

THE ROAD FROM  
MONT PÈLERIN

*The Making of the  
Neoliberal Thought Collective*

---

EDITED BY

Philip Mirowski

Dieter Plehwe

HARVARD UNIVERSITY PRESS

Cambridge, Massachusetts

London, England

2009

# Contents

Introduction 1

*Dieter Plehwe*

## PART ONE Origins of National Traditions

1 French Neoliberalism and Its Divisions: From the  
Colloque Walter Lippmann to the Fifth Republic 45

*François Denord*

2 Liberalism and Neoliberalism in Britain,  
1930–1980 68

*Keith Tribe*

3 Neoliberalism in Germany:  
Revisiting the Ordoliberal Foundations of the  
Social Market Economy 98

*Ralf Ptak*

4 The Rise of the Chicago School of Economics  
and the Birth of Neoliberalism 139

*Rob Van Horn and Philip Mirowski*

## PART TWO Arguing Out Strategies on Targeted Topics

- 5 The Neoliberals Confront the Trade Unions 181  
*Yves Steiner*
- 6 Reinventing Monopoly and the Role of Corporations:  
The Roots of Chicago Law and Economics 204  
*Rob Van Horn*
- 7 The Origins of the Neoliberal Economic Development  
Discourse 238  
*Dieter Plehwe*
- 8 Business Conservatives and the Mont Pèlerin  
Society 280  
*Kim Phillips-Fein*

## PART THREE Mobilization for Action

- 9 The Influence of Neoliberals in Chile before,  
during, and after Pinochet 305  
*Karin Fischer*
- 10 Taking Aim at the New International  
Economic Order 347  
*Jennifer Bair*
- 11 How Neoliberalism Makes Its World:  
The Urban Property Rights Project in Peru 386  
*Timothy Mitchell*
- Postface: Defining Neoliberalism 417  
*Philip Mirowski*
- List of Contributors 457
- Index 459

# Introduction

DIETER PLEHWE

Neoliberalism is anything but a succinct, clearly defined political philosophy. Both friends and foes have done their share to simplify, if not popularize, neoliberal worldviews. Paradoxically, Margaret Thatcher's "TINA" (*there is no alternative*) corresponds with the left-wing critique, which posits that neoliberalism is best understood as an economic *pensée unique* (a concept popularized by Pierre Bourdieu). Growing self-confidence on the right coincided with an increasingly frustrated (old) left during the upheavals of the 1980s and 1990s, with both sides eventually converging on a perspective of a neoliberal one-dimensional man. In terms of academic disciplines, the neoliberal continues to be stereotypically imagined as a neoclassical economist (Harvey 2005, 20). This ignores the fact that interdisciplinary Austrian and ordoliberal (German/Swiss) reservoirs of neoliberal thought have been clearly at odds with neoclassical orthodoxy, as are more recent variations of (rational-choice-based) neo-institutionalism. It is curious to note how many pivotal historical contributions to neoliberalism are not recognized by subsequent generations. In Germany, for example, most scholars will raise their eyebrows if ordoliberal inspirations of the social market economy are vilified as neoliberal. But contrary to many who readily identify neoliberalism with Austrian economics, Foucault (2004, 112f.)

suggested that ordoliberalism has a legitimate claim to the neoliberal title because of its strong emphasis on the social character of economic relations. Although Foucault's juxtaposition of Austrian economics and German neoliberalism underestimates the Austrian contributions to the social construction of neoliberal thought (much of which has been crafted in exile in the UK and the United States), he pointed toward a better understanding of the early postwar varieties of neoliberalism in Germany and the United States. But let's pause for a moment: neoliberalism in the United States?

Social movements protesting against corporate globalization have blamed the United States for most, if not all, of the neoliberal misdeeds around the globe during recent decades. Nevertheless, one feels tempted to ask: "Why is there no neoliberalism in the United States?" invoking the analogy to Werner Sombart's famous question pointing to the absence of (European-style) socialism in the New World. Indeed, the term *neoliberalism* is hardly ever used to describe the U.S. configuration of "free market" forces, which mostly sail under the flags of libertarianism and neoconservatism. A prominent insider in U.S. neoconservative circles, Edwin J. Feulner of the Heritage Foundation, has felt compelled to clarify usage of the term in the United States. He maintains that the neoliberal intellectuals' Mont Pèlerin Society was founded "to uphold the principles of what Europeans call 'liberalism' (as opposed to 'statism') and what we Americans call 'conservatism' (as opposed to 'liberalism'): free markets, limited governments, and personal liberty under the rule of law" (Feulner 1999, 2).<sup>1</sup> Unlike socialism, neoliberalism flourished in the United States, even if it was more obscured here than elsewhere in the world.

In order to avoid superficial distinctions of neoliberalism and neoconservatism and the premature identification of one school of neoliberal thought with the whole, we need to recognize and closely examine the numerous and transnational linkages and dimensions of neoliberalism. Philip Czerny (2008) recently repeated calls to subject neoliberalism to comparative research (Overbeek 1993; Plehwe et al. 2006) and attempted to distinguish contemporary varieties of neoliberalism. Much like welfare state capitalism during the postwar era of Fordism, hegemonic neoliberalism<sup>2</sup> needs to be thought of as plural in terms of both political philosophy and political practice. The comparative research required to improve understanding of the historical and present pluralism within neoliberal confines clearly needs to go beyond isolated text and author. Rather, the need is to explore the numerous and sometimes confusing ways in which neoliberal ideas have been historically related to each other, to social classes, and

to political and economic regimes. Although individual freedom served as a key value of neoliberalism in the effort to rally the opposition against the socialist regimes of Eastern Europe (Wainwright 1994), it continues to be difficult to reconcile the neoliberal message of individualism and freedom with the history of authoritarian neoliberal regimes in Latin America, for example.<sup>3</sup>

Because of the existing variety of neoliberalisms and their obscure history in different countries, disciplines, and discourses, the meaning of neoliberal scholarship and ideology needs to be clarified. Thus the purpose of this book is to examine closely what became one of the most important movements in political and economic thought in the second half of the twentieth century. A superficial acquaintance with the history of ideas and the social forces that nurtured those ideas does not suffice to obtain a clear perspective of either the scope and depth of neoliberalism or its rapid growth. Considering the expansion of neoliberalism over the last few decades, Perry Anderson (2000) speaks of a universal ideology. The extent to which neoliberal ideas have been widely accepted, even in nominally hostile environments of Social Democratic parties or formerly communist regimes such as China, requires closer scrutiny if the authority of neoliberal knowledge is not simply taken at face value.

In this volume, we revisit the historical origins of neoliberal knowledge in four countries—France, Germany, the UK, and the United States; we sample some of the key debates and conflicts among neoliberal scholars and their political and corporate allies during the 1950s and 1960s regarding trade unions, development economics, antitrust policies, and the influence of philanthropy; and then we explore the ways in which disagreement has been managed to bolster neoliberal claims to authoritative knowledge in structuring public and private affairs at national and international levels in Chile, Peru, and the United Nations. This book was written by a transnational and interdisciplinary slate of authors, covering a transnational but chronologically limited selection of topics in an effort to explain and better understand one of the most powerful bodies of political knowledge of the current era. Because the neoliberals were never parochial,<sup>4</sup> it would seem prudent for us to imitate their cosmopolitan stance. Diversity of nationalities and disciplines is necessary because neoliberalism remains a major ideology that is poorly understood but, curiously, draws some of its prodigious strength from that obscurity. There are ways, however, to shed light on crucial networks of people and organizations as well as channels of communication cutting across knowledge domains, social status groups, borders, and cultures that were crucial to the rise of neoliberalism to hegemony.

## Identifying Self-Conscious Neoliberals in Time and Space: Studying the Mont Pèlerin Society

Neoliberalism must be approached primarily as a historical “thought collective”<sup>5</sup> of increasingly global proportions. The following chapters focus on what we believe has been the central thought collective that has conscientiously developed the neoliberal identity for more than sixty years now. We will consider any person or group that bears any links to the Mont Pèlerin Society (MPS) since 1947 as falling within the purview of the neoliberal thought collective. Consequently, we will make use of the MPS network of organized neoliberal intellectuals (just over 1,000 members so far) and a closely related network of neoliberal partisan think tanks under the umbrella of the Atlas Economic Research Foundation<sup>6</sup> as a litmus test for identifying the relevant actors and their linkages to other organizations and institutions. This practice was first advocated in Plehwe and Walpen (2006) in their study of neoliberal hegemony in comparative perspective.

Depth studies of particular groups and issue areas within the range of the Mont Pèlerin Society networks like those presented in this volume are now possible owing to the rich material provided in Bernhard Walpen’s (2004a) critical history of the MPS.<sup>7</sup> These studies also draw on Ronald M. Hartwell’s (1995) “insider” history (he served as MPS president from 1992 to 1994). At least until the 1980s—when the advance of neoliberal ideas and thus the success of the original neoliberal networks led to a rapid multiplication of pretenders to the title of progenitors of neoliberalism—the MPS network can be safely used as a divining rod in order to define with sufficient precision the thought collective that has created and reproduced a distinctly neoliberal thought style in the era of its genesis. Although the influence of the MPS has arguably diminished over the last few decades, the society has nonetheless continued to perform an array of important functions, which continue to shape the further development of neoliberalism (as well as related think tank networks),<sup>8</sup> including the extension of neoliberal networks, the generation of survey data, the organization of academic conferences, the sounding of early warnings, and the campaign against perceived threats to the neoliberal cause. Occasionally, this network of individuals and organizations has attempted to authoritatively determine the broad outlines of MPS neoliberalism. James Buchanan made use of his 1986 presidential lecture at the general meeting in San Vincenzo, Italy, to explain the *neoliberal* understanding of the state, con-

trary to illusions spread by a growing number of anarchocapitalists<sup>9</sup> within the ranks of the MPS.

Among our members, there are some who are able to imagine a viable society without a state. . . . For most of our members, however, social order without a state is not readily imagined, at least in any normatively preferred sense. . . . Of necessity, we must look at our relations with the state from several windows, to use the familiar Nietzschean metaphor. . . . Man is, and must remain, a slave to the state. But it is critically and vitally important to recognize that ten per cent slavery is different from fifty per cent slavery.<sup>10</sup>

The Mont Pèlerin Society and related networks of neoliberal partisan think tanks can serve as a directory of organized neoliberalism because it is part of a rather novel structure of intellectual discourse. It has been designed to advance and integrate various types of specialized knowledge within and across the confines of philosophy, academic research in economics, history, sociology, and applied policy knowledge in its various forms. A quick glance at the programs of MPS general conferences, originally held yearly (later biannually, alternating with world regional meetings), allows us to appreciate the wide range of fields and topics discussed at these conferences (Haegeman 2004; see also Plehwe and Walpen 2006). The neoliberal thought collective was structured along different lines from those pursued by the other “epistemic communities” that sought to change people’s minds in the second half of the twentieth century.<sup>11</sup> The international academy Hayek sought was actually designed to create a space where like-minded people who shared philosophical ideas and political ideals could mingle and engage in a process of further education and collective learning dedicated to advancing a common neoliberal cause. The effort of the incipient neoliberal thought collective led to the creation of a *comprehensive* transnational discourse community.

