

Dear Civil Society,

I heard that you've been having some worrying health problems and thought I'd write. I imagined that you might like a story while you recuperate. This is a peculiarly Austrian tale, but it has elements of a more general nature too.

It begins over 30 years ago, in 1986, with the story of Kurt Waldheim and his horse; a representative example of the country's struggle to deal with its past, its broad complicity with, and implementation of, Hitler's murderous policies. The reaction to Waldheim's resistance to shedding light on his personal history in this connection while seeking election to the democratic office of president, gave rise to a wooden counter-horse. It was sired by a quip from the incumbent Federal Chancellor, Fred Sinowatz, and midwived by Alfred Hrdlicka, Peter Turrini and Manfred Deix. A photograph of its head forms the core of the present installation. So you see, you must have been involved from the start, and I hope that this text and the installation reflect the replacement horse's spirit.

At the time events looked as if they were simply an issue of house cleaning, a necessary step on the way to Austria becoming a more mature democracy. It turned out, though, that they were situated at a turn in the road that the world was about to take, one that had been a long time in the making and involved another well-known equine. But more of that later. First a little backstory.

The economic and social consequences of the 1929 Wall Street crash and the impact of the Second World War gave rise to a balance of power between capital and labour that was advantageous to the latter. Welfare state legislation—GI Bills in the USA—nationalised industries, controls on capital and the general acceptance of Keynesian economic policies left those who longed for more freedom for capital dejected. However it didn't take them long to find an unlikely saviour in the form of an expatriate, minor Austrian aristocrat by the name of Friedrich August von Hayek who had published a slim volume in 1944 with the title of *The Road to Serfdom*. Planned economy—fascist or communist—he asserted, leads only to unfreedom and even welfare states will experience a kind of mission creep that will inevitably lead to the same end.

Hayek's position was the starting point for the resurrection of the fundamentalist belief in markets as benchmarks which was to morph into neo-liberalism. He was able to potentiate his ideas through the Mont Pelerin Society. Founded at a conference in 1947—93% of the costs covered by the Credit Suisse—its inaugural meeting was attended by many notable names from the worlds of economics, business, banking and philosophy including, in addition to Hayek himself, Milton Friedman, Ludwig von Mises, George Stigler and Karl Popper (*The Open Society and its Enemies*, 1945) and others. Popper, however, resigned when the Society's concerns turned away from guarding democracy against totalitarianism and turned towards the pursuit of a more vehement, proselytising, neo-liberal market agenda.

The MPS's public face is an expressionless mask: 'It has no official views, formulates no policies, publishes no manifestos, aligns itself with no party, and accepts no political or public funding'. It is, by implication, just a by-invitation-only debating society. However, as far as the welfare states, democratic structures and egalitarian societies are concerned, it was the neo-liberal Trojan horse par excellence. So it is no irony that the Hôtel du Parc in the Swiss mountain village of Mont Pèlerin overlooking Lake Geneva, where the society was founded, is no longer open to the public. Extensively renovated, it is now repurposed as a gated community and spa for the very wealthy.

MPS's claim to 'neutrality' was conscious camouflage and provided the opportunity for a small minority in the Western world to mount a stealth operation that would give many the impression that, every time the curtain went up, they were not just confronted by a change of scene but by a change of play. In fact, the aim was a complete change of playbook: the present was to be replaced by the past, the balance between capital and labour, the minority and the majority, the state and its citizens had to be reversed and reframed to embed neoliberal economic theory as a TINA—there is no alternative—event.

Sir Anthony Fisher means of implementing another of Hayek's notions – a long term strategy of establishing institutions paralleling established

academic universities and colleges but which were first and foremost proponents of free-market liberalism. Fisher's think tank 'children' included the Institute of Economic Affairs—Margaret Thatcher's favourite think tank and her policy advisor—the International Institute for Economic Research, the Atlas Economic Research Foundation, the International Centre for Economic Policy Studies (now the Manhattan Institute). The proliferation of similar forward bases in the USA includes the Cato Institute, The Hoover Institution, the Heritage Foundation, the Reason Foundation, the Foundation for Economic Education, the American Enterprise Institute, the Fraser Institute and those foundations and trusts such as the Olin, Scaife and Koch foundations that provide funding for them, their subsidiaries and outgrowths.

These all allow the rich and super-rich to funnel funds into projects which skew the system even more in their favour and in the process corrupt knowledge by subordinating it to corporate profit making. According to one estimate one trillion US dollars of tax-deductible money has flowed into networks of hundreds if not thousands of superficially educational and charitable foundations whose sole aim is to cement the hegemony of the more extreme forms of neoliberal dogma into national economies, international relations and legal frameworks. Innumerable cases of dark money backing dark horses. Does that perhaps conjure up images of other organisations?

The issue here, dear civil society, is not the nuts and bolts of unregulated market economics, but the strange veil of invisibility drawn across aspects of the democratic process (and our lives) over the last forty years. There has been a policy of distancing members of the government from the consequences of their acts, the creation of too much 'wriggle room' between parliament and the executive, the executive and their responsibilities. An analogy might be drawn from business and the changes wrought in nineteenth century Britain with the reintroduction of the limited liability company as the ubiquitous legal form for businesses which had been banned in 1720 after the South Sea Bubble crisis.

