THE ROAD FROM MONT PÈLERIN

The Making of the Neoliberal Thought Collective

EDITED BY
Philip Mirowski
Dieter Plehwe

Fachbereichsbibliothek
Wirtschaftswissenschaften
Standort: VWL

HARVARD UNIVERSITY PRESS
Cambridge, Massachusetts
London, England
2009
Introduction

DIETER PLEHWE

Neoliberalism is anything but a succinct, clearly defined political philosophy. Both friends and foes have done their share to simplify, if not popularize, neoliberal worldviews. Paradoxically, Margaret Thatcher’s “TINA” (there is no alternative) corresponds with the left-wing critique, which posits that neoliberalism is best understood as an economic pensée unique (a concept popularized by Pierre Bourdieu). Growing self-confidence on the right coincided with an increasingly frustrated (old) left during the upheavals of the 1980s and 1990s, with both sides eventually converging on a perspective of a neoliberal one-dimensional man. In terms of academic disciplines, the neoliberal continues to be stereotypically imagined as a neoclassical economist (Harvey 2005, 20). This ignores the fact that interdisciplinary Austrian and ordoliberal (German/ Swiss) reservoirs of neoliberal thought have been clearly at odds with neoclassical orthodoxy, as are more recent variations of (rational-choice-based) neo-institutionalism. It is curious to note how many pivotal historical contributions to neoliberalism are not recognized by subsequent generations. In Germany, for example, most scholars will raise their eyebrows if ordoliberal inspirations of the social market economy are vilified as neoliberal. But contrary to many who readily identify neoliberalism with Austrian economics, Foucault (2004, 112f.)
suggested that ordoliberalism has a legitimate claim to the neoliberal title because of its strong emphasis on the social character of economic relations. Although Foucault's juxtaposition of Austrian economics and German neoliberalism underestimates the Austrian contributions to the social construction of neoliberal thought (much of which has been crafted in exile in the UK and the United States), he pointed toward a better understanding of the early postwar varieties of neoliberalism in Germany and the United States. But let's pause for a moment: neoliberalism in the United States?

Social movements protesting against corporate globalization have blamed the United States for most, if not all, of the neoliberal misdeeds around the globe during recent decades. Nevertheless, one feels tempted to ask: "Why is there no neoliberalism in the United States?" invoking the analogy to Werner Sombart's famous question pointing to the absence of (European-style) socialism in the New World. Indeed, the term neoliberalism is hardly ever used to describe the U.S. configuration of "free market" forces, which mostly sail under the flags of libertarianism and neocorporatism. A prominent insider in U.S. neocorporative circles, Edwin J. Feulner of the Heritage Foundation, has felt compelled to clarify usage of the term in the United States. He maintains that the neoliberal intellectuals' Mont Pèlerin Society was founded "to uphold the principles of what Europeans call 'liberalism' (as opposed to 'statism') and what we Americans call 'conservatism' (as opposed to 'liberalism'): free markets, limited governments, and personal liberty under the rule of law" (Feulner 1999, 2). Unlike socialism, neoliberalism flourished in the United States, even if it was more obscure here than elsewhere in the world.

In order to avoid superficial distinctions of neoliberalism and neoconservatism and the premature identification of one school of neoliberal thought with the whole, we need to recognize and closely examine the numerous and transnational linkages and dimensions of neoliberalism. Philip Czerny (2008) recently repeated calls to subject neoliberalism to comparative research (Overbeek 1993; Plehwe et al. 2006) and attempted to distinguish contemporary varieties of neoliberalism. Much like welfare state capitalism during the postwar era of Fordism, hegemonic neoliberalism needs to be thought of as plural in terms of both political philosophy and political practice. The comparative research required to improve understanding of the historical and present plurality within neoliberal confines clearly needs to go beyond isolated text and author. Rather, the need is to explore the numerous and sometimes confusing ways in which neoliberal ideas have been historically related to each other, to social classes, and to political and economic regimes. Although individual freedom served as a key value of neoliberalism in the effort to rally the opposition against the socialist regimes of Eastern Europe (Wainwright 1994), it continues to be difficult to reconcile the neoliberal message of individualism and freedom with the history of authoritarian neoliberal regimes in Latin America, for example.

Because of the existing variety of neoliberalisms and their obscure history in different countries, disciplines, and discourses, the meaning of neoliberal scholarship and ideology needs to be clarified. Thus the purpose of this book is to examine closely what became one of the most important movements in political and economic thought in the second half of the twentieth century. A superficial acquaintance with the history of ideas and the social forces that nurtured those ideas does not suffice to obtain a clear perspective of either the scope and depth of neoliberalism or its rapid growth. Considering the expansion of neoliberalism over the last few decades, Perry Anderson (2000) speaks of a universal ideology. The extent to which neoliberal ideas have been widely accepted, even in nominally hostile environments of Social Democratic parties or formerly communist regimes such as China, requires closer scrutiny if the authority of neoliberal knowledge is not simply taken at face value. In this volume, we revisit the historical origins of neoliberal knowledge in four countries—France, Germany, the UK, and the United States; we sample some of the key debates and conflicts among neoliberal scholars and their political and corporate allies during the 1950s and 1960s regarding trade unions, development economics, antitrust policies, and the influence of philanthropy; and then we explore the ways in which disagreement has been managed to bolster neoliberal claims to authoritative knowledge in structuring public and private affairs at national and international levels in Chile, Peru, and the United Nations. This book was written by a transnational and interdisciplinary slate of authors, covering a transnational but chronologically limited selection of topics in an effort to explain and better understand one of the most powerful bodies of political knowledge of the current era. Because the neoliberals were never parochial, it would seem prudent for us to imitate their cosmopolitan stance. Diversity of nationalities and disciplines is necessary because neoliberalism remains a major ideology that is poorly understood but, curiously, draws some of its prodigious strength from that obscurity. There are ways, however, to shed light on crucial networks of people and organizations as well as channels of communication cutting across knowledge domains, social status groups, borders, and cultures that were crucial to the rise of neoliberalism to hegemony.
Identifying Self-Conscious Neoliberals in Time and Space: Studying the Mont Pèlerin Society

Neoliberalism must be approached primarily as a historical "thought collective"\(^9\) of increasingly global proportions. The following chapters focus on what we believe has been the central thought collective that has conscientiously developed the neoliberal ideology for more than sixty years now. We will consider any person or group that bears any links to the Mont Pèlerin Society (MPS) since 1947 as falling within the purview of the neoliberal thought collective. Consequently, we will make use of the MPS network of organized neoliberal intellectuals (just over 1,000 members so far) and a closely related network of neoliberal partisan think tanks under the umbrella of the Atlas Economic Research Foundation\(^6\) as a litmus test for identifying the relevant actors and their linkages to other organizations and institutions. This practice was first advocated in Pehwe and Walpen (2006) in their study of neoliberal hegemony in comparative perspective.

Depth studies of particular groups and issue areas within the range of the Mont Pèlerin Society networks like those presented in this volume are now possible owing to the rich material provided in Bernhard Walpen's (2004a) critical history of the MPS.\(^7\) These studies also draw on Ronald M. Hartwell's (1995) "insider" history (he served as MPS president from 1992 to 1994). At least until the 1980s—when the advance of neoliberal ideas and thus the success of the original neoliberal networks led to a rapid multiplication of pretenders to the title of progenitors of neoliberalism—the MPS network can be safely used as a divining rod in order to define with sufficient precision the thought collective that has created and reproduced a distinctly neoliberal thought style in the era of its genesis. Although the influence of the MPS has arguably diminished over the last few decades, the society has nonetheless continued to perform an array of important functions, which continue to shape the further development of neoliberalism (as well as related think tank networks),\(^8\) including the extension of neoliberal networks, the generation of survey data, the organization of academic conferences, the sounding of early warnings, and the campaign against perceived threats to the neoliberal cause. Occasionally, this network of individuals and organizations has attempted to authoritatively determine the broad outlines of MPS neoliberalism. James Buchanan made use of his 1986 presidential lecture at the general meeting in San Vincenzo, Italy, to explain the neoliberal understanding of the state, contrary to illusions spread by a growing number of anarchocapitalists\(^9\) within the ranks of the MPS.

Among our members, there are some who are able to imagine a viable society without a state.... For most of our members, however, social order without a state is not readily imagined, at least in any normatively preferred sense.... Of necessity, we must look at our relations with the state from several windows, to use the familiar Nietzschean metaphor.... Man is, and must remain, a slave to the state. But it is critically and vitally important to recognize that ten per cent slavery is different from fifty per cent slavery.\(^10\)

The Mont Pèlerin Society and related networks of neoliberal partisan think tanks can serve as a directory of organized neoliberalism because it is part of a rather novel structure of intellectual discourse. It has been designed to advance and integrate various types of specialized knowledge within and across the confines of philosophy, academic research in economics, history, sociology, and applied policy knowledge in its various forms. A quick glance at the programs of MPS general conferences, originally held yearly (later biannually, alternating with world regional meetings), allows us to appreciate the wide range of fields and topics discussed at these conferences (Haegeman 2004; see also Pehwe and Walpen 2006). The neoliberal thought collective was structured along different lines from those pursued by the other "epistemic communities" that sought to change people's minds in the second half of the twentieth century.\(^11\) The international academy Hayek sought was actually designed to create a space where like-minded people who shared philosophical ideas and political ideas could mingle and engage in a process of further education and collective learning dedicated to advancing a common neoliberal cause. The effort of the incipient neoliberal thought collective led to the creation of a comprehensive transnational discourse community.

The MPS community of neoliberal intellectuals was not restricted by a standard (pluralist, apolitical) understanding of a rigid separation of academic disciplines, or by the need to develop knowledge in a few restricted single-issue areas. Instead, the collective effort can be described as transdisciplinary (developing norms and principled beliefs guiding students in different disciplines), interdisciplinary (though mainly involving social scientists), and transacademic (though the endeavors to connect to particular audiences and the public at
large were in the main organized indirectly through think tanks and publishers. The various groups of neoliberals that joined the MPS from different countries and professional backgrounds were driven by the desire to learn how to effectively oppose what they summarily described as collectivism and socialism, and to develop an agenda diverging from classical liberalism. Scholars from different disciplines shared their expertise and debated with a select group of journalists, corporate leaders, and politicians, as well as a new breed of knowledge professionals (operating out of the rapidly proliferating neoliberal partisan think tanks). Each of these groups contributed its special resources and competencies to the collective effort. The whole truly was more than the sum of its parts, constituting complex and efficient knowledge machinery.

Though not necessarily running smoothly, over time the neoliberal networks developed an increasingly fine-grained division of intellectual labor, which the strategists of the Institute of Economic Affairs have sometimes described in military terms. According to Frost (2002), partisan think tanks that organize academic production of publications tailored to specific audiences constitute the long-range artillery; both think tanks and journalists dedicated to marketing neoliberal pamphlets (book reviews, interviews, dinner speeches, etc.) are considered the short-range artillery; whereas neoliberal politicians and other activist types are engaged in hand-to-hand combat. The perception of a need to maintain a radical stance with regard to fundamental change in the long term, rather than opportunistically subscribing to feasible change in the short term, led neoliberals to combine elite scholarship with popular writing and intermittent sophistication with populist simplification. Because many observers focus solely on the marketing side of neoliberal operations, they fail to appreciate the scholarly production network. Upon closer inspection, one can easily detect the neoliberal technologies for the creation of international reputation, including academic honors provided by neoliberal universities such as Marroquín University in Guatemala (Ayau 1990), the Milton Friedman Prize of the Cato Institute, or the Antony Fisher Prize for think tanks. The international reputation of leading members of the neoliberal thought collective has worked wonders in local fund-raising efforts to establish or expand think tanks and other organizations (Goodman and Marotz-Baden 1990; Frost 2002).

Even though neoliberal intellectuals depended on corporate funding, only a few corporate leaders were admitted to the inner sanctum of the neoliberal thought collective. Intellectuals were deeply suspicious of the opportunistic pragmatism of postwar business leaders, many of whom had embraced corpo-

Historical Social Network Analysis: Detecting Layers of Knowledge

Perhaps an anecdote will help explain why it is necessary to accurately identify and recognize the historical importance of the MPS. The following recollections and reflections of John Williamson—the economist who coined the term Washington Consensus (WC)—constitutes proof that the Mont Pélerin Society can be easily misunderstood, if not overlooked. While the structural dimensions of the historical sedimentation of knowledge in general and the occasionally powerful participation of strategic actors in authoritative deliberation and decision making have been the subject of discourse coalition research at the national level (cf. Wittrock, Wagner, and Wollman 1987; Hajer 1993), observing the Mont Pélerin Society helps illuminate transnational discourse communities and coalitions.

John Williamson did not overlook the MPS. He has recently written some articles in which he acknowledges the role of the MPS in creating neoliberalism, but alas, not without adding tremendously to the existing confusion. Williamson (2003, 2004) has attempted to defend the Washington Consensus (WC) against popular and even professional vilification (Rodrik 1996; Stiglitz 1999). The WC combined a set of macroeconomic policies intended to restore economic stability and a set of liberalization policies aimed at structural reform. The WC’s rallying cries were "structural adjustment" and "getting the prices right." Williamson’s ten policy instruments included reduction of federal deficits, privatization of state-run enterprises, deregulation of key industries, and trade and financial sector liberalization. Critics outside of the economics
profession had taken to equating Williamson's list with a roster of policies characteristic of neoliberalism.

Williamson rejected this characterization of the WC and has written in rebuttal: "I use the word 'neoliberalism' in its original sense, to refer to the doctrines espoused by the Mont Pèlerin Society. If there is another definition, I would love to hear what it is so that I can decide whether neoliberalism is more than an intellectual swear word" (Williamson 2004, 2; emphasis added). Instead of subjecting the aforementioned "MPS doctrines" to closer scrutiny, Williamson maintained that he himself was not an advocate the "policy innovations" of the Reagan and Thatcher administrations, except for privatization. "I thought all the other new ideas with which Reagan and Thatcher had entered office, notably monetarism, supply-side economics, and minimal government, had by then been discarded as impractical or undesirable fads, so no trace of them can be found in what I labelled the 'Washington Consensus'" (Williamson 2004, 2; emphasis added).

We may therefore deduce that Williamson believes that "monetarism, supply-side economics, and minimal government" provide an exhaustive census of MPS doctrines. These doctrines do indeed owe their contemporary existence to key contributions from influential MPS members such as Milton Friedman, Karl Brunner, and Sir Alan Walters, as well as Martin Feldstein, James Buchanan, and Gary Becker, to name just a few of the better known names. But within MPS, neoliberalism was elaborated and promoted by a total thought collective of more than one thousand scholars, journalists, (think tank) professionals, and corporate and political leaders around the globe for more than fifty years; their work can by no means be reduced to these three doctrines.

Leaving aside Williamson's hasty judgment on supply-side economics as a superseded fad,15 privatization, deregulation, and financial and trade liberalization must assuredly be counted as key "MPS doctrines." For example, consider the theoretical contributions from MPS members such as George Stigler and Richard Posner with regard to regulatory reform ("capture theory"), property rights theorists Armen Alchian and Harold Demsetz with regard to privatization and efficient property rights, and trade theorists Gottfried Haberler and Herbert Giersch with regard to globalization, among many others. Reform is equated not with gross downsizing of the government as much as it is with removing government from those areas where a different sort of discipline is prescribed. What then are we to make of Williamson's fervent declaration that there is "no trace" of MPS doctrines in the Washington Consensus?

First, Williamson makes profound concessions to neoliberalism merely by subscribing to the privatization doctrine. "Visions" of comprehensive liberalization of financial markets were watchwords in the ranks of influential MPS members such as Fritz Machlup, Gottfried Haberler, and Milton Friedman, when the gold exchange standard collapsed in the early 1970s (Helleiner 1994). Williamson arguably felt that the WC had emerged as a promising strategy to fight poverty in the Third World and that, historically, those neoconservatives did not really care about such issues (see Mitchell, Chapter 11 in this volume). However, it would be difficult to find dissenting voices to the WC within the neoliberal camp, especially when it comes to forging a link between liberalization and the creation of wealth advocated by MPS members such as Peter Bauer (compare Pléhve and Bain, Chapters 9 and 10, respectively, in this volume).

