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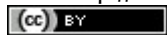
Book Review

A Conceptual History of Neoliberalism

OLSEN, Niklas. *The Sovereign Consumer – A New Intellectual History of Neoliberalism*. London: Palgrave Macmillan, 2019. ISBN: 978-3-319-89583-3 – 77,97 €

Marcelo Augusto Parrillo Rizzo¹

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In the last two decades, there has been a great number of books on the history of neoliberalism. As most scholars in this debate recognize it, the literature is divided into three currents: the first understands neoliberalism as a “scheme” designed by the elites in a time that their profits declined, being the retreat of the State a remedy to that situation (exemplified by 2005 *A Brief History of Neoliberalism* of British Marxist professor David Harvey); the second is the Foucauldian strain that focuses on neoliberalism as governmentality, a new mode of subjectification that takes the individual as an enterprise and the third takes neoliberalism as an intellectual project, or a network of individuals with similar ideals united through a series of institutions that emerged in the twentieth century.

Niklas Olsen also recognizes these three trends in the introduction of his book but wants to steer us away from them. As a biographer and admirer of the German historian Reinhart Koselleck, Olsen puts in motion the method of *Begriffsgeschichte* (conceptual history), pioneered by Koselleck, to analyze the emergence of neoliberalism. As the author explains it, he “analyzes social-political concepts as reflecting phenomena that are shaped in historically concrete situations by historical actors who use concepts to make sense of and order the world, employing them as tools or weapons to meet their political visions”. (OLSEN, 2019, 7)

What comes from this notion is the study of “shaping, negotiation and contestation” on the concept of the sovereign consumer as the core to understanding the rise of neoliberalism. For him, “the study of neoliberalism is the understanding of the history of neoliberalism as an ongoing shaping, negotiation, and contestation of the figure of the sovereign consumer.” (OLSEN, 2019, 7) As he understands, the definitive feature of the market economy to the neoliberal is the consumer being free to choose, but what constitutes the new political economy denominated as neoliberalism is the conflation of the figure of the consumer into a larger semantic field that is not restricted to the market, but informs value concepts as sovereignty, freedom, democracy among others. Hence, the book concerns

¹ Marcelo Augusto Parrillo Rizzo [<https://orcid.org/0000-0003-4608-4345>] is a PhD in history and a Researcher of history of neoliberalism. Address: Faculty of Social Sciences at the Federal University of Goiás. Avenida Esperança s/n, Campus Samambaia. CEP 74690-900 Goiânia – Goiás – Brasil. E-mail: marceloaprizzo@gmail.com

itself in tracing the modifications to the notion of the consumer in time enacted by politicians, economists and other areas of study.

And what it is delivered by this novel insight is a work that not only escapes the traditional markers of the history of neoliberalism but engages a whole new cast of characters contributing to the ascension of the sovereign consumer and the neoliberal ideology, including thinkers identified with left politics. In this, the book can be put together with recent studies that identify the contributions of left politicians and intellectuals as pivotal to the success of neoliberalism, like *Leftism Reinvented* by Alice Mudge and *Reclaiming the State* by William Mitchell & Thomas Fazi.

That is not to say that Olsen ignores the usual characters of the traditional accounts of neoliberalism. On the contrary, as most of them, he initiates his history with scholars like Ludwig von Mises and Friedrich Hayek, going as far as declaring Mises the “inventor of the neoliberal political paradigm and the key actor it utilized—the sovereign consumer” (OLSEN, 2019, 21), as he understands that the Austrian economist innovated in making a direct parallel between market choice and the ballot box, creating a new paradigm where the traditional basis of democracy could be substituted by the mechanisms present in the marketplace.

But, if it doesn't diverge with other works in identifying these believers in the free market as the originators of the neoliberal ideology, in tracing the figure of the consumer as its focus, the book establishes them in a vivid portrait of their time and place and the negotiations and contestations around the concept in which they were involved are not confined to liberal circles and networks which they are commonly placed. The recuperation of works like ones from the free market thinkers of the beginning of the 20th century, Frank A. Fetter or William H. Hutt, is a great example of the ability of Olsen to find contributors ignored in the recent bibliography by changing the parameters in which an author is considered relevant in the history of neoliberalism.

However, it is not only the less known figures of the free market thinking that the author reveals, but in exploring all the contentions on the figure of the consumer, Olsen gives us a picture in which leftists like John A. Hobson and Leonard T. Hobhouse or relegated thinkers like Thomas Veblen acquires significance. This is a feature which will surround all the book: from the social-democrats of Denmark in the last quarter of the precedent century to neo-Keynesians economists like Kenneth Arrow or political scientists with no connection with right-wing politics like Anthony Downs, Olsen constructs an account that encompasses an array of contributions to the figure of the sovereign consumer which is much larger than the typical narrative focused on the debates derived from the Walter Lippman Colloquium or the Mont-Pelerin Society.