An increasingly participatory civil society was the result of mass higher

education and widespread union activity – women’s rights, gay rights, self-organised community groups, anti-war groups, black groups, welfare rights groups, environmental groups etc. This increase in activism produced a political problem for capital that threatened thirty years of hard undercover work. The publication, in 1975, of *The Crisis of Democracy Report* marked a significant (and decidedly public) declaration of a change of course. It stated that the titular ‘crisis’ of ‘ungovernability’ demanded a response: capital must reduce the negotiating power of labour and the amount of democracy and, strategically, it would do well to encourage a greater degree of ‘non-involvement’ of civil society in the political system. This was to be achieved by promoting ‘apathy’, by depoliticising everything including neoliberal economics. Put simply it was a post-war declaration of class war. Against you, my dear friend.

The 1980s saw this being put into action with special relish in the UK and the USA. At first it was a case of an open clash of class ideologies – clashes with trade unions, Thatcher’s ‘enemy within’, (which the unions lost and, as a consequence, many of their powers to go on strike were made illegal). Thatcher’s attack on social housing— disguised as a ‘right to buy’, coupled with a ban on local authorities being able to use the funds from sales to build more council homes—dovetailed nicely with the on-going globalisation (de-industrialisation, shifting production to low wage countries, outsourcing) to produce a major and long term drop in the standard of living, job security and job availability for most people. Precarity became to order of the day. Nothing depoliticises like the reduction of rights and a week-by-week (or even hourly) threat of job loss. Nothing, that is, except debt. The middle class, desperate to maintain their standard of living despite a loss of disposable income, began an ominous indebtedness spiral of using the increase in land values (on which their houses stood) as their personal ATM. The demise of the secure middle class concealed behind designer curtains.

All the while business—especially the multinationals—were taking evening classes in creative accounting and tax avoidance, slowly reducing tax receipts. They created veils to hide profits behind: off-shore entities, for example, or

they parked profits in low-tax locations. Their present project is to establish extra-territorial business courts that will allow claims for loss of projected profits should governments change the law with e.g. new environmental restrictions.

Government ministers use veils (special order items from the usual emporium of tricks) to hide the distance between themselves and their responsibilities: outsourcing services is popular ploy (blame shortcomings on company protocols, mid-level staff misinterpretations of policy etc.) along with privatisation of everything from railways to water supply and post office. Another device is making laws to combat 'welfare cheats' (a statistically rare breed in real life), the 'undeserving poor', the 'work shy', all semi-mythical inventions to justify even more control and unusually demeaning procedures.

The strategy of using crises, such as the subprime mortgage/bank crisis, and ostensible systemic imperatives to justify austerity cuts—at national level and in the EU as a whole—veils the complicity of government and their policies in securing more wealth for the wealthy and cementing what has become an intolerable movement of wealth upwards. There is little left of the ideal of creating a more egalitarian society. Little, that is, except for you, civil society.

Whether you are in organised multiple or single issue groups or in international networks you, embattled civil society, are critically important for monitoring, resisting and counteracting the outgrowths of the end products of uncontrolled neoliberalism. And neoliberalism leads inevitably to authoritarianism as it tries to exploit more and more of the planet and our lives for profit. Ironically, Hayek more or less admitted as much in an interview—in the context of Pinochet's Chile—when he said: 'My personal preference leans toward a liberal dictatorship rather than toward a democratic government devoid of liberalism'. Looking at recent events this is something close to a multiple pile-up of contradictions in terms.

In any case, free and open democratic society is under threat from dictators and would-be dictators in e.g. Russia, Hungary, Poland. These years for societies where the forms of democracy are kept alive while the spirit is broken, a form a taxidermic democracy or what Colin Crouch called a 'post-democracy'.

Tellingly, one target of such governments are the NGO's, especially those who protect the environment, human rights and dignity, people in need, those fleeing terror, persecution, war and destruction but also those concerned with tax justice, lobbying etc. Partial funding by non-nationals is excuse enough for authoritarian leaders to target them and then justify their actions by conjuring a threat to their (backward-looking) imaginary of pure ethnicity or religion. These 'leaders' think they are projecting strength and steadfastness but are actually revealing the inherent weaknesses of their arguments. Sadly, they are also showing up the lack of direction on the left (traditional or otherwise) who have been led astray, as though by feints of a bull-fighter's cape, into identity politics and other (nevertheless important) diversions whilst ignoring those suffering most under the present system. So the problem is not fascism per se, but unheard problems. The issues are not those being leveraged by the right (e.g. refugees), but sovereignty and what a post-neoliberal future might be if moulded by a fundamental democratic understanding.

The distancing, veiling, screening can even be seen on the lowly level of how demonstrations are dealt with. More and more government and intergovernmental meetings are held in far away places or, under the pretext of security, extensive no-go zones are installed. The result is that many leaders never see anything real, only what is mediated by the media, itself increasingly owned or controlled by their friends and neighbours, the media 'tzars'. And the politicians become 'media stars' themselves with all the negative connotations of audience ratings and 'likes'. Filters on filters, making it surprising that they can still see anything but their own interests.

Another relevant issue national democratic governments and the (executive-led, neoliberal project with declining potential) EU—have yet to confront is the overwhelming influence of lobbyists. Without transparency, and an up-to-date data base of lobbyists and who they are meeting and why, open and free democracy becomes increasingly managed for fewer and fewer. At a time when governments are demanding increasing transparency from their citizens we must work towards removing systemic veil after veil lest one of them become a shroud for democracy.

My dear civil society, I had hoped to tell the tale of the precautionary principle as well but I can see that this is getting too long. I hope to hear soon of your recovery going from strength to strength.

All the very best,

Tim Sharp

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