

**DEMAND
FULL
AUTOMATION**

**DEMAND
UNIVERSAL
BASIC
INCOME**

**DEMAND
THE
FUTURE**

**Inventing the
Future**

**Postcapitalism
and a World
Without Work**

**Nick Srnicek
Alex Williams**


VERSO

INVENTING THE FUTURE

Postcapitalism and a World Without Work

Nick Srnicek and Alex Williams



VERSO

London • New York

First published by Verso 2015
© Nick Srnicek and Alex Williams 2015

All rights reserved

The moral rights of the authors have been asserted

1 3 5 7 9 10 8 6 4 2

Verso

UK: 6 Meard Street, London W1F 0EG
US: 20 Jay Street, Suite 1010, Brooklyn, NY 11201
www.versobooks.com

Verso is the imprint of New Left Books

ISBN-13: 978-1-78478-096-8 (PB)
eISBN-13: 978-1-78478-098-2 (US)
eISBN-13: 978-1-78478-097-5 (UK)

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

A catalog record for this book is available from the Library of Congress

Typeset in Electra LT Std by Hewan Text UK Ltd, Edinburgh, Scotland
Printed in the US by Maple Press

Contents

Acknowledgements

Introduction

1. Our Political Common Sense: Introducing Folk Politics
 2. Why Aren't We Winning? A Critique of Today's Left
 3. Why Are They Winning? The Making of Neoliberal Hegemony
 4. Left Modernity
 5. The Future Isn't Working
 6. Post-Work Imaginaries
 7. A New Common Sense
 8. Building Power
- Conclusion

Notes

Index

Chapter 3

Why Are They Winning? The Making of Neoliberal Hegemony

We are all Keynesians now.

Milton Friedman

If our era is dominated by one hegemonic ideology, it is that of neoliberalism. It is widely assumed that the most effective way to produce and distribute goods and services is by allowing instrumentally rational individuals to exchange via the market. State regulations and national industries are, by contrast, seen as distortions and inefficiencies holding back the productive dynamics inherent to free markets. Today, this vision of how economies should operate is what both its critics and proponents take as a baseline. Neoliberalism sets the agenda for what is realistic, necessary and possible. While the economic crisis of 2008 has upset the blind belief in neoliberalism, it nevertheless remains an entrenched part of our worldview – so much so that it is difficult even for its critics to picture coherent alternatives. Yet this ideology of neoliberalism did not emerge fully formed from the minds of Milton Friedman or Friedrich Hayek, or even the Chicago School, and its global hegemony did not arise inevitably from capitalism's logic.

In its origins, neoliberalism was a fringe theory. Its adherents found it difficult to gain employment, were often untenured, and were mocked by the Keynesian mainstream.¹ Neoliberalism was far from being the world-dominating ideology it would eventually become. The question this chapter will focus on is: How did a small band of neoliberals manage to reshape the world so radically? Neoliberalism was never a given, never a necessary endpoint of capitalist accumulation. Rather, it was a political project from the beginning, and a massively successful one in the end. It succeeded by skilfully constructing an ideology and the infrastructure to support it, and by operating in a non-folk-political manner. This chapter aims to show that neoliberalism functioned as an expansive universal ideology. From humble beginnings, the universalising logic of neoliberalism made it capable of spreading across the world, infiltrating the media, the academy, the policy world, education, labour practices, and the affects, feelings and identities of everyday people. This chapter therefore focuses primarily on how neoliberal hegemony was constructed, rather than on the specific content of

neoliberalism. What is of greatest interest is how it was able to transform the ideological and material fabric of global society.

What standard histories of neoliberalism often neglect is the ways in which the main components of this ideological architecture were systematically and painstakingly set in place in the decades prior to the 1970s.² It is in this prehistory of the neoliberal era that we can discern an alternative mode of political action – one that evades the limits of folk politics. This is not to say that this prehistory provides a model for any future leftist programme simply to copy; rather, it is an instructive case study in how the right was able to move beyond folk politics and create a new hegemony. The history of neoliberalism has been one of contingencies, struggle, concentrated action, patience and grand-scale strategic thinking. It has been a flexible idea, actualised in various ways according to the specific circumstances it encountered: from Germany in the 1940s, Chile in the 1970s and the UK in the 1980s, to post-Hussein Iraq in the 2000s. This versatility has made neoliberalism a sometimes contradictory project, but one that succeeds precisely by transforming these contradictions into productive tensions.³

These tensions and variations have led some to believe that the term ‘neoliberalism’ is meaningless and should be relegated to polemics. But the term has some validity, even if it is often used loosely. In popular perception, neoliberalism is usually identified with a glorification of free markets – a position that also entails a commitment to free trade, private property rights and the free movement of capital. Defining neoliberalism as the veneration of free markets is problematic, however, because many ostensibly neoliberal states do not adhere to free-market policies. Others have argued that neoliberalism is predicated upon instilling competition wherever possible.⁴ This makes sense of the drive towards privatisation, but it fails to explain the debates within neoliberalism about whether competition is an ultimate good or not.⁵ Some take into account these tensions within neoliberalism and recognise it as the political, rather than economic, project of a particular class.⁶ There is certainly some truth to this claim, but, taken at face value, it cannot explain why neoliberal ideology was rejected for so long by the capitalist classes that purportedly benefit from it.

Our view is that, contrary to its popular presentation, neoliberalism differs from classical liberalism in ascribing a significant role to the state.⁷ A major task of neoliberalism has therefore been to take control of the state and repurpose it.⁸ Whereas classical liberalism advocated respect for a naturalised sphere supposedly beyond state control (the natural laws of man and the market), neoliberals understand that markets are not ‘natural’.⁹ Markets do not spontaneously emerge as the state backs away, but must instead be consciously constructed, sometimes from the ground up.¹⁰ For instance, there is no natural market for the commons (water, fresh air, land), or for healthcare, or for education.¹¹ These and other markets must be built through an elaborate array of

material, technical and legal constructs. Carbon markets required years to be built;¹² volatility markets exist in large part as a function of abstract financial models;¹³ and even the most basic markets require intricate design.¹⁴ Under neoliberalism, the state therefore takes on a significant role in creating ‘natural’ markets. The state also has an important role in sustaining these markets – neoliberalism demands that the state defend property rights, enforce contracts, impose anti-trust laws, repress social dissent and maintain price stability at all costs. This latter demand, in particular, has greatly expanded in the wake of the 2008 crisis into the full-spectrum management of monetary issues through central banks. We therefore make a grave mistake if we think the neoliberal state is intended simply to step back from markets. The unprecedented interventions by central banks into financial markets are symptomatic not of the neoliberal state’s collapse, but of its central function: to create and sustain markets at all costs.¹⁵ Yet it has been an arduous and winding path from neoliberalism’s origins to the present, in which its ideas hold sway over those injecting trillions of dollars into the market.