Perhaps most telling, Williamson seems oblivious to the extent to which MPS members actually participated in shaping and modifying the Washington Consensus. At least one MPS member has been actively involved in the process of clarifying the extent to which the WC was "complete" in the eyes of the contemporary economics profession. Williamson (2004, 4) reports that he invited Allan Melzer of Carnegie Mellon University as a representative of the right wing of the political spectrum to respond to his original paper in 1989:

Melzer expressed his pleasure at finding how much the mainstream had learned (according to my account) about the futility of things like policy activism, exploiting the unemployment/inflation trade-off, and development planning. The two elements of my list on which he concentrated his criticism were once again the interest rate question (though here he focused more on my interim objective of a positive but moderate real interest rate than on the long run objective of interest rate liberalization) and a competitive exchange rate. The criticism of the interest rate objective I regard as merited. His alternative to a competitive exchange rate, namely a currency board, would certainly not be consensual, but the fact that he raised this issue was my first warning that on the exchange rate question I had misrepresented the degree of agreement in Washington.

Williamson appears to be unaware that Allan Melzer has been a prominent member of the Mont Pèlerin Society (compare Weller and Singleton 2006). The extent of Williamson's own deference to Melzer's positions should otherwise have signaled a convergence of doctrines between the WC and the
works of Alfred Marshall, Eugen von Böhm-Bawerk, Friedrich von Wieser, Karl Gustav Cassel, and others. Neoliberalism propagated doctrines of competition and entrepreneurship, and posited the rejection of advancing socialist ideas and bolshevism in particular (Walpen 2004a, 68). However, the functions of the state were understood in a negative way, and therefore the heritage of classical liberalism loomed large. In the mid-1920s, we also find the discussion of the dire condition of liberalism and the search for new approaches in the works of the Viennese sociologist Leopold von Wiese (1923) as well as in the booklet Liberalism (Liberalismus) by the Austrian economist Ludwig von Mises (1927, further discussed in Walpen 2004a, 69–70).

Interwar Vienna pressed certain neoliberal ideas and proto-MPS structures. In particular, it fostered the creation of a certain kind of extra-academic cosmopolitan intellectual formation. There Ludwig von Mises became a prominent opponent of socialist economics and planning as advocated by leading representatives of Austro-Marxism, such as Otto Bauer and Rudolf Hilferding, as well as a Logical Positivist brand of scientific Marxism represented by Otto Neurath. Mises, then secretary of the Vienna Chamber of Commerce and organizer of one of the most prominent Privatseminars, which included Friedrich Hayek and Fritz Machlup, initiated the “socialist calculation debate,” eventually positioning neoliberal economics as the most important intellectual foe of scientific and technocratic socialism.17 Mises’s seminar attracted many foreign scholars (such as Lionel Robbins, Frank Knight, and John van Sickle), who would become key members of the Mont Pèlerin Society after World War II.18 Discussions involved intellectuals who worked in academia cheek-by-jowl with intellectuals who could not attain traditional academic careers at the time for various reasons (including anti-Semitism). The Mises seminar encompassed “business” intellectuals such as Fritz Machlup (who had been forced to enter his father’s family business for lack of academic opportunities) and officials of the Chamber of Commerce. At that time, Mises and Hayek earned their money at a private business cycle research institute funded by the Rockefeller Foundation to supply economic data to Austrian firms. Later characteristic features of organized neoliberalism can be discerned in the formative life experiences of leading neoliberals during the Viennese “golden” 1920s. Whereas the Mises Privatseminar provided fertile ground for the early attacks against the theoretical foundations of socialism, the critique of classical liberalism as the other face of neoliberalism was not yet apparent in the works of Ludwig von Mises and other Viennese

How the “Neo” Got into Neoliberalism

Both the term and the concept of neoliberalism enjoyed a long prehistory in twentieth-century political and economic thought.15 Probably the first foray into the twentieth-century reconsideration of the problems of how to secure a free market and to appropriately redefine the functions of the state in order to attain that goal—the key concern of MPS neoliberalism—can be found in the book Old and New Economic Liberalism by the well-known Swedish economist Eli F. Heckscher, written in 1921. While his student and collaborator in founding international trade theory, Bertil Ohlin (the Heckscher-Ohlin factor proportion model), served as head of the Liberal Party in Sweden from 1944 until 1967, Heckscher was among the second group of people invited to join the neoliberal Mont Pèlerin Society in 1947. The term neoliberalism, in the modern sense,16 probably appeared for the first time in 1925 in a book entitled Trends of Economic Ideas, written by the Swiss economist Hans Honegger. In his survey, Honegger identified “theoretical neoliberalism” as a concept based on the MPS. Elsewhere, Williamson (2003, 11) informed his readers that he owes much of his own economic thinking to his teacher Fritz Machlup, and in that regard he perhaps unwittingly names yet another prominent MPS member who seems to have had a formative influence on his own thinking.

The putatively nonpartisan WC, contrary to Williamson’s own protestations, displays many traces of the MPS neoliberalism in its very genes and has been forged with the help (and endorsement) of more than one influential MPS member, even according to Williamson’s own account.14 Clarifying MPS neoliberalism will in any case shed light on some of the largely forgotten origins of many occulted aspects of contemporary mainstream thinking.

The remainder of this introduction will provide a few preliminary notes on the (pre-)history of neoliberalism, and introduce some of the key features of the thought collective as rallied under the auspices of the Mont Pèlerin Society. United under the umbrella of the MPS since 1947, neoliberals mobilized for the first time a directed capacity for changing the world under peacetime conditions without the interruptions created by war and emigration. But it is important to recognize the earlier efforts made between World Wars I and II. During the 1930s, concerned liberals felt an increasingly urgent need to confront the perceived evils of planning and the failures generated by the laissez-faire attitudes of fellow liberals.
colleagues; neoliberalism, therefore, truly was an offspring of the Great Depression.

Only in the 1930s did the term *neoliberalism* start to appear in multiple contexts, eventually to become established as the main designation of a new intellectual/political movement. The broadest discussion took place in France around 1935. A loose group of economists, philosophers, and sociologists located in Paris organized the Colloque Walter Lippmann (CWL), which is often regarded as the precursor of the MPS. Yet another important country that simultaneously gave birth to neoliberalism was Germany, where Walter Eucken, Alexander Rüstow, and Wilhelm Röpke discussed the tasks of a “new liberalism” on the eve of the Nazis’ rise to power. Significantly for later developments, Rüstow explicitly called for a “liberal interventionism” (see Ptak, Chapter 3 in this volume).

The incipient emergence of neoliberalism was not altogether free from ambiguity, however, since the term also began to pop up on the left. Frank Knight (1934) in Chicago rejected the mixing of ideologies he perceived in the new social liberalism, though research is needed to better understand the crisscrossing relationships between the left-leaning social liberalism and the right-leaning neoliberalism. How can it be explained that at the London School of Economics and Political Science, founded by Fabian Socialists Beatrice and Sidney Webb, the economics department developed a decidedly neoliberal orientation under the guidance of Edwin Cannan (Apel 1961, 9)? Cannan gathered together a group of young disciples who devoted themselves to a determined rethinking of market solutions to the challenges of the day in opposition to answers given by Keynesians at Cambridge and elsewhere. Foucault (2004, 130f.) focused on Karl Schiller to describe the process of Social Democratic approximation to a neoliberal understanding of economic policy making in Germany before entering the federal government at the end of the 1960s. Both during the 1930s and the first decades after World War II, a certain amount of confusion persisted with regard to proper understanding of the political character of neoliberalism.

Another interwar institution that provided an organizational haven for concerned and committed liberals was established in Geneva, Switzerland. In 1927 the Institut Universitaire des Hautes Études Internationales (IUHEI) was launched by William E. Rappard and Paul Mantoux and provided a refuge for Frank D. Graham, Theodore Gregory, Ludwig von Mises, Wilhelm Röpke, Jacob Viner, and a host of others. The most famous representative of the Italian coterie of neoliberals, Luigi Einaudi, fled in 1943 from the fascists to Switzerland, where he was supported at the IUHEI by Rappard (Walpen 2000).

The publication of Walter Lippmann’s *An Inquiry into the Principles of The Good Society* in 1937 marked the beginning of a new dawn in the history of neoliberalism. The book was enthusiastically welcomed by the liberal intellectuals in Europe, perhaps even more so than in America (Steel 1980). Lippmann’s core message was the superiority of the market economy over state intervention, a principle that was (to say the least) leaning against the wind in the depths of the Great Depression. The book was brimming with insights that would later constitute the conventional wisdom in neoliberal circles, notably:

In a free society the state does not administer the affairs of men. It administers justice among men who conduct their own affairs.

[Statesmanship] is the ability to elucidate the confused and clamorous interests which converge upon the seat of government. It . . . consists in giving the people not what they want but what they will learn to want.

Lippmann anticipated not only some principles, but also elements, of Friedrich Hayek’s long-term strategy: Only steadfast, patient, and rigorous scientific work, as well as a revision of liberal theory, was regarded as a promising strategy to defeat “totalitarianism.” Significantly, Lippmann’s work discussed totalitarianism primarily with regard to the absence of private property, rather than the more commonplace reference to a lack of democracy or countervailing political power.

Louis Rougier, the French philosopher, was quite taken with the book and organized a conference in Lippmann’s honor, the eponymous Colloque Walter Lippmann, in Paris in 1938 (see Denord, Chapter 1 in this volume). Fifteen of those who were invited (including Raymond Aron, Louis Baudrin, Friedrich August von Hayek, Ludwig von Mises, Michael Polanyi, Wilhelm Röpke, and Alexander Rüstow) would subsequently participate in the founding of the Mont Pèlerin Society nine years later (Walpen 2004a, 84f., 388, 391). Besides debates over the dangers of collectivism and the pitifully weak state of liberalism, they wrangled over the tenets as well as the designation of a renewed liberalism. The term *neoliberalisme* triumphed against suggestions such as néo-capitalisme, libéralisme positif, libéralisme social, and even libéralisme de gauche (Walpen 2004a, 60). The colloquium defined the concept of neoliberalism as
• the priority of the price mechanism,
• the free enterprise,
• the system of competition, and
• a strong and impartial state.²⁴

The participants launched the project agenda of neoliberalism, a journal (Cahiers du Libéralisme), and a think tank, the Centre international d'études pour la rénovation du libéralisme (CIRL), with the head office in Paris (the first president was the entrepreneur Louis Marlié) and auxiliary offices in Geneva (Röpke), London (Hayek), and New York (Lippmann) (Walpen 2004a, 60–61).

As Richard Cockett (1995, 12) noted, however, “it was, of course, an inauspicious moment to start founding new international organizations of ambitious intentions.” The outbreak of World War II abruptly halted this nascent attempt at organizing (neo)liberal forces. It scattered many of the participants, and of course, gave a tremendous boost to the socialists, thus recasting the enemy as a different species of totalitarian after the war.

To sum up the prehistory of MPS-neoliberalism, four points need to be emphasized:

1. Neoliberalism had a diverse number of places of origin (including, but not limited to, Chicago, Freiburg, Geneva, London, New York, and Paris). With regard to the important Austrian roots, and to a lesser extent German, Italian, and French, neoliberalism was a political philosophy developed by uprooted intellectuals in exile following the rise of Nazism, which may explain the intensity of the social bondages among people from different countries and cultures. Metaphors of “birth” are perhaps less apposite here than alternative metaphors of percolation and recombination.

2. Neoliberalism was anything but a “pensée unique” and at the outset drew on different theoretical approaches (e.g., the Austrian school, the incipient Chicago School of Economics, the Freiburg school of ordoliberalism, Lippmann’s “realism”), which continue(d) to coexist, but also served to cross-fertilize these and other approaches (e.g., public choice, institutional design).

3. An understanding of neoliberalism needs to take into account its dynamic character in confronting both socialist planning philosophies and classical laissez-faire liberalism, rather than searching for timeless (essentialist) content. It was primarily a quest for alternative intellectual resources to revive a moribund political project. It was flexible in its intellectual commitments, oriented primarily toward forging some new doctrines that might capture the imaginations of future generations. At various junctures, this might involve unexpected feints to the left as well as the right.

4. The Colleague Walter Lippmann helped spread the realization that honoring discrete academic disciplinary boundaries would probably hinder the project. The figures who gathered in 1938 saw the point of ranging widely over the traditional preserves of philosophy, politics, theology, and even the natural sciences. Neoliberalism started to recognize the growing need “to organize individualism” in order to counter what was perceived as an unfortunate but irreversible politicization of economics and science (Zmirak 2001, 11). To achieve their goal of the “Good Society,” neoliberal agents agreed on the need to develop long-term strategies projected over a horizon of several decades, possibly to involve several generations of neoliberal intellectuals. No single genius or “saviour” would deliver the neoliberals into their Promised Land.

Perpetual Mobilization: Mont Pèlerin

With the conclusion of the war, many forces conspired to bring the neoliberals together once more to try and organize the movement.²⁵ Under the leadership of Albert Hunold and Friedrich August von Hayek, a number of loosely connected neoliberal intellectuals in Europe and the United States assembled in Mont Pèlerin, a village close to Lake Geneva. From Tuesday, April 1, to Thursday, April 10, 1947, the first gathering took place at the Hôtel du Parc. The internationalist outlook and organizational effort were made possible through some timely corporate/institutional support. The Foundation for Economic Education in Irvington-on-Hudson, New York, which employed Ludwig von Mises, and the William Volker Fund based in Kansas City, provided subsidies. The Volker Fund was led by future MPS member Harold Luhnow, and it provided travel funds for the U.S. participants in the meeting. The Schweizerische Kreditanstalt (today known as Credit Swiss) paid 93 percent of the total conference costs—18,062.08 Swiss francs (Steiner 2007; Walpen 2004b).
reinforced the American numbers (17 of 39). By 1951, when the MPS had already grown to 172 members, 97 Europeans mingled with 62 individuals located in the United States. The remaining 13 members in 1951 came from various South American and Caribbean countries and from far away Australia, New Zealand, and Singapore (all figures from Walpen 2004a, 388 [CWl 1938], 381–382 [MPS 1947i], 393–394 [MPS 1951]).

The MPS rapidly adjusted to the United States’ postwar rise to economic hegemony in terms of membership, though Europe arguably remained of equal, if not greater, importance as an epicenter of the neoliberal discourse community. Contrary to the conviction of many on the left that neoliberalism is an ideology “made in USA,” fifteen of twenty-four MPS presidents have been European, and six have come from the United States (see Table I.1). Of the remaining three presidents, two were from Latin America and one from Japan. So far only Europeans have served as secretaries of the MPS, though all of the five treasurers were citizens or permanent residents (Frietz Machlup) of the United States. Twenty-seven general meetings between 1947 and 2004 took place in Europe compared to just four in the United States and one each in Canada, Chile, Hong Kong, and Japan (Walpen 2004a, 389). Regional meetings were more evenly distributed across Europe, the Americas, and Asia. Africa appeared late (2007) on the neoliberal map of conference locations (special meeting in Nairobi, Kenya).

A quantitative analysis of participation in MPS general meetings from 1947 until 1986 yields the following results (summarized in Figure I.1), making use of simple network theory algorithms: U.S. participants: ●, European: ○, other: ▲. Ten of the most frequent participants identified in this analysis were originally from the United States, compared to twenty-one from Europe. An additional two of the U.S.-based “frequent MPS fliers” (Mises and Machlup) were from Austria, and one of the three individuals from elsewhere (Hutt) moved to South Africa from his native UK. Manuel Ayau from Guatemala and Chiaki Nishiyama from Japan were the only MPS members admitted into this core group of frequent participants, also serving as presidents, who were from neither Europe nor the United States.

The quantitative historical social network analysis helps to shed more light on the group of less well-known neoliberal activists, who all too frequently have remained hidden in the shadow of official leaders and prominent neoliberals like Friedrich August von Hayek and Milton Friedman. The Danish economist Christian Gandil, for example, was the only MPS member who attended all
twenty-four conferences between 1947 and 1986, closely followed by Hayek (twenty-three), a group of think tank officials (Leonard Read of the Foundation for Economic Education, Antony Fisher, Shenfield, and Seldon of the Institute of Economic Affairs), and two politicians (Max Thurn from Austria and Jean Pierre Hamilus from Luxemburg). However, two frequent participants (and key officials) of the early period—Albert Hunold and Wilhelm Röpke—do not appear in this picture only because they quit the MPS in the aftermath of the struggle over the future direction of the organization. The battle took place in the early 1960s and was lost by the Hunold-Röpke camp (cf. Walpen 2004a, 145f., on the Hunold-Hayek affair). A more detailed analysis than is possible here reveals additional groups of people who may have to be considered key actors during certain succinct periods of time (Plewe and Walther 2008). Nevertheless, the core network identified in this introduction includes most of the key officials who formally served the MPS during the period 1947–1986, and shifts additional attention to a group of journalists and publishers (Davenport, Fertig, Fredborg, Hoff, Genin), corporate leaders (Fisher, Svenson-Taylor), think tank
officials (Read, Seldon), and a politician (Hamilzus). Marie-Thérèse Genin, a French publisher who helped to get major books by neoliberal authors translated and published, is the only woman among the regulars. She is among the few frequent conference attendants who never chaired a panel or gave a paper, a fate shared with the few other female fellows (Plehwe and Walther 2008).

