like Webster were seeking to delimit and segment this small market population basically makes this, the prior existence of consumer pressure upon business, an undisputed point. Of course, this does not mean that business was absent in the *production* of this consumer identity, for they certainly were not. Business, in the very process of accessing and utilizing the socially conscious/responsible consumer for their own gain, contributed mightily to mainstreaming this consumer, their concerns, and their practices (means of addressing these concerns) in the eyes of the public. Essentially, through creating a socially active consumer market, business reinforced both the nascent identity of socially conscious/responsible consumers and a growing mentality amongst consumers and activists that saw business rather than the state as the appropriate location to enact pressure.

The birth of the ethical consumer commenced in the recognition by socially conscious/responsible consumers that corporations needed to adapt to and assuage their

concerns, no matter what those concerns were, in order to stay in front and on top of competitive pressures. This recognition of competition as the regulative principle of a potential market governance was certainly not new. W.E.B. Dubois, as early as the 1930s, had proposed establishing a black consumer market in order to force major businesses to recognize the cultural/market power and rights of African Americans. And, even earlier than this, around the turn of the 20<sup>th</sup> century, the National Consumer League (NCL), a consumer group of upper-class women that advocated for the working conditions of children and women, led a vigorous market governance campaign from the 1900s through the 1920s. Though their primary concern and efforts were concentrated on a regulatory agenda at both the state and federal levels of government, the group and its influential leader Florence Kelly recognized that consumers could force the corporate hand by attempting to affect their bottom line. Thus, she instituted the “White Label” campaign, a boycott/buycotting initiative that targeted NCL members and other like-minded consumers (generally women) in order to push them to purchase their undergarments from NCL pre-approved companies. Like ethical consumers, their goal was to have some sort of *governing* affect and control over the corporate norms of the production process itself. In the 1970s, following business’s attempts to become more socially responsible by creating a socially conscious consumer market, consumers were reawakened to this infrequently used potential to strategically manipulate competitive pressures on business. It was this recognition of market agency by consumers – the fact that business would have to adapt and react to consumer concerns as long as consumers could successfully influence competitive pressure points – that contributed to the other half of the interplay between business and consumers in the incipient moments of the socially conscious consumer’s birth.

Though the incipient moments of the ethical consumer’s emergence began with the

production of the socially conscious consumer in the 1970s - in the context of business and consumers grappling over the proper distribution of the social responsibilities of market actors - the actual coining of the ethical consumer did not occur until the late 1980s. During this period of time, the socially conscious/responsible consumer movement faded somewhat in public importance as issues like civil rights, women's rights, and the Vietnam War lost their saliency. The discourse of social responsibility, on the other hand, had spread to new protagonists in the marketplace. For the birth of the ethical consumer, the most important of these new protagonists of social responsibility was the socially responsible investment movement. Interestingly, the idea of socially responsible or *ethical* investment did not appear in any significant form until the 1970s. The timing of this is unsurprisingly attributed to the same period of social upheaval responsible for the activation of the socially conscious consumer (Hill et al. 2007, 167). While it is not exactly clear which moniker came first, the first real glimpse at the notion of the *ethical* investor occurred in 1972, in a book appropriately titled *The Ethical Investor*. Authored by a group of Yale University professors, the book chronicled ideas that emerged from special collaborative meetings and student-involved seminars investigating the role of universities and other institutions receiving endowments from corporations whose practices had deleterious social and environmental effects (Simon and Powers 1972, vii). Simon and Powers introduced the book about *ethical* investing by quickly situating it within the discourse of *social responsibility*. They wrote (1972, 1),

*"Schools of higher learning recently have been urged to manage their endowments so as to respond, in some fashion, to the fact that they own stock in companies which pollute or strip-mine, operate in South Africa, fail to hire or house blacks, make DDT, napalm, and unsafe cars – or take other action believed to impair the human condition... From whatever direction they come, these requests seek a measure of "social responsibility in university investments."*

As evidenced here, the discourse of social responsibility had spread to many different types of market actors by the 1970s. The investor proved to be an important one for the development of the ethical consumer identity.

The importance of socially responsible/ethical investing was due to the way in which such investment strategies were so clearly linked with the purpose of market governance and the effort to force business toward more ethical conduct. For Simon and Powers, this meant considering all tools available to investors that could result in more ethical markets. Thus, the authors argued that in order to be truly *responsible*, investors needed to move beyond simple strategies of investment avoidance. The idea of avoiding, or boycotting, ethically dubious companies by withholding one's potential investment from that company was a strategy that had been employed for quite some time, especially by various religious groups in the U.S. and Western Europe (Sparkes and Cowton 2004). As an alternative to a strategy that only used avoidance, Simon and Powers (1972) reasoned that strategic investments in socially responsible companies could result in positive competitive pressures forcing other companies to adopt higher standards of CSR. In other words, a strategic investment philosophy in concert with other strategic investors of like mind had the potential to govern and shape the behavior of corporate actors toward more ethical ends. Again, what was recognized here, but by investors rather than consumers, was the potential to influence business's pursuit of socially responsible principles by applying pressure onto the joints of competition.

It was here, in the realm of investment, where the idea and practice of market governance was solidified and displayed lucidly for anyone to see. Throughout the 1980s, ethical and socially responsible investment gained in popularity, especially with the media attention associated with calls for divestment in countries like South Africa. In the U.K., the success of

ethical investment was largely facilitated by information provided by the *Ethical* Investment Research and Information Services, a non-profit ethical investment organization established in 1983. The EIRIS, among other ethical investment firms, extensively researched the practices of businesses and provided information to investors and *others* interested in knowing what kind of social and environmental practices these companies engaged in. One of these “others,” was a group of concerned consumers. This group surmised that this same information would be beneficial for any type of consumer let alone an investor. Thus, they wanted to make an ethical consumer guide to assist consumers in making consumption choices that would promote socially and environmentally responsible corporate practices while punishing destructive ones.<sup>32</sup> This group was none other than the founders of the *Ethical Consumer Research Association*, the same group that coined the notion of the “ethical consumer” in the first publication of *Ethical Consumer Magazine* in 1989 (Irving, Harrison, and Rayner 2002).

### **Green, Fair Trade, and The Rise of the Ethical Consumer Movement**

Though the publication of *Ethical Consumer Magazine* marked the official birth of the ethical consumer in discourse, its emergence and articulation to mainstream consumers was not a sure thing. In fact, it was entirely possible that the ethical consumer would go the way the socially conscious consumer did in the 1970s and fade in public salience in the years following its birth. But, by the late 80s and early 90s, something in the conditions of possibility had changed so that development of a consumer movement predicated on a discourse of social responsibility was more favorable. For this time around, the ethical/socially responsible

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<sup>32</sup> Ethicalconsumer.org explicitly uses this language to describe their intentions. Notice how closely this language borrows from that used in ethical investment to describe both the negative strategy of avoidance and the positive strategy of buying/investing in responsible companies.

consumer *movement* gained a small yet steady following after its second birth and then experienced a relative boom in popularity at the turn of 21<sup>st</sup> century. The growth of the *ethical consumer*, as an identifier for the movement, was most significant in the U.K, mostly due to the articulatory efforts of the ECRA and those actors they partnered with in consumption campaigns and research. In the U.S., the *movement* identified more clearly with the socially conscious and socially responsible identifiers, revitalizing notions that had been rather dormant throughout the 1980s. Though it's unclear why the "ethical" consumer moniker never really caught on in the U.S., what is clear is that the *movement's* discourse of social responsibility and consumptive practices did find receptive participants. A significant reason for this growth in public recognition and popularity, in both the U.S. and U.K., was due to the ways in which ethical consumers were able to join forces with other movements. The most important of these other movements were the "Green" consumption movement and the "Fair Trade" movement. These movements, though not responsible for the mysterious change in the conditions of possibility, were instrumental in bringing ethical consumer discourse and practice to the forefront of public consciousness in the 1990s and 2000s.<sup>33</sup> This is true to the extent that these movements are often confused in popular discourse as being one in the same with ethical consumption. Though I argue here that this is not the case, it is important to see how these distinct movements have also contributed to the rise and proliferation of the ethical consumer.

Of the two, the Fair Trade movement is most distinct from the ethical consumer movement. Though it was not named as such or popularized until the 1990's, it has a history stretching back as far as WWII when charities in Western Europe, most notably Oxfam, began

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<sup>33</sup> It was around this time that market researchers, mostly in the UK, began to assign a consistent name to a proliferating group of well-connected consumers that exhibited deep concern with the social and environmental practices of business. For further reading, see Newholm and Shaw (2007).



importing handicrafts from Eastern Europe to assist their economic recovery (Nicholls and Opal 2005, 12, 19-20). It was in these activities that the concept of “alternative” or “fair” trading emerged. The concept was that of connecting disadvantaged producers and their goods to consumers in the Western marketplace, typically in exchange for a pledge from those producers to meet certain standards of production, like paying their workers a living wage, ensuring eco-friendly production practices, and investing a certain amount of profits back into their local communities (Littrell and Dickson 1999, 16-17). What remained constant in this movement’s mainstream expansion and institutionalization in the 1990s and 2000s, with organizations like the Fair Trade Federation and Fairtrade Labeling Organizations International, was a commitment to the economic development of structurally poor producers and communities around the globe. As Opal and Nicholls (2005, 6) argue, “the aim behind Fair Trade is to offer the most disadvantaged producers the opportunity to move out of extreme poverty through creating market access (typically to Northern consumers) under beneficial rather than exploitative terms.” They go on to say, “A firm focus on the producer, rather than the consumer, has been central to Fair Trade – contracts aim to maximize returns to suppliers rather than buyer margins, within an agreed developmental structure.” It is this focus on the *targeted development* of disadvantaged *producers* that upends the practice of maximizing returns to the institutional buyer, which primarily distinguishes the orientation of Fair Trade from that of the ethical/socially responsible consumer movement (Nicholls and Opal 2005, 6). Fair Trade discourse and practice, in this sense, seeks to provide an alternative market logic that can aid in the development structurally poor communities while ethical consumer discourse and practice, as we have seen, seeks to govern the behavior of market actors through socially responsible consumption practices. In so

doing, ethical consumers do not so much alter the logic of the market as they do utilize it and shape it in order to redirect normal market practices towards socially responsible ends.

What is critically important to comprehend here, especially for furthering our understanding of the ethical consumer's emergence and rise, is how Fair Trade and ethical consumption have been able to work in concert while reinforcing different yet complementary interests and orientations. For ethical consumers, the Fair Trade movement has been integral to their efforts to govern the marketplace. This is because Fair Trade has improved the ability of ethical consumer practice itself by providing the Western marketplace with various socially responsible products to choose from. Without these certified and labeled Fair Trade products, boycott campaigns and socially responsible lifestyles become infinitely more difficult to practice, as consumers would be resigned to sift through research to determine which companies best uphold socially responsible practices. Though many ethical consumers do this anyway and many websites and guides are dedicated to making this an easier task, many less committed consumers do not bother with these information sources. For these part-time socially responsible consumers, being actively responsible is made much easier when products are labeled and distinguished from the rest of the available goods. Thus, in this way, Fair Trade facilitates much of ethical consumer practice, particularly "positive" ethical consumer practice. And, of course, the opposite is also true. Fair Traders know that there is an ethical consumer market interested in socially responsible products. Accessing this contingent of consumers is what, in turn, facilitates their goals of micro-economic development in poor communities. As we can see then, ethical consumption and Fair Trade have been essential partners in meeting each other's aims. As others have also recognized, it is this symbiotic relationship that is partly responsible for the

successful articulation of ethical consumption discourse and practice in the 1990s and 2000s (Nicholls 2002).

The other significant movement contributing to the emergence and rise of ethical consumption in popular Western discourse and practice is the Green consumption movement. The Green consumption movement, in contrast to Fair Trade, has much more in common with the ethical consumption. This is true to the extent that it is often difficult to distinguish between the two beyond their attachment to different issues. Obviously, the Green consumption movement's focus has been on environmental causes while ethical/socially conscious consumption has been more concerned with issues of human rights and social justice. Still, even this difference is often obscured in popular discourse, as consumer activists extend the scope of the notion "green" beyond the environmental to social domains. Interestingly, in contrast to ethical consumer discourse, Green consumer discourse exploded into the public and academic arenas with relative quickness in the late 1980s. Its emergence overshadowed the ethical consumer's birth, which remained relatively quiet and sequestered in mostly leftist progressive circles until the mid 1990s. The publication of the *Green Consumer Guide* in the U.K. by John Elkington and Julia Hailes in 1988 was a formidable event in the green consumer's emergence. In route to becoming a "No. 1 Best Seller", Elkington and Hailes did not so much announce the birth of a new consumption movement as give an already loosely cobbled together group of environmental protestors an official name and a guide to implement their strategy. As they said (1990, 2), "The real message of the *Guide* is that the Green Consumer is here and is already having a tremendous impact." In some sense this was certainly true. Environmentally motivated consumer protests won a number of important battles as a result of a proliferating number of new members joining environmental organizations like Greenpeace and Friends of the Earth

(Elkington and Hailes 1990, 10). For instance, the 80s saw successful global boycotts of companies like Exxon Oil for the Valdez oil spill, numerous detergent companies for the use of phosphates in their cleaning products, and various aerosol companies responsible for releasing CFC's into the environment and depleting the ozone layer (Peattie and Crane 2005). However, before the late 80s and the publication of the *Guide*, these disparate protests lacked any coherency outside of a common concern for the environment and the occasional use of consumer boycotts. Elkington and Hailes gave this movement coherency by describing it in terms of an explicit consumer strategy and lifestyle that could change the operating environmental norms of business through consumer action. Armed with their informative green buying guide one had the ability, through both lifestyle habits and strategic boycotts and buycotts, to constantly apply *competitive* pressure on companies in the hope of inducing a “greening” of their operations and products.

Elkington and Hailes' book was essentially a guide to *govern* the environmental behavior of market actors through consumption techniques. This was the same fundamental strategy articulated by the ethical/socially responsible consumption movement around the same time. Though these ideas about market governance and social responsibility were being articulated concomitantly, there was much greater public and academic salience for environmental concerns and the power of the “green” brand. Thus, while ethical consumption experienced small but steady growth in the early 1990s, market researchers and the business world were quick to pick up on the green consumer movement. Business magazines like *The Economist* and *Fortune*, as well as academic market researchers, chronicled the green consumer movement and its implications for their economic outlook as early as 1989 (“Green Economics” 1989, 48; “What Green Means” 1989, 159; Vandermerwe and Oliff 1990). As some market researchers put it,

“green has suddenly and dramatically moved beyond the political, regulatory, special group and fringe-niche market domains to become a day-to-day concern and influence on the decisions of growing numbers of ordinary consumers” (Vandermerwe and Oliff 1990, 10). Citing numerous surveys of consumer’s preferences for green products and their willingness to pay more for environmentally sustainable goods, marketers actively solicited the green consumer and began to highlight companies’ green credentials.

It was this early success and recognition of green consumption practices in popular media that was of most benefit to ethical consumers and their efforts to articulate their discourse and practices more widely in the mid 90s and 2000s. For it made it easy to see how green consumption was merely a component of a larger socially responsible lifestyle that includes incorporating extra-environmental concerns into one’s consumptive habits. Fortunately for ethical consumers, this would not prove to be a difficult sale as most green and ethical consumers were of like-mind anyway. It was merely about moving toward a more holistic approach in ethical/socially responsible consumption. Thus, networking and engaging with green organizations on consumption campaigns would prove to be rather seamless for ethical consumers.

At least this was mostly true. There was, and continues to be, an important exception to this rule that needs to be highlighted in order to understand an essential difference between the green consumer movement and the ethical consumer movement. In the green movement there exists a cleavage between those who advocate green consumption and those who believe that the activity of consumption itself is the problem. For the latter, simply consuming in an eco-friendly manner does nothing to alleviate the problem of Western hyper-consumption. For many of these advocates, green consumption, and ethical consumption for that matter, is merely a frilly smoke

screen thought up by public relations firms hired by massive corporations. What is really needed, they argue, is not more intensive scrutiny of which firms to patronize, but a more fundamental reconsideration of the scale and necessity of consumption in general.

It is, in fact, here where we can see how the green *consumer* movement is an outgrowth of the broader green political movement, a movement that distinguishes itself much more clearly from ethical consumption but also contains many cleavages.<sup>34</sup> The main distinction lies in the green movement's stalwart commitment to the formal political process and state regulation. Participation in the *formal political process* has been a pillar of green discourse from their very outset and the movement has been able parlay their concerns for the environment into concrete political programs, parties, and policies (Pilat 1980). The success of the Green Party and lobbying groups like the Sierra Club is evidence of this commitment to the formal political process. With credible political parties and policy-makers listening to their concerns, environmental organizations and their networks have generally subordinated the importance of consumer activity to that of politics and the pursuit of governmental regulation. Thus, for green organizations and green activists, the idea of market governance through green consumption has always only been a less important component of a larger green movement that understood itself as deeply indebted and committed to the traditional state-oriented political process. From the green perspective, the utilization of market forces by the consumer was appropriate as forms of temporary protest to engender small consolations from business; however it was no substitute for sovereign state power in the fight over environmental concerns.

Though ethical consumer discourse would find little to disagree with in the green

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<sup>34</sup> There are many different strands of green thought and practice, some of which aim at culture change like reducing consumerist tendencies, others of which aim at pollution regulation, land use planning, etc.

movements' affirmation of the power of sovereign state-oriented politics, as we saw above, it was the *non*-sovereign cultural politics of norms, values, and conduct change that was characteristic of ethical consumer's emergence and rise to public prominence. This orientation was found in a market politics that used a discourse of social responsibility to articulate their goals and strategies of governance. In the 1990s and 2000s, due in part to favorable conditions of possibility and the ways in which the ethical consumption was able to use the benefits of Fair Trade and growing notoriety of green consumption movements, ethical consumer discourse and practice crept into the mainstream such that it became commonplace to see advertisements by major corporations attempting to activate the ethical, social, and green sensibility of the consumer. In addition to the response from business, ethical consumer platforms had proliferated across the Internet, creating both hubs of valuable consumer information and new opportunities for partnerships with like-minded advocacy groups. Ultimately, after the turn of the century, the discourse of the ethical consumer had cohered around notions of ethicality and social responsibility, such that the terms operated in the same distinct political fashion by orienting consumers toward a market governance of specific social goals and values.

## **Conclusion**

As I have shown here, the emergence of the ethical consumer as a specific consumer identity and distinct discourse did not follow a perfect linear path of development to public prominence. Rather, its emergence as a strategy to *govern* back against powerful corporations and market norms occurred as a historical rupture with previous state-centric consumer rationalities. This rupture occurred out of the interplay between business and consumers regarding their roles as socially responsible actors. Hence, contrary to romanticized narratives

that would depict the rise of the ethical consumer as a fully autonomous one emanating from civil society, the above showed how business, with the help of marketers and a discourse that oriented their thinking, contributed to constructing the ethical consumer's central focus on market governance. This did not mean, however, that the ethical consumer was without agency. As I hoped to demonstrate, this was precisely the important turn in the story of their emergence. Ethical consumers increasingly recognized that they existed in governing relationships with business. These were governing relationships in the sense that Foucault stressed in his reconfigurations of the notion of government, where governing was not simply expressed by relations of domination or repression, but involved the *freedom* of the governed to choose certain conducts and ways of acting and reacting (Foucault 1994, 139). As Nikolas Rose wrote, "To govern humans is not to crush their capacity to act, but to acknowledge it and to utilize it for one's own objectives" (Rose 1999, 4). The birth of the ethical consumer occurred as consumers increasingly recognized this agency and asserted their ability to govern back and act upon business toward definite ends.

