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Against Responsibility

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Family Values: Between Neoliberalism and the New Social Conservatism by Melinda Cooper
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The phrase 'hard-working families', a staple of New Labour and Conservative rhetoric for about twenty years, fell by the wayside with the political upheavals of Jeremy Corbyn's election as Labour leader in 2015 and the resignation of David Cameron the following summer. (Theresa May initially hoped to refocus on 'JAMs' – Just About Managing families – but lost all ideological confidence along with her parliamentary majority in June last year.) The phrase was used as a way of signalling economic and moral commitment at the same time. Gordon Brown – who liked to cloak redistributive policies in communitarian, traditionalist rhetoric – is said to have been the first to use it, in 1995. The Blair, Brown and Cameron governments all repeatedly claimed to be on the side of hard-working families, tinkering with tax, benefits and public services as way of helping this opaque group to 'get on'.

But under conditions of rising inequality, labour market precarity and escalating housing costs, it has become more and more difficult to pretend that 'hard work' is an adequate basis for supporting a family. Governments pursuing austerity policies are unwilling to supplement wages to the degree needed to lift all working people out of poverty, as Brown aimed to do with tax credits. Under the intense financial pressures of the post-2008 era, the family – once the seedbed for the Thatcherite ideologies of aspiration, independence and ownership, not least through the device of selling off council houses – has become the social security provider of last resort, a fallback when work and state benefits aren't adequate or available.

Cuts to the welfare budget are made on the basis of tacit assumptions about social support and care and where they ought to come from, if not from the state. Women have historically received more income in benefits than men, since the benefits system is designed to give extra help to those looking after children. But austerity fell especially hard on women: cuts to the welfare budget over the course of the 2010-15 coalition government meant that women lost 50 per cent more than men in net benefits, and twice as much as a percentage of income. The assumption behind such measures must be that women are less in need of state aid because they can turn to the 'breadwinner' in the family instead. Economic stagnation and austerity have placed family structures under strains that are all too often invisible to economists and overlooked by politicians and the media. Inequality and insecurity can have the effect of forcing people to conform to norms that make things worse for them. The 'bedroom tax' – which cut housing benefit for anyone with one or more spare rooms, or whose children didn't share a room – was a macroeconomic intervention in the micropolitics of family relations, reshaping people's private, everyday lives. Withdrawal of benefits and a rising cost of living can lock people into relationships, including abusive ones, that they might have chosen to get out of had financial independence been possible for them.

Intergenerational relations have been similarly affected. The virtual abolition of interest rates since the financial crisis has meant that investors have put even more of their money into assets such as real estate. As financial surpluses from across the globe have poured into the housing market, even fewer young adults are likely to be able to buy property. Stagnant wages and rising rents force many of them into long-term dependency on parents. University, once an insulated space between childhood and adulthood, now means a regime of enforced responsibility, thanks to the mounting student debt that pays for it. Under these conditions, the family becomes a vehicle for perpetuating inequality in more nakedly financial terms than ever before. Parents who have sent their children to private schools may think nothing of paying for an additional three years of university tuition, at a comparatively reasonable annual fee of £9250 (St Paul's School in London charges £8344 per term), if it will keep their children free from debt. The insurers Legal & General estimate that in 2018 the 'bank of mum and dad' will lend a total of £5.7 billion to help their children buy homes. What kind of 'bank' is this? Are these loans or gifts? Intergenerational capital transfers are something that politicians are reluctant to talk about, let alone criticise. It was George Osborne's promise to cut inheritance tax in October 2007 that spooked Gordon Brown into cancelling a general election, triggering the revival of a Conservative opposition that had until then looked completely out of energy and ideas.

The centrality of family finances in determining social outcomes trashes the meritocratic vision of society as a 'level playing field' where 'social mobility' is the overriding goal. Research on the cultural sector, for example, suggests that artistic professions are, more than ever, the preserve of those who can depend on family money to plug the frequent gaps between bouts of paid work. (Politicians from Blair onwards have been keen to celebrate British pop music, but none has ever acknowledged the indispensable role once played by the dole in seed-funding it.) Thomas Piketty's *Capital in the 21st Century* (2014) was a wake-up call in this regard, showing that existential luck – what you inherit or are gifted with, as well as when you are born – plays a far more decisive role than work or talent in shaping economic outcomes. Simply owning an asset (or being related to an asset owner) can deliver far more wealth than the labour market. And, as Piketty's data show, the value of capital (including shares and capital assets) grows faster than wages rise, meaning the problem gets worse with each passing year.

