

**SGIR 7th Pan-European International Relations Conference, Stockholm 9-11
September 2010**

Panel 17.5 Transnational Business and Global Economic Regulation

Neoliberal Think Tanks and the Crisis

Dieter Plehwe

Social Science Research Center Berlin, Department Internationalization and Organization

Abstract

The global financial and economic crisis appears to challenge the private authority focus in IR/IPE: The state takes centre stage in the management of the crisis. It certainly has been a formidable challenge for the original thinkers, propagandists and apologetics of neoliberalism advocating unfettered globalization. But the contribution of neoliberals to the debate of causes and consequences of the crisis at the same time has been a substantial, if belittled or even ignored factor of influence. A review of post-crisis activities of the Mont Pèlerin Society and connected think tanks (or think tank networks like the European Stockholm Network) directs attention to manifold interventions, practices and opportunities of neoliberal forces to publicly intervene, and to influence if not shape preference formation processes. The paper concentrates on the New York Special Meeting of the Mont Pèlerin Society held in March 2009 on the one hand, which led to the launch of new activities (sound money and global free trade think tank initiatives). On the other hand I will scan Stockholm Network member think tanks in order to highlight the importance of different reservoirs of neoliberal thinking like the distinct Austrian School and Germany's ordoliberal version of neoliberalism. Glancing inside the neoliberal networks helps explaining how different neoliberal perspectives can be mobilized in order to avoid far reaching regulatory change, and to provide neoliberal solutions to the current global crisis. Private knowledge authority thus cannot be discounted even during times in which the state appears to celebrate a come back.

ToC

1. Introduction: What's left for private authorities after the crisis	2
2. Mont Pèlerin Society: intellectual origins of speculative globalization	5
3. Debating the crisis at Headquarters: Mont Pèlerin Society goes Wall Street	8
4. The contributions of Stockholm-Network members on the crisis	16
5. What's left for neoliberal private authorities?	24

Literatur

Annex (Program Mont Pèlerin Society New York Special Meeting)

Please do not cite! Comments are very welcome.

Introduction: What's left for private authorities after the crisis?

The global financial and economic crisis since 2008 can be seen as a fundamental challenge to the research agenda of scholars who have been interested in the role of *private authorities* in international relations. The state and the state controlled global financial institutions have moved at centre stage due to their key role in managing the crisis. Private Banks have been rescued by public authorities or went bankrupt. Considering the central claim of public choice theory (state failure), major states proved remarkably resilient with regard to their capacity to rescue market organizations and systems. Neither private authorities nor public private partnerships would have had the stamina and deep pockets required to stem the heavy weight losses incurred during the crisis, which is certainly a good reason to reconsider praise of the capacity and adequacy of private governance alternatives to public responsibility.

Are private actors in international relations and new types of governance thus akin to butterflies, nice to look at but rather feeble, a luxury solution and hence research subject for sunny days only? Scholars pursuing neo-gramscian approaches to International Political Economy who are interested in the roles and mechanisms of the “expanded state”, of intertwined public and private politics beyond the core of legally authoritative public institutions as well as neoliberal IR scholars who have successfully challenged key assumptions of state centred neorealism cannot concur. Both camps have contributed a lot in recent decades to advance a sociological and discourse sensitive research agenda in IR capable of shedding light on a wider range of agencies, organizations and actors including transnational discourse communities and coalitions, epistemic communities, corporate planning groups, NGOs and others (Dingwerth, Kerwer, Nölke 2009, Djelic, Quack 2010).

While private participants in transnational and international politics clearly did not replace the state as key regulatory authority as can be seen when the dust settles down, the transformation of statehood at national and supranational levels still cannot be easily and fully understood without recourse to the wider range of participants in policy communities, formal and informal networks of influence (see Tsingou 2009 on the financial policy community recently under stress). In addition at least to nation state power relations, the private sector power relations as well as important questions of preference formation, and the ideational side of international hegemonic constellations continue to be in need of explaining in times of crisis much like in good times. Scholars and the public at large still need and want to know more precisely how the perspectives of a wide range of (national, supranational) state officials and

others participating in national and international negotiations and decision making processes are shaped, for example. In Germany at least, Mr. Ackermann seems to continue to have a say informally in Ms. Merkel's cabinet.

While CEOs of major banks or other participants in national and transnational policy networks are frequently included in scholarly analysis and continue to be easily recognized in the public media, this paper attempts to contribute to the private authority literature (Cutler et al. 1999) by way of examining recent efforts and roles of less visible private actors, namely the neoliberal intellectual community backed by global networks of think tanks with regard to coping with the global financial crisis. Why should we pay attention to such cranks one might ask considering the apparent failure of speculative finance enabled by no or light touch regulation advocated and frequently secured by neoliberal pundits?

While the public debate in the early stages of dealing with the global financial crisis was focused on the collapse of the highly speculative system of financialized capitalism, and the irresponsible behaviour of both corporate and public management of banks, recently observers have expressed distress about the return to business as usual and what is widely regarded a failure to bring forward a more substantial re-regulation effort. Critical voices both in Europe and in the U.S. have seen approaches to reform being narrowed down in international (G8, G20, EU etc.) negotiations. There have been and continue to be adjustments to the previous regulatory arrangements to be sure (Helleiner and Pagliari 2009). But by and large it remains surprising how much tolerance seems to exist with regard to the continuities of the status quo ante crisis. Why has there been a great gulf between popular sentiments and intellectual perceptions of the need to more profoundly change the regulatory system on the one hand, and a fairly narrow range of options pursued?

