

**A RESPONSE TO THE QUESTIONS WHAT IS NEOLIBERALISM?, ETCETERA.****Mitchell Dean****What is neoliberalism?**

In retrospect, the former prime Minister, Kevin Rudd, desperately needed defenders when, courageous to the point of folly, he announced the demise of neoliberalism and denounced it as ‘that particular brand of free-market fundamentalism, extreme capitalism and excessive greed which became the economic orthodoxy of our time’ (Rudd 2009: 20) in an 8,000 word essay in early 2009. By way of an introduction to the problem of ‘what is neoliberalism?’, consider these two hostile responses. The first is from the free-market think tank, the Institute of Public Affairs:

It comes as no shock that Rudd blames ‘neo-liberalism’ for the global financial crisis. But what on earth is it? As Andrew Norton of the Centre of Independent Studies has pointed out, ‘neo-liberal’ is not a term people ever use to describe themselves; it is a term used exclusively by its critics: “Using ‘neo-liberal’ is code for ‘I am a left-winger who does not like markets’. It is a leftist version of the secret handshake; a signal that the reader is with fellow travellers.”<sup>1</sup>

The second arrived some months later when the unfortunate Rudd – known as

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<sup>1</sup> C. Berg, 2009, ‘Keeping up with Kevin: Kevin Rudd’s testosterone technocracy’. <http://www.ipa.org.au/publications/1661/keeping-up-with-kevin-kevin-rudd's-testosterone-technocracy> (Accessed 31 October 2010)

Lu Kewen in China – had his essay translated into Mandarin. Dr Xu Xiaonian, professor of economics at the China Europe International Business School in Shanghai, berated Lu Kewen’s ‘big, big, mistake’. He said the prime minister

...has used electioneering-style tactics to brand neoliberalism as dogmatic, to paint a clownish portrait of it, seeking to pioneer popular antipathy to this artificial enemy, casting a moral verdict without seeming to care about truth or logic. Lu Kewen defined Alan Greenspan as a neoliberal, and claiming that his failure and that of the neoliberals is a failure of the market. Lu is either short of economic knowledge or is misleading his readers. Greenspan is a Keynesian, and a thoroughgoing one, not a neoliberal. Lu smartly transformed a failure of government into a failure of the market – a form of propaganda by him and his social democrat comrades which now looks as if it is working.<sup>2</sup>

Leaving aside the theoretical credentials of Alan Greenspan, and Xu’s ambiguity on the status of neoliberalism, these responses are worth noting in that they insist that ‘neoliberalism’ is a kind of illusion, an ‘artificial enemy’, which allows a secret society to identify itself to itself and serves leftwing ideological purposes or political propaganda. The question of ‘what is neoliberalism’ is thus readily answered, and the problem of whether it is a misnomer dealt with, at least from this viewpoint. But are those who want to defend the salience of the term leftish Don Quixotes tilting at ideological windmills?

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<sup>2</sup> ‘Chinese scholar gives PM Kevin Rudd lesson on neoliberalism’, 23 June 2009. <http://www.whatsonxiamen.com/news5665.html> (Accessed 31 October 2010).

Indeed, it is possible to imagine a certain view of the concept and idea of neoliberalism which does deprive neoliberalism of the centrality it has assumed in critical discussion and analysis of public policy. This view would be quite different from the conservative defence of liberalism we have just met. It would argue something like the following.

Neoliberalism is a rather overblown notion which has been used, usually by a certain kind of critic, to characterize everything from a particular brand of free-market political philosophy and a wide variety of innovations in public management to patterns and processes found in and across diverse political territories around the globe. If it is to be of any use it needs to be circumscribed to a limited range of schools or forms of thought and certain practices and policies concerned with the construction of market and market-like relations. To do so would mean that the term should no longer be used to characterize all aspects of state governing in contemporary liberal democracies and the majority world beyond them. At a minimum, the problem of the persistence and indeed rise of authoritarian and paternalist practices of rule that govern through means having little to do with concepts of freedom or the market must be taken into account. So too must the linkage of liberal doctrines of freedom to a renewed and recharged state sovereignty and the imposition of surveillance, discipline and direct coercion upon various populations. Worse still, this view would maintain, critical thought and analysis has been so captured by the idea of neoliberalism that it can yield nothing more analytically and moreover normalizes the very

entity it seeks to interrogate. From such a perspective, it can only be hoped that what became known as the Global Financial Crisis would lead these same critical thinkers to renew their concepts in the crucial task of re-engaging with the present. In short, neoliberalism as a concept that once provided a certain critical purchase has become such a catch-all term that it not only denies the empirical diversity of political rationalities and governmental techniques of contemporary societies but has, via its focus on freedom, ended up legitimating the self-description of dominant power-formations and downplayed their positively illiberal, authoritarian and despotic components.