These dynamics have grown more visible since the global financial crisis, but still tend to be swept under the carpet in mainstream economic analysis. Politicians strive to sustain the idea that free-market capitalism rewards individual effort and risk-taking, despite mounting evidence to the contrary. The reality of 21st-century Western capitalism is that, for many people, it rewards neither. It does, though, provide plenty of mechanisms to enable advantage to be hoarded and passed on. Why hasn't the left developed a better vocabulary with which to criticise these mechanisms? In its fixation on the wage relation (the original source of injustice for Marx), it hasn't given adequate attention to the family.

In her new book, Melinda Cooper argues that the family has been pivotal in the reform of capitalism since the early 1970s, but that this fact has been disguised by the slipperiness of conservative rhetoric. The assumption that 'neoliberalism', with its basis in an abstract idea of an atomised, calculating individual, and 'neoconservatism', which is focused on the preservation of tradition and moral rectitude, must be in tension with each other means that too little scholarly attention has been paid to the family – an institution that these parallel traditions both enthusiastically defend. What is less excusable, in Cooper's view, is that critiques of neoliberalism inspired by Karl Polanyi have looked to the patriarchal family as a source of resistance to the free market, advocating a social democratic model inspired by 1950s Keynesianism in which traditional gender roles regarding duty and care could prosper, unthreatened by market forces. Cooper identifies several left-wing sociologists, such as Wolfgang Streeck and Luc Boltanski, who she believes have fallen into this trap by treating the individualism of the 1960s as the forerunner to the marketisation of the 1980s. In Britain, political movements such as Blue Labour put forward a similar argument. This kind of thinking is oblivious of the fact that neoliberal policies of privatisation and deregulation have gone hand in hand with socially conservative efforts to treat dependency and care as wholly family matters.

The great trick pulled off by the 'New Right' from the 1970s onwards was to conflate the 'individual' and the 'family', shimmying back and forth between the two as political expediency demanded. Margaret Thatcher made the conflation explicit in her notorious claim in 1987: 'There is no such thing as society. There are individual men and women and there are families.' Cooper quotes Milton and Rose Friedman, who were ostensibly 'neoliberals' but seemed to be perfectly comfortable slipping from individual to familial ideas of agency: the decline of faith in big government, they wrote in 1985, 'will tend to restore a belief in individual responsibility by strengthening the family and re-establishing its traditional role'.

Inasmuch as human beings are social creatures, who depend on one another for care, teaching, sex and many other things, the common agenda of neoliberals and neoconservatives has been to arrange things so that these needs are satisfied in as small and private a social unit as possible. The costs and benefits of different 'lifestyle' choices, in this line of thinking, must be returned to those who exercise them. Where this can't be done through the traditions of the family, it must be done through instruments of private finance such as student loans. In pursuit of this agenda, policymakers have devised intrusive, sometimes even punitive, techniques for allocating and enforcing responsibility.

Cooper's account, which is confined to the US, begins during what she presents as a brief window of political hope, between the mid-1960s and early 1970s. The pensions, unemployment insurance and welfare benefits introduced as part of Roosevelt's New Deal had been intended to provide public social security, but in practice there was a continued insistence that women, the sick, the disabled and victims of accidents turn first to the family for support. A series of legislative changes in the 1960s, combined with expanded legal aid budgets, made it possible to test these practices to breaking point in the courts. 'For an all too brief moment' in the early 1970s, Cooper writes, 'revised AFDC [Aid to Families with Dependent Children] rules allowed divorced or never-married women and their children to live independently of a man while receiving a state-guaranteed income free of moral conditions.' A similar pattern could be observed in healthcare. From the mid-1960s Lyndon Johnson's 'Great Society' poverty alleviation programmes distributed grants to local healthcare providers, many of which were attuned to the intersecting harms of poverty and cultural marginalisation. This was the background from which emerged the more radical healthcare movements advanced by the Black Panthers, feminist activists and gay rights groups. Their politicised visions of medicine and care challenged moral strictures concerning sex, family and the body, while also performing important social work. The Black Panthers, as Cooper describes, ran their own clinics but 'refused to apply for federal or state funding', relying instead on 'skill-sharing by medical professionals and regular donations of discarded medical supplies'. The Panthers represented an unusual type of threat to the status quo, viewed as politically dangerous, yet so effective in their delivery of social policies that federal administrators invited them to contract their health services to the state.

