



# Rethinking neoliberalism

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## Abstract

There are many key questions concerning the current status of the notion of neoliberalism. What is it? Is it an appropriate concept to describe a political and intellectual movement or form of state? What are its prospects as a framework of public policy after the global financial crisis? The article proposes a way of answering these questions by regarding neoliberalism as a definite 'thought collective' and a regime of government of and by the state. It exemplifies these by shifts within neoliberalism regarding the question of monopoly, its relationship to classical liberalism and its approach to crisis management. In regard to the latter, it further proposes an emergent rationality of the government of and by the state concerning the fostering of resilience in the anticipation of catastrophe.

## Keywords

neoliberalism, regime of government, state, thought collective

Neoliberalism, it might be argued, is a rather overblown notion, which has been used, usually by a certain kind of critic, to characterize everything from a particular brand of free-market political philosophy and a wide variety of innovations in public management to patterns and processes found in and across diverse political spaces and territories around the globe. From such a perspective, if the notion is to be of any use, it needs to be severely circumscribed, above all to a limited range of schools or forms of thought and certain practices and policies concerned with the construction of market and market-like relations, and fostering and utilizing capacities of economic freedom. To do so would mean that the term should no longer be used to characterize all aspects of state governing in contemporary liberal democracies and the majority world beyond them. What, then, is neoliberalism and what is its current status and significance, particularly given the

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failures of national and international regimes of economic management since what was called the 'global financial crisis' of 2008?

Two types of scholarship can help answer parts of the question of 'What is neoliberalism?' The first is that of historians of ideas who have approached neoliberalism as a 'thought collective' and focused on the organization established by Friedrich Hayek in 1948, the Mont Pèlerin Society (hereafter, MPS) (Mirowski and Plehwe, 2009). In a project that is similar to Michel Foucault's (2008) recently published lectures on the topic, these historians stress the contingent sources, multiple forms, and heterogeneous and apparently contradictory elements of neoliberalism, which mean that it is irreducible to a simple and coherent philosophy or ideology. The second, drawing on political geographers and urban sociologists, insists that none of these methodological starting points (multiplicity, contingency, heterogeneity) precludes the possibility that neoliberalism has become both a patterning and patterned form of regulation with identifiable 'path dependencies' (Brenner et al., 2010). In other words, however else we might view neoliberalism, as political philosophy, ethos, rationality or local assemblage, it can become an uneven process of governmental or regulatory development.

In the next section, I introduce the approach to neoliberalism as thought collective as an important new way of answering the question of what is neoliberalism. In the following section, I draw upon this approach and the work of Colin Crouch to answer the question of whether or not neoliberalism is a misnomer and argue for a clarifying distinction between regime of government and form of state. In the final section, I discuss the question of how we might grasp the present mutations and future prospects of neoliberalism. In each of the sections I raise one key shift in neoliberalism: its relation to monopoly, its relation to classical liberalism, and its form of crisis management.

## Neoliberalism as thought collective

A group of historians of ideas, after Ludwik Fleck (1979), have recently shown the usefulness of treating neoliberalism as a 'thought collective' (Mirowski, 2009: 428–9). By thought collective they mean an organized group of individuals exchanging ideas within a common intellectual framework. In the present case, this commonality was provided by the desire to renovate free-market liberalism. A thought collective is thus engaged in a kind of conversation comprising a field of dissension. It has spaces for different voices and processes of discovery while at the same time permitting the crystallization of a consensus. Such a view allows for a multiplicity of viewpoints and different national and transnational developments, borrowings and mutations. In the case of neoliberalism, none of its formulations – not even what it might be called – remained stable and in this respect it is correct to stress the less than coherent nature of it as a doctrine or political programme. As a thought collective, neoliberalism gains its coherence less as a doctrine, programme or rationality, and more as a movement.