The MPS community of neoliberal intellectuals was not restricted by a standard (pluralist, apolitical) understanding of a rigid separation of academic disciplines, or by the need to develop knowledge in a few restricted single-issue areas. Instead, the collective effort can be described as transdisciplinary (developing norms and principled beliefs guiding students in different disciplines), interdisciplinary (though mainly involving social scientists), and transacademic (though the endeavors to connect to particular audiences and the public at

large were in the main organized indirectly through think tanks and publishers). The various groups of neoliberals that joined the MPS from different countries and professional backgrounds were driven by the desire to learn how to effectively oppose what they summarily described as collectivism and socialism, and to develop an agenda diverging from classical liberalism. Scholars from different disciplines shared their expertise and debated with a select group of journalists, corporate leaders, and politicians, as well as a new breed of knowledge professionals (operating out of the rapidly proliferating neoliberal partisan think tanks). Each of these groups contributed its special resources and competencies to the collective effort. The whole truly was more than the sum of its parts, constituting complex and efficient knowledge machinery.

Though not necessarily running smoothly, over time the neoliberal networks developed an increasingly fine-grained division of intellectual labor, which the strategists of the Institute of Economic Affairs have sometimes described in military terms. According to Frost (2002), partisan think tanks that organize academic production of publications tailored to specific audiences constitute the long-range artillery; both think tanks and journalists dedicated to marketing neoliberal pamphlets (book reviews, interviews, dinner speeches, etc.) are considered the short-range artillery; whereas neoliberal politicians and other activist types are engaged in hand-to-hand combat. The perception of a need to maintain a radical stance with regard to fundamental change in the long term, rather than opportunistically subscribing to feasible change in the short term, led neoliberals to combine elite scholarship with popular writing and intermittent sophistication with populist simplification. Because many observers focus solely on the marketing side of neoliberal operations, they fail to appreciate the scholarly production network. Upon closer inspection, one can easily detect the neoliberal technologies for the creation of international reputation, including academic honors provided by neoliberal universities such as Marroquin University in Guatemala (Ayau 1990), the Milton Friedman Prize of the Cato Institute, or the Antony Fisher Prize for think tanks. The international reputation of leading members of the neoliberal thought collective has worked wonders in local fund-raising efforts to establish or expand think tanks and other organizations (Goodman and Marotz-Baden 1990; Frost 2002).

Even though neoliberal intellectuals depended on corporate funding, only a few corporate leaders were admitted to the inner sanctum of the neoliberal thought collective. Intellectuals were deeply suspicious of the opportunistic pragmatism of postwar business leaders, many of whom had embraced corpo-

ratism and planning. Consequently, among the key tasks perceived by MPS leaders was a neoliberal reeducation of capitalists (cf. Cockett 1995; Yergin and Stanislaw 1998). Yet it is not enough to merely point at the political power of economic ideas, as did both John Maynard Keynes and Friedrich Hayek, nor is it sufficient to stress the variance of political power of economic ideas due to national institutional configurations as did Peter Hall (1989). The contributions to this book have been written to help us better understand the political and economic power of *neoliberal ideas* in philosophy, economics, law, political science, history, sociology, and many other disciplines. Contemporary neoliberalism copied, extended, and refined *elitist* efforts on the Fabian model to effectively organize the power of knowledge and ideas across borders.<sup>12</sup>

### Historical Social Network Analysis: Detecting Layers of Knowledge

Perhaps an anecdote will help explain why it is necessary to accurately identify and recognize the historical importance of the MPS. The following recollections and reflections of John Williamson—the economist who coined the term *Washington Consensus* (WC)—constitutes proof that the Mont Pèlerin Society can be easily misunderstood, if not overlooked. While the structural dimensions of the historical sedimentation of knowledge in general and the occasionally powerful participation of strategic actors in authoritative deliberation and decision making have been the subject of discourse coalition research at the national level (cf. Wittrock, Wagner, and Wollman 1987; Hajer 1993), observing the Mont Pèlerin Society helps illuminate transnational discourse communities and coalitions.

John Williamson did not overlook the MPS. He has recently written some articles in which he acknowledges the role of the MPS in creating neoliberalism, but alas, not without adding tremendously to the existing confusion. Williamson (2003, 2004) has attempted to defend the Washington Consensus (WC) against popular and even professional vilification (Rodrik 1996; Stiglitz 1999). The WC combined a set of macroeconomic policies intended to restore economic stability and a set of liberalization policies aimed at structural reform. The WC's rallying cries were "structural adjustment" and "getting the prices right." Williamson's ten policy instruments included reduction of federal deficits, privatization of state-run enterprises, deregulation of key industries, and trade and financial sector liberalization. Critics outside of the economics

profession had taken to equating Williamson's list with a roster of policies characteristic of neoliberalism.

Williamson rejected this characterization of the WC and has written in rebuttal: "I use the word 'neoliberalism' in its *original* sense, to refer to the doctrines espoused by the Mont Pèlerin Society. If there is another definition, I would love to hear what it is so that I can decide whether neoliberalism is more than an intellectual swear word" (Williamson 2004, 2; emphasis added). Instead of subjecting the aforementioned "MPS doctrines" to closer scrutiny, Williamson maintained that he himself was not an advocate the "policy innovations" of the Reagan and Thatcher administrations, *except for privatization*. "I thought all the other new ideas with which Reagan and Thatcher had entered office, notably monetarism, supply-side economics, and minimal government, had by then been discarded as impractical or undesirable fads, so *no trace of them can be found* in what I labelled the 'Washington Consensus'" (Williamson 2004, 2; emphasis added).

We may therefore deduce that Williamson believes that "monetarism, supply-side economics, and minimal government" provide an exhaustive census of MPS doctrines. These doctrines do indeed owe their contemporary existence to key contributions from influential MPS members such as Milton Friedman, Karl Brunner, and Sir Alan Walters, as well as Martin Feldstein, James Buchanan, and Gary Becker, to name just a few of the better known members. But within MPS, neoliberalism was elaborated and promoted by a total thought collective of more than one thousand scholars, journalists, (think tank) professionals, and corporate and political leaders around the globe for more than fifty years; their work can by no means be reduced to these three doctrines.

Leaving aside Williamson's hasty judgment on supply-side economics as a superseded fad,<sup>13</sup> privatization, deregulation, and financial and trade liberalization must assuredly be counted as key "MPS doctrines." For example, consider the theoretical contributions from MPS members such as George Stigler and Richard Posner with regard to regulatory reform ("capture theory"), property rights theorists Armen Alchian and Harold Demsetz with regard to privatization and efficient property rights, and trade theorists Gottfried Haberler and Herbert Giersch with regard to globalization, among many others. Reform is equated not with gross downsizing of the government as much as it is with removing government from those areas where a different sort of discipline is prescribed. What then are we to make of Williamson's fervent declaration that there is "no trace" of MPS doctrines in the Washington Consensus?

First, Williamson makes profound concessions to neoliberalism merely by subscribing to the privatization doctrine. “Visions” of comprehensive liberalization of financial markets were watchwords in the ranks of influential MPS members such as Fritz Machlup, Gottfried Haberler, and Milton Friedman, when the gold exchange standard collapsed in the early 1970s (Helleiner 1994). Williamson arguably felt that the WC had emerged as a promising strategy to fight poverty in the Third World and that, historically, those neoliberals did not really care about such issues (see Mitchell, Chapter 11 in this volume). However, it would be difficult to find dissenting voices to the WC within the neoliberal camp, especially when it comes to forging a link between liberalization and the creation of wealth advocated by MPS members such as Peter Bauer (compare Plehwe and Bair, Chapters 9 and 10, respectively, in this volume).

Perhaps most telling, Williamson seems oblivious to the extent to which MPS members actually participated in shaping and modifying the Washington Consensus. At least one MPS member has been actively involved in the process of clarifying the extent to which the WC was “complete” in the eyes of the contemporary economics profession. Williamson (2004, 4) reports that he invited Allan Meltzer of Carnegie Mellon University as a representative of the right wing of the political spectrum to respond to his original paper in 1989:

Meltzer expressed his pleasure at finding how much the mainstream had learned (according to my account) about the futility of things like policy activism, exploiting the unemployment/inflation trade-off, and development planning. The two elements of my list on which he concentrated his criticism were once again the interest rate question (though here he focused more on my interim objective of a positive but moderate real interest rate than on the long run objective of interest rate liberalization) and a competitive exchange rate. The criticism of the interest rate objective I regard as merited. His alternative to a competitive exchange rate, namely a currency board, would certainly not be consensual, but the fact that he raised this issue was my first warning that on the exchange rate question I had misrepresented the degree of agreement in Washington.

Williamson appears to be unaware that Allan Meltzer has been a prominent member of the Mont Pèlerin Society (compare Weller and Singleton 2006). The extent of Williamson’s own deference to Meltzer’s positions should otherwise have signaled a convergence of doctrines between the WC and the

MPS. Elsewhere, Williamson (2003, 11) informed his readers that he owes much of his own economic thinking to his teacher Fritz Machlup, and in that regard he perhaps unwittingly names yet another prominent MPS member who seems to have had a formative influence on his own thinking.

The putatively nonpartisan WC, contrary to Williamson's own protestations, displays many traces of the MPS neoliberalism in its very genes and has been forged with the help (and endorsement) of more than one influential MPS member, even according to Williamson's own account.<sup>14</sup> Clarifying MPS neoliberalism will in any case shed light on some of the largely forgotten origins of many occluded aspects of contemporary mainstream thinking.

The remainder of this introduction will provide a few preliminary notes on the (pre-) history of neoliberalism, and introduce some of the key features of the thought collective as rallied under the auspices of the Mont Pèlerin Society. United under the umbrella of the MPS since 1947, neoliberals mobilized for the first time a directed capacity for changing the world under peacetime conditions without the interruptions created by war and emigration. But it is important to recognize the earlier efforts made between World Wars I and II. During the 1930s, concerned liberals felt an increasingly urgent need to confront the perceived evils of planning and the failures generated by the *laissez-faire* attitudes of fellow liberals.

### How the “Neo” Got into Neoliberalism

Both the term and the concept of neoliberalism enjoyed a long prehistory in twentieth-century political and economic thought.<sup>15</sup> Probably the first foray into the twentieth-century reconsideration of the problems of how to secure a free market and to appropriately redefine the functions of the state in order to attain that goal—the key concern of MPS neoliberalism—can be found in the book *Old and New Economic Liberalism* by the well-known Swedish economist Eli F. Heckscher, written in 1921. While his student and collaborator in founding international trade theory, Bertil Ohlin (the Heckscher-Ohlin factor proportion model), served as head of the Liberal Party in Sweden from 1944 until 1967, Heckscher was among the second group of people invited to join the neoliberal Mont Pèlerin Society in 1947. The term *neoliberalism*, in the modern sense,<sup>16</sup> probably appeared for the first time in 1925 in a book entitled *Trends of Economic Ideas*, written by the Swiss economist Hans Honegger. In his survey, Honegger identified “theoretical neoliberalism” as a concept based on the

works of Alfred Marshall, Eugen von Böhm-Bawerk, Friedrich von Wieser, Karl Gustav Cassel, and others. Neoliberalism propagated doctrines of competition and entrepreneurship, and posited the rejection of advancing socialist ideas and bolshevism in particular (Walpen 2004a, 68). However, the functions of the state were understood in a negative way, and therefore the heritage of classical liberalism loomed large. In the mid-1920s, we also find the discussion of the dire condition of liberalism and the search for new approaches in the works of the Viennese sociologist Leopold von Wiese (1925) as well as in the booklet *Liberalism (Liberalismus)* by the Austrian economist Ludwig von Mises (1927, further discussed in Walpen 2004a, 69–70).

