Abstract: In recent decades, welfare reform in Western Europe has not only implied a shift away from the social protections and rights that had been granted to most citizens in the post Second World War period, and a return to stricter principles of less eligibility to make sure that welfare does not offer an attractive alternative to the worst jobs available. As Foucault presciently pointed out in 1979, and as extensive research, mainly in the United States, has since shown in a more detailed and nuanced fashion, the refocusing of public policies on enforcing work among socially vulnerable targeted groups, on disciplining labor, punishing the poor, curbing dissent, submitting and regularizing society, is intimately linked to a broader reconfiguration of state functions, interventions and institutions driven by and interpreted in terms of market rationality. The European Union has been no exception to this general trend. The supranational institutions have played a major role in the emergence of a new “neoliberal” form of governmentality, although neoliberal welfare reform has not yet been as radical in Europe as in the US, and has been implemented at different degrees and rhythms (except now for countries like Greece) in the member states. This paper argues that the emerging normative neoliberal order, while producing plethoric new rules and regulations, has also resulted in social anomie, led to greater state autonomy and generated the temptation for authoritarian managerialism from on top.
Introduction

One of the distinctive features of post-war Western societies, especially those in Western Europe, has been a social model that, at least until recently, was based on solidarity and provided broad protective mechanisms for citizens in various nation states. Indeed, the social states erected in Western Europe after the Second World War promoted economic development under conditions of relative social fairness, creating a social structure that became a foundational component of post-war collective identity. In recent decades however, there has been a gradual but sharp erosion of social protections and rights, reflecting the spread of neoliberal principles first articulated by the “conservative revolution” in the United States and the United Kingdom. Amplified but not caused by structural transformations of the world economy, there has been a marked shift from social solidarity to generalized competition, and from relative equality to sharp social disparities. In this paper, my aim is to theorize the transformation and describe its effects. I argue that a new normative order has emerged that is producing widespread social anomie and undermines the social and democratic character of the European project.

A new form of governmentality

The theoretical framework used here is Michel Foucault's prescient analysis of the rise and spread of neoliberalism in the twentieth century (Foucault, 2004). In 1979, Foucault highlighted the emergence of a new form of governmentality, the aim of which was not to roll back the frontiers of the state in general, or for government to simply abstain from intervening because of supposedly objective economic laws transcending political rationality. Rather, as he pointed out, neoliberalism governs “for the market”, which is conceived as a finely tuned mechanism that requires reliable frameworks in which to work. “Neoliberalism casts the political and social spheres both as appropriately dominated by market concerns and as themselves organized by market rationality. That is, more than simply facilitating the economy, the state itself must construct and construe itself in market terms, as well as develop policies and promulgate a political culture that figures citizens exhaustively as rational economic actors in every sphere of life” (Brown, 2006a: 694). Governing for the market implies organizing and accompanying a thoroughgoing social transformation in which, in Foucault's words, “competitive mechanisms act as the regulator [of society] at each instant and at every point of the social fabric” (Foucault, 2004). In this type of social framework, individuals are expected to behave like micro enterprises in constant competition among themselves: they are treated as if they were elementary particles in a grand competitive machine.

In this perspective, writes Foucault, neoliberal theory advocates a redeployment of public action in two distinct registers obeying to different principles of state intervention. The first register corresponds to policies designed to minimize certain functions of the state, notably its developmental role as a planner and a driver of industrial investment, leaving it with a rather discrete but nonetheless efficient regulatory role, the primary objective of which is to guarantee price stability and low inflation. All other objectives of public action are “subordinate and adjacent”. The
second register, however, involves a sustained and systematic form of public intervention, the aim of which is to modify (or to use present euphemisms, “modernize”) the material, cultural, technical, and juridical foundations of society.

It is this second register of public action that represents a fundamental challenge to the post-1945 Keynesian compromise. Neoliberal theory in this sense asserts that the aim of government must no longer be to correct the ravages produced by untrammelled market competition on society. In particular, as Friedrich von Hayek was the first to argue and advocate, social policies must not be conceived as a counterweight to economic processes that generate high degrees of inequality. In *The Road To Serfdom* and in later works he argues that minimum security for individuals can only be provided if it does not affect the competitive logic of the market. Inequality *must* be. It is reinterpreted not only as a “fact of life” but also as an “objective” economic necessity since the competitive logic of the “free” economy constitutes, as Foucault points out, a kind of “general regulator of society to which all are submitted and should be willing to comply to”. In the neoliberal program articulated by Hayek and others, the community would merely offer a “subsistence minimum” protecting individuals from elementary physical needs “to safeguard health and the capacity to work” (Hayek, 1944: chapter 9). My argument is that this is the ideal typical form of the newly dominant post-Keynesian approach to social policies in Europe, one that increasingly reserves conditional assistance to the poor and the “excluded” (Burgi, 2009).

