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The historical roots of neoliberalism: origin and meaning

As raízes históricas do neoliberalismo: origem e significado

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RESUMO: O neoliberalismo conseguiu atingir níveis sem precedentes de poder e dominação. Apesar disso, a literatura mostra que muitos aspectos da história do neoliberalismo permanecem obscuros. Nesse sentido, este artigo discute dois aspectos notáveis. O primeiro é que o neoliberalismo carece de uma definição clara e muitas vezes é confundido com muitos outros conceitos. O segundo aspecto diz respeito às origens do neoliberalismo, que muitas vezes são uma versão particular que não necessariamente reflete as raízes profundas do pensamento neoliberal. Este artigo argumenta que submeter a história do pensamento neoliberal ao escrutínio contribui para remover muitas das ambiguidades associadas a esses dois aspectos. Por um lado, permite identificar as diferentes interpretações do neoliberalismo e, por outro, mostra o fato de que o neoliberalismo surgiu em meio à crise do liberalismo clássico e como reação à expansão do coletivismo.
PALAVRAS-CHAVE: Neoliberalismo; liberalismo clássico; história.

ABSTRACT: Neoliberalism has succeeded in reaching unprecedented levels of power and domination. Despite this, the literature shows that many aspects of the history of neoliberalism remain unclear. In this regard, this article discusses two notable aspects. The first is that neoliberalism lacks a clear definition and is often confused with many other concepts. The second aspect relates to the origins of neoliberalism, which are often reduced to a particular version that does not necessarily reflect the deep roots of neoliberal thought. This article argues that subjecting the history of neoliberal thought to scrutiny contributes to removing many of the ambiguities associated with these two aspects. On the one hand, it allows identifying the different interpretations of neoliberalism, and on the other hand, it shows the fact that neoliberalism emerged in the midst of the crisis of classical liberalism and as a reaction to the expansion of collectivism.
KEYWORDS: Neoliberalism; classical liberalism; history.
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INTRODUCTION

Neoliberalism has succeeded in reaching unprecedented levels of power and domination. It has an actual hegemony to the extent of becoming an established reality. It is difficult nowadays to find a space that neoliberalism has not penetrated. Neoliberal ideas not only went beyond the boundaries of economic theory and political thought to include various spheres of life but have also become at the heart of the most pressing issues of our time. Current debates consistently suggest that neoliberalism plays a major role (if not a cause) in a variety of problems and crises. Financial and economic crises, exacerbating poverty and inequality, the rise of populism, climate change and the deterioration of the global ecosystem, the failure to confront the Covid-19 pandemic, and many others, are seen as consequences of pursuing neoliberal policies. Nevertheless, neoliberalism has been able to adapt in light of the crises and changes it has undergone. This is due, according to Cerny (2016, p.79), to its resilience that relied on "ad hoc adaptation and compromises that have led to the development of the 'regulatory state' and the proliferation of regulations that are intended to be pro-market". The flexibility of neoliberal ideas, as Kiely (2018) stresses, is what allowed neoliberalism to renew itself and face various crises and changes. The 2007-2008 financial crisis is a good example of such adaptation. With the collapse of one bank after another, the belief grew that the world was about to enter a new phase. This crisis generated a situation in which many, including prominent economists, believed that neoliberalism was dying (Cahill, 2014). It later turned out that this belief is nothing but a "widespread diagnostic error" that underestimated the history of neoliberal ideology and its "profound social and subjective springs" (Dardot and Laval, 2014, p.6). Neoliberalism has continued to survive and expand more and more, and so the question remains, how much do we know about neoliberalism and its history?

The analysis of neoliberal ideology and its history is still not as deep as that of the analysis of its policies. This is because these policies are often seen as necessarily compatible with neoliberal ideology. The reality, however, repeatedly points to the depth of the gap between neoliberal ideology and its practices. In a related context, there are a number of key considerations that can be noted from most discussions of neoliberalism which indicate that we are not yet past the possibility of falling again into 'diagnostic error', the most important of which is the lack of clarity in the aspects that define neoliberal identity. There are at least two notable aspects to mention in this regard. The first is the confusion about what is meant by the term neoliberalism. Despite its dominant presence, trying to define neoliberalism, or describe what it means, involves a great deal of complexity. Through their analysis of 148 articles on neoliberalism published between 1990 and 2004, Boas and Gans-Morse (2009) concluded that 63% of the sample articles published between 1990 and 1997 did not provide any definition whatsoever to clarify what is meant by neoliberalism, nor did any improvement appear over time as this percentage rose to 76% among articles published between 2002 and 2004. Perhaps what Mirowski and Plehwe (2015, p.24) emphasized about the fact that one "cannot

look to any formal sanctioned publication of the MPS [Mont Pèlerin Society] for a convenient definition of neoliberalism" produced such a situation of definition lack. On the other hand, Saad-Filho and Johnston (2005, p.1) point to the methodological aspect that makes defining neoliberalism difficult. They noted that unlike 'feudalism' or 'capitalism' which can be framed within a set of distinctive features, "neoliberalism is not a mode of production", and its extensions to different aspects of life makes restricting it within certain frameworks a complicated matter. However, this does not justify continuing to address neoliberalism without carefully considering what it means. Neoliberalism must be subjected to a deep analysis that touches on its historical roots and its multiple meanings.

