Neoliberalism
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Abstract

As a synonym for free-market governance, neoliberalism refers to a programmatic set of pro-market policy measures; to a rationality of small-government transformation; to a political-economic philosophy of “market fundamentalism;” and to an historically ascendant ideology (and pattern) of capitalist development. Even as the reach of neoliberalism is extensive, the process of neoliberalization does not foretell equilibrium or convergence, since it is (only) found in states of contradictory, incomplete, and uneven development. A stylized historical geography of the moving landscapes of neoliberalization is outlined, understood as both a challenge and a spur to evolving theoretical conceptions. Widely used in critical circles, the analytical purpose and status of neoliberalism nevertheless remains contested.

Keywords: state, markets, ideology, political theory, politics, power, governance, government, privatization, globalization, activism, democracy

Neoliberalism is an umbrella term applied variously to a programmatic bundle of pro-market, pro-corporate, and pro-choice policy measures; to a rationality of small-government transformation, modeled on the principles of entrepreneurialism and competition; to a political-economic philosophy and belief system of “market fundamentalism;” and to an historically ascendant ideology (and pattern) of capitalist development, linked to globalization, financialization, and the hegemony of “market rule.” Signature policies associated with neoliberalism include privatization (the sale of state assets, the outsourcing of government services, and the reallocation of functions from the public to the private sector); deregulation” (the diminution or recalibration of state control in favor of more competitive, market-based or choice-oriented approaches); various forms of marketization (the adoption of market-like principles and subjectivities, based on competition and choice, across a wide range of governmental
and non-governmental spheres); *structural adjustment* (the enforcement, by way of loan requirements, of neoliberal restructuring measures by multilateral agencies, usually in the context of currency or debt crises, or “bailouts”); and *austerity* (the imposition of public-expenditure cuts and strict fiscal discipline, especially since the 2008 financial crash).

Iconic figures of neoliberal thought include the philosopher-economist Friedrich Hayek, whose 1944 book, *The Road to Serfdom*, is considered by many to be a founding text in the movement for free-markets, and the Nobel Prize-winning economist from the University of Chicago, Milton Friedman. Vanguard politicians especially associated with the neoliberal cause include Margaret Thatcher (UK Prime Minister 1979-1990), Ronald Reagan (US President, 1981-1989), and General Pinochet (Chilean President, 1974-1990), although centrist, “third way” politicians like Bill Clinton (US President, 1993-2001), Fernando Henrique Cardoso (Brazilian President, 1995-2003); and Tony Blair (UK Prime Minister, 1997-2007) also played important roles in mainstreaming of neoliberal positions and policies, including those of free trade, privatized governance, and labor-market/welfare reform. In institutional terms, the propagation and enforcement of neoliberal principles is closely linked, some would say organically, to the trio of “Washington Consensus” organizations—the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO)—together with an expansive system of free-market think tanks.

A slippery, contested, and polysemic word, “neoliberalism” is very much a critics’ term, one that is principally associated with the critical social sciences (where its explanatory reach and status are often questioned) and with activists and social-justice movements working in opposition to corporate rule, financialized capitalism, and socioeconomic inequality. Neoliberalism has very little official currency *per se*. Politicians will only invoke the term, very occasionally, in order to distance themselves from it, as in the case of the declaration by Nicholas Sarkozy (French President, 2007-2012) that self-regulation, “laissez-faire,” and free-market deregulation were “finished” as a result of the Wall Street crash of 2008. (Only rarely will politicians even brand their
opponents in these terms, as this would certainly beg the question of how far they, too, shared in the neoliberal “consensus.”) In everyday usage, the word tends to be in much wider circulation in regions associated with wrenching experiences of structural adjustment, like Latin America, than it is in the supposed home of the Washington Consensus itself, the United States. As a result, neoliberalism represents, at the same time, a strong signifier in political and ideological terms, and an ambiguous and disputed term in both academic and popular discourse.