THE NEOLIBERAL THOUGHT COLLECTIVE

The origins of neoliberalism are disparate, both geographically and intellectually. Elements of what would become the neoliberal project can be found in 1920s Vienna, 1930s Chicago and London, and 1930s and 1940s Germany. Throughout these decades, national movements worked on the margins of academia to maintain liberal ideas. It was not until 1938 that these independent movements were to gain their first transnational organisation, resulting from the Walter Lippmann Colloquium held in Paris just before the eruption of World War II. For the first time, this event brought together the classical liberal theorists, the new German ordoliberals, the British LSE liberals, and Austrian economists such as Friedrich Hayek and Ludwig von Mises. It focused on the historical ebbing of classical liberalism in the face of rising collectivism, and it was here that the first steps were made in consolidating a group of new liberal thinkers. Out of this event a new organisation – Centre International d’Études pour la Rénovation du Libéralisme – arose with the explicit aim of developing and spreading a new liberalism. The outbreak of World War II quickly put an end to the ambitious aims of this organisation, but the network of people involved would continue to work towards developing a *neoliberalism*. The seeds of the global neoliberal infrastructure had been planted.

It was an idea of Hayek’s that ultimately mobilised this infrastructure into a ‘neoliberal thought collective’ and inaugurated the slow rise of the new hegemony.¹⁶ Since the Walter Lippmann Colloquium had been buried in the onslaught of World War II, the transnational infrastructure of an incipient neoliberalism had to be reconstructed.

A chance meeting with a Swiss businessman in 1945 gave Hayek the financial means to put his ideas into action.¹⁷ Thus was born the Mont Pelerin Society (MPS): a closed intellectual network that provided the basic ideological infrastructure for neoliberalism to ferment.¹⁸ It is no exaggeration to say that almost all of the important figures in the postwar creation of neoliberalism were in attendance at its first meeting in 1947, including the Austrian economists, the UK liberals, the Chicago School, the German ordoliberalists and a French contingent.¹⁹

From its beginnings, the MPS was consciously focused on changing political common sense and sought to develop a liberal utopia.²⁰ It explicitly understood that this intellectual framework would then be actively filtered down through think tanks, universities and policy documents, in order to institutionalise and eventually monopolise the ideological terrain.²¹ In a letter to those he had invited, Hayek wrote that the purpose of the MPS was

to enlist the support of the best minds in formulating a programme which has a chance of gaining general support. Our effort therefore differs from any political task in that it must be essentially a long-run effort, concerned not so much with what would be immediately practicable, but with the beliefs which must gain ascendancy if the dangers are to be averted which at the moment threaten individual freedom.²²

The Society thus made a ‘commitment to a long-run *war of position* in the “battle of ideas” ... Privatized, strategic, elite deliberation was therefore established as the *modus operandi*.’²³ Opening the ten-day event, Hayek diagnosed the problem of the new liberals: a lack of alternatives to the existing (Keynesian) order. There was no ‘consistent philosophy of the opposition groups’ and no ‘real programme’ for change.²⁴ As a result of this diagnosis, Hayek defined the central goal of the MPS as changing elite opinion in order to establish the parameters within which public opinion could then be formed. Contrary to a common assumption, capitalists did not initially see neoliberalism as being in their interests. A major task of the MPS was therefore to educate capitalists as to why they should become neoliberals.²⁵ In order to achieve these goals, the vision of effective action was one of operating on the invisible framework of political common sense that was formed by the ideas circulating in elite networks. From its origins, the MPS eschewed folk politics by working with a global horizon, by working abstractly (outside the parameters of existing possibilities) and by formulating a clear strategic conception of the terrain to be occupied – namely, elite opinion – in order to change political common sense.

Behind this set of goals there lay a consistent but highly flexible account of what was new about *neoliberalism*. Divisions arose, in particular, over the role of the state in maintaining a competitive order; some argued that intervention was necessary to sustain competition, and others that intervention was the source of monopolies and

centralisation.²⁶ There were less divisive arguments over other particular policy positions, indicating that this was far from a homogeneous or unified group. In many ways, the common element was simply the social network itself, with its commitment to building a new liberalism.²⁷ Yet this inbuilt plurality allowed neoliberalism to foster and mutate as it spread around the world, giving it hegemonic strength in its adaptations to the particularity of each space.²⁸ Its flexibility as an ideology allowed it to excel in carrying out its hegemonic function of incorporating different groups into an overarching consensus.²⁹

These debates also extended to questions of strategy. Many members and financiers of Mont Pelerin were impatient with Hayek's long-term approach and wanted to start producing books and other publications immediately, in order to influence the public.³⁰ In the midst of Keynesian dominance, stable growth and low unemployment, Hayek keenly recognised the unlikelihood of changing public opinion. The Society's strategy was self-consciously long-term, and Hayek's view eventually won out within its meetings. Outside these meetings, the networks surrounding the MPS began actively to construct an extensive transnational infrastructure of ideological diffusion. Hayek had been planning since at least the mid 1940s to establish a system of think tanks propounding neoliberal ideas, while at the same time working to place Society members in government positions (a strategy that eventually produced three heads of state and a large number of cabinet ministers).³¹ It was the 1950s, in particular, that saw the proliferation of think tanks allied to the Society, and the subsequent diffusion of neoliberal ideas into the academic and policy worlds.

In the UK, the aims of the MPS were pursued by a network of think tanks and other organisations, such as the Institute of Economic Affairs, the Adam Smith Institute, the Centre for Policy Studies, and an array of smaller groups. Members of the MPS were to enter into US politics, first via think tanks like the American Enterprise Institute, and then through more formal positions such as Milton Friedman's role as economic advisor to Barry Goldwater in his presidential run. Yet it was in Germany that neoliberalism would first achieve both organisational and policy success.

