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REVIEW ESSAY

Putting Neoliberalism in Its Place

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Amy Offner, *Sorting Out the Mixed Economy: The Rise and Fall of Welfare and Developmental States in the Americas* (Princeton: Princeton University Press, 2019)

Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018)

Nicholas Wasserman, *Marginal Revolutionaries: How Austrian Economists Fought the War of Ideas* (New Haven: Yale University Press, 2019)

Neoliberalism is an ideal subject for intellectual historians. It is an ideological movement that has been both theoretically sophisticated *and* influential, ensuring that excursions along the highways and byways of neoliberal thought can always be justified practically, as disclosing the ideas that have shaped contemporary politics. There is also no shortage of source material, as the voluble characters who generated neoliberal ideology wrote innumerable books and articles and left behind extensive archival collections that preserve their correspondence, drafts and records of meetings. Furthermore, there is abundant evidence of the collaboration (and tensions) between the key neoliberal thinkers, since they worked together in their long years in the wilderness as members of the Mont Pèlerin Society (MPS), the invitation-only discussion group formed by Friedrich Hayek in 1947 to restate the case for market liberalism, and with various associated think tanks scattered across the globe. Given all this, it is surprising that more historical research hadn't focused on neoliberalism earlier, but the field was largely left clear for philosophers and social scientists until the 2000s. Much of this work was in any case historicist in character, notably the influential lectures of Michel Foucault, delivered in 1979 but only published in French in 2004 and in English in 2008, which scrutinized certain key texts of neoliberal theory some time before other scholars had focused on them.[1] The years around the 2008–9 financial crisis—by a mixture of accident and design—marked the point at which intellectual historians (and social scientists with an interest in the history of ideas) followed Foucault by diving more systematically into tracing the origins and trajectory of neoliberal thought. Much of this research has concentrated on the MPS, although the MPS itself is probably best understood as a useful entry point for exploring several distinct strands of market

[1]Michel Foucault, *The Birth of Biopolitics* (Basingstoke, 2008).

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liberalism that emerged in different places in the 1930s and 1940s before being woven together into a broader transnational movement of ideas in the course of the 1950s and 1960s. In spite of skeptical voices claiming either that "neoliberalism" does not exist, or that if it does exist it is best analyzed as the assertion of class interests rather than as an ideology, this work has cumulatively demonstrated that tracing the history of neoliberal thought is an indispensable exercise if we are to understand how we have reached the present conjuncture.

The pioneering research in this area was accomplished by Bernhard Walpen, Philip Plickert, Dieter Plehwe and Philip Mirowski, who drew attention to the importance of the MPS as the central node in the international neoliberal network and to the way in which it soldered together distinct varieties of market liberal thought that had developed during the interwar period in Austria, France, Germany, the United States and the United Kingdom.[2] Mirowski and Plehwe's seminal edited volume, *The Road from Mont Pèlerin* (2009), was significant because it demonstrated that the analysis of neoliberalism as a movement of ideas required a particular sort of attention to the material and social conditions that had facilitated its rise. As Mirowski, Plehwe and their colleagues argued, a purely idealist account of neoliberalism—of the kind offered by some earlier commentators and by neoliberals themselves—missed the importance of social networks, strategic political mobilization and business funding to the success of the MPS and allied think tanks in developing an influential ideology.[3] In particular, Mirowski and Plehwe drew on the sociology of science to conceptualize neoliberalism as a "thought collective," a term taken from Ludwig Fleck to describe a community of thinkers who come to share a set of ideas because of intellectual exchanges and interactions. Mirowski and Plehwe emphasized that the ideology of neoliberalism is best studied not as the product of individual texts but as a collective endeavour that took shape iteratively as intellectuals, journalists and businesspeople met, debated and organized.[4] The individual essays in *The Road from Mont Pèlerin* provided some of this substantive story, but inevitably, as an edited collection, offered a set of incisive and diverse perspectives on the rise of neoliberalism rather than a rounded history of the movement's intellectual formation of the sort that was available to German-language readers in the works of Walpen and Plickert.

Angus Burgin's *The Great Persuasion* (2012), the other landmark work of the first wave of histories of neoliberalism in English, told the story of the founding and early evolution of the MPS in more systematic terms, focusing in particular on the way in which the delicately wrought convergence of certain embattled American and European liberals around a pro-market prospectus in the mid-twentieth century was superseded by an increasingly muscular, demotic and

[2]Bernhard Walpen, *Die offenen Feinde und ihre Gesellschaft: Eine hegemonietheoretische Studie zur Mont Pèlerin Society* (Hamburg, 2004); Dieter Plehwe, Bernhard Walpen and Gisela Neunhöffer, eds., *Neo-liberal Hegemony: A Global Critique* (London, 2005); Philip Plickert, *Wandlungen des Neoliberalismus: Eine Studie zu Entwickling und Ausstrahlung der "Mont Pèlerin Society"* (Stuttgart, 2008).

