

Antipode

A Radical Journal of Geography

Book Review Symposium

Philip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*, New York: Verso, 2013. ISBN: 9781781680797 (cloth); ISBN: 9781781683033 (ebook); ISBN: 9781781683026 (paper)

Author's response

I want to thank *Antipode* and the four participants for lengthy reactions to my book *Never Let a Serious Crisis Go to Waste*. I think it is apparent it was written in a funk of distress; and the reviewers here invite me to step back from all that, and reflect on how it has been regarded by various readers who do not necessarily share my own particular chagrin nor my axes to grind. The experience has been salutary, and evokes a few short responses.

One theme present to a greater or lesser extent in all the reviews is that, as Nick Gane puts it, I never tell the reader “what should happen next”; or, as Geoff Mann writes, “OK. So what now?”. I should confess I also get this a lot when I give talks concerning the subjects in the book. When that happens, I take the occasion to suggest that one of the primary lessons of the book directly informs my self-denying ordinance: the prohibition of offering any ‘remedies’ as conventional bullet points, like those which fill the last chapters of the torrent of crisis books which have fallen from the presses clonedeath since 2008. When the Neoliberal Thought Collective (NTC) began to organize itself in the 1930s/40s, it found itself stranded in the intellectual wilderness, exiled from political power by Depression and war, and suffering internal disarray, much as the Left has experienced now. One ticket to Mont Pèlerin in 1947 was the open concession by a small coterie that they were behind the eight ball. What they understood back then was that simple-minded programmatic manifestos would be pointless, as were trite nostalgia

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for superseded doctrines of *laissez-faire*, at least until they had revised a new set of basic principles which would then guide their future political agenda. The protocols of a single discipline—say, economics—would never provide the requisite blueprint. In other words, they shared a special vision of the importance of political ideas for the long game in the modern world, and sought to organize their own project around those commitments. Eventually this comprised a closed discussion group of hand-picked political thinkers (Mont Pèlerin); an intentionally cosmopolitan orientation to recruitment; an arm’s length relationship to the public press and their rich sponsors; a perimeter ring of think tanks (IEA, Heritage, Atlas, Stockholm Network) to translate and develop their doctrines in specific national contexts¹; another concentric circle of organizations to produce agnotology and astroturfed movements on spec; and even the full-spectrum political response to crises described in my last chapter. It took quite some time to build up this elaborate division of intellectual labor. At any given juncture, there was no single ‘Marx’ to inscribe this all in one big bible, no ‘little red book’ to ground everything in a single ‘how-to’ philosophy dictated by the Leader, and certainly no secret blueprint spelling everything out for the uninitiated. The NTC resists being personified. It was not the projection of some timeless wet dreams of a monolithic capitalist class. It does not deserve the epithet of ‘ideology’ (a word I consciously refrain from using); I tend to think of it as modern applied social epistemology in a distributed setting. And because of this, anyone who complains I don’t proffer upbeat prescriptions has missed a major point of the book.

My book was not written for members of the NTC. (Indeed, I have since had a few of them berate me personally, complaining that I cannot possibly understand their motives.) It was written instead as a provocation for the Left. (Let us bypass any attempt to define this entity, for reasons which should soon become apparent.) If readers manage to glean from it the paramount significance of the history of neoliberalism and its proponents for the dreary legacy of the current

1 See <http://thinktank-watch.blogspot.com/> and http://www.sourcewatch.org/index.php?title=Think_tanks

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crisis, then the next step is a rather obvious set of questions: Hasn't the Left been finding itself in a predicament that rather resembles what the neoliberals had experienced from the 1930s onwards? Aren't they the ones now hamstrung in disarray, needing to rethink and repudiate old nostalgic doctrines concerning socialism and the welfare state? And if that is indeed the case, why have they made such a botch of attempts at doctrinal internal criticism and popular mobilizations against some of the main protagonists of the causes of the crash? For purposes of concision, let me phrase this in a more pointed manner: Why does the Left, which supposedly believes in the efficacy of planning, seem to act as though spontaneous self-organization of politics and intellectual debate from below constitutes the gold standard of social epistemology in the modern world?