The composition of MPS members mirrors the overall membership composition of the MPS (Plehwe and Walpen 2006), whereas the official positions are almost exclusively held by the most numerous contingent of MPS members: academics. Very infrequently, corporate leaders (like Manuel Ayau) or think tank officials (like Edwin Feulner) served as MPS presidents. Many of the names in Figure 1.1 will surface in the following chapters; however, the contributions of a few listed here to the neoliberal cause remains murky, calling for future research. Very little is known about the Japanese members and networks, for example. We do know that long-standing personal ties had been important with regard to the MPS’s early recruiting effort: Hayek, Mises, Polanyi, Robbins, and Röpke were MPS founding members who had already participated in the 1938 Colloquium, and other CWL participants (including Raymond Aron, Louis Baudin, and Alexander Rüstow) were involved in the efforts to launch the MPS (Walpen 2004a, 84f., 388, 391). The “white emigrants” from Austria (Hayek, Mises, Machlup, Haberler, Popper) were key U.S or UK-based academic MPS members until the 1960s. Otherwise, two journalists (John Davenport and Henry Hazlitt) and one think tank official (Leonard Read of the Foundation for Economic Education [FEE]) formed the core of the U.S.-based neoliberal activists. Only during the 1960s did U.S. professors Milton Friedman, James Buchanan, and George Stigler ascend to leading positions, eventually being elected MPS presidents. According to Feichtinger (2001), already during World War II, Hayek (in London) and Haberler (in Boston) were indispensable with regard to the academic prospects of other emigrants who were MPS members. This is one reason, for example, for Popper’s lasting gratitude to his benefactor, von Hayek (Nordmann 2005). Commenting on an early draft of Hartwell’s MPS history, Christian Gandil (1986) named several friends he had made among U.S. MPS members and suggested: “the basis for a friendship is to be in agreement concerning outlook of life.” The combination of sometimes even rather close personal ties among people of diverse professional backgrounds provided for a fertile mix of sympathy, respect, and competency prevailing among MPS members, notwithstanding occasional episodes suggesting the opposite.

The founding conference reflected the mix of academic and professional backgrounds that would come to characterize the Mont Pélerin Society. A majority of university professors mingled with journalists (like Fortune’s John Davenport, Henry Hazlitt from Newsweek, and Cicely V. Wedgwood of Time and Tide), foundation/think tank executives (Floyd A. Harper and Vernon Watts of the Foundation for Economic Education, Herbert Corneille from Volker), and business executives (Albert Hunold heading the Swiss watch manufacturing

---

**Figure 1.1.** Frequent participants in MPS meetings. Source: Participation lists, general MPS meetings 1947–1986 available at Liberal Archival, Ghent, and Hoover Institution, Stanford. The individuals listed in the figure participated together with the individuals to which they are linked in at least 90 percent (15) of the 26 conferences. The four isolated participants (Mises, Hoff, Hahn, Stenson-Taylor) were also present 13 times, though not at least 13 times together with at least one other person. I am grateful to Katja Walther for data compilation on the basis of UCI-Net.
association) and publishing houses (George Révay from Reader's Digest). By 1951 several leading political figures, including Ludwig Erhard and Luigi Einaudi, were accepted, contradicting Hayek's claims of a rather draconian renunciation of political activism. The architects of the neoliberal thought collective have carefully connected and combined key spheres and institutions for the contest over hegemony—academia, the media, politics, and business. Both the networking capacity in terms of specialization and the organizing capacity of the new type of knowledge apparatus—the neoliberal partisan think tank—need to be better understood in order to explain the rise of neoliberal hegemony and the transformation of policy research. "Gone are the days when a think tank could operate with the motto 'research it, write it and they will find it.' Today, think tanks must be lean, mean, policy machines" (McGann 2007, 20). If think tank experts like McGann present the transformation of knowledge power structures at hand as driven by globalization, professionalization, and commercialization, the reasons for more than a hundred neoliberal think tanks coordinating their work within and across borders dating back to the 1950s are easily overlooked. In addition to the central institutions in charge of think tank coordination created by the neoliberal thought collective (like the Atlas Economic Research Foundation or the European Stockholm Network), shared values and principled beliefs constitute decentralized guidance for MPS members setting up think tanks and for think tank professionals who belong to the neoliberal thought collective. The development of a sort of smallest common denominator of MPS ideas was a key subject of the deliberations at the founding conference in Mont Pèlerin.

Even in the face of all the precautions over membership and participation, the early MPS members continued to experience difficulty in specifying precisely what held them together: this was a dilemma that would beset any group whose task lay more in prospective construction than in retrospective appreciation. The benighted band of brothers felt driven to draft a common creed, although Hayek himself warned, "I personally do not intend that any public manifesto should be issued" (Hartwell 1995, 33). A first pass at inscribing a communal Individualist creed was deputed to a committee consisting of Eucken, Hayek, Hazlitt, H. D. Gideonse, John Jewkes, and Carl Iversen and is reproduced here:

DRAFT STATEMENT OF AIMS, APRIL 7, 1947

1. Individual freedom can be preserved only in a society in which an effective competitive market is the main agency for the direction of economic activity. Only the decentralization of control through private property in the means of production can prevent those concentrations of power which threaten individual freedom.

2. The freedom of the consumer in choosing what he shall buy, the freedom of the producer in choosing what he shall make, and the freedom of the worker in choosing his occupation and his place of employment, are essential not merely for the sake of freedom itself, but for efficiency in production. Such a system of freedom is essential if we are to maximize output in terms of individual satisfactions. Departure from these individual liberties leads to the production not only of fewer goods and services but of the wrong goods and services. We cannot enrich ourselves merely by consenting to be slaves.

3. All rational men believe in planning for the future. But this involves the right of each individual to plan his own life. He is deprived of this right when he is forced to surrender his own initiative, will and liberty to the requirements of a central direction of the use of economic resources.

4. The decline of competitive markets and the movement toward totalitarian control of society are not inevitable. They are the result mainly of mistaken beliefs about the appropriate means for securing a free and prosperous society and the policies based on these beliefs.

5. The preservation of an effective competitive order depends upon a proper legal and institutional framework. The existing framework must be considerably modified to make the operation of competition more efficient and beneficial. The precise character of the legal and institutional framework within which competition will work most effectively and which will supplement the working of competition is an urgent problem on which continued exchange of views is required.

6. As far as possible government activity should be limited by the rule of law. Government action can be made predictable only when it is bound by fixed rules. Tasks which require that authorities be given discretionary powers should therefore be reduced to the indispensable minimum. But it must be recognized that each extension of the power of the state gradually erodes the minimum basis for the maintenance of a free society. In general an automatic mechanism of adjustment, even where it functions imperfectly, is preferable to any which depends on "conscious" direction by government agencies.
7. The changes in current opinion which are responsible for the general trend toward totalitarianism are not confined to economic doctrines. They are part of a movement of ideas which find expression also in the field of morals and philosophy and in the interpretation of history. Those who wish to resist the encroachments on individual liberty must direct their attention to these wider ideas as well as to those in the strictly economic field.

8. Any free society presupposes, in particular, a widely accepted moral code. The principles of this moral code should govern collective no less than private action.

9. Among the most dangerous of intellectual errors which lead to the destruction of a free society is the historical fatalism which believes in our power to discover laws of historical development which we must obey, and the historical relativism which denies all absolute moral standards and tends to justify any political means by the purposes at which it aims.

10. Political pressures have brought new and serious threats to the freedom of thought and science. Complete intellectual freedom is so essential to the fulfillment of our aims that no consideration of social expediency must ever be allowed to impair it. (Hartwell 1995, 49–50)

Significantly enough, even this relatively nonspecific and anodyne set of neoliberal ten commandments proved too contentious to gain the assent of the individualists gathered at Mont Pèlerin, and so the oxymoronic Committee of Individualists deputed a redraft to Lionel Robbins, who compiled and produced the “Statement of Aims” (reproduced below). All those gathered on April 8, 1947, except one (the French economist and Nobel laureate Maurice Allais)33 fully accepted this rather less informative manifesto, which to this day remains the only “official” statement of the MPS. Thus, our readers should understand that they cannot look to any formal sanctioned publication of the MPS for a convenient definition of neoliberalism. Furthermore, this is precisely what we should expect even if the MPS had been convened in 1947 to construct a new version of liberalism, rather than simply codify what had been received hallowed wisdom.

STATEMENT OF AIDS OF THE MONT PÈLERIN SOCIETY

The central values of civilization are in danger.... The group holds that these developments have been fostered by the growth of a view of history which denies all absolute moral standards and by the growth of theories which question the desirability of the rule of law. It holds further that they have been fostered by a decline of belief in private property and the competitive market; for without the diffused power and initiative associated with these institutions it is difficult to imagine a society in which freedom may be effectively preserved. Believing that what is essentially an ideological movement must be met by intellectual argument and the reassertion of valid ideas, the group, having made a preliminary exploration of the ground, is of the opinion that further study is desirable inter alia in regard to the following matters:

1. The analysis and explanation of the nature of the present crisis so as to bring home to others its essential moral and economic origins.
2. The redefinition of the functions of the state so as to distinguish more clearly between the totalitarian and the liberal order.
3. Methods of reestablishing the rule of law and of assuring its development in such a manner that individuals and groups not in a position to encroach upon the freedom of others and private rights are not allowed to become a basis of predatory power.
4. The possibility of establishing minimum standards by means not inimical to initiative and the functioning of the market.
5. Methods of combating the misuse of history for the furtherance of creeds hostile to liberty.
6. The problem of the creation of an international order conducive to the safeguarding of peace and liberty and permitting the establishment of harmonious international economic relations . . .

(Hartwell 1995, 41–42)

Comparison of these two sets of aims reveals a rather striking diminution of more specific content in the MPS manifesto. After all, isn’t the appeal to the need for “further study” the last refuge of academic scoundrels? One can interpret this not only as evidence of a fair amount of dissension within the ranks of the MPS; but also as evidence that the transnational band of participants did not have a very clear idea of where the project was headed in 1947. The only immutable truths to which they were eager to pledge their troth were those of a more general philosophical and normative kind: the fundamental neoliberal values and principled beliefs we can discern in the short list of six major tasks that have guided the neoliberal thought collective. These tasks include economic freedom and individualism, the affirmation of moral
INTRODUCTION

standards, and possibly surprising for many critiques: social minimum standards (acknowledging the limits of private charity). Among the principled beliefs were those in positive state functions, a system of law and order, and international trade. Notably absent are the range of human and political rights traditionally embraced by liberals (including the right to form coalitions and freedom of the press).

Shared values and principled beliefs constitute a crucial resource, empowering transnational community groups. Looking at the neoliberal thought collective, we actually have the chance to observe the social construction of fundamental values and principled beliefs often neglected in the literature (Haas 1992; Keck and Sikkink 1998; Bisle et al. 2002). Stressing science and research rather than ideology and beliefs of course was the hallmark of the post–World War II ideological struggles. The neoliberal group paradoxically feared and appreciated the value of science as highlighted in their point number five: they recognized the paramount importance in political action of rewriting history, and in this recognition, the authors assembled here concur.

A Brief Overview

Part I examines important local/national roots of neoliberalism in the four most important homelands of the movement: France, Germany, the United Kingdom, and the United States. Yet, local analysis in these four countries has to take transnational dimensions of the neoliberal thought collective into account. By the time neoliberalism emerged—during the 1930s—nearly all the Austrian and several important German and French contributors had moved abroad (to Switzerland, the UK, and the United States, for example). The transnational dimension of the local/national history of neoliberalism has been particularly strong in the UK and the United States. Switzerland also deserves recognition as a particular transnational neoliberal space because of the hospitality of Swiss neoliberal intellectuals and institutions to Austrian, German, and Italian refugee neoliberals. It was certainly not mere coincidence that the Mont Pèlerin Society was founded in this country; only Switzerland provided neoliberal intellectuals the intellectual and institutional space and financial backing needed to organize an international conference of and for neoliberals right after World War II. Until the end of the 1950s, it remained easier for neoliberals to congregate in Switzerland than anywhere else; four of the ten Mont Pèlerin Society meetings between 1947 and 1960 took place in

Switzerland. It took more than ten years after the war for a meeting to be held in the United States (see Phillips-Fein, Chapter 8 in this volume) or the UK (Oxford, in 1960). The focus on the four countries of neoliberalism's birth is therefore not meant to present a complete picture, but through their capture of the complex national and transnational origins of the movement will hopefully stimulate further discussion and research.

François Denord's treatment of the French roots of neoliberalism in Chapter 1 enumerates the different wings, intellectual factions, and political frictions of neoliberalism. The French MPS membership included moderately "left-leaning" neoliberals, who embraced certain aspects of social liberalism and planning, and very "right-wing" neoliberals, who in many ways were hardly distinguishable from pre-neoliberal laissez-faire advocates. These divisions seemed to coincide with the professional background and interest perspectives of the neoliberals in France: both neoliberal intellectuals who served policy advisory functions and neoliberal politicians helped build the French postwar state, whereas many French corporate sector neoliberals opposed the development toward modern state regulation and planning. However, other French business intellectuals embraced yet another perspective in an effort to align Catholic social and neoliberal economic doctrines. During the 1970s, a new French generation of radical MPS neoliberals eventually arose to attack the postwar compromises effected by French neoliberals. The more recent cohort of French neoliberals has begun to rewrite neoliberal history by mobilizing a French-Austrian combination of Bastiat, Say, Mises, and Hayek. Denord emphasizes the dialectical interplay of utopian and pragmatic aspects of French neoliberalism—the not always peaceful coexistence of moderate neoliberals and radical anticolontrusts like Maurice Allais and Pierre Lhoste-Lachaume, respectively.

Whereas neoliberals in France were deeply divided over postwar issues of economic planning and social policy, German neoliberals were able to form a powerful alliance of intellectual, business, and political forces under the banner of ordoliberalism. Ordoliberals succeeded in developing an alternative third way to the Keynesian welfare and planning state right after World War II—the social market economy. In Chapter 3, Ralf Ptak explains that German neoliberals like Rüstow and Röpke quickly recognized the need for liberal interventionism during the years of the Great Depression, and that German neoliberals had a more compelling argument for a strong state that would secure competition and fortify a market society. Ptak tracks the evolution of German ordoliberalism during the Nazi era both in Germany (the Freiburg school) and in
exile (Röpke in Switzerland, Rüstow in Turkey); this approach allows Peak to closely observe the subtleties of a rather authoritarian version of neoliberalism. German (and Swiss) ordoliberals in exile were deeply suspicious of certain features of capitalism and democracy, namely, urbanization, large enterprise production, trade unions, and modern mass parties, all of which threatened their ideas about a traditional social order ruled by narrow elites and their romantic idea of individualism and merit-based mobility. German neoliberal economists shared an interdisciplinary perspective and sociological understanding of the interdependencies of political, economic, and social order. Although the resulting social theory was rigid and hardly adequate to handle the postwar tasks at hand, the social market economy concept provided the flexibility needed to apply neoliberal economic and social policy in government. The independent ordoliberal line of neoliberal thought has now nearly disappeared, but many of the more recent neoliberal “discoveries” (i.e., bounded rationality, institutions matters, law and economics) in the Anglo-Saxon world display more than a superficial affinity to what German and Swiss ordoliberals established in the past.

In contrast with France and Germany, the inversion of the relationship between economic and political freedom can be considered the key to the British contribution to neoliberalism. Paradoxically, the London School of Economics founded by Fabian socialists harbored the most important British originators of the neoliberal project. Lionel Robbins secured Hayek’s presence in London to fortify the intellectual efforts against Keynes. In Chapter 2, Keith Tribe clarifies the ways in which Hayek’s revisionist history of British liberalism has been accomplished, namely, by way of presenting the increasing weight of government in the British economy as a result of the intrusion of Germanic ideas (Hegel, Marx, List, etc.) rather than as a result of industrialization and imperialism. Whereas political freedom traditionally was regarded as a prerequisite of economic freedom in the British liberal tradition, economic freedom was now advocated as quintessential to preserve a new kind of political freedom of (limited) individual choice. The Austrian input strengthened the British tradition of principled market advocacy led by Robbins and Arnold Plant, which can be regarded as an early instance of the evolution of modern economics into a closed, self-referential system of thought. But although British neoliberalism did indeed refuse to engage serious questions with regard to equilibrium theory addressed by Keynesian economics, they also started to develop a new literature on the disruptive impact of political and trade-union intervention, which ran counter to the trend toward nationalization, stabilization, and planning. Attention was directed to the detrimental impact of the “rent-seeking behavior” exhibited by trade-unionized white workers in South Africa or patent owners, for example. Although British neoliberals convinced more people in terms of advocating principles than substantiating their claims, and remained rather marginal in the academic system for much of the post–World War II period, the effective revival of neoliberal economics during the Thatcher era can be explained. Both the production of textbooks and the establishment of think tanks like the Institute of Economic Affairs were crucial to maintaining and rebuilding neoliberal influence in the longer term.