Interwar Vienna presaged certain neoliberal ideas and proto-MPS structures. In particular, it fostered the creation of a certain kind of extra-academic cosmopolitan intellectual formation. There Ludwig von Mises became a prominent opponent of socialist economics and planning as advocated by leading representatives of Austro-Marxism, such as Otto Bauer and Rudolf Hilferding, as well as a Logical Positivist brand of scientific Marxism represented by Otto Neurath. Mises, then secretary of the Vienna Chamber of Commerce and organizer of one of the most prominent *Privatseminars*, which included Friedrich Hayek and Fritz Machlup, initiated the “socialist calculation debate,” eventually positioning neoliberal economics as the most important intellectual foe of scientific and technocratic socialism.<sup>17</sup> Mises’s seminar attracted many foreign scholars (such as Lionel Robbins, Frank Knight, and John van Sickle), who would become key members of the Mont Pèlerin Society after World War II.<sup>18</sup> Discussions involved intellectuals who worked in academia cheek-by-jowl with intellectuals who could not attain traditional academic careers at the time for various reasons (including anti-Semitism). The Mises seminar encompassed “business” intellectuals such as Fritz Machlup (who had been forced to enter his father’s family business for lack of academic opportunities) and officials of the Chamber of Commerce. At that time, Mises and Hayek earned their money at a private business cycle research institute funded by the Rockefeller Foundation to supply economic data to Austrian firms. Later characteristic features of organized neoliberalism can be discerned in the formative life experiences of leading neoliberals during the Viennese “golden” 1920s. Whereas the Mises *Privatseminar* provided fertile ground for the early attacks against the theoretical foundations of socialism, the critique of classical liberalism as the other face of neoliberalism was not yet apparent in the works of Ludwig von Mises and other Viennese

colleagues; neoliberalism, therefore, truly was an offspring of the Great Depression.

Only in the 1930s did the term *neoliberalism* start to appear in multiple contexts, eventually to become established as the main designation of a new intellectual/political movement. The broadest discussion took place in France around 1935. A loose group of economists, philosophers, and sociologists<sup>19</sup> located in Paris organized the Colloque Walter Lippmann (CWL), which is often regarded as the precursor of the MPS. Yet another important country that simultaneously gave birth to neoliberalism was Germany, where Walter Eucken, Alexander Rüstow, and Wilhelm Röpke discussed the tasks of a “new liberalism” on the eve of the Nazis’ rise to power. Significantly for later developments, Rüstow explicitly called for a “liberal interventionism” (see Ptak, Chapter 3 in this volume).

The incipient emergence of neoliberalism was not altogether free from ambiguity, however, since the term also began to pop up on the left. Frank Knight (1934) in Chicago rejected the mixing of ideologies he perceived in the new social liberalism, though research is needed to better understand the crisscrossing relationships between the left-leaning social liberalism and the right-leaning neoliberalism. How can it be explained that at the London School of Economics and Political Science, founded by Fabian Socialists Beatrice and Sidney Webb, the economics department developed a decidedly neoliberal orientation under the guidance of Edwin Cannan (Apel 1961, 9)? Cannan gathered together a group of young disciples who devoted themselves to a determined rethinking of market solutions to the challenges of the day in opposition to answers given by Keynes(ians) at Cambridge and elsewhere.<sup>20</sup> Foucault (2004, 130f.) focused on Karl Schiller to describe the process of Social Democratic approximation to a neoliberal understanding of economic policy making in Germany<sup>21</sup> before entering the federal government at the end of the 1960s. Both during the 1930s and the first decades after World War II, a certain amount of confusion persisted with regard to proper understanding of the political character of neoliberalism.

Another interwar institution that provided an organizational haven for concerned and committed liberals was established in Geneva, Switzerland. In 1927 the Institut Universitaire des Hautes Études Internationales (IUHEI) was launched by William E. Rappard and Paul Mantoux and provided a refuge for Frank D. Graham, Theodore Gregory, Ludwig von Mises, Wilhelm Röpke, Jacob Viner, and a host of others. The most famous representative of the Italian

coterie of neoliberals, Luigi Einaudi, fled in 1943 from the fascists to Switzerland, where he was supported at the IUHEI by Rappard (Walpen 2000).

The publication of Walter Lippmann's (*An Inquiry into the Principles of The Good Society* in 1937 marked the beginning of a new dawn in the history of neoliberalism. The book was enthusiastically welcomed by the liberal intellectuals in Europe, perhaps even more so than in America (Steel 1980). Lippmann's core message was the superiority of the market economy over state intervention, a principle that was (to say the least) leaning against the wind in the depths of the Great Depression. The book was brimming with insights that would later constitute the conventional wisdom in neoliberal circles, notably:

In a free society the state does not administer the affairs of men. It administers justice among men who conduct their own affairs.

[Statesmanship] is the ability to elucidate the confused and clamorous interests which converge upon the seat of government. It . . . consists in giving the people not what they want but what they will learn to want.<sup>22</sup>

Lippmann anticipated not only some principles, but also elements, of Friedrich Hayek's long-term strategy: Only steadfast, patient, and rigorous scientific work, as well as a revision of liberal theory, was regarded as a promising strategy to defeat "totalitarianism." Significantly, Lippmann's work discussed totalitarianism primarily with regard to the absence of private property, rather than the more commonplace reference to a lack of democracy or countervailing political power.<sup>23</sup>

Louis Rougier, the French philosopher, was quite taken with the book and organized a conference in Lippmann's honor, the eponymous Colloque Walter Lippmann, in Paris in 1938 (see Denord, Chapter 1 in this volume). Fifteen of those who were invited (including Raymond Aron, Louis Baudin, Friedrich August von Hayek, Ludwig von Mises, Michael Polanyi, Wilhelm Röpke, and Alexander Rüstow) would subsequently participate in the founding of the Mont Pèlerin Society nine years later (Walpen 2004a, 84f., 388, 391). Besides debates over the dangers of collectivism and the pitifully weak state of liberalism, they wrangled over the tenets as well as the designation of a renewed liberalism. The term *neoliberalism* triumphed against suggestions such as *néo-capitalisme*, *libéralisme positif*, *libéralisme social*, and even *libéralisme de gauche* (Walpen 2004a, 60). The colloquium defined the concept of neoliberalism as

- the priority of the price mechanism,
- the free enterprise,
- the system of competition, and
- a strong and impartial state.<sup>24</sup>

The participants launched the project agenda of neoliberalism, a journal (*Cahiers du Libéralisme*), and a think tank, the Centre international d'études pour la rénovation du libéralisme (CIRL), with the head office in Paris (the first president was the entrepreneur Louis Marlio) and auxiliary offices in Geneva (Röpke), London (Hayek), and New York (Lippmann) (Walpen 2004a, 60–61).

As Richard Cockett (1995, 12) noted, however, “it was, of course, an inauspicious moment to start founding new international organizations of ambitious intentions.” The outbreak of World War II abruptly halted this nascent attempt at organizing (neo)liberal forces. It scattered many of the participants, and of course, gave a tremendous boost to the socialists, thus recasting the enemy as a different species of totalitarian after the war.

To sum up the prehistory of MPS-neoliberalism, four points need to be emphasized:

1. Neoliberalism had a diverse number of places of origin (including, but not limited to, Chicago, Freiburg, Geneva, London, New York, and Paris). With regard to the important Austrian roots, and to a lesser extent German, Italian, and French, neoliberalism was a political philosophy developed by uprooted intellectuals in exile following the rise of Nazism, which may explain the intensity of the social bondage among people from different countries and cultures. Metaphors of “birth” are perhaps less apposite here than alternative metaphors of percolation and recombination.
2. Neoliberalism was anything but a “pensée unique” and at the outset drew on different theoretical approaches (e.g., the Austrian school, the incipient Chicago School of Economics, the Freiburg school of ordoliberalism, Lippmann’s “realism”), which continue(d) to coexist, but also served to cross-fertilize these and other approaches (e.g., public choice, institutional design).
3. An understanding of neoliberalism needs to take into account its dynamic character in confronting both socialist planning philosophies

and classical laissez-faire liberalism, rather than searching for timeless (essentialist) content. It was primarily a quest for alternative intellectual resources to revive a moribund political project. It was flexible in its intellectual commitments, oriented primarily toward forging some new doctrines that might capture the imaginations of future generations. At various junctures, this might involve unexpected feints to the left as well as the right.

4. The Colloque Walter Lippmann helped spread the realization that honoring discrete academic disciplinary boundaries would probably hinder the project. The figures who gathered in 1938 saw the point of ranging widely over the traditional preserves of philosophy, politics, theology, and even the natural sciences. Neoliberals started to recognize the growing need “to organize individualism” in order to counter what was perceived as an unfortunate but irreversible politicization of economics and science (Zmirak 2001, 11). To achieve their goal of the “Good Society,” neoliberal agents agreed on the need to develop long-term strategies projected over a horizon of several decades, possibly to involve several generations of neoliberal intellectuals. No single genius or “saviour” would deliver the neoliberals into their Promised Land.

### Perpetual Mobilization: Mont Pèlerin

With the conclusion of the war, many forces conspired to bring the neoliberals together once more to try and organize the movement.<sup>25</sup> Under the leadership of Albert Hunold and Friedrich August von Hayek, a number of loosely connected neoliberal intellectuals in Europe and the United States assembled in Mont Pèlerin, a village close to Lake Geneva. From Tuesday, April 1, to Thursday, April 10, 1947, the first gathering took place at the Hôtel du Parc. The internationalist outlook and organizational effort were made possible through some timely corporate/institutional support. The Foundation for Economic Education in Irvington-on-Hudson, New York, which employed Ludwig von Mises, and the William Volker Fund based in Kansas City, provided subsidies. The Volker Fund was led by future MPS member Harold Luhnow, and it provided travel funds for the U.S. participants in the meeting. The Schweizerische Kreditanstalt (today known as Credit Swiss) paid 93 percent of the total conference costs—18,062.08 Swiss francs (Steiner 2007; Walpen 2004b).

What was the rationale for founding the Mont Pèlerin Society? There were at least two salient considerations. First, the (neo)liberals felt isolated and nearly alone: “The present position is one where we nearly despair.”<sup>26</sup> Or, as George H. Nash (1976, 26) described it:

The participants, high in the Swiss Alps, were only too conscious that they were outnumbered and without apparent influence on policymakers in the Western world. All across Europe, planning and socialism seemed ascendant.

Second, Hayek and others believed that classical liberalism had failed because of crippling conceptual flaws and that the only way to diagnose and rectify them was to withdraw into an intensive discussion group of similarly minded intellectuals. As Hayek stated in his opening address at the first meeting:

Effective endeavors to elaborate the general principles of a liberal order are practicable only among a group of people who are in agreement on fundamentals, and among whom basic conceptions are not questioned at every step. . . . What we need are people who have faced the arguments from the other side, who have struggled with them and fought themselves through to a position from which they can both critically meet the objections against it and justify their own views . . . this should be regarded as a private meeting and all that is said here in discussion as “off the record.” . . . it must remain a closed society, not open to all and sundry. (1967, 149, 151, 153, 158)

One can readily appreciate the trickiness of attempting to square the circle of remaining closed and relatively secretive while striving to be cosmopolitan and open to opposing currents, all the while scrutinizing a political doctrine (liberalism) that was at least nominally pitched in favor of diversity, broad-mindedness, and open participation. The difficulties in building and managing a fairly diverse transnational network under the relatively adverse circumstances immediately following World War II can hardly be overestimated. One index of the MPS’s balancing act can be gleaned from comparing the nationalities of the participants in the prewar Colloque Walter Lippmann to those in the society’s early postwar conferences. The search to identify scattered intellectuals who could be trusted to advance the neoliberal cause originally concentrated on Western Europe but expanded rapidly to the United States, and eventually beyond the rising superpower. While U.S. participants in the Colloque Walter Lippmann had been a small minority (3 of 84), almost half of the participants in the MPS founding conference in 1947 came from the United States, although three Austrians (Machlup, Haberler, and Mises)

reinforced the American numbers (17 of 39). By 1951, when the MPS had already grown to 172 members, 97 Europeans mingled with 62 individuals located in the United States. The remaining 13 members in 1951 came from various South American and Caribbean countries and from far away Australia, New Zealand, and Singapore (all figures from Walpen 2004a, 388 [CWL 1938], 381–382 [MPS 1947], 393–394 [MPS 1951]).