Structural transformations of the globalized economy are considered an important part of the answer to this puzzle (Zimmermann 2009). Both in Europe and the U.S. governments seem to (have to) rely on the same community of (business) experts who were part of the progressive move towards deregulation, financial integration and financialization. But since these industry experts and lobbyists also had to face the crisis, and the reactions of the public including the wide range of critical experts from organizations like ATTAC or trade unions it is interesting to ask how the forces of continuity themselves react to the crisis. Do they learn from critiques, possibly absorb some of the counter wisdom, or do they develop other strategies to cope with

the at times strong and radical criticism of the establishment? Has there been a shift in the composition of groups that are influential in public discussions? Since certain proposals advocated by NGOs like ATTAC – most prominently the Tobin tax – have been picked up by conservative politicians and parties (like Christian Democracy in Germany) one might be inclined to contemplate certain shift in public debates after all.

To the contrary I agree with those who emphasize the absence of a paradigm shift (compare Zimmermann 2009). In order to explain paradigm maintenance I conceive of the need to look closer at those who made it their task to work hard to defend the status quo before the crisis in the face of massive critique. I hold that rather unlikely candidates of private authority, intellectual power and influence, namely the neoliberal groups that pushed for, legitimized and defended the globalization and deregulation of financial markets need to be considered more seriously in order to comprehend the structure and direction of ongoing debates and negotiations with regard to the re-regulation of financial markets. Unlike the examination of business experts involved in positions of government decision making, the role of the wider field of policy oriented research and consulting has not received much attention so far, and the transnational network of neoliberal intellectuals and think tanks continue to operate under the radar,¹ although a group of European MPs have recently called for alternative sources of policy related research and advice (www.finance-watch.org/). In order to understand the evolution of public and expert debates, however, we clearly need to better understand the workings of a new class of professionals behind the think tank, research, media and PR efforts with regard to policy related research in general, and in the field of financial regulation in particular. In order to assess the expert debate it is not necessarily and only the technical expertise that matters with regard to the course taken of regulatory debates, but the normative framing (compare Fischer's 2003, 73f. exposition of discourse coalition theory).

In the case of Great Britain, right wing think tanks have recently been credited for successfully changing the terms and frames of debating the global financial crisis (Carrigan

¹ One example: Whereas the great documentary by Helgi Felixson of the collapse of Iceland (*Aufsand, Eine Insel kämpft gegen den Staatsbankrott*) emphasised the responsibility of the two successive government leaders as well as key central and private bankers in the move of Iceland to become a high risk financial paradise, the key advisors to both government and business leaders who founded and ran the think tanks set up by neoliberal circles in Iceland (most prominently Prof. Gissurason) did not get mentioned a single time (<http://www.iceland.org/de/Die-Botschaft/Nachrichten-und-Veranstaltungen/nr/7503>).

2010),² a capacity John Saloma III (1984) has identified as the key to understand the think tanks of the New Right in general. Saloma suggested that the ability to recontextualize political issues transcends traditional models of politics. Although this may have been truer in the early 1980s than today, the capacity to restructure public discourses certainly requires particular attention to the specialized agencies that have been developed to accomplish such goals rather than limit attention to the experts of a particular policy field or issue area.

In order to assess the claims made with regard to the ability of think tanks to re-contextualize the debate of the global financial crisis, we need to look at what neoliberal intellectuals and the think tank networks developed to back their activities have been doing in the most recent years. Before setting out to take on this task section 2 will trace the origins of the progressive move towards global financial integration to a key group of members of the Mont Pèlerin Society in order to identify clearly what can and indeed must still be regarded a core group of neoliberal intellectual leadership. Then we will examine the papers given at a special conference organized by the Mont Pèlerin Society of neoliberal intellectuals in New York in 2009 on the subject and explore some of the think tank network activities developed in the orbit of this *comprehensive transnational discourse community* (Plehwe 2010).³ Section three will selectively discuss the spread of positions and perspectives at display at the 2009 special New York meeting of the Mont Pèlerin Society and two different strategic initiatives that have been launched in its aftermath. Section four will present the results of a scan of the neoliberal European Stockholm network in an attempt to observe and systematize the spread of positions and opinions voiced on the issue of the financial crisis by about half of the 120 or so think tanks that are members of the Stockholm network. Beyond the survey of the content of positions we will try to assess the added value of a transnational network of think tanks with regard to the prospect of influencing European and global regulatory policies and discourse. The conclusion will use the major findings to reconsider arguments on the issue of paradigm shift and engage arguments suggesting that capitalist development has entered a post-neoliberal stage as a consequence of the crisis. Further research is needed to better understand the impact of think tank networks on continuity and change in regulatory policy

² Carrigan (2010) surveys 73 reports and additional „think pieces“ produced by 5 right wing think tanks and NGOs in 2010 (until August). According to The Economist (July 31st, 2010, 25-6) funding has greatly increased for centre-right think tanks after the new coalition government of Conservatives and Liberals took power.

³ Comprehensiveness refers to both a general transdisciplinary and transprofessional ideological orientation (Weltanschauung) uniting the community, and the (think tank) capacity to produce knowledge at various upstream and downstream levels of expert and public discourses.

regimes, intellectual and institutional entrepreneurship, paradigm shift, and the future studies of transformations and varieties of capitalism at large.

Mont Pèlerin Society: intellectual origins of speculative globalization

The Mont Pèlerin Society (MPS) of neoliberal intellectuals founded by Friedrich August von Hayek, Wilhelm Röpke, Albert Hunold and others in 1947 in Switzerland has been a key subject of research efforts dedicated to better understand the organizational and intellectual underpinnings of the rise of neoliberalism (Walpen 2004, Plehwe, Walpen and Neunhöffer 2006, Mirowski and Plehwe 2009). The association is probably still unknown to most scholars and experts who certainly will have heard about many of the individual scholars who are members of the MPS on the other hand (including eight winners of the economics Nobel offered by the Swedish Reichsbank: Hayek, Friedman, Stigler, Buchanan, Becker, Allais, Coase, and most recently experimental economist Vernon Smith, <http://www.montpelerin.org/mpsMembers.cfm>).