[3]This earlier style of commentary is best exemplified by Richard Cockett, *Thinking the Unthinkable: Think Tanks and the Economic Counter-revolution 1931–83* (London, 1994); Max Hartwell, *A History of the Mont Pèlerin Society* (Indianapolis, 1995).

[4]Dieter Plehwe and Philip Mirowski, eds., *The Road from Mont Pèlerin* (Cambridge, MA, 2009), see 35 n. 5, 428–9, on Fleck.

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Americanized form of market advocacy. Burgin depicted the earliest generation of neoliberals, such as the Chicago school's Frank Knight, the LSE's Lionel Robbins, the German ordoliberal Wilhelm Röpke and perhaps even Hayek himself, as fundamentally alienated from organized politics as practiced in the 1930s and 1940s and hostile to public intellectuals such as Keynes, who they thought offered demagogic slogans when the world faced deep and tragic social problems. Indeed, as Burgin observed, the senior figures who met at Mont Pèlerin in 1947 were actually rather suspicious of the way the discipline of economics had developed and sought to undermine the technocratic planning that was commonly recommended within the field by drawing on the resources of history, philosophy and culture to renew the principles of liberalism. Burgin's book argued that after the early years of the MPS in the 1940s and 1950s, the worldview of a Knight or a Röpke began to give way to the more economistic analysis of a James Buchanan or a Milton Friedman. Burgin highlighted Friedman's career as an emblematic one, in which the new intellectual and corporate infrastructure cultivated by the right in the postwar years created the incentives for an academic economist such as Friedman to emerge as a vigorous public spokesperson for market liberalism.[5]

As Jennifer Burns observed in a review for *Modern Intellectual History*, Burgin's book was so deftly argued that it might lead the unwary reader to conclude that he had delivered "a story complete in its execution, with little agenda for further research" (though this was not, of course, Burgin's intent in writing the book).[6] Fortunately, though, hardy researchers have not been deterred and a profusion of material on the history of neoliberal and libertarian ideas has been published in the last decade or so, a great deal of it of a very high quality. Other pioneering works by Daniel Stedman-Jones and Jennifer Burns herself were roughly contemporaneous with Burgin's book and were followed in short order by excellent volumes by William Davies, Avner Offer and Gabriel Söderberg, and a steady stream of innovative publications from the school of Mirowski and Plehwe, all of which continued to deepen our historical understanding of neoliberal ideology.[7] Recently, to cite only a few significant examples, Melinda Cooper has explored the gendered character of neoliberal ideas, Samuel Moyn and Jessica Whyte have interrogated the relationship between neoliberalism and the language of human rights, Niklas Olsen has documented the priority of consumer sovereignty over democratic voting in neoliberal thinking, Lars Cornelissen has tracked the reservations about democratic self-government that preoccupied the MPS, and Thomas

[5]Angus Burgin, *The Great Persuasion* (Cambridge, MA, 2012): for the discussion of Friedman see 152–86. I have discussed this period in Ben Jackson, "At the Origins of Neoliberalism: The Free Economy and the Strong State, *c.*1930–47," *Historical Journal* 53/1 (2010), 129–51.

[6]Jennifer Burns, "Across the Great Divide: Free Markets from Right to Left," *Modern Intellectual History* 11/1 (2014), 253–65, at 259.

[7]Jennifer Burns, *Goddess of the Market: Ayn Rand and the American Right* (Oxford, 2009); Daniel Stedman-Jones, *Masters of the Universe: Hayek, Friedman and the Birth of Neoliberal Politics* (Princeton, 2012); Philip Mirowski, *Never Let a Serious Crisis Go to Waste* (London, 2013); William Davies, *The Limits of Neoliberalism* (London, 2014); Avner Offer and Gabriel Söderberg, *The Nobel Factor: The Prize in Economics, Social Democracy, and the Market Turn* (Princeton, 2016); S. M. Amadae, *Prisoners of Reason* (Cambridge, 2020); Dieter Plehwe, Quinn Slobodian and Philip Mirowski (eds.), *Nine Lives of Neoliberalism* (London, 2020).

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Biebricher has written a valuable concise analysis of the political theory of neoliberalism that does justice to both the historical and the philosophical complexities of this topic.[8]

Much of this work has moved from the inside out, focusing on reconstructing the history of thinkers, activists, politicians, businesspeople and organizations who have nurtured neoliberal ideas which then go on to play a role in policy or public discourse. But intellectual historians can also move from the outside in, evaluating the significance of neoliberal ideology in reshaping the political landscape of the late twentieth and early twenty-first centuries when compared with—or in combination with—other distinct ideological and cultural trends. Although this path is less well trodden than the first, roughly speaking, one example of this approach is Daniel Rogers's influential *Age of Fracture*, in which (in spite of Rogers's own doubts about the utility of the very term "neoliberalism") the market liberal revival appears as one strand of a much wider move towards individual-level rather than aggregate analysis in American social thought.[9] Of the books under review here, Wasserman and Slobodian fall more into the first category, while Offner is more in the second, although, as we will see, the boundaries are blurry at certain points.

