Finding the ‘Neo’ in Neoliberalism

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‘Liberalism’ and ‘neoliberalism’ have become important shorthand terms in critical work that seeks to incorporate issues of economics into ideological and epochal analyses. Yet, these terms incorporate theoretical histories and refer to historical contexts so vast that they can seem ambiguous and boundaryless. This ambiguity threatens to reduce the analytical usefulness of the terms liberalism and neoliberalism. In this paper, I map the legacies and meanings of the terms liberalism and neoliberalism and diagram the complexity and specificity of what neoliberalism is today. First, I engage a small set of definitions and uses of these terms to try to make sense of liberalism and neoliberalism as historical-theoretical concepts. Second, I group current academic uses of the term neoliberalism into Foucauldian, Marxist and epochalist camps, explaining the limits of each. Third, drawing on a fourth minor strand of work on neoliberalism that opens a path to better defining and using the term, I present my own definition of neoliberalism that distinguishes between a theoretical mode and an articulation mode. I conclude by proposing that what is new in neoliberalism is what I call corporism, the privileging of the form and position of corporations.

Keywords neoliberalism; liberalism; critical theory; political economy; Foucault; finance

‘Liberalism’ and ‘neoliberalism’ have become important shorthand terms in critical work that seeks to incorporate issues of economics into ideological and epochal analyses. Foucault’s extensive discussion of liberalism and neoliberalism invigorated the use of these terms. Christian Garland and Stephen Harper (2012), for instance, recently claimed that ‘the Marxism/pluralism dyad of yesteryear has largely given way to a new paradigm structured by the binary opposition between neoliberalism, on the one hand, and democracy (or, sometimes, in the Laclauian formulation, “radical democracy”), on the other’ (p. 414). Yet, these terms incorporate theoretical histories and refer to historical contexts so vast that they can seem ambiguous and boundaryless. This ambiguity threatens to reduce the analytical usefulness of the terms liberalism and neoliberalism.

Neoliberalism especially is decried as a principle cause of a great deal of inequality and suffering in the contemporary conjuncture, and yet scholars overuse and underspecify the word. To critique neoliberalism, we must first
understand what it is, how it differs from liberalism (what makes it new) and how it seemingly continues to dominate capitalist social formations. This requires a great deal more work than just finding and labeling phenomena, locations, governments or ideas as neoliberal. It is necessary to both map the legacies and meanings of the terms liberalism and neoliberalism and diagram the complexity and specificity of what neoliberalism is today.

Although there is not room in this paper to map all of these histories, in the first section, I engage a subset of definitions and uses of these terms to try to make sense of liberalism and neoliberalism as historical-theoretical concepts. Specifically, I discuss the relationship between political and economic liberalism, emphasizing the work of Michel Foucault. Second, I take up the task of parsing contemporary uses of the term neoliberalism and their significant shortcomings, both in terms of the now often noted overextension of the word and the inadequacy of most analyses to the task of remembering neoliberalism’s ideational history while also grasping its highly differentiated and always hybrid, adaptive present. Drawing on a minor strand of work on neoliberalism that I believe opens a path to better defining and using the term, I propose a new approach to understanding neoliberalism that distinguishes between what I call a theoretical mode and an articulation mode. Finally, I conclude by proposing a tentative hypothesis about what is new in neoliberalism. Although delivering on the promise of this hypothesis by fully explaining the interplay between the theoretical and articulation modes of neoliberalism is beyond the scope of this paper, I offer a short reading of Milton Friedman’s Capitalism and Freedom that attempts to explore the validity of the hypothesis and open up space for a more thorough trial of the model I propose.

**Economic vs. political liberalism**

The distinction between political and economic liberalism as theories or sets of ideas is not stable or easy to draw, especially historically. The theoretical history of liberalism is composed of political writers who espoused the right to private property as much as rule of law, and political economists who helped solidify liberal individualism as much as market exchange. While more recent writers like John Rawls and Robert Nozick might be easier to distinguish as political liberals from so-called neoliberal scholars like F. A. Hayek and Milton Friedman, I argue that it is best to understand economic and political liberalism as loose and contingent threads of a single theoretical legacy. For example, while it might seem logical to suggest that David Hume, Adam Smith and David Ricardo inaugurated economic liberalism while John Locke, Benjamin Constant and J. S. Mill articulated political liberalism, different historians of liberalism disagree. Richard Bellamy (1992) associates Smith, Herbert Spencer
and J. S. Mill with ‘ethical liberalism’, which was eventually overtaken by ‘economic liberalism’ (p. 4). Karl Polanyi (2001) acknowledges that Smith was ‘the founder of a new science, economics’ but lays the development of economic liberalism at the feet of Joseph Townsend, Thomas Malthus and Ricardo (p. 116).

In this section, I review the work of three different theorists of liberalism to identify the relationship of political and economic liberalism in their formulations. To carry out this analysis, I will begin by suggesting that most theories of liberalism share a common conception or diagram that can be visually represented by the following matrix (figure 1).

The categories of political and economic reflect the supposed, if not actual, distinction between issues of the state (relationship to and constitution of government, rights under the law, etc.) and issues of the market (the specific right to private property, conditions of material existence and exchange). Negative liberty refers to the definition of freedom as the absence of interference from government. Positive liberty refers to ‘an entitlement to participate in collective decision-making’ or the opportunity for self-realization (Gray 1995, p. 56).

In *Liberalism*, John Gray (1995) suggests that Hobbes, Spinoza and Locke provide the foundation for the liberal tradition and he particularly emphasizes the protection of natural rights under the law and private property. But, for Gray, economic thinkers David Hume and Adam Smith give ‘the first comprehensive statement in systematic form of the principles and foundations of liberalism’ (p. 24). According to Gray, Utilitarianism, especially through Jeremy Bentham and J. S. Mill, challenged and perverted classical liberalism with a utilitarian calculus between freedom and harm to others, which can lead to the imposition of ‘grossly unequal and inequitable burdens on different social groups’ (p. 53). Mill’s utilitarianism encouraged anti-liberal intervention and opened the door to ‘socialist experimentation’ and ‘protectionist and welfarist policies’ (p. 30, 34). For Gray, these illiberal tendencies were all brought to a head in the First World War. The government control of nations

![Diagram of theories of liberalism.](image)
that was inaugurated during the war led to nationalist, totalitarian and socialist movements and an anti-liberal consensus organized around Keynes’ thought.