Such a view can be shaped in different ways. However, one route to it could be through what has been called 'governmentality studies' (Sennelart 2007: 390). Such studies warned us against viewing neoliberalism as a unitary philosophy, a overly coherent political programme or a term that can be used to characterize the totality of public policy and governmental practice. In contrast, and in a manner that proved very influential and quite instructive, such studies stressed the ways in which neoliberalism took local and contingent forms, and emerged and developed quite differently in particular national and transnational, local and translocal contexts (e.g. Ong 2006). They showed what they called 'advanced liberal rule' (Rose 1996) to be composed from elements, alliances and collisions of forces across the political spectrum, from politics conducted within and outside the state and from not only top-down policies but also from bottom-up local struggles. Political rationality in advanced liberalism was thus irreducible to 'the brief flowering of neoliberal rhetorics' (ibid., 61) and '[i]t

would be misleading to imagine that the neo-conservative political regimes that were elected in Britain and the United States in the late 1970s were underpinned by a coherent and elaborated political rationality' (ibid., 63). Moreover, these studies emphasized not only the multiplicity of styles of neoliberalism but also the different forms of political rationality at play including neoconservatism and the new triangulations of social democracy of the 1990s (Dean 2010a). Perhaps most significantly they stressed the way technical and practical dimensions of governing are as important as the philosophical or normative basis of neoliberalism. Advanced liberalism became operable not through the implementation of neoliberal philosophies but through the innovation and development of techniques and technologies as diverse as risk management, auditing and accounting, performance management, the interview and the contract. The contingency, irreducibility, transversality, multiplicity and technical character of politics and government in advanced liberalism thus undermined the sense of neoliberalism as a coherent entity, philosophy, ideology or even, in the favoured language of these studies, political rationality.

All of this explains something of the orientation and ethos of the current paper. There are two different kinds of scholarship that can help us build upon, yet depart from, the early governmentality insights. They can help answer parts of the question of what is neoliberalism. The first uses historians of ideas to answer this question without contradicting the theses of its multiplicity, contingency, irreducibility and so on (Mirowski and Plehwe 2009; Foucault 2008). The second, drawing on political geographers and urban sociologists,

argues that none of these methodological starting points precludes the possibility that neoliberalism has become both a patterning and patterned forms of regulation with identifiable path dependencies (Brenner, Peck and Theodore 2010). In other words neoliberalism is not simply a political philosophy but an uneven process of governmental or regulatory development. In the rest of this section and the next, I focus on the first approach; in the final section of the paper, I draw upon the second.

Historians of ideas, after Ludwig Fleck, have shown the usefulness of treating neoliberalism as a 'thought collective' (Mirowski 2009: 428-9). By thought collective they mean an organized group of individuals exchanging ideas within a common intellectual framework. In the present case, this commonality was provided by the desire to renovate free-market liberalism. A thought collective is thus engaged in a kind of conversation comprising a field of dissension. It has spaces for different voices and processes of discovery while at the same time permitting the crystallization of a consensus. Such a view allows for a multiplicity of viewpoints and different national and transnational developments, borrowings and mutations. In the case of neoliberalism none of its formulations – not even what it might be called – remain stable and in this respect it is correct to stress the less than coherent nature of it as a doctrine or political programme. In this regard, the governmentality approach I have cited is on the right track. However as a thought collective neoliberalism gains its coherence less as a doctrine, programme or rationality, and more as a movement.