The MPS rapidly adjusted to the United States' postwar rise to economic hegemony in terms of membership,<sup>27</sup> though Europe arguably remained of equal, if not greater, importance as an epicenter of the neoliberal discourse community. Contrary to the conviction of many on the left that neoliberalism is an ideology “made in USA,” fifteen of twenty-four MPS presidents have been European, and six have come from the United States (see Table I.1). Of the remaining three presidents, two were from Latin America and one from Japan.<sup>28</sup> So far only Europeans have served as secretaries of the MPS, though all of the five treasurers were citizens or permanent residents (Fritz Machlup) of the United States.<sup>29</sup> Twenty-seven general meetings between 1947 and 2004 took place in Europe compared to just four in the United States and one each in Canada, Chile, Hong Kong, and Japan (Walpen 2004a, 389). Regional meetings were more evenly distributed across Europe, the Americas, and Asia. Africa appeared late (2007) on the neoliberal map of conference locations (special meeting in Nairobi, Kenya).

A quantitative analysis of participation in MPS general meetings from 1947 until 1986<sup>30</sup> yields the following results (summarized in Figure I.1), making use of simple network theory algorithms: U.S. participants: ●, European: ○, other: ●. Ten of the most frequent participants identified in this analysis were originally from the United States, compared to twenty-one from Europe. An additional two of the U.S.-based “frequent MPS fliers” (Mises and Machlup) were from Austria, and one of the three individuals from elsewhere (Hutt) moved to South Africa from his native UK. Manuel Ayau from Guatemala and Chiaki Nishiyama from Japan were the only MPS members admitted into this core group of frequent participants, also serving as presidents, who were from neither Europe nor the United States.

The quantitative historical social network analysis helps to shed more light on the group of less well-known neoliberal activists, who all too frequently have remained hidden in the shadow of official leaders and prominent neoliberals like Friedrich August von Hayek and Milton Friedman. The Danish economist Christian Gandil, for example, was the only MPS member who attended all

*Table I.1* Mont Pèlerin Society leaders

Presidents			
Name	Period	Home country	Occupation
Friedrich A. von Hayek	1948–1960	Austria	Science (economics)
Wilhelm Röpke	1960–1961	Germany	Science (economics)
John Jewkes	1962–1964	UK	Science (economics)
Friedrich A. Lutz	1964–1967	Germany	Science (economics)
	1968–1970		
Daniel Villey	1967–1968	France	Science (economics)
Milton Friedman	1970–1972	USA	Science (economics)
Arthur A. Shenfield	1972–1974	UK	Think tank (economics)
Gaston Leduc	1974–1976	France	Science (economics)
George J. Stigler	1976–1978	USA	Science (economics)
Manuel Ayau	1978–1980	Guatemala	Business
Chiaki Nishiyama	1980–1982	Japan	Science (economics)
Ralph Harris	1982–1984	UK	Think tank
James M. Buchanan	1984–1986	USA	Science (economics)
Herbert H. Giersch	1986–1988	Germany	Science (economics)
Antonio Martino	1988–1990	Italy	Science (economics) / politics
Gary Becker	1990–1992	USA	Science (economics)
Max Hartwell	1992–1994	UK	Science (history)
Pascal Salin	1994–1996	France	Science (economics)
Dr. Edwin J. Feulner	1996–1998	USA	Think tank
Dr. Ramon P. Diaz	1998–2000	Uruguay	Science (economics)
Christian Watrin	2000–2002	Germany	Science (economics)
Leonard P.iggio	2002–2004	USA	Science (law) / think tank
Victoria Curzon-Price	2004–2006	Switzerland	Science (economics)
Greg Lindsay	2006–	Australia	Think tank

---

 Secretaries
 

---

Name	Period	Home country	Occupation
A. Hunold	1948–1960	Switzerland	Business
B. Leoni	1960–1967	Italy	Science (law)
R. Harris	1967–1976	UK	Think tank
M. Thurn	1976–1988	Austria	Politics

---

 Secretary Treasurers
 

---

Name	Period	Home country	Occupation
Charles O. Hardy	1948	USA	Science (economics)
W. Allen Wallis	1948–1954	USA	Science (economics)
Fritz Machlup	1954–1959	Austria (then USA)	Science (economics)
Clarence E. Philbrook	1959–1969	USA	Science (economics)
Arthur Kemp	1969–1979	USA	Science (economics)
Edwin Feulner	1979–	USA	Think tank

*Sources:* Hartwell (1995); Walpen (2004); <http://www.montpelerin.org/>; data compiled by author.

twenty-four conferences between 1947 and 1986, closely followed by Hayek (twenty-three), a group of think tank officials (Leonard Read of the Foundation for Economic Education, Antony Fisher, Shenfield, and Seldon of the Institute of Economic Affairs), and two politicians (Max Thurn from Austria and Jean Pierre Hamilius from Luxemburg). However, two frequent participants (and key officials) of the early period—Albert Hunold and Wilhelm Röpke—do not appear in this picture only because they quit the MPS in the aftermath of the struggle over the future direction of the organization. The battle took place in the early 1960s and was lost by the Hunold-Röpke camp (cf. Walpen 2004a, 145f., on the Hunold-Hayek affair). A more detailed analysis than is possible here reveals additional groups of people who may have to be considered key actors during certain succinct periods of time (Plehwe and Walther 2008). Nevertheless, the core network identified in this introduction includes most of the key officials who formally served the MPS during the period 1947–1986, and shifts additional attention to a group of journalists and publishers (Davenport, Fertig, Fredborg, Hoff, Genin), corporate leaders (Fisher, Suenson-Taylor), think tank



are almost exclusively held by the most numerous contingent of MPS members: academics. Very infrequently, corporate leaders (like Manuel Ayau) or think tank officials (like Edwin Feulner) served as MPS presidents. Many of the names in Figure I.1 will surface in the following chapters; however, the contributions of a few listed here to the neoliberal cause remains murky, calling for future research. Very little is known about the Japanese members and networks, for example. We do know that long-standing personal ties had been important with regard to the MPS's early recruiting effort: Hayek, Mises, Polanyi, Robbins, and Röpke were MPS founding members who had already participated in the 1938 Colloquium, and other CWL participants (including Raymond Aron, Louis Baudin, and Alexander Rüstow) were involved in the efforts to launch the MPS (Walpen 2004a, 84f., 388, 391). The "white emigrants" from Austria (Hayek, Mises, Machlup, Haberler, Popper) were key U.S. or UK-based academic MPS members until the 1960s. Otherwise, two journalists (John Davenport and Henry Hazlitt) and one think tank official (Leonard Read of the Foundation for Economic Education [FEE]) formed the core of the U.S.-based neoliberal activists. Only during the 1960s did U.S. professors Milton Friedman, James Buchanan, and George Stigler ascend to leading positions, eventually being elected MPS presidents. According to Feichtinger (2001), already during World War II, Hayek (in London) and Haberler (in Boston) were indispensable with regard to the academic prospects of other emigrants who were MPS members. This is one reason, for example, for Popper's lasting gratitude to his benefactor, von Hayek (Nordmann 2005). Commenting on an early draft of Hartwell's MPS history, Christian Gandil (1986) named several friends he had made among U.S. MPS members and suggested: "the basis for a friendship is to be in agreement concerning outlook of life." The combination of sometimes even rather close personal ties among people of diverse professional backgrounds provided for a fertile mix of sympathy, respect, and competency prevailing among MPS members, notwithstanding occasional episodes suggesting the opposite.

The founding conference reflected the mix of academic and professional backgrounds that would come to characterize the Mont Pèlerin Society. A majority of university professors mingled with journalists (like *Fortune's* John Davenport, Henry Hazlitt from *Newsweek*, and Cicely V. Wedgwood of *Time and Tide*), foundation/think tank executives (Floyd A. Harper and Vernon Watts of the Foundation for Economic Education, Herbert Corneulle from Volker), and business executives (Albert Hunold heading the Swiss watch manufacturing

association) and publishing houses (George Révay from *Reader's Digest*). By 1951 several leading political figures, including Ludwig Erhard and Luigi Einaudi, were accepted, contradicting Hayek's claims of a rather draconian renunciation of political activism. The architects of the neoliberal thought collective have carefully connected and combined key spheres and institutions for the contest over hegemony—academia, the media, politics, and business. Both the networking capacity in terms of specialization and the organizing capacity of the new type of knowledge apparatus—the neoliberal partisan think tank—need to be better understood in order to explain the rise of neoliberal hegemony and the transformation of policy research. “Gone are the days when a think tank could operate with the motto ‘research it, write it and they will find it.’ Today, think tanks must be lean, mean, policy machines” (McGann 2007, 20). If think tank experts like McGann present the transformation of knowledge power structures at hand as driven by globalization, professionalization, and commercialization, the reasons for more than a hundred neoliberal think tanks coordinating their work within and across borders dating back to the 1950s<sup>31</sup> are easily overlooked. In addition to the central institutions in charge of think tank coordination created by the neoliberal thought collective (like the Atlas Economic Research Foundation or the European Stockholm Network), shared values and principled beliefs constitute decentralized guidance for MPS members setting up think tanks and for think tank professionals who belong to the neoliberal thought collective.<sup>32</sup> The development of a sort of smallest common denominator of MPS ideas was a key subject of the deliberations at the founding conference in Mont Pèlerin.

Even in the face of all the precautions over membership and participation, the early MPS members continued to experience difficulty in specifying precisely what held them together: this was a dilemma that would beset any group whose task lay more in prospective construction than in retrospective appreciation. The benighted band of brothers felt driven to draft a common creed, although Hayek himself warned, “I personally do not intend that any public manifesto should be issued” (Hartwell 1995, 33). A first pass at inscribing a communal Individualist creed was deputed to a committee consisting of Eucken, Hayek, Hazlitt, H. D. Gideonse, John Jewkes, and Carl Iverson and is reproduced here:

DRAFT STATEMENT OF AIMS, APRIL 7, 1947

- I. Individual freedom can be preserved only in a society in which an effective competitive market is the main agency for the direction

- of economic activity. Only the decentralization of control through private property in the means of production can prevent those concentrations of power which threaten individual freedom.
2. The freedom of the consumer in choosing what he shall buy, the freedom of the producer in choosing what he shall make, and the freedom of the worker in choosing his occupation and his place of employment, are essential not merely for the sake of freedom itself, but for efficiency in production. Such a system of freedom is essential if we are to maximize output in terms of individual satisfactions. Departure from these individual liberties leads to the production not only of fewer goods and services but of the wrong goods and services. We cannot enrich ourselves merely by consenting to be slaves.
  3. All rational men believe in planning for the future. But this involves the right of each individual to plan his own life. He is deprived of this right when he is forced to surrender his own initiative, will and liberty to the requirements of a central direction of the use of economic resources.
  4. The decline of competitive markets and the movement toward totalitarian control of society are not inevitable. They are the result mainly of mistaken beliefs about the appropriate means for securing a free and prosperous society and the policies based on these beliefs.
  5. The preservation of an effective competitive order depends upon a proper legal and institutional framework. The existing framework must be considerably modified to make the operation of competition more efficient and beneficial. The precise character of the legal and institutional framework within which competition will work most effectively and which will supplement the working of competition is an urgent problem on which continued exchange of views is required.
  6. As far as possible government activity should be limited by the rule of law. Government action can be made predictable only when it is bound by fixed rules. Tasks which require that authorities be given discretionary powers should therefore be reduced to the indispensable minimum. But it must be recognized that each extension of the power of the state gradually erodes the minimum basis for the maintenance of a free society. In general an automatic mechanism of adjustment, even where it functions imperfectly, is preferable to any which depends on "conscious" direction by government agencies.