According to Gray (1995), political and economic freedoms are united in private property: ‘private property is the embodiment of individual liberty . . . and market freedoms are indivisible components of the basic liberties of the person’ (p. 61). Further, Gray makes clear that with limited exceptions, the ‘basic liberties’ he associates with a liberal order are negative rather than positive. For Gray, positive economic liberties, i.e. claims for material resources, are not legitimate. His theory constrains liberalism to the left side of the matrix and defines the right side as the realm of ‘totalitarian socialist regimes’ (p. 35; figure 2).

By defining economic freedom as private property, Gray is trying to avoid the central paradox of liberalism: the freedoms of some impose constraints on the freedoms of others. If one assumes that a right to live is a basic liberty, economic freedoms must for some be positive, i.e. claims to material resources. Claims to material resources can, as Gray already pointed out in his discussion of Mill, constrain the claim to private property. But, the claim to private property can constrain the right to live. Gray’s attempt to escape the paradox denies the reality of economic inequality.

In The Great Transformation, Karl Polanyi (2001) critiques economic liberalism from the vantage of its effects, i.e. the history of industrial capitalism in light of ‘the utopian endeavor of economic liberalism to set-up a self-regulating market system’ (p. 31). Polanyi’s main thesis in The Great Transformation is that a self-regulating market would transform humans, nature and money into commodities. Labor, land and money are not true commodities but ‘fictitious commodities’. In Polanyi’s view, if that fiction were ever to come true, ‘human beings would perish from the effects of social exposure’, ‘nature would be reduced to its elements’ and ultimately destroyed, and ‘the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeits of money would prove as disastrous to business as floods and droughts in primitive

![Diagram of Gray's theory of liberalism.](image_url)
society’ (p. 76). The full functioning of a self-regulating market ‘would result in the demolition of society’ (p. 76).

For Polanyi (2001), the nineteenth century was characterized by a double movement in which, first of all, proponents of economic liberalism, not understanding these dangers, attempted to establish ‘a self-regulating market, relying on the support of the trading classes, and using largely laissez-faire and free trade as its methods’ and, second, there was an organic resistance or counter-movement of ‘social protection aiming at the conservation of man and nature as well as productive organization’ with the support of the ‘working and landed classes’ and through the mechanism of regulation (p. 138–139). In my opinion, this ‘double movement’ is Polanyi’s own way of framing the central paradox of liberalism. Instead of seeing positive liberties as constraining negative liberties and vice versa as Gray does, Polanyi sees the functioning of a self-regulating market as potentially overpowering and destroying not only the rights of humans to exist as humans but also nature and ultimately the productive organization of society.

Polanyi (2001) directly addresses the paradox of liberalism when he acknowledges that ‘on the institutional level, regulation both extends and restricts freedom’ (p. 262). But he thinks economic liberalism is the wrong response to the paradox: ‘With the liberal the idea of freedom thus degenerates into a mere advocacy of free enterprise... This means the fullness of freedom for those whose income, leisure, and security need no enhancing, and a mere pittance of liberty for the people who may in vain attempt to make use of their democratic rights to gain shelter from the power of the owners of property’ (p. 265). For Polanyi, economic liberalism collapses the political into the economic and, therefore, makes freedom something that is experienced differently depending on economic power rather than universally to all. For Polanyi socialism, which ‘is, essentially, the tendency inherent in an industrial civilization to transcend the self-regulating market by consciously subordinating it to a democratic society’ is the better response to the paradox (p. 242). Polanyi’s argument can be illustrated in the following way (figure 3).

In Polanyi’s argument, positive liberties are not rights to redistribution of material resources for self-realization but rights to exists as cultural beings, rights to the protection of nature and rights to the protection of productive organization in society.

Unlike Gray’s analysis of liberalism in a purely theoretical register, Polanyi’s work examines history and comes to grips with economic inequality. Foucault’s theory of liberalism, developed during the course of his lectures at the College De France, redefines liberalism in terms of his own unique diagram of historical change. Foucault (2003) suggests that the liberal thinkers in the eighteenth century conceived of power as a commodity, a right, which could be transferred or surrendered through contract. For Foucault, focus on sovereignty and issues of right removed domination from the conception of
His own aim is to show how ‘right . . . serves as a vehicle for and implements . . . relations of domination’ (Foucault 2003, p. 27). He achieves this by explaining the relationship between right and discipline. According to Foucault, disciplinary power is invented in seventeenth and eighteenth centuries and is ‘absolutely incompatible with relations of sovereignty’ (p. 35). Discipline applies to bodies not possessions or contracts and extracts from the former time and labor rather than commodities and wealth.

For Foucault (2003), the combination of the theory of right and the mechanism of discipline allowed the formation of a new type of society to come into being. Discipline was ‘one of bourgeois society’s great inventions . . . one of the basic tools for the establishment of industrial capitalism’, but the theory of right had to be maintained as well because it was a critical instrument against monarchy and because it ‘concealed [discipline’s] mechanisms and erased the element of domination and the techniques of domination involved in discipline’ (p. 37). According to Foucault, the ‘democratization of sovereignty was heavily ballasted by the mechanisms of disciplinary coercion’ (p. 37). In my reading of Foucault’s argument, this combination marks the birth of liberalism. Liberalism is the conjunction of the theory of right and the mechanism of discipline and this conjunction allows the development of an industrial capitalist, disciplinary society.