Whereas postwar German neoliberalism emphasized a strong state, U.S. neoliberals worked hard to narrowly define the areas in which a strong neoliberal state could ascertain its pro-capitalist power and roll back the New Deal advance of social liberals and trade unionists. Chicago became the key staging ground for forging a lasting alliance between neoliberal intellectuals and the corporate opposition to the New Deal. Contrary to the widespread belief in a continuous history of the Chicago School, Rob Van Horn and Phil Mirowski in Chapter 4 document the central roles played by Henry Simons and Friedrich von Hayek in founding the Chicago bastion of neoliberalism. The combined effort of these two intellectuals succeeded in establishing the Free Market Project in Chicago at the behest of the Volker Fund. Volker’s president, Harold Luhnow, hoped to obtain an American version of Hayek’s Road to Serfdom and was willing to fund the academic positions of Aaron Director and Hayek, as well as subsidize travel money for American participation in Mont Pèlerin Society proceedings in Europe. But more importantly, a specific Chicago version of young and radical neoliberalism emerged during the 1950s, which differed markedly both from the liberalism of the older generation of Chicago-based scholars like Simons and Knight, and from the Austrian economics and philosophy Hayek promoted. The chapter demonstrates that the second Chicago School and the Mont Pèlerin Society were substantively parts of one project rather than different parallel projects.

Following up on the pre- and early histories of neoliberalism, the four chapters of Part II continue to observe neoliberal ambiguity, but also examine the transformations of neoliberalism during the 1950s and 1960s. Contrary to MPS neoliberalism understood as “preconceived gospel,” the authors of these four chapters closely observe debates and conflicts among neoliberals, focusing on controversies displayed at MPS meetings. These chapters help us gain
an appreciation of the hard work involved in developing neoliberal perspectives, as well as the variety of neoliberal perspectives innovated in response to differing political circumstances, which necessitated incommensurable conclusions on specific questions in different locations.

In Chapter 5, Yves Steiner details the early effort to develop a neoliberal perspective on labor organizations. The trade-union question was perhaps the most important issue that had been tackled by the Mont Pelerin group. A major conflict arose between U.S. neoliberals, including Austrian migrants like Hayek and Machlup (who were backed both financially and intellectually by U.S. corporate forces opposed to the New Deal), and European neoliberals. The U.S. neoliberals were radically opposed to trade unions and reflected on the best way to limit their power, whereas the European liberals were expressing a need to accommodate trade unions on the one hand and to support moderate trade unionists against radical trade unionists on the other. Accommodationist neoliberals advocated a social partnership to replace class struggle perspectives and attempted to convince business leaders of the merit of collective bargaining as a potential bulwark against welfare state planning. Still, the two camps agreed that trade-union power needed to be curbed in order to secure a free market economy.

Some of the early neoliberal traditions emphasizing competition have been turned upside down by a specific American current of neoliberal thought. In Chapter 6, Rob Van Horn contrasts German ordoliberal positions to U.S. positions to explain in great detail how the specific Chicago School variety of neoliberalism was developed as a clear departure from traditional liberal concerns about political and economic concentration of power. The Chicago Anti-Trust Project (1935–1957) led by Aaron Director effectively amounted to an apologetic “corporations can do no wrong” perspective, in stark contrast to the classical and the German variety of neoliberalism. At the same time, the neoliberal teamwork in Chicago benefited from the participation of European MPS members and from the communication processes within the transnational thought collective. The “as-if” reasoning developed by MPS member Leonard Milch in Germany to implicate the state in organizing competition, for example, was further developed and applied by Milton Friedman in his dedicated effort to delimit state authority in antitrust politics. Ordoliberal studies stressing grave problems related to state ownership of railroads in Germany, in comparison with Chicago School research pointing to serious trouble with state regulation of private railroads, served to support one of the central and tenuous conclusions of Chicago School neoliberalism: unregulated private monopoly was a relatively benign phenomenon; the real danger instead emanated from the state and the courts’ lack of economic understanding. While original Chicago School liberals like Simons insisted that the courts apply clear criteria—the rule of the law—rather than the vague rule of reason, the emerging neoliberal law and economics doctrine—developed by MPS member Henry G. Manne and financed by the Olin Foundation (compare Miller 2006)—demanded an entirely new approach. This new approach was at odds with the neoliberal emphasis on the rule of law; judges should instead be educated to apply a rule of (neoliberal) economic reason perspective.

Another subject fiercely debated by MPS members during the 1950s was the rise of the Third World. In Chapter 7, Dieter Plehwe observes how the heritage of colonial economics on the one hand and the overriding security concerns of the cold War on the other hampered the development of a neoliberal perspective on development. Early on, MPS analysts nurtured doubts both about the opportunity of independence and free markets in the developing world, and not just a few MPS members made a case for continued colonialism both explicitly and implicitly. But modernization theory and (state-led) industrialization strategies were soundly rejected, and it is possible to observe rudimentary forms of the export-oriented development paradigm neoliberals successfully advocated during the late 1970s. Only toward the end of the 1950s did Peter Bauer clarify a vision of a more complete neoliberal perspective on development: Bauer contradicted his fellow MPS members with regard to the existence of an entrepreneurial class in developing countries and planted seeds of doubt with regard to the effectiveness of providing state development aid in the fight against Soviet expansion. Based on such evidence, Chapter 7 concludes that the neoliberal revolution in development economics observed in the late 1970s and early 1980s had been conceived much earlier; perhaps as early as the late 1950s.

In her examination of the history of the MPS’s first meeting in the United States (at Princeton in 1959), Kimberly Phillips-Fein in Chapter 8 shifts attention to the role of neoliberal philanthropy and business conservatives within the neoliberal thought collective. The key personality responsible for organizing the meeting and raising funds was Jasper Elliott Crane, a former vice president of DuPont who joined the MPS and eventually convinced business friends to finance the first U.S. meeting. Neoliberal intellectuals have always claimed to be independent because they are not financed by the state.
Phillips-Fein helps to establish more precisely the character and certain limits of business-financed freedom when she (unlike Hartwell 1995) observes the extent to which Crane attempted (and succeeded) in shaping the program of the Princeton MPS meeting. Crane and others, worried about the extent of MPS pluralism, insisted on prominently featuring the von Mises wing of neoliberalism. Hayek himself admitted the importance of leaders capable of financially backing their beliefs.

The three chapters of Part III are less concerned with detailing the internal conflicts and ambiguities of neoliberal theory than with tracing the mobilization and application of neoliberal knowledge originally generated by the neoliberal thought collective.

Although the links between General Pinochet and Milton Friedman are fairly well known, and the special relationship between Chicago and Santiago has been better researched than most other neoliberal forays, Karin Fischer in Chapter 9 fills important gaps in the literature by tracking and tracing local and foreign neoliberals in Chile before, during, and after the Pinochet dictatorship. Her examination of the *premialista* pillar of the local neoliberal coalition and her account of the role of the economists Hayek and James Buchanan, in addition to the Chicago School neoliberals, demonstrates the extent to which neoliberal knowledge and capacity building extended well beyond the economic sphere. By carefully identifying transnational MPS circles, Fischer also reveals the flexible character of neoliberal cadres who were able to administer important policy shifts during the Pinochet era, and their survival after the end of Chile’s military rule.

If Chile was an early arena of intensive experimentation with applied neoliberalism for prolonged periods of time, the United Nations remained an alien fortress in the eyes of many members of the neoliberal thought collective, at least until the collapse of the Soviet Union. Many previous political demands in favor of redistribution, foreign aid, and planning enjoyed strong support in diverse UN bodies, and the growing self-confidence of developing countries found expression during the 1970s in the demand for a New International Economic Order (NIEO). Jennifer Bair in Chapter 10 examines how MPS-related intellectuals and organizations had launched a coordinated attack against the NIEO in general and the effort to regulate multinational corporations in particular. The Heritage Foundation led by MPS member Ed Feulner should be singled out here because of its capacity to assemble and effectively market the neoliberal expertise that was crucial to undermine the

United Nations Center on Transnational Corporations (UNCTC). The UNCTC itself was eventually disbanded when it was unable to withstand the winds of change. The earlier emphasis of development experts and political leaders in both developed and developing countries on economic independence and sovereignty has been replaced by a neoliberal understanding of good governance and corporate citizenship expressed by the amicable relations between corporate and political leaders in the UN Global Compact frame. The applied neoliberal policy knowledge unleashed by the Heritage Foundation was not created out of thin air, however, and the chapter demonstrates the original academic contribution to questions of international trade and foreign aid by four key MPS intellectuals in the background. Gottfried Haberler, Peter Bauer, Karl Brunner, and Deepak Lal were among the key international economics and development experts. While Haberler and Lal (during the 1980s) exerted some influence in the international organizations the General Agreement on Tariffs and Trade (GATT) and the World Bank, respectively, Bauer and Brunner primarily rallied corporate, civil society, and academic forces of opposition against the collectivist spirit of Third Worldism.

A new drive to identify liberalism in a positive way can finally be detected in the unlikely sphere of antipoverty politics. In Chapter 11, Tim Mitchell reexamines the expertise generated by Hernando de Soto’s think tank in Peru in support of titling programs, an alternative promoted by neoliberal forces instead of traditional welfare and antipoverty programs. The knowledge circuits unveiled in this chapter track the original academic production of property rights theory by MPS member Armen Alchian and his colleague Harold Demsetz to the policy program applied in Peru, as well as its international promotion by the World Bank and subsequent export to a number of countries including Egypt. A key to explaining the opportunity created to succeed in the international sphere was the academic evaluation of the experiments on the ground. Upon closer inspection, much of the evidence in support of the neoliberal scheme leading to a virtuous cycle of ownership and entrepreneurship collapses. Academic research reveals the closed neoliberal circuits, including the branding of program and evaluation by neoliberal think tanks providing textbook material to teachers. Neoliberalism thus can be observed to be well and alive in the twenty-first century, despite such setbacks as the collapse of the Washington Consensus.

The Postface by Phil Mirowski discusses some of the reasons for the social construction of neoliberal obscurity as evidenced in ongoing Wikipedia discussions that are nominally dedicated to clarifying the subject. Mirowski
concludes this volume with a summary of the key content of neoliberalism emanating from the historical analysis of the neoliberal thought collective. Much like the group of scholars, writers, and managers who congregated at Mont Pèlerin more than sixty years ago, attempting to grapple with the core features of neoliberalism, we need to conduct further studies to fully appreciate the kinds of neoliberalism they eventually produced. In the absence of such studies, we are likely to underestimate the kinds of neoliberalism that will likely result from the future deliberations and projects of neoliberals, who are much better organized nowadays than they were half a century ago. Second- and third-generation neoliberals are already hard at work to overcome whatever midlife crisis the neoliberal thought collective may face.

Notes

1. Feulner, a professing Catholic, has served as president and secretary treasurer of the MPS. It is not possible to fully identify U.S. neoconservatism and neoliberalism, of course. Although neo-Straussian foreign policy neoconservatism should not be equated with neoliberalism, many authors fail to recognize the careful coalitions formed by the new right (including the religious right). It is important to note that Feulner’s strong rhetoric of limited government refers to the welfare state but not to the police or the military. The neoliberal combination of limited government and strong state in defense of capitalism remains typically obscured behind the rhetoric of limited government, which is not identical to a weak state.

2. It is useful to maintain the broad distinction between “left” and “right” with regard to qualifying (neo)liberalism: namely, in order to distinguish between the new social liberalism and right-wing neoliberalism. The application of criteria suggested by Bobbio (1994) with regard to understanding equality in particular—the right holds inequality to be necessary and even beneficial, whereas the left has historically aimed to at least reduce inequality that is considered detrimental—helps to clarify whether (former) social liberals are turning toward neoliberalism. Neoliberals usually deny the existence of social inequality rooted in the capitalist class structure and instead prefer to speak of the diversity of individuals or possibly groups. This is a perspective shared to a certain extent by postmodern philosophy (which stresses cultural diversity rather than social class).

3. Alejandro A. Chafuen of the Atlas Economic Research Foundation recently pointed out that “Latin Americans need to recognize they can confront this challenge (the “Bolivarian revolution”—D.P.) themselves and that past “victories” in Latin America (Chile in particular) came at the expense of “weakening the institutions that had protected the rule of law and limited executive authorities” (Chafuen 2006a, 6). He still did not emphasize the weakening of individual freedoms of expression.

4. Max Thurn opened the 1964 Semmering (Austria) MPS meeting with the following words: “As the only Austrian member of the Society present at this meeting I have the pleasure and privilege of welcoming you all to Austria. Many of you have been to Austria before. There is little I can tell them about the country that they do not know already. Others have come for the first time. They may like to get a general idea of what this country was and what it is now before the meeting begins. What I can say on this subject has of course nothing to do with the topics of the programme. As members of the Mt Pèlerin Society we are not interested in the problems of individual nations or even groups of nations. What concerns us are general issues such as personal liberty and private initiative” (Thurn, 1964 meeting records, MPS archive, Liberaal Archief, Gent, Belgium [henceforth cited as LAMP]; emphasis added).

5. According to Fleck (1980), knowledge/scientific development is characterized by the contribution and relative power of competing professional/ideological groups, a perspective that is at odds with standard models of linear accumulation of knowledge, or models (following Kuhn) that identify revolutionary stages in scientific development (compare Smith 2005). However, it is not possible to fully subscribe to Fleck’s understanding of thought collectives because Fleck tends to overemphasize their coherence (note: of collectives, not of individuals who can be members of different thought collectives, according to Fleck). Members of his thought collectives are held to fully share the understanding of truth with regard to each and every statement, which seems to preclude (productive) disagreement among members. It is difficult to see how, under this condition, thought collectives can generate knowledge dynamics. It is also held that members of Fleck’s thought collectives do not communicate well to members of other thought collectives; for example, physicists are suggested to be ill-prepared to talk to theologians, as Steven Lukes reminded me. The members of the neoliberal thought collective examined in this volume instead disagree on specific issues, and they try hard, and certainly not without success, to convince both intellectuals and the general public of the merits of neoliberal reasoning. Their capacity to jointly develop and widely distribute neoliberal knowledge is due to a set of shared values and principled beliefs, which allow community members to effectively communicate across disciplines and audiences in the pursuit of hegemonic strategies. See Stadler (1997, 48ff.) for a general usage of the term “thought collective” comparable to ours in capturing the Vienna circles of logical empiricists. See Plehwe and Walpen (2007) for a full critique of Fleck’s understanding of thought collectives. Bernhard Walpen contributed his original research on the concept of thought collectives and styles to this chapter.

6. Most of the think tanks populating the Atlas Economic Research Foundation network have been founded and are run with the help of at least one MPS member (compare Cockett 1995; Frost 2002; Plehwe and Walpen 2006; and below).

7. Bernhard Walpen decided against participating in this volume after an irreconcilable conflict arose. This is deeply regrettable inasmuch as he was slated to be a co-author of this introduction, which relies in part on his keynote lecture, “The Plan to
End Planning: A Short History of Neoliberalism," delivered at the New York University/International Center for Advanced Studies conference held April 28-30, 2005 (Walpen 2005). Nobody has contributed more than Bernhard Walpen to critical analysis of the Mont Pèlerin Society (including the development of databases of members and think tanks). Since Bernhard Walpen and I have co-authored at least nine book chapters and articles on the subject, I would like to ask readers to consult his work alongside this introduction so that they will gain clear recognition of his key role in developing many of the ideas presented in this volume. I do regard this introduction as being co-authored with Bernhard even if it does not formally carry his name.

8. In addition to the proliferation of think tanks within the Atlas Economic Research Foundation, innumerable think tank networks have been dedicated to world regions (e.g., the European Stockholm network founded in 1997), individual country (e.g., the U.S. State Policy network), and issue areas (e.g., the neoliberal sustainable development network founded in 2001; compare www.stockholm-network.org, www.spn.org, and www.sdnetwork.net, respectively).

9. To be sure, Buchanan also used the occasion to value radical libertarian perspectives when battling state ownership of means of production and state regulation.


