

## The Global Community of Ideas that Created Neoliberalism

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Angus Burgin, [The Great Persuasion: Reinventing Free Markets since the Great Depression](#) (Harvard University Press, 2012).

In *The Great Persuasion: Reinventing Free Markets since the Great Depression*, Angus Burgin, a historian at Johns Hopkins, offers the fascinating story of a trans-Atlantic group of intellectuals who, beginning in the 1930s, came together in an effort to articulate and promote an alternative vision to the then-dominant ideas of Keynesian economics. In this short essay, I describe Burgin's impressive contribution to the intellectual history of modern conservatism, and then offer some concluding thoughts on neoliberalism as a constitutional value today.

The basic story of the resurgence of conservatism, including free market ideology, in the second half of the twentieth century is well known. What this fine book adds is a sensitive and nuanced portrait of those thinkers—economists, mostly, but not exclusively—who, through several generations of struggle, among themselves and with their antagonists, shaped the ideas of what has come to be known as neoliberalism. Burgin's overriding argument is that these people made possible the eventual triumphs of free market ideas in the public sphere. Although often articulated in abstract and technical terms, these were ideas that would have a profound impact on American life and politics.

In making his case for the significance of this vanguard of free market intellectuals, Burgin advances several claims. One is that inter-personal relationships and the “networks and processes of intellectual exchange” played a critical role in the development of the free-market movement. At the center of this collective enterprise was the Mont Pelerin Society, a forum that Friedrich Hayek created in 1947 to bring together critics of the modern welfare state scattered throughout Europe and the United States. As Burgin describes it, “individuals who were secluded in their national environments became, through the acts of congregation and communication, participants in a purposive community.” *The Great Persuasion* is, in part, a history of this important but underappreciated “global community of ideas.”

Another claim Burgin presses (a standard, perhaps even essential, one for the modern intellectual historian) is for the importance of ideas. Ideas matter because under the right circumstances they can be influential: the resurgent political commitment to free-market ideology of the 1970s and 1980s “could not have occurred without the committed efforts of a transnational community of ideas.” They matter because they cannot be reduced to mere rationalizations for political or materialist interests. Modern conservatism emerged in part because it seemed to provide a stable antidote to the anxieties of modern life; in part because of what Kim Phillips-Fein has called the “hidden hands” of wealthy business interests; and in part because of the racial anxieties of white America. But, as Burgin persuasively argues, it cannot be reduced to these factors. The idea makers at the heart of the book were far from paranoid or irrational; they relied on outside funding, but were militantly protective of their intellectual independence; and, at least according to the sources Burgin examines, racial politics simply did not cross their radar screen in any significant way. (And when it does, they could be unpredictable: Milton Friedman opposed the Civil Rights Act of 1964 on libertarian grounds, while Hayek, although sympathetic to the libertarian concerns, believed the law was needed.) They were true believers in the moral and instrumental supremacy of the free market. This is not to say that their ideas were unaffected by political and material influences; but it is to say that they cannot be explained away by them.

Having made his case for why we should give considered attention to this collection of thinkers, Burgin then turns to exploring what they actually thought. Here is where Burgin's careful research into voluminous archival sources, in the U.S. and in Europe, yields an ultimately unsurprising but still quite valuable insight: their thinking was nuanced, tentative, and conflicted, and they regularly disagreed with one another. Contrary to the caricatured images of Hayek

and others that populate our contemporary debates, these were hardly doctrinaire free marketers. Their heterogeneity was particularly evident in the 1930s, 40s, and 50s, when the movement was just finding its footing. The early generations of free market advocates were united in their concern with increasing government intervention into the market. Beyond this point of convergence, however, they struggled to agree on much of anything, especially when discussion turned from critique to alternatives. The extent to which they embraced unfettered markets varied considerably. They also struggled with the proper relationship of their project to the world of politics and policymaking. These men (yes, all men here) were dedicated intellectuals who wanted to influence public affairs, but also feared the inevitable simplifications that would come from practical application of their ideas. A major contribution of this book is to capture the rich complexity of the thought that gave rise to neoliberalism.

With the emergence of Milton Friedman as the leading public proponent of free market ideas, beginning with his publication of *Capitalism and Freedom* in 1962, a forceful, politically engaged simplicity became the new style of the movement. In the second half of *The Great Persuasion*, Friedman takes center stage. The University of Chicago economist built off the work of his predecessors, but he also seemed willing to push aside much of the intellectual humility that defined their project. By the 1970s, free market advocacy had evolved into something quite different from what it had been in the early postwar period. “Friedman’s confident language,” writes Burgin, “signaled that the moral quandaries and programmatic ambiguities of an earlier generation had been left behind, and a great persuasion had begun.” Neoliberalism had found its public voice.

So what does this thought-provoking book tell us about the development of law and conservatism in the second half of the twentieth century? This is a work of intellectual history; legal issues are only occasionally touched on. Burgin evaluates the influence of free market ideas on economists and policymakers, not courts and lawyers. Yet if we consider the dissemination of these ideas into the realm of American law, we find that its victory here was much more limited than in the realm of economics and policymaking.

Burgin’s protagonists defended their commitment to reducing government involvement in the market on two grounds. One was pragmatic and functional—the free market, on balance, works; government is simply not good at managing the economy; the costs of government interference outweigh the benefits. The other was more idealistic—market regulation implicates individual liberty, and government regulation of economic relations can have liberty-curtailing spillover effects beyond the market. Through the rise of the law and economics movement, the functional argument has clearly left its mark on the development of private law. The idealistic argument has shaped how the public and their representatives talk about government regulation, yet its impact on the law—specifically the realm of public law, where liberty values are most obviously at issue—has been distinctly qualified.

The reason for this, of course, is the shadow of the *Lochner* era on modern constitutionalism. American constitutional law in the post-New Deal era has identified certain non-economic rights as meriting judicial protection, while relegating economic rights to the democratic process. Regardless of whether one is persuaded by the justifications for this approach (most of which emphasize limits of judicial competence and majoritarian pathologies that place non-economic rights at particular risk), it is worth at least noting that there is something aberrant about the virtual exclusion of economic liberty from constitutional law. Over the past half century, neoliberal ideology has deeply affected popular attitudes about the relationship of government and society. It has changed the way policymakers talk about their responsibility to the American people. But when it comes to judicial understandings of the relationship of the Constitution to the economy, we still live under basically the same regime left us by the New Deal. Modern progressives have written about social welfare rights as constitutional norms that are judicially underenforced. After reading Burgin’s examination of the intellectual underpinnings of the post-New Deal transformation of public attitudes toward market regulation, it is hard to escape the conclusion that there is an even stronger case for some forms of economic liberty as constitutional norms that are currently underenforced by the courts.

In this way, *The Great Persuasion* invites further inquiry into exactly who was persuaded by these ideas and who was not—an issue of particular relevance for those hoping to better understand the uncertain (but still quite real) status of economic liberty in American life and law today.

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