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## Neoliberalism Beyond the Heartlands

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Much of the historical analysis of neoliberalism, both its ideological roots and its outcomes, has focused on U.S. and Europe, with figures such as Milton Friedman and Friedrich Hayek taking center stage. Neoliberalism, however, was not uniform in its evolution globally. An excerpt from *Market Civilizations: Neoliberals East and South*, a new book edited by Quinn Slobodian and Dieter Plehwe, focuses on the way that neoliberalism “went local” in the Global South and Eastern Europe.

Our recently published book, *Market Civilizations*, begins with three anecdotes designed to unsettle assumptions about the intellectual history of neoliberalism.

Anecdote 1: In 1979, the economist Hernando De Soto, born in Peru but raised and educated in Switzerland, hosted the recent grantee of the Nobel Prize in Economic Science, F. A. Hayek at a workshop in Lima called “Democracy and the Market Economy.”

Also invited were a group of people with very different biographies from the patrician Viennese professor: they were what the Nobel laureate poet Mario Vargas Llosa, also in attendance, called “black market entrepreneurs”—unlicensed street hawkers, called in Spanish, *ambulantes*.

With the help of a textile magnate, De Soto founded a think tank after the meeting—the Institute for Liberty and Development—which framed its project as empowering the denizens of the rapidly swelling slums of Latin America through deregulation (even though, as a journalist noted, the hawkers in attendance expressed preferences for more robust welfare programs and sympathy for the Marxist candidate in the upcoming elections).

De Soto’s message was pitched perfectly to the moment. After the publication of two best-selling books, *The Other Path* and *The Mystery of Capital*, he became the best-known advocate for a new development approach at USAID and World Bank in the 1990s based around formalizing property rights. In the preface to the reissue of *The Other Path*, with a post-9/11 subtitle “The Economic Answer to Terrorism,” de Soto shared what he believed was the secret of his success: “You cannot sell expanded markets and capitalism to the poor outside the West using Western paradigms... You have to represent progress to people using case histories that come from their own social environment.”

Another co-organizer of the 1979 meeting was the Guatemala policy entrepreneur, Manuel Ayau. At that very time, he was working closely with the military government in his own country to establish a university as a neoliberal outpost. To date, its recipients of honorary doctorates include dozens of members of the flagship organization of the neoliberal intellectual movement, the Mont Pelerin Society, including the former Czech prime minister Vaclav Klaus, controversial social scientist and think tanker Charles Murray, and Hayek himself. When Milton Friedman, another honorary Ph.D, showed up for an interview with later white nationalist Peter Brimelow in 1992, he wore a baseball hat cap reading “Ayau Presidente.”

Anecdote 2: In 1997, the economist Parth Shah returned to India after finishing a doctorate at Auburn University in Alabama where he worked with the Ludwig von Mises Institute, the think tank established in 1982 as a more radical alternative to the Cato Institute and Heritage Foundation.

Reflecting on his efforts at “awakening a slumbering elephant,” as Shah called his project building a neoliberal think tank in the subcontinent, he said “It was clear to me that in India the message of liberty would need to be framed differently to how it is framed in the USA – within the historical and cultural context of India.”

Like De Soto, he worked with street hawkers, declaring that it was “the regulatory burden of government that is the real cause of the general plight of the working poor.” He denounced the “license-permit-quota raj,” implying that the era of empire had not ended after 1947 when the British departed—it had simply transformed into postcolonial statism. Shah’s use of the term harked back to its coinage in the 1950s by C. Rajagopalachari whose chief economic advisor, B. R. Shenoy was a friend of Friedman and Hayek, who sought to combine traditional and free market principles with an argument that the *dharma* of traditional Hindu society entailed a “minimum state” and caste had “advantages of comparative cost and maximum production from a given social complex of human aptitudes and talent.”

Presenting alongside Shah at an MPS meeting in Bali in 1999, the UCLA economist Deepak Lal similarly turned to tradition when he asked “is liberty a Western concept?” and answered: no. In 2005, he followed up one book praising empires with another devoted to *The Hindu Equilibrium*. He developed a theory that the West was degenerating in two ways. First, the “sexual and cultural revolutions” of the 1960s were returning Western mores to those of “their hunter-gatherer ancestors.” Second, what remained of Christian monotheism had undergone a “secular mutation” into “ecofundamentalism.” Meanwhile, he said, “traditional cosmological beliefs” in China and India had endured. “They are modernizing without Westernizing,” he wrote. As the “social cement” of the West came unstuck, the East was poised to take its place. Many free market intellectuals in Japan and China agreed.

Anecdote 3: In the streets of Brazil in 2015 amid the protests against president Dilma Rousseff, a sign appeared reading: “Less Marx, More Mises.” The Mises Institute Brazil, founded in 2008 by the investment banker, Helio Beltrao, as a franchise of the Alabama original played a role in the mobilization.