**Competitive Austerity**

In Europe, this voluntaristic project of social transformation and doctrine of market primacy — this “new programming of liberal governmentality” in Foucault’s (2004: 95) words — was willingly or not adopted by all member states well before the beginning of the present crisis in 2007. In practice, one of the key tools to the successful change of paradigm has been what various authors call either the “new constitutionalism” or “procedural governing” — as opposed to choice based governing. This refers to a specific form of regulation that consists, as Stephen Gill put it, in “separating economic policies from broad political accountability in order to make governments more responsive to the discipline of market forces, and correspondingly less responsive to popular-democratic forces and processes” (Gill, 2001; see also Fitoussi, 2002; Scharpf, 2002; Vibert, 2007; Roberts, 2010 as well as more specific approaches in terms of governmentality such as Larner and Walters [eds], 2004; Brown, 2003, 2006a, 2006b; Soss et al., 2011). Another important tool inextricably linked to procedural governance has been the EU’s Open Method of Coordination (OMC) through which “many of the techniques associated with advanced liberal rule — the performance indicator, the peer review, etc. — have come to reconfigure the space of European governance” (Walters, 2004). The OMC undoubtedly steered the transition from “‘society as a domain of needs, calling for regulation and insurance’ to ‘society as a pool of resources, the energies of which can be released through partnership’ ” (Haar, J.H., 2004, quoted by Dale, 2004 :180).
In the European Union context, the new constitutionalism has led to asymmetric regulation (Holman, 2004) at transnational and national levels with different divisions of competencies at each of those levels. Asymmetrical regulation, which is discussed below, shapes the aims and sets the constraints of public action on social issues.

In the first register already discussed, that is to say macroeconomic regulation, the EU conducts policy and implements policies through four main institutions: The highly autonomous European Central Bank (ECB); the Stability and Growth Pact which oversees national budgets to ensure that member states observe community rules; the Commission’s Directorate-General for Competition; and the European Court of Justice. These unelected bodies and structures work together and interact to set and impose the frameworks and the regimes of competition within the Union. They have supranational power and enjoy great autonomy, given the lack of political institutions and juridical instruments giving citizens the means to influence them or to shape policy.

The Union’s competition policy and its budgetary and monetary regulation create a web of constraints that produce second register policies, that is to say those that aim to transform or “modernize” the material and immaterial foundations of society, notably the systems of social protection. The constraints are asymmetrical insofar as social policy is primarily the responsibility of the member states of the Union who must ensure that national social objectives are “compatible” with the Broad Economic Policy Guidelines that define the economic principles member states have to follow: price stability, healthy public finances and monetary conditions, and stable balance of payments (article 4 of the Treaty of European Union). The aims of social “modernization” policies, as they are called, are thus rigorously subordinated to superior framework objectives regarding economic, monetary, budgetary, and competition policies.

At the same time, these encaging macroeconomic policies are not conceived to take into account “national” social problems of the various member states of the Union. Their primary effect is to push member states to enter into inter-national competition to gain market share. Since there is little if any budgetary room for maneuver, member states engage in fiscal and social competition to reduce production costs and enhance national competitiveness. The current debate in Europe around the Greek crisis and the crisis of other “peripheral” economies is a stark reminder of this deplorable fact. These strategies of competitive austerity are implemented through various mechanisms such as the reduction of social benefits, permanent wage moderation, the “simplification” of Labor Law, etc. Synthetically said, the tour de force of the new constitutionalism has been to create a corset of constraints that limits the choices of political leaders and that intensifies interstate competition while simultaneously encouraging an evolution of the various European social protection systems towards the “subsistence minimum” advocated by Hayek.