It was in this regard that this genealogy showed how ethical consumer practices constitute something very different than the simple application of ethical standards to individual consumption choices. Rather, we saw how ethical consumer activity seeks to manipulate the regulative principle of the market, competition, in order to govern and assert some control over market behavior and norms. As I demonstrated above, this idea works by working through consumers. In other words, it seeks behavioral changes from consumers in order for an aggregate of consumers to act upon and shape the activities of business. To perform these practices, ethical consumers drew upon the discourse from which they emerged and that had proliferated throughout much of the Western marketplace and cultural milieu, the discourse of



social responsibility. This discourse was able to present market governance to consumers in a way that advocated consumption techniques as a means to live up to and live out one's social responsibilities without relying on the state apparatus. Suddenly, the state was not needed in order to attain political gains. As the discourse of social responsibility articulated, political achievements were possible in the marketplace. However, it required employing that classical liberal strategy of self-government, one oriented toward a very specific idea of the social, as a means to *collectively* govern the marketplace. Whether such a mode of government is sustainable or desirable is highly doubtful; nevertheless the rise and proliferation of these activities raises an essential question: what sorts of conditions of governmentality allowed for the possibility of the practices of the ethical consumer to appear as a viable and effective form of governance?

## Chapter Three

### Neoliberal Government and the Ethical Consumer

*“We still call a man’s decision “free,” though by the conditions we have created he is led to what we want him to do, because these conditions do not uniquely determine his actions but merely make it more likely that anyone in his position will do what we approve. We try to “influence” but do not determine what he will do. What we often mean in this connection, as in many others, when we call his action “free,” is simply that we do not know what has determined it, and not that it has not been determined by something.”*

*Friedrich August von Hayek, “The Constitution of Liberty”*

#### Introduction

Over the course of the last thirty years, individuals and groups in Britain and the United States, amongst other countries, have increasingly taken to consumption as a way to influence the determination and distribution of values and valued things. In short, consumption has become a more common mean to *act* and express oneself *politically* (Easton 1953, 1965; Bang 1998, 2003; Micheletti 2003). This claim will not come as a surprise for those that regularly engage in the Western marketplace. The presence of Fair Trade, Green, sustainable, and ethical products, as well as changes in business management toward corporate social responsibility and corporate citizenship policies has certainly signaled a shift towards an active socializing or politicizing of local and global market actors and their activities. Though it is changes in the behavior of business where we see the most vivid evidence of this trend toward a socializing marketplace, mostly through costly advertising campaigns, much of the struggle and impetus for these changes has been borne by the activities of a growing consumer contingent, namely that which goes by name of the socially responsible, socially conscious, and/or ethical consumer.<sup>1</sup> In all their varieties, networks, and partnerships, this loosely cobbled together movement has generally proclaimed that their consumption efforts seek to alter and force business to adopt more socially responsible behaviors and norms of operation. In effect, these consumers have

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<sup>1</sup> Unless otherwise made clear and distinct, from this point forward I use the term ethical consumer to denote both the ethical consumer and the socially responsible/conscious consumer.

positioned themselves to *govern* marketplace behavior toward specific political ends. This ever more prevalent trend toward market governance by “ethical consumers”, particularly those in the U.S. and Britain, provides the focus for the following essay. Below, I sketch out a void left in our understanding of the ethical consumer’s proliferation as an actor and their role in perpetuating this trend toward market governance by suggesting a reexamination of their relationship with neoliberal governmentality.

### **The Emergence of the Ethical Consumer**

Though our premise here is a lack of understanding of the conditions responsible for the ethical consumer’s growth as political market actor, the same cannot be said of our knowledge of its birth. The *microphysical* processes of power that *contributed* to producing the “ethical consumer” – which also goes by the name of “socially conscious” and “socially responsible” consumer – as a historically distinct consumer identity began in the 1970s. It was during this time that the incipient form of the ethical consumer emerged in the United States and Britain, a result of an agonistic interplay between business and social activists struggling to determine the *social responsibilities* of liberal market actors.<sup>2</sup> While the part played by social activists in the ethical consumer’s production was relatively simple and straightforward - they aimed to provoke the business realm with public relations campaigns and company boycotts that sought to bring attention to things like war profiteering, racial and gender employment discrimination, and environmental degradation - the part of business was more existential, as many business leaders were forced to fundamentally rethink the role of corporations in a modern society and what these

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<sup>2</sup> There are, as the last chapter documented, much earlier examples of consumer activism targeting business in the historical record. But, beginning in the 1970s its appearance in public becomes qualitatively different to the extent that marketers begin to react and diagnose the phenomena in consumer research journals.

new “social” consumer pressures meant for the way it conducted its business. Suddenly, for many businesses, the old way of pursuing profits was not sufficient. Drawing on a burgeoning discourse of *social responsibility* or corporate social responsibility (CSR), which advocated that market actors, namely business, take on greater roles in pursuing desired social values through voluntaristic market actions, business turned to market researchers in attempting to meet two seemingly contradictory demands from the public, profits and socially responsible practices. The “socially conscious” and “responsible” consumers were constituted as subjects in the work of these marketers attempting to solve this problematic. They argued that by segmenting and identifying the demographic traits of the socially conscious, business could access them as consumers and offer them socially responsible goods, services, and brand imaging, thus remedying the intractable antagonism between profits and social responsibility by turning them into socially discerning consumers.

The story of the ethical consumer’s emergence as an actor, however, did not end there. If it did one would certainly be tempted to beckon their inner Marxist and chalk up another tale of social protest to the all-encompassing subjectification process of the capitalist system. Tempting as this may be, the story of the ethical consumer’s *full* constitution as an actor actually motions towards Foucault and his illustrations of the “strategic reversibility of power relations” (Gordon 1991, 5; Foucault 1994). For it was business’s attempt to create, act upon, and manage this social group as consumers that provided ethical consumers the initial visibility needed to recognize that they possessed a form of agency in their relationship with producers and retailers. That agency existed in their ability as consumers to manipulate the regulative principle of the market – competition - to force businesses to adopt new policies and business practices. The exercise of this marketplace agency was consolidated further for consumers after witnessing the

successful efforts to divest from the apartheid regime in South Africa by states, but especially by “socially responsible” and “ethical” investment firms. Thus, beginning in the 1980’s and exploding around the turn of the century, ethical consumer groups spread throughout much of the Western world by using the mobilization advantages provided by the “information” and “network” society.<sup>3</sup> Using these technologies and forming partnerships across a wide spectrum of interests, ethical consumers’ articulated the social responsibilities of consumers in governing the marketplace and spread word of consumption strategies, like targeted boycott and buycott campaigns and new types of consumption lifestyles, to be deployed as tactics of marketplace governance.

This picture of the ethical consumer’s birth - as an agonistic struggle between the forces of business and social activists/consumers attempting to determine the roles of market actors in determining and distributing social values and goals - provides a good illustration of the *microphysical* relations of power involved in its production. In other words, we have a clear understanding of the key actors, the stakes involved in their struggle, and how a discourse of social responsibility was used to articulate support for each of their respective positions. Unfortunately, we lack the other half of the equation; that is an understanding of the *macrophysical* relations of power involved in the creation of a field of possibility that allowed space and visibility for the ethical consumer, in their discourse and practice, to appear and grow. With only a genealogy in hand, we are left wondering what conditions allowed for the *possibility* of a consumer mentality to form and prosper that rationalized the marketplace as an appropriate medium and consumption as an efficacious practice to exert control over “irresponsible” or

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<sup>3</sup> Note that here I do not mean to give a false impression of ethical consumerism’s prevalence. It certainly did not crowd out traditional forms of protest directed at the formal political system. However, it was now, at least for some in the U.S. and U.K., a preferred, accessible, and rational method of protest.

“unethical” market behavior. There is surely no essential reason for consumers to orient and mobilize their consumption practices in this specific way. Thus, our task here should be to ascertain how at this given moment consumption took this particular shape rather than another (Ewald 1991, 198). Refined further, we can say that the following essay is concerned with how a segment of the American and British consumer populations increasingly and explicitly attempted to exert some control over the productive practices and operating norms of business through market practices rather than through traditional channels of political communication ordinarily aimed at the state. In short, this paper seeks to describe the relations of power that contributed to the *possibility* of the ethical consumer’s appearance and proliferation as an actor that increasingly utilized consumption as practical mode of political action.<sup>4</sup>

To this end, the following argues that the emergence of the ethical consumer is most beneficially understood in light of a general *political shift* in society to a neoliberal governmentality. By this political shift, I mean to denote a historical process, begun in the late 1970s and continued through the 2000s, whereby the principle of social/political regulation moved from being a concern of citizens who sought redress in the political apparatuses of the state (generally) to the de facto aggregate outcome of consumer behavior in the marketplace (practically). In other words, the shift to a neoliberal governmentality has been one where the regulation of human “conduct” and the *endorsing or privileging of social values* has occurred more frequently in the marketplace by market actors upon other market actors rather than in the *traditional* public sphere by the *state* upon its citizens and citizens upon the state.<sup>5</sup> To

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<sup>4</sup> I emphasize “*possibility*” here and elsewhere to make clear that the ethical consumer’s emergence was a contingent one and in no way necessitated by any essential underlining social or economic logic.

<sup>5</sup> I emphasize *traditional* here to acknowledge that the idea and concept of the public sphere has become more blurred as traditionally private entities have increasingly taken on public functions.

understand this shift, both historically and conceptually, I borrow from the insights provided by Michel Foucault in his lectures “Security, Territory, Population” and “The Birth of Biopolitics”, on governmentality and neoliberalism respectively. I find Foucault’s notion of “government” to be particularly useful here. His understanding of government allows us to view the marketplace as a site – *operating alongside of and sometimes supplanting the state* - where the shaping and directing of human “conduct” and values occurs (Foucault 2007, 2008).

Though Foucault did not explicitly present the notions of government and governmentality as a macrophysics of power, Colin Gordon (1991, 4) has persuasively argued that these concepts were undoubtedly a response to a criticism of Foucault’s early interest in the microphysics of power (in works like *Discipline and Punish*) and the relative indifference this work showed to global politics and the state as macro administrators of power. As Gordon pointed out, the notions of government and governmentality provided an analytic to connect and integrate micro-analyses with macro-investigations. I think Gordon gets this right, as Foucault depicted government as the point where micro and macro power relations meet and interact, or, more specifically, as the meeting point where techniques of domination on others and techniques on the self access and shape one another (Foucault 1993, 203). My analysis of neoliberal governmentality is oriented in this sense and thus aims to give an account of the macro conditions that contributed to a field of possibility or, as Nikolas Rose calls it, a “governable space” where the appearance of ethical consumer discourse and practices could become a reality (Rose 1999, 28-34).<sup>6</sup> In this way, this chapter seeks to add to our genealogical understanding of the ethical consumer’s emergence an investigation of the conditions that made their appearance

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<sup>6</sup> I contend that this field of possibility resides in both immaterial rationalized systems of thought and in corresponding material structures and rules that facilitate the fruition of such ways of thinking and acting.

and proliferation ripe. Hence, where our brief genealogy described the micro processes and struggles involved in the ethical consumer's birth as a market actor, this paper seeks an understanding of contingent structures and systems of thought responsible for eliciting and fostering a space where the ethical consumer's appearance and diffusion in public discourse and practice could play *itself* into the historical record.<sup>7</sup>

### **The Critics and Neoliberal Subjectivity**

Unfortunately, the end result of conducting a neoliberal governmentality analysis of this kind is an interpretative tendency by the reader to reduce the appearance and proliferation of the ethical consumer to a *direct* "subject-effect" of neoliberal governmentality; or in other words, to reduce the production of the ethical consumer to an intended concomitant transformation in the subjectivity of individuals in line with liberal dictates for individual autonomy, free-markets, and limited state government. Somewhat rightly, this depiction of neoliberal governmentality and contemporary and ethical consumerism has been a persistent concern of some recent critical theorists who joined together with others in the Cultures of Consumption research program in the UK (See the contributors to Bevir and Trentmann 2007). In particular, these theorists have sought out the work of governmentality theorist Nikolas Rose, amongst a few others, for his use of neoliberal governmentality to explain the rise and functioning of Western consumerism as a new modality of governing conduct (Trentmann 2006; Bevir and Trentmann 2007; Malpass et al. 2007, 2008).

Rose advanced the argument that individual subjectivities have been transformed and reconfigured in a way that allows for the "government of conduct" without much "government".

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<sup>7</sup> I stress "itself" here to make sure that the agency of ethical consumers is not drowned out by neoliberal governmentality.



This idea of “governance” without government was drawn from the Foucauldian notion that decoupled the concept of government away from its familiar recognition with the domain of state activity and the official organs of sovereignty. Foucault had urged his audience to understand government as a power exercised upon the “conduct of conducts”, a diffuse type of power that strategically attempts to guide, direct, and/or shape modes of behavior and action in order to achieve some desired end (Foucault 1994,138; Rose 1999). Such a power could certainly be taken up by states, but many actors outside the state apparatus were also active agents in governing conduct, particularly when operating according to specific rationalities of thought and practice. Rose’s (1999) analysis runs with this notion in examining advanced liberal governmentality, arguing that structural necessities for “free-markets” lead to transformations in the subjectivity of individuals such that a system of governance was possible where “modern individuals” could govern themselves and others without much help from the state. Consumers take on a significant role here through perpetually looking to the market, rather than the state, to construct and build their lives. The market offers consumers the opportunity to make and remake their identities through pursuing different lifestyles, images, and desires offered up by narratives from marketers and experts of all sorts. This process of consumption, of individuals recognizing one’s “responsibility” to make themselves, becomes indispensable to a system and mentality of governing individual conduct that demands it be done with limited state intervention in the economy.

In their criticism of Rose’s argument and of governmentality in general, Malpass, Barnett, Clarke, and Cloke (from here forward Malpass et al.) question whether the subject-effects “implied or aimed” for by neoliberal governmentality, as a program of rule, “actually comes off in practice” (Malpass et al. 2007, 2008). In other words, they ask if we can really say

that the production of the ethical consumer and contemporary Western consumerism in general was “part of a broad hegemonic agenda of neoliberal restructuring, whereby elites reconfigure formations of subjectivity in line with the structural requirements of de-regulated, liberalized markets?” (Malpass et al. 2007, 234). The authors answered in the negative. The problem as they see it is a tendency in governmentality studies to collapse a distinction between the “governing of action” and the “governing of subjectivity” such that analyses of the latter paint a constitutive picture of shaping conduct in terms of strategically aiming and actually producing strong “interpellative subject-effects” on individuals (Malpass et al. 2007, 234; Malpass et al. 2008, 637). In other words, Malpass et al. take issue with Foucault’s, and those who have taken him up, delineation of government as necessarily involving a process where governing seeks to shape the actions of others by actually *aiming* to reconfigure the way individuals view what is possible and preferred. The governing of action would then work by governing subjectivity so that subjects act on their own volition but in line with the aims of a dominant governing rationality. Foucault (1993, 203) put it this way:

*“He has to take into account the points where the technologies of domination of individuals over one another have recourse to processes by which the individual acts upon himself. And conversely, he has to take into account the points where the techniques of the self are integrated into structures of coercion or domination. The contact point, where the individuals are driven by others is tied to the way they conduct themselves, is what we can call, I think, government. Governing people, in the broad meaning of the word, is not a way to force people to do what the governor wants; it is always a versatile equilibrium, with complementarity and conflicts between techniques which assure coercion and processes through which the self is constructed or modified by himself.”*

As we can see here, Malpass et al. are right in describing Foucauldian governmentality as concerned with the governing of subjectivity in the sense that, for him, the coercive process of governing others is always tied to the way individuals construct or modify themselves. The problem for Malpass et al., as they claim, is that governing does not always *intend* to construct or

produce new types of individuals; it often just attempts to alter their conduct or activities. This means that governing action works much less through transforming individual subjectivities and much more through the “structuring of possibilities”. Governing and acting on the actions of others, according to this argument, works on individuals *indirectly* by channeling them towards specific actions by altering their actual “infrastructures” rather than *directly* through reconfiguring the way individuals perceive reality and themselves. If this is so, they contend, then new governmental activities need not always be described as *reacting*, *resisting*, or *countering* other governing mentalities attempting to articulate and diffuse their own codes, rules, or norms of conduct. They argue that some governmental actions must be birthed from the bottom-up dynamics of everyday social interaction and not out of a response to the dictates of top-down government.

The result, they argue, of following Foucault in this manner has been analyses like Rose’s and others that give too much constitutive importance to neoliberal governmentality’s role in producing a rise in contemporary consumption practices like ethical consumerism. In looking specifically at the ethical consumer, Malpass et al. contend that they can neither be described as the productive reaction to neoliberal governmentality as a program of rule nor can their governance be characterized as working through aiming to transform other consumer’s subjectivity in line with structural requirements for liberalized markets and a commodified culture. In tackling the first claim, Malpass et al. argue that ethical consumerism can hardly be conceived as a product or a reaction to neoliberal governmentality because their discourse and governing practices reveal concerns for “collective” and “social responsibility” while eschewing traditional liberal concerns for cultivating self-interested egoistic actors. They write that, “there is no single, overarching neoliberal model of individualized egoistical choice being projected;

consumer choice is wrapped around with all sorts of collective and inter-subjective responsibilities” (Malpass et al. 2007, 253). Because ethical consumers are addressed in this rather illiberal way, they argue that it is likely ethical consumer’s attempts at governing emerged not as resistance to neoliberal governmentality, but from the dynamics of social interaction itself. Rather than agency being situated reactively to neoliberalism, the ethical consumers’ was an emergent agency that sort of bubbled to the surface of popular discourse and action as mode of governing other consumers. It worked, they argued, by “problematizing” everyday consumption choices in a way that acts on the different moral and ethical sensibilities of consumers by relating those choices to one’s responsibility for the social good. Such a discourse, they claim, hardly articulates liberal principles of government.

Secondly, in taking up the latter issue, Malpass et al. insist that there is no good reason to assume that the shaping of conduct actually works through *aiming* to bring about strong subject-effects on individuals who identify as ethical consumers. Rather, when one examines ethical consumer activity they will find that ethical consumers govern other consumers *indirectly* through “structuring the possibilities” of action and *not directly* by transforming subjectivities. In addition to the mobilizing discourse of social responsibility, Malpass et al. point to governing tactics like ethical consumer surveys as evidence of this indirect governing. These surveys aim to calculate the purchasing power or market share of ethical consumers for *businesses* in the hope that business will respond by providing more socially responsible goods and services. Hence, the aim would be to channel consumers, once they get into a store, toward these goods by structuring the availability of consumer choices. They claim that actions like these certainly aim to govern other consumers but it does so by channeling and managing their actions through

altering infrastructures of choice. Thus, the governing of this sort hardly *aims* to facilitate norms of market-rule in line with a neoliberal subjectivity (Malpass et al. 2008, 12).