NOT SO TENTATIVE STEPS

In the wake of World War II, the world was primed for significant changes in economic ideas. Yet it was Germany that faced a unique set of economic difficulties – both the well-known hyperinflation problems of the Weimar Republic and the arduous post-World War II reconstruction effort. While most of the world adopted Keynesian policies, Germany took a different pathway, guided by some of the same neoliberals who had convened at the Walter Lippmann Colloquium. Given the utter collapse of the

German state, the problem facing postwar reconstruction planners was how to reconstitute the state – specifically, how to produce legitimacy without having a functional state infrastructure already in place. The answer was found in the ideas propounded by the early ordoliberals: establish a space of economic freedom. This in turn generated a web of connections between individuals which produced the legitimacy of a nascent postwar German state. Rather than a legal legitimacy, the state was seen to derive its legitimacy from a well-functioning economy.³² It was this idea that would provide the grounding for neoliberalism’s first policy experiments.

Following World War II, the ordoliberals began to move into government positions and implement their ideas, establishing the material and institutional foothold from which to shape economic ideology. The first, and perhaps most historically significant position, was the appointment of Ludwig Erhard to the directorate of economics in the postwar administrative zone of the British and US militaries. With the support of a fellow ordoliberal, Wilhelm Röpke, Erhard simultaneously eliminated all existing price and wage controls, and drastically cut income and capital taxes. This was a radical deregulatory move, and one that compelled the Soviet Union to establish a blockade on Berlin and inaugurate the Cold War.³³ In the decades that followed, ordoliberals would come increasingly to populate significant positions in the German Ministry of Economics, with Erhard himself becoming Chancellor in 1963. But despite their intentions, the ordoliberals lacked a principled distinction between legitimate and illegitimate government interventions – an ambiguity which facilitated the German economy’s transformation into increasingly Keynesian forms. Interventions to maintain competition shaded into interventions to provide welfare, and by the 1970s Germany had become a standard social democratic state. The difficulties encountered in the policy world did not stop neoliberalism from innovating on other terrains, though – in particular, the space of the so-called ‘second-hand dealers’ in ideas.

SECOND-HAND DEALERS

Neoliberals had long emphasised the importance of using a variety of venues to influence elites and construct a new common sense. In the postwar era, this approach spanned academia, the media and the policy world. But one of the primary innovations for neoliberal consolidation of the ideological sphere was the use of think tanks. While they had existed for over a hundred years, the extensive use made of them by the MPS was a novelty. It involved developing policy arguments, building policy solutions and homing in on economic culprits. An informal division of labour was established, with some think tanks focusing on the large philosophical ideas, targeting the very assumptions and rationale of the orthodox Keynesian position – this was the task

adopted by the Manhattan Institute for Policy Research (MIPR) in the 1970s, for example – while others aimed to produce more immediate public policy proposals. These were explicit attempts to unhinge the dominant worldview in order to subsequently introduce specific policy solutions that were grounded upon the neoliberal view.

The figure of Antony Fisher was vital in the building of neoliberalism's ideological hegemony.³⁴ One of the founders of the UK's first neoliberal think tank – the Institute of Economic Affairs (IEA) – Fisher explicitly argued that the most difficult part of changing ideas lay not in their production, but in their diffusion. As a result of this belief, Fisher would be heavily involved in establishing conservative think tanks not only in the UK, but also in Canada (the Fraser Institute) and the United States (the MIPR). The IEA itself was focused on 'those whom Hayek had called the "second-hand dealers" in ideas, the journalists, academics, writers, broadcasters, and teachers who dictate the long-term intellectual thinking of the nation'.³⁵ The explicit intention was to change the ideological fabric of the British elite, infiltrating and subtly altering the terms of discourse. This also extended shrewdly to the mission of the IEA itself, which maintained a deceptive position on its own aims, presenting itself as an apolitical organisation focusing on research into markets in general.³⁶ In line with this vision of ideological takeover, the IEA produced short pamphlets intended to be as accessible as possible to a mainstream audience.³⁷ Moreover, these texts were written in a somewhat utopian fashion, without regard for whether a policy was capable of being implemented at that moment.³⁸ The goal, as always, was the long-term redefinition of the possible. Over the course of decades, these various interventions developed a wide-ranging neoliberal worldview. More than just single-issue responses to the fashionable problems of the day, what the IEA and its associates had constructed was a systematic and coherent economic perspective.³⁹ Think tanks instilled this worldview by educating and socialising rising members of political parties. Numerous members of what would become Thatcher's administration passed through the IEA during the 1960s and 1970s.⁴⁰ The outcome of the IEA's efforts was not only to subtly transform the economic discourse in Britain, but also to naturalise two particular policies: the necessity of attacking trade union power, and the imperative of monetary stability. The former would purportedly let markets freely adapt to changing economic circumstances, while the latter would provide the basic price stability needed for a healthy capitalist economy.

In the United States, too, think tanks and academic research groups were built to push for a broadly neoliberal agenda, the Heritage Foundation and the Hoover Institute being two of the most notable.⁴¹ The MIPR aimed to redefine political common sense by writing books on neoliberal economics that were intended for a popular audience,

some of which eventually sold over 500,000 copies. Other books, such as Charles Murray's *Losing Ground*, laid the foundations for the policy shift which today identifies welfare dependency rather than poverty itself as the central social problem. Numerous other widespread policy ideas, such as zero-tolerance policing and workfare, stemmed from the policy factory of the MIPR. Its books succeeded in their objective of changing the common sense of the political classes and the public. The think tank, as an organisational form, was so integral to neoliberalism's ideological success that the very process of creating think tanks was itself institutionalised. The Atlas Economic Research Foundation, founded in 1981 by Fisher, declared as its explicit aim 'to institutionalise this process of helping start up new think tanks'. Atlas today boasts of having helped create or connect over 400 neoliberal think tanks in more than eighty countries. The sheer scale of the neoliberal ideological infrastructure is made fully transparent here.