Foucault can thus explain that with liberalism, we have ‘a legislation, a discourse, and an organization of public right’ organized around individual sovereignty and ‘a tight grid of disciplinary coercions that actually guarantees the cohesion of that social body’ (p. 37). When Foucault suggests that the ‘discourse of disciplines is about . . . a norm . . . a code of normalization’, he refers to the way that ‘free’ individuals are disciplined to behave according to norms (p. 38). Discipline is ‘one of the basic tools for the establishment of industrial capitalism’ because it produces the conditions for industrial production and exchange by normalizing these activities in free, sovereign individuals (p. 37).
Foucault continues to develop his description of liberalism as his analysis moves from the seventeenth and eighteenth centuries into the nineteenth. In *Security, Territory, Population*, he adds to his definition of liberalism apparatuses of security. I believe this addition indicates a transition from early classical liberalism to the utilitarian liberalism of Bentham and J. S. Mill. In addition to the theory of right and mechanisms of discipline for the normalization of behaviour, ‘the game of liberalism’ as he calls it, ‘not interfering, allowing free movement, letting things follow their course’ also required apparatuses of security that allow the natural mechanisms of the market to function while also securing the population (Foucault *et al.* 2007, p. 48). This conjunction of elements, which Foucault will eventually come to call ‘governmentality’ is his updated definition of liberalism broadly defined: ‘In fact, we have a triangle: sovereignty, discipline, and governmental management, which has population as its main target and apparatuses of security has its essential mechanisms’ (p. 107–108). Liberalism as governmentality is not a totalizing world system but a regime of power and a way of governing specific to a particular historical period (the eighteenth and nineteenth centuries) and geographical location (Europe).

In *The Birth of Biopolitics*, Foucault *et al.* (2008) add two additional elements to his definition of liberal governmentality, the self-limitation of government and the market as the site of truth. He writes that, in the sixteenth and seventeenth centuries, the theory of right imposed an external limitation on government. But, in the eighteenth century, liberal governmentality required the ‘self-limitation of governmental reason’ by way of the limiting principle of the market (Foucault *et al.* 2008, p. 20). The birth of political economy inaugurated a new regime of truth by which the market becomes a ‘site of veridiction’ (p. 32). Thus, in liberalism, the market provides the principle of the limitation of government in so far as government has to limit itself to allow the market, conceived in political economy as a natural mechanism, to function.

For Foucault *et al.* (2008), the paradox of liberalism is a defining characteristic with important effects. He writes: ‘liberalism, the liberal art of government, is forced to determine the precise extent to which and up to what point . . . individual interests . . . constitute a danger for the interest of all. The problem of security is the protection of the collective interest against individual interests . . . The game of freedom and security is at the very heart of this new governmental reason’ (Foucault *et al.* 2008, p. 65). For Foucault, freedom is not the objective but a production of liberalism. Liberalism is a way of governing that circulates power in a particular way, through the theory of right, mechanisms of discipline and apparatuses of security. Thus, the interplay of freedom and security is not a paradox to be escaped but the very definition of liberalism. Foucault points out that this interplay has important effects: liberalism is a ‘victim from within’ of ‘crises of governmentality’ because of the interplay of security and freedom (p. 68).
Foucault produces his own unique diagram of liberalism, on which the categories ‘political’ and ‘economic’ are not easily representable since Foucault does not distinguish aspects of either in his analysis. In fact, by defining liberalism as governmentality, he declares that, in liberalism, issues of power and the state and issues of the market are inextricably united, though governmentality is bigger than the union of the two (figure 4).

**Neoliberalism**

Foucault

In his fourth lecture of those collected in *The Birth of Biopolitics* (Foucault *et al*. 2008) Foucault shifts from an analysis of liberalism as governmentality and takes up the topic of neoliberalism. His remarks on neoliberalism have been influential on recent academic uses of the term, but those uses often abstract from the specificity of Foucault’s project and present an overly general and confused idea of Foucault’s analysis of neoliberalism. To avoid this issue, I briefly summarize his remarks.

Foucault identifies two main forms or historical contexts of neoliberalism, the German form deriving from a critique of Nazism and the American form deriving from a critique of Keynes and the New Deal (Foucault *et al*. 2008). According to Foucault, German neoliberalism emerged out of the post-war context of reconstruction based on Keynesian policy. The progenitors of German neoliberalism were the Freiburg School of ordoliberalism. According to Foucault, ordoliberals believed that Nazism was the result of anti-liberal interventions. Following the ordoliberals, German neoliberalism therefore endeavored to found the legitimacy of the state on the market itself (Foucault *et al*. 2008, p. 84). For Foucault, this reversed the problematic of liberalism of how to limit government to allow economic freedom. German neoliberalism called for ‘a state under the supervision of the market rather than a market supervised by the state’ (p. 116). This amounted to ‘a new programming of liberal governmentality’ (p. 94).
According to Foucault et al. (2008), American neoliberalism developed in response to the New Deal and Keynesianism as well as the expansion of federal government programs addressing poverty, education and segregation. However, he also suggests that liberalism in the United States was already neoliberalism from the beginning: ‘liberalism played a role in American during the period of the War of Independence somewhat analogous to the role it played in Germany in 1948: liberalism was appealed to as the founding and legitimizing principle of the state’ (Foucault et al. 2008, p. 217). For Foucault, American (neo)liberalism ‘is a whole way of being and thinking’ not just a form of government (p. 218). It is ‘a general style of thought, analysis and imagination’ (p. 218–219).

According to Foucault et al. (2008), American neoliberalism uses ‘market economy and the typical analyses of the market economy to decipher non-market relationships’ (p. 240). Foucault analyzes the theory of human capital, which reverses the Marxist conception of labor. In the theory of human capital people work for a wage, which is an income, not a price for a good sold. Thus, ‘an income is quite simply the product or return on a capital’, human capital (p. 224). The human does not have labor power as a commodity but is an enterprise. This is sort of a return to homo-economicus, but he is now ‘an entrepreneur of himself’ (p. 225–226). The theory of human capital leads to an economic analysis of almost anything, like medical care or public hygiene, as contributions to human capital. Thus, for Foucault, American neoliberalism is about the application of economic analysis to all phenomena.