The second aspect relates to the origins of neoliberalism, which are often reduced to a particular version that does not necessarily reflect the deep roots of neoliberal thought. Particularly when the narrative of neoliberal history begins with reference to the Mont Pèlerin Society and then focuses mainly on the period from the 1970s onwards, consistent with the view that neoliberalism is a reaction against Keynesianism. There is no doubt that this period was decisive in the history of neoliberalism, but historical facts indicate that early neoliberal thought began to take shape during the interwar period as a result of the crisis that classical liberalism was going through. Thus, when this part of the history of neoliberalism is ignored, or mentioned in little detail, the course of development of neoliberal ideas is reduced to the period in which they began to gain the wide dominance that they still enjoy today. This way of portraying neoliberal ideology regardless of the transformations it has undergone is highly misleading, according to Jackson (2010). He therefore calls for research on the "institutionalization of neo-liberalism" to explore how "the earliest exponents of neo-liberal ideology focused primarily on socialist central planning rather than on the welfare state as their chief adversary and even sought to accommodate certain elements of the welfare state agenda within their liberalism as a means of legitimating the market" (Jackson, 2010, p.131-133). In a related context, Turner (2007) adds that the membership of the early participants in Mont Pèlerin was more related to their common critique of collectivism than to the fact that they were classical liberals. Therefore, it can be argued that considering Mont Pèlerin Society as a starting point for neoliberal thought is nothing but an oversimplification.

Going deeper into each of these aforementioned aspects reveals their complexity and dialectic, but they are essential to a better understanding of neoliberalism. Therefore, this article addresses these two aspects and emphasizes the importance of including them in the conceptual discussion of neoliberalism. Such discussion highlights the importance of subjecting the history of neoliberal thought to scrutiny in a way that depicts the transformations it has undergone. Developing a more comprehensive understanding of neoliberalism in its contemporary form requires a return to early neoliberal thought. Although "[t]hese moments of dissonance and disconnect between old and new lives of neoliberal deployment are substantial enough to call into question the attempts to stitch them together into a seamless historical project" (Venugopal, 2015, p.4), ignoring the attempt to do so,

leaves many questions about the origins of neoliberalism unanswered and hinders finding a clear definition of it. Moreover, the extent of the transformation that has occurred in both neoliberal ideology and practices cannot be explained without looking at the early stages of the emergence of neoliberal thought. Only then, it will become clear that neoliberalism is far from being a single, unifying ideology.

Indeed, the historical perspective enriches our understanding of neoliberalism and will make it possible to identify its multiple dimensions and its historical links with different lines of thought. While "[a] superficial acquaintance with the history of ideas and the social forces that nurtured those ideas does not suffice to obtain a clear perspective of either the scope and depth of neoliberalism or its rapid growth" (Mirowski and Plehwe, 2015, p.3). In-depth study of neoliberal ideas not only removes the ambiguities associated with the term neoliberalism, but also reveals the aspects that distinguish this line of thought from others. Accordingly, the following two sections address the aforementioned aspects of neoliberal identity by discussing its origin and then the ambiguity related to it as a term.

1. THE ORIGIN OF NEOLIBERALISM

The Swiss resort of Mont Pèlerin is often considered the birthplace of neoliberal thought. It is where a group of economists, historians and philosophers gathered in 1947 to discuss the fate of modern liberalism. Led by Friedrich von Hayek, this group of 36 scholars formed what became known as the Mont Pèlerin Society (MPS). The main motive behind this gathering, as stated in the very first lines of the 'Statement of Aims', was their concern that "[t]he central values of civilization are in danger". For them, this danger was principally related to "a decline of belief in private property and the competitive market" without which it is difficult to maintain freedoms in society (Harvey, 2007, p.20). These considerations about a free society were included in a list of six tasks in the 'Statement of Aims', which is the only official statement of the Mont Pèlerin Society. It is worth to mention that this document was issued after a great deal of controversy over a draft statement written by a group of members, among whom was Hayek. It was also remarkable that it lacked a number of principal liberal beliefs as the statement focused on economic freedom, individualism and moral standards without mentioning human and political rights. "One can interpret this not only as evidence of a fair amount of dissension within the ranks of the MPS; but also as evidence that the transnational band of participants did not have a very clear idea of where the project was headed in 1947", according to Mirowski and Plehwe (2015, p.25).