7. The changes in current opinion which are responsible for the general trend toward totalitarianism are not confined to economic doctrines. They are part of a movement of ideas which find expression also in the field of morals and philosophy and in the interpretation of history. Those who wish to resist the encroachments on individual liberty must direct their attention to these wider ideas as well as to those in the strictly economic field.
8. Any free society presupposes, in particular, a widely accepted moral code. The principles of this moral code should govern collective no less than private action.
9. Among the most dangerous of intellectual errors which lead to the destruction of a free society is the historical fatalism which believes in our power to discover laws of historical development which we must obey, and the historical relativism which denies all absolute moral standards and tends to justify any political means by the purposes at which it aims.
10. Political pressures have brought new and serious threats to the freedom of thought and science. Complete intellectual freedom is so essential to the fulfillment of our aims that no consideration of social expediency must ever be allowed to impair it. (Hartwell 1995, 49–50)

Significantly enough, even this relatively nonspecific and anodyne set of neoliberal ten commandments proved too contentious to gain the assent of the individualists gathered at Mont Pèlerin, and so the oxymoronic Committee of Individualists deputed a redraft to Lionel Robbins, who complied and produced the “Statement of Aims” (reproduced below). All those gathered on April 8, 1947, except one (the French economist and Nobel laureate Maurice Allais)<sup>33</sup> fully accepted this rather less informative manifesto, which to this day remains the only “official” statement of the MPS. Thus, our readers should understand that they cannot look to any formal sanctioned publication of the MPS for a convenient definition of neoliberalism. Furthermore, this is precisely what we should expect even if the MPS had been convened in 1947 to *construct* a new version of liberalism, rather than simply codify what had been received hallowed wisdom.

#### STATEMENT OF AIMS OF THE MONT PÈLERIN SOCIETY

The central values of civilization are in danger. . . . The group holds that these developments have been fostered by the growth of a view of history

which denies all absolute moral standards and by the growth of theories which question the desirability of the rule of law. It holds further that they have been fostered by a decline of belief in private property and the competitive market; for without the diffused power and initiative associated with these institutions it is difficult to imagine a society in which freedom may be effectively preserved. Believing that what is essentially an ideological movement must be met by intellectual argument and the reassertion of valid ideas, the group, having made a preliminary exploration of the ground, is of the opinion that further study is desirable *inter alia* in regard to the following matters:

1. The analysis and explanation of the nature of the present crisis so as to bring home to others its essential moral and economic origins.
  2. The redefinition of the functions of the state so as to distinguish more clearly between the totalitarian and the liberal order.
  3. Methods of reestablishing the rule of law and of assuring its development in such a manner that individuals and groups not in a position to encroach upon the freedom of others and private rights are not allowed to become a basis of predatory power.
  4. The possibility of establishing minimum standards by means not inimical to initiative and the functioning of the market.
  5. Methods of combating the misuse of history for the furtherance of creeds hostile to liberty.
  6. The problem of the creation of an international order conducive to the safeguarding of peace and liberty and permitting the establishment of harmonious international economic relations . . .
- (Hartwell 1995, 41–42)

Comparison of these two sets of aims reveals a rather striking diminution of more specific content in the MPS manifesto. After all, isn't the appeal to the need for "further study" the last refuge of academic scoundrels? One can interpret this not only as evidence of a fair amount of dissension within the ranks of the MPS; but also as evidence that the transnational band of participants did not have a very clear idea of where the project was headed in 1947. The only immutable truths to which they were eager to pledge their troth were those of a more general philosophical and normative kind: the fundamental neoliberal values and principled beliefs we can discern in the short list of six major tasks that have guided the neoliberal thought collective. These tasks include economic freedom and individualism, the affirmation of moral

standards, and possibly surprising for many critiques: social minimum standards (acknowledging the limits of private charity). Among the principled beliefs were those in positive state functions, a system of law and order, and international trade. Notably absent are the range of human and political rights traditionally embraced by liberals (including the right to form coalitions and freedom of the press).

Shared values and principled beliefs constitute a crucial resource, empowering transnational community groups. Looking at the neoliberal thought collective, we actually have the chance to observe the social construction of fundamental values and principled beliefs often neglected in the literature (Haas 1992; Keck and Sikkink 1998; Bislev et al. 2002). Stressing science and research rather than ideology and beliefs of course was the hallmark of the post–World War II ideological struggles. The neoliberal group paradoxically feared and appreciated the value of science as highlighted in their point number five: they recognized the paramount importance in political action of rewriting history, and in this recognition, the authors assembled here concur.

### A Brief Overview

Part I examines important local/national roots of neoliberalism in the four most important homelands of the movement: France, Germany, the United Kingdom, and the United States. Yet, local analysis in these four countries has to take transnational dimensions of the neoliberal thought collective into account. By the time neoliberalism emerged—during the 1930s—nearly all the Austrian and several important German and French contributors had moved abroad (to Switzerland, the UK, and the United States, for example). The transnational dimension of the local/national history of neoliberalism has been particularly strong in the UK and the United States. Switzerland also deserves recognition as a particular transnational neoliberal space because of the hospitality of Swiss neoliberal intellectuals and institutions to Austrian, German, and Italian refugee neoliberals. It was certainly not mere coincidence that the Mont Pèlerin Society was founded in this country: only Switzerland provided neoliberal intellectuals the intellectual and institutional space and financial backing needed to organize an international conference of and for neoliberals right after World War II. Until the end of the 1950s, it remained easier for neoliberals to congregate in Switzerland than anywhere else: four of the ten Mont Pèlerin Society meetings between 1947 and 1960 took place in

Switzerland.<sup>34</sup> It took more than ten years after the war for a meeting to be held in the United States (see Phillips-Fein, Chapter 8 in this volume) or the UK (Oxford, in 1960). The focus on the four countries of neoliberalism's birth is therefore not meant to present a complete picture, but through their capture of the complex national and transnational origins of the movement will hopefully stimulate further discussion and research.

François Denord's treatment of the French roots of neoliberalism in Chapter 1 enumerates the different wings, intellectual factions, and political frictions of neoliberalism. The French MPS membership included moderately "left"-leaning neoliberals, who embraced certain aspects of social liberalism and planning, and very "right-wing" neoliberals, who in many ways were hardly distinguishable from pre-neoliberal laissez-faire advocates. These divisions seemed to coincide with the professional background and interest perspectives of the neoliberals in France: both neoliberal intellectuals who served policy advisory functions and neoliberal politicians helped build the French postwar state, whereas many French corporate sector neoliberals opposed the development toward modern state regulation and planning. However, other French business intellectuals embraced yet another perspective in an effort to align Catholic social and neoliberal economic doctrines. During the 1970s, a new French generation of radical MPS neoliberals eventually arose to attack the postwar compromises effected by French neoliberals. The more recent cohort of French neoliberals has begun to rewrite neoliberal history by mobilizing a French-Austrian combination of Bastiat, Say, Mises, and Hayek. Denord emphasizes the dialectical interplay of utopian and pragmatic aspects of French neoliberalism—the not always peaceful coexistence of moderate neoliberals and radical anticollectivists like Maurice Allais and Pierre Lhôte-Lachaume, respectively.

Whereas neoliberals in France were deeply divided over postwar issues of economic planning and social policy, German neoliberals were able to form a powerful alliance of intellectual, business, and political forces under the banner of ordoliberalism. Ordoliberals succeeded in developing an alternative third way to the Keynesian welfare and planning state right after World War II—the social market economy. In Chapter 3, Ralf Ptak explains that German neoliberals like Rüstow and Röpke quickly recognized the need for liberal interventionism during the years of the Great Depression, and that German neoliberals had a more compelling argument for a strong state that would secure competition and fortify a market society. Ptak tracks the evolution of German ordoliberalism during the Nazi era both in Germany (the Freiburg school) and in

exile (Röpke in Switzerland, Rüstow in Turkey); this approach allows Ptak to closely observe the subtleties of a rather authoritarian version of neoliberalism. German (and Swiss) ordoliberals in exile were deeply suspicious of certain features of capitalism and democracy, namely, urbanization, large enterprise production, trade unions, and modern mass parties, all of which threatened their ideas about a traditional social order ruled by narrow elites and their romantic idea of individualism and merit-based mobility. German neoliberal economists shared an interdisciplinary perspective and sociological understanding of the interdependencies of political, economic, and social order. Although the resulting social theory was rigid and hardly adequate to handle the postwar tasks at hand, the social market economy concept provided the flexibility needed to apply neoliberal economic and social policy in government. The independent ordoliberal line of neoliberal thought has now nearly disappeared, but many of the more recent neoliberal “discoveries” (i.e., bounded rationality, institutions matter, law and economics) in the Anglo-Saxon world display more than a superficial affinity to what German and Swiss ordoliberals established in the past.

In contrast with France and Germany, the inversion of the relationship between economic and political freedom can be considered the key to the British contribution to neoliberalism. Paradoxically, the London School of Economics founded by Fabian socialists harbored the most important British originators of the neoliberal project. Lionel Robbins secured Hayek’s presence in London to fortify the intellectual efforts against Keynes. In Chapter 2, Keith Tribe clarifies the ways in which Hayek’s revisionist history of British liberalism has been accomplished, namely, by way of presenting the increasing weight of government in the British economy as a result of the intrusion of Germanic ideas (Hegel, Marx, List, etc.) rather than as a result of industrialization and imperialism. Whereas political freedom traditionally was regarded as a prerequisite of economic freedom in the British liberal tradition, economic freedom was now advocated as quintessential to preserve a new kind of political freedom of (limited) individual choice. The Austrian input strengthened the British tradition of principled market advocacy led by Robbins and Arnold Plant, which can be regarded as an early instance of the evolution of modern economics into a closed, self-referential system of thought. But although British neoliberals did indeed refuse to engage serious questions with regard to equilibrium theory addressed by Keynesian economics, they also started to develop a new literature on the disruptive impact of political and trade-union intervention, which ran

counter to the trend toward nationalization, stabilization, and planning. Attention was directed to the detrimental impact of the “rent-seeking behavior” exhibited by trade-unionized white workers in South Africa or patent owners, for example. Although British neoliberals convinced more people in terms of advocating principles than substantiating their claims, and remained rather marginal in the academic system for much of the post–World War II period, the effective revival of neoliberal economics during the Thatcher era can be explained. Both the production of textbooks and the establishment of think tanks like the Institute of Economic Affairs were crucial to maintaining and rebuilding neoliberal influence in the longer term.