Orthodoxy of criticism

The term neoliberalism has been taken up enthusiastically in critical analyses in recent years. Criticisms of neoliberalism can be divided roughly into three camps, though in most work, these veins of criticism overlap and intersect in messy and often confusing ways. In the first camp are the Foucauldians who draw on Foucault’s comments on neoliberalism that I have just summarized. Although Foucault was writing in the late 1970s and differentiated his own description of neoliberalism geographically, his work is sometimes summarily translated into the present. A second camp of Marxists draws on Marxist political economy to frame neoliberalism as the dominant capitalist ideology of the present. A third camp, which might be called the epochalists, uses neoliberalism as one of a set of epochal concepts to describe recent economic developments in conceptual terms. In this camp, neoliberalism loses some of its specificity as a term and authors variously attribute political, economic, cultural and social phenomena (globalization, financialization, deregulation, economic inequality, individualization, entrepreneurialism, the extension of economics or market logic into all areas of life), to what might be described as
the ideology, language, political philosophy, project, conspiracy or rationality of neoliberalism. The diversity of uses to which the term is currently put is a serious challenge to its utility as a critical concept. However, despite its overuse in critical work, the term can and should be recuperated. In what follows, I first review an example of each of the camps within the orthodox criticism of neoliberalism that I have just described. Second, I review work in a forth, minor camp and that opens the path to recuperating the concept.

Wendy Brown’s (2003) article, ‘Neo-liberalism and the End of Liberal Democracy’ is an example of the Foucauldian camp of criticism of neoliberalism. Following Foucault, Brown seeks to define neoliberalism as a political rationality that extends and disseminates ‘market values to all institutions and social action’ (p. 7). The ‘neo-liberal political rationality’ casts all dimensions of life in terms of a market rationality, conceives of the market and rational economic behaviour as things that must be constructed through intervention, prescribes citizen-subject’s to be entrepreneurial and responsible for themselves and directs social policy to all these ends (p. 9–17). Brown explains the post-9/11 erosion of civil liberties in the United States as a recasting of democracy in a neoliberal mode; civil liberties are not important, only the safety of our economic existence. Neoliberal governmentality ‘resignifies democracy as ubiquitous entrepreneurialism’ and in so doing easily substitutes economic imperatives for democratic ones, both at home and abroad (p. 28).

Brown’s (2003) explanation of the political rationality of neoliberalism is a review of Foucault’s discussion of various forms of neoliberalism in different countries and during different periods ranging from the 1930s to the 1960s. Brown dismisses the importance of the differences within Foucault’s analysis, who she cites through Lemke, saying ‘I shall be treating contemporary neo-liberal political rationality without attending to these differences in some of its source material’ (p. 8). But this raises the question of how she can justify her description of the current ‘neo-liberal political rationality’. Brown presents contemporary neoliberalism as an amalgam all the various strands Foucault identified in different times and locations with no empirical support, even of the modest type Foucault himself cites. Brown’s analysis of the post-9/11 period takes for granted what neoliberalism is and declares that the erosion of liberal democracy is its effect. Her argument seems intuitively correct. Yet her attribution of these developments to neoliberalism does nothing to clarify either neoliberalism or the mechanism by which the developments have been achieved. In this way, Brown defines neoliberalism in opposition to liberal democracy and assumes it is the same in the contemporary United States as it was in a number of countries 50 years prior, at least according to a single thinker’s work.

David Harvey’s extensive critique of neoliberalism is based in Marxist political economy. In A Brief History of Neoliberalism, Harvey (2005) defines neoliberalism as ‘a theory of political economic practices that proposes that
human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property rights, free markets, and free trade’ (p. 2) For Harvey, neoliberalism has ‘become hegemonic as a mode of discourse’ (p. 3). His goal in *A Brief History of Neoliberalism* is to tell ‘the political-economic story of where neoliberalization came from and how it proliferated so comprehensively on the world stage’ (p. 4). This story begins with the breakdown of the class compromise and the rise of ‘stagflation’ in the 1960s, both of which were symptoms of a ‘crisis of capitalist accumulation’ (p. 12). According to Harvey, neoliberalism eventually emerged as the ‘single answer’ to how to reactivate capitalist accumulation solely because it benefited upper classes through ‘redistributive effects’ that increased social inequality (p. 16).

For Harvey (2005), neoliberal theory coalesced in the Mont Pelerin Society meetings of the 1940s and comprised a marginally coherent combination of neoclassical economics and commitment to personal freedom guaranteed by a coercive state (if need be). This theory was fraught with contradictions but its proponents, especially Hayek, waged a well-funded battle of ideas that they eventually began to win in the 1970s when neoliberalism became ‘a new economic orthodoxy regulating public policy’ (Harvey, 2005, p. 22). But he also claims that neoliberalization in the United States was wrought by the omnipotent corporate sector, who parlayed their wealth into total power through influence on state and government. For Harvey, neoliberalism works by ‘accumulation by dispossession’ of lower classes within the United States and United Kingdom and in developing countries. Accumulation by dispossession is a process of privatization, financialization, management of crises and state redistribution (p. 160–164). The financial system is the main center of redistribution and ‘the real cutting edge of accumulation by dispossession’ (p. 162).

Ultimately, for Harvey (2005), ‘neoliberalization has been a vehicle for the restoration of class power’ though the new elite class is managers and financiers rather than owners of the means of production (p. 31). Neoliberalism as an economic theory and discourse serves as the ideological cover for this dynamic. He writes, ‘It has been part of the genius of neoliberal theory to provide a benevolent mask full of wonderful-sounding words like freedom, liberty, choice, and rights, to hide the grim realities of the restoration or reconstitution of naked class power…in the main financial centres of global capitalism’ (p. 119). Thus, Harvey uses the term neoliberalism as a classically defined dominant ideology. Even though he notes the contradictions internal to neoliberalism (and all classically defined ideologies have them), he suggests that the ideology is coherent enough to produce accumulation by dispossession with enormous success. In Harvey, neoliberalism is not so much a new economic theory or organization of world power as a variant of a very old concept: it is the current version of the dominant ideology that serves the class in power.
Instead of defining neoliberalism as a political rationality or dominant ideology, some authors use it as one of a number of epochal concepts to characterize recent historical and economic developments. Joshua S. Hanan (2010) uses neoliberalism in this way in his reflection on the housing crisis entitled ‘Home is Where the Capital is’. Hanan suggests that homeownership became ‘an immaterial site of convergence’ as part of the general ‘transformation of governance between...disciplinary societies’ and...societies of control’ (p. 177). For Hanan, neoliberalism is ‘new regime of accumulation’, a ‘philosophy’, ‘an ethico-political logic’, ‘a globally deregulated economic regime’ and ‘biopolitical production’ (p. 181, 182, 193, 194). Hanan’s description of the effects of neoliberalism on homeownership sometimes echoes Harvey: sub-prime loans are ‘a new way of gaining complacency from [capital’s] underclass’ (p. 187). At other times, Hanan seems to treat neoliberalism as equivalent to immaterial labor: neoliberalism emphasizes ‘immaterial organization’ and thereby allows surplus value to be ‘extracted from nearly every individual action’ (p. 187, 182).