Positing a positive program for market freedoms—in the shape of an idealized, small-state, competitive order—neoliberalism is also very much defined by its antipathies, to socialism and statism, to public-sector solutions and government bureaucracies, to social collectivities like labor unions, and to programs of progressive redistribution. The prefix “neo” underscores the character of neoliberalism both as a successor to the influential strand of Nineteenth Century political economy known as laissez-faire (against which it offers a sympathetic critique) and as an alternative to the various forms of state-centric government that rose to dominance after the Second World War, including Keynesian welfare states, state socialist systems, and developmental states (against which it offers a decidedly unsympathetic critique). In this respect, neoliberalism comes after, and refers back to, the laissez-faire vision of economic liberalism (based on freedom of exchange and trade, individualized rights, minimalist government, the spontaneous order of competitive markets, and an antipathy to state intervention beyond the enforcement of property rights), against which is advocated a more purposive but still constrained role for states as the active enablers, protectors and propagators of markets, entrepreneurialism, and competitiveness. Neoliberalism also represents an historically “new” method for the regulation of capitalist economies, both as an ideological-cum-institutional alternative to Keynesian-welfarist models and state-led approaches to development and, most fundamentally, as a cold-war antithesis to communism and socialism.

If the prefix “neo” serves a range of preformative (not to say performative) purposes, the stem “liberal” is not so easy to fix, either. In the first instance, it should
be taken to index an affinity to *classical liberalism* (freedom of thought and contract, equality before the law, the primacy of private property rights) and to liberal traditions in *orthodox economics* (deference to free markets, methodological individualism, and atomized competition; opposition to government interference), rather than liberal politics *per se*, at least in the received North American usage, where the label “liberal” usually applies to the politics of the center-left and the traditions of New Deal and Great Society (welfare) liberalism. Even though some of the more conspicuous origins of neoliberal programs of government are to be found on the right of the political spectrum, with various conservative and “new right” traditions in North America and Western Europe, with authoritarian regimes in Latin America, and with the advocacy of pro-corporate positions more generally, the roots and reach of the project have long exceeded this. And certainly in the contemporary context, neoliberal impulses, inclinations, and imperatives are yet more politically promiscuous, dominating the broad center (or mainstream) of the spectrum in many parts of the world, from the pragmatic left (notably, stemming from the “third way” movements of the 1990s) to various configurations of the corporate, establishment, populist, and radical right, while also fusing and interacting, in a usually more conditional and selective fashion, with an array of statist, authoritarian, and neodevelopmentalist regimes, in China, Russia, India, Singapore, Brazil, and elsewhere.

In light of these complex geographies and genealogies, it should come as no surprise that “neoliberalism” can be a somewhat confounding and perplexing term—as a descriptor, as a signifier, and as an analytic. The influence of market-oriented politics may seem to be pervasive, and on some accounts even ubiquitous, yet no two manifestations of neoliberalism are the same. Since neoliberalism is a utopian vision, it cannot exist in “pure” form. Actually existing manifestations of neoliberalism must therefore always coexist with other social forms and political-economic tendencies—even where market rule is dominant or hegemonic. Its traces, furthermore, can only be found in complex hybrids, amid context-specific conditions, and in contradictory formations, where contradictions arise both from “internal” tendencies in neoliberal
development (for example, problems of market failure, or the experimental adaptation of strict privatization schemes into public-private partnerships and regulated privatizations) and from jarring relations with its coexistent others (for example, conflicts with public-sector unions and service users, differences with alternate conservative positions on issues like immigration).

Inevitably, then, idealized or shorthand representations of neoliberalism, as generic condition of more market/less state governance, belie more complex and contradictory realities of hybrid coexistence, polymorphic state-market reorganization, and path-dependent restructuring. Nonetheless, the pervasive, “global” presence of neoliberalizing tendencies is commonly (mis)read as an indicator of incipient convergence or as a premonition of imminent conformity, when “total neoliberalism” remains a logical impossibility (and utopian fantasy) and as the reproduction of uneven geographical development is an endemic characteristic of “market rule” (Brenner, Peck, and Theodore 2010). Since all manifestations of neoliberalism are not only incomplete but also situated and context specific (and not template reproductions, variants, or corruptions of, say, Thatcherism), it can only exist in the world in hybrid or “alloyed” form, while it also follows that neoliberalization functions as a tendency rather than an end-state or equilibrium condition. Those that hold on to the term (and the concept) of neoliberalism, despite these challenges of conceptualization and operationalization, tend to do so not because it offers a blanket “explanation of everything,” but because draws attention to complex connectivities, mutual relations, family resemblances, overlapping rationalities, repeating patterns, asymmetrical articulations, and dense relays between localized manifestations of variegated market rule.