Beyond think tanks, a variety of other mechanisms were used to build up a hegemonic discourse. In working to install the Chicago brand of neoliberalism as the dominant alternative, Milton Friedman wrote extensive op-eds and newspaper columns, and made use of television interviews in a way that was unprecedented for an academic. Businesses funded projects to turn his work into popular television shows, taking the media terrain by storm.⁴² These technological tools were the essential means he used to diffuse his economic vision to policymakers and the public. Newspapers such as the *Wall Street Journal*, *Daily Telegraph* and *Financial Times* paralleled this effort, shaping the public's perspective by invoking neoliberal policies at every opportunity.⁴³ Business schools and management consultancies also began to adopt and spread neoliberal ideas about corporate forms, and the Chicago School became a global beacon of neoliberal thought.⁴⁴ Such institutions were crucial for the spread of neoliberal hegemony, since they were often the training grounds of the global elite.⁴⁵ Individuals would come to these neoliberal US schools and then return to their own countries with the neoliberal ideology inculcated in them. By the 1970s, therefore, a full-spectrum infrastructure had developed to promulgate neoliberal ideas. Think tanks and utopian proclamations organised long-term thinking; public-facing speeches, pamphlets and media efforts framed the general outlines of the neoliberal common sense; and politicians and policy proposals made tactical interventions into the political terrain.⁴⁶ Yet, despite their increasingly hegemonic potential, a mere decade prior to the arrival in office of Thatcher and Reagan, Keynesianism still reflected the most widely accepted approach to organising states and markets. The ideas of this group of neoliberal intellectuals were still often seen as senseless throwbacks to the failed policies of the pre-Great Depression era. But this would all change by the 1980s – a decade that would leave Keynesianism in disarray and enshrine neoliberalism as the preeminent model for

economic modernisation.

GRASPING THE WHEEL

Having made national inroads, neoliberalism first gained serious international prominence in the 1970s, as a response to the combined pressures of high unemployment and high inflation – both of which had originated in oil shocks, general commodity price rises, wage increases and the expansion of credit. The dominant Keynesian approach to the economy had argued that governments should stimulate the economy by putting money into it when unemployment was rising, but, when inflation was rising, take money out of the economy, to slow down price rises. In the 1970s, however, both problems arose simultaneously – rising inflation and rising unemployment, or ‘stagflation’. The traditional Keynesian policy solutions were incapable of dealing with this conjunction, thus seemingly dictating a turn to alternative theories. It is important to be clear that, at this point, multiple interpretations of the economic problem were possible. The production of inflation through wage rigidities and trade union power was not the only possible framing of the problem, and neoliberalism was not the only possible solution. Alternative interpretations were available, alternative answers possible; in the moment, no one knew what the way out would be.⁴⁷ The neoliberal narrative of the crisis, for instance, plays down the role of banking deregulation by UK Chancellor Anthony Barber in the early 1970s and the breakdown of the Bretton Woods system. These deregulations sparked a surge in the monetary base and a subsequent surge in price inflation, and then wage inflation.⁴⁸ In other words, an alternative narrative was possible in which the problem was not strong unions, but rather deregulated finance.

That the neoliberal story won out is in no small measure because of the ideological infrastructure that adherents to its ideas had constructed over decades. The neoliberals found themselves well placed, since they had routinely argued that inflation was a necessary outcome of the welfare state’s unwillingness to break wage and price rigidities. They had both a diagnosis of the problem and a solution. Government officials who were uncertain about what to do in the face of crisis found a plausible story in neoliberalism.⁴⁹ It was thus the long-term construction of intellectual hegemony by the neoliberal thought collective that left them well positioned to leverage their ideas into power.⁵⁰ As Milton Friedman famously put it, ‘Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable.’⁵¹ This programme spells out exactly what happened

in the 1970s crisis. If alternative analyses of the crisis had been accepted, it would have entailed a policy response different from that of neoliberalism. Rather than attacking the power of labour, for example, politicians could have responded by re-regulating credit creation. In other words, neoliberalism was not a necessary outcome, but a political construction.⁵²

While Keynesian approaches were eventually able to develop an explanation of stagflation, by then it was too late, and the neoliberal approach had taken over academic economics and the policy world. In short, neoliberalism had become hegemonic. The decade after 1979 saw Margaret Thatcher elected as the British prime minister, Paul Volcker appointed as chairman of the Federal Reserve, and Ronald Reagan elected president of the United States. The IMF and World Bank, facing identity crises after the breakdown of the Bretton Woods system, were rapidly infiltrated and converted into crucibles of the true neoliberal faith by the 1980s. France undertook a neoliberal turn during the Mitterrand administration in the early 1980s, and the major economies of Europe became bound by the neoliberal policies embodied in the constitution of the European Union. In the United States and UK, a wave of systematic attacks were launched against the power of labour. Piece by piece, trade unions were demolished and labour regulations dismantled. Capital controls were loosened, finance was deregulated, and the welfare state began to be scavenged for profitable parts.

Outside Europe and North America, neoliberalism had already been forced on Chile and Argentina in the aftermath of military coups in the 1970s. The developing world debt crisis of the 1980s acted as a key moment to break traditional proto-socialist hegemonies and institute a turn to neoliberalism across the world.⁵³ Moreover, with the breakdown of the USSR, Eastern Europe saw a wave of neoliberalising trends that were spurred on by Western economic advisors. It is estimated that these privatising policies in former Soviet nations led to a million deaths, proving that privatisation could be just as deadly as collectivisation, and that the expansion of neoliberalism was a far from bloodless affair.⁵⁴ Misery, death and dictatorships lay in the wake of its advances across the globe. This was a normative regime that had forced itself into the everyday psychic and bodily reality of the world's population. By the mid 1990s, with the collapse of the USSR, neoliberalism's extension via IMF structural adjustment policies, its consolidation in the UK's New Labour and Clinton's US administration, and its ubiquity in the academic field of economics, neoliberalism had reached its hegemonic peak. The novel conjunctural moment of the 1970s was quickly forgotten by the public, and neoliberalism took on the universal and natural qualities that Thatcher's doctrine of 'there is no alternative' had espoused. Neoliberalism had become a new common sense, accepted by every party in power. It mattered little whether the left or right won; neoliberalism had stacked the deck.