Empirically, then, we can say that neoliberalism is a militant movement, a frontal movement which draws its strength and gains its frontal character from that which it opposes. Its principal opponent since the 1970s has been Keynesian macroeconomic management and the welfare state and the associated social domain. The social, Hayek commented, is a 'weasel word': '...weasel words deprive terms of their actual meaning as soon as they are added' (Ptak 2009: 128). However we know that its various historical opponents have been economic protection, state economic planning, state intervention, state regulation, and mass social programs all of which allegedly lead down the slippery slope of totalitarianism (cf. Foucault 2008: 107-9), Hayek's *The Road to Serfdom* (2001). The question of neoliberalism's relation to classical liberalism is of crucial importance and I shall return to that in the second section. This is one of two crucial mutations in the emergence and development of this movement. The other is its relation to economic monopoly and oligopoly and hence to the phenomenon of large-scale corporations.

The question of monopoly in neoliberalism presents an intriguing genealogy (Van Horn 2009). In its stress on competition, German Ordoliberalism presented itself as a reformation 'in the direction of competition' which entails, in the words of Franz Böhm in 1950, 'a decisive fight against both private and public power over the market' (cited, Friedrich 1955: 511). It was the view of Wilhelm Röpke that '[N]ot only are monopolies socially intolerable but they also interfere with the economic process and act as a brake on productivity', while conceding

that it is the state that created the conditions for the great majority of them (cited in Foucault 2008: 153, n. 21, n. 22). Indeed Röpke went so far as to take an anti-capitalist view in which he regarded “capitalism” as the dirty and soiled form which the market economy has assumed in the history of the last hundred years’ (1996: 27) . The objectives of Ordoliberalism included avoiding concentration and encouraging medium size enterprises, small businesses and craft industry (Foucault 2008: 240-1) under policies of ‘deproletarianization’ and ‘economic decentralization’ (Röpke 1996: 30). The notion of the enterprise and the generalisation of the enterprise form to all spheres of society and life in what Alexander von Rüstow called a *Vitalpolitik* thus entails a distinct anti-corporate ethos (Foucault 2008: 148-9).

In case one imagines this to be a peculiarity of German ‘sociological liberalism’ (Foucault 2008: 146), a parallel tale emerges at the very beginnings of the Chicago School. Henry Simons, Hayek’s friend and intellectual comrade-in-arms in the Chicago Economics Department while he was still at the LSE, wrote explicitly against ‘gigantic corporations’ and trade unions as concentrations of power which posed a threat to the ‘heart of the contract’ and to prices; he averred that the greatest enemy of democracy is monopoly in all its forms (Van Horn and Mirowski 2009: 142-3). Such views did not disqualify him from being the key conduit at Chicago for Hayek and the plans to establish a Free Market Society which would be funded by the Volker Fund, a foundation which businessman Harold Luhnnow, who was seeking to finance an American version of Hayek’s *The Road to Serfdom*, would promote the rethinking of liberal politics

in America.

After Simons untimely death by suicide in 1946, possibly associated with frustrations with the University administration's thwarting of his and Hayek's plans to recruit Aaron Director to run the FMS, the Volker Fund refused to distribute his *Economic Policy for a Free Society* because of its anti-monopoly positions. In other words, the funding organization which would prove crucial to Hayek's American ambitions and the formation of what we know as the Chicago School, would not support an anti-corporation stance in their Cold War anti-socialist agenda (ibid., 156-8). When Luhn now finally got his American *Road to Serfdom* it was Milton Friedman's corporate friendly *Capitalism and Freedom* (1962; Van Horn and Mirowski 2009: 166-8). Friedman reprises the idea that monopoly is already the result of government action but regards it as harmless, and notoriously argues that anyway many areas should be treated *as if* they were a competitive market. He would also recommend the abolition of corporate tax and the privatization of state universities, and sing the virtues of the role of 'wealthy individuals' in funding movements to preserve political freedom. It would appear that not all the mutations of neoliberalism are the result of intrinsic intellectual debate! A further story along these lines entails the positively pro-trust Anti-Trust Project at Chicago in the 1950s (Van Horn 2009: 221-8).

Two other features of neoliberalism as a frontal thought collective bear mentioning. The first is that as a thought collective it is multilayered and takes

different organizational forms compared by Philip Mirowski (2009: 430-1) to a series of Russian Dolls: at the core the Mont Pèlerin Society, then specific academic departments, special purpose foundations, general purpose think-tanks, specialized satellite think-tanks, and an outer layer consisting of 'Astroturfed' organizations consisting of supposedly grassroots members organized around religious or single-issue campaigns.