**A brief(er) historical geography of neoliberalism**

The best-known introduction to the worlds of neoliberalism is David Harvey’s (2005) *A Brief History of Neoliberalism*. Underscoring the ideological integrity of the neoliberal project—for all its unevenly developed, actually existing forms—Harvey defines
neoliberalism “in the first instance [as] a theory of political economic practices that proposes human well-being can be best advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade,” while at the same time recognizing that

[t]he capitalist world stumbled towards neoliberlization as the answer through a series of gyrations and chaotic experiments that really only converged as a new orthodoxy with the articulation of what became known as the “Washington Consensus” in the 1990s. By then, both Clinton and Blair could easily have reversed Nixon’s earlier statement and simply said, “We are all neoliberals now.” The uneven geographical development of neoliberalism, its frequently partial and lop-sided application from one state and social formation to another, testifies to the tentativeness of neoliberal solutions and the complex ways in which political forces, historical traditions, and existing institutional arrangements all shaped why and how the process of neoliberalization actually occurred (Harvey 2005, 2, 13).

This is not to say that the idealized vision of neoliberalism had no part in these more haphazard, real-world experiences of neoliberalization, but rather that ideological (mis)representations of market freedom “primarily worked as a system of justification and legitimation for whatever needed to be done to achieve [the] goal” of restoring high(er) rates of profitability and returns to wealth, while securing the dominant position of elites (Harvey 2005, 19).

The roots of neoliberalism as an explicit (and named) set of ideas go back to the middle of the Twentieth Century, and to two gatherings of prominent liberal intellectuals, first at the Colloque Walter Lippmann Paris in 1930, and then at a Swiss moutaintop resort, in 1947, the founding moment of the Mont Pèlerin Society. Hosted by the French philosopher, Louis Rougier, the first meeting focused on the contributions of the American journalist and pioneering cold-warrior, Walter Lippmann, bringing together prominent representatives of various European liberal traditions, including Wilhelm Röpke and Alexander Rüstow of the German “Ordoliberals” (who maintained that a prerequisite for the effective functioning of free markets was a strong and well
organized state) and “Austrian School” adherents to a rather more classical or “paleoliberal” position, notably Ludwig von Mises and Friedrich Hayek. It was at this meeting that Rüstow made the case for a “new liberalism,” a purposeful reconstruction of the laissez-faire tradition, fit for contemporary conditions, and based on a principled repudiation of socialism, collectivism, and statism.

These plan to lay down the intellectual foundations for a new liberalism were disrupted by the Second World War. But the project was soon to be revived by Hayek in Mont Pèlerin, the Austrian serving as an interlocutor between an upstart cadre of Chicago-based economists, including a young Milton Friedman, who were beginning to define their “school” in opposition to the Keynesian mainstream (and the strongholds of New Deal economics on the East Coast of the United States), and the generally less buccaneering Europeans, including an Ordoliberal contingent with a hand in the German reconstruction after the War. Echoing the line of argument sketched out in Hayek’s polemical defense of free-market reason, The Road to Serfdom (which had been a surprise bestseller at the end of the War, promptly abridged by the Reader’s Digest magazine), these defenders of the liberal creed maintained that collective provisioning and state action, left unchecked, would lead inexorably to totalitarianism. As the founding statement of the Mont Pèlerin Society read:

The central values of civilization are in danger. Over large stretches of the Earth’s surface the essential conditions of human dignity and freedom have already disappeared. In others they are under constant menace from the development of current tendencies of policy ... [T]hese developments 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.