From this perspective, we can say that neoliberalism empirically is a militant movement that draws its strength and gains its frontal character from that which it opposes. Its principal opponent since the 1970s has been Keynesian macroeconomic management and the welfare state and the associated social domain. As Foucault argued (2008: 107–9), its various historical opponents have been economic protection, state economic

planning, state intervention, state regulation and mass social programs, all of which allegedly lead down the slippery slope of totalitarianism. The question of the relation of neoliberalism to classical liberalism is of crucial importance and I shall return to that in the second section. This is one of two crucial mutations in the emergence and development of this movement. The other is its relation to economic monopoly and oligopoly and hence to the phenomenon of large-scale corporations.

In its stress on competition, German Ordoliberalism presented itself as a reformation 'in the direction of competition' which entails, in the words of Franz Böhm in 1950, 'a decisive fight against both private and public power over the market' (cited in Friedrich, 1955: 511). It was the view of Wilhelm Röpke that '[N]ot only are monopolies socially intolerable but they also interfere with the economic process and act as a brake on productivity', while conceding that it is the state that created the conditions for the great majority of them (cited in Foucault, 2008: 153). Indeed Röpke went so far as to take an anti-capitalist view in which he regarded "capitalism" as the dirty and soiled form which the market economy has assumed in the history of the last hundred years' (1996 [1948]: 27). The objectives of Ordoliberalism included avoiding concentration and encouraging medium-size enterprises, small businesses and craft industry (Foucault, 2008: 240–1) under policies of 'deproletarianization' and 'economic decentralization' (Röpke, 1996 [1948]: 30). The notion of the enterprise and the generalization of the enterprise form to all spheres of society and life in what Alexander von Rüstow called a *Vitalpolitik* thus entailed a distinct anti-corporate ethos (Foucault, 2008: 148–9).

In case one imagines this to be a peculiarity of German 'sociological liberalism' (Foucault, 2008: 146), a parallel tale emerges at the very beginnings of the Chicago School of economics and law. Henry Simons, Hayek's friend and intellectual comrade-in-arms in the Chicago Economics Department while the latter was still at the London School of Economics, wrote explicitly against 'gigantic corporations' and trade unions as concentrations of power which posed a threat to the 'heart of the contract' and to prices; he averred that the greatest enemy of democracy is monopoly in all its forms (Van Horn and Mirowski, 2009: 142–3). Such views did not disqualify him from being the key conduit at Chicago for Hayek and the plans to establish a Free Market Society (FMS) which would be funded by the Volker Fund, a foundation through which businessman Harold Luhnow, who was seeking to finance an American version of Hayek's *The Road to Serfdom* (2001 [1944]), would promote the rethinking of liberal politics in America.

After Simons' untimely death in 1946, the Volker Fund refused to distribute his *Economic Policy for a Free Society* because of its anti-monopoly positions. The funding organization that would prove crucial to Hayek's American ambitions and the formation of the Chicago School would not support an anti-corporation stance in their Cold War anti-socialist agenda (Van Horn and Mirowski, 2009: 156–8). When Luhnow finally got his American *Road to Serfdom* it was Milton Friedman's corporate-friendly *Capitalism and Freedom* (1982; Van Horn and Mirowski, 2009: 166–8). Friedman reprises the idea that monopoly is already the result of government action but regards it as harmless and, notoriously, argues that in any case many areas should be treated *as if* they were a competitive market. He would also recommend the abolition of corporate tax and the privatization of state universities, and sing the virtues of the role of 'wealthy individuals' in funding movements to preserve political freedom. A further story along these lines is

provided by the positively pro-trust Anti-Trust Project at Chicago in the 1950s (Van Horn, 2009: 221–8).

Two other features of neoliberalism as a thought collective bear mentioning. The first is that as a thought collective it is multilayered and takes different organizational forms, compared by Philip Mirowski (2009: 430–1) to a series of Russian dolls: at the core, the MPS, then specific academic departments, special-purpose foundations, general-purpose think-tanks, specialized satellite think-tanks and an outer layer comprising ‘Astroturfed’ organizations consisting of supposedly grassroots members organized around religious or single-issue campaigns.