11. Although the partisan scientific character of the neoliberal thought collective may be unique, the apparent mix of political, ideological, and scientific work should not be misleadingly contrasted to real science (as recently done by Mooney 2005) since the political character of scientific knowledge needs to be generally recognized. On the (post-) World War II transformation of politicized (economics) science in contradistinction to the autonomy claims developed by philosophers of science during this period, see Mirowski (2002, 2004).

12. Accusations according to which a historical focus on elite networks amounts to conspiracy theory overlook the fact that corporate planning groups are forced to meet and coordinate in order to develop political strategies precisely because they do not control the world (van der Pijl 1995, 207; compare Mills 2000, 399).

13. "Feldstein's influence extends easily into the political realm. Much of President George W. Bush's economic team studied under, or was recommended by, Professor Feldstein. Among these are Lawrence Lindsey, R. Glen Hubbard, Richard Clarida, Assistant Secretary of the Treasury for Economic Policy, and Paul O'Neill, former Secretary of the Treasury. Indeed, Feldstein is generally credited as the father of 'supply-side' economics and helped to create President George W. Bush's 2001 tax cut plan" (Leonhard 2002, quoted in Weller and Singleton 2006).

14. For a summary of the critique in the context of the Asian crisis, see Vestergaard (2006). For some other critics, see Soederberg, Menz, and Czerny (2003); Robison (2006). As economists have more recently begun to trumpet the emergence of a "post-Washington Consensus," it is interesting to observe the extent to which their position is moving even closer to a "constructivist" version of the relationship of the govern-

15. The following section draws heavily on Walpen (2005); see also Walpen (2000).

16. References to Gide's (1898) use of the term tend to be misleading, since he uses it in regard to a "return" to the classical liberalism of Adam Smith, and not as a theoretical departure, as described herein. Thanks to Phil Mirowski for clarifying this point.

17. See Bohle and Neumöller (2006) and Hull (2006) for discussions of the socialist calculation debate with regard to the evolution of the neoliberal thought collective.

18. On the Vienna Circles, see Stadler (2001); Caldwell (2004); Nordmann (2005).

19. Raymond Aron, Marcel Bourez, Étienne Manoux, Louis Martin, Louis Roubier and Jacque Rueff all belonged to the French group. The story of the Colloque is covered in Denod (2003, 2007) and in Chapter 1 of this volume.


21. Karl Schiller first coined the phrase "planning as much as necessary, competition as much as possible" to reconfigure the traditional Social Democratic emphasis on planning (see Foucault 2004, 130–132).

22. It is important to highlight the seeming contradiction of treating the individual personality as inviolate, and yet eminently subject to manipulation through all sorts of technologies of "governmentality" and vigilant governance.

23. Several European neoliberals shared Lippmann's emphasis on the absence of economic rather than political freedom (e.g., Rappard and Rougier; compare Walpen 2004a, 56).

24. Neoliberalism's diversity, even at the moment of its creation, is illustrated by a set of principles best expressed in the final part of the proceedings of the Colloque Walter Lippmann, "Le compte-rendu des séances du Colloque Walter Lippmann," cited above as CWL, following Bernhard Walpen's keynote lecture (see note 7 above; compare Walpen 2004a, 60) and in the dispute over MPS's Statement of Aims, discussed below.

25. The four chapters of the first section detail the most important groups that eventually became closely linked across borders. Hartwell (1995, 101) calls the MPS a "two-man show" (i.e., Hayek and Hunold) prior to 1938, a perspective considerably at odds with the findings of the chapters in the second section of this volume. Walpen (2004a) and Plewe and Walpen (2006) provide critical accounts of the processes leading up to the formation of the Mont Pèlerin Society.

26. Karl Popper, in Hartwell (1995, 35). Hayek's own attempts to refute socialism had not achieved much intellectual success by this juncture; for more on this, see Mirowski (2007), which is a meditation upon Caldwell (2004).
27. The total U.S. membership so far (until 2004) was 437, amounting to almost half of the MPS population (cf. Walpen 2004a, 39).


29. This may be due to the official registration of the MPS in the United States.

30. The years 1947–1986 mark the period for which information is fully available between the MPS archives in Ghent and Stanford. Unfortunately, the 1988 list of participants in the Tokyo meeting was available neither at the Liberal Archief nor at the Hoover Institution. Information on participants in regional meetings available at the Hoover Institution is incomplete.

31. Christian Gandil (1970, 9) describes the almost yearly conferences of leaders of neoliberal organizations and associations from Denmark, Germany, and France.

32. A total of 136 MPS members have been identified who work for think tanks and foundations related to the MPS (Plehwe and Walpen 2006, 37).

33. Allais saw good reasons for public ownership of land, which led him to object (see Hartwell 1995, 42n.), though the alleged contradiction remains unclear in the written information available.

34. Readers curious for greater detail about the particular Swiss roots will have to turn to work published elsewhere in German and French (Walpen 2004b; Steiner 2007). Several other European countries, such as Sweden and Belgium, and non-European countries, for example, Mexico, South Africa, and Japan, also deserve closer scrutiny and recognition with regard to the roots of neoliberalism because they featured neoliberal activities at an early date. An account decidedly less focused on large countries and Europe remains to be researched and written.

References


PART ONE

Origins of National Traditions
THE ROAD FROM MONT PÈLERIN

The Making of the Neoliberal Thought Collective

EDITED BY
Philip Mirowski
Dieter Plehwe

HARVARD UNIVERSITY PRESS
Cambridge, Massachusetts
London, England
2009
Postface

Defining Neoliberalism

PHILIP MIROWSKI

There are plenty of reasons to be wary of Wikipedia in the modern world, not the least of which is that some of the references for this volume sternly warned me that it would be unseemly and undignified to make extended reference to it in a serious scholarly setting. I would like to begin here by suggesting that a quick bout of websurfing on Wikipedia can teach us numerous deep lessons about the ways in which neoliberalism has come to insinuate itself into much of Western culture since the events recounted in this volume, defining its modern incarnation. Our major theme will be: what holds neoliberals together first and foremost is a set of epistemic commitments, however much it might be ultimately rooted in economics, or politics, or even science. It didn’t start out like that; but a half-century of hard work by the neoliberal thought collective has wrought a program that rallies round a specific vision of the role of knowledge in human affairs. Furthermore, Wikipedia itself owes its very conception to explicit neoliberal doctrine, something that I hope will eventually give all those apologists for its virtues pause. What may initially seem a cyber-detour is intended to illustrate how the efforts of the neoliberal thought collective have culminated in the last sixty years in a reasonably coherent and effective set of doctrines, even though when it started out, and for
sometime thereafter, it was very hard for Mont Pèlerin participants and their fellow travelers to come to agreement over ideas and politics, much less settle upon a stable common denominator that justified their existence and their hopes for the future.

Just because my colleagues and I in this volume have hewn faithfully to the canons of historical research in repeatedly pointing out crucial differences and disagreements among our protagonists at various junctures, the reader should not therefore conclude that there is no such phenomenon as “neoliberalism.” As Friedrich Hayek insisted in his opening address to the very first meeting of the Mont Pèlerin Society on April 1, 1947, “Common work on the more detailed outline of a liberal order is practicable only among a group of people who are in agreement on fundamentals, and among whom certain basic principles are not questioned at every step.” There were struggles and even purges along the way (e.g., Hartwell 1995, chapter 5), but that should not disguise the fact that Mont Pèlerin did eventually forge agreement on some fundamentals. Indeed, we can and should come to appreciate the fact that the neoliberal project managed to converge over time on a shared political philosophy and worldview, despite the debates and struggles described in this volume. Prior to this wrap-up, everything in this volume has sought to portray the neoliberals in their process of Becoming; now it is time to come to terms with their modalities of Being in the modern world. Much of this discussion revolves around issues of content and meaning of the nature of knowledge; but we also briefly consider how a “science studies” orientation can help to inform our understanding of neoliberalism.

Wayward Wikipedia

In the following, I reproduce some excerpts from a rather heated and protracted critique of the quest to compose an entry for the term neoliberalism that took place within Wikipedia, the “free encyclopedia that everyone can edit” in 2005. The main home page is prefaced by the quote: “I do believe this is the future of civil society.”

EDITOR: This term neoliberalism is used FAR too much in all the articles. I have never personally heard it used outside of Wikipedia. I do like the term insofar as it seems to highlight a good concept most people never use a specific word for, and in that sense is a good word. However, because of its seemingly non usage in real life, it can be really confusing. . . .
bigger picture! If he is mentioned, at least it could be made clear that Hayek was a whig, a classical liberal.

—As the discussion of Locke in the article states, that paradigmatic classical liberal was a mercantilist: so state intervention in the economy was fine for classical liberals. Hayek liked to present himself as a classical liberal, but he was only able to do so by misrepresenting what classical liberals actually thought about the proper role of the state in the economy. That discussion has then went [sic] wrong. . . .

—If you look at the entry on liberalism in the Stanford Encyclopedia of Philosophy (which is written by experts) on the other hand, you will find that the case can not be made that "every notable thinker in the classical liberal canon after [Locke] aggressively fought for free markets." The Stanford entry says that "the seeds of this newer [welfare state] liberalism can be found in Mill's On Liberty." So there is ambiguity in classical liberalism about whether free markets are good or not.

—Hayek needs to be there since he was part of the meeting that first coined the term "neoliberalism" in 1938, and was to later form the basis for the Mont Pèlerin society. . . .

—Does anyone know whether Milton Friedman's Capitalism and Freedom, often cited as the font of neoliberalism, actually uses the term "neoliberalism"? Also, if it does, does anyone know whether this is the first use of the term?

—Actually, the term is considerably older. The first recorded usage (according to the Oxford English Dictionary) dates from 1898, when it was used by the co-operative economist Charles Gide to describe, in a somewhat pejorative manner, the neoclassical economics of Maffeo Pantaleoni. . . .

Wiki's entry associates "neoliberalism" with Robert Solow, Robert Mundell, Bradford DeLong, and Gregory Mankiw. . . . Milton Friedman is also mentioned as a "Neoliberal," however he has many times suggested abolishing IMF . . . I took off Stiglitz and Sen by this page, because, although they could be considered defenders of globalization, they are both strong opponents of neoliberalism . . . Prof Stiglitz is critical of "laissez-faire" policies, so to someone where neo-liberal = laissez-faire colonialism, he isn't a neo-liberal . . .

—Thus, isn’t it fair to conclude that this is a political label rather than an existing entity? Something used for propaganda purposes but without contents?

—No. The difficulty in labeling individuals "neoliberal" is precisely an affect of neoliberalism being a diffuse and contested political ideology/project not tied to a single organization. That there are varieties of neoliberalism does not mean that the concept is entirely without merit. It is a politi-
And then there is the paranoia problem: just how pervasive is neoliberalism? One thing that is evident from their website is how much Wiki-workers harbor dark suspicions about the extent to which economists, social theorists, and politicians purportedly “on the left” should legitimately be characterized as neoliberal. It almost smacks of a bad 1950s science fiction picture: Is Joseph Stiglitz one of them? How about Tony Blair? Or Bruno Latour? If the task at hand is to begin to clarify neoliberal scholarship and ideology, then simplistic notions of a placement on a left/right continuum clearly has not proven sufficient.

But before we turn to the task of defining modern neoliberalism, let us tackle the paranoia problem head on. To understand how Wikipedia can so egregiously misrepresent neoliberalism as a topic, we first need a better understanding of Wikipedia itself. And here, the first thing we discover is that many on the contemporary left seem to be flummoxed when it comes to grasping some basic facts of the modern neoliberal regime. Here is one representative example, chosen entirely at random:

Mass media have acted as a pseudo-public sphere... Wikipedia is surprisingly good proof that collaborative work by amateurs can provide balanced and reliable information... A Wikipedia entry is a living and constantly changing organism, reflecting the current state of negotiations between people of vastly differing opinions on a subject. (Auffderheide 2007)

Our experience with the “neoliberalism” entry in Wikipedia should alert us that there is an element of wishful thinking in this portrait of the Net Information Commons as a political wonderland. Although one would expect the Internet to be chock-full of techno-utopian advertisements for itself, it would be more prudent to consult the critical perspectives of those who have had substantial experience as Wiki-workers, and can separate the hypostasis from the hype. In the first place, Wikipedia in action is not some democratic libertarian paradise in cyberspace, but rather is predicated on a strict hierarchy, in which higher levels exist to frustrate and undo the activities of participants at lower levels. The notion that “everyone can edit” is simply not true: many controversial pages would not even exist were interventions from those lower down in the hierarchy not blocked. But more to the point, by the criteria of the Wiki-workers themselves, 99.8 percent of all articles were neither deemed to merit “featured” nor “good” evaluations in 2006. The small proportion that was deemed superior often did not manage to maintain that ranking, however, since it is admitted that “featured” articles experience a 20 percent annual decay rate. In other words, high-quality articles tend to experience entropic degradation and backslide from the category as various Wiki-workers feel compelled to tinker with them. Although most Wikipedia activity is indeed volunteer work, the great bulk of that work is devoted to either (a) correcting ongoing vandalism, or (b) vicious infighting over the “correct” way to implement deletion policies. In other words, most Wiki-work is a huge Sisyphean waste of time, since the vandalism never stops, almost no entry converges to anything in particular (much less “truth”), and many “deleted” components have the vexing habit of recurring. As Scott (2006) puts it with poignant ruefulness, “There is no vacuum of politics. People who join Wikipedia because they are attracted to a space where it is uncouth to appeal to technicalities to lord over others and grab for power will then proceed to invoke technicalities and usurp power.”

Curiously enough, an important political lesson is to be learned here. From Schif (2006) we discover that Jimmy Wales, the founder of Wikipedia, claims that he got the idea for the site from his reading of Friedrich Hayek’s famous article on “The Use of Knowledge in Society,” the ur-text of the Mont Pèlerin thought collective. In other words, Wales subscribes to the precept that objective knowledge is a state rarely attained by any individual because his or her experience is subjective and idiosyncratic; that no individual is capable of understanding social processes as a whole; and that individual beliefs are frequently wonky beyond repair, but given appropriate (market-like) aggregation mechanisms for information, the system ends up arriving at the truth through “free” entry and exit. Furthermore, these aggregation systems themselves emerge willy-nilly through something resembling evolution, and not from the visions of some rational planner. Knowledge in this schema is frequently treated as though it were a disembodied “thing,” and consequently human progress comes from the accumulation of information at various technological sites, which then serve to convey the relevant stuff to its decentralized user base. In this version of liberalism, “Coercion is thus bad because it prevents a person from using his mental powers to the full.”

Wikipedia, says Wales, was intended to embody this epistemic orientation. Clearly, Wikipedia has been growing like gangbusters and is slowly sucking the lifeblood out of conventionally structured information sources like encyclopedias and newspapers; but in what sense is it actually a success? I cannot resist highlighting the irony that Wikipedia, the purported poster child of neoliberalism, cannot even manage to get its own internal entry on neoliberalism
serves that the ease of access to Wikipedia has begun to destroy the subscriber base of those very same encyclopedias, journals, and newspapers. This practice still turns out to be central to the success of the modern neoliberal project in general, and not just in this specific instance.

The other important consideration involves the observation that access to Wikipedia is not sold for cash; or at least, not yet. But the success of Wikipedia is nonetheless traceable to how the site fits into the larger business plan of commodification of the Internet. In particular, the symbiosis of Google and Wikipedia goes quite the distance in explaining how it is that Wikipedia has been blessed with exponential growth. Google started out with a good search algorithm coupled to an essentially impossible goal: fast convenient access to everything on the Web. What Google needed for effective search was some other entity to preprocess the vast masses of dreck clogging the Web and cross-reference the refined results in such a way that it would show up early (usually on the first search page) on Google search results. (It was estimated in 2007 that Wikipedia entries show up in 95 to 97 percent of the top ten sites delivered in a Google search.) Conveniently, Wikipedia's policy of citing everything from other sources exactly meshed with Google's ranking algorithm. As in so many other instances, Google wanted access to such services for free. Thus Wikipedia materialized as a Godsends for Google's business plan. Moreover, the supposed Chinese Wall between Google and Wikipedia makes it possible for Wiki-workers to think they are squirreling away for the betterment of humankind, while Google positions itself to be the premier portal for information on the Web and the biggest corporate success story of the "New Information Economy."11

What are we to take away from this Wiki-interlude? First and foremost, neoliberalism masquerades as a radically populist philosophy, which begins with a set of philosophical theses about knowledge and its relationship to society. It seems to be a radical leveling philosophy, denigrating expertise and elite pretensions to hard-won knowledge, instead praising the "wisdom of crowds." It appeals to the vanity of every self-absorbed narcissist, who would be glad to ridicule intellectuals as "professional secondhand dealers in ideas."12 In Hayekian language, it elevates a "cosmos"—a supposed spontaneous order that no one has intentionally designed or structured—over a "taxis"—rationally constructed orders designed to achieve intentional ends. But the second, and linked lesson, is that neoliberals are simultaneously elitists: they do not in fact practice what they preach. When it comes to actually organizing something,
almost anything, from a Wiki to the Mont Pélérin Society, suddenly the cosmos collapses to a taxis. In Wikipedia, what looks like a libertarian paradise is in fact a thinly disguised totalitarian hierarchy. In the spaces where spontaneous participation is permitted, knowledge in fact degrades rather than improves. But no matter, since the absolute validity of that knowledge is not the true motive or objective of the exercise, but rather subordination of the overall process to corporate strategic imperatives that provides the real justification of the format, as well as its economic foundation. It adds up to a "double truth" doctrine: one truth for the masses/participants and another for those at the top. Something like the double truth doctrine also holds for neoliberal theories of democracy, as we shall shortly discover. It also holds for the notion of a "constructivist" approach to social reality.

