

Leading Academic Institutions Will Receive More Than \$40 Million To Create Centers Challenging Neoliberalism

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The William and Flora Hewlett Foundation and the Omidyar Network announced today they were committing more than \$40 million in grants to support the establishment of five multidisciplinary academic centers aimed at rethinking and replacing neoliberalism.

An influential paradigm that developed in the West around the middle of the last century, neoliberalism has come to dominate economic and political thinking in western circles since the 1980s. It preaches the value of the free-market and argues for a growth-at-all-costs approach to economic and social policy, viewing competition as the essential characteristic of human relations.

With its *laissez faire* convictions, neoliberalism sees citizens primarily as consumers, whose choices should be minimally constrained or influenced by the hand of government. Rather, consumer behavior is and should be determined by “market” forces. Competition should be encouraged. Regulation should be minimized.

Public services should be replaced by presumably more efficient private enterprises whenever possible. Economic success is equated with merit, while financial failure is attributed to individual deficiencies. It’s a philosophy of prosperity for the fittest. We all get what we each deserve.

This narrative has come in for sharp criticism (see e.g., Kurt Anderson’s *Evil Geniuses: the Unmaking of America, A Recent History*), and the Covid-19 pandemic revealed many of the limitations of market fundamentalism and associated austerity policies. For example, reducing public expenditures for health care in favor of privatizing those services doesn’t work very well when trying to contain a deadly pandemic. And neoliberalism is blamed in some quarters for the worsening of other social problems such as the climate crisis, wealth inequality and social injustice.

But this initiative takes a big step beyond mere critique. It seeks to institutionalize an alternative to neoliberalism and “articulate a better approach to political economy...and find systemic

solutions that build a more equitable and resilient society based on a new set of economic values.”

The Hewlett Foundation will fund the creation and growth of four of the new policy and research centers - at Harvard University’s Kennedy School, Howard University, Johns Hopkins University, and the Massachusetts Institute of Technology (MIT).

The grants will range from \$6.5 to \$10 million per institution. They will be made as one-time payments, and the recipients will be given considerable flexibility in how they spend the funds for the centers. It is expected that the universities will seek additional funding to support the centers’ ongoing operations.

These academic centers are expected to employ additional scholars and/or administrative staff, open new lines of research, enrich course offerings and host conferences where scholars, policymakers, and other stakeholders can explore new ways of thinking about the economy.

- **Harvard’s Kennedy School’s Reimagining the Economy Project** will focus on taking a more active, empirical approach to analyzing data from local labor markets in order to better understand the implications of policymaking on local economies.
- **Howard University’s Center for an Equitable and Sustainable Society** will study racial and economic inequities in order to develop solutions that address those issues.
- **Johns Hopkins’ Center for Economy and Society** will explore the benefits of past versions of liberalism and foster debate between current versions of liberalism that could lead to remedies for neoliberalism's shortcomings.
- The **MIT Economics Department Shaping the Future of Work Program** will study the erosion of job quality and labor market opportunity for workers without college degrees — including technology, trade, rent-sharing, and managerial practices — and consider institutional, technological, and policy innovations that can change this trajectory.

Explaining his belief that neoliberalism is ill-suited for today’s economy and society, Larry Kramer, President of the William and Flora Hewlett Foundation, said in a news release, “This joint effort reflects our shared interest in replacing outdated 20th century thinking— individualistic versus collectivist, central control versus free markets, liberty versus equality, and the like—with new ideas that can lead to broader economic justice and prosperity for people around the world.”

“This is a first step to support forward-thinking scholars, students, and thought leaders who can break out of a patently failing neoliberal paradigm, with its ossified left-right divides, and help shape a bold new vision for what people should expect from their governments and economies.”

The Omidyar Network, a philanthropic investment firm focused on social change, is providing the funding for the academic center at the **Santa Fe Institute**, a highly regarded private research institute focused on the multidisciplinary study of complexity.

It will apply mathematical and computational theory to study the emergence of alternative political economies, particularly the interaction between “different forms of inequality, economic and market institutions, intelligent technologies, and cultures of invention and innovation.”

“In the decades since economists like Milton Friedman and Friedrich Hayek first developed their economic theories, our understanding of the world and the behavior that drives it has exponentially improved... Yet the economic models and assumptions utilized by many academics, economists, and policy makers haven’t remotely kept pace with these advancements,” said Omidyar Network CEO Mike Kubzansky. “Now, more than ever, it is imperative that we prioritize interdisciplinary scholarship to update our knowledge of complexity to better understand our economy.”

Additional investments in similar centers are planned. The Ford Foundation is expected to make grants to institutions in Africa, Asia and Latin America that will be announced later in 2022. The Open Society Foundations are exploring how best to stimulate new economic thinking through the Open Society University Network, a global partnership of educational institutions that integrates learning and the advancement of knowledge.

The creation of the new centers is likely to be applauded by many college faculty, who have decried what they believe is the increasing commodification of higher education and the corresponding neglect of the public good that it should advance. Both results are often criticized by progressives as the byproducts of neoliberal orthodoxy.

The centers will also be viewed as a partial counterweight to numerous privately funded conservative and libertarian centers at schools like George Mason University (supported by the Koch brothers), Law and Economics programs funded by the Olin Foundation at such elite universities as Yale, Stanford, and the University of Virginia, and free-standing think tanks like the Manhattan Institute, Heritage Foundation and Cato Institute. And they might even throw some sharp elbows at the Federalist Society, perhaps the single most influential advocacy group in legal circles today.

How much the new centers will rebalance any tilt toward libertarianism and conservative legal policies remains to be seen. But at the least, expect the intellectual sparks to fly as they begin to articulate a new progressive vision for our economy and the kind of society it should support.