Problems and issues of monetary policy and international finance are central to the academic and political agenda of both the Society and many individual members. Apart from academic experts among the members of the MPS, a large number of central bankers and private bankers belong to its rank.⁴ In addition to advocating free trade, privatization and deregulation, the progressive liberalization of capital and financial markets has figured prominently in the programs advanced by neoliberal economists in particular. Eric Helleiner (1994) in fact alerted readers in his seminal work on the re-emergence of global finance to the prominence of certain MPS members in key debates. Helleiner's explanation for the U.S. policy shift towards abandoning the gold exchange standard of the early 1970s in fact emphasizes the leadership of (MPS) neoliberal intellectuals, and the emergence of a coalition of private

⁴ This group of MPS members includes (at least) the *economic professors* Milton Friedman, Karl Brunner and Allan Meltzer, Brian Kantor, John van Sickle (all U.S.), Alan Walters (UK), and Jan Lombard (South Africa), Egon Sohmen (Germany) and probably many other of the economic professors, *central bankers* Luigi Einaudi (Italy), Reinhard Kamitz (Austria), Carlos Geraldo Langoni and Eugenio Gudin (Brazil), Manuel Ayau (Guatemala), Carlos Francisco Caceres and Alvaro Bardón (Chile), Carlos Arturo Benegas (Argentina), Ramon P. Diaz (Uruguay), David McCord Wright, Gerald P. O'Driscoll, Homer Jones and Jerry L. Jordan (U.S.), Jean Luc Migué (Canada), Belikoth Raghunat Shenoy (India, also IMF and World Bank Director), Yoshio Suzuki and Masamichi Yamagiwa (Japan), finance and economic ministers like Johan Wilhelm Beyen (Netherlands), Jacques Rueff (France), members serving in *international organizations* (World Bank and IMF like Allan Fisher and Depaak Lal (UK), as well as *private bankers* like Tseng Hsiao and Kuo-Shu Liang (Taiwan), Shigeo Kurebayashi, Yoshizane Iwasa, Sohei Nakayama and Masatoshi Matsuita (Japan), Bertrand Jacquillat (France), Eduardo Mayora-Alvarado (Guatemala), James A. Meigs (U.S.), Dirk C. Renooij and G. M. Verrijn Stuart (the Netherlands), Alain Siaens (Belgium), Alfred Suenson-Taylor (UK), J. Daniel Tuller, Wiseman Lumkile Nkuhlu (South Africa) not including members who served in consulting functions (MPS membership lists, additional research conducted by Bernhard Walpen and myself).

bankers, industrialists and public officials in support of neoliberal ideas in the early 1970s (Helleiner 1994, 122). Gottfried Haberler's role in particular as advisor of President Nixon on international financial questions, Milton Friedman's influence on Treasury secretary Georg Shultz, and "Austrian economics" influencing key officials like Thomas Willett (Council of Economic Advisors) and Paul Volcker are especially mentioned: "Drawing on Hayek, Röpke and other European neoliberals, these officials rejected the embedded liberal approach to capital movements that had inspired the restrictive Bretton Woods financial order" (Helleiner 1990, 115). Digging deeper into the matter, Matthias Schmelzer (2010) has examined in detail the debates between gold standard advocates and flexible exchange rate advocates in the MPS during the 1950s and 1960s, and the ultimately successful attempt to subsequently organize an international consensus among central bankers and private bankers by the flexible exchange rate advocates of the Mont Pèlerin Society.

While gold standard and flexible exchange rate advocates were united in their desire to subject states to the rigid discipline of the market, they differed with regard to the method suggested to be adequate to this task. A return to the gold standard would have directly removed the discretion of governments and central banks with regard to monetary policy and exchange rates, while flexible exchange rates would accomplish this task only in a roundabout way. The reason for Haberler, Friedman and Machlup to diverge from the position of the old generation and Machlup's teacher Ludwig von Mises in particular was twofold. A return to the gold standard would theoretically come at the price of restrictions on capital movements on the one hand, and much more general would not be feasible in the first place. The Haberler faction argued that a gold standard solution would have forced many countries to maintain restrictions on capital mobility in line with the so called Triffin or policy trilemma: According to this, only two of the following three policy goals can be combined: 1) stable exchange rates, 2) monetary autonomy, 3) unrestricted capital mobility. Because of expanded state functions in the economy, states would not give up monetary autonomy and therefore most likely would have to give up on the freedom of capital given a regime of fixed exchange rates. Furthermore, the group was most certain that a return to the gold standard was a political project doomed to fail for an almost complete lack of support (except for some forces in France). Ultimately, the superior aim was a continuing drive to liberalize capital markets, and flexible exchange rates were regarded adequate to indirectly (in the long term) enforce fiscal discipline.

Advocacy in favour of flexible exchange rates at the time ran into huge problems. Flexible exchange rates were associated with economic nationalism, speculation, turbulence and chaos reminding of the disintegration of the world market during the time after gold standard had been abandoned in the early 1930s. The neoliberal economists relied on a case study of more recent Canadian experiences with flexible exchange rates to quell such fears, and launched a massive cycle of conferences and papers to convince experts and bankers (both central and private bankers) of the merit of flexible exchange rates not least if not primarily in order not to give up on capital market liberalization. It thus can be clearly stated that capital and financial market liberalization belong to the key elements of the neoliberal transformation of state regulation of the economy, and thus to the drivers of the recent decades of corporate and financial globalization and financialization (compare Mirowski and Plehwe 2009 and Kogut and Macpherson 2008 on the role of neoliberal intellectuals to promote policy agendas). If the neoliberal scholars and advocates of global financial integration belong to the key drivers responsible for the original policy shift in the U.S., and the ultimate paradigm shift in favour of nearly universal financial and capital market liberalization and the consequential expansion of highly speculative markets, the global financial crisis certainly can also be seen as a crisis of the wisdom and advisory position of the neoliberal intellectuals.