The historical importance of Mont Pèlerin is indisputable, but there are good reasons not to take it as a starting point for neoliberal thought because considering it as such leads to overlooking some of the basic aspects that formed the neoliberal ideology. Neither the framework set by the Mont Pèlerin discussions nor its Statement of Aims give a clear picture of the developments that neoliberal thought went through before the 1940s, but rather separate the latter from its past. One ev-

idence for this argument is to be found in Hayek's speech at the first session of the Mont Pèlerin Society when he said "I have had the good fortune in the last two years to visit several parts both of Europe and America and I have been surprised at the number of isolated men I found everywhere, working on essentially the same problems and on very similar lines" (quoted in Jackson, 2010, p.131). This statement of Hayek hides some facts, the most important of which is that long before 1947, many of those who formed Mont Pèlerin Society were in contact and had exchanged ideas in several meetings and correspondences. They were not, as Hayek claimed, completely isolated. In fact, despite their different nationalities, academic disciplines, and professional backgrounds, their opposition to collectivism and socialism that grew after the First World War formed a common ground that brought them together. This had a major role in shaping the neoliberal thought. This point was emphasized by Polanyi-Levitt (2012, p.9) who argued that Hayek's opposition to economic planning and "[t]he source of his market fundamentalism must be traced back to the Vienna of the 1920s". At that time, Vienna embraced the beginnings of the formation of neoliberal thought, notably the famous *Privatseminars* organized by Ludwig von Mises, who was a staunch attacker of socialist economics. "Socialism is the abolition of rational economy" Mises says in one of his articles published in 1920 (quoted in Burgin, 2012, p.21). These seminars attracted Hayek and Fritz Machlup, and a number of foreign scholars, some of whom later became members of Mont Pèlerin Society.

Not only Vienna during the1920s, there are other examples that confirm the existence of an active movement that strengthened intellectual ties among a large number of those who formed the Mont Pèlerin Society several years before their meeting in 1947. In this context, the *Colloque Walter Lippmann* is especially prominent. This colloquium was organized by the French philosopher Louis Rougier in Paris in 1938 to discuss Walter Lippmann's book *The Good Society* (1937). This book not only preferred market economy over state intervention, but also "discussed totalitarianism primarily with regard to the absence of private property, rather than the more commonplace reference to a lack of democracy or countervailing political power" (Mirowski and Plehwe, 2015, p.13). Although the outbreak of the Second World War dispersed a number of those who participated in this meeting and discouraged many of the matters that were agreed to be implemented, Jackson (2010) and Turner (2007) emphasized the importance of the *Colloque Walter Lippmann* in shaping neoliberal thought. Likewise, Mirowski and Plehwe (2015, p.13) pointed out that this event "marked the beginning of a new dawn in the history of neoliberalism". On the other hand, Reinhoudt and Audier (2018) criticized the fact that the colloquium did not receive the necessary attention until recently, noting that there are still few publications about it, especially in English.

Another example, from the 1930s, indicates that market advocates were able to create space for the development of neoliberal ideas in a number of notable academic circles. Years before the founding of the Mont Pèlerin Society, the London School of Economics (LSE) began to witness several transformations that dis-

tanced it from the academic mainstream at the time. Edwin Cannan's efforts contributed to the school's departure significantly from the socialist roots laid by its founders, members of the Fabian Society. Cannan, who admired Jevons' work, was among those who downplayed issues related to unemployment and opposed any state intervention in the market. In 1932, he expressed his view on the demand for labour clearly in a speech to the Royal Economic Society by saying that the "general unemployment appears when (workers) are asking too much… [The world] should learn to submit to declines of money-income without squealing" (cited in Polanyi-Levitt, 2012, p.7). Unemployment, according to this view, is the result of workers demanding wages higher than what is determined by the effective market mechanism and that any interference in the functioning of the market will be negative. Many of Cannan's students adopted his views, most notably Lionel Robbins, who took a keen interest in the intellectual traditions of Austria, and read much of Menger and Mises's works. Thanks to Robbins's efforts, the London School of Economics brought together more voices opposing state intervention. Most notably Hayek, whom Robbins invited to give a series of lectures in 1931, which facilitated Hayek's entry to the LSE later. In addition to market advocates in London, a number of Chicago economists, such as Frank Knight, Jacob Viner, and Henry Simons, also opposed state intervention, albeit in a tone less severe than that of the London economists. Burgin (2012, p.15) describes this situation as follows: "Considered in conjunction, the economists in London and Chicago reveal a world of market advocacy that was very much in disarray. Some corners held firm to reactionary extremes that few were willing to follow; others much more readily made concessions but proved incapable of articulating a coherent oppositional worldview".