Hanan’s (2010) piece, while a welcome effort in its attention to economic matters sometimes neglected by critical scholars, does not help us understand the housing crisis as anything more than another unsurprising event in the epoch of neoliberalism/financialization/immaterial labor/control societies. Like too many readers of Foucault and Deleuze, he assumes with little argument that disciplinary societies have given way to societies of control, which he equates with neoliberalism and also biopolitical production and immaterial production. Hanan’s article is an example of the third, epochal, camp of orthodox criticism of neoliberalism. All three camps take the definition of the concept for granted, by either relying on the important work of Foucault on the subject, assuming that it is nothing more than the dominant ideology of the contemporary moment, or allying it with other epochal concepts that also suffer from sometimes crippling ambiguity.

There is another, minor strand of criticism of neoliberalism that takes a different approach to using the term. Instead of assuming a definition in advance, scholars in this strand grapple with its ambiguity and use it reflexively to engage in empirical work that also helps to better define the term. Next, I review major works in this strand that open the way and provide me with some of the tools needed to develop my own approach to neoliberalism.4

In the opening sentences of her book Neoliberalism as Exception, Aihwa Ong (2006) acknowledges the overwhelming polysemy of the term neoliberalism and especially its definition as an economic doctrine and market ideology. Drawing on Foucault’s notion of governmentality, she defines it instead as ‘mobile calculative techniques of governing’ (Ong 2006, p. 13). Her book explores the way that neoliberalism differentially aligns ‘market rationality, sovereignty and citizenship’ in different non-Western contexts, each of which she investigates empirically (p. 3). In these contexts, Ong does not seek merely to find neoliberalism at work or attribute current developments to it,
but to explore its uneven extension as either ‘neoliberalism as exception’ or ‘exceptions to neoliberalism’ (p. 3).

Although Ong (2006), like Brown, seems to assume the definition of neoliberalism, in part by drawing on Foucault and his interpreters, she operationalizes the term in a very different way. Far from a stable ideology or programme, neoliberalism is defined for Ong by its exceptional nature and exceptions to it. Defined this way, neoliberalism has consequences for citizenship and sovereignty that cannot be assumed in advance but must be empirically identified. Neoliberalism is ‘an array of techniques centered on the optimization of life, neoliberalism migrates from site to site, interacting with various assemblages that cannot be analytically reduced to cases of a uniform global condition of ‘Neoliberalism’ writ large’ (Ong 2006, p. 14). For Ong, the only intelligible analysis of neoliberalism is within ‘a context-specific inquiry’ that describes the process of contingent, discontinuous application of some neoliberal ideas and not others in particular contexts with particular effects (p. 17).

In ‘Living With/in and Without Neo-liberalism’ John Clarke (2008) bemoans the promiscuity, omnipresence and omnipotence of the over-stretched term neoliberalism and suggests that we might do best to retire it. Sparing that, he suggests some new ways to think about neoliberalism that keep it ‘open’ (p. 145). Rather than allowing neoliberalism to become ‘the next-generation “globalization” concept’ by seeing it everywhere, Clarke suggests, drawing on Ong’s work, that ‘neo-liberal strategies realign...formations of spaces scales and sovereignties’ (p. 137, 144). Similarly, neoliberalism ‘involves articulating practices—appropriating other discourses, practices, and even imaginaries and inflecting them’ (p. 144). Clarke’s analysis builds on Ong’s conception of neoliberalism as exception and exceptions to neoliberalism by emphasizing the ‘double process of assemblage and articulation’ by which neoliberalism articulates things into its repertoire and articulates itself into specific assemblages (p. 144). Conceiving of neoliberalism in this way acknowledges the ambiguity of the set of ideas, discourses, practices and effects that can be described as neoliberal in any particular context without completely abandoning the notion of a specific neoliberal character. It also highlights what difficult work it will take to describe, in even a single context, the evolution of neoliberal ideas and practices engaged in the processes of articulation and assemblage. The authors whose work is collected in the book The Road From Mont Pèlerin have, in my opinion, begun that difficult work. My own approach to neoliberalism therefore draws heavily on these authors. It is to a review of a selection of their chapters that I now turn.

In the introduction to The Road From Mont Pèlerin, Dieter Plehwe (2009) suggests that neoliberalism should be understood as a global ‘thought collective’ inaugurated in the Mont Pèlerin Society (MPS) formed in 1947 and consisting of scholars, think tanks, journalists, corporate leaders and politicians (p. 4). The global thought collective of MPS and the networks it has
created have formed ‘a comprehensive transnational discourse community’ that ‘has conscientiously developed the neoliberal identity for more than sixty years’ (p. 5, 4). Plehwe describes the collective as ‘transdisciplinary’, ‘interdisciplinary’ and ‘transacademic’ and sharing a common ‘desire to learn how to effectively oppose what they summarily described as collectivism and socialism and to develop an agenda diverging from classical liberalism’ (p. 6). Over time, the thought collective produced a ‘complex and efficient knowledge machinery’ with a ‘fine-grained division of intellectual labor’ that combined ‘elite scholarship with popular writing’ (p. 6).

In their chapter, ‘The Rise of the Chicago School of Economics and the Birth of Neoliberalism’, Rob Van Horn and Philip Mirowski (2009) describe the specificity of neoliberalism in the American context around the time of the founding of the Mont Pèlerin Society. According to them, the corporate-backed Volker Fund initiated the push for Hayek to come to the United States to write an American Road to Serfdom. Hayek subsequently formed the Free Market Study at Chicago, funded by the Volker fund, which sought, in line with its corporate patron ‘to define the political promise of a new, more economically oriented liberalism’ (p. 152). They suggest that the Chicago School of Economics diverges in important ways from the MPS, especially in holding that no economic transaction can be coercive, that politics is just an inferior market process and that corporate power is always benign. Hayek never completed the American Road to Serfdom. Instead, it was Milton Friedman’s Capitalism and Freedom that completed the contract. For Van Horn and Mirowski, Friedman’s book is ‘a corporate neoliberal version of Road to Serfdom’ that reeks of its corporate funding (p. 166).