Debating the crisis at Headquarters: Mont Pèlerin Society goes Wall Street

The global financial crisis has indeed been perceived as a strong challenge by the members of the Mont Pèlerin Society. In 2009, the current president of the Mont Pèlerin Society, UCLA professor of development economics *Deepak Lal* together with the long time MPS secretary treasurer *Ed Feulner* (also a former MPS president and long time president of the Heritage Foundation) organized the MPS special meeting on the financial crisis in New York City. Special meetings complement regular biannual global and regional MPS conferences, which have been the alternating opportunity of members of the transnational community to meet face to face since the early 1970s. Additional special meetings have been organized occasionally to address specific concerns or to emphasize specific dates or regions. Two unusually political (and internally disputed) MPS meeting were held in Taiwan (1978 and 1988), for example; another special meeting was organized at the MPS birthplace in Switzerland in 1997 to celebrate the golden fifty year anniversary of the society, and two meetings have been organized to acknowledge new frontiers in the effort to globalize MPS neoliberalism (in Africa, for example, compare www.montpelerin.org/meetings.cfm).

The title of the conferences spelled out the major fears of neoliberals, and at the same time claimed rhetorical distance to neoliberalism. Under the headline: “The End of Globalizing Capitalism? Classical Liberal Responses to the Global Financial Crisis” more than 100 members and about 100 guests debated a total of 18 lectures, the speech of the president and four key note presentations (Harvard historian Niall Ferguson, media tycoon Steve Forbes, Dutch Islam critique Ayaan Hirsi Ali and Gary Becker; compare the full program attached below). Milton Friedman’s long time collaborator Anna Schwartz also belonged to the distinguished roster of speakers. Both the written and oral material on record (online at www.montpelerin.org/nyc2k9.dfm, downloaded in January 2010) allows discerning some of the key patterns of neoliberal argumentation with regard to the crisis. Most of the presentations display the shared core positions of the transnational community, though we can find diverse and even contradictory positions as we shall see. The basic pattern can be interpreted as a *counter attack* against popular critiques of the market and capitalism. The state and political choices are emphasized in the neoliberal analysis of the origins of the crisis. But in spite of the unsurprising reiteration of the neoliberal party line in general individual examinations of the causes of the crisis reveal a more profound level of reflections. We can also observe important dimensions and aspects of neoliberal reform reasoning in response to the crisis and most notably the revival of (German – Swiss) ordoliberal lines of neoliberal thought (compare Ptak 2009 on the history of ordoliberalism). We’ll attempt to highlight key positions of select contributions that are representative of the whole range of different authors presenting in New York City. Since we’ll discuss individual presentations at some length, the rather short contributions of the authors will be referenced as such to make for an easier reading of our cursory discussion. Let’s start with one of the present intellectual high priests of the neoliberal intellectual community.

MPS president Depaak Lal can be considered as one of the most influential development economists of the Washington Consensus era. Among economists, Depaak Lal certainly must be considered a highly creative and innovative thinker not least due to his efforts to integrate cultural dimensions in the analysis of market behaviour (Lal 1998). Unlike his otherwise admired predecessor in neoliberal development economics, Hungary born Peter Bauer, the Indian native Lal at the same time promoted a truly universal rather than a restricted Western understanding of neoliberalism (Plehwe 2009). Lal (2009) startled his audience by reminding listeners first of the approximation of key neoliberals like von Hayek and Lionel Robbins to positions of John Maynard Keynes with regard to the crisis of the 1930s. If cyclical downturns turn into depression, state interventions to change the course of economic

processes are deemed necessary. Lal also stipulated a common Wicksellian heritage of the Hayek and Keynes in an apparent effort to claim space for neoliberal economists in the economic premier league. Lal refrains from discussing contribution of the coordinated stimulus efforts of governments in 2008/9 to avoid sliding into Depression. But since the first part of the MPS meeting was dedicated to distinguish the present crisis from the Great Depression, the hint to Keynesianism as *ultima ratio* of neoliberal interventionism mainly served to draw a distance between the 1930s and the present. Lal also invokes Keynes as a critique of infrastructure investments to revive the economy due to their longer term impact, and refers to him as a witness to demand tax relief, which have a short term impact and are more compatible with the neoliberal agenda in principle. Without discussing issues of redistribution that are central to Keynes, the arguably most important economist of the age of social liberalism thus has been introduced by Lal at the same time to cast doubt on current Keynesian policies and as a supporter of neoliberal reasoning.

But Lal does also cast doubt on his own camp subsequently in direct and indirect ways discussing politics of easy money, global imbalances and avarice. He asks why the crisis came at a time with many economists considered good friends at the helm (of the U.S. Federal Reserve in particular), responsible for the low interest policies pursued under Alan Greenspan and his advisors who included key MPS members like Milton Friedman. The possibly most interest audio material of Anna Schwartz's comments on the topic is damaged, unfortunately. But a "sound money campaign" has been launched in the aftermath of the New York meeting by MPS related think tank networks (www.soundmoneyproject.org). We can safely take Lal's reflections as an indicator of the priority given to monetary politics once again, and as a genuine sphere of neoliberal self criticism requiring a return to the roots rather than a reformulation of original neoliberal agendas.

Although Lal has no doubt with regard to the key role of the state and of regulatory politics as ultimate causes of the crisis and while he clearly speaks out against the revival of theories of market failure, he does address global economic imbalances (discussed at length in a series of articles written for the Indian business daily "The Business Standard" also available at the MPS website). Global economic imbalances are held to be the cause of speculation. Lal compares the present export surplus of countries like Germany and Japan with the case of the oil exporting countries in the 1970s leading up to the world debt crisis of the 1980s. Although he refrains from deducing political measures from this analysis, he appears to perceive of a need to remedy what can be regarded as unsustainable macro-economic imbalances. Financial

Times reporter Martin Wolf seconded Lal on this topic in his own presentation covering this topic in greater detail.