[W]hat is essentially an ideological movement [towards statism and collectivism] must be met by intellectual argument and the reassertion of valid ideals ... The group does not aspire to conduct propaganda. It seeks to establish no meticulous and hampering orthodoxy. It aligns itself with no particular party. Its object is solely, by facilitating the exchange of views among minds inspired by certain ideals and broad conceptions held in common, to contribute to the
preservation and improvement of the free society (quoted in Hartwell 1995, 41-42).

As if to affirm their analysis of “tendencies of policy,” if not their alternative vision of a “free society,” the Mont Pèlerin group and its allies would spend most of the next quarter-century at the intellectual margins and in an ideological wilderness. A cluster of Keynesian and developmentalist orthodoxies came to dominate not only the economics profession and the corridors of power, but also the “common sense” of mainstream political parties of all stripes across the Western capitalist countries, reflected in a bipartisan embrace of principles like full employment, social-welfare entitlements, and the “mixed economy” of public and private provision, along with measures like price controls, counter-cyclical spending, and industrial policies. A line borrowed from Milton Friedman and frequently attributed to Republican President Richard Nixon, in the early 1970s, reluctantly acknowledged the status quo of the time: “We are all Keynesians now” (quoted in Harvey 2005, 13).

Far from idle during these years of isolation, however, those associated with what intellectual historians would later term the “neoliberal thought collective” (Mirowski and Plehwe 2009), even as they desisted from using the word neoliberalism itself some time in the early 1950s, had been hard at work on the foundations of their “flexible credo.” This included a biting “monetarist” critique of inflationary tendencies in the Keynesian system, spearheaded by Milton Friedman and the Chicago school, which would later play a decisive role in the (very public) battles over the “stagflation” crises of the 1970s (the coincidence of high inflation and high unemployment, which exposed a mortal flaw in both Keynesian theory and practice). Alongside his achievements as a technical economist (recognized with the Nobel Prize in 1976, two years after Hayek, in the wake of which the field which has been dominated by Mont Pèlerinians and Chicago types), Friedman was by the late 1960s firmly established as one of the most prominent public economists in the United States. He was a formidable exponent of the argument-clinching soundbite, not just in the seminar room but in the TV studio. A widely read magazine and newspaper columnist, Friedman also wrote
some very successful mass-market books, such as *Capitalism and Freedom* (1962) and *Free to Choose* (1980), the latter being serialized on public television in the United States, in the year that ended with Ronald Reagan’s path-altering election.

Underlining the point that these were very much strategies of distribution and dissemination, rather than intellectual invention *per se*, the period between the mid-1950s and late 1970s was also a decisive one for what would grow into an expansive and tightly integrated ecosystem of free-market think tanks. The tap root of this system can be traced to a 1947 meeting between Hayek and Antony Fisher, a would-be conservative member of parliament turned businessman, who went on to devote both his life and personal fortune to the cause of economic liberty. On Hayek’s advice, Fisher put his financial and organizational skills to work in a pioneering effort to construct a quite new form of ideologically aligned think tank, at arm’s length from the universities, but closely plugged into media circuits and a growing network of allies in the policymaking world. The first of the “Fisher think tanks” was the Institute of Economic Affairs (established in London, in 1955), which fought a lonely fight for almost two decades before the broader turn towards free-market ideas in the 1970s.

This decade saw the foundation of the most influential free-market think tanks, including the Heritage Foundation, established in Washington, DC in 1973 by conservative activists disillusioned with what they saw as Nixon’s excessively moderate policy positions. On the eve of President Reagan’s inauguration, in 1981, Heritage would publish its *Mandate for Leadership*, anticipating both the general direction of (and specific measures within) the radical policy program of the new administration, into which several of its key staff members would promptly move. Rather more purist, the libertarian Cato Institute was founded by conservative billionaire Charles Koch in Wichita, KS in 1974, later to relocate to San Francisco and then to Washington, DC. For his part, Antony Fisher was instrumental in founding the Fraser Institute (established in Vancouver, Canada, in 1974), the Centre for Independent Studies (established in Sydney, Australia, in 1976), the Manhattan Institute (established in New York City in 1978), the Pacific Research Institute (established in San Francisco, in 1979), the National
Center for Policy Analysis (established in Dallas, TX, in 1983), and the Atlas Economic Research Foundation (established in Washington, DC, in 1980), the latter with a mission to propagate free-market think tanks around the world, the extended network of which now reaches to close to 500 affiliated organizations.