In ‘Reinventing Monopoly and the Role of Corporations’, Van Horn (2009) looks at the specific issue of the role of monopoly in the evolution of neoliberal theory at the Chicago School. According to Van Horn, German ordoliberals in the 1940s believed that competition was the keystone of liberal economic policy and advocated the elimination of monopolies. Chicago economists agreed with these premises as late as 1947 and advocated state action to prevent monopoly. Van Horn argues that the Chicago School constructed a new, neoliberal position on monopoly during the course of the Free Market Study (1946–1952). In 1950, the head of the study Aaron Director wrote that competition, on its own and especially without the aid of government intervention, had the ‘“effective tendency” to “destroy all types of monopoly”’ even in concentrated industries (p. 217). In 1951, Milton Friedman echoed this shift, declaring that the power of monopoly had been ‘considerably exaggerated’ and that even where monopoly existed the economy performed ‘as if’ it were competitive (p. 220). For Van Horn, this ‘marked a crucial watershed in the emergence of neoliberalism at Chicago’ (p. 219).

Finally, Philip Mirowski’s (2009) postface ‘Defining Neoliberalism’ thinks through some of the implications of the chapters collected in The Road From
Mont Pélerin for understanding contemporary neoliberalism. For Mirowski, the neoliberal ‘thought collective’ is not a conspiracy but ‘an intricately structured long-term philosophical and political project’ (p. 426). The neoliberal thought collective cannot be easily pinned down but is ‘a pluralist organism striving to distinguish itself from its three primary foes: laissez-faire classical liberalism, social welfare liberalism, and socialism’ (p. 431). According to Mirowski, neoliberalism is a project of epistemological transformation aimed at ‘winning over intellectuals and opinion leaders of future generations’ by ‘redefining the place of knowledge in society’ (p. 431). These efforts ‘succeeded in constructing and deploying elaborate social machinery designed to collect, create, debate, disseminate, and mobilize neoliberal ideas’ and thereby produced ‘a new technology of persuasion’ (p. 432).

Mirowski (2009) also lists 11 doctrines that the neoliberal thought collective held by the 1980s: conditions of a good society must be constructed, the market is the most powerful information processor, market society must be presented to the public as natural, the state must be redefined under ‘constrained democracy’, democracy and politics should be understood in economic terms, freedom can only be negative, ‘capital has a natural right to flow freely across national boundaries’ unlike labor, wealth inequality is necessary for the ideal market system, corporations are people but they can do no wrong, the properly engineered market can always correct itself, and neoliberal theory should serve as a moral code (p. 437–440).

These chapters from The Road From Mont Pélerin go a long way towards clarifying some of the origins of neoliberal ideas, especially the diversity, internal conflict and intent of their development. The authors agree that the production of neoliberal ideas was a concerted project aimed at not only reorganizing society but also reorganizing the role of elite knowledge production in society.

A new approach

I want to offer a different way to use the term neoliberalism that brings both a more specific definition of neoliberalism and requires a specific type of research. First, I want to define neoliberalism as a form of governmentality that operates in two, co-constitutive but analytically distinguishable modes. The first mode is theoretical, though not solely discursive or ideological. This is the level of the knowledge apparatus and epistemological project described by Plehwe and Mirowski and focused on the production and dissemination of ideas. The second mode is one of articulation. This encompasses what Clarke (2008) describes as the ‘double process of assemblage and articulation’ by which neoliberalism articulates to other processes and discourses and articulates itself into specific assemblages (p. 144). I do not mean to suggest a simple separation of ideation and practice but rather a more self-consciously intentional intellectual project of producing neoliberal ideas and a process of
articulation that may involve not only intentional policy initiatives but also cultural processes of appropriation, challenge and struggle that are suffused with the circulation of power but not determined in advance by the power of the knowledge apparatus at work in the first mode. The theoretical mode is only ‘first’ analytically speaking, since ideation and articulation are constantly forming and informing one another — practice begets new ideas and ideas beget new practice.

Yet distinguishing these modes of neoliberalism provides a number of advantages over the current orthodoxy of criticism of neoliberalism. It acknowledges that theoretical developments matter. One cannot understand neoliberalism without understanding the epistemological project of the neoliberal thought collective. However, one cannot assume that even a more detailed, extra-Foucauldian description of neoliberal theory delivers a salient description of contemporary events. Neoliberal theory is articulated into contexts; it does not mechanistically achieve the goal of restoration of class power or any other assumed goal. Conceiving of neoliberalism in a theoretical and articulation mode demands that the analyst explain how the two are connected. In so doing, she may find fissures, weak spots and failures that open possibilities for change. The example of finance demonstrates the strength of this approach. Although Harvey suggests that finance plays a key role in neoliberalization, neither he nor any of the other writers I have reviewed discuss finance in the context of neoliberal theory. While this may be due to the relative datedness of the focus of Foucault’s comments and *The Road From Mont Pèlerin*, it may also be the case that the articulation of neoliberal ideas to finance can only be understood through ‘a context-specific inquiry’ (Ong 2006, p. 17). Understanding the role of finance in neoliberalism will require reflexive empirical research in the second mode.

A hypothesis

In addition to suggesting the two modes of neoliberalism I have described, the theoretical histories of neoliberalism reviewed above lead me to suggest a tentative but broad hypothesis about the theoretical mode of neoliberalism. I argue that neoliberalism is in some ways continuous with liberalism as Foucault defined it. For Foucault, liberalism is a form of governmentality, a particular regime of power, which includes a theory of right, mechanisms of discipline and apparatuses of security. Against those authors who would claim that sovereignty or discipline has given way to governmentality or biopolitics, I believe that Foucault’s analysis allows us to see that right, discipline and security (through biopolitics) are all still very much at play, though the degree and character of their role in the current regime of power may be different from in previous contexts. Juridical institutions play a crucial role in the current context, e.g. in defining corporations as individuals with First Amendment protections in the Citizens United Supreme Court case.
The overwhelming majority of labor in this country, not to mention other countries, still resonates with Foucault’s description of discipline. Although welfare has been transformed and reduced in the United States in recent decades, it has not disappeared, nor have many other apparatuses of security.