Now, there is certainly much to like in the criticism offered by Malpass et al. of governmentality, neoliberal governmentality, and its use as it relates to studies of ethical consumerism. Both their concern for overemphasizing the necessity of transformations in subjectivity in governing others and their unease for describing agency in terms of resistance and being oriented reactively to other rationalized systems of rule should be explored further and incorporated into our methodologies. I do not intend to take up these methodological concerns in any detail here however. Rather, I would like question Malpass et al.'s translation or application of these concerns in their description of ethical consumerism and its relation to neoliberal governmentality in terms of reactive agency and transformations in subjectivity. Here, and as a prelude to my larger examination of neoliberal governmentality, I wish to reclaim some ground for neoliberal governmentality's relationship to ethical consumerism by arguing that Malpass et al.'s claims were a bit overstated.

Though they claim not to be dismissive of neoliberal governmentality, Malpass et al. essentially jettison its role in accounting for the emergence of ethical consumerism, claiming that it emerged not as a product or a response to neoliberal governmentality but out of the dynamics of social interaction as a new rationality for governing *consumers*. This governing, as we mentioned above, was one that operated by problematizing consumer choices and calling into question one's responsibility for "the social" by articulating discourses of social responsibility. The claim here is one that argues that ethical consumers essentially created a new discourse or one, in the least, that had little relationship to liberal systems of thought and discourse.

Unfortunately, for Malpass et al., this is an assumption about the discourse of social

responsibility that conflicts with understandings we find elsewhere in the historical record. As we read in the previous chapter, a discourse of social responsibility emerged in the work of economist John Maurice Clark (1916) as an immanent critique of classical liberal understandings of economic and individual responsibility, one that remained committed to the central liberal tenet of limited state intervention on economic actors. This discourse was particularly distinctive because of its orientation toward the market, as opposed to the state, *as a medium where actors should actively and voluntarily pursue social concerns and values*. Casting an ever wider net around business thinkers and economic actors in the 1970s, particularly with its new moniker of corporate social responsibility, the discourse provided the substantive context for the emergence of the socially conscious/responsible consumer. It was this consumer who *appropriated* the discourse of social responsibility for their own and challenged business and other market actors, a la Clark, to not divorce economic life from their social and moral life, insisting that market actors pursue social values in marketplace activities. Ethical consumers certainly did this, as Malpass et al. pointed out, by “problematizing” consumption choices in a way that questioned one’s social responsibilities as everyday market actors and ethical beings. But, what Malpass et al. failed to show was how this discourse of social responsibility was not one that bubbled up with the interactions of ethical consumers, but rather was one *appropriated* by consumers from contemporary debates amongst business thinkers on the social roles of market actors in a liberal economy. This was a liberal discourse, be it a somewhat unconventional one, which insisted upon the market and market actors as arbiters and distributors of values and valued things.

Now, the fact that the discourse of social responsibility has liberal origins certainly does not mean that all or even most ethical consumers have internalized a liberal governing mentality, thusly producing a neoliberal ethical consumer subject who governs oneself and others through

exercising their freedom to shop. But, it does mean that we should seriously consider that there is more to the ethical consumer and their governing than the arranging of “infrastructures”. Again, while I agree with Malpass et al. that ethical consumers govern to some degree indirectly, by “structuring possibilities”, I think they go too far in extinguishing the role of neoliberal governmentality in terms of facilitating the subjective dispositions of some ethical consumers. Malpass et al. overreach in this assertion, I contend, because their analyses tend to place all focus on the question of *how ethical consumers govern other consumers* rather than asking *how ethical consumers govern market actors in general, and in particular, businesses*. In only focusing on how the governance of consumers works, their analyses miss out on the more important point about the ethical consumer phenomenon which directly links them to liberal systems of thought and market rule; that is, the governance (or mobilization) of ethical consumers is mostly a means to govern the operating norms, implicit values, and overall behavior of business. In other words, governing consumers is a second order level of governance, one that is merely used as a mechanism to govern the socially irresponsible practices of business. A simple perusal of popular ethical consumer discourse by ethical (socially conscious/responsible) consumer organizations reveals this simple fact. In almost every case these organizations express a central concern with the behavior of *business* and correspondingly contend that the power of consumers can be mobilized to force business toward more socially responsible ends.

What is so vitally important in this picture, as opposed to the one given by Malpass et al., is the way in which the perception of pursuing political action has been reconfigured toward market activity and market actors rather than traditional political action and state actors. In other words, what is partially obscured in Malpass et al.’s focus on how ethical consumers govern other consumers is the real sense in which there has been a shift in the conditions of possibility

or perceptibility such that individuals increasingly see the market and market activity as a legitimate medium to pursue the authoritative mechanism responsible for distributing values and valued things. For the debate about and amongst ethical consumers is not so much whether the market *should* be a medium where one acts on their political concerns, but rather is about *how* political action *can* be pursued with other consumers using competition as the regulative lever of the marketplace. In only focusing on the governing/mobilization tactics of ethical consumers aimed at other consumers, one loses the sense of the real shift that ethical consumers represent in their increasing efforts to pursue social concerns and values in the marketplace by confronting market actors directly and by using the market mechanism to force change.

As we can see here, when we incorporate a history of the discourse of social responsibility and reconceptualize ethical consumer governance as aimed at governing the conduct of business through consumer practice, it becomes more difficult to discount the claim that neoliberal governmentality has been internalized and expressed as subjectivity in some ethical consumers. Determining the degree with which this is so with contemporary American and British consumers is certainly difficult to say. However, what is easier to determine, and what Malpass et al. seem to ignore, is the degree to which neoliberal government *also* acts indirectly on individuals and consumers through facilitating and channeling their behavior toward strategic ends. In the following section, I explore how neoliberal government and neoliberal governmentality work more indirectly on actors by structuring the possibilities of action and expression. Ultimately, I contend that neoliberal government and neoliberal governmentality work together in facilitating the macrophysical relations of power that contributed to the possibility of the ethical consumer's appearance and diffusion in discourse and practice.



## Neoliberal Government and Governmentality

An understanding of *neoliberal* government and *neoliberal* governmentality, I contend, can help us understand the indirect ways the ethical consumer has been elicited into the historical record as an actor. Most important in this regard is recalling the way Foucault employed these concepts.<sup>8</sup> While most in the political sciences and humanities have traditionally conceived of government as a tactic used by the sovereign state to control and meet the demands of its people, in “Security, Territory, Population” Foucault tried to show how the state could also be a tactic of a specific and dominant governing mentality (Lemke 2002, 58). Foucault wrote that if the state is what it is today, “it is precisely thanks to this governmentality that is at the same time both external and internal to the state, since it is the tactics of government that allow the continual definition of what should or should not fall within the state’s domain, what is public and what private, what is and is not within the states competence, and so on” (Foucault 2007, 109; Lemke 2002). Foucault’s point was both historical and conceptual. He was referencing both the historical process by which government, and a specific governmentality, became synonymous with the state in the genealogical record and the idea itself that the state can actually undergo a “governmentalization”. His analysis aimed to show how governmentalities - understood as specific rationalities or systems of thought that serve to justify certain practices, technologies, and mechanisms used in governing others - *might* use the state as a mechanism in managing the conduct of conduct in a certain manner.

Foucault’s conceptual insight on “the governmentalization of the state” is an important one for us. For it means that a different governmentality – a reconfiguration of the power-

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<sup>8</sup> Note that I am only drawing on a few essential characteristics of liberal and neoliberal government as it relates to the important picture I am attempting to sketch. In excluding other significant components of these governmentalities, I do not mean to diminish their significance.

knowledge nexus – could potentially find that the state is not the best mechanism to administer government and control social regulation; that perhaps it limits the ability of the population to thrive and that the best way to manage and arrange the government of others might be one where the state does *not* govern too much (Foucault 2008). It is this idea of the state “governing too much,” as Foucault argued in “The Birth of Biopolitics”, that comes to be the central question in the governmental reason of liberalism and is the locus of its criticism against *raison d’Etat* (Foucault 2008, 19). Speaking of this new governmentality, Foucault wrote that, “the essential characteristic of this new art of government is the organization of numerous and complex internal mechanisms whose function – and this is what distinguishes them from *raison d’Etat* – is not so much to ensure the growth of the state’s forces, wealth, and strength, to ensure its unlimited growth, as to limit the exercise of government internally” (Foucault 2008, 27). In other words, classical liberal governmentality of the 18<sup>th</sup> century articulated a governing principle that sought to restrain the *state* from intervening in the domestic activities of individuals. Notice that what is key here is that the *state* must limit its governmental administration and direct control over individuals. To reiterate Foucault exactly on this point, “it is not so much to ensure the growth of the *state’s* forces... as to limit the exercise of government internally.” Foucault chose these words carefully here, for he is referencing the *state* when speaking of “limiting the exercise of government”. This reference to the state is significant as it implies that when a specific governmentality removes or substantially moderates the power of the state to govern or regulate, *the actual administration of government does not cease*. Rather, the locus of managing the conduct of conduct and of regulating social behavior simply moves or shifts to different domains of life activity where it is shaped and directed by other regulating forces, mechanisms, and logics. It is this idea of governmentalities shifting the fulcrum point of

regulation from the sovereign state to other spheres of activity that becomes particularly important when we look at the conditions of possibility of the ethical consumer's appearance and proliferation. For it is liberal governmentalities that seek to change the logic and move the mechanism of regulating the social from one administered by the state to one considerably administered by the aggregate preferences of economic individuals in the marketplace.

In both liberal and neoliberal governmentality the displacement of the management of social regulation from the state to the social-economic domain is nearly identical. There is, however, a distinction between the two. The distinction derives from the fact that neoliberal practitioners deliberately carry out this displacement as an explicit strategy of government, evidenced by the ordo-liberal reforms in the new German state in the 1940s and by the Thatcher and Reagan reforms of the 1980s, whereas in liberal forms it is more of a de facto effect of its governmental policy and orientation. Let's take up the liberal case first. According to the liberal art of government, as Foucault explained, a certain understanding of the economy amongst 18<sup>th</sup> century thinkers implied an internal limitation to the state's ability to effectively and successfully govern the social-economic activity of its population.<sup>9</sup> In other words, the economy became a core principle for limiting the state's administration of government. Foucault argues that the economy served this purpose insofar as it established a site of veridiction in 18<sup>th</sup> century economic discourse. By this Foucault meant that the economy revealed a *truth* of the *natural* world through its very unobstructed functioning (Foucault 2008, 32). This truth was that of the natural price, the price that best reflects the value of a good or service in relation to its demand. The natural price became a principle for liberal government insofar as the state was to

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<sup>9</sup> The second principle of limitation that Foucault mentions is the principle of utility which governs the mentality of public authorities when determining if political intervention and mitigation is necessary. This is certainly important, though I do not focus on it here.

respect that truth by preventing anything from impeding its natural course. Thus, liberal governmentality advocated a role of restraint for the state in economic affairs; it was simply to recognize that natural exchange among actors produces true prices and, as such, benefits the population more so than an artificial price. Hence, liberal governmentality recognized that there needed to be a zone of free and natural activity exempt from state intervention and regulation. This zone of free and natural activity was, of course, none other than the economy functioning according to the principle of *laissez-faire*.

It was this principle in liberal governmentality that provided for the self-limitation of the state. It worked by making policies that sought to regulate, plan, or control economic activities appear irrational or counter-productive, for only natural unimpeded exchange could determine the true value of things. The economic was simply a domain of life that could not be controlled in any effective way for the benefit of the population by governmental principles administered at the level of the state. This is important because it had the *effect* of displacing the regulation of social-economic activity, at least major aspects of this activity as it related to the free functioning of economic actors, on to the “invisible hands” of the marketplace. In other words, in eschewing (or perhaps living up to) the state’s responsibility for economic concerns, liberal market actors became *de facto* regulators of social-economic activity insofar as they were responsible for determining and distributing material and immaterial needs, wants, and desires through the free play of economic interactions. Natural exchange secured the production of valued things like necessary goods, jobs, essential services, wealth, or what have you. And all of this was driven *not* by any sort of explicit understanding of a responsibility to govern social-economic well-being of the population, but by the simple desire for individuals and businesses to maximize their

preferences for values and valued things in the marketplace. A de facto market governance of the social and economic was the result of this liberal governmentality.

During its most dominant span of influence in the 19<sup>th</sup> century, liberal government operated with little state oversight and intervention in economic affairs. A juridical structure and orientation of this sort meant that business could effectively pursue their preferences for profits and free labor in an unregulated manner. In other words, they were free to determine employment practices, what to produce, worker treatment and safety practices, product quality and consumer safety policies, and rules for dealing with productive externality issues and problems. In deciding these practices, business was also shaping the limits of what was ethically and morally sensible in the pursuit of profit. For these governors of the economic were not just responsible for regulating the production of valued material things, like products and services, but were also responsible for the immaterial values implicitly embedded in the norms and practices used to produce and deliver these goods and services. But, with strategic interests tugging at their wallets and a mentality that strictly separated social and moral concerns from economic activity, business generally operated with only one moral imperative in mind, profits.<sup>10</sup> The result, as we know, was some of the grossest abuses in market practices according to our modern sensibilities, like slavery, racial/ethnic/gender/sexual discrimination, labor exploitation, child labor exploitation, consumer manipulation, and environmental degradation, etc, etc. It goes without saying that these practices were generally major concerns that violated the ethical sensibilities of populations in liberal societies like the United States and Britain. But, in these societies there arose the problem of actually mitigating such concerns, for how does one do so when liberal governmentality has reached a dominant status, especially among leaders of the

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<sup>10</sup> I do not mean to suggest that market actors were completely freed from moral orientations, or orientations geared toward the social good. For further reading see Shamir 2008, 5.

state. When it is ubiquitously believed that the state has no useful role in regulating economic affairs and that such regulation only impedes economic progress and the development of freedom, then there would likely be a serious and powerful constituency against addressing these concerns through state intervention.<sup>11</sup>

This same problematic arises in neoliberal societies and it is this governmental structure that is responsible for ripening the macro conditions and possibilities of the ethical consumer's appearance and proliferation in the late 20<sup>th</sup> century. Only in neoliberal government, this problematic arises as a result of an *explicit* strategy of government to displace or shift the regulation of society away from the state so as to establish the market as the principle means of regulating conduct. For this to become a specific strategy of neoliberal government, however, the market economy had to be rationalized differently than it did in liberal governmentality. For now it had to be argued that the displacement of social regulation away from the state onto the economy was something to be desired and actively pursued. As we saw above, in liberal governmentality this displacement was simply a de facto effect of liberal government's adherence to laissez-faire as a principle of self-limitation. It was never a specific aim of liberal government to have the market economy constitute the authoritative mechanism for regulating social conduct. In neoliberal government, this becomes an overt aim. Thus, undergirding this aim was a new liberal discourse that, as Foucault explained, criticized the idea of laissez-faire and upended liberal government's central principle of a self-limiting state.

As we saw in chapter one, a rather cosmopolitan bunch of Western liberal scholars, economists, and policy-makers lead this reworking of classical liberalism and its naturalistic foundations. But, Foucault finds the ordo-liberals most interesting. For Foucault, the ordo-

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<sup>11</sup> In fact, it is probably true that these constituencies would see states as a significant reason for the problems in the first place.

liberals thoughts on the rebuilding of post-WWII Germany were particularly fascinating as they were, in his view, tied to an understanding of a critical history of the present condition, which for Foucault meant the Western subject in the late 1970s. In their critique that saw the all-encompassing state as responsible for producing Nazism, the ordo-liberals re-conceptualized and re-*legitimized* the foundation of the new German state by positing the market economy as the principle organizer and regulator of society; in other words, the market was to be the “principle, form, and model” of the new German state (Foucault 2008, 117). In setting up a state with the market economy as its foundation and source of legitimacy, rather than vice versa, an ultimate restraint would be built into the state’s ability to govern the population.<sup>12</sup> Hence, the ordo-liberals altered the old liberal principle that let a legitimate state formally recognize a pre-given space of economic freedom that it was to respect by not intervening on its *natural* interactions. In its place, they sought to extend the market economy “to be the principle, not of the state’s limitation, but of its internal regulation from start to finish of its existence and action” (Foucault 2008, 116).<sup>13</sup> Thus, rather than the state serving as the protector of the natural and free interactions of individuals in the market, neoliberals argued for the market to function as the definitive supervisor of the state and governor of the population.

To advance this goal of new liberal thinking the ordo-liberals attacked the naïve naturalism of classical liberal thought (Foucault 2008, 120). They argued that the principle of natural exchange should be replaced with a reformulated principle of competition. This would be a conception of competition that was *not* the result of the natural and free exchange among

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<sup>12</sup> The obvious point here being to prevent the ability of other forms of Nazism from occurring again. The neoliberals, Foucault explains, were united in their judgments that it was the state and its inherent logic that allowed for the possibility of Nazism.

<sup>13</sup> Classical liberal formations, in this sense, still worked with *raison d’Etat*, for there were still clearly separable domains between the state, society, and the market. The growth of the state’s forces, in this regard, depended on its limited involvement in the economy.

economic actors, i.e., the competition that liberal government at the level of the state was to respect by refraining from intervention. Rather, this reformulated competition was to reflect a certain essential logic or a formal structure that would be *created* by crafting the conditions that could bring about its very appearance. The market, under this formulation, did not have any pre-given nature; competition was not the natural game of individuals and their self-interested behaviors in the marketplace (Foucault 2008, 120). Rather, for neoliberals, Foucault wrote that, “Competition is an essence. Competition is an *eidos*. Competition is a principle of formalization. Competition has an internal logic; it has its own structure. Its effects are only produced if this logic is respected” (Foucault 2008, 120). This meant that competition was an artificial construction for neoliberals, as opposed to a natural law, and thus its logic would only appear when its necessary conditions were carefully created (Foucault 2008, 120).<sup>14</sup>

Consequently, it was necessary for neoliberal governmentality at the level of the state to take up an active role in fostering the conditions for pure competition. In contrast to liberal government’s principle of self-limitation for the state, neoliberal government attributed a specific interventionist position for the state in which it was to create and elicit the conditions for competition and enterprise.<sup>15</sup> This intervention, as Foucault describes, was specific in the sense that the state was to act only to extend market principles. This would be through actions like controlling monetary policy to limit inflation and the volatility of prices and/or actions like deregulation and privatization, which aim to shift the burden of social risks and welfare off the

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<sup>14</sup> Foucault likes to point out the influence of Husserl on the ordoliberalists in their reformulation of concept of competition and their attack on naturalism.

<sup>15</sup> Foucault shows how neoliberals, at some level do advocate non-intervention, but this is only after one creates and institutes the conditions necessary for competition. Once this is created, competition’s formal properties carry within it a regulatory structure for society (Foucault, 2008, 137).



state and onto market actors.<sup>16</sup> The state, in this manner, was *not* to intervene directly on economic processes; rather the state's "style" of intervention was to create the structural grounds for competition to flourish by acting on the market's "conditions" and "framework". Once the logic of competition could take root, thanks to the active intervention of the state, the state could assume a position of alertness that made sure competition operated at an optimum. This was a position ready to intervene, though certainly not on the social *effects* or externalities of the market-economy. Neoliberal government is like liberal government in only this latter way, but its stance on intervention, as we can see, was of a completely different order.