These different layers have different levels of privacy and confidentiality with MPS conceived as a private debating society of handpicked members. As Mirowski (2009: 430) puts it:

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.

One of the effects of these forms of organization is the tendency to have one set of formulations for the elect and one for public consumption. One might then talk not simply of a regime of truth that characterizes neoliberalism but a regime of double truths, of truths that can be expressed differently in relation to different audiences. The primary set of these truths revolves around the state and the relationship between neoliberal conceptions and advocacy of freedom and authoritarian styles of rule and public management. This regime of truth with double effects depends on the audience for whom it is intended and the

time, place and context of its utterance. It is this question of the view of the state that will enable us to approach a second question.

I have argued that neoliberalism is neither best understood as a coherent ideology or political rationality. The context of neoliberalism is subject to fundamental change and its roots lie in different intellectual contexts. We should not assume a simple relationship between a given ideology and political programme or public policy framework. A methodological framework that allows for contingency and dynamism and seeks empirical analysis in local discourses and practices is thus required and, in this respect, governmentality studies provide a good orientation. However, it is the case that key actors within these diverse trajectories in Europe and the United State worked successfully to forge a highly militant intellectual movement with a frontal character. That movement would first be a dissident group on the fringes of public policy and later, with much effort and under the conditions of a crisis for which it had prepared itself, enter into the domain of public political discourse (Peck, Theodore, Brenner 2009: 105-6). As we shall now see, it is a mistake to regard this moment of entry as a brief flowering of a political rhetoric just as it is to underestimate the coherence of neoliberalism as a thought collective and intellectual movement, whatever its incoherence as a set of ideas.

**Was neoliberalism a misnomer as a description of the major policy trends during the last twenty years?**

The first part of an answer to this question is whether neoliberalism itself is a misnomer to describe the phenomenon which it is usually meant to describe. As we have seen, the term comes in for torrid criticism by those to whom one might think it applies. Is the term really a secret handshake among fellow travellers and a kind of mythical enemy?

After the points I have just made, one is tempted to answer, 'it takes one to know one'. More seriously, however, the first question, then, is: is it appropriate to apply the term 'neoliberalism' to the thought collective discussed above, and to programmes and public policy influenced by that collective? This question allows us to grasp one key mutation in the history of the development of neoliberalism. Until the early 1950s it appears that neoliberals were happy to understand themselves as proposing a new forms of liberalism or a neoliberalism which would take a constructivist rather than naturalist approach to the market and define a positive role for the state in the construction of the conditions necessary for the free operation of the market. Certainly the term has long provenance and was used in the 1930s, according to Mirowski (2009: 427), by the participants of the Colloque Walter Lippmann. This colloquium, held in Paris on the eve of the war, and comprising many of those who were to be early MPS members, proposed the establishment of the 'Centre International Etudes pour la Renovation du Liberalisme'; at the colloquium, Louis Rougier proposed the term 'positive liberalism' (Foucault 2008: 152, n. 14, n. 15). More tellingly, Milton Friedman gave a survey of the efforts of his colleagues under the title 'Neo-liberalism and its prospects' in 1951 (Mirowski 2009: 427). The political

scientist, Carl Friedrich, wrote a bibliographical article, mainly on Rüstow and Ordoliberalism but also with reference Hayek and MPS, in the American Political Science Review called 'The political thought of neo-liberalism' (1955). Among the points he noted was that neo-liberalism was a framework which asserted 'the primacy of the political' and the need for the state as 'strong and neutral guardian of the public interest' (ibid., 512). Friedrich's immensely sharp-eyed analysis already noted the authoritarian character of neoliberalism and its endorsement of Benjamin Constant's statement: 'The government beyond its proper sphere ought not to have any power; within its sphere, it cannot have enough of it' (ibid., 513). The sentence had been cited in French by Röpke in his *Civitas Humana* in 1948 (1996: 32). What Friedrich and others would reveal is that this nascent movement was not simply an economic theory but a comprehensive political philosophy, theory of law, economic history and historical sociology.

Sometime during the 1950s, perhaps recognizing that someone was onto them, the term neoliberalism was dropped and a public stance adopted insisting that there was no rupture with classical liberalism and '...that the liberalism they championed was an effectively continuous political doctrine from the eighteenth century' (Pirowski 2009: 427), a point established by endless paeans to Adam Smith.