Inside out

Neoliberalism was a global intellectual movement, which presents researchers with an important decision about the best scale of analysis to select. An important theme which unites these three books is that selecting a more global or transnational frame rather than focusing on national or local cases reveals fresh aspects of the ambitions of neoliberal thinkers and policy entrepreneurs—and may even, as Amy Offner argues, ultimately demonstrate the limits of neoliberalism as an analytical category. But it can also be illuminating to combine the local, national and global, as Janek Wasserman masterfully demonstrates in *Marginal Revolutionaries*.[10] We should acknowledge, though, that Wasserman has in the first instance avowedly not written a book about neoliberalism at all. *Marginal Revolutionaries* is instead the story of the Austrian school of economics, a key tributary to neoliberal ideology to be sure, but also a complex movement in its own right that contained within it some key figures, notably Joseph Schumpeter and Oskar Morgenstern, who remained aloof from the networks around the MPS. It is a fascinating and at

[8]Melinda Cooper, *Family Values* (New York, 2017); Samuel Moyn, *Not Enough* (Cambridge MA, 2018); Jessica Whyte, *The Morals of the Market: Human Rights and the Rise of Neoliberalism* (London, 2019); Niklas Olsen, *The Sovereign Consumer: A New Intellectual History of Neoliberalism* (London, 2018); Lars Cornelissen, "'How Can the People Be Restricted'? The Mont Pèlerin Society and the Problem of Democracy, 1947–98," *History of European Ideas* 43/5 (2017), 507–24; Cornelissen, "Neoliberalism and the Racialized Critique of Democracy," *Constellations* 27/3 (2020), 348–60; Thomas Biebricher, *The Political Theory of Neoliberalism* (Stanford, 2019).

[9]Daniel Rogers, *Age of Fracture* (Cambridge, MA, 2011); Rogers, "The Uses and Abuses of Neoliberalism," *Dissent*, Winter 2018, at www.dissentmagazine.org/article/uses-and-abuses-neoliberalism-debate.

[10]Another excellent recent book which also demonstrates the benefits of moving from the local to the national to the global in the analysis of neoliberalism is Guy Ortolano, *Thatcher's Progress: From Social Democracy to Market Liberalism through an English New Town* (Cambridge, 2019).

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times dramatic tale, as we are transported from bourgeois Vienna at the height of the Habsburg Empire, to the polarized politics of interwar Austria, to émigré intellectual circles in Cold War America. Like Mirowski and Plehwe, Wasserman is careful to maintain a sociological dimension to his narrative alongside the investigation of ideas, as he is keen to underline that the success of a "school" of economic thinking is dependent on social factors as much as intellectual. He gives lucid expositions of key Austrian conceptual innovations such as the school's contribution to the rise of neoclassical marginal utility theory, its commitment to abstract theory rather than historical or empirical evidence, its century-long battle against the economics of socialism, and the strong methodological and political individualism that flavoured its analysis. But Wasserman also details the assiduous institution building that accompanied the intellectual pyrotechnics as the Austrian pioneers set about the vital business of founding journals and scholarly associations, dispensing patronage to allies, contesting the claims of rivals, and assiduously networking with the business and political world. In the Viennese portion of the book Wasserman brings alive the rich culture of private seminars at which many of the key Austrian ideas were hammered out, occasions which were by no means intellectually homogeneous. A fly on the wall of Eugen von Böhm-Bawerk's seminar in 1905–6, for example, would have witnessed Ludwig von Mises and Schumpeter in animated debate with leading exponents of socialism such as Rudolf Hilferding, Otto Bauer and Otto Neurath. Overall, Wasserman demonstrates, the Austrian school derived its initial coherence from the careful institution building and networking that placed it at the heart of the Austrian elite as much as from its intellectual brilliance.

From that perspective, it is possible to review afresh the common complaint of the neoliberal right that their great thinkers spent long years on the intellectual and political margins before ascending to prominence in the 1970s. A considerable amount of research has qualified that interpretation, insofar as it now seems clear that the neoliberal project was generously funded by business organizations and that key theorists of market liberalism occupied prestigious academic positions from which to mount their counterattacks on the left. Yet the early years of the Austrian school, as narrated by Wasserman, were clearly at a different level even to this, insofar as the first two generations of Austrian economists were deeply embedded within the ruling elite of the Habsburg Empire. Spanning the worlds of academia, business and public administration from the late nineteenth century, figures such as Carl Menger, Friedrich von Wieser and Böhm-Bawerk, followed by the later generation of Joseph Schumpeter and Ludwig von Mises, confidently built a place for themselves within the state as the leading exponents of a new form of liberal economics and as the most creative opponents of socialism. As one of the key centres of the new marginalist economics that transformed the field, the Austrians championed the argument that a new focus on subjective utility should properly be seen as sounding the death knell for a Marxist economics that they thought was grounded on an obsolete theory of value. The impact of the First World War and the bitter struggles of the interwar years could only be a disorienting rupture for the Austrian economists who lived through it, wrenching them from their accustomed status at the heart of a great empire to eventual exile in the seemingly less hospitable environs of Anglo-American academia. This was probably less