To drive the point home, let me rephrase this once more in the idiom of Marxists: If there ever was an era of the Gramscian organic intellectual (and I remain agnostic), those days are long past.

Everything I have written, by contrast to the insistence of my interlocutors, leads up the question, 'What is to be done?'. When juxtaposed to the success of the NTC in weathering the crisis, the question is unavoidably discomfiting; but I do find that some in the audience do get it. (To be fair, so does Mann.) One of the issues foregrounded by the book is: How much should the Left learn from the successes of the NTC? More concretely, for example, should the Left attempt to constitute its own version of the Mont Pèlerin Society? (Notoriously, the NTC turned inward from the 1950s onward, and managed to isolate itself from other factions of 'conservatism' in order to develop its own doctrine, while maintaining an outward façade of 'fusionism'². This is one reason why I resist any current definition of 'the Left'.) It isn't just a matter of fronting a few pale imitations of existing 'think tanks' of the Right; neither is it an occasion for one more self-

² See, for instance, George Nash, *The Conservative Intellectual Movement in America since 1945*, Wilmington: ISI Books, 2006; Kim Phillips-Fein, 'Conservatism: The state of the field', *Journal of American History*, 98(3):723-743, 2011.

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congratulatory anthology of individual essays by celebrity academics like *The Occupy Handbook*³. In the NTC, the interlocking structure of think tanks, media outlets and mobilization organizations extends far beyond anything that currently exists in Left/liberal circles. The recent history of the Heritage Foundation/Heritage Action/Fox News in the US is a bitter object lesson in this regard. (Jim deMint gave up a safe seat in the Senate at the beginning of 2013 to run the Heritage machine. It seems deMint does not spend much time anguishing over a ‘theory of power’. He just shuts down the government every few months until the NTC gets its way.)

My respondents sense that there are at least a couple of things scattered here and there, dedicated to make people on the Left squirm. The first (raised by Nick Gane) has to do with the question of the extent to which contemporary neoliberal doctrine dictates or underwrites some of the less attractive aspects of NTC political organization. To again opt for concision—How much of the Matryoshka doll structure is a function of the key tenet that The Market is a superior information processor to any human being? (I suspect most of my readers would renounce that tenet of the neoliberal creed.) What parts of the NTC deserve imitation? The second question (raised by Geoff Mann) concerns the extent to which the NTC might be regarded as a ‘conspiracy’, and to what extent it is merely historical accident. The third (raised by Gane and Strauss) is the prospect of potential Left alliance with at least some fraction of the contemporary economics profession. Let’s consider each in turn.

Clearly there is a deep strain of elitism and contempt for the masses built into much of the political structure of the NTC, as I go to some pains to explicate in the book. If some future political faction opted to imitate some of their political behavior but oppose their politics, wouldn’t that eventually lead to an untenable contradiction between theory and *praxis*, ends and means? Can the Left even seriously contemplate the flagging efficacy of their own version of

3 Janet Byrne (ed), *The Occupy Handbook*, London: Little, Brown and Company, 2012. The empty feelgood character of a volume whose lineup includes Kenneth Rogoff (!), Raghuram Rajan, Rebecca Solnit, Tyler Cowen and Robert Reich was gestured at in *Never Let...*

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social epistemology? I suspect many would find this prospect an anathema, and would reject the hierarchical elitism, the doctrine of double truths, and the pursuit of different kinds of messages aimed at different target groups as a betrayal of the heritage of Left ideals. I sympathize with them; but the modern Left seems incapable of staring at the contemporary problem of the construction of a political thought collective and subjecting it to serious analysis. Blaming it all on class struggle or crude historical materialism, or believing that Twitter and Facebook bequeath power to the people, or wishing for the worsening dichotomy of the 1% and the 99% to bring about mass political Enlightenment is nothing less than a dereliction of political duty⁴. If the Left had something like its own Mont Pèlerin, then perhaps the clash of opinions might begin to transcend this untenable situation.

