

Notes on Philip Mirowski, “Postface: Defining Neoliberalism”) in Philip Mirowski and Dieter Plehwe, The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective (Cambridge MA: Harvard University Press, 2009): 417-455.

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OVERALL THEME OF MIROWSKI’S ESSAY

“What holds neoliberals together first and foremost is a set of epistemic commitments” (417).

WAYWARD WIKIPEDIA

Looks at “neoliberalism” page on Wikipedia. Inability to define term not limited to Wiki writers.

Let’s look at Wikipedia itself, which is misunderstood constantly as “self-organizing and self-correcting.” In fact there is a strict hierarchy of levels of editorship. Also, “high-quality articles tend to experience entropic degradation ... as various Wiki-workers ... tinker with them” (423). Most Wiki-work is Sisyphean fight against constant vandalism, and most articles never converge on any stable form.

W founder Jimmy Wales claims Hayek inspiration: “Use of Knowledge in Society”: superiority of “appropriate (market-like) aggregation mechanisms for information” (423). With these free to work, truth emerges (“marketplace of ideas”). The market aggregation mechanisms themselves are products of “evolution,” rather than products of a planner. Knowledge is disembodied and progress comes from accumulation and dissemination of information to decentralized users.

What does Wikipedia do? “capture what passes for common knowledge of the median participant on the Internet at some specific point in time” (424). How does it keep growing w/o advertising?

1. Any successful website will “attract or expropriate free information and repackage it in formats that allow for capitalization and the creation of ‘derivatives’ that can themselves be marketed” (424): e.g., YouTube, Facebook, Twitter users provide free content that can leveraged for targeted advertising, market research, surveillance. By insisting that claims on Wikipedia be sourced, it makes its users scour the web to rip off people who actually did some research. But easy access to Wikipedia is destroying economic viability of newspapers, journals, encyclopedias where real experts publish.
2. Symbiosis of Wikipedia and Google: W articles show up on first page of most searches. So Google can make its money while using Wiki volunteers to do its first draft searches.

Conclusions: W reveals the “double truth” of neoliberalism [JP: here’s the connection with neoconservatism: anarchic crowd needs transcendent command / leader]

1. Neoliberalism masquerades as populist philosophy about knowledge and society: elevating a cosmos over any taxis.

2. But in reality neoliberals are elitists. When they really want to organize something, the command hierarchy appears.

Neoliberalism was a long term project, a “thought collective” (426). It is not to be limited to economics (427). It dropped use of term neoliberalism (Friedman used it in 1951) in order to create impression of continuity with classical liberals, especially Smith (427).

MONT PELERIN AS CRITERION

Thought collective around notion of constructivist epistemology: (Hayekian denial of objective knowledge and hence need for market as prosthesis for discovery of knowledge).

Creation of illusion of neoliberalism as grass-roots people’s movement.

1. MPS as private club
2. Academic departments (Chicago, LSE, Virginia)
3. Foundations for dissemination of ideas (Volker Fund, Lilly Endowment)
4. General think tanks (Institute for Economic Affairs)
5. Specialist think tanks
6. Astroturf organizations

Pluralist fight against its three enemies

1. Laissez-faire classical liberalism
2. Social welfare liberalism
3. Socialism

“Comprehensive long-term reform effort at retatting the entire fabric of society, not excluding the corporate world” (431). Specific targets were “elite civil society” / “intellectuals and opinion leaders”; message was that centralized knowledge was inferior to market as info-processor.

“Whereas leading neoliberals denied any possibility of mere mortals outcompeting the market as processors of highly dispersed knowledge, their own efforts succeeded in constructing and deploying elaborate social machinery designed to collect, create, debate, disseminate, and mobilize neoliberal ideas” (432). New roles for academics and public intellectuals / journalists / politicians in a “new technology of persuasion” (432).

A NEOLIBERAL PRIMER

Neoliberalism is not just an epiphenomenon of an economic school, although you can’t deny econ is the scene of neoliberalism’s greatest academic triumph (434).