These different layers have different levels of privacy and confidentiality. The MPS sat at the centre as a safe haven where the project of the revision of liberalism could be debated without ridicule and without gaining a ‘Fifth Column reputation of a society closely aligned with powerful but dubious postwar interests’ (Mirowski, 2009: 430). One of the effects of these forms of organization is the tendency to have one set of formulations for the elect and one for public consumption. One might then talk not simply of a regime of truth that characterizes neoliberalism but a doctrine of double truths, of truths that can be expressed differently in relation to different audiences. The primary set of these truths revolves around the state and the relationship between neoliberal conceptions and advocacy of freedom and authoritarian styles of rule and public management. Truth thus depends on the audience for whom it is intended and the time, place and context of its utterance. It is this question of the view of the state that will enable us to approach a second issue in the next section, concerned with the name, ‘neoliberalism’, and its relation to classical liberalism.

If we follow this line of historical inquiry, neoliberalism is best understood as neither a coherent ideology nor political rationality. The context of neoliberalism is subject to fundamental change and its roots lie in precise intellectual circumstances. We should not assume a simple relationship between a given ideology and political programme or public policy framework. A methodological framework that allows for contingency and dynamism, and seeks empirical analysis in local discourses and practices is thus required and, in this respect, Foucault and ‘governmentality studies’ provided a good orientation (Dean, 2010; Rose, 1996). However, it is the case that key actors within these diverse trajectories in Europe and the United States worked successfully to forge a highly militant intellectual movement. That movement would first be a dissident group on the fringes of public policy and later, with much effort and under the conditions of a crisis for which it had prepared itself, enter into the domain of public political discourse (Peck et al., 2009: 105–6). As we shall now see, from this perspective it would be mistaken to regard this moment of entry as a brief rhetorical blossoming, just as it is to underestimate the coherence of neoliberalism as a thought collective and intellectual movement, whatever its incoherence as a set of ideas.

## **What’s in a name? Neoliberalism as misnomer**

‘Neoliberalism’ was and perhaps remains among the most militant and organized politically oriented thought collectives of the post-Second World War period. But that still does not establish the salience of the concept to major public policy trends of the last 30 years.

Was neoliberalism then a misnomer for these trends? Is the term really just a ‘secret handshake’ among fellow travellers and a kind of ‘mythical enemy’ conjured up the left?

The first question here, then, is this: is it appropriate to apply the term ‘neoliberalism’ to the thought collective discussed above, and to programmes and public policy influenced by that collective? This question allows us to grasp a further key mutation in the history of the development of neoliberalism. Until the early 1950s it appears that neoliberals were happy to understand themselves as proposing a new form of liberalism or a neoliberalism that would take a broadly constructivist rather than naturalist approach to the market, that is, it would define a positive role for the state in the construction of the conditions necessary for the free operation of the market. Certainly the term has long provenance and was used in the 1930s by the participants of the *Colloque Walter Lippmann* (Mirowski, 2009: 427). This colloquium, held in Paris on the eve of the war, and comprising many of those who were to be early MPS members, proposed the establishment of the ‘*Centre International Études pour la Rénovation du Libéralisme*’; at the colloquium, Louis Rougier proposed the term ‘positive liberalism’ (Foucault, 2008: 152). More tellingly, Milton Friedman gave an early survey of the efforts of his colleagues under the title ‘Neo-liberalism and Its Prospects’ (1951).

From outside the thought collective, the political scientist, Carl Friedrich wrote a bibliographical article, mainly on Rüstow and Ordoliberalism but also with reference to Hayek and the MPS, called ‘The Political Thought of Neo-liberalism’ (1955). Among the points he noted was that neoliberalism was a framework that asserted ‘the primacy of the political’ and the need for the state as the ‘strong and neutral guardian of the public interest’ (Friedrich, 1955: 512). Friedrich’s immensely sharp-eyed analysis already noted the authoritarian character of neoliberalism and its endorsement of Benjamin Constant’s statement: ‘The government beyond its proper sphere ought not to have any power; within its sphere, it cannot have enough of it’ (Friedrich, 1955: 513). The sentence had been cited in French by Röpke in his *Civitas Humana* (1996 [1948]: 32). What Friedrich and others would reveal is that this nascent movement was not simply an economic theory but a comprehensive political philosophy, theory of law, economic history and historical sociology.