THE IMPOSSIBLE BECOMES INEVITABLE

As we have seen, neoliberalism propagated its ideology through a division of labour – academics shaping education, think tanks influencing policy, and popularisers manipulating the media. The inculcation of neoliberalism involved a full-spectrum project of constructing a hegemonic worldview. A new common sense was built that came to co-opt and eventually dominate the terminology of ‘modernity’ and ‘freedom’ – terminology that fifty years ago would have had very different connotations. Today, it is nearly impossible to speak these words without immediately invoking the precepts of neoliberal capitalism.

We all know today that ‘modernisation’ translates into job cuts, the slashing of welfare and the privatisation of government services. To modernise, today, simply means to neoliberalise. The term ‘freedom’ has suffered a similar fate, reduced to individual freedom, freedom from the state, and the freedom to choose between consumer goods. Liberal ideas of individual freedom played an important role in the ideological struggle with the USSR, priming the population of the Western world to mobilise behind any ideology that purported to value individual freedoms. With its emphasis on individual freedoms, neoliberalism was able to co-opt elements of movements organised around ‘libertarianism, identity politics, [and] multiculturalism’.⁵⁵ Likewise, by emphasising freedom from the state, neoliberalism was able to appeal to anarcho-capitalists and the movements of desire that exploded in May 1968.⁵⁶ Lastly, with the idea of freedom being limited to a freedom of the market, the ideology could co-opt consumerist desires. At the level of production, neoliberal freedom could also recruit emerging desires among workers for flexible labour – desires that were soon turned against them.⁵⁷ In struggling for and successfully seizing the ideological terrain of modernity and freedom, neoliberalism has managed to wind its way inexorably into our very self-conceptions. In arrogating the meaning of terms such as modernisation and freedom, neoliberalism has proved itself to be the single most successful hegemonic project of the last fifty years.

Neoliberalism has thus become ‘the *form of our existence* – the way in which we are led to conduct ourselves, to relate to others and to ourselves’.⁵⁸ It is, in other words, not just politicians, business leaders, the media elite and academics who have been enrolled into this vision of the world, but also workers, students, migrants – and everyone else. In other words, neoliberalism creates subjects. Paradigmatically, we are constructed as competitive subjects – a role that encompasses and surpasses industrial capitalism’s productive subject. The imperatives of neoliberalism drive these subjects to constant self-improvement in every aspect of their lives. Perpetual education, the omnipresent requirement to be employable, and the constant need for self-reinvention are all of a piece with this neoliberal subjectivity.⁵⁹ The competitive subject, moreover, straddles

the divide between the public and the private. One's personal life is as bound to competition as one's work life. Under these conditions, it is no surprise that anxiety proliferates in contemporary societies. Indeed, an entire battery of psychopathologies has been exacerbated under neoliberalism: stress, anxiety, depression and attention deficit disorders are increasingly common psychological responses to the world around us.⁶⁰ Crucially, the construction of everyday neoliberalism has also been a primary source of political passivity. Even if you do not buy into the ideology, its effects nevertheless force you into increasingly precarious situations and increasingly entrepreneurial inclinations. We need money to survive, so we market ourselves, do multiple jobs, stress and worry about how to pay rent, pinch pennies at the grocery store, and turn socialising into networking. Given these effects, political mobilisation becomes a dream that is perpetually postponed, driven away by the anxieties and pressures of everyday life.

At the same time, we should recognise that this production of subjectivity was not simply an external imposition. Hegemony, in all its forms, operates not as an illusion, but as something that builds on the very real desires of the population. Neoliberal hegemony has played upon ideas, yearnings and drives already existing within society, mobilising and promising to fulfil those that could be aligned with its basic agenda. The worship of individual freedom, the value ascribed to hard work, freedom from the rigid work week, individual expression through work, the belief in meritocracy, the bitterness felt at corrupt politicians, unions and bureaucracies – these beliefs and desires pre-exist neoliberalism and find expression in it.⁶¹ Bridging the left–right divide, many people today are simply angry at what they see as others taking advantage of the system. Hatred for the rich tax evader combines easily with disgust for the poor welfare cheat; anger at the oppressive employer becomes indistinguishable from anger at all politicians. This is linked with the spread of middle-class identities and aspirations – desires for home ownership, self-reliance and entrepreneurial spirit were fostered and extended into formerly working-class social spaces.⁶² Neoliberal ideology has a grounding in lived experience and does not exist simply as an academic puzzle.⁶³ Neoliberalism has become parasitical on everyday experience, and any critical analysis that misses this is bound to misrecognise the deep roots of neoliberalism in today's society. Over the course of decades, neoliberalism has therefore come to shape not only elite opinions and beliefs, but also the normative fabric of everyday life itself. The particular interests of neoliberals have become universalised, which is to say, hegemonic.⁶⁴ Neoliberalism constitutes our collective common sense, making us its subjects whether we believe in it or not.⁶⁵

A MONT PELERIN OF THE LEFT?

It has often been argued that neoliberalism succeeded (and continues to succeed in spite of its failures) because it is supported by a series of overlapping and powerful interests – the transnational elite, the financiers, the major stockholders of the largest corporations. While these interests have certainly assisted the potency of the neoliberal ideology, such an explanation nevertheless leaves certain questions unanswered. If elite support was sufficient for ideological success, and if neoliberalism was clearly beneficial to elites, there would not have been a forty-year delay between the initial formulation of the ideas and their implementation. Instead, the embedded liberalism of Keynesianism remained ideologically dominant even as it constrained powerful interests. In particular, financial interests were sidelined for a long period after the 1929 crash and ensuing Great Depression. The power dynamics maintaining the Keynesian consensus needed to be taken apart piecemeal. Equally, an explanation of neoliberalism's success that relies solely on its compatibility with particular elite interests also leaves unexplained why other possible responses to the problems of the 1970s were never implemented. An important element of neoliberalism's eventual ideological success is that there was both a crisis and a readily available solution. The crisis (stagflation) was one that no government knew how to deal with at the time, while the solution was the preconceived neoliberal ideas that had been fermenting for decades in its ideological ecology. It was not that neoliberals presented a better argument for their position (the myth of rational political discourse); rather, an institutional infrastructure was constructed to project their ideas and establish them as the new common sense of the political elite.

