
Review

The political theory of neoliberalism

Thomas Biebricher

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“Neoliberalism” has moved from the margins of academic debate into the echo chamber of political discourse. Yet time and again the term is denounced as a meaningless ad hominem that only prevents constructive debate. At once addressing such skeptics and guiding newcomers to the concept, *The Political Theory of Neoliberalism* provides one of the most perceptive and analytic treatments of neoliberal thought to date. Irreducible to either neoclassical economics or “market fundamentalism,” Thomas Biebricher argues, neoliberalism contains a genuine political theory of its own—one that demands careful scrutiny if it is to be subjected to critique.

In theory and practice, neoliberalism is neither static nor unitary. Rather, as Biebricher illustrates, there are different “varieties” of neoliberal thought or, to use another metaphor, different historical and intellectual “branches” on the neoliberal family tree. Historically, neoliberalism first emerged in response to the crisis of liberalism in interwar Europe. Debated by scholars at the Walter Lippmann Colloquium in 1938 and the Mont Pelerin Society in 1947, neoliberal principles were formed long before they became politically potent through institutions like the WTO and the IMF or through executives like Augusto Pinochet, Margaret Thatcher, and Ronald Reagan. Intellectually, the originators of early “neoliberalism” sought to revive and reinvent liberalism by crafting a revised, anti-Keynesian creed. Biebricher describes the shared theoretical framework of its different schools of thought as the “neoliberal problematic,” which concerns both “the political and social conditions of possibility for functioning markets” and “the interactive effects between markets and their surroundings” (pp. 26–27). Taken together, these concerns form the trunk of a neoliberal family tree.

Following a lucid introductory chapter titled “What is Neoliberalism?,” Part One of the book offers a close reading of neoliberal political theory. Biebricher analyzes how different neoliberal thinkers conceptualized “The State,” “Democracy,” “Science,” and “Politics,” with each topic receiving a chapter of its own. Biebricher specifically parses the political thought of Friedrich von Hayek of the Austrian School, Milton Friedman of the Chicago School, James Buchannan of the



Virginia School, and Walter Eucken, Wilhelm Röpke, and Alexander Rüstow of the Freiburg School. The latter three were among the founding theorists of German ordoliberalism, a branch of neoliberalism that is not only overlooked in most English-language debates, but is also significant for the second part of Biebricher's book.

Part Two of the book explores “actually existing neoliberalism” in the European Union. In a chapter titled “European Crises: Causes and Consequences,” Biebricher tracks the EU's institutional, economic, and legal development over the past several decades. The chapter offers a useful overview of the key policies, treaties, and laws of this “most advanced laboratory” of neoliberal political forms. The final chapter reflects on discursive institutionalism and what Biebricher calls “the ordoliberalization of Europe”: a supranational federation with a common currency and technocratic entities geared toward increasing economic competitiveness and securing a generalized politics of austerity. Like his recent co-edited volume, *The Birth of Austerity: German Ordoliberalism and Contemporary Neoliberalism*, this chapter makes a convincing case that the EU's “economic constitution” is based on specifically *ordoliberal* principles, which tend to embed capitalist markets in authoritarian political forms.

The book's cardinal contribution arguably lies in its illuminating readings of neoliberal thought. For Biebricher takes its theorists seriously and engages them on their own terms, assessing rather than dismissing their respective arguments. In pedagogical fashion, he places these arguments within the larger whole of their thinking, revealing paradoxes, contradictions, or what he sometimes calls “antinomies.” Methodologically, Biebricher contrasts his reading of neoliberal thought with forms of “ideology critique” that seek to unmask or refute their object of study. By contrast, he describes his own method as a form of “immanent critique” or “problematization” of neoliberal political theory. In this way, the book makes a genuine contribution to both *critical* and *normative* approaches to contemporary political theory.

From a critical angle, the book examines the interdisciplinary stakes of neoliberal political theory in ways that recall neo-Marxist state theory. This is because the neoliberal theorists—before and alongside neo-Marxist theorists—advanced multifaceted responses to the capitalist state in crisis. As Biebricher shows, these thinkers developed idiosyncratic accounts of the rule of law, democracy, technocracy, authoritarianism, (anti-)pluralism, state interventionism, self-binding constitutionalism, as well as the relationship between states, markets, and central bank monetary policies. Neo-Marxist scholars often (and rightly) bemoan the fact that Cold-War-era critical theory turned away from state theory, political economy, and capitalism more generally. With its (implicit) contribution to the critical theory of neoliberalism, the book offers an opportunity to rethink—perhaps through the perspective of “the adversary”—these larger questions about the relationship between markets and politics, the national and the supranational levels of



institutional order, the horizontal and the vertical dimensions of the separation of powers, among other pressing questions in a world riven by structural inequalities and climate catastrophe.