Some time during the 1950s, perhaps due to embarrassment over this kind of exposure, the members of the MPS quietly dropped the term ‘neoliberalism’ and adopted a public stance insisting that there was no rupture with classical liberalism and ‘that the liberalism they championed was an effectively continuous political doctrine from the eighteenth century’ (Mirowski, 2009: 427). This point was established by countless paeans to Adam Smith and the need to reaffirm their commitment to what one participant in their 2010 world meeting in Sydney describes as ‘some of the cardinal virtues of the enlightenment: rationality, reason and empiricism’ (Schwartz, 2010: 8).

The dropping of the term did little to banish the intellectual aporia on which the neo-liberal project and movement was founded. The provenance of neoliberalism was summed up in Alexander von Rüstow’s ‘programmatic declaration’ (Friedrich, 1955: 512), ‘Free Economy – Strong State’ (*Freie Wirtschaft – Starker Staat*), which appeared in 1932, the same year the German constitutional theorist Carl Schmitt delivered an address to an association of German businessmen with almost the same title, ‘Strong state and sound economy’ (*Starker Staat und gesunde Wirtschaft*) (1998 [1932]). Schmitt

argued that the total state that breached the separation of state and civil society was a qualitatively weak state as a result of its colonization by interest groups through parliamentary democracy and welfare-state demands. While Rüstow references and repeats Schmitt's argument concerning the total state (Ptak, 2009: 111), Hayek would later reproduce much of Schmitt's early thesis of the antithesis of liberalism and democracy, and his theory of a 'commissarial dictatorship' (Hayek, 1981). At the core of the regime of truth developed in the full flowering of postwar neoliberalism is the tenet that a strong state was needed to promote economic freedom and markets, and to neutralize the pathologies of democracy. Both Hayek and Friedman – and later James Buchanan (Plehwe, 2009: 5) – would formulate this double truth doctrine in different ways.

Of course, these doctrines were notoriously played out in the involvement of neoliberals, including Hayek and Friedman, in Chile during the 1970s Pinochet regime (Fischer, 2009). Hayek (1981) seemed to surprise himself in an interview in Santiago when he found himself preferring a 'liberal dictator' to a 'democracy lacking liberalism', and arguing that sometimes 'democracy needs the broom of strong government'. When both suggested that the coup d'état in Chile was due to an exceptional set of circumstances, they again confirmed Schmitt's infamous observation that 'sovereign is he who decides the state of exception' (1985 [1922]: 5) by arrogating that decision to themselves.

Having noted the double truth doctrine, it would seem that one set of objections to notions of neoliberalism and advanced liberalism proposed earlier would now need to be revised. These objections were that such notions, with their focus on governing through freedom and markets, systematically underestimate the authoritarian side of contemporary liberal government (Dean, 2007: 101–6). However, with the excavation of the anti-democratic and authoritarian problematic at the heart of the thought collective of neoliberalism, it is now clear that the authoritarian character of contemporary liberal government lies not simply in the strategic operation of its practices of governing but also in the programmatic rationality as a thought collective.

We have established that neoliberalism refers to a particular thought collective. Can it be applied to a form of state? Paul du Gay and Alan Scott (2010) have recently argued that it is necessary to distinguish between the *development* of the state and the different 'regimes' through which the state incorporates multiple externalities into its sphere of action. It is necessary, then, to distinguish between the state and what might be called the regimes of government *of* and *by* the state.