In all of this there are important lessons to be learned, which have led some to call for a Mont Pelerin of the left.⁶⁶ On the broadest level, this history of neoliberalism serves to demonstrate that the greatest recent success of the right – installing a neoliberal hegemony on a global scale – was accomplished through non-folk-political means. This means, in the first place, that the neoliberals thought in long-term visions. This was a different temporality from both election cycles and the boom-and-bust of individual protests. Instead, what the left can learn from is how the MPS patiently set out explicit objectives and analysed the terrain of their historical conjunction, all in order to propose specific and effective means to alter that terrain. It set its sights on long-term change, waiting forty years for the crisis of Keynesianism and the emergence of Reagan and Thatcher. In taking this approach, the intellectuals of neoliberalism thought abstractly in terms of possibilities: what was impossible during their own time became possible later, partly through their actions and preparations. Secondly, they sought to build a counter-hegemonic project that would overturn the consensus around social democracy and Keynesian policies. They took a full-spectrum approach to changing hegemonic conditions and built up an entire ideological infrastructure that was capable of insinuating itself into every political issue and every fibre of political common sense. It overthrew the hegemonic ideas of its time. As Philip Mirowski writes,

their strategic genius was

to appreciate that it is not enough to dangle a utopian vision just beyond reach as eventual motivation for political action; the cadre that triumphs is the side that can simultaneously mount a full set of seemingly unrelated political proposals that deal with the short-, medium-, and long-term horizons of action, combining regimes of knowledge and interim outcomes, so that the end result is the inexorable movement of the polis ever closer to the eventual goal. The shrewd strategy of simultaneously conducting both a short game and a long game, superficially appearing to the uninformed to be in mutual conflict but united behind the scenes by overarching theoretical aims, is probably the single most significant explanation of the triumph of neoliberal policies during a conjuncture where their opponents had come to expect utter refutation.⁶⁷

The third major lesson for the left to learn is that the loose collective of MPS also thought expansively in spatial terms – aiming to spread the network globally, through key nodes. In the think tank, they found an organisational form adapted to the task of global intellectual hegemony. They established networks between think tanks, politicians, journalists, the media and teachers – building a consistency between these disparate groups that did not require a unity of purpose or organisational form. This entailed an admirable flexibility in their project. While neoliberalism is often denounced as being too empirically disparate to make sense as a coherent project, it is in fact the willingness to modify its ideas in light of conditions on the ground that has made it particularly powerful as an ideology.

The call for a Mont Pelerin of the left should therefore not be taken as an argument to simply copy its mode of operation. The argument is rather that the left can learn from the long-term vision, the methods of global expansion, the pragmatic flexibility and the counter-hegemonic strategy that united an ecology of organisations with a diversity of interests. The demand for a Mont Pelerin of the left is ultimately a call to build anew the hegemony of the left.

Report (London: Department for Environment, Food and Rural Affairs, 2005).

80. Caroline Saunders, Andrew Barber and Greg Taylor, *Food Miles: Comparative Energy/Emissions Performance of New Zealand's Agriculture Industry*, Agribusiness and Economics Research Unit, Lincoln University, Canterbury, NZ, July 2006, pdf available at lincoln.ac.nz.
81. In the UK in 2005, air freight made up just 1 per cent of food tonne miles travelled, but 11 per cent of food-related emissions. Smith et al., *Validity of Food Miles*, p. 3.
82. Doug Henwood, 'Moving Money (Revisited)', *LBO News*, 2010, at lbo-news.com.
83. Stephen Gandel, 'By Every Measure, the Big Banks Are Bigger', *Fortune*, 13 September 2013, at fortune.com.
84. Victoria McGrane and Tan Gillian, 'Lenders Are Warned on Risk', *Wall Street Journal*, 25 June 2014.
85. *OTC Derivatives Statistics at End-June 2014*, Basel: Bank for International Settlements, 2014, p. 2, at bis.org.
86. David Boyle, *A Local Banking System: The Urgent Need to Reinvigorate UK High Street Banking* (London: New Economics Foundation, 2011), p. 8.
87. *Ibid.*, pp. 8–9.
88. Giles Tremlett, 'Spain's Savings Banks' Culture of Greed, Cronyism, and Political Meddling', *Guardian*, 8 June 2012.
89. Boyle, *Local Banking System*, p. 10.
90. Andrew Bibby, 'Co-op Bank Crisis: What Next for the Co-operative Sector?', *Guardian*, 21 January 2014.
91. Greg Sharzer, *No Local: Why Small-Scale Alternatives Won't Change the World* (Winchester: Zero Books, 2012), p. 3.
92. Philip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (London: Verso, 2013), p. 326.
93. Zibechi, 'Latin America Today'.
94. Christian Marazzi, 'Exodus Without Promised Land', in Campagna and Campiglio, eds, *What We Are Fighting For*, p. viii.
95. Such an approach has also been labelled 'alternativism' by communisation theorists. Endnotes, 'What Are We to Do?' in Benjamin Noys, ed., *Communization and Its Discontents: Contestation, Critique, and Contemporary Struggles* (Brooklyn: Minor Compositions, 2012), p. 30.
96. Day, *Gramsci Is Dead*, pp. 20–1.
97. Bey, *TAZ*, p. 99.
98. Invisible Committee, *Coming Insurrection*, p. 96.
99. *Ibid.*, p. 113.
100. *Ibid.*, p. 102.
101. *Ibid.*, pp. 107, 114.
102. Vivek Chibber, *Postcolonial Theory and the Specter of Capital* (London: Verso, 2013), pp. 228–9.
103. Dan Hancox, *The Village Against the World* (London: Verso, 2013), Chapter 8; Ulrike Fokken, 'Die Rote Insel', *Die Tageszeitung*, 16 February 2013, at taz.de; Jason E. Smith, 'The Day After the Insurrection', *Radical Philosophy* 189 (2015), p. 43.
104. See also Alberto Toscano, 'The Prejudice Against Prometheus', *STIR*, 2011, at stirtoaction.com.
105. Chris Dixon, 'Organizing to Win the World', *Briarpatch Magazine*, 18 March 2015, at briarpatchmagazine.com; Keir Milburn, 'On Social Strikes and Directional Demands', *Plan C*, 7 May 2015, at weareplanc.org.