The underlying purpose, political orientation, and historical timing of the construction of this infrastructure of free-market think tanks might lend credence to a neat and tidy tale of linear, supply-driven ideational innovation. It is almost as if all it took to win the battle of ideas was to reprocess the distilled spirit of Mont Pèlerin at the University of Chicago, and then to blend and dilute this in accordance with policymaking appetites and local tastes down the supply chain to the think-tank branch plants. The story is, of course, more complicated, and it is significantly marked by fortuitous events and opportunistische openings. Constructing the think-tank delivery system may have been necessary, but on its own was not sufficient. For his part, Hayek certainly believed that the new breed of free-market think tanks would have vital roles to play as “secondhand dealers in ideas;” since the basic principles of restrained government and liberalized markets were well understood (not to say, in these circles, beyond dispute), the downstream challenge was the continuous political and policy work of “permanent persuasion,” to borrow a Gramscian phrase (Peck 2010). As Antony Fisher liked to write in his fundraising letters, “the echo is more important than the message.”

Fisher was writing these letters, almost without exception, to wealthy business leaders and financiers. By the 1970s, some members of the business community in the United States were willing to write increasingly large checks to fund battles against burdensome taxes and bothersome regulations, against infringements of the corporate “right to manage,” and against creeping bureaucratization and social-state expansionism, in order to defend the “free enterprise system.” But it had not always been so. After relocating to the United States in 1950, Hayek, Friedman, and their friends at the University of Chicago had struggled for years to raise adequate funds from the corporate sector and from private donors. The free-market cause had its
supporters, but these were generally on the fringes of the business community. In the early 1970s, however, things began to change.

The turning of the tides was symbolized by the so-called Powell Memorandum of 1971, a confidentialmissive delivered to prominent members of the US Chamber of Commerce by Lewis F. Powell, Jr., a corporate lawyer soon to be appointed to the US Supreme Court. Entitled “Attack of American Free Enterprise System,” the memo traced the source of what was portrayed as a sustained and systemic assault on capitalist values and institutions to a “chorus of criticism ... from the college campus, the pulpit, the media, and intellectual and literary journals, the arts and sciences, and from politicians,” in the face of which the business community had mistakenly adopted an implicit policy of appeasement; this had to change:

There should be no hesitation to attack the Naders, the Marcuses and others who openly seek destruction of the system. There should not be the slightest hesitation to press vigorously in all political arenas for support of the enterprise system. Nor should there be reluctance to penalize politically those who oppose it ... The threat to the enterprise system is not merely a matter of economics. It also is a threat to individual freedom (Powell 1971, 29-30, 32).

This is not to suggest that the Powell memo was the single, smoking gun cause of the subsequent “strategic politicization” of the US business class, but it is widely credited as a germinal factor in (and portent of) the subsequent build-out of the free-market think-tank infrastructure; the ascendency of organized shareholder values and interests; the massive expansion of business, financial, and “right-channel” media; and the formation of conservative-corporate policymaking operations like the American Legislative Exchange Council (ALEC), the influence of which did not fully come to light until well into the organization’s the fourth decade of under-the-radar activities (see Block and Somers 2014; Peck 2014).

Few of these sparks would have led to any larger conflagrations, needless to say, absent the kindling of propitious cultural, social, and political-economic circumstances. In the pivotal decade of the 1970s, however, conditions began to favor, if not impel, the
kind of concerted action advocated in the Powell memo and long anticipated by the free-market evangelists in Chicago. Sustained downward trends in corporate profitability, in labor productivity, and in the US share of world trade were contributing to an environment of macroeconomic insecurity, while a wide range of social movements (including organized labor; movements for civil, welfare, and women’s rights; and causes like environmental and consumer protection) had been achieving legislative traction as well as (re)shaping public opinion. The Powell memo had sounded the alarm that legislative and cultural incursions onto the corporate terrain had crossed the line to system-threatening status, arguing that the movement towards progressive taxation had gone too far and that increasing inflation would further erode the position of the holders of capital.