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1 The EU response to the sovereign debt crisis of weaker member states that became apparent in 2009 and 2010 has been to devise new far stricter and punitive mechanisms to compel member states to comply with austerity policies.
Since the early 1980’s, strategies of competitive austerity have become increasingly fine-tuned and have, via an incessant series of restructurings of public and private companies, but also of labor law and more generally of social protection, gradually put into question the schemes of solidarity that founded the post-1945 social contract in Europe and other industrialized states. New public policies, which simultaneously promoted and were adapted to the restructuring of capitalism towards a post-Keynesian regime, institutionalized the erosion of the web of social rights and protections that gave people a sense of security but also of belonging in society. Systems of assistance have been supplanting the systems of social insurance, which aimed towards universal reach (Burgi, 2006), even in the Nordic societies (Kildal & Kuhnle, 2005). The old distinction between “worthy” and “unworthy” poor helped legitimize both the introduction of means tested benefits or assistance that transmuted universal social rights into conditional “favors” granted to the most vulnerable, and a growing system of punishments and rewards designed to establish compliance or at least obedience. This has fuelled the stigmatization of vulnerable social groups while simultaneously transforming the nature of social rights. Victims have been made responsible for their “fate”. As Frances Fox Piven et Richard A. Cloward (1991: 416) show in their historical study of the functions of public welfare, “periodic efforts to turn relief-giving to the purpose of work enforcement involve not only restrictions on aid, but efforts to change meanings by constructing elaborate rituals of symbolic degradation of those who subsist on the dole”.

The growing role of conditional benefits favors the internalization by individuals of the new competitive moral order. Means tested benefits are financed by all but they only benefit a part of the population. As a result, for some taxpayers they are felt to be illegitimate or only very feebly legitimate. They are often perceived as unmerited special privileges, a perception that is encouraged by contemporary political rhetoric that obsessively denounces welfare “fraud” and free riders among the poor who are said to be profiting in unmerited fashion from the system. In other words, the idea of solidarity targeted at those in the greatest need, which is at the heart of the new European social model, in fact mobilizes social egoisms and encourages a competitive logic of war of all against all. In the same time, psychological pressures are exercised by injunctions of individual responsibility and the concomitant threat of sanctions. The aim is to modify behaviors by forcing people to adjust their expectations to market driven constraints, even if this means an existence without sufficient resources to live in a dignified manner, or the failure to find a place in society through forward looking projects that affirm self esteem and positive identity. This is consistent with the neoliberal political and social project since the ultimate purpose of welfare reform in the US as in Europe is “to transform the poor themselves — to make them into the kinds of subjects who voluntarily embrace particular kinds of choices and behaviors” (Soss et al, 2010: 9 and passim), and more broadly to produce entrepreneurial behaviors and “good citizens” capable of governing themselves through the market.

Given that the “state’s authority is deployed not to relieve citizens from market pressures, but to reinforce these pressures on behalf of employers” (Soss et al., 2010: 177), the psychological pressures referred to above are not only directed at the poor or the unemployed but to most other social groups and indeed to most employees in industry and the large service sector companies. The workplace, which
is supposed to be a safe place for citizens compelled to self-care through the market, must be looked at carefully to understand how people may be affected by the new normative order.

**Disrespect and contempt in the Workplace**

The new order of control and punishment imposed on the unemployed is mirrored by the reconfiguration of rules and norms in the workplace, which has led to new forms of domination and non-democratic governance. This is notably the case in the service sector, which has grown considerably in recent decades and encompasses a vast array of public institutions (education, health, social welfare, culture, police, etc.) and private actors (distribution, banks and insurance companies, telecommunications, tourism, catering, transport, etc.). The mass-service components of the sector have all undergone a series of uninterrupted restructurings and reorganizations, which have generated intense stress due to the synchronous and paradoxical demand of *standardization* of relations and process (offering a regular service in time and space for a mass *clientèle*) and *personalization* of service (adapting the service to singular users or customers). To resolve this contradiction, employees are summoned to develop their “initiative” and to demonstrate their “autonomy” and their “responsibility”.

However, this is an aporetic injunction since employees are not given the means to master the purposes or the objectives they are being asked to realize. Three points need to be emphasized here, to assess the impact on individual identity. First, the prescribed work (which is formally demanded, organized and controlled), and the prescription of subjectivity (the injunction of autonomy and responsibility in the execution of prescribed tasks) is defined and programmed following a classic bureaucratic logic by highly specialized experts working in separate domains. Their prescriptions constitute a “cosmos of abstract rules” (Max Weber) disconnected from real work situations. Second, the prescriptions are defined with reference to an ideal of “ever more and better”, a relentless quest for mastery of people and things, for “total quality”, for “performance”. Objectives are fixed and conceived *in abstracto* to reach ever-higher levels of “excellence”, a limitless goal. Third, this “management through excellence” is singularly characterized by its denial of the difficulties, the limits and the contradictions that can and do appear in real work situations (what people really do and how they really invest themselves in work).