3. WHY ARE THEY WINNING?

THE MAKING OF NEOLIBERAL HEGEMONY

1. Jamie Peck, *Constructions of Neoliberal Reason* (Oxford: Oxford University Press, 2010), p. 40.
2. This standard history is now in the process of being rewritten, and this chapter relies heavily on the pioneers of this research, including the unpublished work of Alex Andrews. See, for example, Philip Mirowski and Dieter Plehwe, eds, *The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009); Philip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism*

Survived the Financial Meltdown (London: Verso, 2013); Peck, *Constructions of Neoliberal Reason*; Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton, NJ: Princeton University Press, 2012); Richard Cockett, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution, 1931–1983* (London: Fontana, 1995); Michel Foucault, *The Birth of Biopolitics: Lectures at the Collège de France 1978–1979* (New York: Palgrave Macmillan, 2010).

3. Witness, for instance, the unlikely but immensely productive alliance in the United States between economic neoliberals and radical social conservatives. Peck, *Constructions of Neoliberal Reason*, p. 6; David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005), pp. 49–50.
4. Pierre Dardot and Christian Laval, *The New Way of the World: On Neoliberal Society*, transl. Gregory Elliot (London: Verso, 2014).
5. Rob Van Horn, 'Reinventing Monopoly and the Role of Corporations: The Roots of Chicago Law and Economics', in Mirowski and Plehwe, *Road from Mont Pelerin*, pp. 204–37.
6. Harvey, *Brief History of Neoliberalism*.
7. Philip Cerny, *Rethinking World Politics: A Theory of Transnational Neopluralism* (New York: Oxford University Press, 2010), p. 128.
8. Karl Polanyi is a notable exception, having long ago recognised the role of the state in building markets in labour and land. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001); Peck, *Constructions of Neoliberalism Reason*, p. 4.
9. This gendering of rights is appropriate for the historical context.
10. It is worth mentioning that this political construction of economies negates the possibility of any simple economism. Thomas Lemke, 'The Birth of Biopolitics: Michel Foucault's Lecture at the Collège de France on Neoliberal Governmentality', *Economy and Society* 30: 2 (2001), p. 194.
11. Harvey, *Brief History of Neoliberalism*, p. 2.
12. The construction of markets has been exceptionally well studied within the sociology of finance and economic sociology. See Donald MacKenzie, *Material Markets: How Economic Agents Are Constructed* (Oxford: Oxford University Press, 2009), Chapter 7; Donald MacKenzie, Fabian Muniesa and Lucia Siu, eds, *Do Economists Make Markets? On the Performativity of Economics* (Princeton, NJ: Princeton University Press, 2007); Michel Callon, 'An Essay on Framing and Overflowing: Economic Externalities Revisited by Sociology', in Michel Callon, ed., *The Laws of Markets* (Oxford: Blackwell, 1998), pp. 244–69; Michel Callon, 'The Embeddedness of Economic Markets in Economics', in Callon, *Laws of Markets*; Andrew Barry, *Political Machines: Governing a Technological Society* (London: Athlone, 2001).
13. Nick Srnicek, 'Representing Complexity: The Material Construction of World Politics', PhD thesis, London School of Economics and Political Science, 2013, Chapter 5; Donald MacKenzie, *An Engine, Not a Camera: How Financial Models Shape Markets* (Cambridge: MIT Press, 2008).
14. Callon, 'Essay on Framing and Overflowing'.
15. This create-and-sustain movement in many ways parallels Jamie Peck's notion of the roll-back and roll-out phases of neoliberalisation. See Peck, *Constructions of Neoliberal Reason*, pp. 22–3.
16. Mirowski and Plehwe, *Road from Mont Pelerin*.
17. Peck, *Constructions of Neoliberal Reason*, p. 48.
18. Plehwe, 'Introduction', in Mirowski and Plehwe, *Road from Mont Pelerin*, p. 16.
19. Cockett, *Thinking the Unthinkable*, p. 109.
20. Peck, *Constructions of Neoliberal Reason*, p. 50; Cockett, *Thinking the Unthinkable*, p. 4.
21. Peck, *Constructions of Neoliberal Reason*, p. 50.
22. Cited in Cockett, *Thinking the Unthinkable*, p. 104.
23. Peck, *Constructions of Neoliberal Reason*, p. 49.
24. Cited in Cockett, *Thinking the Unthinkable*, p. 111.
25. Plehwe, 'Introduction', p. 7.
26. Dardot and Laval, *New Way of the World*, p. 55.
27. Plehwe, 'Introduction', p. 4.
28. Peck, *Constructions of Neoliberal Reason*, p. 276.
29. Colin Crouch, *The Strange Non-Death of Neoliberalism* (Cambridge: Polity, 2011), p. 23.
30. Cockett, *Thinking the Unthinkable*, p. 117.