Last but not least failure at the level of individual values, namely the predominance of avarice is subjected to severe criticism in the Scottish tradition of the Enlightenment. He finds virtuous and chivalry values – most notably sympathy going along with business success – to be more prevalent in India and other Asian countries than with British noble men singling out the bankers of the City to be blamed.

Yet regardless of moments of critical self inspection he primarily turns against competing schools of thought. He identifies potential protectionism as a result of the crisis as a grave Keynesian mistake because Keynes had provided legitimacy for protectionist policies under specific circumstances. The MPS president urgently warns against a revival of mercantilist perspectives. They are held to raise big world order questions to be discussed at future MPS meetings. Extending the agenda of globalization unsurprisingly constitutes another sphere for strategic action promoted via MPS related think tanks in response to the crisis (to be further discussed below).

The presentation of the MPS president skilfully combines an attack against the key opposition of Keynesianism arguably perceived to grow stronger in the face of the crisis with elements of self critique. Yet in spite of a speech delivered in a chest note of modesty peppered with tributes to intellectual foes Lal unmistakably holds on to the core of neoliberal convictions. He distinctly does not demand let alone promote a search for a new synthesis of Keynesianism and neoliberalism, of welfare theories of market failure and neoliberal theories of state failure. He rather calls for a return to own values and insights to “renew the neoliberal mandate” according to the title of his presidential address. If the conference title has been chosen in a defensive manner surreptitiously speaking about classical liberalism, Lal himself proudly holds up the banner of neoliberalism. His call to renew the mandate apparently includes the inscription of a neoliberal school of thought held in lower esteem during the heyday of aggressive globalization as can be discerned by another contribution.

Harvard historian Niall Ferguson who is famous for his Kissinger biography first reminds his audience of the role of the historians in the early history of the Mont Pèlerin Society in order to claim space for attention to history rather than mathematics (Ferguson 2009). His rigid anti-Keynesian and anti-planning attitude is declared immediately after the friendly scolding of economists. Ferguson vigorously speaks out against a revival of Keynesian planning efforts financed by the accumulating of public debt, and against the nationalization of private

corporations. According to him there is an ill conceived lack of patience. Monetary stimulus did not fail to provide results according to Ferguson, but fiscal stimulus has been rushed. The financial crisis is considered a crisis of globalization. Much like Depaak Lal he perceives of the rise of protectionism as the most important coincidence with the Great Depression. Instead of avoiding a Depression the repression of the banking crisis is held to potentially cause it because the provision of liquidity precludes the clearing process in the market.

Yet technical questions pale in the face of what Ferguson regards as the gravest danger: the possibility to regard the free market economy as a failure. His own warning against an imminent crisis back in 2006 instead rested on historical insights in the evolution of the financial sector. His major finding: regulation causes the crisis, not the market. But the following summary of his book contradicts the simplified message. Ferguson blames the lack of liquidity and high debt ratio of banks on the regulatory framework reached in the Basle I and II agreements. Lowering the equity requirements proved to be inadequate. European banks in particular are held to maintain high debt levels as a consequence. Due to the lack of fences between banks and hedge funds, the former had basically transformed themselves into the latter. Ferguson observes a conflict of interest in the rating agencies because they are financed by the corporations they regulate. Even if Ferguson does absolve the market and blames regulation, his analysis evidently suggests him to be in support of better and different regulation.

Ferguson relies on Chicago economist Frank Knight to distinguish between risk and uncertainty. Based on this difference he suggests the development of markets of derivatives to constitute a nonsensical experiment. While the state is unlikely to play a strong role in derivatives, Ferguson is quite right to insist on the role of the state in the real estate market. Subsidies in form of tax breaks for housing property are key to support the American Dream, which has been extended to less fortunate parts of the population in recent years by way of cheap credits from semi-public housing societies. The model pursued constituted a neoliberal alternative to the welfare state, and a sort of discount Fordism (WalMartism). Lower classes managed to maintain consumption standards by way of incurring debts on their property. As long as the value of the property kept rising, the mechanism worked just fine. Ferguson settles the score with Chinmerica, an imaginary wonderland combining the partners of China and America in a way that allows one partner to spend money while the other has to save. China is held to still be a planned economy due to capital market controls and a manipulated currency. Because China does not rely on free markets according to Ferguson, the evolution cannot be blamed on market failure.

Even though Ferguson elaborates on concrete deficits in government regulations, he refrains from discussing regulatory reforms to end on a note that features a strange combination of fatalism and optimism. Financial crisis is held to constitute an intrinsic feature of capitalism thus unlikely to be prevented by any regulatory framework. Because the stronger regulations back in the 1970s had not succeeded to prevent financial crisis then, there is no good reason to return to the old regulatory framework. The fundamental cause is uncertainty, and thus rooted in psychology. Experimental economists in the meantime have established the irrationality of the individual.⁵ His optimism is related to the authentic evolutionary system. Functioning natural selection involves periodical mass mortality. Alluding to Schumpeter Ferguson declares creative destruction to be essential to capitalist development. The principle of too big to fail should not exist accordingly. The crisis itself is regarded to constitute the “natural” selection and reform process.

In his conclusion Ferguson reminds his audience again of the founding meeting of 1947 now to ask why the Ordoliberal School (of Walter Eucken and others) has been marginalized. His rhetorical question: Do we care for free entrepreneurship or for a competitive order? The Order principle is presented to be fit to overcome this apparent contradiction according to Ferguson who demands his listeners to rediscover the ideas for an effective order of competition before Keynesian economists will succeed to turn the wheel of history backwards. Ferguson maintains it is the key task of neoliberals now to develop a credible framework for the resurrection of free markets. In order to accomplish this goal beyond the moral the political and regulatory foundations of the free market have to be reconsidered.