Ultimately, the neoliberal stance on intervention is important because it reflects the political principle of this art of government, namely the *explicit strategy* to found or constitute the market economy as the regulator of society. In order to carry out this strategy, Foucault wrote, neoliberal government needed an interventionist state policy. "It has to intervene on society as such, in its fabric and depth. Basically, it has to intervene on society so that the competitive mechanism can play a regulatory role at every moment and every point in society and by intervening in this way, its objective will become possible, that is to say, a general regulation of society by the market" (Foucault 2008, 145). Of course, the bit of irony here is that neoliberal government needs the state in order for the state to redefine and relieve itself of some of its traditional duties of regulating society. Only then, Foucault says, will the objective of making the market economy the authoritative mechanism for regulating the social conduct of the population become possible. This effort requires embedding an ethic of competition into the foundation of governance and social relations itself, hence both juridically and culturally, such

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<sup>16</sup> Foucault also mentions actions that aim to alter the competitive conditions of the market so as to make the market more competitive (Foucault, 2008, 134-144).

that competition becomes the only recognizable and/or legitimate regulative mechanism for determining the social value of goods, services, and values themselves.

What we see in neoliberal government then, is an *explicit strategy* to displace the mechanism for regulating social conduct away from the sovereign power of the state and toward the logic of competition so as to constitute the market economy and its actors as responsible for the government of society. The *strategic* result here, as contrasted with the inadvertent market-government of society in liberal systems, is a considerable structural shift in the everyday means of regulating the social, or rather of determining and distributing values and valued things for the population.<sup>17</sup> For now the determination and distribution of *most* valued things - which range from menial consumer products and services to essential public goods and social utilities to the social norms and values implicit in the production and delivery of all these things - are more significantly and overtly decided and allocated by the competitive interactions of market actors. In structuring it this way, market actors – namely business, consumers, laborers/unions, and civil society organizations – become governing authorities, and they battle against each other to become governors in specialized areas of social demand; that is, governors of specific consumer populations interested in whatever it is that they produce. Their ability to become specialized governors depends to a significant degree upon their ability to manipulate competition, the regulative mechanism of neoliberal governance, to their favor. All in all, when this orientation is multiplied and carried out over the whole of the population, this structural shift enables a government of the social that is virtually indistinguishable from market actors' entrepreneurial spirit and their ability to stay on top of the forces of competition through the pursuit of profit,

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<sup>17</sup> Of course, there are still impulses from many in Western neoliberal societies for the state to actively regulate the social. These often manifest themselves into policies that intervene directly on market processes. But, the dominant trend in most states over the last 30-35 years is toward a market-oriented regulation of society.

raising capital, and/or by persuasively mobilizing consumers. Until recently, it has been business that has proved most adept in these competitive capacities and thus it has been they who have been the dominant molders and shapers of social conduct.<sup>18</sup>

Now, though it might be a benefit here to give a detailed and extensive description of the way market actors and business *actually* carry out this governance of social conduct in neoliberal government - the complex processes, tactics, and calculations used to shape and mold populations - I will defer to the significant literature on this topic and also add that this does not significantly concern us here (Rose 1999, Dean 1999, Bevir and Trentmann 2007, Bang 2003). Rather, what is significant as it relates to my argument about the appearance and proliferation of the ethical consumer in the late 20<sup>th</sup> and early 21<sup>st</sup> centuries is the major roles that market actors and the regulative principle of competition play in governing the social; that is, not so much how these work to govern, but that they actually do govern. For what is vitally important about the description above is the way in which a new field of governable space has opened up, characterized by these new market governors and the new mechanism of governance, in the structural shift to neoliberal government and how this space elicits new problems of governance and new means of adjudicating them. In other words, neoliberal government's structural shift in the means of determining and distributing valued things has opened up a space of possibility where the appearance of certain types of actors and certain types of acting become more likely than in other configurations of government not dependent on the market as its principle of organization and action. It is my contention that these actors, of which I argue the ethical

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<sup>18</sup> As Rose (1999) and others have shown, business's ability to govern depends to a significant extent upon tapping into what consumers want, need, and desire. Thus, far from outright forced domination, business has needed the voice/opinion of consumers in order to let business know what valued things they should produce. Ethical consumers attempt to exploit this agency in their relationship of governance with business.

consumer is one, are more likely to emerge *not* just because neoliberal governmentality has aimed to alter their subjectivity as individuals but because it also structures the possibilities of their action and political agency in distinct ways. It is this structuring of the possibilities of action that helps to elicit new problems of governing and new means of responding and acting to mitigate those problems. In the following section, I develop this as the context to the ethical consumer's recent appearance and proliferation in the historical record and connect it up with a very brief and cursory history of neoliberal reforms in Britain and the United States.

### **The Ethical Consumer and Neoliberal Governments**

The central premise of my argument here is that neoliberal government opens up a space of possibility, characterized by its specific governing relations, where it is more likely for the ethical consumer to emerge into the historical record and grow than under other forms of governmentality that use the state mechanism as its principle of social regulation.<sup>19</sup> The reason for this, as I mentioned above, is that neoliberal government structures the possibilities of action by extending the market economy and the principle of competition to all domains of life, which in turn impedes certain forms of political agency and enables others. It is my contention that neoliberal government in both the United States and Britain facilitated the possibility of the ethical consumer's appearance and expansion in this way. As chapter two's analysis of the ethical consumer's genealogical record showed, the ethical consumer emerged as an actor beginning in the 1970s and 80s in the U.S. and the U.K. respectively, and steadily gained in popularity throughout the 1990s and 2000s. And, as we saw in chapter one, this time period

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<sup>19</sup> Note that my claim is limited to the ethical consumer and its emergence as a historically specific consumer identity and discourse in Britain and the U.S. I am not arguing that all activist consumption movements are in some way related to neoliberal governmentality. There is, in this sense, no *essential* relationship between the ethical consumer and neoliberal governmentality.

coincided rather neatly with stark changes in political-economy policies and ideologies in both the U.S. and the U.K. Both states, as we have seen, underwent fairly systematic neoliberal restructuring programs beginning in the late 1970s and have continued relatively unabated through the present.<sup>20</sup> It is worth reviewing a few examples here, covered more extensively in previous chapter, to illustrate my point.

Margaret Thatcher and her Conservative government was the catalyst in Britain's case. From the very beginning of her rule, Thatcher's governments actively intervened on the "conditions" and "framework" of the economy to extend the market mechanism and foster an entrepreneurial society. In her first government from 1979-1983, Thatcher instituted a monetarist philosophy to control the country's money supply and the volatility of prices, cut direct taxes, and began reducing public expenditures ("Biography"). In her second government from 1983-1987, Thatcher continued her neoliberal restructuring by actively turning the process of determining and distributing valued things over to market forces. She did this by extensively privatizing state owned enterprises and public services, deregulating industry and introducing competition to public services, and by promoting an ownership society through offering incentives for home and stock purchases in addition to private pension savings. She also actively "busted" and weakened the power of unions and thus diminished their ability to use the state as the authoritative mechanism to determine and distribute valued things.

In the United States, neoliberal restructuring was not quite as dramatic, but it followed Britain in many of the same ways. Beginning with President Carter, and his appointment of Paul Volcker to the Federal Reserve, and continuing with Ronald Reagan, the U.S. also switched to a

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<sup>20</sup> Many predicted that the 2008 financial crisis would be the tipping point in which neoliberal hegemony was fatally weakened. But, absent Barak Obama's modest health care reforms and minor tax increases on the wealthy, the post-financial crisis world has not significantly deviated from its previous trajectory.

monetarist policy to control inflation. Like Thatcher, Reagan also promoted a vigorous state policy that intervened on the “conditions” of the market to further competitive enterprise. His main tasks in this regard were to significantly deregulate industries and to restructure the tax code. Thus, he instituted sharp cuts in marginal tax rates on Americans in order to incentivize work and stimulate economic growth and he deregulated major industries like telecommunications (Sperry 2001, Noll “Regulation”). Though overall spending on entitlement policies did increase during Reagan’s Presidency, it was coupled with cuts to social welfare programs for the poor. The idea here was obviously to promote enterprise by adding cheap labor to the market and smaller state administration by reducing the poor’s dependence on the state.

Changes from conservative liberal parties to progressive liberal parties in Britain and the U.S. in the 1990s did little to abate the mentality among state policymakers that sought to extend the market economy. In fact, progressive liberals incorporated neoliberal principles into their party platforms and heralded this as a “Third Way” to do politics. Thus, during both the Blair and Clinton administrations there was a vigorous promotion of “free-trade” policies, capped off in the U.S. by Clinton’s signing of the North American Free Trade Act. Clinton also continued to deregulate industries, particularly the financial services industry, and made additional cuts to welfare programs by limiting the amount of time a family can receive state assistance. Though there were certainly instances and attempts to intervene directly on economic processes in the United States and Britain in the 1990s and throughout the following decade, more times than not state policymakers demonstrated a keen commitment to state action that extended the market economy in both domestic and foreign lands.

As we can see here in this very brief description, both the American and British examples are characterized by a shift in political rationality at the level of state and by corresponding

changes in policymaking. The aim of these neoliberal governments, as Foucault foreshadowed, was to restructure the means of regulating society from a system more reliant upon the state mechanism in determining and distributing values and valued things to a system that is almost entirely dependent upon the market mechanism in these capacities. They did this primarily through policies of privatization and deregulation, among others, which restructured social relations and consequently opened up a new governable space of interactions and possibility. In this space, market actors, and particularly business because of their institutional capabilities to manipulate competitive forces to their favor, were *enabled* to take on greater governing roles and more authority in producing and delivering social needs, wants, and values for specific populations.<sup>21</sup> Likewise, in the same restructuring gesture, other market actors, namely consumers, were also *enabled* to become greater participators and more important agents in the process of influencing the determination and distribution of valued things. Neoliberal restructuring pushed individuals into the marketplace to secure and express their demands for values and valued things, both for themselves and for *others*. They were to be *responsible* for ensuring their own well-being and livelihoods.

In the very act of enabling these possibilities, neoliberal government also impeded or foreclosed others; that is, it worked against actions that attempted to reassert the state as the authoritative mechanism for regulating social conduct. Both through a mentality of state policymakers and constituents that was not receptive to demands for economic intervention and through actual policies of privatization and deregulation that gave market actors more responsibility over the production, delivery, and consumption of valued things, neoliberal

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<sup>21</sup> It is not so much that this is entirely new or specific only to neoliberal government, but that neoliberal government facilitates an increased possibility for these governing relations to produce themselves.

government actively channeled action away from the state and into the marketplace. In other words, the means of determining “what”, “how”, and “by whom” things should be produced and “to whom” and “how” such things should be delivered, *which are questions of social value and thus are real political questions*, was structured by the state to be proper concerns of the market and market actors rather than the state and its citizens. Thus, if and when social problems arose in neoliberal government concerning the determination of “what”, “how”, and “by whom” valued things should be produced and “how” those valued things should be distributed, i.e., when there was a political disagreement concerning the production and distribution of values and valued things, the market suddenly revealed itself to be a political space and market agency was rationalized as a practical and potentially effective means for pursuing and adjudicating social concerns of this sort. In short, when traditional means of political action aimed at influencing state policy was ideologically and structurally disabled and subsequently channeled into the marketplace, actors were enabled to turn to a politicized market medium to pursue social concerns by addressing them to specific market governors. Neoliberal government facilitated exactly this possibility for market actors by opening up this political space and ethical consumers have been one prominent example that has seized and mobilized this political-market agency in their attempts to influence the determination and distribution of values and valued things.

Now, the opening up of this new governable space by neoliberal government did not automatically elicit political activity. As I stated above, social problems arise in regard to “what”, “how”, and by “whom” valued things *should* be produced and “how” and “who to” they *should* be distributed. For many American and British citizens, the production and distribution of valued goods and services are not significantly political issues or areas of social concern; the restructuring from the state mechanism to the market mechanism, in this sense, did not



immediately nor necessarily present social problems for these individuals that required state adjudication.<sup>22</sup> The unparalleled amount of consumer choice in products and services, the carefully crafted marketing narratives that sell identities more so than products, and the speed, efficiency, and low cost with which such things have been made available to American and British consumers have generally pleased them as it regards valued goods and services. This, undoubtedly, has created support for neoliberal government in these states. However, for some, these advantages have come at the cost of significant social and environmental externalities, both in their state and abroad: most notable among these being child and slave labor, sweatshop working conditions, general worker exploitation, local environmental degradation, and global climate change, amongst many others. Until recently, the geographical distance between producers operating in the Global South and consumers in the Global North has significantly obscured the extent of the social and environmental externalities involved in the production of these goods and the sustainability of these consuming lifestyles. Over the last 15 years, however, with advances in information and telecommunications technology, the virtual geographical distance has shrunk considerably and this information has been made readily available and articulated to the ethical sensibilities of activists, discerning consumers, and citizens. In turn, these issues of production and distribution have been politicized and these actors have attempted to disrupt and solve these problems.

Though all of these actors have turned to the state to express their concerns and seek a remedy in some way or another, sometimes winning minor consolations, their efforts to address market externalities at home and abroad have generally been met with deaf ears. This is

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<sup>22</sup> This statement must, of course, be qualified by the fact that I am generally excluding the structurally poor in this statement. Neoliberal restructuring immediately affects poor populations in Global North states through the eliminating or moderating of redistributive social welfare policies.

obviously due to the reasons mentioned above, neoliberal governmentality at the level of the state.<sup>23</sup> The result of this, at least for those concerned with the issues just listed, has been a considerably diminished political agency as it relates to petitioning the state to intervene in the economy in a meaningful way; that is, with coercive regulatory force. The ability to influence the state's determination and distribution of values and valued things was significantly diminished, as meaningful political action was channeled away from the state and into the governable space of market relations. It was in this space where a new possibility, and increasingly a new necessity, existed for social issues to be addressed by political-market actors.

Ethical and socially responsible consumers, among other market actors, increasingly took advantage of this possibility and this space created by neoliberal government in the late 20<sup>th</sup> and early 21<sup>st</sup> century. These conditions, of course, coincided with those microphysical conditions described in chapter two's genealogy, those being the discourses and practices of consumer sovereignty and social responsibility.<sup>24</sup> The macrophysical relations of power described here created conditions such that the discourses of consumer sovereignty and social responsibility became attractive and salient for consumers frustrated with their inability to effectively shape and govern the behavior of corporations through state action. Thus, activist consumers appropriated these discourses from previous consumer movements, organizations, and businesses, using their vocabulary to articulate the ethical and social obligations that now fell upon them as consumers in this new state of affairs. These responsibilities were backed up by a potential political agency they possessed as a mobilized group with "spending", "purchasing", or

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<sup>23</sup> In addition to these reasons, there is also the obvious issue of sovereignty here and the difficulties of imposing and enforcing regulations and penalties on companies operating in states overseas, particularly in the Global South.

<sup>24</sup> There are, of course, other very important conditions. For instance, the deployment of the discourse of social responsibility, a vibrant consumer culture, and antagonistic relations between business and social activists in the 1960's and 70's.

“economic” power. Through mobilizing boycotts, buycotts, and public relation campaigns, ethical consumers could manipulate the regulative mechanism of the market, competition, and ultimately push market actors to adopt new forms of behavior. The discourses of social responsibility and consumer sovereignty, in this sense, articulated a political message for consumers that reflected changes in the macrophysical relations of power where the fulcrum point of regulating society had moved from the state to the market. In this move, the discourse of social responsibility revealed the political nature of the market and the ability of consumers to partially fill in the regulatory gap left by the state. As Rob Harrison of Ethical Consumer Research Association put it, ethical consumers appeared “to be stepping in to attempt ‘civil regulation’ of company behaviour” (Harrison 2005, 56). Hence, as argued here, ethical consumers increasingly recognized their capacities to exert a governing force over the behavior of market actors within the space of possibility that is neoliberal government.

## **Conclusion**

The goal in this chapter has been a rather straightforward one: to establish the important link between neoliberal governmentality and the appearance and proliferation of the ethical consumer in the U.S. and the U.K in the late 20<sup>th</sup> and early 21<sup>st</sup> century. The problem, as I presented it here, was twofold. First, recent genealogies and descriptions of ethical consumer behavior and discourse had failed to render an understanding of the macrophysical relations of power responsible for ripening the conditions of the ethical consumer’s growth as an actor and loosely cobbled movement. Though we had a good understanding of the microphysical processes and struggles of the ethical consumer’s specific emergence, there was a relative dearth of information regarding an understanding of the ways in which these struggles were integrated

into broader political-economic struggles at the level of the state and beyond. Hence, providing an interpretation of these conditions was needed in order to more fully understand the significance of the ethical consumer's appearance. In the second problem my analysis aimed to address recent critiques of analyses that linked neoliberal governmentality to ethical consumerism and an increase in consumption-driven lifestyles. While these critiques have rendered valuable insights regarding the distinction between the "governing of subjectivity" and the "governing of action", I hinted that these critiques underestimated the degree to which a liberal governmentality actually aimed to have a constitutive effect in the subject formation of ethical consumers. As evidence I noted both the liberal origins of the discourse of social responsibility and the degree to which political activity is regularly cognized and enacted in an economic form like consumption. Still, I contended that stronger evidence for the link between neoliberal government and the appearance and proliferation of the ethical consumer could be found by taking these critiques to heart and exploring the extent to which neoliberal government structures the possibility of action without, necessarily, seeking to governing subjectivity.

This issue set the context for the remainder of my investigation, which was devoted to demonstrating how neoliberal government channels certain political action into the marketplace creating a politicized market space where the possibility exists for consumers to exert a governing influence on the behavior of market actors. I developed this argument by using Foucault's insights on neoliberal governmentality, demonstrating his essential point that neoliberal government at the level of the state establishes both the market as the authoritative regulator of society and competition as its essential regulative mechanism. In this move, the state shifts the locus point of its governance from itself to the market so as to enable the market and its actors to procure values and valued things from it rather than the state apparatus. These

macrophysical relations of power, I argued, (characterized by neoliberal government) elicited a space of *possibility* where ethical and socially responsible consumers were more likely, than in other forms of government, to act and speak themselves into the historical record.

And so they did with increasing frequency throughout the 1990s and 2000s. But, it is important to caution here that these neoliberal conditions were certainly not determinative in the production and proliferation of the ethical consumer in the U.S. and U.K. Many other contingent configurations - like the beginning of a concerted consumer movement against corporations and the discourse of social responsibility, among other things – were certainly necessary for its emergence and growth. Whether the ethical consumer would have developed as successfully as it has without neoliberal restructuring, however, is unknowable but certainly possible.

What is absolutely clear is that neoliberal government is more amenable than other forms of government to political behavior disguised in economic form. This is rather ironic for a set of ideas premised on the distinction between the political and the economic. This distinction is absolute in liberal thinking for it establishes what sorts of political behavior are off limits and infringe personal liberty; i.e., those that seek to control and manage the economy. If anything, this investigation of neoliberal government and the ethical consumer has shown that preventing such political activity is impossible. For even when one radically restructures the state and extends the market into all domains of life, that market still exists upon a political field where disagreements and conflicts emerge. And even though that political field appears to be without traditional political outlets, at least insofar as it regards certain issues that require intervening on the economy, political actors of this sort find means and avenues of pursuing their ends. The ethical consumer is an example of this par excellence, a political actor operating within the political field that is neoliberal government. In this governable space, which is indistinguishable

from the market and regulated by the mechanism of competition, the ethical consumer has learned how to assert his political agency in conditions that seem to extinguish them. In short, the ethical consumer has learned how to govern back.