All these aforementioned examples confirm that the course of events that occurred during the 1920s and 1930s, whether in Vienna, Paris, or the University of London, were not marginal but rather important stages that shaped the neoliberal origin. Their importance lies in the fact that they contribute to defining the historical context from which neoliberalism arose. Recognizing this context not only reveals the roots of early neoliberal thought but also prompts a reconsideration of perceptions that tend to reduce neoliberalism to a mere revival of classical liberalism or as a response to the failure of Keynesianism. Placing neoliberal thought in its correct historical context indicates that it began to take shape in the midst of the crisis experienced by classical liberalism. This crisis, that marked the interwar years, was fueled by the changes that took place in Western countries that strengthened the role of the state. The Wall Street Crash of 1929 and the Great Depression increased the acceptance of an interventionist form of the state, prompting further debates about collectivism and planned economics among liberals. And with the emergence of fascist movements in Italy in 1922 and Germany in 1933, and later across Europe (Austria in 1934, Greece in 1936, Spain in 1939, etc.) it became clear to the liberals that the fate of liberalism is in danger (Jones, 2014). Accordingly, many of the criticisms of the liberal approach, especially those of *laissez-faire*, have turned into points of division among liberals, resulting in "the 'new' in-

terventionist variants within liberalism itself, such as the new liberalism advocated by T.H. Green, L.T. Hobhouse and J.A. Hobson in Britain, and the liberal progressivism associated with Franklin D. Roosevelt's New Deal administration in the United States" (Turner, 2007, p.70). As well as the German variant of economic liberalism, known as Ordoliberalism, which was presented as a third approach that differs from both *laissez-faire* liberalism and collectivism because it adhered to freedoms, but without denying the importance of the state's role in regulating society's relations and establishing laws (Bonefeld, 2012). These new variants and approaches point to endeavors that have been made to establish a new configuration different from that of classical liberalism. This confirms the necessity of addressing neoliberalism in a way that differs from classical liberalism. The efforts of the early neoliberals were not directed at reviving classical liberal beliefs, Turner (2007, p.67) asserts, but rather stripping them of the "accretions associated with the past and reinterpreted on a new ideological terrain". The neoliberals considered that the liberals overestimated that effective market conditions arise spontaneously and that the economic system operates efficiently by its own without any interference. The crisis of classical liberalism made the neoliberals argue that the self-regulating market does not arise naturally or spontaneously, and therefore the economic system needs regulatory and institutional frameworks that govern and coordinate its operations. It is a system that "has to be consciously shaped", in Eucken's words (Peck, 2010, p.60). For this very purpose, neoliberalism has redefined the relationship between the state and the market. Redefining this relationship is not about determining the size of the state, but rather reconfiguring its role and practices so that the logic of the market actively penetrates into all aspects of life. Recognizing the state-market interrelation is important because it highlights a common fallacy arising from the distinction between classical liberalism and neoliberalism based on the notion of the night-watchman state. Besides being too simplistic, this distinction is also unrealistic, especially given countries that have embraced neoliberalism (the United States and the United Kingdom, for example) and that have not experienced a decline in the role and size of the state. Moreover, *laissez-faire* liberalism of the nineteenth century included not only the Manchester School of Richard Cobden and John Bright, which advocated downsizing of the state, but also the utilitarian tradition of Jeremy Bentham and John Stuart Mill, which demonstrated a tendency toward an interventionist role for the state (Stahl, 2019).

Therefore, although the legacy of classical liberalism is present in neoliberal thought, it is perhaps more correct to view neoliberal ideas not as a renewal of liberalism but as an extension of a set of ideas that emerged to emphasize the market economy. In this way, the truth of neoliberalism is unfolded as a constructive project targeting not only the economic system, but all aspects of life that are constantly sought to be subordinated to the logic of the market. This aspect actually adds more complexity to the analysis of neoliberalism, because its constructivist project is translated through a wide range of viewpoints and proposals, where in the difference between the earlier and later versions of neoliberal thought is also noted.

In addition to the diversity of neoliberal approaches, Friedman's approach, for instance, unlike Hayek, was dominated by the mathematical method of neoclassical economics. This is also consistent with Mirowski and Plehwe's (2015, p.5) observation that "[t]he neoliberal thought collective was structured along different lines from those pursued by the other "epistemic communities" that sought to change people's minds in the second half of the twentieth century". In this way, an important aspect that characterizes the course of neoliberal thought is the great effort that was made to bring about institutional changes that reinforce neoliberal ideas. This aspect is often marginalized by avoiding scrutiny of the formation of neoliberal ideas.