Considering neoliberal thought as a form of normative political theory in its own right, Biebricher submits its logic to analytical reflection and parses out its implicit and explicit commitments—an approach familiar to political philosophers, who standardly apply this kind of hermeneutic to the texts of Rawls or Nozick. His aim is to “distill the positive contents of neoliberal theory’s political dimension and probe for internal inconsistencies and tensions within and between varieties of neoliberalism, as well as instances where it falls short of its own stated aspirations in what might be called an immanent critique” (p. 9). While the strength of this approach “lies in the fact that it engages its object on its own terrain,” he notes that “its weakness flows from the same source.” For beyond the strictly textual level, one must also examine the underlying assumptions and blind spots of neoliberal theory, as well as “the implications and potential consequences of certain ideas were they to be put into practice” (pp. 9–10).

In Part One, Biebricher unites these critical and normative dimensions by exploring significant themes in neoliberal thought, including its relation to authoritarian liberalism (pp. 69–78), its critique of collectivism-cum-totalitarianism (80–94), and its reflections on transitional dictatorship (pp. 142–149). He does not simply assert that neoliberalism is anti-democratic, but rather examines how and why neoliberal thinkers argue that democracy and state action must be restricted. Among his core arguments is that a set of constitutive antinomies lie at the foundations of neoliberal thought. For instance, Biebricher points to the inconsistency between “instrumentalism” and “antirealism” in Friedman’s theory of science, revealing how his commitment to positive science *qua* quantitative prediction is at odds with his various “scientific” claims (e.g., monetarism and fiscal conservatism), which are based on different epistemological and methodological considerations. Another antinomy can be found in Röpke’s ideal of a “strong state” that prescribes a certain *class* of rulers—not the captains of industry, but a class of aristocratic elites—to watch over “the competitive market order.” In turn, one could say that a sort of Rousseauian paradox lies at the heart of Röpke’s political theory, as he is incapable of explaining how such a class could ever come to power. To take another example, James Buchanan’s public choice theory considers the allegedly rational (*qua* self-interested) decision making of individual politicians, and warns of the allegedly dire consequences of democratic representatives seeking to retain power by appeasing their constituents with welfare-state benefits. While Buchanan proposes a constitutional balanced budget amendment to outlaw deficit spending, Biebricher shows that, according to the immanent logic of Buchanan’s own argument, the theory cannot explain why politicians would ever engage in such an act of “self-discipline.” Similarly, Eucken’s model for technocratically insulated monetary institutions contains a paradox between



science and politics—an antinomy between *the critic* and *the reformer* that Biebricher locates at the basis of neoliberal political theory.

In this way the book offers one of the most sustained treatments of neoliberal *political* thought, properly understood. Yet in probing its antinomies, Biebricher tends to ground the stakes of his intervention on two questions: Are the various aspects of a given neoliberal theory “reconcilable” with one another? And given their foundational assumptions, can these neoliberal theorists explain how to make their own theories “practicable”? These questions are answered carefully and lucidly throughout the book—and most often, in the negative. Yet *between* these questions a curious tension emerges. The tension not only concerns the relation between neoliberal political theory and political practice, but also the relation between Parts One and Two of the book.

To be sure, Part One successfully highlights “neoliberal thought’s striking inability to theorize a politics of neoliberal reform, at least not without violating the very assumptions that underlie its own analyses and critiques of the shortcomings of democratic politics” (p. 31). Yet in relation to Part Two, the critical edge of this argument would appear rather blunt. For even if neoliberalism lacks a logically consistent (i.e., non-contradictory) account of the relationship between theory and practice, the neoliberals certainly did not lack strategies for the implementation of their ideas. On the one hand, then, Biebricher’s critique may place a greater burden on neoliberal thought than philosophers typically place on political thinkers, such as Rawls, to provide “practicable” conditions for theory’s translation into practice. On the other hand, we have historically witnessed an extremely effective politics of neoliberal reform over the past several decades, and the final chapters of Biebricher’s book persuasively argue that the “ordoliberalization of Europe” has taken on Walter Eucken’s own model. Taken together, this raises the question of whether the tension between Parts One and Two of the book reflects a conception of the political that is largely reduced to logical coherence vis-à-vis institutional reform. Put another way, a critique of neoliberal reason that primarily aims at identifying reason’s own limits (via its textual antinomies) might unwittingly, and in a somewhat Kantian fashion, separate theory from politics in the broader sense of relations of power, knowledge, strategy, and action. Perhaps Biebricher could respond by pointing to his description of immanent critique in the introductory chapter or his conception of discursive institutionalism in the concluding chapter of the book. Even though such a response would further clarify the interpretive methods used in the respective sections, it would still seem hard-pressed to articulate an account that bridges the divide between Parts One and Two, which is also to say, between neoliberal theory and neoliberal politics. Lest my critique appear to suggest, in its own way, the need for a unified relationship between theoretical premises and political heuristics, the point is that no such need (because no such logical relation) necessarily exists.



Notwithstanding this tension, the book makes valuable contributions to both critical and normative approaches to political theory. Going beneath and beyond its usual associations with “mere” economic theory and economic policy, Biebricher offers a compelling reading of neoliberalism as a distinct and internally diverse tradition of *political* thought. In elucidating its core themes and tensions, as well as its bearing on contemporary institutions like the EU, the book not only speaks to a wide audience of scholars, skeptics and newcomers, but even to those committed to a variety of neoliberalism themselves.

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