As for the second issue, Mann humorously suggests that my own connections to the Catholic Church render me vulnerable to seeing conspiracy and backroom manipulation where there may be only accident and historical contingency. I have to admit that I am still taken aback when I ask a roomful of supposedly politically aware people if they have ever heard of the Mont Pèlerin Society or Heritage Action or the Federalist Society, and they respond with quizzical looks, only subsequently to accuse me of mongering conspiracy theories once I do them the service of filling them in with a few historical particulars. There is something pathetic in a culture that wavers perilously between attributing every political development to the superior capacities of some individual Leader (Hayek, Friedman, Thatcher, Reagan, the Powell memo, whomever) and dismissing it as unintentional consequences of unfathomable historical contingency. I find this has been the case in intellectual history—where everyone else seems fascinated with prosopography, I have done nothing but write the history of thought collectives in each of my previous books. The transnational imitation of physics in the 19th century origins

⁴ I hesitate to say anything at all about identity politics. Nancy Fraser's latest attempts to turn her attention to neoliberalism and its relationship to feminism came out after the draft of my book manuscript was completed. Nancy Fraser, *Fortunes of Feminism: From State-Managed Capitalism to Neoliberal Crisis*, New York: Verso, 2013.

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of neoclassical economics, the phalanx of three separate schools of neoclassical economic theory in 20th century America, the dependence of game theory on the military to undergo an incubation period of intellectual development—these are all stories of the interplay of distinct identifiable thought collectives. Yet in politics, the very homeland of theories of collective action, human thought is treated as irreducibly and unreservedly personal. (Of late it has been reduced to the caricature of ‘rational choice theory’.) Yet there is something that is so suspicious of collective intentionality and collective thought in our neoliberal era, that detailed accounts of the interplay of political ideas and political action are immediately treated as akin to fairy tales of Area 51 or the faking of the moon landing. They become the stuff of jokes. This predisposition, I suggest, is another symptom of the chronic epistemic debility of the contemporary Left. If you reflexively deny the modern communal character of political thought, and portray it instead as a slippery slope to crackpot delusional conspiracies, then you certainly make it less likely that anyone will actually effectively engage in it.

Then there is the third issue of the possible relationship of Left political activists to the modern economics profession. I think it is instructive to step back for a moment and recall that one of the major unresolved tensions of early Mont Pèlerin meetings was resistance to the legitimacy of the then-dominant economics orthodoxy in an organization which had an outsized membership proportion of self-identified economists. Politics may be inseparable from stances on economics; but that should not imply that economists should be permitted to exert unchecked sway over such loaded cultural terms as ‘market’, ‘knowledge’, ‘finance’ and even ‘price’. That is why I insist so intently that the historical phenomenon of neoliberalism be kept separate and distinct from neoclassical economics, a conflation so frequently found on the Left that it borders on cliché. However, the modern neoclassical orthodoxy has become so hamstrung by its own logical fallacies, and been so infused with neoliberal ideas in the interim, that it has become a useful ally of the NTC. I agree with Gane this development needs to be better understood, but for

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the more immediate problems of the persistence of the crisis, I thought it more necessary to point out that recourse to icons such as Paul Krugman, Joseph Stiglitz, Robert Shiller and the like in order to lend ‘credibility’ to critique has only made things worse. Certainly, I did not even begin to survey the demi-monde of economic heterodoxy, including Marxists, post-Keynesians, econophysicists, complexity theorists and all the rest, because that is precisely the kind of work I imagine the ‘missing Mont Pèlerin’ of the Left should undertake collectively as part of its mandate. Whilst I might harbor some of my own opinions⁵, I kept them out of the book, because they are at best a minor input into the great neglected political project of the Left rethinking its own relationship to the badly compromised and thoroughly discredited contemporary economics profession.

Raising the issue of the economics profession brings me, finally, to the review of Diane Coyle. She begins with the faux-naïve question whether she is a member of the Neoliberal Thought Collective; she claims her perplexity about it is my fault. It is difficult to have a serious conversation with someone whose memory is so unreliable that she forgets the most pertinent facts about her own career and previous writings. Looking at her vita, one finds a Harvard economics PhD turned establishment journalist in the UK, whose work has consisted of unabashed cheerleading for the orthodox neoclassical economics profession going back decades. She now runs a consultancy, and sits on a number of boards, which means her current activities are mostly proprietary and secret, just like numerous other economists profiled in my book. (She seems a bit touchy about this in her review.) While there is no public evidence of the usual Murdoch/think tank nexus of the NTC in the UK (she has worked in the past for *The Economist*, *Investors Chronicle* and *The Independent*), a quick glance at her *oeuvre* reveals where her heart lies.