In summary, neoliberal thought emerged as a response to the conditions that dominated the interwar period. Those conditions that prompted a different line of debates among liberals centered on the consequences of the war, the Great Depression, the emergence of Fascism and Nazism, and other challenges that confronted the classical liberal approach. These circumstances created links and points of convergence between a number of liberal thinkers (later neoliberals) who stood against collectivism and planned economics and believed in the necessity of bringing about a change in the course of liberalism. The bonds between them strengthened during the 1920s and 1930s and resulted in the creation of the Mont Pèlerin Society in 1946. The neoliberals were part of a wide network of relationships and contacts among themselves, on the one hand, and with a number of political leaders, businessmen and journalists, on the other, who marketed neoliberal ideas in their speeches, interviews and various publications.

The question that arises, then, is why the early neoliberal formation is often underestimated at the expense of its later stages, particularly from the 1970s onwards? One explanation is the fact that the early stages of neoliberalism were characterized by a great deal of ambiguity and confusion. Although Jackson (2010) has suggested that it is possible to identify some characteristics that distinguished early neoliberalism from what it is today. Yet, it is difficult to confine early neoliberal thought to a specific line of thought. Besides the essential role of the Austrian school, neoliberal thought was also marked by its diverse German, Italian and French intellectual connections (Mirowski and Plehwe, 2015). Moreover, at that time the distinct economic dimension of neoliberalism had not yet been clearly defined, unlike the political inclinations of the neoliberals, which were mainly directed against socialism (Raschke, 2019), and the importance of establishing a rule of law that protects individual freedoms (Turner, 2007). These factors may have played a role in making the narrative of early neoliberal thought receives little attention, which in turn led to the tendency to reduce much of it at the expense of the period following the end of the Second World War. Since the mid-1940s, neoliberalism has become more coherent. The creation of the Mont Pèlerin Society in 1947 reunited the neoliberals, enabling them to develop their visions and strategies in a way that strengthened their ability to control and influence policy makers around the world. The endeavors of the neoliberals clearly paid off in the 1970s that marked the beginning of the glory years for neoliberal theory. In 1974, Fried-

rich von Hayek won Nobel Memorial Prize in Economic Sciences jointly with the Swedish economist Gunnar Myrdal. Two years later, the prize was awarded to Milton Friedman, one of the most influential liberal thinkers who was then a professor at the University of Chicago. As a result, the theory gained great respect and credibility in academia at the time. Besides the public recognition provided by the Nobel Prize, the existence of neoliberal thought has also been strengthened by the media and think tanks, notably the Heritage Foundation and the Adam Smith Institute, that have intensively promoted neoliberal ideas. In this way, the 1970s witnessed the influential presence of neoliberal ideas in the United States and the United Kingdom, as well as the formation of what became known as the Neoliberal State (Harvey, 2007; Polanyi-Levitt, 2012). Since then, the implementation of the neoliberal project has been reinforced by the big corporations that have funded everyone who could play a role in promoting neoliberal ideas. This made neoliberalism more than just an ideological issue, but a political prescription capable of shaping the destinies of countries, and Chile, as the first neoliberal state, is a good example of this.

2. THE TERM NEOLIBERALISM AND ITS AMBIGUITIES

Neoliberalism has gained a lot of attention in recent years and has been addressed in several academic discussions as the dominant ideology of our time. According to Venugopal (2015) titles of articles written in English that included the word neoliberalism or neoliberal during 1980 and 1989 were few. At that time, it was not possible to find more than 103 articles in Google Scholar. This changed later, he asserts, as the results of conducting such research increased between 1990 and 1999 to reach 1,324 articles, and to approximately 7,138 articles between 2000 and 2009. While the number of articles and studies discussing neoliberalism continues to grow, it is remarkable that a great deal of ambiguity is still associated with it. Mirowski and Plehwe (2015, p.3) even argue that neoliberalism "draws some of its prodigious strength from that obscurity".

The ambiguity of the term neoliberalism stems, to some extent, from what the word neoliberalism might suggest. The prefix 'neo' gives an illusion of modernity of this thought, while the rest of the word refers to its shared ideological roots with classical liberalism. This deceptive aspect of the term makes neoliberalism appear as a renewed or contemporary form of liberalism. That is, as if liberal ideology has a natural life cycle going through growth and decline, and that neoliberalism represents its improved form. But this simplified perception does not accurately reflect what neoliberalism actually represents. In fact, this aspect of the term, which often causes confusion between neoliberalism and classical liberalism, sparked controversy among the early neoliberals themselves at the *Colloque Walter Lippmann* in 1938, particularly when they discussed which term should be adopted to express their new approach. At the time, dissatisfaction with classical liberalism, as Reinhoudt and Audier (2018) explain, led to the exclusion of a number of proposed