This denial is intentional. The prescriptions are ideal (Dujarier, 2006) and impossible to implement, but they are enforced: work activity and results are subject to extensive controls and multiple sanctions. Moreover, the individualized evaluation of “competencies” and “performance”, which lies at the core of new methods of human resources management, encourages silence over the reality of work. When problems occur or disagreements emerge between employees and supervisors, the latter can easily and arbitrarily sanction, denigrate or ignore complaints. For instance, when employees complain to their hierarchy over a lack of means, they are typically told: “I want results!”; or: “There’s nothing I can do about it. It’s an order from on high”. In effect, the moral injunction to be autonomous and responsible addressed to employees makes them responsible for the dysfunctions of systems of organisation
of work imposed from on top without consultation and outside of their control. This generates important professional and psychosocial risks.

Employees at the bottom of the hierarchy who are confronted to real issues and real people are obliged to respond to whatever prescriptions come down from on high through concrete acts. Even if they judge them impossible to fulfill, they cannot delegate to others the difficulties and contradictions that have not been resolved. They have to manage, immediately and most often alone, the tension between ideal prescription, on one hand, and limited means and real work conditions on the other. They cannot question the feasibility of the objectives defined since the normalization of the ideal of “competitiveness” and/or “excellence” makes resistance or even questioning appear deviant behavior (Aubert and Gaulejac, 1991). This modus operandi has a major effect on employees: injunctions of “excellence” oblige them to make believe, to act as if the impossible were possible (Dujarier, 2006). For the person, in the absence of collective organizations or structures defense, this has serious consequences. Repetitive “acting as if”, whether done through obligation or simply impotence to do otherwise, constitutes self-denying behavior in the face of constant denials of recognition and of reality by management (“I want results!”).

Over time, self-denial affects the psychic and physical integrity of the subject and wounds identity. Negated in their social and professional values, deprived of their rights and often psychically and physically damaged, people are treated in the society of competition as if they were “numbers”, “budgetary lines”, as elementary particles of the economic machine. They are either useful cost cutters or “assisted” people who are considered useless burdens. The contempt showed towards employees, which is an inherent feature of the new corporate order, is part of the wider elitist disdain displayed in our societies for the population, as illustrated most recently by the insensitivity of governments and elite layers to large scale popular anger over the bailout of financial institutions that were the source of the present severe social crisis. In spite of waves of mass protest (UK, Greece, Ireland, France, Italy, Germany, etc.), which reflect dismay over the transfer of the costs of the crisis to the public, public services essential to the more vulnerable parts of the population are being sharply cut back if not dismantled, social rights are being curbed, and austerity imposed on all aside the rich who remain favored by feebly progressive taxation. Axel Honneth (2007) is undoubtedly right when he points out that the unbridled competitive logic of the new normative order has generated a society of disrespect in which intersubjective experiences of contempt have become the norm.

The risks of self-annihilation

In these circumstances, how can people (re)build positive social identities? There is no forward looking narrative scheme compatible with the universe of meanings (or rather the meaninglessness) associated with competition and homo economicus, the currently hegemonic social norm. The domination of economic managerialism and the erosion of rights have undermined the symbolic frameworks and the social frameworks regulating interpersonal relations that protect people from alienation by making meaningful interpretations of unexpected events that suddenly threaten their lives. Mass unemployment has made employees vulnerable to sudden
swings of fortune or arbitrary and sudden management decisions, hence increasingly silent and impotent. The individualization of pay and careers, the dilution of the sense of belonging to a craft, the weakening of the unions have concurrently left employees alone in the face of work difficulties, the paradoxical injunctions of their hierarchy and the personal issues these raise. The unemployed are even more vulnerable, of course. But the threat to identity is similar. It is all the greater since individual psychology is mobilized to justify and organize the transfer of responsibility, which used to be collective, to the individual. The collective dimension of social issues is denied. Social issues are reduced to questions of interpersonal adjustment, to the treatment of individual “cases”. This leads to a focus on individual fragilities (the supposed unwillingness of the unemployed to make themselves “employable”, the insufficiencies of employees who supposedly lack initiative, autonomy, or responsibility and who are not competitive) rather than on the conditions and organization of work or, more generally, a normative order that makes social insecurity and degraded work conditions a supposedly inevitable condition of life (Burgi, 2006).