By helping us to distinguish between state and regime of government, Du Gay and Scott save us from the view that the state itself is subject to fundamental transformations every generation or two, as the proposition that the Keynesian welfare state was followed by the neoliberal state would imply. The development of the institutional form of the state and the concept of the state occurred, by contrast, over a period of centuries, and linked conceptions of public office, the legitimate monopoly of violence, ultimate civil territorial authority, a law-governed and law-organized state form, and the maintenance of civil peace and security, into an articulated set of material practices. In this sense, one could have a neoliberal regime of the government of and by the state, rather than a neoliberal state. A robust conception of the state would thus guard against both the sense that our analyses have participated in the very neoliberal dissolution of the state they seek to criticize *and* the systematic underestimation of the statist objectives of the neoliberal

movement. Neoliberalism as thought collective conducts a form of what Max Weber called 'politically oriented action': that action which 'aims to exert influence on the government of a political organization; especially at the appropriation, redistribution or allocation of the powers of government' (1968: 55). Its target is the control of the exercise of their powers by states, and, incidentally, by other organizations, from school boards to political parties, universities and international government organizations.

We have established, then, that neoliberalism was not a misnomer for a particular intellectual movement, contrary to the view of members of the movement themselves, and that we should restrict the use of the adjective 'neoliberal' to a certain regime of government and not to a specific form of state itself. A further question is whether neoliberal is the most appropriate term for the regime that was inaugurated at the end of the 1970s in certain polities. From the perspective of the historians of neoliberalism as a thought collective, this is purely an empirical and not a theoretical question: it concerns the influence the individuals and organizations of this thought collective (defined, for example, by association with the MPS) had on the shaping of public policy in particular 'regimes of government' of and by the state or states. From this perspective, the clear examples of a profound shaping of these regimes of government were Pinochet's Chile (Fischer, 2009) and the countering of the New International Economic Order, proclaimed by the United Nations in 1974, by what became the Washington Consensus (Bair, 2009). It is possible that such an approach would establish comparative and country-based accounts of the different forms of impacts of neoliberalism, supplementing the work of sociologists (Bockman and Eyal, 2002; Fourcade-Gourinchas and Babb, 2002). Even without them, the role of neoliberalism in the shaping of international regulatory systems ensures its translocal and transnational salience.

Can we pursue a broader, more theoretical, embrace of the concept of neoliberalism to describe the regimes of government of and by the state in Australasia, Europe, North America and beyond after 1980? The answer would depend on the sense given the term 'neoliberalism'. It is worth considering an alternative view, that of Colin Crouch (2008a, 2008b). Crouch has argued that this regime is best described as privatized Keynesianism, which emerged after the collapse of Keynesian systems of demand management. Rather than governments taking on debt to stimulate the economy, as in state Keynesianism, it was individuals and households, particularly poor ones, who took on the role of incurring debt. Such a system was enabled by two innovations which became clear after the financial collapse of 2008: the extension to those on moderate and low incomes of ever longer lines of unsecured credit in the form of 100 percent housing loans and multiple credit and customer cards, and through the development of markets in derivatives and futures and new financial products by which financial institutions learned to trade in risk. If the Achilles' heel of original Keynesianism was the 'inflationary ratchet' of increasing public expenditure, privatized Keynesian, according to Crouch (2008b: 483), floundered on an exponentially growing mountain of bad debt and the failure of financial institutions' capacity to calculate the risks in which they were trading. Contrary to liberal assumptions about markets, the financial institutions of Wall Street and the City of London proved to have 'highly defective knowledge'.

Without acceding to the change of nomenclature for this regime proposed by Crouch, what his argument does is indicate how the tension within neoliberalism over the

question of monopoly lies at the centre of the crisis of 2008 and after. The theoretical inheritance of neoliberalism is one that assumes a model of competition and competitive markets in which actors are regulated by the information contained in the signals provided by prices. As we have seen the Chicago School spent the 1950s trying to reconcile that inheritance with the endorsement of large corporations. As Crouch puts it, they argued it is not necessary 'for there to be actual competition for customer welfare to be maximized. Sometimes a monopoly, by its very domination of the market, can offer customers a better deal than a number of competing firms' (2008b: 484). Clearly, however, the banks were not characterized by complete knowledge and transparency, and existed in a state of reduced competition underwritten by extended state guarantees of support.

Crouch's view both throws into relief the distinction between state and regime of government suggested earlier and indicates some of the terms of the theoretical discussion of which term best describes our most recent regimes of government. Returning to our main point here, if we fail to identify neoliberalism as a militant social and political movement aimed at national states and international governmental regulatory systems, we remain in danger of seriously underestimating the impact that an organized 'thought collective' had on the shape of the regimes through which national states governed and were governed over the last 30 years.