I want to argue that neoliberalism is a form of governmentality that includes the original, defining conjunction of the theory of right and discipline as well as apparatuses of security. But I believe that another element or relay of power has been added to these that defines the newness of neoliberalism. Foucault’s comments on neoliberalism and the work collected in _The Road From Mont Pèlerin_ suggest that that fourth relay may relate to the role of the corporation. The theory of human capital that Foucault elaborates as a key aspect of American neoliberalism is a reframing of ‘homo economicus as an entrepreneur of himself’ or an enterprise (Foucault _et al._ 2008, p. 226). The entrepreneur can be understood as a corporation of one individual, driven by corporate imperatives. Van Horn and Mirowski argue that the influence of the corporate funded Volker Fund on the Chicago School at its inception led to the production of a corporate friendly new liberalism. For Van Horn (2009), the ‘watershed in the emergence of neoliberalism at Chicago’ was the change in perspective on monopolies from being seen as a danger to free market society that required government intervention to being seen as benign phenomena that functioned ‘as if’ they were competitive (p. 219). In his list of doctrines shared by the neoliberal thought collective by the 1980s, Mirowski (2009) lists the principle that ‘corporations can do no wrong, or at least they are not to be blamed if they do’ (p. 438).

I want to suggest that the ‘neo’ in neoliberalism is given in part by the role of the corporation. It seems that the epistemological project of neoliberalism refigures society as an economic system of corporations. Individuals are refigured as corporations or entrepreneurs and corporations are treated as individuals. Rights are refigured as corporate rights, freedoms as corporate freedoms and even apparatuses of security are aimed at corporations (‘corporate welfare’). The free, well functioning society is one composed of corporations, whether of one or many individuals, and operating according to corporate logic. I refer to this refiguration of society, awkwardly, as ‘corporism’ to distinguish it from corporatism. Under my hypothesis, the diagram of neoliberalism as a form of governmentality would look like this (figure 5).

However, I have to qualify this hypothesis in two ways. First, suggesting that corporism is a defining aspect of the theoretical or epistemological mode of neoliberalism on the basis of the sources I just cited is not rigorous enough. Research that engages more recent theoretical texts produced by the knowledge machinery of the neoliberal thought collective, such as think tank white papers, journalistic pieces and scholarly theories, is certainly necessary to make a firmer claim.
Second, I cannot here fully support this hypothesis in terms of the articulation mode of neoliberalism. To do so would require reflexive empirical research to determine whether and in what contexts theoretical corporism is operationalized and with what (exceptional) effects. However, I can suggest an example that might serve as a useful starting place for such research. For the past 3 decades, public- and private-defined benefit pensions have been waning while so-called defined contribution plans such as 401(k)s have been gaining in popularity. The shift away from traditional pensions and towards individual self-funded and managed retirement savings is emblematic of the privileging of the corporation in neoliberalism. First of all, traditional pensions require corporations to invest pension funds and guarantee benefits, subjecting the corporation to market risk and leaving them ‘on the hook’ as long as employees live. 401(k) plans shift that risk and responsibility onto workers, reinforcing the privilege of corporations. This shift of risk and responsibility also resonates with the injunction to be an entrepreneur of oneself or an individual enterprise. Individuals must plan for their financial futures as corporations would, making calculations about future needs and current expenditures. They must also put their very lives at the whim of financial markets, a reality that came home to roost for those near retirees whose 401(k)s were decimated during the financial crisis.

Colin Crouch’s (2011) book *The Strange Non-Death of Neoliberalism* also supports the corporism hypothesis. Crouch suggests that the neoliberalism today may be much more about the power of the corporation than the supposed drive to free markets. Crouch argues that certain aspects of neoliberal theory such as seeing firms as individuals and measuring ‘consumer welfare’ rather than consumer choice lead to a condition in which private corporations have immense extra-democratic power in practice (p. 55). The state/market dichotomy does not actually capture the reality of contemporary capitalism; supposed neoliberal interventions such as privatization and deregulation do not produce pure or even near competitive markets but instead provide corporations with lucrative contracts, entry and exit barriers (most famously ‘too big to fail’ status) and unprecedented power and wealth. In Crouch’s view, ‘the politics of the early twenty-first century... has become, not a confrontation at all, but a series of comfortable accommodations among’ the state, the market and giant corporations (p. viii).
Crouch’s work is instructive, since unlike many authors, he does not take neoliberalism’s own rhetoric about itself — that it is about free markets and competition — for granted. He explains the way that neoliberal ideas become corporate privilege in practice by mapping some of the connections between the theoretical and articulation modes of neoliberalism. He concludes that a key result of these connections is the increasing power and domination of corporations. More such work is needed. Neoliberalism exists in the conjunction of the theoretical and articulation modes, and the articulation mode can only be grasped through empirical work that uses the concept of neoliberalism but also speaks back to it.

While I cannot offer more on the articulation mode of corporism here, I conclude this paper with a short reading of Milton Friedman’s (2002) *Capitalism and Freedom* as a brief attempt to engage corporism in the theoretical mode. I attempt to read both for and against the hypothesis I have tentatively advanced as a small and circumscribed test of the strength of my suggestion that neoliberalism can be defined as a form of governmentality comprising a theory of right, mechanisms of discipline, apparatuses of security and corporism. This can here only be an exercise in engaging a significant but singular text as emblematic of the theoretical mode of neoliberalism but I hope it can also open the space for research into the role of the corporation in the articulation mode as well.