While Niall Ferguson and most of the other academics speaking at the New York meeting considered many dimensions of the global crisis to provide a complex analysis along with sometimes very pointed opinions and conclusions at odds with the level of reflection, the media tycoon Forbes had nothing to deliver but platitudes. The global financial crisis becomes

⁵ The latest economics Nobel in the rank of the MPS, Vernon Smith, has been awarded the price from the Swedish Reichsbank precisely for his work to promote experimental economics. While his approach challenges the pillar of neoclassical models with regard to individual behaviour, experimental economics remains vested in a actor centred theory of human behaviour based on the assumptions of methodological individualism rather than on a social understanding of individual behaviour. Experiments are conducted under artificial conditions to explain isolated phenomena rather than studying historical developments in real society. The evolution of experimental economics can be considered a worthy subject of research in its own right given the prominence of funding for Vernon Smith from right wing foundations that have supported many other projects advanced by neoliberal intellectuals (compare Frank 2004, 80f. on the role of the Koch Foundation with regard to the career of Vernon Smith). A working hypothesis could be a battle over the future direction of experimental economists pitting scholars who are critical against the neoclassical project at large against those who try to improve the understanding of institutions adequate to the functioning of economics according to neoclassical rationality assumptions (like Smith).

a monumental crisis of government without any reflection on contributions of private forces including the media speaking out in favour of the free market (including media founded and controlled by him). Not even at the level of individual values he is ready to support MPS president Depaak Lal's attack on avarice, though he probably has a point suggesting that it is unlikely that Wall Street after 200 years of existence suddenly has been overwhelmed by avarice. The response to the crisis of president Obama is declared to be full of horrible mistakes. No reason for pessimism, however. Students of Ronald Reagan will remember that even the iron curtain can be opened says Forbes. The multimillionaire predicts natural frictions in society, which will find expression in protests against state policies like health reform. Forbes demands from the participants to develop a plan to be ready for coming opportunities to provide the political direction again.

Gary Becker assisted Forbes by way of suggesting that the most important principle in economics is the same as in medicine: Do no harm. He rejects the common notion that it is better to do something than nothing. Random action is worse than abstinence according to Becker. While he does not suggest to return to the self restraint of the 1930s because government does have a role to play, Becker finds the policies pursued by both president Bush and Obama to be of dubious effectiveness. Obama's measures in particular are considered inconsistent and unorganized. He singles out the rescue of the car industry suggested to provide excessive wages and contribute to an artificially high degree of organization of trade unions.

Many presentations instead do put an impression over of the deep crisis of the neoliberal camp in particular locations at least. The economics prof. Hannes Gissurason, MPS member and founder of a neoliberal think tank in Iceland as well as key policy advisor to the government since the late 1990s delivered a speech on the "strange death of a liberal island". Gissurason blames the British government for treating Iceland like a terrorist organization by way of suspending monetary transactions. However, the key policy wonk behind liberal party, government and central bank leaders Oddsen and Haarde who had directed the country to become a widely celebrated financial paradise did admit the lack of an institution that could have acted as lender of last resort because Iceland did not join the European Union. The group of Icelandic neoliberals who had met Hayek, Friedman and Buchanan among others as young

politicians in Iceland during the 1980s⁶ resented the regulatory requirements demanded from full members of the EU, of course.

What are the conclusions to be drawn from the presentations at the MPS special meeting? Reconsidering once again Depaak Lal's general message delivered in the headline of his presidential address "A Mandate Renewed" it seems to be clear that neoliberals after the present crisis unlike the original founders of MPS neoliberalism back in 1930s (compare Walpen 2004, Denord 2009) do not regard a need for basic revisions of their thinking. They do see a need to become aware again of their own strongholds and talents in addition to minor technical reforms that remain controversial. The strategies pursued to this end are two strategic initiatives: Sound Money Project and a new multilingual free trade project focusing difficult regions and peripheral countries apparently considered easy prey for the advocacy of protectionism.

The Highlight online newspaper published by the Atlas Economic Research Foundation closely linked to the Mont Pèlerin Society reported first on the sound money initiative:

„Following a recent Mont Pelerin Society meeting in New York City, the Atlas Sound Money Project held its inaugural high level strategy session with monetary scholars including: Lawrence H. White (F.A. Hayek Professor of Economic History, University of Missouri-St. Louis), Deepak Lal (President of the Mont Pelerin Society), Peter J. Boettke (Professor of Economics, George Mason University), and Gerald P. O'Driscoll (former vice president of the Federal Reserve Bank of Dallas and Senior Fellow, Cato Institute)" (Highlight Spring 2009).

The report explains the background of the new initiative. It mentions the easy money politics during the long boom from 1983 until 2000 and the loss of monetary policy competence in the think tank community. Interestingly, think tank professionals are suggested to have neglected research in favor of lobbying. The initiative is supposed to redress the situation. Plans were announced for a survey (to establish the current level of competence around monetary issues within the neoliberal think tank community), essay competitions on the topic, the development of online resources and conferences to renew the knowledge base. New social

⁶ When the MPS met in Iceland in 2005 the group celebrated the great success of the Icelandic model. At display at the MPS homepage are historical photographs documenting the early meetings of Icelandic politicians with famous MPS leaders during the 1980s (www.mps-iceland.org/?gluggi=iceland&nafn=iceland/impact).

media like Facebook etc. will also be relied on to promote a sound money perspective. Recently the strategy was applied to attack the European support for Greece (and the Euro).⁷

The new free trade initiative was reported first in the autumn issue of *Highlight*. Headed by Dr. Tom G. Palmer the multilingual project was taken over by Atlas from the Cato Institute. The aim of the project is to expand the support for free trade in countries considered difficult from a neoliberal perspective. After September 11 attention has been directed to the Middle East in particular. „Lamp of Liberty“ projects are considered to be of particular importance in such “border regions”. Palmer’s political PR strategy of aggressive marketing has been inspired by an unnamed Norwegian businessmen who explained to him the relevance of brands on the one hand, and by the internet retailer Amazon. (*Atlas Highlights Winter 2009*, 3). A global project team has so far developed 13 Internet platforms in different languages including Farsi, Hindi, Swahili, Russian, Vietnamese and Arabic, but also in English, French, and Portuguese (compare atlasnetwork.org/globalinitiative/websites/).