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of a blow to figures such as Schumpeter or the pioneer of game theory, Oskar Morgenstern, whose commitment to economic liberalism was relatively flexible and amenable to entanglements with the new welfare and warfare states that emerged in the mid-twentieth century. But to Mises, and his younger protégés such as Hayek, Gottfried Haberler and Fritz Machlup, the loss of the distinctive public role played by the school within Austria marooned them from the mainstream of state decision making in the 1940s and 1950s and cast them in the role of outsiders no matter how much their work was subsequently celebrated by their allies. The formation of the MPS, which even aside from Hayek's pivotal role in founding it had a strong Austrian flavour to it in the early years, was a response to this loss of political status as much as to intellectual disagreement with the mainstream of the economics profession.

As Wasserman explores towards the end of the book, the definition of the "Austrian" school became by the 1970s a contested question, with a more ideologically partisan account of Austrian economics seeking to displace a more multifaceted history of the kind that Wasserman narrates. Rather than a broad school of economically liberal economists associated above all with marginalism and doubts about the plausibility of socialist planning, for some American exponents of "Austrian economics" such as Murray Rothbard, the tradition was properly seen as a more specific one that drew on Mises and Hayek to cast doubt on the desirability of almost all forms of state activity. It was from this form of Austrian economics that institutions such as the Cato Institute, the Institute of Humane Studies, and the Mercatus Center at George Mason University stemmed, thanks to the patronage of the Kochs (who were Austrian aficionados) and other sympathetic donors. Rothbard himself famously parted ways with the Kochs in 1981 and founded his own outlet for the Austrian school in the Ludwig von Mises Institute in Alabama. It is the Rothbard strand of Austrian thought that over the course of the 1990s and 2000s became increasingly antidemocratic and intersected with the racist alt-right.[11] Wasserman demonstrates that the Austrian school has now become either narrowly conceived as a heterodox tradition of economic theory that stands outside the mainstream of the profession or broadly conceived as a libertarian political philosophy that opposes most if not all forms of democratic collective action. Neither of these definitions comports with the original character of the school, in the sense that the Austrian founders thought of themselves as establishing the scientific parameters of the orthodox field of economics—and indeed many of their key claims now rest uncontested at the heart of the discipline. Wasserman's book therefore implicitly leaves us with an intriguing question: does neoliberal ideology represent something that is substantively distinct from a more general commitment to capitalism and neoclassical economics? It is this question to which Quinn Slobodian and Amy Offner give important, but distinct, answers.

As Slobodian notes at the beginning of *Globalists*, the language used to describe neoliberalism is itself fraught with difficulty. It is common, for example, to see neoliberals characterized as favoring "unhindered" market forces. Karl Polanyi, another

[11]See also Quinn Slobodian, "Anti-68ers and the Racist–Libertarian Alliance: How a Schism among Austrian School Neoliberals Helped Spawn the Alt-Right," *Cultural Politics* 15/3 (2019), 372–86.

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outstanding figure exiled from interwar Vienna, shaped the terms of this discussion with his influential book *The Great Transformation* (1944). Polanyi portrayed the rise of twentieth-century economic regulation as a response to the earlier nineteenth-century construction of a "self-regulating" market that was "disembedded" from society. As Slobodian observes, although Polanyi himself was focused on the emergence of industrial capitalism, this has not stopped his latter-day readers adapting his writings to a later era, characterizing the neoliberal project as one that sought to liberate (or "disembed") markets from this social control. In contrast, Slobodian drives home a point also canvassed by Mirowski and Plehwe, namely that neoliberalism should be understood as a state-centric project akin to that of Polanyi and Keynes, in that it accepts that "the market does not and cannot take care of itself" since it requires careful institutional design to flourish. Neoliberalism aims "not to liberate markets but to encase them, to inoculate capitalism against the threat of democracy" (Slobodian, 2).