## **A new era?**

Let me now turn to the status of neoliberalism in our present? Did the global financial crisis herald if not a new form of state, a new regime of government of and by the state? Has neoliberalism been superseded? Is it likely to be displaced by something else?

These questions assume a kind of narrative in which the crisis stands as a hinge between epochs. However, it might be well to relocate the global financial crisis within a series of crises: Latin American debt defaults, the Asian financial crisis, the dot.com bubble, etc. We might ask whether neoliberalism thrives on crisis and finds renewal in them. Rather than a 'Berlin Wall' moment, we might consider the 'mutually constitutive relationship' between neoliberal forms of rule and crisis (Peck et al., 2009: 95). In this sense one might observe that, as a movement, neoliberalism was born of crisis during the 1930s and 1940s, readied itself for the crisis through which it came to prominence as a public political force at the end of the 1970s, and has flexibly mutated and adapted through each subsequent crisis. Indeed, one of the constituent features of neoliberalism as a thought collective has been its relation to crisis, headlined by Milton Friedman's view that '[O]nly a crisis – actual or perceived – produces real change' (1982: ix), and his characterization of neoliberal prescriptions in Pinochet's Chile as 'shock treatment' (Klein, 2007: 81).

Official explanations of what happened in the 2008 financial crisis seem to mirror Foucault's famous metric that liberalism is concerned that one always governs too much (2008: 319). President Obama (2009) argued 'that the danger of too much government is matched by the perils of too little; that without the leavening hand of wise policy, markets can crash, monopolies can stifle competition, the vulnerable can be exploited'. Indeed, the issue of how much, too much, not enough or what kind of, government is



central to the discussion of the causes and reason of the financial crisis. The US *Financial Crisis Inquiry Commission Report* (FCIC, 2011) is a case in point.

According to the majority opinion, the crisis was precisely the result of too little government, including the Federal Reserve's failure to set 'prudent mortgage-lending standards' and, more broadly, 'widespread failures in financial regulation and supervision' (FCIC, 2011: xvii–xviii). 'The sentries were not at their posts', it proclaims evoking an image of the 'night-watchman state'. But more than deficient guards, the problem is neoliberalism itself: 'More than 30 years of deregulation and reliance on self-regulation by financial institutions ... had stripped away key safeguards' (FCIC, 2011: xviii).

The dissenting report, however, questions the 'metric' of too little regulation and argues (FCIC, 2011: 414): 'The *amount* of financial regulation should reflect the need to address particular failures in the financial system.' While high-risk mortgage lending was ineffectively regulated, 'poorly designed government housing policies distorted market outcomes and contributed to the creation of unsound mortgages'. 'Both the "too little government" and "too much government" approaches are too broad-brush to explain the crisis.' A second, dissenting opinion completes the possible range of options in relation to this trope and places the causes of the crisis at the feet of US government housing policy and sees no evidence of the contribution of deregulation or lax regulation (FCIC, 2011: 444–5).

The financial crisis thus stands as an occasion to take positions on the nature and size of government regulation of economic and financial systems. While the majority opinion lays the blame on regulators suffering ideological blindfolds and lacking will, the dissenting report makes the point that public policy makers, who choose to bail out big financial institutions, made a simple calculus based on the possibility of global catastrophe: 'They feared not just a run on a bank, but a generalized panic that might crash the entire system – that is the risk of an event comparable to the Great Depression' (FCIC, 2011: 433).

This last sentence introduces another dimension to the discussion – the event-to-come. While crisis is conceived as a part of a cycle, something that can be anticipated and better managed, a concern for what has not yet occurred signals a different approach. The future has been subject to many different techniques of government in the form of risk, danger and uncertainty. But what happens when it approaches the outer limits of anticipatory governing, and finds what it calls a 'tipping point'?