„The Initiative coordinates a network of ten major programs and many subsidiary projects working together across linguistic, cultural, and regional contexts to bring the ideas and policies of individual liberty, toleration, free markets, the rule of law, and peace to populations around the world. The various teams publish books, maintain websites that offer a wealth of texts and audio and video presentations, syndicate articles to the print media, and organize seminars for students, conferences for policy makers, and much more” (<http://atlasnetwork.org/globalinitiative/websites/>).

The project employs many different media tools. AfricanLiberty.org, for example, features more than 20 videos on topics ranging from mistakes of Keynesianism to African history and freedom or the reasons for tax heavens. Books are featured as well including classics from Hayek or Bastiat, but also Johan Norberg’s statistical compendium “In defense of global capitalism” (published by the Swedish think tank Timbro). Apart from online resources conferences and seminars are organized for students and scholars.

While such projects are essentially centralized top down efforts, regional think tank networks can also be examined in order to see less coordinated bottom up efforts advanced by a variety

⁷ See the commentary of the Berlin Manhattan Institute (previously Institut für unternehmerische Freiheit, IUF) by Norbert Tofall „Der Weg in die Knechtschaft einer monetären Planwirtschaft“ (online: <http://iuf-berlin.org/kommentare/2456.php>, download 16.3.2010).

of neoliberal intellectuals and activists situated in and around think tanks. The following section will turn to the European Stockholm network in order to observe the range of positions and activities developed among the more than 120 organizations on the issue of the global financial crisis.

The global financial crisis in the eyes of members of the Stockholm Network

In the course of the 1990s many neoliberal think tanks have been newly founded in Central and Eastern Europe in particular (Horn 2005, Teles und Kenney 2008, 146). At the same time the networking and coordination among neoliberal think tanks has been intensified. In 1997, the Stockholm Network of neoliberal think tanks in Europe has been founded by the British journalist Helen Disney. More than 120 members are currently listed on the website (www.stockholm-network.org), but recently several think tanks have left the network in what appears to be a major conflict about the political orientation. Many radical neoliberal groups apparently feel the founding group has moved towards rather pragmatic positions (www.spinprofiles.org/index.php/Stockholm_Network). Members in any case cannot be said to form a unified and homogeneous group, but rather represent a wide spectrum and the whole diversity of neoliberal forces. Given the close links to U.S. based think tanks and think tank networks the Stockholm network unsurprisingly copied some of the methods developed across the Atlantic to assist in capacity building. Regular resource bank meetings bring together think tank professionals from across Europe, and offer help and support with regard to funding and other issues (compare www.rbeurope.org). Because Helen Disney has also founded a PR firm to run the network (Market House International), the purpose of the umbrella organization is not fully transparent. Most member organizations are charities, but the close relation to multinational corporations like Pfizer and Exxon Mobile indicate an overlap towards the more arcane parts of lobbying efforts. Unlike in the U.S., however, Europe still lacks transparency requirements that would enable researchers to more fully account for the corporate relationships and financial contributions to specific ends (like the funding of Exxon Mobile for climate change sceptical research in Europe disclosed in the U.S.). While the nexus between corporations and think tanks is clearly of importance, the following analysis is directed towards a better understanding of decentralized efforts of the members of the Stockholm Network that probably do not need direction from corporations.

Unsurprisingly the financial crisis figured prominently both in the networking organization Stockholm Network and in the member organizations. At least 47 of the 128 think tanks displayed documents on the topic. The material of 34 think tanks could not be assessed due to language constraints. The news paper published by the Stockholm Network “Eyes on Europe” in summer 2009 on the global financial crisis featured the headline “Why does the markets still have a role”? Similar to the rhetoric found at the MPS special meeting, critique of the market is rejected in general, though several questions with regard to crisis and consequences are raised including issues of transparency, reforms of equity requirements (Basle II) and supervision of the financial industry. Only after clearly coming out in favour of reforms requiring increasing control and oversight Helen Disney warns to not place too much trust in the holy grail of regulation. Speaking about wealth creation, freedom, choice and innovation, she attests to the alleged advantages of the free market. Life and arguments have become more complicated for neoliberal public intellectuals.

The member organizations feature both practical reform contributions and arguments pertaining to the crisis discourse itself. Some institutes are exclusively involved in the interpretation of the crisis from a neoliberal perspective including several that are highly vested in the utopistic attitude of the Austrian school of economics following von Mises and von Hayek (advocating the need for a neutral monetary policy best accomplished by abolishing political discretion with regard to monetary matters). Other institutes feature more pragmatic arguments frequently grounded in ordoliberal traditions. We identified the two (certainly over-generalized) positions by the following criterion: If public financial market regulation wither by way of monetary policy or even fiscal policy instruments are considered wrong in principle, the perspective is considered Austro-radical. If such instruments are considered acceptable if only in specific ways, the perspective is described as pragmatic/ordoliberal. Based on this condition it is evident why Austrians rarely contribute to technical reform debates – reforms advocated by Austrians typically demand a return to the gold standard – whereas pragmatic neoliberals frequently make suggestions with regard to issues of re-regulation typically inspired by ordoliberal reasoning of state responsibility for the competitive order. Other think tanks do not waste much time on abstract theory. They are committed to technocratic advice in straightforward ways. The distribution and combination of positions is presented in table 1 represent published material on record in the internet only.