## **Chapter Four**

### **The Political Nature of the Ethical Consumer**

Absent from the last few chapters, but certainly presupposed, is a theoretical justification for understanding the behavior of the ethical consumer as distinctly political. Indeed, this is a central claim of this work, and the last two chapters have certainly worked toward that understanding. However, they have done so not by analyzing the behavior of the ethical consumer against an established theory of what constitutes political action, but by presenting an analysis of their emergence that significantly intimates their political nature. For instance, in chapter two I demonstrated how ethical consumers understand themselves and their behavior as political insofar as they perform a governing function over corporate actors. Additionally, I linked this understanding and their emergence to their appropriation of the discourses of consumer sovereignty and social responsibility, which together articulated governing obligations and governing agency for market actors. Lastly, in chapter three I established how the shift to neoliberal government has channeled certain types of political demands, namely those concerned with regulating the activities of businesses, into the marketplace and thereby created a politicized market space where the possibility existed for consumers to exert a governing influence on the behavior of market actors. While these arguments certainly claim that the ethical consumer emerged as a political actor within a neoliberal age and that ethical consumers uniquely understand themselves as political actors of neoliberal conditions, they in no way hold ethical consumer practice up against an established theory of the political. Hence, here I aim to offer an analysis of ethical consumer behavior against a theory of political action. At stake here is not merely a more thorough understanding of the political nature of ethical consumer practice, but

also of neoliberalism itself. For if we are to maintain that ethical consumers are political actors, and accept my arguments that neoliberal government were a significant contributor to their production, then arguments that assert neoliberalism as anti-political and as merely closing off political activity need rethinking and reformulation. Indeed, this is what chapter three demonstrated and called for, and this is what is called for here. I propose the way to this rethinking through Hannah Arendt.

### **The Case for Hannah Arendt**

Hannah Arendt's revitalization of political action as constitutive of the essential human experience has had both a profound and indefinite effect on the field of political theory over the last 30 years. According to the former effect, most theorists see the profundity and greatness of Arendt's contribution to political theory in its originality and rethinking of political action, taken from the ancient Greeks, as the highest and most human of all human activities. In *The Human Condition* (THC), Arendt poetically crafted a narrative in which political action, both action and speech displayed in the presence of others, as distinct from the activities of both labor and work, provides a post-metaphysical ontological basis for the human experience. Political action (action and speech) was the distinctive activity constitutive of the "human" condition. Or, as Arendt put it, "A life without speech and without action... is literally dead to the world; it has ceased to be human life because it is no longer lived among men" (Arendt 1958, 176). The importance of such a refurbishing of political action for Arendt, a clearing away of philosophical baggage if you will, was to reveal and critique the loss of "meaning" and "reality" characteristic of the modern world and its degradation of political action in favor of the "goods" of life and labor associated with "social questions". Arendt's rethinking and privileging of action and speech, in



this sense, fundamentally challenged political theorists to confront the primacy, contingency, and unpredictability of political activity, as distinguished from economic or social activity, as the element constitutively responsible for the well being of the human condition.

Yet, in spite of this general consensus among theorists regarding the originality and importance of Arendt's rethinking and recentering of political activity, there has also been an indefinite effect regarding the interpretative direction and trajectory her work has been associated. A survey of some notable analyses of Arendt reveals quite disparate interpretations. For some, Arendt is a "reluctant modernist" while for others an agonistic postmodern democrat (Benhabib 2003; Calhoun and McGowan 1997). She both transcends Marxist analyses, yet is mired down in them as well (Zaretsky 1997). And, most importantly for our analysis here, Arendt's notion of political action is both incapable of *doing* anything, at least insofar as political action does not pursue determinate goals via instrumental reasoning, and is the *actuality* of doing many things so long as its instrumental goals are transcended by the principles which inspire them (Kateb 1984; McGowan 1998; Bradshaw 1989; Knauer 1980).

These interpretative disagreements in analyses of Arendt, particularly regarding her notion of political action, undoubtedly stem from the range and depth of her subject matter and the various philosophical approaches with which her style borrowed and transcended. The result often left theorists confused regarding what exact activities Arendt would deem properly political (Curtis 1997). It is not clear, in this sense, what sorts of locatable empirical activities are political in the Arendtian framework. Even her notion of political foundings and constitutions, taken by most Arendtian scholars – and for good reason - to be the example of political action par excellence, are in question as distinct political actions given Arendt's description of Greek political foundings in *THC* as the activity of homo faber and not homo politicus (Arendt 1958,

194-5). It seems to be this issue of instrumentality and the form with which political action takes that has given theorists who wish to locate, critique, and/or laud certain activities the most frustration. The question for these theorists is: if political action is not to take the form of using means “in order to” achieve certain goals, if it is not to be determined by motives, aims, or goals, then what exactly can politics do and what does it look like in an Arendtian framework (McGowan 1998; Kateb 1984; Knauer 1980)?

The political nature of ethical consumer activity poses the perfect hard case in exploring this question and some of the limits, benefits, and/or drawbacks in locating proper political activity in Arendt’s framework. As intimated above, the ethical consumer challenges the various distinctions that Arendt sets up in her political theory and challenges us to think through her categories to understand both the political nature of the ethical consumer and the implications of its form. At first glance, one might have difficulty accepting any consumption activity fitting the Arendtian framework for political action, for consumption activity was often the focus of Arendt’s critique of modernity in *THC*. For Arendt, the modern world was one where animal laborans had been elevated to the highest form of activity, and as such, the goods associated with life as well: like being alive rather than dead, healthy rather than sick, and comfortable (well fed, warm, and sheltered) rather than miserable (starving and homeless) (McGowan 1998, 45). Consumption activities were, in this regard, necessities for Arendt, and constituted the unfree, anti-political, and less distinctly human activities characteristic of the human condition.

Having said that, it is highly unlikely that Arendt had consumer activism in mind, let alone ethical consumer activity, when she leveled her critique against the “consumer society”. Given this, it is also unlikely that Arendt would immediately cast off the activity of the ethical consumer as anti-political merely because the activity itself takes the form of consumption.

Rather, it is much more likely that Arendt would take seriously these claims here and those from theorists of political participation, like Michelle Micheletti (2003), who have argued that insofar as political consumers are involved in influencing the distribution of values in society they are sufficiently involved in political activities. Beyond what seems to be this obvious theoretical tension between consumption as the anti-political activity associated with labor and political activity as associated with action and speech, the activities of the ethical consumer also seem to strike at the limits and poke the theoretical boundaries of Arendt's notions of human plurality, instrumentality, and the distinction between the public and private realm. It is these categories that make Arendt's formulation of political action particularly demanding and, as such, a hard case with which to evaluate the political nature of ethical consumer activity.

Thus, the following will analyze whether the behavior of the ethical consumer meets Arendt's challenging theory of political action. Relying mostly on her account of the political from *THC*, this analysis will pay particularly close attention to her notions of action and speech, human plurality, the space of appearance, and instrumental action. After establishing understandings of these categories, I will evaluate the practices of the ethical consumer against them. To be clear, my aim is neither to reduce the activities of the ethical consumer to the theoretical boundaries inherent in her notion of political action, nor is it to give coherence to Arendt's formulation where it is not deserved. Instead, I intend to problematize both and let the chips fall where they may.

### **Political Action and Ethical Consumption**

Perhaps the best place to begin this examination is not with an explication of Arendt's notion of political action, though we will get to it shortly, but with her biting critique against

consumerism. For it is here where many might prematurely reject the idea that Arendt would ever consider the possibility that consumption could take the form of political action. This is not without good reason either; her critique leveled at the “consumer’s society” was quite forceful. To be clear, Arendt’s critique was centered on consumerism or the “consumer’s society” and not consumption per se. Specifically, it was the heralded privileging of consumption activity in 20<sup>th</sup> century Western society that was the focus of Arendt’s critique rather than the activity itself. For Arendt, consumption was a biological necessity, a requirement for all natural organisms so long as they persisted. As such, consumption required constant repetition in order to provide sustenance for laboring activity. Labor formed one of the three categories of the *vita activa* for Arendt, along with work and action. Labor and consumption, insofar as consumption was continuous with the labor, were described as the least distinctly human of all the activities of the *vita activa*. This was because all natural organisms are compelled to the daily toiling of labor to ensure their continued existence as a living organism. Labor and consumption, in this sense, did not make the human distinct from other natural organisms. This is why Arendt associated the category of labor with sameness and described its protagonist not in terms of man, but rather as animal, the animal laborans. All animals must labor in order to consume, and consume in order to persist as a natural organism.

Now, while Arendt certainly recognized the necessity of labor to the human experience - to constantly produce consumable goods in order to secure biological life - she criticized the idea that labor and biological life itself should be elevated to a position of the highest societal esteem. It was here where her critique of the contemporary consumer society was located. Society was privileging the least human and least free of the activities that form part of the human experience. By focusing on the goods of ensuring life and easing its reproduction, the modern

human world had given up the desire for freedom and uniqueness and all that remained was nameless mass consumerism. In this shift goods are no longer produced for long-term utility, rather they are produced for immediate consumption; that is, goods inherently destined for destruction (Arendt 1958, 138). The modern age is, for Arendt, one where goods are produced in order to be destroyed. For her, humans no longer sought to contribute to the permanence of the human artifice, and contrast their experience as a natural organism against their experience as a maker of things, by producing objects that outlive their makers. Thus, the consumer society was one that lacked permanence (as society valued production for the sake of consumption), lacked freedom (as society valued the necessarily repetitive activity of labor), and lacked human distinctiveness (as the human organism is unable to distinguish itself from other natural organisms in any meaningful way).

It is Arendt's recognition of consumption as necessarily connected to the unfree anti-political activity of labor and the elevation of this activity as the ultimate good of the human experience in the modern world that might lead some to discredit the notion that consumption would ever be considered a political activity in Arendt's framework. However, even without establishing what constitutes political activity in Arendt's thought, we can problematize this vision of consumption as ineluctably tied to the activity of labor, and perhaps open up the possibility that ethical consumerism may be political in nature. This issue turns when we examine more closely Arendt's specific understanding of consumption, for she utilizes a very different notion of consumption from the one I have utilized here and that should be identified with the ethical consumer. The consumer, as I have presented it in its contemporary colloquial understanding, is a buying or purchasing agent engaged in the activity of exchange. The consumer exchanges some form of currency for the ownership rights to a particular material

good. Arendt, on the other hand, does not identify consumption with the activity of exchange or purchase. This activity is incidental in Arendt's notion of consumption and the consumers' society. Rather, Arendt identifies consumption with its more original understanding as the act of using up, of devouring or destroying an object. A consumer good, in this sense, is used merely to sustain the physiological life process and a consumer uses this good with immediacy and always completely to the point of that object's destruction. Arendt contrasts a consumer good, and hence the activity of consumption, with that of a use object. A use object, as its name suggests, is intended to be used repetitively; it has durability and provides the world with permanence and stability (Arendt 1958, 126). Of this nebulous distinction between consumer goods (which are continuous with the activity of labor) and use objects (which are the products of work), Arendt (1958, 138) wrote, "If one construes, for instance, the nature of use objects in terms of wearing apparel, he will be tempted to conclude that use is nothing but consumption at a slower pace. Against this stands what we mentioned before, that destruction, though unavoidable, is incidental to use but inherent in consumption."

Though the distinction can become fuzzy at times, as Arendt fully admits, it is clear here that she utilizes a different understanding of consumption and consumer. The ethical consumer does not merely engage in exchange activity for the purposes of using something up to further their own biological life. This may be a side or co-benefit of some of their activity insofar as they engage in boycotting practices. In these instances, "destruction" is at least partially "inherent" in ethical consumer activity. For example, participating in a fair trade coffee boycott has the obvious benefit of also contributing to one's nutritional intake, though perhaps poorly. Labor provided one with the means of securing this consumable, which is then destroyed or used up in order to further the life process. Certainly in this sense, the ethical consumer's boycotting

activity is consistent with Arendt's notion of labor and its counterpart, consumption. However, this is only a partial picture of the ethical consumer as a buycotter, for their coordinated activity is also intended to alter the way businesses behave. Purchasing fair trade coffee as part of a campaign does not merely seek to return life to the consumer, but also seeks to alter how coffee retailers and producers conduct their business. This description, obviously, does not fit with Arendt's understanding of consumption as continuous with labor, for buycotters are at least somewhat indifferent to the repetitious concerns of life essential to the activity of Arendtian consumption. Of course, all of this discussion excludes other forms of ethical consumer practice where no exchange activity takes place at all, namely boycotting. Hence, Arendt's notion of consumption and her criticism of the consumers' society do not appear to exclude the ethical consumer from considerations of their political bonafides. Though one may argue, and convincingly, that the ethical consumer is a product of Arendt's consumers' society, they could not overlook the fact that their activity does not only consume and that when it does it is not merely that of consumption for consumption's intention.

This brings up the role of intentionality in Arendt's *vita activa*. From text above it is possible to infer that the difference in the categorization of a consumer good or use object, and thus between the activity of labor and work, is at least somewhat dependent upon the intention of the using actor. Though it certainly matters whether *producers* intend for their product to be consumed and used quickly, the disposition of the consuming actor and how they take up that use object seems to matter just as much. For instance, Dixie Cups may be the example of a consumable good par excellence, the kind of which Arendt has in mind in her criticism of the consumers' society; however, if a consuming actor uses the cup as a reusable tool and intends it as adding to the permanence of the human artifice, then the using actor's intention transcends the

producer's intention and the consumer good becomes a use object. This is true in the same way that a boycotting ethical consumer's use of exchange activity appears to transcend the intention of the producer or retailer and the consumptive act itself, that is, the act of destruction. In the boycott, the consumptive act is never the sole intentional force for the ethical consumer. In this sense, though the consumptive act may not be "incidental" it is certainly not "inherent" in boycotting, as the ethical consumer is able to use the exchange act not merely as means to consume, but also as a means to alter the way businesses behave. Hence, if Arendt truly means to ascribe a role to the intentionality of the using actor, as this appears to indicate, the activities of the ethical consumer need not only be relegated to the categories of labor or work, but may also fit the form of political action.

While our analysis of labor and consumption and the consumers' society did not produce a close fit with the activity of the ethical consumer, their activities seem to fit more closely with the instrumental form inherent in the category of work. This is true in the sense that exchange activity uses certain means (money, or the withholding of money) in order to achieve certain ends or goals (ownership or discretion over the use of a product and/or the altering of company practices toward some desired ethical end). For Arendt, work, the activity of *homo faber*, is responsible for erecting the non-natural man-made world, the human artifice, of which action and speech depend upon for its appearance. Work, unlike labor and consumption, is not a repetitious activity concerned with life but an activity distinguished by a definite beginning and end point of its activity, by materialization or fabrication of the human world, and by replication or multiplication of the ends of the activity. In this process, a model, image, or goal is conceived and then definite means are applied to materialize the said model, image, or goal. The process is repeatable but not repetitious; it becomes repetitious only to the extent that it is taken up by the



life urges of animal laborans. While the animal laborans uses tools produced by homo faber to ease the compulsions of the biological cycle, homo faber uses tools to build the world between human actors (Arendt 1958, 147).

The instrumental form of work maps onto the activity of the ethical consumer with some clarity. The ethical consumer fits the form of homo faber insofar as he uses consumption, or specifically, exchange activity, as a tool “in order to” achieve a definite goal. As we have seen, those goals range from securing rights for workers, welfare for animals, and a sustainable environment for all, etc. Unlike the activity of labor and consumption, ethical consumer activity is not a repetitious activity concerned with life but an activity distinguished by a definite beginning, being their particular ethical demand, and a definite end point, being the materialization of their ethical demand. Their methods are not unlike that of homo faber in that the means used to achieve their goal can be replicated, insofar as business cannot avoid the competitive pressures points that ethical consumers target. Ethical consumers are explicitly concerned with the materialization of these specific goals and intend to erect an ethical or socially responsible world. So, if ethical consumers are political actors they are ones that see consumption as a means to attain certain desired ends.

This picture of the ethical consumer as the utilizer of means/ends logic is one that seems to preclude the possibility of ethical consumption activity from fitting the form of political action as described by Arendt. For if ethical consumption is merely the application of means/ends logic to a determinate problem, if all ethical consumption does is use consumption as an instrument in order to achieve particular ends, then it would seem that ethical consumers are not acting politically according to Arendt’s framework. On this point Arendt is clear; political action can never be a means to some other end; political action is only ever its own good. In fact, Arendt’s

resistance to political action as a form of making or fabrication is part of her larger critique against modernity and its supreme tendency to understand political action instrumentally. The modern tradition, according to Arendt, elevated the activity of homo faber to the degradation of the political and, as such, opened the political to philosophical understandings that could not adequately argue against using human beings as means to achieve ends. Arendt undoubtedly has the holocaust on her mind when she insists that politics cannot take on an instrumental form. For her, it is a dangerous slippery slope when the activity of making is substituted for politics. She writes, “We are perhaps the first generation which has become fully aware of the murderous consequences inherent in the line of thought that forces one to admit that all means, provided they are efficient, are permissible and justifiable to pursue something defined as an end... As long as we believe that we deal with ends and means in the political realm, we shall not be able to prevent anybody’s using all means to pursue recognized ends” (Arendt 1958, 229).

It is here, concerning this issue of instrumentality and politics as an “end in-itself”, where the political nature of ethical consumption activity would likely be decided for Arendt. The difficulty in interpreting this distinction is not one that has been glossed over by the secondary literature. This distinction is perhaps the most controversial and most troublesome for many Arendtian interpreters, prompting comments like, “I do not know how to put her thought exactly,” and, “I don’t know whether she fails to disentangle herself from the instrumentalism or whether I am the one who can’t escape instrumentalist thinking” (Kateb 1984, 13; McGowan 1998, 61). Reading Arendt closely on this issue does not do much to relieve the controversy and debate as she herself, at times, appears to be struggling with exactly how she intends this distinction to work and interact. One of the more confusing examples which gives credence to this claim is her labeling of political founding and lawmaking in the *THC* as work of homo faber

and then her subsequent turn around elsewhere, particularly in *On Revolution*, where she lauds political founding as the example par excellence of political action. Examples like this, among others, make this issue a difficult one. Nevertheless, the fate of the political nature of ethical consumer activity hangs in the balance, on our understanding of the role of instrumentality and politics. For if it is true that political action never takes an instrumental form, then ethical consumerism would undoubtedly not be political. But, if Arendt intends something different by her exclusion of means and ends from politics, ethical consumption activity might fit the form of political action. Before we explore this issue completely, however, we must clearly deal with the other elements constitutive of political action and the human experience.

Action in the presence of others is constitutive of political action for Arendt. The importance of action displayed to others is fundamental; it is the ultimate expression of “human” freedom, it is where identities are constituted, and where distinctly “human” meaning and “human” reality are generated. For Arendt, the essential *condition* upon which action is possible - and without which freedom, identity, meaning, and reality are also not possible - is human plurality (Arendt 1958, 188). Arendt argues that action, or more accurately action and speech, requires human plurality. Human plurality has the two-fold character of equality and distinction. Humans are equal insofar as they can understand each other and diverse insofar as humans need speech and action to communicate and reveal wants, needs, opinions, and differences. If men were the same, Arendt argues, “Signs and sounds to communicate immediate, identical needs and wants would be enough” (Arendt 1958, 176). Thus, action and speech appearing to others is required to reveal human distinctiveness. Neither labor nor its activity of securing biological life, or work and its activity of fabricating the material world are capable of rendering human distinctiveness. Only action and speech is capable of rendering the mode in which humans

appear as humans to other humans. As Kateb puts it, “Reality is guaranteed by variety... In the public realm a person’s identity is established by the play of different opinions about him; just as his own “truth” is enhanced in contention with the truths of others. He is real to himself only because he is publicly real to others” (Kateb 1984, 15). Thus, action and speech in the presence of human plurality allows for the construction of reality and meaning to occur through the interplay of appearances that humans make in front of others. Without human plurality, humans would appear to no one and no one would appear to the actor. Reality and meaning, in this instance, would not be an ontological possibility. Speaking to no one reveals nothing to nobody and thus all that is real would wither away.