What some commentators would call the “Great Inflation” (the roots of which were traced to rising governmental and wage expenditures in the 1960s, not least as a result of the Vietnam War) was to prove catalytic for the subsequent turn towards neoliberal governance, the carrier of which was Friedman’s monetarist doctrine of tight control of the money supply (see Samuelson 2008). This echoed the way in which macroeconomic collapse and mass unemployment of the 1930s, the “Great Depression,” had provided the historical impetus (and the opportunity, if not necessity) for the rise of New Deal politics, for the establishment of the postwar social-welfare settlement, as well as the foundations for the capital-labor accord of Fordism-Keynesianism (see Gordon, Edwards, and Reich 1982).

If these conditions described the path towards neoliberalism in the United States—culminating in the Reagan Presidency and what would prove to be a long-run shift towards inflation control, tax restraint, and light-touch regulation—this is not to say that they are replicated in each and every turn towards neoliberal politics and modes of governance. To be sure, there are recurring themes in neoliberal transformations around the world, such as preceding periods of aggravated macroeconomic stress (as reflected, for example, in currency, debt, or balance of payments crises), and the rise to power of “reformist” administrations (see Fourcade-
Gourinchas and Babb 2002), but there is much more than analytical sophistry in the claim that neoliberal “transitions” are contextually and conjuncturally specific.

This point is underscored by what many regard as the “original” neoliberal counterrevolution, in Chile in the wake of the military coup of 1973. Under the dictatorial rule of General Augusto Pinochet, Chile was to become what Naomi Klein (2007, 53) has called, with requisite irony, a “laissez-faire laboratory” for Chicago-school economics. True, there had been an experiment with neoliberal-style “shock treatment” in Germany, right after the Second World War, but Chile would become the most notorious case, and a forerunner to similarly severe applications of macroeconomic medicine in Central and Eastern Europe after the fall of the Berlin Wall in 1989 (see Yergin and Stanislaw 2002). In Chile, an elite cadre of US-trained economists—many of whom studied under Milton Friedman and his colleagues as part of an exchange scheme established in the late 1950s—were appointed by Pinochet to drive an unprecedented program of monetary restraint, privatization, deregulation, trade liberalization and tax reform, aimed at taming runaway inflation and restoring economic competitiveness.

While Friedman and Hayek defended the economic record of the “Chicago Boys,” their enduring notoriety stems from the perverse political demonstration effect of Chile’s neoliberal turn: this program of economic liberalization was prosecuted through state violence, authoritarian governance, and democratic repression, undercutting the claim to an irreducible link between political and economic “freedom.” The embrace of neoliberalized modes of economic regulation would later be witnessed across a wide range of political regimes, including robust democracies and “reforming” state-socialist systems. In some cases, neoliberal reformers can justly claim an electoral mandate, but there is increasing evidence that deepening neoliberalization is associated less with democratization and empowerment than with a long-run drift towards insider dealing, money politics, and technocratic management. In turn, this reflects established tendencies in neoliberal governance for upward expropriation over downward redistribution, for private gain over the common good, for shareholder value over social benefit, for speculative growth over sustainable development, and so forth.
Arguably nowhere is the discrepancy between neoliberal economic reforms and democratic consent greater than in the case of structural adjustment programs (SAPs) managed by multilateral agencies like the IMF and World Bank, with the support of the U.S. Treasury department. Beginning in the 1980s, these Washington Consensus organizations started to impose increasingly strict “conditionalities” on loans advanced to middle- and low-income countries in the context of macroeconomic (and especially debt) crises, conditionalities that essentially mandated the introduction of a range of neoliberal policy measures, including privatization, deregulation, financial liberalization, and public-spending reductions (see Peet 2003). These policy prescriptions were later summarized by John Williamson (1990), an economist with close links to the IMF and World Bank, in a manner that would pass into neoliberal lore:

1. Fiscal policy discipline, focused on debt reduction;
2. Shifting public spending from “subsidies” to pro-growth investments in skills and infrastructure;
3. Tax restraint;
4. Control of interest rates, which should be market determined;
5. Competitive exchange rates;
6. Trade liberalization and the removal of tariff protections;
7. Liberalization of inward foreign direct investment;
8. Privatization of state enterprises;
9. Deregulation;
10. Legal security for property rights.

