



Neoliberalism: The Ever Reliable Straw Man

In Colombia and Beyond, Catch-All Scapegoat Disguises Statist Failures

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Across the world, scarcely anyone refers to himself as a “neoliberal,” and yet neoliberals seem to abound, like the swarms of locusts that beset Egypt during the eighth plague. In Colombia in particular, these enigmatic neoliberals appear to be everywhere, becoming the common enemy of the political establishment.

Take the example of Clara López, current candidate for the mayorship of Bogotá for the Alternative Democratic Pole party. Recently, López referred to the electoral triumph of the neo-Marxist party Syriza in Greece as “a cry of hope for the people against the neoliberal ruin.”

At the other end of the traditional political spectrum, the socially conservative, pro-corporate Democratic Center party, led by former president Álvaro Uribe, claims on its website to favor the “Communal State,” which is “different from the neoliberal state, with its neglect for the community’s interest and its preference for market forces.”

Finally, there’s the “centrist” President Juan Manuel Santos, leader of the National Unity coalition, which includes the Liberal Party. In June 2014, Santos invited former US President Bill Clinton and former UK Prime Minister Tony Blair to Cartagena in order to relaunch his “Third Way” scheme “as an alternative to neoliberalism.”

Evidently, the one safe position to assume in Colombian politics is to denounce the callous neoliberals and the wretchedness they supposedly engender. The only problem is that the term “neoliberalism,” despite its promiscuous use, is utter hogwash.

Fear of Liberty

As Mario Vargas Llosa writes, neoliberalism is a “terrifying, destructive entelechy” invented by politicians and ideologues of all tendencies — the traditional left, right and center — who are united in their “tenacious distrust of liberty as an instrument that can solve human problems.”

In Colombia, that distrust of individual and economic liberty is the gelatinous stuff that binds together all political currents.

In 2012, we saw a seemingly strange alliance between Álvaro Uribe and the ultra-statist Senator Jorge Enrique Robledo of the Alternative Democratic Pole in support of the coffee-growers’ strike. Incidentally, the Colombian state has made the coffee industry one of the most protected areas of the national economy for decades, a fact that largely explains its recent collapse.

Meanwhile, Juan Manuel Santos’s government has taken a series of protectionist measures — for instance the arbitrary introduction of tariffs on textile imports — through which the state protects certain industries and not others. My suspicion is that this is done to gain electoral advantage from key lobbies. There’s also the impending economic catastrophe of Santos’s tax reform, which will drastically punish entrepreneurship since, as Revista Dinero explains, it will result in an effective income tax rate of more than 43 percent by 2018.

Beyond politicians’ rhetoric against neoliberalism, economic protectionism rules the day in Colombia. It harms the consumer first and foremost, with a punitive tax system that takes from independent wealth and job creators while adding to the inefficient state bureaucracy. Citizens are taxed to the hilt while the select few big industries are coddled, immune from competition thanks to their friends in government.

This is the reasons why Colombia holds position 104 among the 152 countries measured by the Cato Institute and the Fraser Institute in their Economic Freedom Index. Colombia, in other words, is a long way from enjoying the kind of free economy that could generate prosperity for the vast majority of its citizens.

Liberals Lead Calls for Freedom

As long as “neoliberalism” remains, in Vargas Llosa’s words, “a scapegoat on which to hang both present and past calamities,” it will be difficult for Colombians to reflect on the fact that what we desperately need here is liberty. Internally, the lack of economic freedom permits the creation of the cartels and monopolies that, as Harvard professor James Robinson explains, “are created and shielded by the government and enforced by predatory behavior and even violence.”

When looking abroad, the evidence here also fails to bear out the cliché of neoliberalism. If López had paid even slight attention to the situation in Europe during the last decade, she might have been aware that the most steadfast opposition to the treatment of Greece and other peripheral countries by the Troika — the European Commission, the European Central Bank, and the International Monetary Fund — has been led by classical liberals and Euro-skeptics like German former MP Frank Schäffler and British politicians Daniel Hannan and Boris Johnson.

As a matter of fact, it was none other than Margaret Thatcher, the utmost neoliberal *bête noire* in the imagination of the progressive intelligentsia, who warned in 1990 that the introduction of the common currency — the euro — in an area with extremely different production levels would “devastate inefficient economies” among the region’s poorer countries.

But why mention that the calamitous euro project is based above all on political centralism and corporatist policies, not on true economic liberalism? It’s infinitely easier to circumvent such issues, and to launch a fresh attack against the ever-reliable neoliberal straw man.