While human plurality is an essential *condition* for political action, action and speech are the authentic activity of political action. While at times it may appear that Arendt is referring to action and speech as different activities with regard to its political character, with both being capable of revealing the actor, it is clear that Arendt privileges the ability of speech rather than action to reveal the actor. So, even though the disclosure of the actor is “*implicit* in both words and deeds”, Arendt goes on to say that, “Without the accompaniment of speech, at any rate, action would lose its revelatory character” (Arendt 1958, 178, *emphasis mine*). For without speech, the only thing that appears to others, in the phenomenological sense, is the materialized results of activity; one would see others doing things that simply have tangible ends and all immaterial concerns would be superfluous. So without speech from a distinct actor to claim the importance of his activity, action would be meaningless and all that would be seen is the activity of homo faber. Thus, the consequence of action without speech is that identity cannot be revealed and meaning cannot be generated.

Thus, action and speech for Arendt are inseparable, or as she says, “coeval and coequal, of the same rank and kind” (Arendt 1958, 26). In this sense, when Arendt speaks of action as that which starts something anew or puts something into motion, she has both action and speech in mind. Yet, like speech’s closer affinity with the capacity to reveal, action is more closely connected with human freedom. Arendt writes (1958, 176-7),

*“With word and deed we insert ourselves into the human world, and this insertion is like a second birth... This insertion is not forced upon us by necessity, like labor, and it is not prompted by utility, like work... its impulse springs from the beginning which came into the world when we were born and to which we respond by beginning something new on our own initiative... With the creation of man, the principle of beginning came into the world itself, which, of course, is only another way of saying that the principle of freedom was created when man was created but not before.”*

From this extended quote we can see how Arendt ties freedom to natality and natality to action, and how action occurs only through the appearance, or second birth, of the actor. It is the bringing of man into the world of appearances that spurs questions from others about “who” he is. It is this, in turn, that allows for the actor to act by responding through speech in appearing before others. It is only through action and speech then, through the actualizing of freedom, that the distinctly *human* world is revealed and rendered visible.

Arendt’s description of action and speech seems to cast doubt on the political nature of the ethical consumer as it relates to their activity meeting the demands of human plurality and publicity. Of course, if the activity is not performed in the presence of others it fails to meet the form of political action. This is another way of saying that it fails to reveal the actor and generate meaning, like the activities of work and labor. At first glance, it certainly seems reasonable to charge ethical consumer activities with failing to meet the condition of human plurality. After all, shopping or exchange activities most often appear to us as private activity conducted by individuals in relative isolation from one another. Hence, one could argue that because ethical

consumption, especially in its more individualistic varieties, differs little in its appearance from normal exchange activity or typical everyday shopping, it fails to meet the demands of human plurality and publicity. For example, envision an ethical consumer at the grocery store selecting their fair trade coffee amongst their many other food items, indiscriminately placing it into their shopping cart, and then purchasing it without any explicit recognition or discussion with others at the store about their so-called act of consumer activism. In this depiction, it is hard to see how the ethical consumer meets Arendt's demand for human plurality and publicity. Though there is action, it is simply not clear that the actor is performing speech in front of others. In other words, the identity of an actor(s) is not revealed and reality and meaning (concerning the issues with which the ethical consumer is acting on) fail to be generated to those around the ethical consumer. This is a poignant critique that, in the least, casts serious doubt on the political efficacy of these forms of ethical consumption and in the extreme seems to exclude it as political activity.

Against this interpretation, however, stand two alternative arguments in favor of ethical consumption as political activity. The first argument involves a more complete depiction of the ethical consumer than the one given above and the second argument finds textual support from Arendt in an overlooked passage on exchange activity in *THC*. Starting with the former, ethical consumer advocates would certainly raise objections with the illustration of their activity provided above. Indeed, my own rendering in chapter two would question any picture of ethical consumer activity presented merely as isolated non-communicative actions. First, it is not uncommon for ethical consumers to act locally and collectively with community members. The perfect example here is the carrotmob, where ethical consumers meet together at a predetermined store location to engage in a collective boycott. Obviously, an activity such as this is performed

in concert and in the presence of others, insofar as the ethical consumers boycott together and draw the attention of other shoppers, media, and bystanders. But, these localized examples are certainly not the most popular form of ethical consumption, nor are they the form most responsible for the proliferation of ethical consumer activity. Rather, it is the more web-based ethical consumer campaigns, ones that call for consumer action from geographically diverse locations, which are the most common type of ethical consumerism. This type of ethical consumption activity usually does manifest itself in that atomized way presented above, at least, that is, to non-participants. For what non-participants see is simple shopping, not unlike the shopping they are also doing. But, what they do not see and is easily forgotten by observers, is the thousands of other ethical consumers who are performing in concert, albeit in disparate locations. Such collective action is the result of the organizing capacity of the Internet and the fact that the same companies and products can be accessed from many different nodal points in the world. The Internet and the ubiquity of major brands and retail store locations allows for both widespread mobilization and diffuse action. This means that thousands of individuals may be acting together but in a thousand different locations. So what may appear as action in isolation, the work of “invisible hands” if you will, is actually coordinated strategic action in concert with others. Furthermore, these actions speak, and often with persuasion, to the businesses at which they are targeted. For when the marketplace becomes the site of politics, it usually prefers currency as its mean of communication. So, this is how ethical consumers speak; they let their money, or its absence, talk. Insofar as one finds this a convincing interpretation, ethical consumption seems to fit the form of political action.

In addition, Arendt herself lends support to the idea that exchange activity fits the form action in the *vita activa*. At two different points in the *THC* Arendt commented about the

marketplace as constituting a common public realm, which would then meet the condition of human plurality. This public realm, however, is one for both the fabricator and the actor. As it regards the former, the marketplace is a common public realm for homo faber insofar as he meets his peers there and each of them have contributed something to it (Arendt 1958, 209). To this, however, Arendt (1958, 209) adds the following interesting nuance:

*“Yet while the public realm as exchange market corresponds most adequately to the activity of fabrication, exchange itself already belongs in the field of action and is by no means a mere prolongation of production; it is even less a mere function of automatic processes, as the buying of food and other means of consumption is necessarily incidental to laboring. Marx’s contention that economic laws are like natural laws, that they are not made by man to regulate the free acts of exchange but are functions of the productive conditions of society as a whole, is correct only in a laboring society, where all activities are leveled down to the human body’s metabolism with nature and where no exchange exists but only consumption.”*

Here, Arendt seems to be suggesting that in both a consumer society (animal laborans) and a producer’s society (homo faber), the activity of exchange itself loses its importance and its character as speech and action because the *disposition* or *impulse* of the actor is one that devalues exchange and is driven by concerns for life and making life more comfortable (as in the case of animal laborans) or the desire for products (as in the case of homo faber). This is confirmed in the following paragraph when Arendt writes that the people who meet on the exchange market “are primarily not persons, but producers of products, and what they show is not themselves... but their products. The *impulse* that drives the fabricator to the public market is the desire for products, not for people, and the power that holds this market in existence is not the potentiality which springs up between people when they come together in speech and action, but a combined ‘power of exchange’ (Adam Smith) which each of the participants acquired in isolation” (Arendt 1958, 209-10).



As we see here, the point on which the marketplace as the public realm hinges, for either homo faber or homo politicus, is the disposition, impulse, or intention that brought the actor(s) into the public realm for exchange in the first place. If the *impulse* driving the person to the marketplace to engage in exchange activity is “for people”, and not “for products”, the action itself would maintain its political character as the exchange activity would then reveal the actor to the public. When the impulse of the actor changes, the actor can tap into his truly “human” capacities, which for Arendt is expressed by politics. In this instant of *activating* one’s human capabilities, the economic realm, what we have traditionally thought of as an example of the private realm of commerce, is constituted as the political space of appearance. The political is constituted or brought into being by action itself; in this case, the activity of ethical consumption constitutes the market as the space of politics and brings this public realm into existence. The public realm then, according to Arendt, can exist anywhere; “action and speech create a space between participants which can find its proper location almost any time and anywhere. It is the space of appearance in the widest sense of the word, namely, the space where I appear to others as others appear to me, where men exist not merely like other living or inanimate things but make their appearance explicitly” (Arendt 198-9). The ethical consumer, according to this, is driven to the market out of a concern for other people and, in their exchange activity they mark this concern for other people through strategic purchasing or non-purchasing. Here, exchange cannot be expressed by a mere “prolongation of the production process” or as part of the “function of the automatic processes” of securing biological necessities. While these elements are certainly present, they are *incidental* to the exchange activity of the ethical consumer. This marketplace, the marketplace of the ethical consumer, one characterized by the presence of “fair trade” and “green” goods, is kept open as a potential space of appearance by power. “Power is

what keeps the public realm, the potential space of appearance between acting and speaking men, in existence” (Arendt 1958, 200). The moment that men and women stop coming to the ethical consumer marketplace, the power that keeps the space of appearance open vanishes and so does ethical consumption as a political activity.

If we take this interpretation above as representative of Arendt’s opinion concerning the marketplace as a potential public realm, the activity of the ethical consumer should be interpreted as political activity. Except, we have yet to completely address the issue of instrumentality noted earlier. What are we to make of ethical consumer activity taking the form of using means “in order to” achieve certain ends? This would relegate ethical consumer activity back to the category of work, for it is the activity of *homo faber* that is concerned with taking up means in order to achieve ends. Hence, there seems to be tension between ethical consumption interpreted as work and ethical consumption interpreted as action.

As noted above, this issue of instrumentality in Arendt has been quite controversial. This is mostly due to Arendt not being entirely clear in her discussions on the issue. Without delving into this secondary literature and leading this discussion too far astray, it is suffice to say that many interpret Arendt, and her insistence that political activity cannot take an instrumental form, to mean that insofar as any activity is political, it cannot be engaged in applying means to achieve ends. In other words, they take political activity to be that activity not engaged in trying to reach goals and results. While this may feel highly uncomfortable for those of us who study politics, this is not an absurd interpretation of Arendt, especially when she insists that political action can only be those actions that are ends in themselves. Arendt lends herself to this interpretation when she says, “for in these instances of action and speech the end (*telos*) is not pursued but lies in the activity itself... This specifically human achievement lies altogether

outside the category of means and ends; the “work of man” is no end because the means to achieve it – the virtues, or *aretai* – are not qualities which may or may not be actualized, but are themselves actualities,” (Arendt 1958, 206-7). This, in addition to her numerous rejections of activities that take a means/ends form, gives the impression to the reader that political action does not and is not concerned with achieving anything. This has lead Kateb and McGowan to ask of Arendt, “just what can politics do” (McGowan 1998, 75; Kateb 1984, 15)? To which both reply that all politics can do or be is speech, for it cannot be anything that seeks to attain an end. If Kateb and McGowan are correct, we have located a significant problem in Arendt, for the ethical consumer appears stuck between the categories of *homo faber* and *homo politicus*. This interpretation manifests the ethical consumer as both an actor, insofar as their consumer activism signals or speaks to businesses, and a worker, insofar as they apply definite means in order to achieve specific ends.

Unfortunately, I think Kateb and McGowan have missed the ball here in attempting to reconcile this distinction between instrumentality and political action. They have confused an ontological point in Arendt concerning the nature of action, which is constitutive of the human experience, for an empirical concern of actually locating political activity in the observable world. Arendt would be the first to recognize that political action will always take on an instrumental form in the empirical field. Political action certainly seeks to accomplish ends. But, the thing that makes action political, which is the same as saying the thing that makes that action distinctly human, is not that it applies definite means to achieve certain ends. Rather, it is that action, in its actualizing, generates the meaning for that action. Thus, when Arendt argues that, “the innermost meaning of the acted deed and the spoken word is independent of victory and defeat and must remain untouched by any eventual outcome, by their consequences for better or

worse,” she is attempting to convey that meaning derived from action, from acting politically, is not simply the ends achieved. Action is an end in-itself, regardless of the consequences, because only action and speech can disclose the identity of the actor and reveal human meaning. This is why the innermost meaning of action lies in the activity itself, because human meaning and reality are only possible through action and speech in the presence of others. Therefore, action and speech should not be understood by instrumentality alone, for “if nothing more were at stake here than to use action as a means to an end, it is obvious that the same end could be much more easily attained in mute violence” (Arendt 1958, 179). What is at stake here in this distinction between work and action, as Arendt sees it, is the ontological basis for the generation of human meaning. This is what Arendt means when she argues that action “fails to transcend productive activity” when the agent is not revealed and thus leaves no more meaning than is revealed in a finished product (Arendt 1958, 180). Without political action, understood as action and speech in the presence of others, all that we could understand about our activity is what it produces and the means it used to do so. Identity and life’s meaningfulness would cease to be disclosed.

If we decide to follow this interpretation of Arendt, rather than those of Kateb and McGowan, then it is clear that ethical consumption activity could only be explained as political. While it is beyond doubt that ethical consumers’ utilize definite means to achieve ends, their activity is not explainable by this alone. Rather, what is specifically political about ethical consumer activity is the human meaning generated in their speaking and acting before others in the public realm about issues concerning the polity. The impulse that drives them to act, which is created in action, is not a desire for products or an urge to ease the necessities of life, but rather is a concern “for people.” The innermost meaning of ethical consumption then, lies not in its achievement nor in its motivation, but in the deed itself, for it is ethical consumption itself that

generates the significance of its own speech and activity. It is in this sense that Arendt might laud ethical consumption as a particular great “human” achievement, for neither the activity of animal laborans or homo faber is capable of generating the importance of the human issues that ethical consumers create in their activity.

## CONCLUSION

### Neoliberalism and the Political

Over the course of the last four decades, the United States and Britain have undergone a dramatic shift in the governance of their populations; namely, from one where the state used to assume a significant role in the regulation of economic affairs and provision of public goods and services to one where the extension of the market mechanism has become the basis of the state's action so as to insure the market as the authoritative regulator of social affairs and source of public goods and services. In the preceding chapters, I suggested that this shift in the locus of governance in the U.S. and Britain has, to a considerable degree, been the result of an intellectually driven neoliberal political movement begun in the early 20<sup>th</sup> century, the concomitant constitution of this movement into the structural form of the neoliberal state, and the pervasiveness of its governmentality upon its subjects. In response to Keynesian dominance and the growth of socialism, laissez-faire liberalism was recast by a cadre of thinkers - led by Hayek and Friedman - as a "constructivist project," which had the subsequent effect of licensing the state to take a more active role in the promulgation of market order and values (Brown 2003). As a result of this philosophical change and successful political efforts in the midst of economic crises in late 1970s, the market has become progressively responsible for regulating most domains of human activity, from health care to education to the environment, while market-oriented thinking and rationality have also come to govern how we interact, make decisions, and understand our daily lives. As Michael Sandel puts it, we have gone from a market economy with limits upon markets to the all-penetrating logic of a market society where everything is for sale and understood within an economic framework (Sandel 2012).

Emerging rather concomitantly with this shift to neoliberal government and governmentality in the U.S. and U.K. has been new market practices that seek to govern the behavior of other marketplace actors, namely multinational corporations and their consumers, without significant aid from the state or other traditional forms of political authority. While many new market actors and practices accord with this trend, from the advent of socially responsible businesses to sustainability practices, fair trade and ethical labeling regimes, social auditing firms and practices, and international codes of conduct, herein I examined the emergence and proliferation of the ethical consumer as one particular example of the above trend. The ethical consumer is, I argued, a historically specific consumer identity that utilizes a distinct discourse to rationalize an assemblage of market-based practices that attempt to shape the behavior of business and other consumers toward more “ethical” or “social responsible” ends. Their discourse is uniquely set within the context of globalization where the power and daily influence of corporations over one’s life has increased exponentially relative to the power of state in the hyper competitive global marketplace. In response, ethical consumers have adopted a discourse of social responsibility to articulate their belief that market actors have social obligations in their capacities as market agents that reach beyond the common consumer rationality that only concerns itself with the cost and quality of goods and services. Additionally, ethical consumers have incorporated a discourse of collective consumer sovereignty that describes their agency as consumers when acting in concert with one another. The notion of “spending power” articulates ethical consumers capacity to alter the behavior of other market actors toward desired ends via coordinated market practices like boycotting and buycotting. These practices, among many others, target corporations’ bottom lines and are consistently utilized in efforts to govern and shape their behavior.

Of the many questions this work set out to explore, none was more important than examining whether the emergence of the ethical consumer as a distinct historical actor was related to the coterminous emergence and powerful influence of neoliberal government and governmentality. A relationship between the two has typically been asserted by critics of neoliberalism as a matter of common sense without a thoroughgoing genealogical understanding of the ethical consumer's emergence. Their common two-pronged argument generally emphasizes the following: (1) that the structural requirements imposed by deregulation, privatization, and the reduction of state-provided goods and services has had the effect of pushing responsibility onto consumers to render the essential things needed to live, and (2) that neoliberal rationality has transformed individual subjectivities in line with free markets, individual liberty, and entrepreneurialism such that conduct is governed without much actual government. Though far from being incorrect, these theories have generally spoke to consumerism rather than ethical consumerism specifically. But, those that did were also beginning to be put in doubt by new research on the ethical consumer that found ethical consumer subjects were far from the neoliberal subjects described by theorists as self-interested utility maximizers. Ethical consumers, as I have described, are driven by concerns for the collective good and holding market actors accountable for their social responsibilities. Given this disconnect, the preceding work has asked what ways, if any, the emergence of the ethical consumer was related to neoliberal government and governmentality? Perhaps ethical consumer activity and the governing function they aim to perform is unconnected to neoliberal hegemony after all.

Though it is certainly true that ethical consumer activity and discourse does not easily map onto the ideal type of the neoliberal subject portrayed in governmentality analyses, herein I



argued that the connection between the ethical consumer and neoliberalism was deeper than previously thought. First, our genealogical investigation of the ethical consumer's emergence suggested that both the discourse of social responsibility and discourse of collective consumer sovereignty had liberal origins and advocates. The discourse of social responsibility, which ultimately functions to provide a justification for intervening upon the behavior of other market actors, has consistently contended that market actors *should* govern the conduct of other market actors because the state *should* not and/or *could* not satisfactorily perform this regulatory function. Hence, the discourse of social responsibility advocated for a reduced role for the state, or, in the least, tacitly sanctioned a reduced role of the state because market actors were capable and/or better suited to filling the regulatory void. The discourse of consumer sovereignty and the idea of marketplace democracy, on the other hand, shared a more uncontested history with neoliberalism.<sup>1</sup> Though the concept and agency implied by consumer sovereignty predates the neoliberal turn and was seen in intuitive forms in early consumer movements, it was neoliberal thinkers like William Hutt and Ludwig von Mises who coined the concept's name and popularized the idea that the producer merely reacts to consumer demands. For these thinkers, as we will explore further in short order, the marketplace was a democratic arena that measured dollars as if they were votes instructing business to produce certain things. The genealogical record of the ethical consumer showed that they appropriated the concept of consumer sovereignty and extended it to collective coordinated actions, like previous consumer movements, in order to express their power as a group to induce behavioral changes among

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<sup>1</sup> The notion of social responsibility is not universally accepted amongst among neoliberal thinkers, as we have seen in the example provided by Milton Friedman in his famous essay on corporate social responsibility (Friedman 1970).

corporate actors. Ethical consumer discourse emerged in the fusion of these two discourses in the 1970s and 80s, ultimately concealing its relationship to neoliberal influences and origins.