⁵ See ‘Markets come to bits: Evolution, computation, and markomata in economic science’, *Journal of Economic Behavior and Organization*, 63(2):209-242, 2007; and ‘Inherent vice: Minsky, markomata, and the tendency of markets to undermine themselves’, *Journal of Institutional Economics*, 6(4):415-443, 2010.

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To spare the patience of the reader, I will simply gather together a sparse few quotes from her book *The Soulful Science*⁶, which came out just before the world economy began to collapse. “[E]conomics gets an unfairly bad press. Economics is entering a new golden age” (p.1). “[E]conomists now have a good understanding of the process of growth” (p.62). Chapter 3 is entitled ‘How to Make Poverty History’. Passages around p.149 praise the work of Hayek, and swoons that “it’s very clear that markets are good at aggregating information”. Page 160 endorses the efficient markets hypothesis, because it demonstrates that markets “are superb mechanisms for the delivery of information, as they can capture a huge array of private information and make it public in a single price”. Page 161 praises the wonders of carbon trading schemes to address global warming. “[E]ven unknown unknowns...are quickly revealed in market prices” (p.167). Chapter 8 gets ecstatic over James Buchanan’s public choice theory.⁷

Now, most people would think that if you managed to get things so very wrong, with the evidence patently on the record, you would have to eat a little humble pie; or at least pretend to be a little contrite. But years of experience have told me that this is not the way things work in orthodox economics. There is no shame, no suffering of consequences, no *mea culpa*, no loss of lucrative consultantships, no status degradation ceremonies. Just as in microtheory, bygones are bygones. Instead, there are more lies and more fog to further confuse the public: the economics orthodoxy is *not* changing in any substantive way (and since the crisis it has *not* been different in

⁶ Diane Coyle, *The Soulful Science*, Princeton: Princeton University Press, 2007. All page numbers in this paragraph are from this edition.

⁷ I was surprised to find a few personal slurs in the book, which I register in this footnote. On p.45, f.n.5, she sneers at the very notion that the origins of neoclassical theory were rooted in the imitation of energy physics, although she offers no evidence that she knows anything about the history, or indeed, about physics. On page 232 she pronounces her judgment on the causes of the destruction of the heterodox economics department at Notre Dame, although she even manages to get the facts wrong concerning that very specific instance. I hope this may explain some of my tone in this rebuttal.

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Europe); there is no evidence that randomized controlled trials⁸ or behavioral economics makes any substantive difference to the legacy of neoclassical theory; the utter theoretical disarray *begins* with microeconomics since the 1980s, and is not localized in or restricted to macroeconomics; and if she had actually read the book, she would realize I purposely abstain from pronouncing on the ‘true’ causes of the crisis, which I portray as an open question.

I really have no patience for these neoclassical economists who set themselves up to lecture me about ‘facts’, the bracing regimen of empiricism, and the content of ‘what all mainstream economists agree upon’, all the while themselves disdaining any provision of evidence whatsoever. Such pronouncements *ex cathedra* are precisely what I document in the book as trademark expressions of the utter contempt that entrenched economists have come to exhibit towards any possible competing thought collective. The crisis has not made one whit of difference. I am especially offended in this instance to be told what serious sociology of economics would look like by a journalist who merely repeats just-so stories she overheard at Oxford and Harvard. So no, Dr. Coyle, you are not a member of the NTC. You are just a useful skill, as are so many other unreflective neoclassical economists who happen to have a deficient understanding of how politics works. Your inability to recognize it is not my problem.

October 2013

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⁸ It is characteristic of the out-of-phase science envy of neoclassical economics that they belatedly become advocates of the bracing discipline of randomized controlled trials, just as real scientists are coming to understand how easily RCT protocols can be bent to political ends. On this, see the important book by Ben Goldacre, *Bad Pharma: How Medicine is Broken, and How We Can Fix It*, London: Fourth Estate, 2012.

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