Slobodian's book is a tour de force of intellectual history, combining an unrivaled grasp of a huge variety of source material with an original conceptual analysis of neoliberalism's guiding purpose as focused on global governance. Drawing together the intellectual history of neoliberalism with the work of social scientists who have detailed the institutional construction of a more globalized capitalism, Slobodian shows that the design of international economic rules to constrain sovereign national states has been central to the neoliberal thought collective from its inception. To make this case, he identifies a "Geneva school" of neoliberalism to sit alongside the Austrian, ordoliberal, Chicago and Virginia traditions that have previously been distinguished in the scholarship. This label is not intended pedantically, to tease out yet another hitherto neglected micro-strand of neoliberal thought, but rather as a broad label to describe those neoliberals who engaged with questions of international order. A distinctive characteristic of this aspect of neoliberal thought is that it tended to emerge in Europe, especially Central Europe, and to that extent Slobodian seeks to shift the balance of the scholarship—notable, for example, in the later parts of Burgin's book—away from a focus on the United States. The book amounts to an alternative history of the twentieth century seen through the eyes of the intellectual architects of neoliberalism. *Globalists* begins with the trauma of the First World War and the demise of the liberal free-trade regime of the nineteenth century. It then traces how new projects for global economic governance were designed by European intellectuals traumatized by the forces of national sovereignty unleashed by the end of the Habsburg Empire, the Great Depression of the 1930s, and the decolonization of European empires after 1945. Slobodian is meticulous in his calibration of his argument and does not seek to make a broad idealist claim about the political influence of these intellectuals. But he does document specific episodes in which these neoliberal ideas have achieved political purchase and in doing so provides a clear definition of how we might distinguish "neoliberalism" from a more generic commitment to capitalism or to dominant economic orthodoxies.

At the heart of neoliberalism on Slobodian's account was a distinction first formally articulated by Carl Schmitt in 1950 between the world of *imperium*, of states and governments ruling over people in territorial units, and

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the world of *dominium*, of property rights held across the globe by individuals and companies.[12] For Schmitt, this "doubled world" was problematic since he believed in a more powerful assertion of national sovereignty over property. But for neoliberals this was precisely their goal: to create a separation between the powers of national states and the rules that governed economic life, to foster an "economic constitution" that could exist outside state sovereignty. Slobodian makes the interesting chronological point that the Cold War was less important than is sometimes thought for neoliberals, since the key rupture in their view was the twentieth-century collapse of the nineteenth-century imperial order that had seemingly policed a firm line between global economic order and political authority. The demise of empire unleashed a frightening new world of sovereign states and democratic self-government. Although not uncritical of the formal imperialism of the past, key figures in the neoliberal movement remained admirers of the Habsburg Empire, which they understood as an attempt to maintain a single economic unit across national boundaries, and of the British Empire, which they recollected as a famous champion of free trade rather than national protectionism.

Preoccupied by the need to recover this underlying distinction between economics and politics, neoliberals spent the decades after the 1930s debating various possible routes to this objective that made little impression on policy, though they played a subtler role in public debate. Hayek and Robbins, for example, advocated a strong form of global federalism in the 1930s and 1940s that would have guaranteed free trade and movement of people precisely in order to diminish the capacity of states to engage in economic planning.[13] Meanwhile, a minority strand of neoliberal thought, above all Röpke, reverted to an explicitly racist critique of the post-colonial political landscape that was skeptical about whether former colonies could in time become industrialized states and expended a confounding amount of political capital on the defense of apartheid in South Africa. Fascinating as these episodes are, the centerpiece of *Globalists* is a powerful but precisely argued statement of the role of neoliberalism in the genesis of European integration and the creation of the World Trade Organization (WTO). As Slobodian is well aware, there is a fine line to walk on these subjects between an unfocused critique of both forms of international governance as entirely "neoliberal" in origins and intent and an uncritical celebration of them as evidence of the virtues of a "rules-based" international order.

With respect to European integration, he demonstrates that, out of the diverse intellectual currents that shaped the founding and development of the European Community (EC), an important ordoliberal influence is discernible. Some leading neoliberals were skeptical of European integration, for example the veteran Austrian economist Gottfried Haberler, seeing it as a form of local protectionism that would detract from the larger project of unifying the global economy. But a second generation of ordoliberals who consciously followed in the footsteps of Hayek and Röpke, notably Hans von der Groeben and Ernst-Joachim Mestmäcker, in fact played an important role in developing the theory and practice of the EC (as a

[12]Carl Schmitt, *The* Nomos *of the Earth in the International Law of the* Jus Publicum Europaeum (New York, 2003; first published 1950), 197–8, 235.

[13]This episode has also recently been discussed by Or Rosenboim, *The Emergence of Globalism: Visions of World Order in Britain and the United States, 1939–50* (Princeton, 2017), 130–67.