terms (including neoliberalism) by some participants, most notably Jacques Rueff, who rejected the use of the prefix 'neo', and Louis Baudin who objected any term that might include the word 'liberalism'. In turn, Baudin proposed the term 'individualism' but Louis Rougier rejected it, arguing that the term individualism is associated with anarchism. Likewise, many other proposals, such as the 'constructor liberalism' (*libéralisme constructeur*), 'left liberalism' (*libéralisme de gauche*), 'positive liberalism' and 'social liberalism', were rejected before the term neoliberalism, coined by Alexander Rüstow, was finally adopted. At this point, this term was chosen to express a series of principles such as "the priority of the price mechanism, the free enterprise, the system of competition, and a strong and impartial state" (Mirowski and Plehwe, 2015, p.13). However, this was not the first time that the term appeared. Kiely (2018) indicated that the earliest use of the term neoliberalism dates back to the nineteenth century, 40 years before the *Colloque Walter Lippmann*, in an article written by the French economist Charles Gide wherein he referred to the Italian economist Maffeo Pantaleoni (1898), who had close ties to the fascist movement, as a 'neoliberal'. Later in 1925, Mirowski and Plehwe (2015) added, the term neoliberalism appeared in the *Trends of Economic Ideas*, which praises the role of competition and entrepreneurship. In this book, the Swiss economist Hans Honegger linked neoliberalism to notable works, particularly those of Alfred Marshall and Eugen von Böhm-Bawerk.

One advantage of placing the debate over the term neoliberalism within its historical context is that it highlights a broader and fundamental discussion that existed at the time about classical liberalism. The controversy in *Colloque Walter Lippmann* was a reflection of the disillusionment of a number of liberals with the situation in which classical liberalism had become. They saw that the weakness of the liberal approach opened the door to the expansion of socialism and economic planning, which prompted them to think of "the recrudescence of an old intellectual tendency – classical liberalism – but with radically altered political dimensions to both modernize liberalism as an ideology and meet the economic and political demands of the era" (Turner, 2007, p.68). Until recently, however, the association of the term neoliberalism with liberalism remains a matter of debate. Rose (2017, p.5), for example, suggested the term 'advanced liberalism' over neoliberalism arguing that new approaches and social arrangements that are centred around the principles of freedom, competition and efficient markets, etc, are nothing but "a kind of bricolage, some old, some new, some repurposed, some merely redescribed, but together forming a new way of thinking about individual and collective conduct and trying to govern it, an array of strategies that were certainly heterogeneous, but with enough of a 'family resemblance' to be grouped under a common name".

Even after its dominance of our lives, many aspects associated with the term neoliberalism remained problematic. The fact that neoliberalism is no longer just a theoretical discussion but has become a reality does not make it any clearer. Contemporary use of the term neoliberalism has become more complex and less specific over time. It has come to be seen as "a controversial, incoherent and crisis-ridden term, even by many of its most influential deployers" (Venugopal, 2015, p.2).

This, in turn, placed neoliberalism within a Gallie's (1956) framework of 'essentially contested concepts', that is, those "whose strong normative character, multidimensional nature, and openness to modification over time provoke much debate over their meaning and proper application" (Boas and Gans-Morse, 2009, p.139).

Examples of such problematic aspects include the tendency to regard neoliberalism and the Washington Consensus as being equal. This is "a thoroughly objectionable perversion of the original meaning" declared John Williamson (2004, p.201). Williamson, who coined the term Washington Consensus in 1989, declared that "[t]he one policy with a distinctively neoliberal origin that got incorporated in my version of the Washington Consensus was privatization" (ibid., p.201). For him, the principles of Mont Pèlerin were not directed towards combating the problem of poverty in the third world, while this matter, he claimed, is at the heart of the Washington consensus strategies. However, Williamson's arguments do not appear to have succeeded in differentiating the Mont Pèlerin Principles from the ten policy measures of the Washington Consensus. Especially in light of the closeness and admiration that appeared between him and some prominent members of the Mont Pèlerin Society, such as Alan Meltz and Fritz Machlup, who was Williamson's teacher at Princeton University (Mirowski and Plehwe, 2015). Similarly, Rodrik (2006, p.974) argued that the Washington Consensus is still seen "as an overtly ideological effort to impose 'neo- liberalism' and 'market fundamentalism' on developing nations". In a related context, Boas and Gans-Morse (2009) refer to the 'asymmetric patterns' of using the term neoliberalism. In other words, while the term is often used in the context of free market criticism and its radical policies that have exacerbated poverty and inequality, it is rarely mentioned by free market advocates. This pattern results from the negative connotation that has become associated with the term neoliberalism, which makes "no one self-identifies as a neoliberal" (ibid., p.139). Moreover, the term neoliberalism is treated differently in the USA than in other countries, as it is "hardly ever used to describe the U.S. configuration of "free market" forces, which mostly sail under the flags of libertarianism and neoconservatism" (Mirowski and Plehwe, 2015, p.2). On the other hand, Raschke (2019, p.16) criticizes the tendency of 'progressives' to confuse capitalism with neoliberalism, stressing that capitalism can be framed in a specific economic context, while neoliberalism is "a term saturated with various unrecognised political significations and hidden intentionalities, thus betraying its hybrid nature".