Claudia Aradau and Rens van Munster have recently called this a 'dispositif of catastrophe' (2011). This regime cuts across responses to both ecological and economic crisis, questions of critical infrastructure, urban and social development, and homeland security. This regime of governing catastrophe builds on, and reinscribes within it, the principle of precaution found in ecological discourse, such as the Rio Declaration of 1992: 'Where there are threats of serious or irreversible damage, lack of scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation' (cited in Aradau and van Munster, 2007: 102). It would follow that the routine invocation of the Great Depression of the 1930s as an exemplar of the effects of economic catastrophe during and after the global financial crisis performed a similar kind of precautionary logic. The 'gross Keynesianism' of the desperate attempts to reflate the economies in the year that followed the 2008 financial meltdown thus marked less

the beginning of a new epoch in public macroeconomic management of national economies and more a necessary 'roll of the dice' in the absence of scientific certainty and in the face of catastrophe.

When it comes to the recent re-regulation of the financial system, as with other domains already mentioned, however, the rationality and models of regulation follow an arc from precaution to preparedness, and from risk to catastrophe. The objective is not simply that of exercising precaution in conditions of uncertainty but also of fostering the 'resilience' of individuals and social, ecological and financial systems against unknowable, unpredictable and unmanageable catastrophe (Walker and Cooper, 2011). Resilience here refers to the capacity to absorb external shocks and return as soon as possible to normal functioning or establish new norms of functioning.

According to Walker and Cooper (2011) we witness the possibility of a current mutation of regimes of governing from one based on classical equilibrium theory to one founded on the systems ecology pioneered by C.S. Holling and adapted and generalized in the later Hayek (1967). Not all change, however, should be regarded as changes *within* neoliberalism. This argument might be qualified by examining the impact of those outside the neoliberal thought collective on current governmental rationality. A key instance would be the work of Joseph Schumpeter, which was taken up in the Ordoliberal 'enterprise society' and Chicago School theory of human capital (Foucault, 2008: 147, 231). Schumpeter argued that 'there was a source of energy within the economic system which would of itself disrupt any equilibrium that might be attained' (cited in Swedberg, 1991: 39). Innovations *within* the economy, on this view, such as new financial products to securitize and capitalize risk, can themselves become the generators of crisis, as much as shocks from *outside* the economy. This has certainly been a lesson of the global financial crisis. What might be new today is the way Schumpeter's 'creative destruction' of the economy has become naturalized within neoliberal regimes and rationalities of government.

The techniques of the emergent approach are neither those of insurance nor of comprehensive risk management but rather imaginative and 'conjectural' (Aradau and van Munster, 2011: 31–3). In the case of the financial system, for instance, we see a move from 'stress-testing' to one of scenario planning, including the imagination of the worst-case scenario. It might be that the ecological, economic and political events of the first decade of the 21st century mark a shift beyond a triumphalist neoliberalism capable of conquering and incorporating crisis in its projects of indefinite extension. What is emergent is a neoliberal regime founded on a narrative of the evolution of ecological, economic and social and systems in the direction of greater complexity and subject to unpredictable catastrophe, which is both externally and internally generated.

Perhaps here lies the content of what has been called 'zombie neoliberalism' (Peck, 2010). This concept has referred to the paradox of the coexistence of the public discredit of neoliberal policy with a 'rebooting' of the same system, that entails socializing financial risk, propping up credit markets, and imposing new forms of market discipline on workers, unions and whole economies from Detroit to Greece (Peck et al., 2009: 105). Such a view, focusing as it does on the business-as-usual approach of public political discourse and action, however, might be in danger of missing possible mutations of neoliberal rationalities and technologies. Here we witness the emergence of a regime of

government that no longer promises an omniscient market order enhancing human welfare but simply accepts the evolution of complex systems and the inevitability of catastrophe. In such a regime, crises and catastrophic events can do nothing to undermine this regime. Indeed, they confirm its narrative; the only possible policy direction is to prepare against their inevitability. Catastrophe stands for the limits of knowledge and governmental action: the classic assumptions of neoliberalism. Neoliberal regimes persist in an 'undead' form due to a political inventiveness which promises little more than to make us and our systems fit for an unknowable, unpredictable and unmanageable future.