The dropping of the term did little to banish the intellectual aporia on which the neoliberal project and movement was founded. Neoliberalism's provenance was

summed up in Alexander von Rüstow's 'programmatic declaration' (Friedrich 1955: 512), 'Free Economy – Strong State' (*Freie Wirtschaft – Starker Staat*) which appeared in 1932, the same year the German constitutional theorist, Carl Schmitt, delivered an address to an association of German businessmen with almost the same title, 'Strong state and sound economy' (*Starker Staat und gesunde Wirtschaft*) (1998). Schmitt argued that the total state which breached the separation of state and civil society was a qualitatively weak state as a result of its colonization by interest groups through parliamentary democracy and welfare state demands. While Rüstow references and repeats Schmitt's argument concerning the total state (Ptak 2009: 111), Hayek would later reproduce much of Schmitt's early thesis of the antithesis of liberalism and democracy (Mirowski 2009: 443). At the core of the regime of truth developed in the full flowering of postwar neoliberalism is the tenet that a strong state was needed to promote economic freedom and markets and to neutralize the pathologies of democracy. Both Hayek and Friedman – and later James Buchanan (Plehwe 2009: 5) – would formulate this double truth doctrine in different ways. As Pirowski (2009: 444-5) sums it up:

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.

Of course, these doctrines were notoriously played out in the involvement of

neoliberals, including Hayek and Friedman, in Chile (Fischer 2009). While both suggested that the dictatorship in Chile was due to an exceptional set of circumstances, they again confirmed Schmitt's famous position that 'sovereign is he who decides the state of exception' (1985: 5) by arrogating that decision to themselves.

Having noted the doctrine of double truth at the heart of neoliberalism, it would seem that one set of objections to notions of neoliberalism and advanced liberalism proposed earlier would now need to be revised. These objections were that such notions systematically underestimate the authoritarian side of contemporary liberal government. They were based on demonstrating that contemporary liberal government operates through obligation and techniques of subjection as much as new forms of economic freedom and citizenship, through the sovereign decision as much as the shaping of choice, through violence, its threat and symbolics, as much as contract, through the securitization of threat as much as the management of risk, and through the imposition of hierarchy and authority as much as a new globalized reform regime (Dean 2007: 101-6). Such an argument would indicate these multiple disjunctions between neoliberal political discourses and the operation of 'regimes of government' and conclude it is just as legitimate to name contemporary governing in liberal democracies 'authoritarian liberalism' as 'neoliberalism' or 'advanced liberalism'. However with the excavation of the anti-democratic and authoritarian problematic at the heart of the thought collective of neoliberalism, it is unnecessary to appeal to a disjunction between explicit rationality and governmental regime to establish

the fundamentally authoritarian character of this movement.

Yet the most significant problem with the governmentality approach to neoliberalism or, as it is often called, 'advanced liberalism', is not its failure to grasp the fully complex character of its range of governmental techniques and practices and the different ways of treating different populations, but the very concept of advanced liberalism itself. In the preceding argument, I have argued that neoliberalism can first of all be regarded as a frontal thought collective and indeed a social and political movement. The enduring significance of that movement and the degree of its coherence is something which is systematically underestimated or even occluded by certain proponents of the governmentality analytics. But can the terms neoliberal or advanced liberal be used to describe recent 'policy trends'? And, what is their referent?

Take the notion of 'advanced liberalism' in the governmentality literature. It is regarded as a set of formulae of rule which displaces the welfarist attempt to govern through society with a government through the regulated choices of individuals and through the plural and heterogeneous communities with which they identify (Rose 1996: 41). Because the governmentality approach stresses the contingency and multiplicity of these approaches to rule, the content of advanced liberalism is simply an eclectic listing of recurring techniques, rationalities and subjectivities. In other words it is a descriptive term rather than analytical concept which both trivialises neoliberalism as a thought collective in that advanced liberalism is held to endure beyond the brief

flowering of neoliberal rhetoric and fails to be able to specify the coherence of the object it circumscribes. We might thus ask what is captured by the term 'advanced liberalism'? If it is simply a collection of formulae of rule that bear some 'family resemblance' in the present, then the term does not move beyond description of certain discourses, techniques and practices. This inability to specify the coherence of advanced liberalism is magnified by the sense, as Paul du Gay and Alan Scott have recently pointed out, that the study of governmental formulae and techniques is often associated with the effective disappearance of the concept of the state (2010a: 9). In contrast, they argue that it is necessary to distinguish between the *essence* of the state (following Latour's concept of the 'essence of law' [2010: x]) and the different governmental forms through which the state incorporates multiple externalities into its sphere of action (2010b). It is necessary, then, to distinguish between the state and its regimes of government.