Another problematic aspect appears when neoliberalism is reduced to Austrian thought. This, in fact, ignores other important contributions that shaped early neoliberal thought, especially the so-called Ordoliberalism, which represents a line of social market economy that emphasizes the role of the state in ensuring competition and free market mechanisms. Intellectual connections between German and Austrian economists developed through the Verein für Socialpolitik meetings in the 1920s, including a 1928 meeting in Zurich between Hayek and Walter Eucken at a session on business cycle theory. Thereafter, communication between the two continued and Wilhelm Röpke transmitted a number of correspondences between them during the 1930s (Kolev et al., 2020). Until the 1940s, the influence and con-

vergence between Hayek's ideas and Eucken, as well as other Ordoliberals such as Röpke and Alexander Rüstow, were evident, but after that both influence and convergence began to fade with the emergence of a number of ideological differences between them, especially in the 1950s and 1960s (Jackson, 2010; Cerny, 2016). These differences relate mainly to the role of the state, which the Austrian school considers to be derived from economic freedom, in contrast to the ordoliberals who argued that economic freedom cannot be achieved without the presence of a strong state, in other words, they regard economic freedom "as a construct of governmental practice" (Bonefeld, 2012, p.636). Furthermore, not taking into account the role of the Ordoliberal school means ignoring an important aspect of the transformation that occurred in the term neoliberalism itself. Venugopal (2015) pointed out that the term neoliberalism remained, until the seventies of the last century, closely associated with the Freiburg Ordoliberalism school. By the 1980s, however, the term had become widely used to refer to market deregulation and privatization. Likewise, Boas and Gans-Morse (2009) highlighted this transformation, noting that the term neoliberalism was used by German neoliberals in a positive context but then the negative aspect overshadowed the term especially when it became associated with the reforms that took place in Chile during the Pinochet era. Recently, Kolev et al. (2020) criticized literature's neglect of the prominent role played by German Ordoliberalism in shaping early neoliberal thought. In their extensive analysis of Eucken's correspondence with Hayek and Röpke, they show the great influence that the Eucken had on Mont Pèlerin Society.

Perhaps one of the most problematic aspects is when neoliberalism is confused with neoclassical economics. Although there is a connection between the two, yet, given Hayek's critique of a number of neoclassical axioms, this connection is no more than an "unholy alliance" in Chang's (2002, p.540) words. Neoliberals adopted neoclassical's principles of competitive market and individual rationality, and thus accepting the general equilibrium model developed by Walras. Despite this, they did not abandon a number of principles of classical theories, most notable their adoption of Smith's notion of the invisible hand which undoubtedly serves the neoliberal doctrine in opposing governmental intervention theories. Also, neoliberals, unlike neoclassicals, are not concerned with monopoly power (Harvey, 2007; Stahl, 2019).

All of the above problematic aspects add further complexity to our understanding of neoliberalism. The more we delve into the different dimensions and relationships of neoliberalism, the more difficult it becomes to find a comprehensive definition of it. This is indeed what we find in the literature that presents neoliberalism under various frameworks and within a wide range of different definitions. Besides its complex nature, what makes neoliberalism "defies simple definition" (Saad-Filho, 2017, p.245) has also to do with differences in the way it is analyzed. Although scholars in their quest to understand neoliberalism may combine several approaches, some aspects of neoliberalism are more relevant to certain approaches than others, which in turn produces a variety of interpretations and definitions. For example, some scholars, including Mirowski and Plehwe (2015) and Burgin

(2012), study neoliberalism from a broad historical perspective, allowing us to trace the roots of neoliberal thought and the transformations that accompanied its development. While others tend to be more concerned with the contemporary aspects of neoliberalism, such as addressing the changes it brings to society (Dardot and Laval, 2014), its policy package, its effects on the environment (Heynen et al., 2007), neoliberal anti-democratic practices (Brown, 2019), the rise of authoritarian and populist policies (Boffo et al., 2019), and others.