One purpose of this book is to come to the aid of all those hapless Wiki-workers, and indeed, anyone else who seeks clarification for what we suggest has been the most important movement in political and economic thought in the second half of the twentieth century. As Plehwe explained in the Introduction, neoliberalism is not some figment of the fevered imagination of the left, but neither has it perdured as a canonical set of fixed doctrines (the right's mirror image of Mao's little red book). As editors, our own guiding heuristic has been that neoliberalism has not existed in the past as a settled or fixed state, but is better understood as a transnational movement requiring time and substantial effort in order to attain the modicum of coherence and power it has achieved today. It was not a conspiracy; rather, it was an intricately structured long-term philosophical and political project, or in our terminology, a "thought collective." The neoliberalism were never parochial, so it seemed prudent for the collective represented by this volume to emulate their cosmopolitan stance. We have judged this necessary because neoliberalism remains a major ideology that is poorly understood but curiously, draws some of its prodigious strength from that obscurity.

In attempting to redress popular misrepresentations, my colleagues and I have provided chapters for an intellectual history in this book involving the careful study of some key people, key concepts, and key organizations, all of which have been of great importance for launching neoliberalism in different countries back in the 1930s and to eventually develop after World War II into the major rival of welfare state capitalism and socialist planning. Once identified, they then examined closely a selection of the debates the neoliberals organized in the course of the 1950s and 1960s to further develop and clarify their own understanding of proper approaches to philosophy, science, and knowledge.

In my view, it would be a mistake to regard neoliberalism as falling narrowly within the purview of the history of economics as such. The fallacy of identifying neoliberalism exclusively with economic theory becomes apparent when we notice that the historical record teaches that the neoliberals themselves regarded such narrow exclusivity as a prescription for disaster. They engaged with a wide range of academic disciplines, without being card-carrying members of many of them, and they applied their preferred versions of social science to a substantial range of specific policy areas. Political theories of the state were also a major concern, especially in light of their familiarity with German and Italian doctrines unfamiliar in Anglophone circles. It is equally instructive to observe how the neoliberals rarely made a fetish of the distinction between theory and practice. In order to invoke some of the ways these debates were cashed out in political action, we conclude with some observations that shed light on the ways in which neoliberal knowledge has been mobilized in a few more recent decades to shape public discourse and policies at national and international levels, and thus to establish what is widely perceived nowadays as "simple common sense" in the realm of politics.

Perhaps I have been a bit too harsh on our Wiki-workers in this section; after all, they did ask one very good question: did the neoliberals ever use the term to refer to themselves? Contrary to the claims of our Wiki-workers, when the early MPS members cast about for a label to attach to the as-yet amorphous doctrine they had set out to construct, more often than not they did resort to the term neoliberalism in the early years of its existence. In French, the term was being used by the circles around the participants in the Colloque Walter Lippmann in the 1930s. Milton Friedman even used the term in the title of an early survey of the efforts of his comrades (1951). What has led so many subsequent commentators astray is the fact that most MPS members stopped using the term some time in the later 1950s. Indeed, at that juncture they ceased insisting that a rupture with the doctrines of classical liberalism was called for. This decision to support a public stance that the liberalism they championed was an effectively continuous political doctrine from the eighteenth century all the way through to their own revisionist meditations (such as endless paens that it was all in Adam Smith) and therefore required no special neologism, turned out to be one of a number of precarious balancing acts performed in the course of constructing neoliberalism at the MPS. The historical fact that there
nevertheless was a discernible rupture in doctrinal content over the course of roughly 1947–1980 is one of the reasons we have felt impelled to edit this volume. The outlines of that rupture are sketched in later in this chapter. The label "liberalism" has proven the bane of clarity of thought in political philosophy (Cerny 2008; Thorsen and Lie 2006). Nonetheless, we stand by the label of "neoliberalism" for the prognostications of the MPS thought collective throughout the later twentieth century because it is historically faithful to their own early behavior, and more to the point, it fits.

Mont Pèlerin as Criterion

It may seem that my co-authors have not yet confronted the Wiki-problem, since we have thus far neglected to "define" neoliberalism. This is because the premier point to be made about neoliberalism is that it cannot adequately be reduced to a set of Ten Commandments or six tenets or (N4) key protagonists. First and foremost, it is better that it be approached as a "thought collective," a notion elaborated on below. Significantly, for being self-proclaimed champions of "individualism," neoliberals hardly ever tell their own story as though it were the narrative of one or two Nietzschean Ubermensch. Instead of targeting just a few well-known neoliberal scholars (like Friedrich August von Hayek or Milton Friedman or Wilhelm Röpke or Jacques Rueff or James Buchanan) or high-profile neoliberal think tanks (like the Institute of Economic Affairs, the American Enterprise Institute, or the Heritage Foundation), we focus empirically on the central core membership that has conscientiously developed the neoliberal identity for more than sixty years now. If the target person or group bore any links to the Mont Pèlerin Society since 1947, directly or at one remove, then we count them as falling squarely within the purview of the neoliberal thought collective.

What do I mean by a "thought collective"? Clearly, here I am evoking the spirit of Ludwig Fleck's classic The Genesis and Development of a Scientific Fact (1979) and his notion of "a community of persons mutually exchanging ideas or maintaining intellectual interaction" (p. 39). Fleck gives a wonderful impression of the difficulty of a project such as this book, which is to provide a faithful historical account of the emergence of a novel intellectual formation: "It is as if we wanted to record in writing the natural course of an excited conversation among several persons all speaking simultaneously among themselves and each clamoring to make himself heard, yet nevertheless permitted a consensus to crystallize"

(p. 15). But rather than subscribing directly to his every tenet and definition, much less doggedly conforming to his "theory," I intend this homage to point toward the entire tradition of "science and technology studies," which treats epistemology as an ongoing social phenomenon rather than the static province of the isolated rational thinker. "A thought collective... is even more stable and consistent than the so-called individual, who always consists of contradictory drives" (p. 44). During his lifetime Fleck courageously resisted the German fascist regime, but more importantly, he provided inspiration for a whole range of postwar social theories of science from Thomas Kuhn to Bruno Latour. But the main reason to signal a science studies approach as germane to the problem of defining neoliberalism is that they share a substantial amount of theoretical orientation in common. For instance, Charles Thorpe has recently suggested that "the political concerns of science studies have pivoted around the formulation and criticism of liberalism" (2008, 65). Science and technology studies (STS) has been suspicious of liberal appeals to expertise to depoliticize politics and is skeptical of the temptation to reify the scientific community as an ideal model for the liberal order, just as the neoliberals have done. More to the point, both approaches adopt the position that perception and cognition are not directly determined as unique representations of an independently given objective world; for instance, the impossibility of objective knowledge lies at the very heart of Hayek's notion of the market as the ultimate proof for the process of the discovery of knowledge. Indeed, the dominant epistemic orientation of both science studies and neoliberalism could justly be called "constructivist," a commonality that will require further consideration shortly.

Consequently, in this volume we made use of the Mont Pèlerin Society network of organized neoliberal intellectuals and closely related roster of neoliberal partisan think tanks as our Rosetta stone, a handy detection device to identify the relevant actors, and their linkages to other organizations and institutions. At least until the 1980s—when the advance of neoliberal ideas led to a rapid multiplication of pretenders to the title of progenitors of neoliberalism—the MPS network can be safely used as cipher to decode with sufficient precision the neoliberal thought style in the era of its genesis. While arguably diminishing in importance over the last few decades, the MPS has nonetheless sustained an array of important functions that continue to shape the further development of neoliberalism, as well as related think tank networks.

Mont Pèlerin should serve as our talisman primarily because it exists as part of a rather special structure of intellectual discourse, perhaps unprecedented
back in the 1940s, one we tend to think of as a “Russian Doll” approach to the integration of research and praxis in the modern world. The neoliberal thought collective was structured very differently from the other “invisible colleges” that sought to change people’s minds in the second half of the twentieth century. Unlike most intellectuals in the 1950s, the early protagonists of MPS did not look to the universities or the academic “professions” or to interest group mobilizations as the appropriate primary instruments to achieve their goals. The early neoliberals felt (at that juncture with some justification) that they were excluded from most high-profile intellectual venues in the West. Hence the MPS was convened as a private members-only debating society whose participants were handpicked (originally primarily by Hayek, but later through a closed nomination procedure) and who consciously sought to remain out of the public eye. The purpose was to create a special space where people of like-minded political ideals could gather together to debate the outlines of a future movement diverging from classical liberalism, without having to suffer the indignities of ridicule for their often blue-sky proposals, but also to evade the Fifth Column reputation of a society closely aligned with powerful but dubious postwar interests. Even the name of the society was itself chosen to be relatively anodyne, signaling little in the way of substantive content to outsiders (Hartwell 1995, 44). Many members would indeed hold academic posts in a range of academic disciplines, but this was not a precondition of MPS membership. MPS could thus also be expanded to encompass various powerful capitalist agents. One then might regard specific academic departments where the neoliberals came to dominate before 1980 (University of Chicago, the LSE, L’Institut Universitaire des Hautes Etudes Internationales at Geneva, St. Andrews in Scotland, Freiburg, the Virginia School) as the next outer layer of the Russian Doll, one emergent public face of the thought collective—although one often never publicly linked to the MPS. Another shell of the Russian Doll was fashioned as the special-purpose foundations for the education and promotion of neoliberal doctrines, such as the Volker Fund, the Rehn Foundation, the Lilly Endowment, and others (see Phillips-Fein, Chapter 8 in this volume). These institutions were often set up as philanthropic or charitable units, if only to protect their tax status and pretense of lack of bias.21 The next shell would consist of general-purpose “think tanks” (Institute of Economic Affairs, American Enterprise Institute, Schweizerisches Institut für Auslandforschung) that sheltered neoliberals, who themselves might or might not also be members in good standing of various academic disciplines. The think tanks then developed their own next layer of protective shell, often in the guise of specialized satellite think tanks poised to get quick and timely position papers out to friendly politicians or to provide talking heads for various news media and opinion periodicals.22 Further outer shells have been innovated as we get closer to the present—for instance, “Astroturfed” organizations consisting of supposedly local grassroots members, frequently organized around religious or single-issue campaigns. Outsiders would rarely perceive the extent to which individual protagonists embedded in a particular shell served multiple roles, or the strength and pervasiveness of network ties, since they could never see beyond the immediate shell of the Russian Doll right before their noses. This also tended to foster the impression of those “spontaneous orders” so beloved by the neoliberals, although they were frequently nothing of the sort. Yet the loose coupling defeated most attempts to paint the thought collective as a strict conspiracy.23 In any event, it soon became too large to qualify.

The MPS construction of neoliberalism was anchored by a variety of mainly European and American roots; encompassed a variety of economic, political, and social schools of thought; and maintained a floating transnational agora for debating solutions to perceived problems and a flexible canopy tailored with an eye to accommodating existing relations of power in academia, politics, and society at large. The unusual structure of the thought collective helps explain why neoliberalism cannot be easily defined on a set of 3 by 5 cards and needs to be understood as a pluralist organism striving to distinguish itself from its three primary foes: laissez-faire classical liberalism, social welfare liberalism, and socialism. Contrary to some parochial interests of some corporate captains (including some present in the Mont Pèlerin Society), neoliberal intellectuals understood this general goal to imply a comprehensive long-term reform effort at retattling the entire fabric of society, not excluding the corporate world. The relationship between the neoliberals and capitalists was not merely that of passive apologists or corporate shills.24 Neoliberals aimed to develop a thoroughgoing reeducation effort for all parties to alter the tenor and meaning of political life: nothing more, nothing less.25 Neoliberal intellectuals identified their targets, which, in Fabian tradition, had been described as elite civil society. Their efforts were aimed primarily at winning over intellectuals and opinion leaders of future generations, and their primary tool was redefining the place of knowledge in society, which also became the central theme in their theoretical tradition. As Hayek said in his address to the first meeting of the MPS:

But what to the politicians are fixed limits of practicability imposed by public opinion must not be similar limits to us. Public opinion on these matters
is the work of men like ourselves... who have created the political climate in which the politicians of our time must move... I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. (Quoted in Cockett 1995, 112)

One might have added, how much more powerful are ideas consciously forged with the vested interest firmly kept in mind? Not without admiration, we have to concede that neoliberal intellectuals struggled through to a deeper understanding of the political and organizational character of modern knowledge and science than did their opponents, and therefore present a worthy contemporary challenge to everyone interested in the history of science and the archaeology of knowledge.

Although the role of national institutions is indispensable in explaining the advance (or retardation) of specific doctrines across countries, as Peter Hall's (1989) book on Keynesianism has shown, the origins and the advance of neoliberalism cannot be explained without careful consideration of the transnational discourse community created by the founders of the Mont Pèlerin Society. Unlike previous histories of ideas, and taking a page from Hayek's playbook, we have offered an account that strives to understand the fortification of the power of ideas through integration of highly dispersed knowledge capacities within a neoliberal international academy. Whereas leading neoliberals denied any possibility of mere mortals outcompeting the market as processors of highly dispersed knowledge, their own efforts succeeded in constructing and deploying elaborate social machinery designed to collect, create, debate, disseminate, and mobilize neoliberal ideas. By doing so, they greatly advanced the understanding of a modern reengineered division of intellectual labor with proper roles assigned to academic and other professionals, in what amounts to a new technology of persuasion.

The Russian Doll of neoliberal organization was never intended to be transparent; the central core was not supposed to be visible from the think tank perimeter. The way it has evolved over half a century is not very easy to comprehend because neoliberal intellectuals guarded their privacy and prerogatives well. However, both an in-house history (Hartwell 1995) and a critical history (Walpen 2004) have unscrewed the multiple layers to some extent, providing a general overview with regard to the evolution of the neoliberal thought collective. Owing to the wide range of participants, countries, discourses and policy fields, controversies, questions, and battles to be tackled, many more detailed accounts will be required to fully understand its history. This book is the first sustained effort to dig deeper into some of the more important communities in countries frequently overlooked when it comes to neoliberalism (France, UK, and Germany). We aim to show that it is not enough to rest satisfied merely pointing at the seemingly potent generic political power of economic ideas, as did both John Maynard Keynes and Friedrich Hayek. The contributions to this book have been written to better understand the political and economic power of neoliberal ideas as they have played out in philosophy, economics, law, political science, history, sociology and many other disciplines.