Public universities in this period were the beneficiaries of lavish fiscal expansion, while also serving as the headquarters of the New Left and political counterculture. Legal precedent from the early 20th century had placed American college administrators in loco parentis, which meant that students could be expelled for sexual and moral misdemeanours. In the 1960s this principle was increasingly resisted on campus. Student protests, Cooper emphasises, took aim at heterosexual patriarchy – the 'Fordist family' – as much as they did capitalism and war. That such dissent was being supported by the fiscal largesse of the Johnson administration didn't escape the notice of traditionalists in the Democratic Party who would soon form the movement known as neoconservatism.

Neoliberalism, understood as an intellectual tradition, is typically regarded as a philosophy of moral relativism. It contends that in a world where we can't agree on what is meant by 'virtue' or 'social justice', it is necessary – if a plurality of ideas and perspectives is to be maintained, and the better ones are to come out on top – to organise society around notions of individual choice and competition. Milton Friedman favoured market mechanisms as a means of defending moral diversity, and was sympathetic to many of the libertarian demands of the counterculture. He and his associates in the Chicago school of economics were never enthusiasts for the welfare state, but their critiques focused on the perverse economic 'incentives' created by government handouts, rather than on any supposed cultural deterioration. In the 1960s, neoconservatives such as Irving Kristol were deeply suspicious of the neoliberals, who looked on the face of it to be no more respectful of tradition and authority than the New Left.

Cooper argues that, by the end of the 1970s, the neoliberals and neoconservatives had achieved 'a working relationship that is at once necessary and disavowed'. How had this happened? One factor was inflation, which by the mid-1970s had become the great intractable problem of American economic policy. Neoliberals and neoconservatives had distinct but overlapping diagnoses of the causes of inflation. They agreed that money was losing value because governments were creating too much of it in trying to satisfy too many social demands. The problem, therefore, was both fiscal and moral. The state needed to stop indulging people; and people needed to get better at looking after themselves – or, more precisely, better at taking responsibility for themselves and their dependents.

In quantitative terms, AFDC was never a significant drain on public budgets, but neoconservatives such as Daniel Bell argued that it weakened norms of moral responsibility, producing a ripple effect of which inflation was a manifestation. Neoliberals, such as the Chicago economist Gary Becker, believed that families were simply more efficient than the state as a vehicle for providing care and moral guidance. The image of the hedonistic 'welfare queen' (a pejorative, racist symbol of the moral decay caused by big government), first used by journalists in the mid-1970s, haunted American politics for decades afterwards. Bill Clinton's campaign promise in 1992 to 'end welfare as we know it' marked the full convergence of neoliberalism with neoconservativism.

Even before inflation brought fresh opprobrium down on welfare spending, one policy pioneer was already seeking to mobilise opposition to the New Left: Ronald Reagan. As the governor of California between 1967 and 1975, he worried about the direction that federal welfare policy was taking. In 1970, he appointed a taskforce for welfare reform, which recognised 'the need to establish and enforce the principle that family members are responsible for the support of relatives'. Reagan saw this as both a moral and economic priority, signalling his sympathy for the neoliberal and neoconservative positions simultaneously. Yet it wasn't until Clinton made good on his 1992 campaign pledge by signing the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, which replaced AFDC, that Reagan's vision was finally realised at the federal level. Among other things, the 1996 act reasserted traditional patriarchal chains of financial responsibility, requiring states to track down fathers and obliging mothers to help them do so. The reforms revived a judgmental 'poor law' tradition that Cooper traces back to Elizabethan England.

With the student movement at Berkeley already in full voice, Reagan began his stint as governor by unveiling a plan to introduce tuition fees in California. This confrontational proposal, defeated at the time, responded to conservatives' growing sense that public beneficence was being exploited by the 'wrong people' – people hostile to American traditions. A theory was developing on the right that political radicalism was a side effect of excessive public spending. Neoliberal economists such as Friedman and James Buchanan argued that hippies and activists would soon be brought into line if they were given a dose of financial responsibility, by having to pay tuition fees, for instance, or the debt on a mortgage. Alternatively, if their parents were forced to pick up the bill, they might rediscover some moral authority over their errant children.