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member of the European Commission, von der Groeben in particular was directly involved in designing the EC's competition policy). Their key contribution was in conceptualizing European law and the role of the European Court of Justice (ECJ) in Hayekian/ordoliberal terms as establishing a legal relationship between individual EU citizens and the ECJ that transcended the state level and could override national law in order to promote a competitive economic order. Slobodian finds a similar set of influences at work in the transformation of the General Agreement on Tariffs and Trade (GATT) into the WTO. The intellectual inspiration of the WTO came from three GATT officials who had studied with, or been influenced by, Hayek: Jan Tumlir, Frieder Roessler and Ernst-Ulrich Petersmann.[14] Disturbed by the redistributive proposals of the New International Economic Order (NIEO) sponsored by a coalition of developing states, and the nascent prospect of a numerical majority of states at the UN in favor of a more egalitarian global distribution of wealth, these figures sought to strike back by entrenching a judicial structure for global trade that would supersede national laws in specified areas, mimicking the strategy of European competition law.[15]

How should we conceptualize "neoliberalism" in Slobodian's view? It is a legal as much as a strictly economic project, concerned with the creation and maintenance of global rules that can contain the dangerous democratic pressures within states towards redistribution. A market system, on this account, can only work if there are predictable rules that enable price signals to be transmitted to economic actors, a process that in the view of Hayek and others in the "Geneva school" is global in scope and nonrational, in that it presents individuals with stimuli that they respond to unconsciously, without necessarily grasping their overall purpose. It would be easy to read this neoliberal argument as heading down a blind alley, since on one common interpretation it looks like Hayek and his colleagues talked themselves into a passive acceptance of social evolution rather than allowing any space for active political reform to defend the market. But one of the striking aspects of *Globalists* is Slobodian's close attention to Hayek's later work, and its origins in systems theory and cybernetics, which documents that this is a misreading. As Slobodian argues, "Hayek's meaning is not that we cannot design the social system *at all*; it is that we cannot design the social system *entirely*—and that we *must* design part of it" (239, emphasis in original). Hayek believed there were in fact three "layers" of rules that governed human conduct: natural physiological rules, inherited traditional rules, and a "thin layer of rules deliberately adopted or modified to serve known purposes" (Hayek quoted in Slobodian, 238). A lot obviously hangs on what that "thin layer" can include, but when applied to the design of an international order, neoliberals saw the main purpose of such rules as negative: as about prohibiting dangerous political interventions and removing barriers to

[14]Petersmann in fact penned his own review of *Globalists* in the *Journal of International Economic Law* 21/4 (2018), 915–21.

[15]The neoliberal response to the NIEO and postcolonial democracies more generally has also been expertly analysed by Whyte, *The Morals of the Market*, 198–233.

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commerce. "The rule that says no" was for neoliberals the most tractable and least harmful form of institutional design (Slobodian, 272).[16]

Globalists is a great book but I was left with two important questions at the end of it. First, it is all too evident now that there are some on the right, many with unimpeachable neoliberal pedigrees, who are highly skeptical of global governance and favor a seemingly more sovereigntist and nationalist form of politics. How should we think about the world of Trump and Brexit in relation to the history of neoliberalism that *Globalists* tells? Slobodian himself is working on a book that will answer this question in more detail but it seems clear from what he has written so far that for an influential strand of neoliberal thought "globalism"—in the sense of increased international trade and competition—paradoxically requires a break from some constricting legal structures while simultaneously mandating tougher restraints on the movement of people across national boundaries. This may reflect an increasing recognition among neoliberals that institutions such as the EU are the product of diverse ideas and interests and, depending on which gain the upper hand, may threaten as much as safeguard market mechanisms. It also draws on a branch of neoliberalism that has become convinced that cultural heterogeneity poses threats to market stability.[17] It is therefore too quick to see the nationalist right of the last decade as moving decisively beyond neoliberalism.

A second question is the more long-range historical one of how to weight the "globalist" agenda of the Geneva school in comparison to the more familiar form of neoliberalism that has focused on recasting domestic policy within particular states. As Slobodian shows, some of this reform agenda was itself undoubtedly driven by international ideational, legal and economic pressures but there remains a significant domain of intellectual and policy history that requires attention to the mobilization of neoliberal ideas inside states. One possibility here might be to transpose Slobodian's conception of neoliberalism to the state level: neoliberals seek not only global rules to bind states but also legal constraints within the state itself that aim to avert a surfeit of democratic collective action. But, as Amy Offner demonstrates, even here there is reason to think that the migration of ideas across national boundaries has played a decisive role in shaping nominally "domestic" policy decisions.

Outside in

Amy Offner has written an original and intellectually subversive book that, in the guise of a detailed study of the development politics of Colombia in the mid-twentieth century, mounts a powerful challenge to established methods of studying

[16]Whether this is in the end a satisfactory resolution to the conceptual difficulties with Hayek's position remains open for debate. For the case that it is not see Daniel Luban, "What Is Spontaneous Order?", *American Review of Political Science* 114/1 (2020), 68–80.