A more 'positive' view of the emergent regime comes from Crouch who argues that *unregulated* privatized Keynesianism might be displaced by *self-regulated* privatized Keynesianism (2008b: 485). Here, rather than a move to re-regulation, particularly in Anglo-American polities, we witness a 'light touch' form of regulation of corporations, particularly financial ones, in exchange for a greater emphasis on self-regulation. Having abandoned the heartland of national economic management over the last 30 years of the normalization of neoliberal critique, governments find it hard to regain that ground, despite the short-term banking bail-outs, public projects, back-of-the-envelope industry policy and 'pseudo-nationalizations' (Peck et al., 2009: 95). In the medium term, national policy will be taken up and shaped, Crouch argues, by corporations themselves. The rationality of this kind of rule can be summarized in the phrase 'corporate social responsibility'. If the argument made above is at least partially correct, this light-touch regulation might be conceived and acted upon in the language of resilience and complexity.

So, after a brief interregnum of gross Keynesianism we are witnessing a long haul of massive public expenditure retrenchment and debt reduction policies combined with 'a gradual slip towards a more negotiated, voluntary regulatory system' in which 'actual regulation will be exchanged for lightly monitored guarantees of good behaviour by the large financial firms' (Crouch, 2008b: 485). As for endemic problems of economic security and the bearers of social risk, these will remain off the agenda. While fundamental change is not impossible, the militancy of neoliberalism as a thought collective and the 30-year process by which it has become embedded in the techniques of various regimes of national and international government, its capacity to colonize the critical event for its own purposes *and* the lack of capability for effective contestation of our profoundly 'state-phobic' political culture, indicate the difficulty of building a counter-movement and effective coalition of forces in the local, interlocal, national and international domains.

## Conclusion

This case of neoliberalism is far from closed. There are several key points for continuing investigation. First, there is enormous potential offered by the analysis of 'neoliberalism' as a thought collective rather than assuming the work of a coherent ideology or state form. As such, neoliberalism emerges as an identifiable but heterogeneous militant movement seeking to influence and appropriate the powers of national and international organizations, including states. Its own historical roots and practical consequences are linked to the action of a strong state to secure the imagined conditions of an idealized market. It is possible to study the emergence and mutations of neoliberalism as a result

of the happenstance of personal biography and networks, funding arrangements, external critical scrutiny and economic crisis, and to observe the different organizational forms and tensions between public pronouncements and elite truths. It is possible to show how these mutations have led to the jettisoning of its anti-monopoly stance and even its name in the 1950s, and to follow the past and present intellectual aporias of neoliberalism. Chief among the latter is the tension between a view of the market as indicating the limits of human knowledge and the status of neoliberalism as a program for unfettered growth and welfare.

Second, such analysis should bear in mind the distinction between a regime of government of and by the state, and the concept of state itself. This distinction allows analysis to avoid two, apparently contradictory tendencies of contemporary political culture. One is the pervasive anti-statism of contemporary political analysis, which can be averted by a robust conception of the state and its long-term development. The other is the premature imagining of an epochal change of macroeconomic management captured by the claim of the death of neoliberalism. The latter underestimates the way the regime of governing of and by states, including its commonplace political idiom and routine practices and technologies of government, has been shaped by the neoliberal thought collective. Moreover, while it is important to understand the contingent conditions of and processes of the formation and mutation of neoliberalism, this does exclude the possibility that governmental regimes, once established, have their own logics and paths of development.

Finally, contemporary social and political analysis might wish to study the survival of neoliberalism in its current, 'undead' form and whether neoliberalism is undergoing a mutation of its rationality and technologies. One key hypothesis here is that, in a period of extended public debt reduction and public sector retrenchment, neoliberalism is now ready to cast off its supposition of economic equilibrium and its triumphalist narratives of the welfare-generating properties of the omniscient market and simply seek to fashion ways to make individuals, communities, systems and organizations fit for rigors of the catastrophe yet to come.

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