And so, by the end of the 1970s, as the conservative era began on both sides of the Atlantic, there had been a distinctive change in thinking. The freedom to experiment, to question and to reinvent oneself was granted – so long as the costs were sustained privately. Over the course of the 1980s and 1990s, the Democrats sought to safeguard access to higher education in the face of conservative cuts, but they did so by expanding student loans, not grants, under their favoured mantle of 'democratised finance' – the same ideal which, in an era of easy credit, would produce the subprime mortgage market. As the UK has discovered over recent years, expanding the amount of credit available to students undoubtedly increases access to higher education, but it also affects the psychology of the recipients, focusing the mind on future job prospects to an often burdensome degree. That, as far as Reagan was concerned back in 1967, was the whole point.

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What is brilliant and original in Cooper's analysis is her demonstration that there are clear continuities between traditional forms of moral accountability (to parents, children, husbands, the church) and entirely new ones (intrusive systems of welfare reform, new forms of consumer and student credit). She suggests, for example, that gay marriage could only be introduced thanks to the demand for equality not in cultural or political status but for equal rights under inheritance law. What unites the neoliberal and neoconservative mentalities is an insistence on personal bonds of one kind or another, whether financial, familial or some combination of the two. In the panic surrounding the libidinous insurrections of the 1960s, some form of superego had to be revived or reconstructed if an inflationary countercultural nightmare was to be averted.

The combined work of the neoliberals and neoconservatives was largely completed by the late 1990s. The Democratic Party could reassure themselves that they were still fighting racism and reducing social marginalisation, only by new means: no longer undermining black families with handouts (as neoconservatives saw it), but including minority groups in the credit boom that was now underway. Experiments in 'faith-based welfare' undertaken by the George W. Bush administration and continued under Obama pushed the logic of moral-economic privatisation further still. Outsourcing welfare to religious charities was seen as both morally and fiscally preferable to government spending. As Cooper notes, neoliberals such as Gary Becker emphasised the role of 'incentives' in every situation, but this didn't mean they believed people were intrinsically selfish, only that they respond rationally to costs and benefits. Neoliberalism is perfectly comfortable with charity, provided that it is efficient and safeguards individual choice. Ideas such as 'effective altruism' or Cameron's 'big society' (an amalgam of entrepreneurship, the charitable sector and an amorphous sense of 'community') are further examples of the way new techniques for delivering social policy that don't involve the state still rely on notions of financial and moral responsibility. Strange alliances emerge between the charitable and financial sectors in the process, such as the 'social impact bonds' that Goldman Sachs was instrumental in developing, which channel private finance towards charities that can demonstrate social outcomes that are in line with public policy aims. The broader sphere known as 'philanthrocapitalism', which channels billions of dollars towards non-profit entities (so long as they are willing to be managed and evaluated according to financial metrics of return on investment) is testament to the compatibility of moral and financial logics.

Capital, in the most abstract sense, is anything that can be invested in and which pays a return over time. Government bonds, public infrastructure and industrial equipment are all obviously capital, and are the sorts of thing we imagine when speaking of capitalism. But virtually anything can come to be seen as capital when looked at in a certain way. Going for a drink with a friend nourishes a relationship that will potentially pay dividends in the future. Reading a book affords knowledge and insights that could have an unanticipated pay-off one day. If the future benefits can be calculated and monetised, these activities can be capitalised, and then credit can be made available to widen participation in them. This is what has clearly happened to higher education.

One of the great innovations of the Chicago school economists, Becker in particular, was to extend the metaphor of capital in novel directions. Becker's concept of 'human capital' recognises the fact that non-market activities (such as childrearing, education and socialising) have significant effects on the future earning power of an individual, and can therefore be seen as investments, of time if not of money. This way of thinking satisfies both the neoliberal demand for the efficient use of resources and the neoconservative insistence on preserving (or resurrecting) traditional roles. Capitalist psychology doesn't necessarily insist on deferred gratification – the rapid expansion of credit from the 1990s onwards put paid to that – but it does demand an ethic of responsibility, insisting on people's being liable for their own risk-taking. Whether it applies itself to the market, the home or the campus, the capitalist mindset is conscious of how behaviour today will affect outcomes decades in the future. Public spending or social insurance is seen as corrosive in this respect. In practice, numerous capitalist institutions, notably banks, have managed to shirk this ethic of responsibility, allowing their staff to 'privatise gains and socialise losses' (rather as the campus radicals and welfare claimants were once accused of doing), suggesting a deep inconsistency in how the neoliberal worldview has been applied. But the ideal of liability, which is simultaneously financial and moral, is integral to the conservative belief in capitalism.

