

Schiller -- Abstract

“Regulation and the Collapse of the New Deal Order or How I Learned to Stop Worrying and Love the Market”

For the last forty years, politicians, policy-makers, and scholars of public administration have had considerable success in transforming the regulatory state. They have articulated and implemented policies that have come to define a post-New Deal regulatory order: a reconceptualization of citizens as consumers, the use of market mechanisms in place of governmental directives, and the substitution of private institutions for state actors. These ideas, frequently described as “The New Governance,” represent an abandonment of the basic premises of regulation that stemmed from the New Deal. Gone is a commitment to policy created by federal experts. Gone is a suspicion of the ability of the free market to successfully structure the American economy. Indeed, in many instances, gone is the idea that government should act as a countervailing force to markets at all.

To the extent that the New Governance has been the focus of scholarly attention, its rise has been attributed to the success of conservative political and ideological attacks on the New Deal political order. While there is a kernel of truth to this narrative, the actual story of the rise of the New Governance is more complicated. This paper argues that the New Governance’s successes, both intellectually and in changing public administration, have their roots as much in the political economy of the 1970s and the left’s powerful critique of the postwar state as they do in the rightward drift of American political culture.