1. Anti-laissez-faire. Conditions for good (market-based) society must be constructed and will not appear naturally.
2. Different visions of the market and market society
 - a. Chicago School (neoclassical economics)
 - b. Austrian School / Mise: purely rationalist version of natural necessity

- c. Hayek: market as information processor
 - i. More powerful than any single brain
 - ii. But patterned on brain / computation metaphor
 - iii. Surpasses state's ability to process information
 - d. Ordoliberalism: market competition needs direct state organization
- 3. PR: "market society must be treated as a 'natural' and inexorable state of humankind."
 - a. Natural science metaphor: market as evolutionary phenomenon.
 - b. And evolution as market phenomenon – evolutionary game theory.
 - c. So we find neoliberal ideas in ev psych, network sociology, ecology, ethology, linguistics, cybernetics, and science studies.
- 4. Redefine the state, not destroy it (despite some PR poses). So uneasy alliances with libertarians and anarchists.
 - a. Need strong state as "techno-managerial governance"
 - b. But have to block "political interference" in market (redistribution)
 - c. So you need constrained democracy that only helps market, not redistributes
 - d. Restructured state
 - i. Auditing / "accountability"
 - ii. Marketized / privatized state services (e.g., military operations) don't save money but they frustrate citizen oversight / rights
- 5. Treat politics as market: "economic theory of democracy" (Buchanan). Citizen = "consumer of state services."
 - a. So left-wing social choice (Arrow, Sen, Rawls) is as neoliberal as right-wing public choice (Buchanan).
 - b. So neoliberals consolidate political power by working w/in the state, since spread of market relations is spearheaded by the state.
 - i. [JP: cf Bousquet: Just as neoliberalization of education was pushed by public schools before becoming model for corporations like U Phoenix.]
 - c. Here there is no "night-watchman state" which only guarantees security and enforces contracts, isolating the market from political pressures of civil society.
 - d. Rather, the state is what marketizes civil society.
- 6. Neoliberal "freedom" = market relations of rational egoists / self-entrepreneurs.
 - a. Education = procurement of a consumer good / investment in self for return in labor market.
 - b. So there is no content to self or normative standard for judging ends posited by the rational egoist. This is the complaint against nihilism leveled by neoconservatives.
 - c. But once you introduce normativity in ends, then you start thinking about material conditions for flourishing and redistribution.
- 7. Capital can flow freely across borders; but organized, rights-bearing labor cannot.
 - a. So you need transnational institutions to regulate capital flows: WTO, World Bank, IMF.
 - b. [JP: Use of debt and structural adjustment to impose neoliberal social orders creating market societies in 3rd world. Klein and Shock Doctrine here as well.]
- 8. Inequality of resources / rights are necessary condition of market societies.
 - a. Inequality as motor of progress / rich as the "productive members of society," who need to be envied / emulated ("Life Styles of Rich and Famous").

- b. Equality demands as sour grapes of the losers.
 - c. [JP: IP as necessary external incentive to science / technology: cynicism about thrill of discovery.]
9. Corporations can do no wrong (or they are not at fault when they do—it's always state intervention in market at fault.)
- a. Classical liberal suspicion of joint-stock companies and monopolies.
 - b. Ordoliberalism wanted strong anti-trust capacity of state.
 - c. Chicago law and economics: monopolies were not harmful, and were only epiphenomena traceable to state intervention.
 - d. Corporations as legal individuals (anomaly in case law) becomes philosophical axiom.
 - e. Separation of ownership and management overcome by executive stock options and by internal marketization of all institutions (e.g., departments in universities).
10. Theology of marketism:
- a. "Capitalism cannot fail; it can only be failed."
 - b. Any problem has a market solution.
 - i. Pollution markets: emission credits / carbon trading
 - ii. Public education vouchers
 - iii. Communication channel auctions
 - iv. No health care leads to poor people incentivized into clinical drug trials
 - v. IP rights as commodified knowledge leads to optimal knowledge transfer
11. Moralization of neoliberalization.
- a. "freedom" as explicit axiomatic value
 - i. [JP: and "progress" as an implicit value]
 - b. Struggle to integrate the religious right / theocons

FREEDOM AND THE DOUBLE TRUTH OF NEOLIBERALISM

Fundamental contradiction of neoliberalism: "freedom" and activist state.

Threat of schism between Chicago Pragmatist (reworked neoclassical economics: monetarism, human capital, efficient markets hypothesis, public choice theory) and Austrian Romanticist wings. Need to limit democracy which might interfere with market and redistribute.

Influence of Schmitt on Hayek. Pinochet coup and Friedman / Hayek: a limited dictator can be more liberal than unfettered (redistributionist) democracy.

Double truth about Hayek: he alone could theorize about society as a whole, could understand human evolution (toward market and freedom), could impose his vision through a political project.