Secondly, taking the argument seriously that the ethical consumer need not be a direct subject-effect of neoliberal governmentality and may indeed just be the result of structurally channeled behavior, even though our genealogy showed at least some degree of direct subject-effects, I explored the extent to which neoliberal government created conditions of possibility for the ethical consumer to appear and proliferate in the historical record. I argued that neoliberal government and governmentality, insofar as they establish the market as the authoritative regulator of society and competition as its essential regulative mechanism, significantly direct the political adjudication of economic issues concerning what, who, and how things should be produced to the marketplace for market actors to resolve themselves. In other words, access to traditional mediums of political adjudication and regulation, like the state, have been considerably shunted and political disputes regarding economic questions have filtered out to market actors to figure out. As a result, corporate monoliths are increasingly seen as marketplace governors, responsible for allocating values and valued material things to consumer citizens. These neoliberal macrophysical relations of power, I argued, elicited a space of *possibility* where ethical consumers were more likely, than in other forms of government, to act and speak themselves into the historical record, as they responded to and attempted to change the policies of their new political authorities.

Neoliberal government and governmentality, according to this analysis, have helped to produce the ethical consumer as a new(er) and increasingly popular type of *political* actor of the newly and increasingly politicized marketplace. Though others have also gradually taken to calling the behavior of the ethical consumer “political,” current literature in the humanities and

social sciences had yet to take this claim seriously by applying the actions of the ethical consumer against a hard theory of the political. It is one thing to say that neoliberal government contributed to the production of the ethical consumer as a political actor, but it is another to demonstrate what makes their activity distinctly political. So, herein I held my theory to the fire and analyzed the ethical consumer against Hannah Arendt's strict formulation of the political; in particular, her notions of speech and action, human plurality, the space of appearance, and instrumental action. While it is clear that ethical consumers speak and act, in all the ways previously described, it was debatable whether their actions met the performance condition of human plurality, whether the exchange market could render a public space of appearance for political action, and whether the strategic form of ethical consumer action transcended its own instrumentality to become an end in itself. Though some of the more atomistic iterations of ethical consumer practice had difficulty meeting the condition of human plurality, I argued that most ethical consumer actions conformed to political activity as articulated by Arendt in *The Human Condition* and elsewhere. Hence, when held up against a hard case, Arendt's theory further supported an interpretation of the ethical consumer as a political actor and product of neoliberal government and governmentality.

Here, in this concluding chapter, I explore the strength and an implication of this thesis; stated again, that neoliberal government and governmentality contributed to the production of the ethical consumer as a new type of political actor. First, I engage with a problem that appears to weaken the strength of my thesis. This problem arises when we, again, confront the extent to which neoliberals actually *intended* to produce the ethical consumer as a unique neoliberal political actor. Neoliberals, like Hayek and Friedman for instance, are openly hostile toward expanding the political's coercive reach upon individuals, especially toward their economic

activity. Given that the ethical consumer is a political actor, and one that primarily acts upon other market actors, it is certainly doubtful that they would embrace and claim its emergence as their work. So, what is in question here is the degree to which we can say that ethical consumers are the direct subject-effect of neoliberal governmentality. Below, I offer a clarification for just how neoliberal government and governmentality *directly* contributed to the ethical consumer's emergence. Lastly, I conclude this work by briefly exploring an important implication of my thesis. This is that the recognition of the ethical consumer as the political product of neoliberal government and governmentality forces both neoliberal advocates and their democratic critics to confront the extent to which they can maintain their positions on the depoliticizing character of neoliberalism. Both parties contend that neoliberalism is depoliticizing, yet one presents this as a virtue while the other a vice. For neoliberals, it is difficult to see how they can maintain their advocacy for the reduction of the political in a way consistent with a "policy of freedom," for it would require legal interventions upon the associations and actions of ethical consumers and others such that they would be prevented from boycotts, buycotts, and other "social responsible" actions. Democratic critics, on the other hand, must confront the realization that neoliberal government does not merely depoliticize, but also actively politicizes. It opens up a political space and generates a new way of thinking politically. Though this neoliberal politics is certainly not a system suited toward democratic governance, it is undoubtedly not antipolitical and its recognition as a site of political contestation may be central in the fight to turn back or turn toward a new governing rationality.

## Neoliberals and the Political

Here, I have argued that neoliberal government and governmentality contributed to the production of the ethical consumer as a political actor. This contribution from neoliberalism occurred both indirectly, through structuring the possibilities of political action at the level of the state, and at least somewhat directly, through changes in the actors' subjectivities as it related to their obligation and ability to hold market actors accountable for their responsibilities to the social. In other words, I have argued that not only has the structural constraints imposed by neoliberal government channeled political issues and action into the marketplace, indirectly creating and/or supporting the proliferation of ethical consumer political subjects, but neoliberal governmentality has also worked independent of the preceding to contribute to the production of individual subjects that believe they have the responsibility and power to govern and shape the behavior of market actors, i.e., to be effective political consumers. Articulated in this way and without any significant qualifiers, this thesis claims a strong mutually reinforcing relationship between neoliberal government and governmentality in the production of the ethical consumer.<sup>2</sup>

But, maintaining this strong relationship between neoliberalism and the ethical consumer is problematic for it is doubtful that neoliberal proponents would actually support this trend toward a politicized marketplace where market actors utilize economic levers to regulate the actions of others. This is because, as Hayek and Friedman argued vociferously, the essential virtue of a market economy over a politically planned economy is its ability to efficiently allocate scarce resources without coercively infringing upon an individual's liberty. Given that neoliberals were seemingly intent on reducing the political field as much as possible in order to increase the autonomy of economic actors, using the state to do so, it is unlikely that they also

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<sup>2</sup> To be clear again, I am not claiming a direct causal relationship between neoliberalism and the emergence of the ethical consumer.

intended to empower ethical consumer behavior or any other political behavior in the marketplace, for they would merely be licensing further coercive action. Hence, there is a disconnect between my contention that neoliberal governmentality directly and intentionally contributed to the production of the ethical consumer as a political subject and the fact that neoliberal advocates actually aimed to do the opposite, that is, diminish the capacity for political action. Below, I will demonstrate how a line of neoliberal thought actively politicized the market and their actors and thereby created a discursive space for a political interpretation of the ethical consumer.

Perhaps the best way to confront this said tension is by first demonstrating the claim above that neoliberals actively aimed at diminishing the capacity for political action. This claim sounds beyond reproach or justification given what everyone knows about neoliberalism and its desire to limit the state's will and ability to regulate economic affairs. Obviously, a reduction in the state's responsibilities and obligations as it relates to providing public goods and services will mean a reduced need for political action on the part of citizens. If the state is perceived as closed for business, less people will come to its doors for its wares. This is the general thrust of the argument made by critics of neoliberalism who proclaim and denounce its anti-political and/or depoliticizing character (Boggs 2000; Giroux and Kellner 2003; Brown 2003; Bauman 2008). For these thinkers, following Foucault, neoliberalism's state-phobia is a depoliticizing empirical reality shutting off access to the state's political regulation of economic interactions. As evidence of depoliticization, critics point to a progressively privatized public sphere, decreased political participation rates, decreased rates of political party identification, increased apathy, and the general sublimation of citizens to atomized consumers who seem unconcerned and unable to think and act politically. While it is certainly true that neoliberal arguments against state

intervention and the listed empirical evidence demonstrate neoliberalism's antipathy towards the political and would safely suffice as a sound premise to move this argument forward, it is surprising that there has yet been a deeper analysis of neoliberal thought specifically on the political. For in the work of thinkers like Hayek and Friedman, it is possible to delimit an even stronger neoliberal animus toward the political. Given that this is rarely discussed in the literature, it is worth bearing out here.

Much of neoliberal thought on the political, as distinct from the state, comes in response to socialist criticisms of laissez-faire and its insistence on separating the economic and political spheres, or as Hayek puts it, on the socialists and Nazis "demand for the dominance of politics over economics" (Hayek 2007, 139).<sup>3</sup> As discussed in chapter three, laissez-faire articulated the economic as an ontological reality operating according to natural laws that, in order to be expressed naturally, must be quarantined off from state intervention and allowed to function according to its own inherent logic. Neoliberal thought, for the most part, dropped this naturalism and sublimated the economic to the primacy of the political. Competition and market logic was not natural; it was socially constructed and politically instituted. This political turn was most apparent in the work of the German Ordoliberals, as Foucault and others have pointed out. Commenting on this change in the work of the ordoliberals in 1955, the German-American political scientist Carl J. Friedrich wrote: "In the tradition of Aristotle, these neo-liberals see the political as primary – in itself a striking departure from certain dominant strands of traditional liberalism" (Friedrich 1955, 512). This political turn from traditional liberalism was, for the most part, consistent throughout the various neoliberal schools and could, in fact, be seen much earlier than 1955. For instance, in Lippmann's 1937 work of *The Good Society*, he touched on the

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<sup>3</sup> It is interesting to note that Milton Friedman (1962) confusingly attributes the separation of economics and politics to democratic socialists in his book *Capitalism and Freedom*.

“false separation” between the political and economic in a footnote, urging the reemergence of the study of “political economy” in order to capture the two fields interrelatedness. For Lippmann, laissez-faire hegemony had mistakenly turned political science into “the study of what could not be done and economics was the rationalization of what need not be done” (Lippmann 1937, 255). As pointed out in chapter two, Lippmann saw inherent theoretical deficits within laissez-faire that prevented it from being properly positive or political, ultimately preventing laissez-faire from being responsive to its critics and social problems. Like the ordoliberals that followed, Lippmann and other neoliberals saw liberalism as firstly political and thusly empowered in the construction of a market economy.

Now, this recognition of the primacy of the political did not mean that neoliberals would go without a justification for wanting to limit political action or even still separate it from the economic, though it certainly made for an ironic recognition and argument for separation, one that was likely responsible for some confusion on the part of those less politically and philosophically inclined neoliberal proponents. Like their classical liberal forbearers, neoliberals still seriously distrusted political action and wanted to keep it from *destructively* intervening on the economic, but now they also needed to recognize its primacy in order to mount a political movement and reconstruct a liberal political program where the state could be active in the constitution and extension of markets. Rather than simply discarding the idea of separating the political from the economic, like Lippmann and some ordoliberals suggested, neoliberals like Hayek and Friedman hung on to it in an awkward two-step dance that at once recognized the necessity of politics for instituting a liberal economic order, but also sought to keep it from any further political interventions that did not extend the competitive market logic. The answer to the question of how they did this lies in their political understanding of coercion.



The neoliberals' distrust of the political, or what its critics would call neoliberalism's anti-political character, is derived from their recognition of coercive power as one of the political's central functions. Of course, coercion is problematic for the neoliberal because coercion is the chief enemy of freedom or individual liberty, which is itself the highest liberal ideal. In fact, Hayek (1960, 11-12) defines liberty negatively as the absence of coercion, writing that it is the "state in which a man is not subject to coercion by the arbitrary will of another or others... In this sense "freedom" refers solely to a relation of men to other men, and the only infringement on it is coercion by men." Hayek is clear to emphasize that only humans can practice coercion and that coercion does not include limitations placed upon an individual by the non-human world. Defining coercion further, he writes, "By coercion we mean such control of the environment or circumstances of a person by another that, in order to avoid greater evil, he is forced to act not according to a coherent plan of his own but to serve the ends of another"(Hayek 1960, 20-21). Coercion, in this sense, is the power of a person to compel another to act or not act in a specific way. Hayek (1960, 17) notes that both human compulsion and human restraint are coercive infringements upon liberty and that "both aspects are equally important" in the pursuit of a "policy of freedom."

However, it is not simply stated by Hayek and others that coercion is a chief function of political action. But, it can be inferred from context. The primary way in which this may be inferred is through coercion's ubiquitous identification with anything political. Most typically, for instance, neoliberals identify the state's behavior - in particular, economic interventions by the state - as coercive. For Hayek, there is good reason for this. He argues that individuals confer to the state, i.e., the chief *political* institution, a monopoly in the legitimate use of coercion (Hayek 1960, 21). For Hayek, clearly influenced by Hobbes here, the state is entrusted

with coercive power because only it is capable of threatening a level of coercion so strong, in its ability to punish and enforce the law, that it can effectively limit the inclinations toward further coercive acts among groups and individual citizens. In other words, liberty, defined as the absence of coercion, depends upon the state's ability to threaten and execute coercive acts against those who would and actually do coerce others. Coercion, in this way, is the chief political action of a liberal institution. Similarly, Milton Friedman (1962, 15) argues that the "characteristic feature" of political action "is that it tends to require or enforce substantial conformity... The individual may have a vote and say in what is to be done, but if he is overruled, he must conform" (Friedman 1970). Conformity, of course, is enforced via the state's compulsion. Conformity is the "political principle," Friedman (1970) explains, "that underlies the political mechanism." Compulsion by coercion, logically inferred, is that political mechanism. The chief function of the political, for Friedman, is to coerce in order to bring about uniformity.

Naturally, this identification of the political with the exercise of coercive power means liberals would be distrustful of anything political. The political is necessarily coercive and, given that "the fundamental threat to freedom is power to coerce," the political needs to be reduced and diminished as much as possible in order to guarantee the greatest amount of space for individual freedom (Friedman 1962, 15). Interestingly, this means neoliberals come back around full circle on separating the political from the economic. Though the separation can no longer be maintained on ontological grounds, neoliberals now argue for the separation based upon a more pragmatic affirmation of the values inherent in individual or economic liberty. For liberty to be secure, the coercive power must be prevented from intervening in the economic realm, except to ensure and enforce the market's legal framework or if used in the expansion of

free markets. Hence, in conferring the legitimate use of coercive power to the state while also erecting a barrier and/or significant limits upon the use of that power in economic affairs, liberals reestablish the separation of the political from the economic upon the principle of guaranteeing individual liberty (economic freedom). Without separating the political from the economic, Hayek writes (2007, 138) that there would “be no economic or social questions that would not be political questions in the sense that their solution will depend exclusively on who wields the coercive power, on whose are the views that will prevail on all occasions.” Notice here how Hayek ties “the political” to “coercion” in that all “political questions” are answered by the use of coercive power. Second, it is important to note here that Hayek is not insisting on separating the political from the economic because of their different ontologies; it is not that social and economic questions are not political; rather, it is that they *should* be kept separate for the sake of securing a space for individual liberty.

Worst of all for neoliberals, by leaving every domain of life subject to political power, by not separating and insulating economic activity from the state’s reach, coercive power becomes too centralized and thereby amplified. The concentration of coercive power in the centralized political unit of the state, though needed to prevent coercion, poses a significant threat to liberty when not offset by a free market political order. Hayek (2007, 166) writes in *The Road to Serfdom*:

*“that the “substitution of political for economic power” now so often demanded means necessarily the substitution of power from which there is no escape for a power which is always limited. What is called economic power, while it can be an instrument of coercion, is, in the hands of private individuals, never exclusive or complete power, never power over the whole life of a person. But centralized as an instrument of political power it creates a degree of dependence scarcely distinguishable from slavery.”*

A juridically constructed free market limits the efficacy of economic power as directed by the government simply by dispersing that economic power among freely contracting individuals.

Hence, as Friedman (1962, 15) puts it, “By removing the organization of economic activity from the control of political authority, the market eliminates this source of coercive power. It enables economic strength to be a check to political power rather than a reinforcement.” For neoliberals then, according to Hayek (2007, 166), “the competitive system is the only system designed to minimize by decentralization the power exercised by man over man.” The power exercised by man over man is, of course, coercion, and it is only by turning over more domains of life to the market mechanism and separating them from political authority that liberty can be secured.

Clearly, as demonstrated here in the theoretical thought of Hayek and Friedman and as intimated in the empirical arguments by critics of neoliberalism, neoliberal proponents do have an unambiguous antipathy toward the political. Insofar as individual liberty is the neoliberals highest ideal, their primary goal is to reduce as far as possible coercive interventions upon individual’s lives, which necessarily means diminishing the scope and degree of political interventions. And, the evidence over the past thirty years seems to confirm that this, to a significant extent, has occurred. Given this antipathy toward the political, however, it is still unclear whether neoliberals would find the behavior of the ethical consumer objectionable. Of course, the answer to this question depends upon whether they interpret this behavior as coercive. It is clear from my analysis in the previous chapters that ethical consumer activity is political. But, it is important that we momentarily set aside my claim in order to evaluate how neoliberals would understand the nature of ethical consumer activity. For at stake in this analysis is the degree of responsibility we can assign to neoliberal governmentality for directly producing changes in the subjectivities of individuals in line with ethical consumer rationality. If neoliberalism identifies ethical consumer behavior as political or coercive, than it is highly unlikely that neoliberals intended to contribute to the production of the ethical consumer.

Alternatively, if ethical consumer behavior is consistent with the rules and values of a competitive system, then, considering the arguments of the previous chapters, we can infer an even stronger relationship between neoliberal governmentality and the ethical consumer.

First, let's consider the possibility that neoliberals would not object to ethical consumer behavior. Foremost, it is safe to say that there is nothing in neoliberal thought that would patently object to the educational and informational activities of the ethical consumer. Hosting websites, commissioning market surveys, and publishing information on the productive practices of companies and/or products are certainly activities that would be guaranteed in a liberal civil society. Though some neoliberals may object to the ethical motivations behind these practices, they would certainly not object to the right to express these ethical beliefs, the right to have this information, or the right to voluntarily organize these individuals into civil associations. These activities are certainly persuasive, and some individuals may be inclined to refrain from purchasing certain products or from certain companies based on that information, or, alternatively, use that information to now shop at recommended socially responsible companies. But, insofar as these actions from ethical consumers lack any collective concerted direction to boycott or buycott and remain individually based, it is difficult to imagine any neoliberal objecting and upon what principle. Individuals refrain from purchasing from certain companies or products for various reasons all the time. This is the essential virtue of a market system. The quintessence of individual liberty is individuals utilizing their individual/economic freedom according to whatever preferences they deem valuable. Coercion, in these examples, is minimal at best.

Ethical consumer behavior becomes more problematic for the neoliberal, however, when the individual actors combine with others and stage concerted actions that aim to compel or

induce behavioral changes from offending companies. Of course, the pertinent question here is whether this concerted behavior is coercive, not for the actors freely participating in the boycott or boycott, but for those non-participating consumers and especially for those companies of whom the actions are aimed. Recall Hayek's definition of coercion noted above as the "control of the environment or circumstances of a person by another that, in order to avoid greater evil, he is forced to act not according to a coherent plan of his own but to serve the ends of another." In the case of both the boycott and the boycott, it is difficult to see how each does not fit Hayek's definition. The aim of each concerted action is to cause those controlling a business to alter their company's policies in line with the beliefs of the actors such that the corporate executives no longer follow their own plans and instead attempt to meet the ends desired by the ethical consumers. Ethical consumers, according to Hayek's definition, would be controlling, at least to some extent, the "environment or circumstances" of that business in a way not totally dissimilar to the political hand of the state regulating economic affairs.