[17]Quinn Slobodian, "Neoliberalism's Populist Bastards: A New Political Divide between National Economies," *Public Seminar*, 15 Feb. 2018, at https://publicseminar.org/2018/02/neoliberalisms-populist-bastards; Quinn Slobodian and Dieter Plehwe, "Neoliberals against Europe," in William Callison and Zachary Manfredi, eds., *Mutant Neoliberalism* (New York, 2019); Slobodian, "Anti-68ers"; Quinn Slobodian, "Demos Veto and Demos Exit: The Neoliberals Who Embraced Referenda and Secession," *Journal of Australian Political Economy* 86 (2020), 19–36.

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neoliberal thought and practice. Briefly put, Offner raises the following questions. Does the distinction between a recent era of "neoliberal" dominance and a preceding era of social democracy—or, more neutrally, a mixed economy—conceal considerable continuities between these periods? How important were the abstract theories of neoliberal intellectuals in shaping policy outcomes compared to more demotic economic discourses? When we talk about neoliberalism do we just mean what once upon a time used to be called "capitalism"? To explore these questions, Offner has written a book that downplays the term "neoliberalism" in order to show that the break to a world of privatization and inequality in fact relied on a repertoire of norms and policies that had been debuted earlier in the construction of the mid-twentieth-century developmental state. Furthermore, far from these ideas flowing in one direction, from the imperial core of the industrialized states of the North to the global South, Offner argues that there was traffic in both directions, since key aspects of what would later be called "neoliberalism" were in fact imported to policy debates in the United States from Latin America.[18] She does not mean here the more familiar story of Pinochet's Chile and its role as a laboratory for monetarist shock therapy but rather the less well-known domain of economic development projects, where ideas about decentralization and public–private partnership were elaborated that proved readily exportable back to the United States in the late twentieth century.

Offner provides many telling examples drawn from the case of Colombia to illustrate this wider claim. One concerns the importance of decentralization to both New Deal-era public policy and later, purportedly neoliberal times. A key figure in Offner's book is David Lillenthal, who had chaired the Tennessee Valley Authority (TVA) and worked in business but made a second career for himself by promoting autonomous public agencies like the TVA as a solution for problems of economic development. He offered a particular spin on the idea of decentralization insofar as he depicted TVA-like organizations as enabling the implementation of economic reform in a more locally sensitive, quasi-democratic fashion that avoided the deficiencies of national-level planning, even though they were technocratic bodies that lacked any meaningful grassroots participation. In Colombia he helped to create the Cauca Valley Corporation (CVC) in 1954, which was intended to decentralize state power while safeguarding the autonomy of technocratic and business expertise to make key decisions about economic development. It ran like a private-sector company, controlled by a board, and with powers over land use, electricity, agriculture, mining, transport, industry, forestry and communications. One consequence of the work of the CVC was to teach local elites that economic reasoning offered the most promising language for advancing their interests, as they diverted plans for land reform from an egalitarian direction by deploying claims about the greater productivity of large-scale ownership. Elsewhere in Colombia, the leading New Deal economist Lauchlin Currie developed plans to promote economic development through the construction sector, arguing that the state could harness private investment to build new mixed communities that contained both private and public housing. To promote this scheme, Currie

[18]Lars Cornelissen has also flagged this as a promising line of enquiry for scholars of neoliberalism: Lars Cornelissen, "The Condition of Neoliberal Studies," *Journal of Political Power* 12/1 (2019), 152–8, at 157.

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found himself allied with the Colombian construction industry but in due course lost control of his plan as a wholly privatized model of housing investment was prioritized by the state and private developers.

The recurring theme of Offner's book is that economists and businesspeople in Colombia found themselves bound together in designing development projects but the economists frequently found that their knowledge claims lost out to the vernacular economic discourses that emanated from business or schools of management, and, more fundamentally, to the brute realities of private-sector power. Attempts to professionalize the economics discipline within Colombia therefore failed to grant appropriately credentialed experts in the field the monopoly over policy advice. The neat story often told about Chile, of a set of Chicago-trained economists rolling out a preconceived policy agenda developed in the MPS, has no analogue in the Colombian case. By the 1960s, as Lyndon Johnson's administration embarked on the "War on Poverty," this approach to public policy migrated back to the United States. At the apparent high-water mark for federal state power and public investment in the United States, figures such as Lillenthal strongly advocated the use of for-profit contracts with the private sector to deliver the expansive social policy goals of the 1960s. This, he proclaimed, was "social entrepreneurship," in which private-sector expertise was harnessed to solve the urgent social problems that had been highlighted by antipoverty, antiracist and environmental campaigners. As Offner documents, the War on Poverty offered lucrative opportunities for private corporations, many of them already holding contracts with the federal government in the defense sector, to make profits from social policy by acquiring new lines in the provision of vocational training and public education.