It is this ethic of responsibility, both moral and economic, that appeared to be under threat in the early 1970s from a combination of inflation and the New Left counterculture. Inflation would eventually be overcome through the aggressive use of monetary policy in the early 1980s. Substituting private credit for public spending thereafter (what is sometimes called 'privatised Keynesianism') helped to enforce individual discipline by making people accountable for their choices and behaviour, regardless of whether they accorded with traditional lifestyles. In Cooper's account, the 'Third Way' promulgated by Clinton and Blair was a case of neoliberalism accommodating the cultural politics of the 1960s, but with financial inclusiveness – anyone could get access to credit, whoever they were – in place of democratic empowerment.

The resulting paradigm is perfectly represented by the fetish for home ownership and home improvement, where dreams of familial and financial security coalesce. Rising house prices help to align the mentality of the patient investor with that of the responsible spouse or parent. To own is to be endowed with responsibility, in contrast to the welfare recipient or mere wage-earner who lives in the moment. But as with all economic policy paradigms, the defining obsession of this one would become its undoing. It isn't a coincidence that the global economy was brought to its knees specifically by the US housing market. The ideological commitment to extending mortgage credit to low-income Americans (as an alternative to, say, investing in public housing) produced the dodgy derivatives that brought the banking system to its knees in 2008, a failure for which most of us are still paying. More than enough has been written about the causes of the global financial crisis, and that is not Cooper's subject, but her book casts some light on it nonetheless. If home ownership had been viewed only in dispassionate economic terms (as a neoliberal would prefer), it seems unlikely that such wild miscalculations could have occurred as to bring down the stalwarts of Wall Street. But allied to the neoconservative commitment to the traditional bonds of family (which pervaded the thinking of the George W. Bush administration), the expansion of home ownership accrued a seemingly irresistible cultural and political momentum. 'No longer would the poor need to rely on the degrading crutches of social welfare and income transfers to get by,' Cooper writes, 'since they, too, could now participate in forms of asset ownership once reserved for white married men and their families.' Private financial instruments were being employed to perform a moral and political function they were ultimately ill-suited to perform.

Then there is the creeping moral crisis of capitalism, now recognised even by many conservatives. The problem with valorising capital in all its forms, both in the home and beyond, is that wealth begets wealth, while everyone else relies on credit and charitable impulses. Family inheritance ensures that cycles of financial accumulation extend well beyond any individual working life. Back in the 1970s, both neoliberals and neoconservatives launched sustained attacks on inheritance tax, seeing the right to accumulate and pass on assets as a basic human freedom, with the corollary benefit that it shores up family structures. But they largely focused on the rights of the person wishing to pass on assets, and were relatively uninterested in whether it was fair or efficient for individuals to live off inherited wealth. Milton and Rose Friedman were perplexed by the urge to leave wealth behind after death, but were adamant that the state had no justification to interfere in it. They referred to inherited wealth as an 'accident of birth', as if it were a magical gift of nature. But as time passes, the inequalities that stem from asset ownership become ever more extreme. As Piketty puts it, in a society dominated by the rights of capital, 'the past devours the future.' Granting equal privileges to the private family and to private finance will eventually deliver a form of oligarchy, in which dynastic power structures prevail. Today it isn't just firms but also families – Trumps, Kochs, Mercers and so on – that have the greatest political and economic autonomy. Even away from the extreme cases, the degree to which political divides now reflect generational ones is a sign of a society that has lost the ability collectively to renew itself.

The political – and psychoanalytic – question is whether we can release the bonds of responsibility. German has a single word where English has two: *schuld* can mean either monetary debt or guilt, two different ways in which we are chained to our past actions. English does, however, have a single term for what transpires when debt or guilt becomes overbearing: depression. Forty years of enforced moral-financial responsibility has left economies, societies and, increasingly, selves unable to renew or grow. Right now, an irresponsible splurge of inflation might go a long way.

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