In 2016, the businessman and policy entrepreneur Winston Ling put a politician named Jair Bolsonaro in touch with the University of Chicago-trained economist Paulo Guedes, who became the future president's Minister of the Economy—and gave dinner speech at the Mont Pelerin Society meeting at the Hoover Institution in 2020 introduced by Niall Ferguson. Bolsonaro posed smiling with copies of Mises's books and ushered an economic freedom clause into the constitution. Bolsonaro's son lists the study of Austrian Economics at the Mises Institute as "post-graduate study" on his resumé.

The Brazilian front against leftism was hardly seamless. "In order to fight the common enemy," Ling described how he "worked hard to maintain unity between the different factions: conservative Christians, anarcho-capitalists, classical liberals, objectivists, etc." The partners included followers of Olavo de Carvalho, the mystic conspiracist living in rural Virginia where he spoke to his one million YouTube subscribers about the plots of the globalists. Beltrao boasts that he and Carvalho were among the first to warn of the supposed evils of "cultural Marxism."

Brazil's "ultra-liberalism," as one contribution to our book calls it, has scrambled the conventional political compass in a way repeated around the world in the early 2020s. Egged on by right-wing media, grassroots antagonism has turned against the supposedly interlocked schemes of global elites to push through climate policy, tax expansion, and capitalist reform at the expense of individual freedoms.

How do these diverse stories of neoliberalism "going local" fit into the histories we have so far? Not particularly well. As Bob Jessop observed, existing histories tend to work from the "heartlands of neoliberalism" outwards and often imply a "core-periphery" relationship with ideas developed in the North and West traveling East and South.

The first round of scholarship on neoliberalism in the 1990s relied heavily on a language of "market fundamentalism" with its implication of a single world faith extending its tentacles globally and smothering particularity. In the 2000s, a new wave of scholarship emerged to introduce individuals, names, and faces into historical narratives of "neoliberalization" which had often unfolded in the passive tense or with only the unitary actor of "capital." A new body of work on the neoliberal intellectual movement around the Mont Pelerin Society allowed for closer study of the relationship between ideas, interests, and institutions.

Yet even as this literature brought neoliberalism down to earth, it tended to reproduce a perspective that saw the world from Europe and the U.S. outward. With the notable exception of Augusto Pinochet's Chile, long seen as a laboratory of neoliberalism, the new literature followed a story of diffusion as ideas migrated outward. Criticizing this tendency in 2014, Raewyn Connell and Nour Dados asked: "Where in the world does neoliberalism come from?" They suggested that the storyline of neoliberalism offered by scholars was broadly the same, in both the personalized MPS version and the more abstract political economy one: "a system of ideas generated in the global North gains political influence in the North and is then imposed on the global South." Neoliberalism, they countered, "is not a projection of Northern ideology or policy, but a re-weaving of worldwide economic and social relationships."

It is correct to insist, as Jamie Peck has, that “there is no ground-zero location—at Mont Pelerin, in the White House, or in the Chilean Treasury—from which to evaluate all subsequent “versions” of neoliberalism. There are only unruly historical geographies of an evolving, interconnected project.” Yet writing histories that live up to this standard is easier said than done. Since Connell and Dados’s article, more scholars have written situated histories of neoliberalism, especially of Latin America and Eastern Europe. But to write persuasively about the reception of the transnational spread of neoliberal ideas or the domestic production of ideas independently requires deep knowledge of local histories, including competency in language, fluency with inevitably vast relevant literatures, and enough of an awareness of each place’s tangled political and economic pasts to locate neoliberal ideology within it.

“One of the remarkable features of neoliberalism is its ubiquity,” Russell Prince writes, but “if neoliberalism is to remain a worthwhile analytical concept, then we need to square claims about its ‘everywhereness’ with its apparent spatial diversity.”

This is the goal of the collection of *Market Civilizations*. We find it helpful to think not of market civilization in the singular but in the plural. In many cases, this is because neoliberal thinkers themselves contested the idea of a single universal homo economicus and advocated for hybrid versions of market rationality and tradition, or, liberalism and conservatism in addition to genuinely novel ideas and concepts.

Since 2016, there has been another round of obituaries for neoliberalism. We have written elsewhere of the “nine lives of neoliberalism” that seem to translate into new variants of market civilization emerging after every systemic crisis. The Covid-19 epidemic of 2020 has generated yet more pronouncements of neoliberalism’s demise. Yet even public health measures designed to protect populations during the pandemic have produced backlash movements that meld grassroots anger at corporate enrichment with the antisocialism of the right-wing media. The cosmic anarcho-capitalism of Brazil’s “ultraliberalism” may be a grim foreshadowing of the hybrids of neoliberal thought that a media landscape both hyper-networked and ever more siloed and specialized will produce as it absorbs future inevitable anthropocenic shocks.