One could follow this argument and ask what is it that 'neoliberal' qualifies as an adjective? By helping us distinguish between state and regime of government, Du Gay and Scott save us from the view that the state itself is subject to fundamental transformations every generation or two as the proposition that the Keynesian welfare state was followed by the neoliberal state would imply. The development of the institutional form of the state and the concept of the state occurred, by contrast, over a period of centuries, and linked conceptions of public office, the legitimate monopoly of violence, ultimate civil territorial authority, a law-governed and law-organized state form, and the maintenance of

civil peace and security, into an articulated set of material practices. In this sense, one could have a neoliberal regime of the government of and by the state, rather than a neoliberal state. A robust conception of the state would thus guard against the sense that our analyses have participated in the very neoliberal dissolution of the state they seek to criticise and the systematic underestimation of the statist objectives of the neoliberal movement. Neoliberalism conducts a form of what Max Weber called 'politically oriented action' aimed at the state and government of the state (1968: 55).

We have established then that neoliberalism was not a misnomer for a particular intellectual movement, contrary to the view of members of the movement themselves and that we should restrict the use of the adjective 'neoliberal' to a certain regime of government of and by the state and not to a specific form of state itself. A further question is whether neoliberal is the most appropriate term for the regime which was inaugurated at the end of the 1970s in certain polities. An alternative view is that of Colin Crouch (2008a, 2008b). Crouch has argued that this regime is best described as privatised Keynesianism which emerged after the collapse of Keynesian systems of demand management by public stimulus and contraction. Rather than governments taking on debt to stimulate the economy, as in state Keynesianism, it was individuals and households, particularly poor ones, who took on the role of incurring debt. Such a system was enabled by two innovations which became clear after the financial collapse of 2008: the extension to those on moderate and low incomes of ever longer lines of unsecured credit in the form of 100% housing loans and multiple

credit cards, and through the development of markets in derivatives and futures and new financial products through which financial institutions learned to trade in risk. If the Achilles heel of original Keynesianism was the ‘inflationary ratchet’ of increasing public expenditure, privatised Keynesian, according to Crouch (2008b: 483) floundered on an exponentially growing mountain of bad debt and the failure of financial institutions’ capacity to calculate the risks in which they were trading. Contrary to liberal assumptions about markets, the financial institutions of Wall Street and the City of London proved to have ‘highly defective knowledge’.

Without necessarily acceding to the change of nomenclature for this regime proposed by Crouch, what his argument does indicate how the tension within neoliberalism over the question of monopoly lies at the centre of the recent and indeed continuing crisis. The theoretical inheritance of neoliberalism is one which assumes a model of competition and competitive markets in which actors are regulated by the information contained in the signals provided by prices. As we have seen the Chicago School spent the 1950s trying to reconcile that inheritance with the endorsement of large corporations. As Crouch puts it, they argued it is not necessary ‘...for there to be actual competition for customer welfare to be maximised. Sometimes a monopoly, by its very domination of the market, can offer customers a better deal than a number of competing firms’ (2008b: 484). Clearly, however, the banks were not characterized by complete knowledge and transparency and existed in a state of reduced competition underwritten by extended state guarantees of support.

By failing to identify neoliberalism as a militant social and political movement aimed at national states and international governmental regulatory systems, the view I characterized at the beginning of the paper seriously underestimated the impact that a more or less organized 'thought collective' had on the shape of the regimes through national states governed and were governed over the last thirty years. As we shall now see this ontological commitment to contingency, locality and fluidity overestimates the potential of a transformation of this regime of government.