*Capitalism and Freedom*

In *Capitalism and Freedom*, Friedman (2002) draws on a notion of right throughout with his use of the term ‘freedom’. Government must ‘protect our freedom both from the enemies outside our gates and from our fellow-citizens’ (Friedman 2002, p. 2). Its major functions are ‘to preserve law and order, to enforce private contracts, to foster competitive markets’ (p. 2). At least the first two are classical liberal rights in tune with Foucault’s definition of the theory of right. Mechanisms of discipline are also on display in Friedman, even to the point of examples that perfectly mimic Foucault’s own. Friedman writes, ‘freedom is a tenable objective only for responsible individuals’ and ‘paternalism is inescapable for those whom we designate as not responsible’ (p. 33). The two groups who he designates as not responsible are ‘madmen or children’, arguably two sets of individuals that are not (yet) properly disciplined (p. 33).

Freidman’s discussion of madmen enters the realm of apparatuses of security. Regarding madmen, Friedman (2002) suggests that since ‘we are willing neither to permit them freedom nor to shoot them’, and since charity may fall short ‘we may be willing to arrange for their care through government’ (p. 33). He also advocates for security when it comes to the government’s role in regulating money. While he admits that government ‘must have some responsibility for monetary matters’, it must not be in an
activist sense of control but only a limited power to allow the money supply to properly regulate itself. For Friedman, this can be achieved by government ‘legislating rules for the conduct of monetary policy’ so that there is ‘government of law instead of men’ (p. 51). Such rules would influence people’s expectations and these expectations would affect people’s actions to control the money supply. Government should only enable the process, not control it. That is an apparatus of security.

Friedman does not advocate the same security apparatuses that could be found in liberal governmentality in earlier periods though. He gives a laundry list of government activities that are not justifiable: price parity supports, tariffs, output controls, rent control, minimum wage, detailed regulation of industry, censorship by the FCC, social security, licensure provisions, public housing, military conscription, national parks, prohibition of carrying mail for profit and toll roads. Therefore, I must add the caveat that, although neoliberal theory advocates apparatuses of security, they are different from those of liberalism.

Corporism is evident as well, though Friedman (2002) does often reference ‘individuals’ and ‘individual freedoms’. For example, he writes, ‘as liberals, we take freedom of the individual, or perhaps the family, as our ultimate goal in judging social arrangements’ (p. 12). However, when he endeavors to explain society, he immediately references household production rather than individual existence: ‘A working model of a society organized through voluntary exchange is a free private enterprise exchange economy... In its simplest form, such a society consists of a number of independent households... Since the household always has the alternative of producing directly for itself, it need not enter into any exchange unless it benefits from it’ (p. 13). Friedman’s model of society not only represents the base unit of society as a productive household, i.e. a corporation, but also slickly negates the underlying premise of Marxist socialism, that workers are compelled to sell their labor power. Unlike Marx’s capitalism, Friedman’s is non-coercive, precisely because individuals or families are enterprises or corporations unto themselves. Friedman’s corporism is also evident in his discussion of monopolies. He suggests that monopoly has not had very much impact on the economy and that most monopolies result through government assistance. Though he admits that monopoly that inhibits freedom of exchange is an evil, he also suggests that private monopoly, as opposed to public monopoly or public regulation, is the least of the evils.

In this reading of Friedman’s Capitalism and Freedom, the four elements of the definition of neoliberalism as governmentality that I have suggested are evident: a theory of right, mechanisms of discipline, apparatuses of security and corporism. Although each of the first three were elements of liberalism as defined by Foucault, I think it is important to note that none remain unchanged in the move to neoliberalism. There is a need for further empirical research both to examine the ideas produced by the knowledge machinery of the
neoliberal thought collective and to understand the complex exceptions of the articulation mode. Perhaps one way to proceed in the first endeavor is to examine the archive of neoliberal ideas with an eye towards understanding the transformation of the theory of right, mechanisms of discipline and apparatuses of security specific to neoliberal as opposed to liberal ideas. This, with a fuller development of corporism and empirical investigation into the contextual articulations of these ideas in the contemporary context would go a long way to recuperating neoliberalism as a critically useful concept.

Notes

1 Foucault *et al.* (2007) defines governmentality as the ‘ensemble formed by institutions, procedures, analyses and reflections, calculations, and tactics that allow the exercise of this very specific, albeit very complex, power that has the population as its target, political economy as its major form of knowledge, and apparatuses of security as its essential technical instrument’ (p. 108).

2 Foucault claims that American and German neoliberalism share the idea of society as comprised of enterprises.

3 According to Philip Mirowski (2009), Harvey ‘has simply conflated neoliberalism with neoclassical economics’, an error that glosses over a serious rift over the ‘mechanical image of how society works portrayed within neoclassical economic theory’ between Friedmanite and Hayekian wings of the Mont Pèlerin Society (p. 421, 442, 441).

4 Peck’s (2010) book *Constructions of Neoliberal Reason* could also be included in this minor strand. Peck labels his work historical geography and traces what he calls the ‘tangled prehistories’ and forward failures of neoliberal practice (p. 5). Peck also cites Ong and Clarke on the need to attend to the always messy and hybrid neoliberal realities that often get lumped together as a too coherent ideology. Like Ong and Clarke, Peck is interested in the back and forth of neoliberal theory, which he characterizes as anti-statist, at least in its Chicago School vein, and neoliberal practice, which in his view has been largely pragmatic, hybrid and coexisting alongside other forms. Despite the fact that Peck believes neoliberalism centers on market rule as a form of governance and perhaps therefore is less inclined to see that in practice market rule, even in some hybrid, pragmatic form, is not always the principle enactment of neoliberal ideas, this paper calls for more work like his project.

5 This assertion conflicts in some subtle ways with Foucault, who attributes the transformation in perspective on monopoly precisely to the ordoliberals. The issue may be one of timing, since Foucault mixes sources from the 1930s, especially the second Walter Lippmann Colloquium with texts written by European neoliberals and ordoliberals in the 1950s in his analysis. Van Horn in contrast suggests that the transformation in perspective among the Chicago
School on monopoly occurred around 1950. A similar transformation may have taken place for the ordoliberals at this same time as well.

Interestingly, Foucault et al. (2008) attributes the neoliberal policy of the ‘as if’ to Leonhard Miksch, an ordoliberal, in a 1937 text (p. 153). This seems to contradict Van Horn’s timeline.

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References