Whereas postwar German neoliberalism emphasized a strong state, U.S. neoliberals worked hard to narrowly define the areas in which a strong neoliberal state could ascertain its pro-capitalist power and roll back the New Deal advance of social liberals and trade unionists. Chicago became the key staging ground for forging a lasting alliance between neoliberal intellectuals and the corporate opposition to the New Deal. Contrary to the widespread belief in a continuous history of the Chicago School, Rob Van Horn and Phil Mirowski in Chapter 4 document the central roles played by Henry Simons and Friedrich von Hayek in founding the Chicago bastion of neoliberalism. The combined effort of these two intellectuals succeeded in establishing the Free Market Project in Chicago at the behest of the Volker Fund. Volker’s president, Harold Luhnow, hoped to obtain an American version of Hayek’s *Road to Serfdom* and was willing to fund the academic positions of Aaron Director and Hayek, as well as subsidize travel money for American participation in Mont Pèlerin Society proceedings in Europe. But more importantly, a specific Chicago version of young and radical neoliberalism emerged during the 1950s, which differed markedly both from the liberalism of the older generation of Chicago-based scholars like Simons and Knight, and from the Austrian economics and philosophy Hayek promoted. The chapter demonstrates that the second Chicago School and the Mont Pèlerin Society were substantively parts of one project rather than different parallel projects.

Following up on the pre- and early histories of neoliberalism, the four chapters of Part II continue to observe neoliberal ambiguity, but also examine the transformations of neoliberalism during the 1950s and 1960s. Contrary to MPS neoliberalism understood as “preconceived gospel,” the authors of these four chapters closely observe debates and conflicts among neoliberals, focusing on controversies displayed at MPS meetings. These chapters help us gain

an appreciation of the hard work involved in developing neoliberal perspectives, as well as the variety of neoliberal perspectives innovated in response to differing political circumstances, which necessitated incongruous conclusions on specific questions in different locations.

In Chapter 5, Yves Steiner details the early effort to develop a neoliberal perspective on labor organizations. The trade-union question was perhaps the most important issue that had been tackled by the Mont Pèlerin group. A major conflict arose between U.S. neoliberals, including Austrian migrants like Hayek and Machlup (who were backed both financially and intellectually by U.S. corporate forces opposed to the New Deal), and European neoliberals. The U.S. neoliberals were radically opposed to trade unions and reflected on the best way to limit their power, whereas the European liberals were expressing a need to accommodate trade unions on the one hand and to support moderate trade unionists against radical trade unionists on the other. Accommodationist neoliberals advocated a social partnership to replace class struggle perspectives and attempted to convince business leaders of the merit of collective bargaining as a potential bulwark against welfare state planning. Still, the two camps agreed that trade-union power needed to be curbed in order to secure a free market economy.

Some of the early neoliberal traditions emphasizing competition have been turned upside down by a specific American current of neoliberal thought. In Chapter 6, Rob Van Horn contrasts German ordoliberal positions to U.S. positions to explain in great detail how the specific Chicago School variety of neoliberalism was developed as a clear departure from traditional liberal concerns about political and economic concentration of power. The Chicago Anti-Trust Project (1953–1957) led by Aaron Director effectively amounted to an apologetic “corporations can do no wrong” perspective, in stark contrast to the classical and the German variety of neoliberalism. At the same time, the neoliberal teamwork in Chicago benefited from the participation of European MPS members and from the communication processes within the transnational thought collective. The “as-if” reasoning developed by MPS member Leonard Miksch in Germany to implicate the state in organizing competition, for example, was further developed and applied by Milton Friedman in his dedicated effort to delimit state authority in antitrust politics. Ordoliberal studies stressing grave problems related to state ownership of railroads in Germany, in comparison with Chicago School research pointing to serious trouble with state regulation of private railroads, served to support one of the cen-

tral and tenuous conclusions of Chicago School neoliberalism: unregulated private monopoly was a relatively benign phenomenon; the real danger instead emanated from the state and the courts' lack of economic understanding. While original Chicago School liberals like Simons insisted that the courts apply clear criteria—the rule of the law—rather than the vague rule of reason, the emerging neoliberal law and economics doctrine—developed by MPS member Henry G. Manne and financed by the Olin Foundation (compare Miller 2006)—demanded an entirely new approach. This new approach was at odds with the neoliberal emphasis on the rule of law: judges should instead be educated to apply a rule of (neoliberal) *economic* reason perspective.

Another subject fiercely debated by MPS members during the 1950s was the rise of the Third World. In Chapter 7, Dieter Plehwe observes how the heritage of colonial economics on the one hand and the overriding security concerns of the early Cold War on the other hampered the development of a neoliberal perspective on development. Early on, MPS analysts nurtured doubts both about the opportunity of independence and free markets in the developing world, and not just a few MPS members made a case for continued colonialism both explicitly and implicitly. But modernization theory and (state-led) industrialization strategies were soundly rejected, and it is possible to observe rudimentary forms of the export-oriented development paradigm neoliberals successfully advocated during the late 1970s. Only toward the end of the 1950s did Peter Bauer clarify a vision of a more complete neoliberal perspective on development: Bauer contradicted his fellow MPS members with regard to the existence of an entrepreneurial class in developing countries and planted seeds of doubt with regard to the effectiveness of providing state development aid in the fight against Soviet expansion. Based on such evidence, Chapter 7 concludes that the neoliberal revolution in development economics observed in the late 1970s and early 1980s had been conceived much earlier; perhaps as early as the late 1950s.

In her examination of the history of the MPS's first meeting in the United States (at Princeton in 1959), Kimberly Phillips-Fein in Chapter 8 shifts attention to the role of neoliberal philanthropy and business conservatives within the neoliberal thought collective. The key personality responsible for organizing the meeting and raising funds was Jasper Elliott Crane, a former vice president of DuPont who joined the MPS and eventually convinced business friends to finance the first U.S. meeting. Neoliberal intellectuals have always claimed to be independent because they are not financed by the state.

Phillips-Fein helps to establish more precisely the character and certain limits of business-financed freedom when she (unlike Hartwell 1995) observes the extent to which Crane attempted (and succeeded) in shaping the program of the Princeton MPS meeting. Crane and others, worried about the extent of MPS pluralism, insisted on prominently featuring the von Mises wing of neo-liberalism. Hayek himself admitted the importance of leaders capable of financially backing their beliefs.

The three chapters of Part III are less concerned with detailing the internal conflicts and ambiguities of neoliberal theory than with tracing the mobilization and application of neoliberal knowledge originally generated by the neoliberal thought collective.

Although the links between General Pinochet and Milton Friedman are fairly well known, and the special relationship between Chicago and Santiago has been better researched than most other neoliberal forays, Karin Fischer in Chapter 9 fills important gaps in the literature by tracking and tracing local and foreign neoliberals in Chile before, during, and after the Pinochet dictatorship. Her examination of the *gremialista* pillar of the local neoliberal coalition and her account of the role of the economists Hayek and James Buchanan, in addition to the Chicago School neoliberals, demonstrates the extent to which neoliberal knowledge and capacity building extended well beyond the economic sphere. By carefully identifying transnational MPS circles, Fischer also reveals the flexible character of neoliberal cadres who were able to administer important policy shifts during the Pinochet era, and their survival after the end of Chile's military rule.

If Chile was an early arena of intensive experimentation with applied neoliberalism for prolonged periods of time, the United Nations remained an alien fortress in the eyes of many members of the neoliberal thought collective, at least until the collapse of the Soviet Union. Many previous political demands in favor of redistribution, foreign aid, and planning enjoyed strong support in diverse UN bodies, and the growing self-confidence of developing countries found expression during the 1970s in the demand for a New International Economic Order (NIEO). Jennifer Bair in Chapter 10 examines how MPS-related intellectuals and organizations had launched a coordinated attack against the NIEO in general and the effort to regulate multinational corporations in particular. The Heritage Foundation led by MPS member Ed Feulner should be singled out here because of its capacity to assemble and effectively market the neoliberal expertise that was crucial to undermine the

United Nations Center on Transnational Corporations (UNCTC). The UNCTC itself was eventually disbanded when it was unable to withstand the winds of change. The earlier emphasis of development experts and political leaders in both developed and developing countries on economic independence and sovereignty has been replaced by a neoliberal understanding of good governance and corporate citizenship expressed by the amicable relations between corporate and political leaders in the UN Global Compact frame. The applied neoliberal policy knowledge unleashed by the Heritage Foundation was not created out of thin air, however, and the chapter demonstrates the original academic contribution to questions of international trade and foreign aid by four key MPS intellectuals in the background. Gottfried Haberler, Peter Bauer, Karl Brunner, and Deepak Lal were among the key international economics and development experts. While Haberler and Lal (during the 1980s) exerted some influence in the international organizations the General Agreement on Tariffs and Trade (GATT) and the World Bank, respectively, Bauer and Brunner primarily rallied corporate, civil society, and academic forces of opposition against the collectivist spirit of Third Worldism.

A new drive to identify liberalism in a positive way can finally be detected in the unlikely sphere of antipoverty politics. In Chapter 11, Tim Mitchell reexamines the expertise generated by Hernando de Soto's think tank in Peru in support of titling programs, an alternative promoted by neoliberal forces instead of traditional welfare and antipoverty programs. The knowledge circuits unveiled in this chapter track the original academic production of property rights theory by MPS member Armen Alchian and his colleague Harold Demsetz to the policy program applied in Peru, as well as its international promotion by the World Bank and subsequent export to a number of countries including Egypt. A key to explaining the opportunity created to succeed in the international sphere was the academic evaluation of the experiments on the ground. Upon closer inspection, much of the evidence in support of the neoliberal scheme leading to a virtuous cycle of ownership and entrepreneurship collapses. Academic research reveals the closed neoliberal circuits, including the branding of program and evaluation by neoliberal think tanks providing textbook material to teachers. Neoliberalism thus can be observed to be well and alive in the twenty-first century, despite such setbacks as the collapse of the Washington Consensus.

The Postface by Phil Mirowski discusses some of the reasons for the social construction of neoliberal obscurity as evidenced in ongoing Wikipedia discussions that are nominally dedicated to clarifying the subject. Mirowski

concludes this volume with a summary of the key content of neoliberalism emanating from the historical analysis of the neoliberal thought collective. Much like the group of scholars, writers, and managers who congregated at Mont Pèlerin more than sixty years ago, attempting to grapple with the core features of neoliberalism, we need to conduct further studies to fully appreciate the kinds of neoliberalism they eventually produced. In the absence of such studies, we are likely to underestimate the kinds of neoliberalism that will likely result from the future deliberations and projects of neoliberals, who are much better organized nowadays than they were half a century ago. Second- and third-generation neoliberals are already hard at work to overcome whatever midlife crisis the neoliberal thought collective may face.

### Notes

1. Feulner, a professing Catholic, has served as president and secretary treasurer of the MPS. It is not possible to fully identify U.S. neoconservatism and neoliberalism, of course. Although neo-Straussian foreign policy neoconservatism should not be equated with neoliberalism, many authors fail to recognize the careful coalitions formed by the new right (including the religious right). It is important to note that Feulner's strong rhetoric of limited government refers to the welfare state but not to the police or the military. The neoliberal combination of limited government and strong state in defense of capitalism remains typically obscured behind the rhetoric of limited government, which is not identical to a weak state.

2. It is useful to maintain the broad distinction between "left" and "right" with regard to qualifying (neo)liberalism: namely, in order to distinguish between the new social liberalism and right-wing neoliberalism. The application of criteria suggested by Bobbio (1994) with regard to understanding equality in particular—the right holds inequality to be necessary and even beneficial, whereas the left has historically aimed to at least reduce inequality that is considered detrimental—helps to clarify whether (former) social liberals are turning toward neoliberalism. Neoliberals usually deny the existence of social inequality rooted in the capitalist class structure and instead prefer to speak of the diversity of individuals or possibly groups. This is a perspective shared to a certain extent by postmodern philosophy (which stresses cultural diversity rather than social class).