**Does the global financial crisis herald a new era of regulation, ideology and/or economy?**

**Has neoliberal policy making been superseded by other forms of regulation, ideology and/or economy?**

**Which avenues of public policy are opened up and which are curtailed by the global financial crisis?**

These three questions assume a kind of historical narrative in which the crisis stands as a hinge between epochal transformation. However it might be well to relocate the Global Financial Crisis within a series of crises: Latin American debt defaults, the Asian economic crisis, the dot.com collapse, etc. We might ask whether neoliberalism thrives on crisis and finds renewal in them. Rather than a 'Berlin Wall' moment, we might consider the 'mutually constitutive relationship' between neoliberal forms of rule and crisis (Peck, Theodore and Brenner 2009:

95). In this sense one might observe that as a movement neoliberalism was borne of crisis, readied itself for the crisis through which it came to prominence as a public political force at the beginning of the 1980s, and has flexibly mutated and adapted through each subsequent crisis. The problem for those positions which emphasized the evanescence of neoliberal rhetoric, and stressed the localism, the contingency, and the 'hybrid assemblages' (Ong, 2006) of neoliberal forms of rule is that, by making a set of methodological principles into a permanent set of ontological conditions, they are unable to grasp the intractability of neoliberal forms of government of and by the state. Such an approach is simply incapable of understanding the way in which neoliberal forms of rule have become deeply embedded in the structures of distinct institutional regimes of governing in and, importantly, across different localities, and most significantly in the rules of the game set by not only intergovernmental bodies such as the World Bank and the IMF but also the international financial system and large financial institutions themselves.

On the other hand, we should remember than neoliberalism is not simply an economic theory but a comprehensive political and legal philosophy – and a kind of metaphysics of globality, networks, circulation, flows and, thus of accumulation (Dean 2010b). In this broader sense, it might be argued that there has been a series of crises in the first decade of the twentieth century that have appeared as catastrophic events external to the metaphysics of neoliberalism: the events of Septembers 2001 and 2008 are the bookends of this experience of crisis, which puncture the simple believability in the story of the widening reach

of a liberal and democratic pacific globality. In various ways, in distinct locale and on different scale, the 2000 presidential election, the Iraq and Afghan wars, the entire series of terror events within the supposedly safe spaces of liberal democracies, the treatment of terror suspects, boat-arriving refugees and illegal immigrants, Katrina and Deepwater Horizon, are features of the symptomology of neoliberalism in crisis. Such events have called into question the moral and intellectual leadership claimed by neoliberalism. They no doubt hurt the public side of its regime of double truth: the view that the indefinite extension of markets across the global would lead to an era of unlimited growth and a pacific cosmopolitanism without ill effects. On the other hand, they return us to the other side of the double truth; the need for strong state entities capable of sovereign decision making and taking executive action. In this respect, we still need to properly understand the relationship of neoliberalism and neoconservatism, particularly during the presidency of George W Bush.

We should note that exceptionalism, and ensuing action in relation to security, has a political polyvalence.<sup>3</sup> From at least one side of the double truth of neoliberalism, exceptionalism portends excessive state intervention without limits and suspends the 'rule of law'. It thus resembles neoliberalism's key historical adversaries, on both sides of the Atlantic, of war planning, national socialism, and Soviet socialism (Foucault, 2008: 322–3). Indeed, the exception mobilizes and uses the language of war and national security so that the 'legal order must be broken to save the social order' (Ericson, 2008: 57). Yet, doctrines of emergency response such as 'distributed preparedness' can lead to more

<sup>3</sup> The following two paragraphs are loosely drawn from Dean (2010b).

social welfare and health-care expenditure to the extent that they locate key vulnerabilities in decaying infrastructure, areas of poverty and weak public health services (Collier and Lakoff 2008).

On the other hand, and in a rather more straightforward sense, what Schmitt (1985: 16) called the 'normal, everyday frame of life' which is constituted by the sovereign decision is neoliberal in a very straightforward sense (Aradau and van Munster, 2008: 35–7). This is not simply the identification of 'our way' of life with that of capitalist economic activity and private property, but the active use of exceptionalism and emergency to undo workers' power in the workplace, such as the breaking and forbidding of unionization for security personnel at airports and dubbing as unpatriotic those unwilling to accept wage and benefit cuts. Here, exceptionalism defines the space in which the neoliberal critique of excessive government meets the necessities to secure and extend the power of corporations and the control of capital.