The landmarks are described by the author in this more varied and pluralistic light, giving a more plausible and complete portrait of the ascendance of neoliberalism, losing the constraint of explaining how a small sect of conservative economists came to rule the world. Beginning with the Socialist Calculation Debate of the 1920s and 1930s as a defining moment, when the pressures of democracy with the enfranchisement of new groups of people and the perceived failures of liberalism to create and distribute wealth makes Mises reconceptualize the idea of sovereignty by “shifting it from the political to the economic realm” where “markets simply manage to express the popular will more articulately and meaningfully than do mere elections” (OLSEN, 2019, 44), making the consumer a spearhead of politics and finishing with the adoption of free market reforms inspired by the notion of the consumer by Danish social-democrats in the last decades of the twentieth century, this book never takes neoliberalism as a progression of the ideals of a diminute sect of economists that seduced its contemporary peers.

As a koselleckian project, Olsen does not take the notion developed by Mises in the first decades of the last century and retraces its steps to our contemporary world without modification, but embeds it in a world where “economic theories, political ideologies, and social-political programs [...] all drew on distinct consumer figures” (OLSEN, 2019, 63). The

sovereign consumer cannot emerge as the organizer of a new political order until the alignment of ideological intentions and political practice. In this sense, the ordoliberalism of the 1930s to 1950s, another group that is paramount in other accounts of neoliberalism, also gains a new perspective in his writing. A good example of this is to us to discover that the Minister of Economics after the Second World War, Ludwig Erhard, taken as the implementer of the ordoliberal theories in practice in many accounts, was not only trained in economics but developed a career in marketing research. What would be only of anecdotal interest in other works reveals to us how much the dislocation of the consumer to the center of the stage is tributary not only to the economical discourse but to all the articulations around the science of consumption of the epoch. As the author explains: if Erhard echoed many of the ideas of the neoliberal economists, he accentuated certain features and added new ones. This is a result of the German politician engagement “through the contentious and transforming, changing with social powers and social conflicts”, as he described Koselleck’s method of *Begriffsgeschichte* in his 2012 intellectual biography about the historian.

Having taken its time to examine a myriad of stances about the relations of the consumer with the market and the ballot box in the first half of the twentieth century with an immense amount of research, Olsen can advance to the always highlighted decades of the 1970s and 1980s with its multiple political, social and cultural manifestations without the need to ignore any of its aspects, recurring frailty in various historical works about the subject. After all, if it is recognized by all as the period of the fall of Keynesianism and the triumph of the ideas of neoliberalism as the “law of the land”, a historical narrative that takes into account the various angles on the consumer takes that fall in a much more widened perspective. This includes the well-known disenchantment with the “corporation man” of the 1950s and 1960s, which characterized movements in the conservative right as the countercultural left in the United States, the consumers’ protection movements in the 1970s and its relations with left-wing politics and, of course, the developments in neoclassical economics and political science from the 1950s onwards (with great insights about the role of the social choice theory that remained ignored most of the time in studies about the theories that supplied neoliberalism). All of them contributing to the shaping of the figure of the consumer that emerges as the object of neoliberal policies.

This plurality diverges from most of the bibliography on neoliberalism which centers on the construction of the network of economists and other intellectuals whom wanted to scale back the state and abhorred the enlargement of Keynesian politics and its defenders, most exemplified by John Kenneth Galbraith and his justification for a world populated by large corporations and a large State to counter them. Taking Keynesian economists, left-wing politicians and activists and other groups estranged from free marketers as key participants in the development of the figure of the consumer, the author builds the history of, using his words, an “ideational convergence between left and right in thinking about government politics, market dynamics, and individual behavior”. (OLSEN, 2019, 14)

With that insight, even if most of the subjects analyzed are economists, as Olsen advises in his introduction, it is not the triumph of monetarism over Keynesianism that it is the core of the 1970s and the 1980s victory of the neoliberal ideology. In Olsen’s book this moment comes not with a bang but a whimper, to quote T. S. Elliot’s famous words. The breakdown of Keynesianism is taken as one factor among other that contributes to the prominence of George Stigler and Milton Friedman deregulation policies in the 1970s and 1980s, along with it, the author lists the weakening of the regulation movement, undermined not only by free marketers but by New Left intellectuals, the rise of the “combined consumer/citizen/ taxpayer/voter” figure in contrast to the citizen consumer and the colonization of other social sciences by the economic discipline. These instances are not taken as separated compartments but reinforce each other creating a dynamic picture.

And it is in the last chapter, dedicated to the neoliberal reforms in Denmark, that all the arguments exposed before taking immediate materiality as we read about the

transformations on the notion of the consumer informing the social policies in the country. We see the mutations of the Danish parties' discourses and their views about the role of the State and how the diminution of the welfare state is taken "naturally", showing how neoliberalism was implemented with the help of center-left parties developing a "neoliberalism without neoliberals", as Olsen denominates.

The book is not only a great contribution to the growing historiographical bibliography about neoliberalism but will be of great interest to the general public interested in twentieth and twentieth-first century politics and economics. Besides the immense amount of research, Olsen's narrative is clear, and the author always shows concern in explaining in detail the theories and rationale of the actors involved. Any reader will benefit from the array of characters involved and how neoliberalism cannot be taken as a simple ideology concocted by some reactionaries a long time ago, but a vivid result of social and political interactions.