3. Alejandro A. Chafuen of the Atlas Economic Research Foundation recently pointed out that "Latin Americans need to recognize they can confront this challenge [the "Bolivarian revolution"—D.P.] themselves" and that past "victories" in Latin America (Chile in particular) came at the expense of "weakening the institutions that had protected the rule of law and limited executive authorities" (Chafuen 2006a, 6). He still did not emphasize the weakening of individual freedoms of expression.

4. Max Thurn opened the 1964 Semmering (Austria) MPS meeting with the following words: “As the only Austrian member of the Society present at this meeting I have the pleasure and privilege of welcoming you all to Austria. Many of you have been to Austria before. There is little I can tell them about the country that they do not know already. Others have come for the first time. They may like to get a general idea of what this country was and what it is now before the meeting begins. What I can say on this subject has of course nothing to do with the topics of the programme. As members of the Mt Pèlerin Society *we are not interested in the problems of individual nations* or even groups of nations. What concerns us are general issues such as personal liberty and private initiative” (Thurn, 1964 meeting records, MPS archive, Liberaal Archief, Ghent, Belgium [henceforth cited as LAMP]; emphasis added).

5. According to Fleck (1980), knowledge/scientific development is characterized by the contribution and relative power of competing professional/ideological groups, a perspective that is at odds with standard models of linear accumulation of knowledge, or models (following Kuhn) that identify revolutionary stages in scientific development (compare Smith 2005). However, it is not possible to fully subscribe to Fleck’s understanding of thought collectives because Fleck tends to overemphasize their coherence (note: of collectives, not of individuals who can be members of different thought collectives, according to Fleck). Members of his thought collectives are held to fully share the understanding of truth with regard to each and every statement, which seems to preclude (productive) disagreement among members. It is difficult to see how, under this condition, thought collectives can generate knowledge dynamics. It is also held that members of Fleck’s thought collectives do not communicate well to members of other thought collectives; for example, physicists are suggested to be ill-prepared to talk to theologians, as Steven Lukes reminded me. The members of the neoliberal thought collective examined in this volume instead disagree on specific issues, and they try hard, and certainly not without success, to convince both intellectuals and the general public of the merits of neoliberal reasoning. Their capacity to jointly develop and widely distribute neoliberal knowledge is due to a set of shared values and principled beliefs, which allow community members to effectively communicate across disciplines and audiences in the pursuit of hegemonic strategies. See Stadler (1997, 481f.) for a general usage of the term *thought collective* comparable to ours in capturing the Vienna circles of logical empiricists. See Plehwe and Walpen (2007) for a full critique of Fleck’s understanding of thought collectives. Bernhard Walpen contributed his original research on the concept of thought collectives and styles to this chapter.

6. Most of the think tanks populating the Atlas Economic Research Foundation network have been founded and are run with the help of at least one MPS member (compare Cockett 1955; Frost 2002; Plehwe and Walpen 2006; and below).

7. Bernhard Walpen decided against participating in this volume after an irreconcilable conflict arose. This is deeply regrettable inasmuch as he was slated to be a co-author of this introduction, which relies in part on his keynote lecture, “The Plan to

End Planning: A Short History of Neoliberalism,” delivered at the New York University/International Center for Advanced Studies conference held April 28–30, 2005 (Walpen 2005). Nobody has contributed more than Bernhard Walpen to critical analysis of the Mont Pèlerin Society (including the development of databases of members and think tanks). Since Bernhard Walpen and I have co-authored at least nine book chapters and articles on the subject, I would like to ask readers to consult his work alongside this introduction so that they will gain clear recognition of his key role in developing many of the ideas presented in this volume. I do regard this introduction as being co-authored with Bernhard even if it does not formally carry his name.

8. In addition to the proliferation of think tanks within the Atlas Economic Research Foundation, innumerable think tank networks have been dedicated to world regions (e.g., the European Stockholm network founded in 1997), individual country (e.g., the U.S. State Policy network), and issue areas (e.g., the neoliberal sustainable development network founded in 2001; compare [www.stockholm-network.org](http://www.stockholm-network.org), [www.spn.org](http://www.spn.org), and [www.sdnetwork.net](http://www.sdnetwork.net), respectively).

9. To be sure, Buchanan also used the occasion to value radical libertarian perspectives when battling state ownership of means of production and state regulation.

10. James Buchanan, “Man and the State,” MPS Presidential talk, August 31, 1986, p. 2, LAMP).

11. Although the partisan scientific character of the neoliberal thought collective may be unique, the apparent mix of political, ideological, and scientific work should not be misleadingly contrasted to real science (as recently done by Mooney 2005) since the political character of scientific knowledge needs to be generally recognized. On the (post-) World War II transformation of politicized (economics) science in contradistinction to the autonomy claims developed by philosophers of science during this period, see Mirowski (2002, 2004).

12. Accusations according to which a historical focus on elite networks amounts to conspiracy theory overlook the fact that corporate planning groups are forced to meet and coordinate in order to develop political strategies precisely because they do not control the world (van der Pijl 1995, 107; compare Mills 2000, 293).

13. “Feldstein’s influence extends easily into the political realm. Much of President George W. Bush’s economic team studied under, or was recommended by, Professor Feldstein. Among these are Lawrence Lindsey, R. Glen Hubbard, Richard Clarida, Assistant Secretary of the Treasury for Economic Policy, and Paul O’Neill, former Secretary of the Treasury. Indeed, Feldstein is generally credited as the father of ‘supply-side’ economics and helped to create President George W. Bush’s 2001 tax cut plan” (Leonhardt 2002, quoted in Weller and Singleton 2006).

14. For a summary of the critique in the context of the Asian crisis, see Vestergaard (2006). For some other critics, see Soederberg, Menz, and Czerny (2005); Robison (2006). As economists have more recently begun to trumpet the emergence of a “post-Washington Consensus,” it is interesting to observe the extent to which their position is moving even closer to a “constructivist” version of the relationship of the govern-

ment to the market, something argued below, is a hallmark of neoliberal political economy (compare Postface, in this volume).

15. The following section draws heavily on Walpen (2005); see also Walpen (2000).

16. References to Gide's (1898) use of the term tend to be misleading, since he uses it in regard to a "return" to the classical liberalism of Adam Smith, and not as a theoretical departure, as described herein. Thanks to Phil Mirowski for clarifying this point.

17. See Bohle and Neunhöffer (2006) and Hull (2006) for discussions of the socialist calculation debate with regard to the evolution of the neoliberal thought collective.

18. On the Vienna Circles, see Stadler (2001); Caldwell (2004); Nordmann (2005).

19. Raymond Aron, Marcel Bourgeois, Étienne Mantoux, Louis Marlio, Louis Rougier and Jacques Rueff all belonged to the French group. The story of the Colloque is covered in Denord (2003; 2007) and in Chapter 1 of this volume.

20. See Tribe, Chapter 2 in this volume. The most important members of the London School of Economics (LSE) contingent were Theodore E. Gregory, Lionel Robbins, Arnold Plant, Frederic Benham, William H. Hutt, and Frank W. Paish (Apel 1961; Dahrendorf 1995: 184–187). Gregory and Hutt, together with Ludwig Lachmann, made up the small neoliberal cadre in South Africa.

21. Karl Schiller first coined the phrase "planning as much as necessary, competition as much as possible" to reconfigure the traditional Social Democratic emphasis on planning (see Foucault 2004, 130–132).

22. It is important to highlight the seeming contradiction of treating the individual personality as inviolate, and yet eminently subject to manipulation through all sorts of technologies of "governmentality" and vigilant governance.

23. Several European neoliberals shared Lippmann's emphasis on the absence of economic rather than political freedom (e.g., Rappard and Rougier; compare Walpen 2004a, 56).

24. Neoliberalism's diversity, even at the moment of its creation, is illustrated by a set of principles best expressed in the final part of the proceedings of the Colloque Walter Lippmann, "Le compte-rendu des séances du Colloque Walter Lippmann," cited above as CWL, following Bernhard Walpen's keynote lecture (see note 7 above; compare Walpen 2004a, 60) and in the dispute over MPS's Statement of Aims, discussed below.

25. The four chapters of the first section detail the most important groups that eventually became closely linked across borders. Hartwell (1995, 101) calls the MPS a "two-man show" (i.e., Hayek and Hunold) prior to 1958, a perspective considerably at odds with the findings of the chapters in the second section of this volume. Walpen (2004a) and Plehwe and Walpen (2006) provide critical accounts of the processes leading up to the formation of the Mont Pèlerin Society.

26. Karl Popper, in Hartwell (1995, 35). Hayek's own attempts to refute socialism had not achieved much intellectual success by this juncture; for more on this, see Mirowski (2007), which is a meditation upon Caldwell (2004).

27. The total U.S. membership so far (until 2004) was 437, amounting to almost half of the MPS population (cf. Walpen 2004a, 395).

28. See [www.montpelerin.org/mpsPresidents.cfm](http://www.montpelerin.org/mpsPresidents.cfm) for details.

29. This may be due to the official registration of the MPS in the United States.

30. The years 1947–1986 mark the period for which information is fully available between the MPS archives in Ghent and Stanford. Unfortunately, the 1988 list of participants in the Tokyo meeting was available neither at the Liberaal Archief nor at the Hoover Institution. Information on participants in regional meetings available at the Hoover Institution is incomplete.

31. Christian Gandil (1970, 9) describes the almost yearly conferences of leaders of neoliberal organizations and associations from Denmark, Germany, and France.

32. A total of 136 MPS members have been identified who work for think tanks and foundations related to the MPS (Plehwe and Walpen 2006, 37).

33. Allais saw good reasons for public ownership of land, which led him to object (see Hartwell 1995, 42n.), though the alleged contradiction remains unclear in the written information available.

34. Readers curious for greater detail about the particular Swiss roots will have to turn to work published elsewhere in German and French (Walpen 2004b; Steiner 2007). Several other European countries, such as Sweden and Belgium, and non-European countries, for example, Mexico, South Africa, and Japan, also deserve closer scrutiny and recognition with regard to the roots of neoliberalism because they featured neoliberal activities at an early date. An account decidedly less focused on large countries and Europe remains to be researched and written.