31. Peck, *Constructions of Neoliberal Reason*, p. 51.
32. Ibid., p. 84.
33. Peck, *Constructions of Neoliberal Reason*, p. 57.
34. Quantitative social network analysis highlights the significance of Fisher as well, placing him alongside Hayek at the centre of the MPS network. See Plehwe, 'Introduction', p. 20.
35. Cockett, *Thinking the Unthinkable*, p. 131.
36. Ibid., p. 132.
37. Ibid., p. 141.
38. Ibid., p. 142.
39. Ibid., pp. 156–7.
40. Ibid., Chapter 5.
41. Harvey, *Brief History of Neoliberalism*, p. 44.
42. Ibid.
43. Cockett, *Thinking the Unthinkable*, p. 184.
44. Leo Panitch and Sam Gindin, *The Making of Global Capitalism: The Political Economy of American Empire* (London: Verso, 2012), p. 114.
45. Harvey, *Brief History of Neoliberalism*, p. 54.
46. Plehwe, 'Introduction', p. 6.
47. Harvey, *Brief History of Neoliberalism*, p. 13.
48. Ann Pettifor, 'The Power to "Create Money out of Thin Air"', openDemocracy, 18 January 2013, at opendemocracy.net.
49. This desire for an answer can also be seen in the choice of macroeconomic models. Peter Kenway, *From Keynesianism to Monetarism: The Evolution of UK Macroeconometric Models* (London: Routledge, 1994), p. 39.
50. Cockett, *Thinking the Unthinkable*, p. 196.
51. Milton Friedman, *Capitalism and Freedom: Fortieth Anniversary Edition* (Chicago: University of Chicago Press, 2002), p. xiv.
52. Some argue that neoliberalism was necessary because of the crisis of accumulation facing capitalism in the 1970s. But this argument neglects alternative ways in which that crisis could have been resolved and attributes immense clarity of self-interest to capitalists.
53. Philip Cerny, *Rethinking World Politics: A Theory of Transnational Neopluralism* (New York: Oxford University Press, 2010), p. 139.
54. David Stuckler, Lawrence King and Martin McKee, 'Mass Privatisation and the Post-Communist Mortality Crisis: A Cross-National Analysis', *Lancet* 373: 9,661 (2009).
55. Harvey, *Brief History of Neoliberalism*, p. 41.
56. This is one source of the common claim that postmodernism is the cultural expression of neoliberalism.
57. Harvey, *Brief History of Neoliberalism*, p. 53.
58. Dardot and Laval, *New Way of the World*, p. 3.
59. Ibid., p. 265.
60. Mark Fisher, *Capitalist Realism: Is There No Alternative?* (Winchester: Zero, 2009), Chapter 4.
61. Wanda Vradi, 'Struggling with Precarity: From More and Better Jobs to Less and Lesser Work', *Disorder of Things*, 12 October 2013, at thedisorderofthings.com.
62. Harvey, *Brief History of Neoliberalism*, p. 61.
63. For evidence of the austerity narrative and its adoption in popular consciousness, see Liam Stanley, "'We're Reaping What We Sowed": Everyday Crisis Narratives and Acquiescence to the Age of Austerity', *New Political Economy* 19: 6 (2014).
64. Ernesto Laclau, 'Identity and Hegemony: The Role of Universality in the Constitution of Political Logics', in Judith Butler, Ernesto Laclau and Slavoj Žižek, eds, *Contingency, Hegemony and Universality: Contemporary Dialogues on the Left* (London: Verso, 2011), p. 50.
65. The classical mark of ideology today is that it feeds on cynicism, or, as Slavoj Žižek puts it, ideology works even (and especially) if you *do not believe in it*. See Slavoj Žižek, *The Sublime Object of Ideology* (London/New York: Verso, 1989).

66. Mirowski, *Never Let a Serious Crisis Go to Waste*, p. 356.
67. *Ibid.*, p. 332.

4. LEFT MODERNITY

1. This expansionary process has been conceived of in a variety of (not incompatible) ways – for instance, through uneven and combined development, spatial fixes, and expanding cycles of hegemony. In each case, though, the expansionary nature of capitalist universalism is readily apparent. See, respectively, Neil Smith, *Uneven Development: Nature, Capital and the Production of Space* (London: Verso, 2010); David Harvey, *The Limits to Capital* (London: Verso, 2006); Giovanni Arrighi, *The Long Twentieth Century: Money, Power and the Origins of Our Time* (London: Verso, 2009).
2. For a lengthy defence of this claim, see Vivek Chibber, *Postcolonial Theory and the Specter of Capital* (London: Verso, 2013), ¶ 9.4.
3. ‘For it is finally the universal ... which furnishes the only true denial of established universalisms.’ François Jullien, *On the Universal: The Uniform, the Common and Dialogue Between Cultures* (Cambridge: Polity, 2014), p. 90.
4. Mark Fisher and Jeremy Gilbert, *Reclaim Modernity: Beyond Markets, Beyond Machines* (London: Compass, 2014), pp. 12–14.
5. Sandro Mezzadra, ‘How Many Histories of Labor? Towards a Theory of Postcolonial Capitalism’, *European Institute for Progressive Cultural Policies*, 2012, at eipcp.net.
6. Mark Fisher, *Capitalist Realism: Is There No Alternative?* (Winchester: Zero, 2009).
7. Similar arguments have also been made about postmodernity. See Harvey, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change* (Oxford: Wiley-Blackwell, 1991).
8. Peter Wagner, *Modernity: Understanding the Present* (Cambridge: Polity, 2012), p. 23.
9. For a similar argument with respect to ‘development’, see Kalyan Sanyal, *Rethinking Capitalist Development: Primitive Accumulation, Governmentality and Post-Colonial Capitalism* (New Delhi: Routledge India, 2013), p. 92.
10. To give a sense of this variety, Jameson outlines fourteen different proposals for the beginning of modernity as historical period. Fredric Jameson, *A Singular Modernity: Essay on the Ontology of the Present* (London: Verso, 2002), p. 32.
11. Alberto Toscano, *Fanaticism: On the Uses of an Idea* (London: Verso, 2010); Frederick Cooper, *Decolonization and African Society: The Labor Question in French and British Africa* (Cambridge: Cambridge University Press, 1996).
12. Chibber, *Postcolonial Theory*, p. 233.
13. We seek to follow Susan Buck-Morss when she writes: ‘The rejection of Western-centrism does not place a taboo on using the tools of Western thought. On the contrary, it frees the critical tools of the Enlightenment ... for original and creative application.’ Susan Buck-Morss, *Thinking Past Terror: Islamism and Critical Theory on the Left* (London: Verso, 2003), p. 99.
14. Wang Hui, *The End of the Revolution: China and the Limits of Modernity* (London: Verso, 2011), pp. 69–70.
15. Göran Therborn, *European Modernity and Beyond: The Trajectory of European Societies, 1945–2000* (London: Sage, 1995), p. 4.
16. Jameson, *Singular Modernity*, p. 18.
17. Corey Robin, *The Reactionary Mind: Conservatism from Edmund Burke to Sarah Palin* (New York: Oxford University Press, 2011).
18. Simon Critchley, ‘Ideas for Modern Living: The Future’, *Guardian*, 21 November 2010.
19. Kamran Matin, ‘Redeeming the Universal: Postcolonialism and the Inner Life of Eurocentrism’, *European Journal of International Relations* 19: 2 (2013), p. 354.
20. Walt Whitman Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1990).
21. Walter Dignolo, *The Darker Side of Western Modernity: Global Futures, Decolonial Options* (Durham, NC: Duke University Press, 2011), pp. xxiv–xxv.