By the 1980s, Offner argues, reflection on these experiences, and on the seeming failure of agencies such as the CVC to live up to the promise of decentralization, drove their sponsors in Colombia and in the United States to radicalize their policy recommendations by pivoting to fiscal restraint, a more extensive privatization of public services, and opposition to public-sector trade unions. This is the more familiar neoliberal agenda but Offner's key point here is that "convergence simply did not reveal influence" (274). The policy entrepreneurs and businesspeople that form the focus of her narrative did not arrive at a neoliberal position by engaging with a deep economic analysis from the MPS but simply later took on board certain styles of reasoning (for example, public-choice theory) to better communicate their own conclusions drawn from their own experiences of the mixed economy. Offner's argument is not the straightforward materialist one that neoliberal reforms were shaped by powerful class interests—a point that most intellectual historians of neoliberalism would accept as a necessary if not sufficient component of any fully fleshed-out explanation of political change in this period. Rather, she makes the more radical suggestion that other economic discourses besides the orthodox language of the MPS were pivotal in directing policy debate towards reforms that are now classified as "neoliberal."

There is much to think about in Offner's book. She shows above all that the "mixed economy" relied on the private sector to a far greater extent than popular memory and scholarly commentary often allow. Rather than a rupture to a new era, the arrival of the period labeled "neoliberal" involved "sorting" preexisting

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practices, policies and norms and putting them to different ideological uses. Other examples might be added to the ones she details in her book. One that takes us back to the Central European political landscape examined by Slobodian would be the reconstruction of the West German economy after the Second World War. Guided by Ludwig Erhard and a cast of ordoliberal advisers, West Germany was understood in the 1950s and 1960s as a leading example of how inflation might be conquered, and competitive markets fostered, by the application of economic liberalism. Yet the German "social market" economy was later reinvented in political discourse as a leading example of how to hold on to social partnership and equity as the era of neoliberalism took hold.[19] However, this example also suggests that neoliberal theory did at certain junctures play a role in "sorting out" the mixed economy. As Niklas Olsen has recently reminded us, Erhard was an active participant in the MPS and there are fairly clear connections that can be drawn between key ordoliberal economists and West German policy-making and political debate.[20] Offner's point is really a much-needed plea for complexity and pluralism in narrating the history of the late twentieth century, one that takes into account the polycentric character of the drivers of change and the neglected continuities that persisted alongside it.[21]

Perhaps it is just guild special pleading, but I think that intellectual history is less susceptible to these criticisms than other branches of history or other fields, since (as we have seen in this review essay) historians of ideas have devoted considerable attention to conceptualizing neoliberalism in a precise and historically sensitive way. However, it is undoubtedly true that, like moths to a flame, intellectual historians find themselves gravitating more to the study of high theory and complex thinkers. The MPS is almost too perfect a case study for those of us who cannot resist a deep dive into the mental universe of elite intellectuals. Offner reminds us that we ought to look beyond the MPS in constructing genealogies of neoliberalism and to consider the less formal and more popular languages of economic argument that have also played a role in public-policy debates.

But there is a conceptual price to pay for this more pluralistic approach. The importance of the work of Mirowski and Plehwe, and the scholars who have followed in their footsteps, was that they have a clear and persuasive answer to how the influence of neoliberalism can be documented: by tracing the transnational networks of people and organizations that spun off from the MPS. If we lose the parsimony of that working assumption, then it becomes harder to stake out precisely where the boundary between "neoliberalism" and other ideological currents lies. Indeed, Offner finishes her book with a powerful concluding line that offers one response to this dilemma: "we might recognize that when we take issue with neoliberalism, we are often struggling with much more enduring forms of capitalism, and take aim accordingly" (289). There is an important truth to this statement, especially given the understanding of neoliberalism that Offner uses in the book

[19]An irony recently noted by Harold James, "Neoliberalism and Its Interlocutors," *Capitalism: A Journal of History and Economics* 1/2 (2020), 484–518, at 501.

[20]Olsen, *The Sovereign Consumer*, 65–104.

[21]For similar arguments applied to the case of modern Britain see Aled Davies, Ben Jackson and Florence Sutcliffe-Braithwaite, eds., *A Neoliberal Age? Britain since the 1970s* (forthcoming 2021).

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—one loosely focused around the power of capitalist interests to insinuate themselves into the public realm. But it might be argued in return that we do nonetheless need a more precise concept of neoliberalism than that if we are to follow Offner in disentangling the various ideological influences that have shaped contemporary capitalism. "Capitalism" is such a big and amorphous category that its utility for this purpose is limited. Neoliberalism, as Slobodian shows, is a specific strategy to defend capitalism: a distinctive legal and political response to the rise of the new democratic states of the mid-twentieth century that goes beyond the parameters of neoclassical economics to offer a set of institutional solutions to the problems posed to markets by popular sovereignty. Offner is certainly right to press for more treatments of the period that assess how important that particular response has been when compared with other ideological vectors. Neoliberalism should be put in its place, but it does have one.

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