There has been a tendency, since the late 1990s, to apply structural-adjustment measures in a less brazenly unilateral manner, with an increased emphasis on “good governance” and “pro-poor” policymaking, in the context of what has sometimes been dubbed the “post-Washington Consensus”—not least as a result social protests triggered by earlier rounds of SAPs and by the mixed (at best) record of these programs themselves (see Craig and Porter 2006). There has been a resumption of stricter forms of structural adjustment, however, in the period since the global financial crisis of 2008. New rounds of “austerity” measures have been imposed not only on developing countries, but across the Eurozone, especially in the Mediterranean states, and in
bankrupt cities like Detroit—in some cases involving the formal or de facto suspension of established democratic procedures (Laskos and Tsakalotos 2013; Peck 2014).

**Analytics of neoliberalization**

The invocation of *neoliberalism* and its processual variant, *neoliberalization*, as analytical devices, mostly in the critical social sciences, exhibits an historical geography of its own. This overlaps with, but in other ways is quite distinct from, the evolution of its actually existing forms. Early explorations of the explanatory and conceptual (as well as political) status of neoliberalism can be found in Latin American development studies (see Colclough and Manor 1991), in the neoFoucauldian governmentality approach (see Barry, Osborne, and Rose 1996), and in neoMarxist debates around Thatcherism (see Jessop et al. 1988), although there were few connections between these islands of theoretical practice. In geography, the encounter with neoliberalism was principally associated with work in regulation theory (see Peck and Tickell 1994). The initial premise here was to question, in the British context at least, the status of the Thatcherite form of neoliberalism as a viable “successor” to Keynesian-welfarism as a mode of social regulation, and as an effective enabler of an enduring pattern of “post-Fordist” macroeconomic development. Instead, the interpretation in these early regulationist treatments, which were largely concerned with the “macro” form(s) and consequences of neoliberalization, was that Thatcherism was more of a creature of the protracted British crisis than any meaningful guide to its resolution, being freighted with unmanageable contradictions and disabling externalities.

Regulation theory rejects economically functionalist conceptions of modes of social regulation (like Keynesianism, developmental-statism, and would-be successors like neoliberalism), which are seen to possess relative autonomy from the “needs of capital.” Yet capitalism (and markets) cannot exist independently of social and institutional “supports” of different kinds. Markets and institutions are therefore found in (various states of) contradictory coexistence. It follows that the search for new
institutional fixes (for example, along the path of neoliberalization) is marked by a wide range of failed experiments, crisis-managing compromises, and “chance discoveries,” as well as more deliberative projects and power plays. Over time, however, it became increasingly clear that various stripes of “Anglo-American” neoliberalization were beginning to evolve synergistically with deepening financialization, as they also became ever more profoundly entrenched with elite interests. These would soon be shaping the “rules of the game” more widely, even as this game was being played differently in different places.

Meanwhile, somewhat overlapping understandings of “neoliberalism,” as a synonym for corporate rule and free-market globalization, were emerging in various activist circles, beginning with the Zapatista uprising in Chiapas, Mexico in 1994, resonating through the anti-WTO protests in Seattle in 1999, and provisionally uniting (albeit in opposition) the diverse array of social-movement forces assembled at the World Social Forums, initially in Porto Alegre, Brazil in 2001, as the dialectical other to the mobilizing slogans, “another world is possible” and “one no, many yeses” (see Fisher and Ponniah 2003).