Among emergent new forms of regulation, we might thus examine the literature on emergency and catastrophe and the emergence of a new ensemble of practices, techniques and rationalities concerning precautionary risk – a '*dispositif* of precautionary risk' (Aradau and van Munster, 2007: 91). There are evident similarities in this *dispositif* that cut across responses to both ecological and economic crisis. An early formulation of the principle of precaution is in the Rio Declaration of 1992: 'Where there are threats of serious or irreversible damage, lack of scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation'

(cited in Aradau and van Munster, 2007: 102). It would follow that the routine invocation of the Great Depression of the 1930s as an exemplar of the effects of economic catastrophe during and after the Global Financial Crisis performed a similar kind of precautionary logic. The 'gross Keynesianism', as it might be called, of the desperate attempts to reflate the economies in the year that followed the 2008 financial meltdown, marks less the beginning a new epoch in public macroeconomic management of national economies and more a necessary throw of the dice in the absence of scientific certainty and faced with catastrophe.

Rather than superseded, we could explore the idea of 'zombie neoliberalism' (Peck 2010) where the discredit of the public face of neoliberalism – often announced by politicians of the right as well as the left – has been associated with a process of trying to 'reboot' the same system, socializing financial risk, the attempt to prop up credit markets and, at least initially, consumer demand, while imposing new forms of market discipline on unions to save industries and economies (such as "Detroit") and the tamping down of talk of protectionism (Peck, Theodore, Brenner 2009: 105). The G20 recent round of concern with an impending currency war falls into this category. In respect of the Obama administration we have heard the more or less serious discussion of 'pragmatism'. Finally, we need to account for the sheer embeddedness of neoliberalism in 'state structures, policy instruments and the political field of social forces' (Albo, cited Peck, Theodore, Brenner 2009: 101). Crisis managers are deprived of any imaginary narrative or destination and the mouthing of the

word 'reform', such as in Julia Gillard's attack on 'economic Hansonism', becomes a kind of empty signifier. On the left, there is a profound social-regulatory vacuum outside and beyond the reformist accommodations with neoliberalism associated with the revisionist triangulations of social democracy of the 1990s. In this sense neoliberalism might continue in its 'undead' form, not because it is loved: it might simply have no serious rivals.

A most 'positive' view of the emergent future comes from Crouch who argues that *unregulated* privatised Keynesian might be displaced by *self-regulated* privatised Keynesianism (2008: 485). Here, rather than a move to re-regulation, particularly in the Anglo-American sphere, we witness a 'light touch' form of regulation of corporations, particularly financial ones, in exchange for a greater emphasis on self-regulation. Having abandoned the heartland of national economic management over the last thirty years of the naturalization and normalization of neoliberal critique, governments will find it hard to regain that ground despite the short-term banking bailouts, public projects, back-of-the-envelope industry policy and 'pseudo-nationalizations' (Peck, Theodore, Brenner 2009: 95). In the medium term, national policy will be taken up and shaped, he argues, by corporations themselves. (Here, one thinks of the 'leadership' offered by Marius Kloppers, CEO of BHP Billiton, the world's largest mining company, in demanding a return of carbon taxing to the Australian national political agenda, from where it had been explicitly removed by the sitting prime minister). The rationality and technology of this kind of rule can be summarized in the phrase 'corporate social responsibility'.

So, after a brief interregnum of gross Keynesianism we could well be in for a long haul of massive public expenditure retrenchment and debt reduction policies reminiscent of the 1980s combined with 'a gradual slip towards a more negotiated, voluntary regulatory system; in which 'actual regulation will be exchanged for lightly monitored guarantees of good behaviour by the large financial firms' (Crouch 2008: 485). As for endemic problems of economic security and the bearers of social risk, these will remain off the agenda.

It is customary to end these types of discussion by offering some cause for optimism. In this case, one could point to the literature and politics of 'postneoliberalism' that emerged in Latin America since the 1990s, to the emergence of Green politics as an alternative to neutered labour and social democratic politics, and to the public disaffection with the actions of large corporations, banks and the financial institutions and the neoliberal market narratives that offered them protection. While fundamental change is not impossible, the militancy of neoliberalism as a thought collective and the thirty-years process by which it has become embedded in the techniques and regimes of national and international government, *and* the lack of capability of our profoundly 'state-phobic' political culture and social science to offer any effective contestation, suggest that the process of building a counter-movement and effective coalition of forces, and contesting neoliberal regulatory regimes at local, interlocal, national and international domains, might be much harder than we would like to imagine.

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