A Neoliberal Primer

As the Introduction by Dieter Plehwe argued, no convenient or comprehensive Ten Commandments of neoliberalism ever issued from the bowels of the MPS. Even though the neoliberal thought collective persists in flexibly debating, incorporating, and rejecting new tenets and concepts, the reader has every right to expect some sort of summary statement of the doctrine, if only accompanied by the caveat that none of it is (or ever would be) inscribed in stone. Indeed, the purpose of this volume is to reveal the outlines of the construction of the doctrine in action, highlighting the ways in which various sectors and squadrons diverged from classical liberalism (and each other) in the course of their intellectual and political activities. Nevertheless, a half-century of experience has endowed us with sufficient distance to realize that there really is something distinctive that holds the neoliberal thought collective together other than mere expediency, and further, that it has enjoyed very real doctrinal purchase in the modern political arena. Many other scholars have struggled with this observation, and in our opinion, have written off the movement too quickly as a mere epiphenomenon of a certain type of economics. Two examples:

Neoliberalism is perhaps most tellingly viewed as a sort of caricature of liberalism, where liberal concerns for individual liberty, political equality and human rights have been warped into a purely economic ideology whose concerns lie with the establishment of free markets and in keeping state intervention in such markets at bay. Neoliberalism thus understood is primarily a theory of how the economy ought to be organized, and not a political ideology in the same sense as political liberalism. (Thorsen and Lie 2006, 15)

Neoliberalism is commonly used in at least five different ways in the study of development—as a set of economic policies, a development
model, an ideology, an academic paradigm, and an historical era. Moreover, beyond a shared emphasis on the free market and frequent connotations of radicalism and negativity, it is not immediately clear how these varied uses are interconnected. (Boas and Gans-Morse 2006, 38)

One advantage of approaching the thought collective through the MPS is that we immediately realize just how flawed any such definition must be. After all, as Hayek insisted in his opening address to the MPS in 1947, “a political philosophy can never be based exclusively on economics, or expressed mainly in economic terms” (1967, 150). Clearly, some of the less sophisticated MPS members might not have seemed to have faithfully adhered to that injunction—say, Milton Friedman, or Gary Becker—but keeping the entire thought collective in our sights acts as a proptopaeudic. Of course, there is no denying that the neoliberals have made their greatest inroads of all the professions into the field of economics.26

Nevertheless, the endeavor here is to provide a concise and necessarily incomplete characterization of the temporary configuration of doctrines that the thought collective had arrived at by roughly the 1980s. It transgresses disciplinary boundaries in precisely the ways the neoliberals have done. To circumvent questions of the extent of adherence or dissonance from our telegraphed list, or indeed to renounce any attempt to bring them all up to date, we provide the tenets as bare statements, without much elaboration or full documentation. With apologies, this can be mitigated because we can direct the reader to the rest of this volume as partial elaboration of the individual tenets, as well as to the numerous works cited in the reference section in this volume.

1. The starting point of neoliberalism is the admission, contrary to classical liberal doctrine, that their vision of the good society will triumph only if it becomes reconciled to the fact that the conditions for its existence must be constructed and will not come about “naturally” in the absence of concerted political effort and organization. As Foucault presciently observed in 1978 (2004, 137), “Neoliberalism should not be confused with the slogan ‘laissez-faire,’ but on the contrary, should be regarded as a call to vigilance, to activism, to perpetual interventions” [our translation].27 The injunction to act in the face of inadequate epistemic warrant is the very soul of “constructivism,” an orientation shared (curiously enough) with the field of science studies. Classical liberalism and Burkean conservatism, by contrast, disavowed this precept. The fact that during one phase of his career Hayek railed against something he called “constructivism” should not obscure this important fact. This becomes transmuted below into various arguments for the existence of a strong state as both producer and guarantor of a stable market society.

2. This assertion of a constructivist orientation raises the pressing issue of just what sort of ontological entity the neoliberal market is, or should be. While one wing (the Chicago School) has made its name attempting to reconcile one idiosyncratic version of neoclassical economic theory (which predates neoliberalism by more than a half-century) with this “nonnatural” orientation, other subsets of MPS have innovated entirely different characterizations of the market. The Misean wing of Austrian economics attempted to ground the market in a purely rationalist version of natural necessity. Perhaps the dominant version at MPS emanated from Hayek himself, wherein “the market” is posited to be an information processor more powerful than any human brain, but essentially patterned on brain-computation metaphor.28 This version of the market is most intimately predicated on the epistemic doctrines covered above, which in the interim have become the philosophical position most closely associated with the neoliberal Weltanschaung.

From this perspective, prices in an efficient market “contain all relevant information” and therefore cannot be predicted by mere mortals. In this version, the market always surpasses the state’s ability to process information, and this constitutes the kernel of the argument for the necessary failure of socialism. Another partially rival approach emanates from ordoliberalism, which argues that competition in a well-functioning market needs to be directly organized by the state. It is important to see that part of the function of MPS discussions was to explore whether these rather divergent visions of the market might nevertheless lead to more or less identical programs for state intervention in creating and sustaining a market society.

3. Even though the market is not treated as existing independently of the social and cultural framework, and there was no consensus on just what sort of animal the market “really” is, the neoliberals did agree that for purposes of public understanding and sloganeering, market society must be treated as a “natural” and inexorable state of humankind.
What this meant in practice is that natural science metaphors must be integrated into the neoliberal narrative. It is noteworthy that MPS members began to explore the portrayal of the market as an evolutionary phenomenon long before biology displaced physics as the premier science in the modern world-picture.\textsuperscript{29} If the market was just an information processor, so too was the gene in its ecological niche. Because of this early commitment, neoliberalism was able to make appreciable inroads into such areas as evolutionary psychology, network sociology, ecology, animal ethology, linguistics, cybernetics, and even science studies.

4. A primary ambition of the neoliberal project is to redefine the shape and functions of the state, not to destroy it. Neoliberals thus maintain an uneasy and troubled alliance with their sometimes fellow travelers, the anarchists and libertarians. The contradiction that the neoliberals constantly struggle against is that a strong state can just as easily thwart their program as implement it; hence, they are inclined to explore new formats of techno-managerial governance that protect their ideal market from what they perceive as unwarranted political interference. Considerable efforts have been developed to disguise or otherwise condone in rhetoric and practice the importance of the strong state that neoliberals endorse in theory. One implication is that democracy, ambivalently endorsed as the appropriate state framework for an ideal market, must in any case be kept relatively impotent, so that citizen initiatives rarely change much of anything ("constrained" democracy instead of the allegedly existing "unconstrained democracy").\textsuperscript{30} Hence, the neoliberals seek to restructure the state with numerous audit devices (under the sign of "accountability") or better yet, convert state services to be provided on a contractual basis. One should not confuse marketization of government functions with shrinking the state, however: if anything, bureaucracies become more unwieldy under neoliberal regimes.\textsuperscript{31} In practice, "deregulation" cashes out as "re-regulation," only under a different set of ukases.

5. Skepticism about the lack of control of democracy is offset by the persistent need to provide a reliable source of popular legitimacy for the neoliberal market state. Neoliberals seek to transcend the intolerable contradiction by treating politics as if it were a market and promoting an economic theory of democracy. In its most advanced manifestation, there is no separate content of the notion of citizenship other than as customer of state services.\textsuperscript{32} This supports the application of neoclassical economic models to previously political topics; but it also explains why the neoliberal movement must seek to consolidate political power by operating from within the state. (This is the topic of our final section.) The spread of market relations is inevitably spearheaded by state actors. The abstract rule of law is frequently conflated with or subordinated to conformity to the neoliberal vision of an ideal market. The "night-watchman" version of the state is thus comprehensively repudiated: there is no separate sphere of the market, fenced off, as it were, from the sphere of civil society. Everything is fair game for marketization.

6. Neoliberals exalt freedom as trumping all other values; but the definition of freedom is recoded and heavily edited within their framework. Some members of the neoliberal thought collective (e.g., Friedman) refuse to define it altogether, while others (Hayek) forge links to thesis 2. by motivating it as an epistemic virtue (Hayek 1960, 81). In practice, Freedom is not the realization of any political, human, or cultural telos, but rather is the positing of autonomous self-governed individuals, all coming naturally equipped with a neoclassical version of rationality and motives of ineffable self-interest, striving to improve their lot in life by engaging in market exchange.\textsuperscript{33} Education is consequently a consumer good, not a life-transforming experience. Foucault is often strongest on the role of these "technologies of the self," which involve an elaborate revision in cultural concepts of human freedom and morality. This argument broke out within the MPS in the 1970s, with Irving Kristol accusing Friedman and Hayek of depending on a version of self-realization as the great empty void at the center of their economic doctrines.\textsuperscript{34}

Freedom can only be "negative" for neoliberals (in the sense of Isaiah Berlin) for one very important reason. Freedom cannot be extended from the use of knowledge in society to the use of knowledge about society, because self-examination concerning why one passively accepts local and incomplete knowledge leads to contemplation of how market signals create some forms of knowledge and squelch others. Knowledge then assumes global dimensions, and this undermines the key doctrine of the market as transcendental superior information processor.
7. Neoliberals begin with a presumption that *capital has a natural right to flow freely across national boundaries. (The free flow of labor enjoys no similar right.)* Since that entails persistent balance-of-payments problems in a nonautarkic world, neoliberals took the lead in inventing all manner of transnational devices for the economic and political discipline of nation-states. They began by attempting to reintroduce pure market discipline (through flexible exchange rates, dismantling capital controls), but over the longer term learned to appreciate that suitably staffed international institutions like the World Trade Organization, the World Bank, and the IMF are better situated to impose neoliberal policies on recalcitrant nation-states. Initially strident neoliberal demands to abolish global financial institutions were tempered once the neoliberals used them primarily to influence staffing and policy decisions at those institutions, and thus to displace other internationalist agendas. Thus, it is substantially correct to observe an organic connection between such phenomena as the Washington Consensus and the spread of neoliberal hegemony (see Plehwe in the Introduction to this volume). This also helps address the neoliberal conundrum of how to both hem in and at the same time obscure the strong state identified in point 4 above.

8. Neoliberals see pronounced inequality of economic resources and political rights not as an unfortunate by-product of capitalism, but as a necessary functional characteristic of their ideal market system. Inequality is not only the natural state of market economies, but it is actually one of its strongest motor forces for progress. Hence the rich are not parasites, but (conveniently) a boon to humankind. People should be encouraged to envy and emulate the rich. Demands for equality are merely the sour grapes of the losers, or at minimum, the atavistic holdovers of old images of justice that must be extirpated from the modern mindset. As Hayek wrote, “the market order does not bring about any close correspondence between subjective merit or individual needs and rewards” (1967, 172). The vast worldwide trend toward concentration of income and wealth since the 1990s is therefore the playing out of a neoliberal script.

9. Corporations can do no wrong, or at least they are not to be blamed if they do. This is one of the strongest areas of divergence from classical liberalism, with its ingrained suspicion of joint-stock companies and monopoly stretching from Adam Smith to Henry Simons. In the 1950s, the MPS set out entertaining suspicions of corporate power, with the ordoliberalists especially concerned with the promotion of a strong antitrust capacity on the part of the state. But starting with the Chicago law and economics movement (see Van Horn, Chapter 6 in this volume) and then progressively spreading to treatments of entrepreneurs and the “markets for innovation,” neoliberals began to argue consistently that not only was monopoly not harmful to the operation of the market, but in any event, it was an epiphenomenon attributable to the misguided activities of the state and interest groups. The socialist contention that capitalism bore within itself the seeds of its own atherosclerosis (if not self-destruction) was baldly denied (Bair, Chapter 10 in this volume). By the 1970s, antitrust policies were generally repudiated in America. Neoliberals took the curious anomaly in American case law, treating corporations as legal individuals (Nace 2003), and tended to inflate it into a philosophical axiom. Indeed, if anything negative was ever said about the large corporation, it was that separation of ownership from control might conceivably pose a problem, but this was easily rectified by giving CEOs appropriate incentives (massive stock options, golden handshakes, latitude beyond any oversight) and instituting market-like evaluation systems within the corporate bureaucracy. Thus the modern reengineering of the corporation (reduced vertical integration, outsourcing supply chains, outrageous recompense for top officers) is itself an artifact of the neoliberal reconceptualization of the corporation.

10. The market (suitably reengineered and promoted) can always provide solutions to problems seemingly caused by the market in the first place. This is the ultimate destination of the constructivist orientation within neoliberalism. Any problem, economic or otherwise, has a market solution, given sufficient ingenuity: pollution is abated by the trading of emissions permits; inadequate public education is rectified by vouchers; auctions can adequately structure communication channels (Nik-Khab 2008); poverty-stricken sick people lacking access to healthcare can be incentivized to serve as guinea pigs for clinical drug trials; financial crisis can be rectified by the government auctioning off “toxic assets”; McCarthyism was thwarted by competition between employers (Friedman 1962, 20); terrorism by disgruntled
enfranchised foreigners can be offset by a "futures market in terrorist acts." Ultimately, fortified intellectual property rights tended to reify Hayek's utopia, if not his explicit vision: because the marketplace is deemed to be a superior information processor, all human knowledge can only be used to its fullest if it is comprehensively owned and priced.

11. The neoliberal have struggled from the outset to make their political/economic theories do dual service as a moral code. First and foremost, the thought collective worshiped at the altar of a God without restraints: "individual freedom, which it is most appropriate to regard as a moral principle of political action. Like all moral principles, it demands that it be accepted as a value in itself" (Hayek 1960, 68). However, Hayek in his original address to the first MPS meeting said, "I am convinced that unless the breach between true liberal and religious convictions can be healed, there is no hope for a revival of liberal forces" (1967, 153). The very first MPS meeting held a session on "Liberalism and Christianity" (Hartwell 1995, 47). Yet the neoliberals were often tone-deaf when it came to the transcendental, conflating it with their epistemic doctrines concerning human frailty: "we must preserve that indispensable matrix of the uncontrolled and non-rational which is the only environment wherein reason can grow and operate effectively" (Hayek 1960, 69). It took a lot of effort, but the intellectual accommodation of the religious right and the theocrats within the neoliberal framework has been an ongoing project at the MPS, although one fraught with contradictions that have dogged the liberal project since the Enlightenment.

Freedom and the Double Truth of Neoliberalism

Like all really powerful political movements, neoliberalism attempts to reconcile any number of implacable antimonies by repeatedly squaring the circle. This goes some distance in explaining why, by the late 1950s, the neoliberal thought collective abruptly stopped asserting they were engaged in the construction of a "new liberalism" and subsequently suppressed all notions of a rupture with previous classical liberal doctrines, contrary to all evidence. The more perceptive commentators on the phenomenon of auto-validation had come to realize that something novel was afoot, in particular by identifying neoliberalism as an authoritarian variant of the liberal tradition. As early as 1955, Carl Friedrich noted that neoliberals "are fond of quoting Benjamin Constant: 'The government beyond its proper sphere ought not to have any power; within its sphere, it cannot have enough of it.'" (1955, 533). Karl Polanyi, brother of the MPS member Michael Polanyi, deftly captured the dynamic:

[T]he road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism... Administrators had to be constantly on the watch to ensure the free working of the system. Thus even those who wished most ardently to free the state from all unnecessary duties, and whose whole philosophy demanded the restriction of state activities, could not but entrust the state with new powers, organs and instruments required for the establishment of laissez faire. (1957, 146)

By the later 1980s, when the MPS members began to smell the tang of victory, they felt free to internally discuss an irony that they could not freely admit out at the nether layers of their Russian Doll:

Among our members, there are some who are able to imagine a viable society without a state... For most of our members, however, social order without a state is not readily imagined, at least in any normatively preferred sense... Of necessity, we must look at our relations with the state from several windows, to use the familiar Nietzschean metaphor... Man is, and must remain, a slave to the state. But it is critically and vitally important to recognize that ten per cent slavery is different from fifty per cent slavery.

Apparently, one could reconcile oneself to live in a world where quantitatively more state apparatus abided with quantitatively less slavery (or serfdom), which should quell the rather naive hand-wringing one sometimes encounters, complaining that a quarter-century of neoliberal ascendancy has done little to reduce the size of the state, no matter how you choose to measure it (Prasad 2006, 7-12).

I would be remiss if I fostered the impression that every attempt to square the circle met with universal acclaim within the Mont Pelerin Society. Perhaps the most fraught attempts to wave away contradiction have come with the persistent threat of schism over what might be called the Pragmatist vs. Romanticist wings of neoliberalism. Hayek himself admitted this in the mid-1980s, when he warned of "the constant danger that the Mont Pelerin Society might split into a Friedmanite and Hayekian wing." Mark Skousen (2005, 1)
writes, “Anyone who has ever attended a Mont Pelerin Society meeting will quickly attest that this international group of freedom-fighters are divided into two camps: followers of the Austrian School and followers of the Chicago School.” There is a tendency to reduce the conflict to personalities or schools, but I believe the schism actually runs much deeper. It begins with what seems to be just another one of those impossible balancing acts so beloved by the thought collective; namely, to reject the mechanical image of how society works portrayed within neoclassical economic theory (e.g., Hayek, ordoliberalists, Austrians) while simultaneously accepting jury-rigged versions of neoclassical economics that would dovetail with their own a priori policy preferences (e.g., Friedman, Becker, and Stigler). But this compromising position became more awkward with the passage of time: should the neoliberals make a pact with “orthodox” economic theory as substantially correct, binding it to their political ends, or should they plump for a wholesale revision of economic theory? Because an impressive phalanx of MPS members has managed to redirect orthodox neoclassical economic theory in a decidedly neoliberal direction since the 1980s, with innovations ranging from monetarism to human capital to efficient markets theory to public choice theory, it would seem that the Chicago Pragmatist strategy has carried the day; but that would be too hasty an assessment of the modern situation. The Chicago faction did indeed achieve early fame and success, but insiders often perceived that this happened because they were relatively shallow intellectually and that their approach to political action was insufficiently assertive and constructivist. Cultural differences were also factored into the equation, with Chicago being a little too “American” and “scientific” for more refined European tastes. From an outsider’s perspective, it does seem that over the longer haul the intellectual innovations of the Chicago wing have exhibited less staying power; many of the eleven tenets outlined in the previous section have fairly clear origins, if not thorough inspiration, in the Hayekian/Austrian wing instead.