This newfound political currency coincided with the recognition that, for many critical social scientists, the term “neoliberalism” had utility as a means to (re)politicize orthodox understandings of globalization, which had been ascendant during the 1990s, following the fall of the Berlin Wall and hubristic announcements of an “end of history” victory for US-style capitalism. (In mainstream usage, “globalization” was often portrayed as an uncontrollable process, like the weather, and somehow above politics itself.) Different conceptions of neoliberalism were soon being widely invoked, especially in geography and urban studies (see Brenner and Theodore 2002), in radical political economy and cultural studies, and rather more tentatively in sociology and anthropology, although still hardly at all in the more orthodox fields of political science or economics. Something of a step-change occurred in the wake of the global economic crisis of 2008, however, which even as it vividly and publicly discredited the model of “deregulated” finance, soberingly affirmed the grip of neoliberalism’s political
hegemony, in the uncompromising form of social-state retrenchment and austerity programming (Brenner, Peck, and Theodore 2010; Hall, Massey, and Rustin 2013).

Notwithstanding these increasingly close attentions, it is notable that the basic definition, the explanatory status, and in some quarters even the very existence of neoliberalism all remain, to varying degrees, subjects of contention. In political rhetoric, the term retains polemical connotations. It is associated with a range of more precise meanings in the social-science literature, but these often remain matters of dispute. Some of the theoretical currents include: a Marxist depiction of neoliberalism as a (new form of) ruling class hegemony tied to deepening financialization, as an ideological offensive or “revolution from above,” and in a more general sense as a synonym for the prevailing historical form of capitalism (cf. Harvey 2005); a (neo)Foucauldian strand of governmentality studies, in which neoliberal impulses take a much more dispersed and socially complex form, as they are implicated in the enrolment and (re)constitution enterprising and “responsibilized” subjects (cf. Barry, Osborne, and Rose 1996); and working across and between these, there are various approaches to neoliberalism and neoliberalization as a variegated policy complex, as a restructuring paradigm or regulatory “front,” and as a prevailing rationality of government (cf. Brenner, Peck, and Theodore 2010).

In their different ways, all of these critical theorizations of neoliberalism must contend with the many discrepancies and slippages between, on the one hand, the reductionist and idealized discourse of neoliberalism (small state + free economy), which posits an essentially zero-sum relation between governmental withdrawal and the animation of (naturalized) markets, and on the other hand, the much more prosaic, compromised, and contradictory forms (the plural being deliberate here) exhibited by actually existing programs of neoliberalization. Rarely, if ever, anything resembling the (fairy) tales of shrinking states and spontaneous markets, the wide array of actually existing neoliberalisms tends to be characterized by, in addition to their idiosyncratic features: a tendency for complex reregulation rather than simple deregulation, shaped by recurring crises, policy failures, and opportunistic experiments; a significant degree of
institutionalized path dependency, reflecting the specificities of those antithetical institutions targeted, and variably “rolled back” in neoliberal reforms, as well as the particularities of those “rolled out” in evolving programs of market-oriented reconstruction; and new forms of uneven geographical development, rather than convergence or standardization towards a generic or “template” form.

Disputes remain, however, around the utility and scope of neoliberalism as an explanatory device. Those skeptical of the term(inology) typically point to its normalizing effects, as an ideologically coherent “big story,” pointing instead to the diversity and vitality of lifeworlds outside the ostensibly all-encompassing ambit of neoliberalization, to local exceptions and alternatives, and to the irreducible social surplus beyond the instrumental reach of market rule. Those attentive to the variegated and sprawling form(s) of neoliberalization, on the other hand, tend to see recurring patterns, family resemblances, and constitutive connections, even as they recognize that neoliberalism’s totalizing tendencies will always be thwarted. These different ways of “seeing” neoliberalism, or not, arguably reveal as much about theoretical predispositions as they do about social worlds in change. It is almost as if an analytical version of the Rorschach test is at work: some will focus on the menacing black shapes, while the eye of others is drawn to the open spaces beyond.

SEE ALSO: Globalization and Development; Governance and Development; Governmentality; Public Policy; Regulation/Deregulation; Restructuring; Social movements; Power and development; States and Development; Uneven Development

References and Further Readings