At individual level, one observes diverse symptomatic reactions to this social pathology (Honneth, 2007). Sometimes, there are explosions of violence. The more common reaction, however, is an apparent passivity rooted in defense strategies (Dejours, 1995) designed to “anesthetize” suffering such as: silence and inward suffering (sometimes leading to illness), frenzied activism, the denial of reality, or turning against weaker persons (a subordinate, a colleague, a precarious worker, wives, children, etc.) (Burgi, 2006). My field surveys in large mass service firms show that the most common reaction is to keep silent and to try to avoid “making waves”. This “strategy” is generally preferred to speaking out in public because persons who rebel overtly or even affirm themselves strongly have a far greater chance of being fired, harassed or ostracized (Burgi et al., 2008; Burgi 2012). The system of impersonal domination thus leads to docility. Its primary aim is to « capture the subjectivity » (Clot, 1998, 2010) of people and get them, whether they be employees or unemployed, to adhere actively but blindly to the imperious objectives of the new economic and social order, indeed to fuse themselves to those objectives. The system uses fear and mistrust, and fabricates indifference to the misfortune of others. It aims to make opponents bend, to impose a “consensus” which is then held up as voluntary (Lhuilier, 2002).

However, docility is not coterminous with identification. It cannot be interpreted as adherence to the new normative order. Rather it reflects the insuperable contradiction faced by people who in part have come to accept the discourse of competitiveness but who at the same are made to suffer at work (or for lack of work). As Dominique Lhuilier aptly notes, individual identity and subjectivity are shaped by collective frameworks and require the formulation of shared meanings (Lhuilier, 2002: 47). Exclusion, mistreatment at work or out of work, and being treated with contempt are lived events. But these systemic effects are not recognized for what they are since responsibility is shifted from the collective to the person. People’s lived experience is denied, not recognized. They undergo “negative moral experiences since the concerned subject is denied the conditions of a positive identity formation” (Honneth, 2006). They are confronted to repetitive experiences of contempt that erode self-confidence (denial of being a person worthy of affection) and self-respect...
(as a member of a community of equals having the same rights), and lead to a less of self-esteem as an active subject contributing to the common life (ibid.).

These corrosive effects express themselves in the interviews with unemployed or harassed employees in a number of ways: interviewees express the sentiment of being « diminished » or « mortified ». The unity of their lives has been broken and they are no longer in a position to give meaning to the present and to project into the future. At deeper level, they tend to turn against themselves, and feel responsible for the humiliations they suffer (Pezé, 2008). They feel guilty, as if they had faulted: “Why me?”; “What did I do to merit this disgrace?”. Guilt mutates over time into shame (Gaulejac, 1996), a different affect that calls forth notions of having fallen, of relegation and stigmatization. The subject becomes cut off from herself and from the social group she had until then been attached to and which had played a protective role, losing the last threads of support she had. The shame of being useless or “nothing at all” forbids opening to others and sharing one’s painful experiences. It leads to self-annihilation. People fall ill and flee their colleagues and quite often their own families. They wall themselves in silence, and silence themselves with alcohol. Depression adds new layers to the wall. Many young people evidence high risk behaviors, fleeing in hard drugs. As one young unemployed said: “Heroin doesn’t lie.” In the most extreme cases, suicide lies at the end of the road (Burgi, 2012). In recent years, dozens of employees of Orange, the multinational telecommunications company that I have studied (Burgi et al., 2008), have committed suicide for work-stress related reasons. One can also refer to the rise of work related suicides in Japan since the early 1990s (Kawanishi, 2006).

In sum, under the conditions of social anomie described, the narrative identity that gives coherence to life stories can only be deployed in restricted registers that tend to cage people into a one-dimensional identity. Georges Devereux (1972) rightly notes that people thus caged are « very near to being nothing at all, and therefore to not being ». Going from the individual to the collective level, “negative inclusion” or pathological identity (re)formation is evidenced in the deepening ethno-religious segmentation of our societies and various expressions of nationalism. These can be interpreted as effects of the atrophy of social life, the search for identity enclaves in an economicized society in which the struggle of all against all has come to predominate. At collective level we are also witnessing falling back on one-dimensional identities. Turkish Nobel Prize laureate Orhan Pamuk (2010) has aptly described this as resistance to outsiders: « When looking at the landscape of Europe from Istanbul or beyond, the first thing one sees is that Europe generally (like the European Union) is confused about its internal problems.” It is clear, he adds, that many of the peoples of Europe do not warm to the prospect “of living with those whose religion, skin color, or cultural identity are different from their own”: this “resistance to outsiders makes Europe’s internal problems all the more intractable.”

As Honneth points out, citing Adam Smith, a healthy society requires that individuals be able to “appear in public without shame”. Yet today, we are witnessing situations of growing anomie, of shame, self-contempt and the rejection of others, generated by a mode of social organization and domination that crushes the individual while claiming to bring her (him) freedom. This is a deeply troubling development. It is insidiously infecting society, affecting all aspects of public
discourse (as seen, for instance, in the noxious xenophobia in most European countries), caging social subjects into pathological one-dimensional identities and corroding the core human rights values that should be at the foundation of the Europe.

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