Neoliberals tamed many of the contending contradictory conceptions by trying to have it both ways: to warn of the perils of expanding the purview of state activity while simultaneously imagining the strong state of their liking rendered harmless through some instrumentality of “natural” regulation; to posit the free market as an ideal generator and a conveyor belt of information while simultaneously prosecuting a “war of ideas” on the ground strenuously and ruthlessly (Blundell 2003); asserting that their program would lead to unfettered economic growth and enhanced human welfare while simultaneously suggesting that no human mind could ever really know any such thing, and therefore that it was illegitimate to justify their program by its consequences (Shearmur 1996); to portray the market as the ne plus ultra of all human institutions, while simultaneously suggesting that the market is in itself insufficient to attain and nourish the transeconomic values of a political, social, religious and cultural character (Megay 1970). “Neoliberal writings on allocation shift back and forth between libertarian and utilitarian vocabularies, with the two sometimes appearing interchangeably within a paper or chapter” (Oliver 1960).

Perhaps the greatest incongruity of the neoliberal thought collective has been that the avatars of freedom drew one of their most telling innovations from the critique of liberalism that had been mounted by totalitarian German and Italian political thinkers from the interwar period. Although a fair number of such writers were important for the European MPS members, the one that comes up time and again in their footnotes was the figure whom Hayek called, “Adolf Hitler’s crown jurist Carl Schmitt, who consistently advocated the replacement of the ‘normative’ thinking of liberal law by a conception of law which regards as its purpose ‘concrete order formation’” (1967, 169). It is a watchword among those familiar with the German literature (Christi 1984, 332; Scheuerman 1999, chapter 8) that Hayek reprises much of Schmitt’s thesis that liberalism and democracy should be regarded as antithetical:

Liberalism and democracy, although compatible, are not the same . . . the opposite of liberalism is totalitarianism, while the opposite of democracy is authoritarianism. In consequence, it is at least possible in principle that a democratic government may be totalitarian and that an authoritarian government may act on liberal principles . . . [in] demanding unlimited power of the majority, [democracies] become essentially anti-liberal (1967, 161).

Since the epistemic innovations covered in our first section informed the MPS thought collective that the masses will never understand the true architecture of social order, and intellectuals will continue to tempt them to intervene and otherwise muck up the market, they felt impelled to propound the central tenet of neoliberalism—that is, that a strong state was necessary to neutralize what he considered to be the pathologies of democracy. The notion of freedom as exercise of personal participation in political decisions was roundly denounced (Hayek 1960, 13): you cannot activate your species being by participation in the polis. Hayek insisted that his central epistemic doctrines about
knowledge dictated that freedom must feel elusive for the common man: "Man in a complex society can have no choice but between adjusting himself to what to him must seem the blind forces of the social process and obeying the orders of a superior" (1972, 24). Paraphrasing Walter Benjamin, citizens must learn to forget about their "rights" and instead be given the opportunity to express themselves through the greatest information conveyance device known to humankind, the market. This was not the night watchman state of the classical liberals; this was light-years from John Stuart Mill. The neoliberal thought collective, through the instrumentality of the strong state, sought to define and institute the types of markets that they (and not the citizenry) were convinced were the most advanced. In this contention, they were merely echoing Schmitt's position that "only a strong state can preserve and enhance a free-market economy" and "only a strong state can generate genuine decentralization, [and] bring about free and autonomous domains" (quoted in Cristi 1998, 31, 347). This notion was echoed (without attribution) by Hayek: "If we proceeded on the assumption that only the exercises of freedom that the majority will practice are important, we would be certain to create a stagnant society with all the characteristics of unfreedom" (Hayek 1960, 32).

One can therefore only second the verdict of Cristi that, "In truth, Hayek owed much to Schmitt, more than he cared to recognize" (1998, 23). For Hayek and the neoliberalists, the Führer was replaced by the figure of the entrepreneur, the embodiment of the will-to-power for the community, who must be permitted to act without being brought to rational account. While Hayek probably believed that he was personally defending liberalism from Schmitt's withering critique, his own political solution ended up resembling Schmitt's "total state" far more than he cared to admit. If it had been apparent to his audience that he was effectively advocating authoritarian reactionary despotism as a replacement for classical liberalism, it would certainly have not gone down smoothly in the West right after World War II. Furthermore, there was no immediate prospect of a strong authority taking over the American university system (by contrast with Germany in the 1930s) and sweeping the stables clean. In an interesting development that Schmitt did not anticipate, Hayek hit upon the brilliant notion of developing the "double truth" doctrine of neoliberalism—namely, an elite would be tutored to understand the deliciously transgressive Schmittian necessity of repressing democracy, while the masses would be regaled with ripping tales of "rolling back the nanny state" and being set "free to choose"—by convening a closed Leninist organization of counter-intellectuals. There would be no waiting around until some charismatic savior magically appeared to deliver the Word of Natural Order down from the Mont to the awestruck literati.

This was sometimes admitted by members of Mont Pelerin in public, but only when they felt that their program was in the ascendant: Let's be clear, I don't believe in democracy in one sense. You don't believe in democracy. Nobody believes in democracy. You will find it hard to find anybody who will say that if, that is democracy interpreted as majority rule. You will find it hard to find anybody who will say that at 35% of the people believe the other 45% of the people should be shot. That's an appropriate exercise of democracy... What I believe is not a democracy but an individual freedom in a society in which individuals cooperate with one another. Christian Arnspurger (2007) has captured the double truth doctrine nicely by insisting that Hayek had denied to others the very thing that gave his own life meaning: the imprimatur to theorize about society as a whole, to personally claim to understand the meaning and purpose of human evolution, and the capacity to impose his vision upon them through a political project verging on totalitarianism. It was, as Arnspurger puts it, a theory to end all theories; not so different from the end of history scenarios so beloved of his epigones. The doctrine of special dispensation for the Elect is a very powerful source of ongoing attraction of neoliberalism for a certain type of person, the feeling of having surrendered to the wisdom of the market by coming to know something most of the nattering crowd can't possibly glimpse: freedom itself must be as unequally distributed as the riches of the marketplace.

One notorious incarnation of the neoliberal double truth doctrine was the participation of numerous MPS members and affiliates in the coup that toppled the elected government of Salvador Allende in Chile in 1973. Milton Friedman spends a good chunk of his autobiography attempting to excuse and explain his actions away; afterward Hayek was also pilloried for his role. It was all just an unfortunate set of exceptional events, they intoned; it was not our fault. But Carl Schmitt taught that sovereignty is defined as the ability to determine the exceptions to the rule of law: "Sovereign is he who decides the state of emergency"; deploying the double truth doctrine in Chile showed that the neoliberalites had arrogated sovereignty to themselves. Without recapitulating the fine-grained history of those events in Karin Fischer's article in this volume, our intention here is simply to point out how the neoliberals sought
to reconcile their unconditional love of freedom with their support for a military dictatorship when called to account in public:

**Lucía Santa-Cruz:** "There is reference in your work to the apparent paradox of dictatorships that may be more liberal than a totalitarian democracy. But it is also true that dictatorships have other characteristics which contradict freedom, even if it is understood negatively as you do."

**Hayek:** "Evidently dictatorships pose grave dangers. But a dictatorship may limit itself (se puede autolimitar), and if self-limited it may be more liberal in its policies than a democratic assembly that knows of no limitations. I must admit that it is not very probable that this may happen, but even so, in a given moment, it may be the only hope. Not a sure hope because it may always depend on the good will of an individual and one can trust in very few individuals. But if it is the only opportunity in a given moment, it may be the best solution in spite of all. But only if the dictatorial government visibly leads to a limited democracy."

In the same interview, Hayek is reported to have said: "Democracy has a task which I call 'hygienic,' for it assures that political processes are conducted in a sanitary fashion. It is not an end in itself. It is a rule of procedure whose aim is to promote freedom. But in no way can it be seen in the same rank as freedom. Freedom requires democracy, but I would prefer temporarily to sacrifice, I repeat temporarily, democracy, before having to do without freedom, even if temporarily."—*El Mercurio* (unattributed translation) Sunday, April 19, 1981

Their readers in Chile may not have known it, but this was pure unadulterated Schmitt. If freedom becomes confused with the neoliberal utopia, then power necessarily devolves to an elite of "freedom fighters" who can decide when to invoke the "exception" to traditional mass notions of democracy, justice, and morality.

**Notes**

Many people contributed to this postface, especially the thought collective convened around this volume. I would particularly like to acknowledge the help of Dieter Plehwe and the referees for Harvard University Press in forcing me to clarify and hone the arguments. Valuable comments were provided by John O'Neill, John Davis, and audiences at Manchester, Oxford, Keele, and the Open University.

1. All primary source material from Mont Pelerin meetings are quoted with permission from the Liberal Archief, Ghent, Belgium, and will be cited in this chapter as LAMP date. The handlist for this collection can be consulted at www.liberalarchief .be/MP52005.pdf.

2. These are excerpts from a website last visited October 23, 2006, and are very heavily edited down from a much larger and even more rambling set of texts. Some interesting discussion of the pros and cons of *Wikipedia* as a source of information are Read (2006); Poe (2006); Scott (2006); and Keen (2007).

3. But things are getting better. Naomi Klein (2007) manages to identify some of the key doctrines, especially when she quotes the German political theorist Carl Schmitt: "Sovereign is he who decides the state of emergency" (p. 131). For other sophisticated commentaries, see Apple (2006, 60-61); Ong (2006); Scheuerman (1999).

4. This section is based primarily on Poe (2006); Schaff (2006); and Scott (2006) and the entry "Criticism of *Wikipedia*" in *Wikipedia*.

5. This was confirmed indirectly in a recent interview with Jimmy Wales, founder of *Wikipedia*, under the heading Greatest misconception about *Wikipedia*: "We aren't democratic. Our readers edit the entries, but we're actually quite snobby. The core community appreciates when someone is knowledgeable, and thinks some people are idiots and shouldn't be writing" (in Lewinew 2007, 30). See also Bauwens (2008).

6. Just so we don't lose sight of Mont Pelerin here, it is striking to observe that the German neoliberal Wilhelm Ropke made essentially the same observation about that organization forty-five years earlier: "To me, there is something so regrettable that verges on the crudely humorous, that a Society organized to further the search for the principles of a voluntary society of free men, should become rooked to its very roots by a contest for power" (quoted in Hartwell 1995, 123).

7. This paper, first published in 1945, is reprinted in Hayek (1972). Some good discussions on the epistemic principles of Hayek's philosophy are Buczak (2006); Caldwell (2004); O'Neill (2006); and Arnsperger (2007).

8. There is an important conceptual distinction to be made here, brought to my attention by John O'Neill. Hayek himself almost never treated knowledge as a "thing," but instead rather as tacit, local, and embodied—rather similar to the way in which Michael Polanyi described science. However, in order to render this proposition coherent with a number of other tenets later developed in the neoliberal thought collective, many subsequent neoliberal found it convenient to recast knowledge as more resembling a thing-like commodity, if only to have it resonate more closely with developments in the natural sciences and economics. For more on this, see Mitros (2008).

9. Hayek (1960, 134). As with so much else in Hayek's oeuvre, Carl Schmitt got there first: "Thus the political concept of battle in liberal thought becomes competition in the domain of economics and discussion in the intellectual realm" (2007, 71). See also Scheuerman (1999).

10. "Yes, that means that if the community changes its [sic] mind and decides that two plus two equals five, then two plus two does equal five" (Poe 2006, 93).
neoliberal think tanks in their own geographic locations. It claims to have had a role in founding a third of all world “market-oriented” think tanks, including the Fraser Institute (Canada), the Center for the Dissemination of Economic Information (Venezuela), the Free Market Center (Belgrade), the Liberty Institute (Romania), and Unırule (Beijing). For more on the situation in the EU, see Corporate Europe Observatory (2009).

21. See the letter from Smedley to Antony Fisher dated June 25, 1956, quoted in Cockett (1995, 131): “[I]t is imperative we should give no indication in our literature that we are working to educate the Public along certain lines which might be interpreted as having political bias... it might enable our enemies to question the charitableness of our motives.”

22. Some important examples are the Heritage Foundation (USA), the Manhattan Institute (USA), the Fraser Institute (Canada), Stiftung Marktwirtschaft (Germany), and Center for a New Europe (Brussels). There are even specialized neoliberal think tanks devoted to science policy, such as the George Marshall Institute, the Annapolis Center, and the Ethics and Public Policy Center; note the anodyne names, hiding the political orientation.

23. See, for instance, the books by Stefancic and Delgado (1996); Skaı̂r (2001); Ong (2006); and Saad-Filho and Johnston (2005). The necessity of distinguishing the building of a thought collective devoted to politics from a conspiracy theory is one major theme of this volume.

24. Some recent attempts to transcend the “echo chamber” account of neoliberalism are Phillips-Fein (2006); Nace (2003); Klein (2007); and Nik-Khah (2008).

25. Insistence on this point has been one of the great strengths of the Foucault-inspired tradition of analysis of neoliberalism, an argument made with great effect by Donzelot (2008).

26. “Despite the waste of... possibly one billion dollars in endowing chairs of free enterprise, we have been winning in economics for some time now. We have also done well in law, philosophy and political science... History, moral philosophy and literature are a different matter” (Blundell 2003, 44).

27. See Burchell, Gordon, and Miller (1991); Barry, Osborne, and Rose (1996); and Lemke (2001). Hayek's constructivist struggles with scientism and naturalism are discussed further in Mirowski (2007).


29. This is further discussed in Mirowski (forthcoming a). See also McKinnon (2005) and Castree (2008).

30. “Neoliberals tend to perceive democracy as desirable only insofar as democratic institutions encourage the development of the economic system they advocate” (Thorsen and Lie 2006, 20). See also Backhouse (2005) and Waligorski (1990). We elaborate on this tension in the next section.

31. On the modern trend toward privatized military functions, see Singer (2003) and Schöll (2007). The constant bewailing of the size of government as a win-win situation
for neoliberals: they complain about recent growth of government, which they have themselves fostered, use the outrage they fan to "privatize" more functions, which only leads to more spending and a more intrusive infrastructure of government operations.

32. In this regard, the nominally left-liberal tradition of social choice theory (Kenneth Arrow, Amartya Sen, John Rawls) by this criterion is just as neoliberal as the right-wing tradition of the public choice theory of Buchanan and Tullock and the Virginia School. See Amadac (2003) and Arnsperger (2007).

33. On negative rather than positive definitions of freedom, see Berlin (1958)(1969) and Smith (1998). Even Berlin, not often considered a supporter of neoliberals, suggests that positive freedom leads inexorably to totalitarian systems. The neoliberal subject is not supposed to be free to meditate on the nature and limits of her own freedom—that is, the dreaded relativism that neoliberals uniformly denounce. On the neoliberal technologies of government of the self, see Rose (1999); Mirowski (2002); and Arnsperger (2007).

34. See Kristol, "Socialism, Capitalism, Nihilism," LAMP, Montreux meeting 1972: "And what if the 'self' that is 'realized' under the conditions of liberal capitalism is a self that despises liberal capitalism, and uses its liberty to subvert and abolish a free society? To this question, Hayek—like Friedman—has no answer."

35. See Hellinger (1994) and Thirkell-White (in Robison 2006).


37. This happened even though Hayek himself opposed strengthened intellectual property at various points in his career, and further, did not think all knowledge could be comprehensively articulated.

38. See, for instance, Long (2000); Linker (2006); Diamond (1993); and Eccle (1982). Hayek tipped his hand on his own approach: "Does liberalism presuppose some set of values which are commonly accepted as fair and in themselves not capable of rational demonstration?" [MPS archives, 1947 meeting] It seems clear from his later writings that he believed this was true about belief in the superiority of market organization itself.


41. Interestingly, here is where Hayek rejected the maximization of utility as the standard equilibrium concept in neoclassical economic theory. Markets don't maximize happiness; rather, "the use of the market mechanism brings more of the dispersed knowledge of society into play than by any other [method]" (1967, 174).

42. Hayek's frequent appeals to a "spontaneous order" often masked the fact that it was neoliberal theorists who were claiming the power to exercise the Schmittian "exception" (and hence constitute the sovereignty of the state) by defining things such as property rights, the extent of the franchise, constitutional provisions that limit citizen initiatives. As Scheuerman (1999, 216) writes about the comparison to Hayek, "For Carl Schmitt, the real question is who intervenes, and whose interests are to be served by intervention."


References