## References

- Anderson, Perry. 2000. "Renewals." *New Left Review* 1 (January–February 2000): 5–25 (10).
- Apel, Hans-Eberhard. 1961. *Edwin Cannan und seine Schüler. Die Neoliberalen an der London School of Economics*. Tübingen: J. C. B. Mohr.
- Ayau, Manuel. 1990. "The War of Ideas in Guatemala." In John C. Goodman and Ramona Marotz-Baden, eds., *Fighting the War of Ideas in Latin America*. Dallas: National Center for Policy Analysis, 138–146.
- Bislev, Sven, Dorte Salskov-Iversen, and Hans Krause Hansen. 2002. "The Global Diffusion of Managerialism: Transnational Discourse Communities at Work." *Global Society* 16(2): 199–212.
- Bobbio, Norberto. 1994. *Rechts und Links. Gründe und Bedeutungen einer politischen Unterscheidung*. Berlin: Rotbuch.
- Bohle, Dorothee, and Gisela Neunhöffer. 2006. "Why Is There No Third Way? The Role of Neoliberal Ideology, Networks and Think Tanks in Combating Market Socialism and Shaping Transformation in Poland." In Dieter Plehwe, Bernhard

- Walpen, and Gisela Neunhöffer, eds., *Neoliberal Hegemony: A Global Critique*. London: Routledge, 89–104.
- Caldwell, Bruce. 2004. *Hayek's Challenge*. Chicago: University of Chicago Press.
- Chafuen, Alejandro A. 2006a. "Hope amid Turmoil in Latin America?" *Highlights (Quarterly Newsletter of the Atlas Economic Research Foundation)* (Spring): 1, 6, 7.
- Cockett, Richard. 1995. *Thinking the Unthinkable: Think Tanks and the Economic Counter-revolution, 1931–83*. London: Fontana.
- Czerny, Philip G. 2008. "Embedding Neoliberalism: The Evolution of a Hegemonic Paradigm." *Journal of International Trade and Diplomacy* 2(Spring): 1–46.
- Dahrendorf, Ralf. 1995. *The LSE*. Oxford: Oxford University Press.
- Denord, François. 2003. *Genèse et institutionnalisation du néo-libéralisme dans la France (années 1930–années 1950)*. Paris.
- Denord, François. 2007. *Néo-libéralisme version français*. Paris: Demopolis.
- Feichtinger, Johannes. 2001. *Wissenschaft zwischen den Kulturen. Österreichische Hochschullehrer in der Emigration 1933–1945*. Frankfurt am Main: Campus.
- Feulner, Edwin J. 1999. *Intellectual Pilgrims. The Fiftieth Anniversary of the Mont Pelerin Society*. Washington, DC: Heritage Foundation.
- Fleck, Ludwik. 1980. *Entstehung und Entwicklung einer wissenschaftlichen Tatsache. Einführung in die Lehre vom Denkstil und Denkkollektiv*. Frankfurt am Main: Suhrkamp Verlag (reprint; orig. 1935).
- Foucault, Michel. 2004. *Geschichte der Gouvernementalität II. Die Geburt der Biopolitik*. Frankfurt am Main: Suhrkamp Verlag.
- Frost, Gerald. 2002. *Antony Fisher: Champion of Liberty*. London: Profile Books.
- Gandil, Christian. 1970. "How to Improve the Image of the Entrepreneur." LAMP.
- Gandil, Christian. 1986. "Comment on R. M. Hartwell: The History of the Mont Pelerin Society." LAMP.
- Gide, Charles. 1898. "Has Co-operation Introduced a New Principle into Economics?" *Economic Journal* 8(32): 490–511.
- Goodman, John C., and Ramona Marotz-Baden, eds. 1990. *Fighting the War of Ideas in Latin America*. Dallas: National Center for Policy Analysis.
- Haas, Peter. 1992. "Introduction: Epistemic Communities and International Policy Coordination." *International Organization* 46(1): 1–36.
- Haegeman, Marc. 2004. *Inventory of the General Meeting Files of the Mont Pèlerin Society (1947–1998)*. Ghent: Liberaal Archief.
- Hajer, Maarten A. 1993. "Discourse Coalitions and the Institutionalization of Practice: The Case of Acid Rain in Britain." In Frank Fischer and John Forrester, eds., *The Argumentative Turn in Policy Analysis and Planning*. Durham, NC: Duke University Press, 43–76.
- Hall, Peter, ed. 1989. *The Political Power of Economic Ideas: Keynesianism across Nations*. Princeton, NJ: Princeton University Press.
- Hartwell, Ronald M. 1995. *A History of the Mont Pelerin Society*. Indianapolis, IN: Liberty Fund.

- Harvey, David. 2005. *A Brief History of Neoliberalism*. New York: Oxford University Press.
- Hayek, Friedrich. 1967. *Studies in Philosophy, Politics and Economics*. New York: Simon & Schuster.
- Helleiner, Eric. 1994. *States and the Re-emergence of Global Finance: From Bretton Woods to the 1990s*. Ithaca, NY: Cornell University Press.
- Hull, Richard. 2006. "The Great Lie: Markets, Freedom and Knowledge." In Dieter Plehwe, Bernhard Walpen, and Gisela Neunhöffer, eds., *Neoliberal Hegemony: A Global Critique*. London: Routledge, 141–155.
- Keck, Margaret, and Kathryn Sikkink. 1998. *Activists beyond Borders: Advocacy Networks in International Politics*. Ithaca, NY: Cornell University Press.
- Knight, Frank. 1934. "Economic Theory and Nationalism." In Milton Friedman, Homer Jones, George Stigler, and Allen Wallis, eds., *Ethics of Competition*. London: Allen & Unwin.
- Leonhardt, David. 2002. "Scholarly Mentor to Bush's Team." *New York Times*, December 1.
- McGann, James G. 2007. The Global "Go-To Think Tanks." [www.fpri.org/research/thinktanks/mcgann.globalgotothinktanks.pdf](http://www.fpri.org/research/thinktanks/mcgann.globalgotothinktanks.pdf). Accessed June 1, 2007.
- Miller, John J. 2006. *A Gift of Freedom: How the John M. Olin Foundation Changed America*. San Francisco: Encounter Books.
- Mills, Charles W. 2000. *The Power Elite*. London: Oxford University Press.
- Mirowski, Philip. 2002. *Machine Dreams*. New York: Cambridge University Press.
- Mirowski, Philip. 2007. "Naturalizing the Market on the Road to Revisionism: Caldwell on Hayek's Challenge." *Journal of Institutional Economics* 3(3): 351–372.
- Mises, Ludwig von. 1927. *Liberalismus*. Jena: Gustav Fischer Verlag.
- Mooney, Chris. 2005. *The Republican War on Science*. New York: Basic Books.
- Nash, George H. 1996 [1976]. *The Conservative Intellectual Movement in America since 1945*. Wilmington: Intercollegiate Studies Institute.
- Nordmann, Jürgen. 2005. *Der lange Marsch zum Neoliberalismus*. Hamburg: VSA-Verlag.
- Overbeek, Henk, ed. 1993. *Restructuring Hegemony in the Global Political Economy: The Rise of Transnational Neo-Liberalism in the 1980s*. London: Routledge.
- Plehwe, Dieter, and Bernhard Walpen. 2007. "Neoliberale Denkkollektive und ihr Denkstil." In G. Arrighi et al., eds., *Kapitalismus Reloaded. Kontroversen zu Imperialismus, Empire und Hegemonie*. Hamburg: VSA-Verlag, 347–371.
- Plehwe, Dieter, and Bernhard Walpen. 2006. "Between Network and Complex Organization: The Making of Neoliberal Knowledge and Hegemony." In Bernhard Walpen, Dieter Plehwe, and Gisela Nuenhöffer (eds.), *Neoliberal Hegemony: A Global Critique*. London: Routledge, 27–70.
- Plehwe, Dieter, and Katja Walther. 2008. "Im Schatten von Hayek und Friedman: Die Vielflieger im Kreise der Mont Pèlerin Society. Quantitative Analyse als Explorationsinstrument der historisch-sozialen Netzwerkforschung." In

- Berthold Unfried, Jürgen Mittag, and Marcel van der Linden, eds., *Transnationale Netzwerke im 20. Jahrhundert. Historische Erkundungen zu Ideen und Praktiken, Individuen und Organisationen*. Vienna: Akademische Verlagsanstalt, 235–264.
- Robison, Richard, ed. 2006. *The Neo-Liberal Revolution: Forging the Market State*. London: Palgrave.
- Rodrik, Dani. 1996. “Understanding Economic Policy Reform.” *Journal of Economic Literature* 34(1): 9–41.
- Smith, Barbara Herrnstein. 2005. *Scandalous Knowledge: Science, Truth and the Human*. Durham, NC: Duke University Press.
- Soederberg, Susan, George Menz, and Philip Czerny, eds. 2005. *Internalizing Globalization: The Rise of Neoliberalism*. London: Palgrave.
- Sombart, Werner. 1976. *Why Is There No Socialism in the United States?* New York: Sharpe.
- Stadler, Friedrich. 1997. *Studien zum Wiener Kreis. Ursprung, Entwicklung und Wirkung des Logischen Empirismus im Kontext*. Frankfurt am Main: Suhrkamp.
- Stadler, Friedrich. 2001. *The Vienna Circle*. New York: Springer.
- Steel, Ronald. 1980. *Walter Lippmann and the American Century*. Boston: Little, Brown.
- Steiner, Yves. 2007. “Les riches amis suisses du néolibéralisme. De la débâcle de la revue Occident à la Conférence du Mont Pèlerin d’avril 1947.” *Traverse* 14(1): 114–126.
- Stiglitz, Joseph. 1999. “More Instruments and Broader Goals.” In G. Kochendorfer-Lucius and B. Pleskovic, eds., *Development Issues in the 21st Century*. Berlin: German Foundation for International Development.
- Van der Pijl, Kees. 1995. “The Second Glorious Revolution: Globalizing Elites and Historical Change.” In Björn Hettne, ed., *International Political Economy: Understanding Global Disorder*. Halifax: Fernwood, 100–128.
- Vestergaard, Jakob. 2006. *Discipline in the Global Economy*. Ph.D. thesis, University of Copenhagen.
- Wainwright, Hilary. 1994. *Arguments for a New Left: Answering the Free-Market Right*. Oxford: Blackwell.
- Walpen, Bernhard. 2000. “Von Igel und Hasen oder: Ein Blick auf den Neoliberalismus.” *UTOPIE kreativ*, No. 121/122 (November/December 2000): 1066–1079.
- Walpen, Bernhard. 2004a. *Die offenen Feinde und ihre Gesellschaft. Eine hegemonietheoretische Studie zur Mont Pèlerin Society*. Hamburg: VSA-Verlag.
- Walpen, Bernhard. 2004b. “Die Schweiz—Kaderschmiede des Neoliberalismus. Zur Geschichte neoliberaler Institutionen und Vordenker.” *Widerspruch* 24(46): 141–151.
- Walpen, Bernhard. 2005. “The Plan to End Planning: A Short History of Neoliberalism.” Keynote lecture delivered at the New York University/International Center for Advanced conference “How Neoliberalism Became a Transnational Movement,” April 28–30.

- Weller, Christian, and Laura Singleton. 2006. "Peddling Reform: The Role of Think Tanks in Shaping the Neoliberal Policy Agenda for the World Bank and International Monetary Fund." In Dieter Plehwe, Bernhard Walpen, and Gisela Neunhöffer, eds., *Neoliberal Hegemony: A Global Critique*. London: Routledge.
- Wiese, Leopold von. 1925. "Gibt es noch Liberalismus?" In Moritz J. Bonn and Melchior Palyi, eds., *Die Wirtschaftswissenschaft nach dem Kriege. Festgabe für Lujo Bretano zum 80. Geburtstag, Bd. I: Wirtschaftspolitische Ideologien*. Munich–Leipzig.
- Williamson, John. 2003. "From Reform Agenda to Damaged Brand Name: A Short History of the Washington Consensus and Suggestions for What to Do Next." *Finance & Development* (September 2003): 10–13.
- Williamson, John. 2004. "A Short History of the Washington Consensus." Paper commissioned by Fundación CIDOB for the conference, "From the Washington Consensus towards a New Global Governance," Barcelona, September 24–25, 2004 ([www.iie.com/publications/papers/williamson0904-2.pdf](http://www.iie.com/publications/papers/williamson0904-2.pdf), download February 20, 2005).
- Wittrock, Björn, Peter Wagner, and Hellmut Wollmann. 1987. *Social Science and the Modern State: Knowledge, Institutions, and Societal Transformations*. Berlin, WZB Discussion Paper P87–3.
- Yergin, Daniel, and Joseph Stanislaw. 1998. *The Commanding Heights*. New York: Touchstone.
- Zmirak, John. 2001. *William Röpke*. Wilmington, DE: ISI Books.