Based on the theoretical framework, one can also distinguish between Marxist interpretations of neoliberalism and those influenced by Foucault's approach. Regarding Marxist literature, it is rich in various interpretations of neoliberalism. However, Saad-Filho (2017, p.245) points out that Marxist interpretations of neoliberalism can be summed up in the following four ways: Neoliberalism is understood as a "set of ideas" that flourished in Austrian, Chicago and Ordoliberalism schools of thought, and also as a "set of policies, institutions, and practices" that reflect neoliberal ideas. Additionally, and in light of the focus of Marxist literature on class struggle, neoliberalism is interpreted as "a class offensive against the workers and the poor" who are severely affected by neoliberal practices that only consider the interests of the elite. And in the Marxist analysis of the existing system of accumulation, neoliberalism is interpreted as a "material structure for social, economic and political reproduction" in a way that serves the dominant elites at the expense of the interests of the majority. Whatever the way neoliberalism is interpreted in Marxist literature, it seeks to include different aspects of neoliberalism in its analysis and provides a deep insight into neoliberal ideology and its political project. Such characteristics of Marxist analysis can be observed in Harvey's (2007, p.2) approach, who defines neoliberalism as "a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade" and which subtly conceals what Harvey sees as the main motive behind the transition to neoliberalism: the restoration of class power. More specifically, Harvey's viewpoint is that neoliberal policies were seen as solutions to the crisis of overaccumulation into which capitalism entered in the 1970s, especially since these policies, through privatization and reducing state control over several sectors, were able to open new channels of profit, which is exactly what the dominant elites were seeking.

On the other hand, there is another approach that is not in line with the Marxist interpretation, but rather considers that neoliberalism must be understood in a broader scope than that based on the logic of capital. For instance, Dardot and Laval (2014, p.12) argue that the Marxist interpretation is unable to provide answers about the ability of neoliberalism to survive and continue to expand despite its frequent crises. What Marxist explanation lacks, they claim, are the techniques practiced by neoliberalism to control "conduct and subjectivities" which "cannot be reduced to the spontaneous expansion of the commodity sphere and the field of capital accumulation". For this reason, they suggest that neoliber-

alism be interpreted on the basis of Michel Foucault's analysis of governmentality. This approach of interpretation is an assertion that the values associated with neoliberalism, which have been shown to be of great influence in reshaping social relations and the behavior of individuals, are just as important as the economic aspects. From this point of view, neoliberalism represents "the rationality of contemporary capitalism", and thus can be defined as "the set of discourses, practices and apparatuses that determine a new mode of government of human beings in accordance with the universal principle of competition" (Dardot and Laval, 2014, p.9).

What this discussion of the problematic aspects of neoliberalism and its various interpretations indicates is the diversity of ways in which neoliberalism is understood. It is not intended to compare different approaches of interpreting neoliberalism in order to favor one over the other. Instead, such a discussion highlights the importance of engaging these different approaches in a broad debate seeking to decipher the complexities of neoliberalism and leading to a more comprehensive understanding of this matter.

CONCLUSION

While defining what is under study is the logical starting point that precedes any analysis, this point is often avoided when studying neoliberalism. This would not be a problem if neoliberalism had a clear definition, or at least if there was a consensus on what it means. However, the literature reveals otherwise. Neoliberalism has a widespread presence in many debates and studies, but many aspects regarding its origin and meaning still lack clarification.

Besides the complexities of neoliberalism itself, much of the ambiguity associated with its origin and meaning has to do with the way it is approached. This article in turn highlights the importance of analyzing neoliberalism in its historical context. This allows us to observe the changes and transformations it has undergone and also makes it possible to identify the role played by the different schools of thought in shaping neoliberal thought. Otherwise, it would be difficult to understand the dynamism of neoliberal ideology, and many aspects that define neoliberal identity will remain vague and unclear. Recognizing the roots of neoliberal thought will also remove some of the ambiguity associated with the meaning of neoliberalism. This is critical because neoliberalism in contemporary literature lacks a clear definition and is often confused with many other concepts. Therefore, identifying the different interpretations of neoliberalism and seeking to include its various aspects in a comprehensive analysis will enrich our understanding of neoliberalism and its complexities.

On the other hand, reducing the historical background of neoliberalism to its advanced stages obscures the transformations that have occurred within neoliberalism and makes the line between it and liberalism less clear. Accordingly, it can be concluded that discussing the roots of neoliberal thought without taking into ac-

count the period preceding the creation of Mont Pèlerin Society, overlooks the fact that neoliberalism emerged in the midst of the crisis of classical liberalism and as a reaction to the expansion of collectivism. Failure to follow the historical sequence of the rise of neoliberalism will lead to interpreting it as a reaction to the collapse of Keynesian economics or as merely a revival of liberal ideas. Although the legacy of classical liberalism is found in neoliberalism, the interwar period illustrates how Hayek and other neoliberals sought to distinguish their 'liberalism' from the liberalism of others. As for the neoliberals' stinging criticism of Keynesian ideas, it took place in that period as well, that is, before the collapse of Keynesian economics. This asserts that the pursuit of a comprehensive understanding of neoliberalism will eventually lead to a return to early neoliberal thought. Because, neoliberalism, as Turner (2007, p.79) put it, "is a historically contingent ideology that can only be identified and understood by tracing its origins through time and space".

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