Milton Friedman essentially made this very argument in 1970 in his famous New York Times article on corporate social responsibility. In that article, Friedman argues that insofar as corporate executives pursue socially responsible policies that do not maximize profits to the fullest they are in effect imposing taxes on shareholders, customers, and employees. Of course, the imposition of a tax would be one way to control the "environment or circumstances" of the shareholder, customer, and employee. The imposition of taxes, Friedman (1970) continued, is a political function and when the executive takes this on he is "in effect a public employee, a civil servant, even though he remains in name an employee of a private enterprise." Friedman argued that such political action has no place in the private market, especially when imposed by someone who has not been duly elected by the public. Such action Friedman contends,

“amounts to an assertion that those who favor the taxes and expenditures in question have failed to persuade a majority of their fellow citizens to be of like mind and that they are seeking to attain by undemocratic procedures what they cannot attain by democratic procedures.”

It is not difficult to imagine Friedman using this same reasoning as it relates to the boycotting and buycotting activities of the ethical consumer. Though the consumer does not have a fiduciary duty to shareholders like a corporate executive does, one could easily argue that boycotting and buycotting impose coercive costs on others. For a boycotted company, for instance, the loss of revenue and public shaming amounts to a significantly imposed cost that damages the viability of the company. Alternatively, for a buycotted company the significant increase in consumer demand amounts to an imposed cost on future consumers who now face higher prices on goods due to their seemingly low supply. Perhaps Friedman’s strongest argument, however, would question the democratic legitimacy of boycotting and buycotting. For it appears once again, like the socially responsible businessman spoken of above, that ethical consumers have failed to politically persuade their fellow citizens of the merits of regulating business and instead have taken to acting on their own. In this sense, it is likely that Friedman and Hayek would find their concerted behavior to be coercive and more appropriately adjudicated in formal democratic political channels.

That neoliberals would likely find the concerted behavior of the ethical consumer to be political and therefore coercive in nature raises the problematic question posed earlier in the introduction. That is, how can we maintain that neoliberal governmentality contributed to the production of the ethical consumer if it is clear, as it now seems to be, that neoliberals had no intention and would object to the production of the ethical consumer as a neoliberal political actor? The short answer here is that we cannot maintain the same strongly inferred relationship.

It is clear from the above that our thesis regarding neoliberal governmentality needs to be slightly modified in order to account for this lack of intention. The question is how? Let me suggest here that rather than focusing on the notion of intention as it relates to analyzing the subject-effects of governmentality, that we more forcefully incorporate the concept of *direction*. The problem with only utilizing the notion of intention when analyzing whether governmentality produced subject-effects is that it fails to account for interpretative elasticity in the dominant discourse. It is important to recognize, in this sense, that though a discourse may have intended to only articulate “x”, it may have also unintentionally left interpretative space for an understanding “y.” The concept of direction allows for interpretative looseness in a discourse such that a discourse may not have intended to produce a certain kind of subject, but it nevertheless provided the *direction* in terms of the language and ideas, i.e., the discursive space, to do so. I think this is the case with neoliberal governmentality and the ethical consumer. Though neoliberal proponents never intended to contribute to the production of the ethical consumer as a neoliberal political actor, the neoliberal discursive regime they created nonetheless played a direct role in shaping the subjectivity of the ethical consumer.<sup>4</sup>

Neoliberalism’s direct, though unintentional, role in the production of the ethical consumer can be traced to its use of political and democratic metaphors in describing the free market relative to the state. Neoliberal thinkers painted a picture of the marketplace as a *political* alternative to the state’s management and regulation of economic affairs. The market and its expansion, so the argument went, could free the state from having to micromanage and resolve problems between economic actors. Henry Simmons wrote in 1934:

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<sup>4</sup> This is in addition to the way neoliberal government contributed to the production of the ethical consumer by structurally channeling the adjudication of political issues into the market place, as discussed in chapter three.



*“The existence (and preservation) of a competitive system in private industry makes possible a minimizing of the responsibilities of the sovereign state. It frees the state from the obligations of adjudicating endless, bitter disputes among persons as participants in different industries and among owners of different kinds of productive services. In a word, it makes possible a political policy of laissez-faire” (Jones 2012, 95).*

A political policy of laissez-faire is not just one where the state’s political responsibilities for the market are diminished or relieved, rather it is one where they transferred to the market; it is where the market becomes the medium and mechanism for adjudicating economic disputes concerning the substantive political questions of who, what, when, and how things should be produced and distributed. After all, this is what von Mises stated in 1955 were, “the great problems of our age” (Mises 1990, 53).

In effect, Simmons is recognizing and advocating the central point we made in chapter three, that neoliberal government channels or transfers political issues concerning the economy into the marketplace for market actors to adjudicate among themselves. This allows for a reduction in the duties of the formal political realm or state. It is worth quoting Friedman (1962, 15) in length here:

*“The existence of a free market does not of course eliminate the need for government. On the contrary, government is essential both as a forum for determining the “rules of the game” and as an umpire to interpret and enforce the rules decided on. What the market does is to reduce greatly the range of issues that must be decided through political means, and thereby to minimize the extent to which government need participate directly in the game.”*

It is not that these issues go away when transferred to the market or that they suddenly are not political anymore. Rather, for Friedman, when these issues are transferred to the market it simply means coercion will not be the political mechanism and conformity the political principle by which they are decided. This is because, as he argues (1970), “The political principle that underlies the market mechanism is unanimity. In an ideal free market resting on private property, no individual can coerce any other, all cooperation is voluntary, all parties to such cooperation

benefit or they need not participate.” The key here, as we saw above, is that the free market depends on individuals only acting individually. Once individuals act in concert with others in the market, economic power is concentrated into a coercive force that compels conformity from those it is directed. But, individually, Friedman argues, this coercive power is nullified insofar as it is widely dispersed.

What’s left, according to Friedman, is a market that proportionally reflects the preferences of all those who compose it. Friedman (1962, 15) uses a political metaphor to describe it: “It is, in political terms, a system of proportional representation. Each man can vote, as it were, for the color of tie he wants and get it; he does not have to see what color the majority wants and then, if he is in the minority, submit.” Obviously, this proportional representation metaphor is meant to contrast against a winner-take-all electoral system where the loser of an election is not afforded any representation in the governing body and is forced to conform to the will of the winning majority. The appropriateness of the metaphor, which is in many ways lacking, is less important than its political nature. Again, this political metaphor helps to contribute to a picture of the market that is actually performing a political function, insofar as it is the market and not the state that is authoritatively allocating values and valued things. Hence, even though Friedman and others are at pains elsewhere to completely disentangle the political from the economic, albeit for the pragmatic purposes of safeguarding individual liberty, it is confusingly brought back in to describe both the allocating function the market can perform in lieu of the state and its representational virtue.

To compound things even further, neoliberals actively articulated the overtly political concept of consumer sovereignty and its associated concept of marketplace democracy. Though these concepts can be traced back to their intuitive forms to the 18<sup>th</sup> century, as shown in chapter

two, it was not until the 20<sup>th</sup> century that they began to appear with more conceptual clarity. It was also then that they progressively became associated with Austrian school thinkers like Frank Fetter, Ludwig von Mises, Friedrich Hayek, and other neoliberals like William Hutt and Wilhelm Ropke (Persky 1993). Both of these concepts encouraged an explicitly political understanding of the marketplace and, more importantly, of consumption itself. Recall William Hutt's 1934 coining of the concept, writing, "The consumer is sovereign when, in his role of citizen, he has not delegated to political institutions for authoritarian use the power which he can exercise socially through his power to demand (or refrain from demanding)" (Persky 1993, 184). This concept obviously aims to recognize the power of individual consumers vis-a-vis producers. Producers must meet the needs and preferences of consumers in order to survive in the competitive system. Therefore, it is argued by neoliberals, that consumers possess primary power over producers concerning the questions of who, what, when, and how things should be produced. In other words, consumers give direction to the market's authoritative allocation of values and valued things. Consumers vote with their dollars for whom should produce what and when and how things should be produced. Von Mises makes this point perfectly in his seminal work *Bureacracy* writing, "The anonymous forces operating on the market are continuously determining anew who should be entrepreneur and who should be capitalist. The consumers vote, as it were, for those who are to occupy the exalted positions in the setting of the nation's economic structure" (Jones 2012, 56). Von Mises continued this description in the FEE's magazine, *The Freeman*, in 1960, arguing, "In a market economy private property is in this sense a public service imposing upon the owners the responsibility of employing it in the best interests of the sovereign consumers. This is what economists mean when they call the market economy a democracy in which every penny gives a right to vote" (Mises 1990, 4). Again, what von Mises

and others consistently make clear in their concepts of consumer sovereignty and market democracy is the power of consumers relative to producers in determining the authoritative allocation of values and valued things. For them, the market is democratic because it is reflective of every single purchase and non-purchase.

Once more, what is important for our purposes here is not the accurateness of the political metaphors and how well they describe free market economic relationships, but rather is that neoliberals have consistently borrowed political analogies to describe them. This is especially the case with consumer sovereignty and market democracy because these concepts uniquely accord power to the consumer. Of course, in each and every case above neoliberal thinkers had in mind individual consumers acting individually in the marketplace. Von Mises, for instance, spoke of the “anonymous forces” of which he means consumers acting on their own and without coordination. The problem for von Mises and other neoliberals, as I see it, was that they were not particularly careful when making these political analogies to point out the dangers, at least as they would see it, of consumers acting in concert with one another. In other words, there was an interpretative elasticity in neoliberal discourse that allowed the interpretative space for ethical consumers to either misunderstand their point or to appropriate it in a way that suited their interests. That it never occurred to neoliberals to make their point more clear is a bit surprising given that the emphasis in the idea of consumer sovereignty is that consumers possess primary power in their relationship with producers and that this power can be expressed in an individualized form or a collective form, as in when consumers organize and combine this power together in order to compel producers to alter their behavior in some way. Neoliberal thinkers certainly did not intend this oversight, but insofar as ethical consumer rationalities reflect a political understanding of the marketplace and a political understanding of their agency, we can

see how neoliberal governmentality *directly* contributed to the production of ethical consumer subjects.

### **Finding the Political**

In concluding this work, it is imperative that we briefly touch on what my thesis means for neoliberal proponents and their democratic critics when they insist upon neoliberalism's depoliticizing character. Interestingly, their two positions are not far apart from each other. While neoliberals have argued that neoliberalism can and should reduce the reach of the political, their democratic critics have argued that neoliberalism has succeeded in its depoliticizing aims and that, as such, it is inherently antipolitical (Bauman 1999, 2008, Boggs 1997, 2000; Brown 2003, 2008; Giroux 2003; Mouffe 2005). Of course, given my work here, both of these arguments now seem wanting, for how can it be said that neoliberalism has succeeded in its depoliticization when confronted with the example of the ethical consumer or the practices of corporate social responsibility, corporate citizenship, fair trade, social auditing, and international codes of conduct, just to name a few. The 21<sup>st</sup> century marketplace is a petri dish of different emerging political practices expressed via market actors who continually refuse to recognize a separation between their ethical commitments and their economic activities. Though these practices certainly do not uphold democratic principles like equality and fairness, among others, and also suffer from a host of political inefficiencies in terms of constituting an effective mode of practicing politics, they are nonetheless political and deserving of critical exploration as potential sites of neoliberal contestation. To get there, however, requires a more expansive view of the political, one where it is not merely coterminous with the activities of the

state. Here, in this final section, I take a moment to explore how neoliberals and radical democrats erred in their prediction and diagnosis of neoliberalism's depoliticizing character.

It is certainly true, as my work here has shown, that neoliberals have succeeded in reducing the reach of the political as it relates to the state acting upon market processes, specifically in terms of the state altering the price/value mechanism. Of course, it is also true that neoliberals have enabled the state to extend the market. The state may act to improve competitive conditions, open markets where there were none, and/or act to save or bailout the market from its own crises. Democratic critics correctly lament this specific construction of political structure and rationality, claiming that it has had deleterious effects on the conditions of political participation and engagement by route of shrinking the public space necessary for traditional state-oriented political intervention in the economy and by narrowing the collective political imagination concerning what constitutes public goods or the proper economic substance of political intervention.<sup>5</sup> To be fair, there are many important variations of these arguments claiming a general depoliticization or antipolitics, from Hannah Arendt to Jurgen Habermas to Chantal Mouffe, among the many others. But, most, if not all theorists, attribute some degree of depoliticization to the shift toward the "antipolitical" nature of neoliberalism (Straume 2011). Bogg's (2000, viii) sums up depoliticization's general consensus well when he writes,

*"The epochal triumph of antipolitics is not merely a matter of failed leaders, parties, or movements, nor simply of flawed structural arrangements, but also mirrors a deeper historical process – one tied to increased corporate colonization of society and economic globalization – that shapes virtually every facet of daily life and political culture. Depoliticization is more or less the inevitable mass response to a system that is designed to marginalize dissent, privatize social relations, and reduce the scope of democratic participation."*

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<sup>5</sup> It should be noted that for some scholars, depoliticization or antipolitics is a larger phenomenon that extends beyond just the closure of public space and the collective political imagination.

In their review of the depoliticization literature, Straume and Humphrey (2011, 16) echo Boggs above when characterizing the source of the problem.

*“Due to the lack of global regulations and through pressure on national authorities – via large campaign contributions in local and national elections (USA), juridical loopholes, fluctuating corporate structures, poorly regulated ‘transit states,’ etc. – corporate agents have to a large extent been able to influence and manipulate the conditions under which they operate. These players have justified their oligarchic positions through ultra-libertarian ideology and market fundamentalism, where ‘freedom’ is merely a nicer word for oligopoly. When corporations and investors operate beyond the reach of political bodies and institutions, important decisions that influence and shape the conditions of the lives and work of ordinary people are exempt from popular-democratic scrutiny.”*

As I have noted and chronicled in this work, this depoliticization victory (or loss) as a result of neoliberalism is real and significant. But, it is only real in the very specific way I have just articulated. That is, neoliberalism has depoliticized as it relates to the state acting in the economy and in producing subjects that view the state as an inappropriate mechanism for adjudicating economic demands and conflicts. Accepting this depoliticization narrative about neoliberalism is accurate, though incomplete and perhaps not aptly named, when it remains this specific and leaves open the possibility that neoliberalism may also politicize and open up political space, however fleeting that political space may be. Arguments of this specific sort would have no trouble acknowledging my point herein about the political emergence of the ethical consumer as a production of neoliberal governmentality. But, a mistake is made when this depoliticization narrative is extended generally to neoliberalism and casts its entire lot as antipolitical, as Boggs and others have done. When this mistake is made it becomes impossible to account for the political emergence of the ethical consumer and other political-oriented market actors.

This problem manifests in two ways. First, there is a general conflation of democracy with the political as if only democracy offered viable modes of political action (Boggs 2000,

Brown 2003, 2006, Giroux 2003, Straume 2011). Straume and Humphrey write (2011, 10), “What do we mean by depoliticization? While many phenomena could be classified under this heading, a common denominator here is a decline in democratic, political creativity.” It is undeniable that this is true, that there has been, as Brown (2006, 692) puts it, “a hollowing out of a democratic political culture and the production of the undemocratic citizen.” But, a hollowing out of democratic politics does not necessarily mean a hollowing out of politics as such. This much has been demonstrated here. Secondly and relatedly, depoliticization arguments fail to take seriously the way in which the political extends beyond the state to wherever political authority resides and is responsible for allocating values and valued things (Bang 2003; Easton 1965). It is only when one views the political as those activities primarily oriented toward the state, rather than political authority in general, do they fail to see or take seriously how the market can also become a site for political authorities to allocate values and valued things. To be clear, I do not believe this is intentional. None of the theorists mentioned above would claim that the political sphere is limited to the state. Yet, there is, nonetheless, a tendency to slip back into this dated intellectual framework when one is intent on refurbishing a democratic order dependent on the state. After all, if one is looking for democratic political authority they are not going to find it the marketplace.

This mistake by neoliberal critics often leads them to claim that neoliberalism simply wished to replace politics with economics (Davies 2014; Van Horn and Mirowski 2009). Of course, there is some truth to this, especially given our discussion above about demonstrating neoliberals stated desire to “decentralize” coercive economic power through its dispersion to private individuals in the marketplace. Neoliberals would not disagree with this characterization either. But, they make the same mistake as their critics, for what is happening is not replacement



but displacement. For what neoliberalism has done is not to depoliticize per se, as I showed in chapter three, but rather is to displace significant portions of the political mechanism into the market. David Easton's systems analytics is one useful way, like the governmentality approach offered in chapter three, to analyze this shift (Bang 2003). Easton's systems analytics is an effective tool because its definition of the political, as the authoritative allocation of values, is not bound by a specific formulation of political order. Easton's description recognizes that differences, disagreements, and disputes form the core of the political. These contestations occur over the allocation of valued things, material or immaterial, and require a communicated message from political authority to a lay community. Political authorities constitute a necessary role in political interactions, in this sense, but nothing in Easton's formulation requires that they assume positions in a certain political structure. Political authority may reside just as easily in the state with elected representatives as in the marketplace with powerful multinational corporations. Hence, Easton's system analytics is far more capable of recognizing changes in the political insofar as it starts with a study of political authority rather than state-oriented democracy.

Taking these points seriously, that is, about neoliberalism's displacement of the political and the utilization of an analytics that can more carefully account for changes in the political, has important implications for democratic proponents of neoliberal resistance. This is because the recognition of political access points opens up possibilities for increased sites of political resistance and opportunities to articulate counter-conducts. I do not intend to outline a resistance strategy here, though it is suffice to say that many anti-consumption activists are already engaged in such activity. It is also vital to recognize that acknowledging neoliberalism's politically productive capacities does not mean that one has to sanction them as a political alternative. As I have noted many times, the political system of the marketplace offered via neoliberalism is an

altogether worse variety than democratic state-oriented politics. One's goal should never be a political market system. However, if a fulcrum of resistance to this system requires operating within it, that is, engaging in market politics, one would be foolhardy to ignore this potential.

In this sense, it is hard to over state just how disruptive a massive market-oriented political resistance campaign against neoliberalism could be. It is certainly unclear, given what we know about neoliberals' disdain for political action within the marketplace, how neoliberals would respond to something like a general boycott. A general boycott would constitute a massive consumer led political intervention in the economy aimed at coercing some sort of desired end from corporations. Such an action would draw the ire of neoliberals everywhere. Yet, assuming no one is forced to boycott or threatened or intimidated in the process, it is coercive in a way that is perfectly consistent with economic liberty. For the boycott is simply a collection of individuals who have voluntarily refrained from purchasing from certain businesses. In this sense, it is unclear how neoliberals could stop or prevent such actions, other than through public appeals to stop boycotting. The only fail-safe response would be the imposition of laws that disallow voluntary consumer association and collective consumer actions. But, such a move would amount to forced economic individualization, an economic intervention of the first order that would appear highly contradictory for a system predicated on economic liberty. Neoliberals, it would seem, would be left without an effective mode of response consistent with their commitment to a "policy of freedom."

Market politics, in this way, forces neoliberalism to confront more fully the primacy of the political and the extent of its ability to appear anywhere one can speak and act in concert with others. Given the proliferation of political authority in the age we find ourselves in, political analysis must expand its scope of the political so it does not miss out on new forms of political

action that might mask themselves in similar ways. For what the ethical consumer shows us is that political action is not restricted to certain domains, but rather lies dormant within the orientation of action itself waiting to be awakened and used toward indefinite ends.

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