Table I:**Perspectives of members of the Stockholm Network on the global financial crisis**

Country	Papers		Type of Crisis Discourse		Reform arguments	Total
	yes	no	Austro-radical	Pragmatic		
<i>UK</i>	6	9		2(1)	5	15
<i>Germany</i>	7	5	3	4	5	12
<i>Belgium</i>	4	7	2(1)	1	4	11
<i>France</i>	6	2	1	2	2	8
<i>Poland</i>	3	5	1	2	3	8
<i>Slovakia</i>	1	7	1			8
<i>Italy</i>	4	3			1	7
<i>Spain</i>	2	3	(1)			5
<i>Bulgaria</i>	2	3	1	(1)	2	5
<i>Tschech. Republic</i>	1	4	(1)		1	5
<i>Rumania</i>	1	3	1			4
<i>Sweden</i>	1	2				3
<i>Switzerland</i>	3	0	1(1)	1	1	3
<i>Denmark</i>	1	1				2
<i>Israel</i>	1	1	(1)			2
<i>Lithuania</i>	1	0	1		1	1
<i>Norway</i>	1	0	(1)			1
<i>The Netherlands</i>	1	0	1			1
Gesamt	46	55	13(6)	12(1)	25	101

Source: www.stockholm-network.org and internet pages of network members. I gratefully acknowledge research assistance of and data compilation by Werner Krämer. Full research results of a project sponsored by the Rosa-Luxemburg Foundation is available online at (Think Tank Network Initiative, online soon at www.thinktanknetwork.research.net). In brackets: identification unsure.

Crisis discourse oriented think tanks and thinks tanks that also feature contributions to the reform debate roughly balance each other out. Austrian radical contributions dominate pragmatic publications on the whole. Two causes of the crisis are singled out: the intervention of the state in monetary policy in principle (the Austrian line) and the misleading of private behaviour due to specific regulations. The latter most frequently emphasizes the inflation of credit by semi-public building societies like Fannie Mae and Freddie Mac in the U.S. While

the first line argues in a rigorous manner mostly at a highly abstract and general level, the second line typically features historical and empirical arguments, and occasionally offers complex and differentiated analysis. In such contributions we can find arguments about the regulatory deficits of globalization and crisis management inspired by ordoliberal theory.

Radical positions are strongly voiced by German and Swiss think tanks like the Institute für unternehmerische Freiheit (now Berlin Manhattan Institute), the Hayek Society and Liberales Institut. A small group of authors including Torsten Polleit, Michael von Prollius, Frank Schäffler and Norbert Tofall produce the majority of publications. It is likely that the small group of radical Austrians is capable of producing a disproportional share of contributions to the think tank literature on the topic.

How do the largest and probably best financed subgroups of think tanks in the four larger countries (UK, Germany, France, and Italy) compare? British think tanks among the Stockholm network members seem to rely less on ideological justifications. They are mostly involved in discussions of regulatory change from a neoliberal perspective and can therefore be regarded to constitute a sort of neoliberal technocracy. Two British think tanks (Policy Exchange and Reform) emphasize structural imbalances in international financial and production streams as central causes of the crisis (like Martin Wolf of Financial Times at the MPS meeting discussed before).

In Germany, think tanks present much more material featuring world view dominated discussions on the topic. This is true both for publications from German “Austrians” and for German “Germans” (ordoliberals). It will be particularly important to watch out for the ways German ordoliberal perspectives are fed into international circuits, e.g. through the Freiburg based Center for European Policy dedicated to assessing European policy making from an ordo-perspective. Probably not by coincidence one can observe ordoliberal perspectives featured particularly by Belgian (Brussels) think tanks as well. Italian and French think tanks (notably featuring frequent writers like MPS member Pascal Salin) are predominantly involved in fundamental debates on the crisis, and neglect more detailed discussions on regulatory reforms by and large.

Unlike the think tanks from the core states, Central and Eastern European think tanks feature mostly locally oriented reflections. Interestingly, two Polish think tanks CASE and Instytut Globalizacji hold opposite positions on the question of adequacy of foreign denominated

credit for consumers. Being a member of the neoliberal Stockholm Network does not preclude a lively debate on general and specific matters.

With due recognition of all kinds of differences and contradictions between Stockholm network members a common trait can be discerned with regard to blaming public authorities for the financial crisis and defending private market actors. Many authors representing the Austrian radical wing can be regarded to even fall back behind positions taken by Depaak Lal who recognized the approximation of Hayek and Robbins to Keynesian perspective of the Great Depression. Dr Michael Prollius of the Institut für unternehmerische Freiheit and founder of the Forum Ordnungspolitik thinks it is possibly the gravest mistake to believe that the New Deal has contributed something to overcome the Great Depression. To the contrary he believes that the policies pursued by presidents Hoover and Roosevelt (sic!) were the reason behind the extraordinary length and depth of the economic crisis then (Prollius 2009). Prollius carefully explored the neoliberal bookshelf to correct the alleged misinterpretations of the New Deal in line with the writings of Murray Rothbard and other followers of Ludwig von Mises, who held the New Deal primarily responsible for the development of the postwar elements of planning and welfare state capitalism. If Niall Ferguson reminds neoliberal audiences of the ordoliberal reservoir to be tapped in order to pre-empt reform proposals from Keynesian competitors, tapping the Austrian heritage has the primary purpose to nurture doubts with regard to the character of state regulation in principle. A principled distance to state regulation in the belief of superiority of unregulated market activities at the same time should not be equalled to neoclassical models of full competition and equilibrium since the Austrian understanding conceives of dynamic processes of ‘creative destruction’ (Schumpeter) rather than describing markets that are both complete and static.

If the presentation so far has made some effort to juxtapose the two major lines of neoliberal thought in reaction to the global financial crisis this has been done for analytical reasons rather than to represent two clearly distinct camps within the Stockholm Network. Individual contributions on the crisis by leading neoliberal economists in Germany can be pointed out that combine Austrian and ordoliberal lines of analysis. Straubhaar, Wohlgemut and Zweynert (2009), for example, present a sophisticated argument against what they hold to constitute vulgar Keynesian responses to the crisis by way of drawing on ordoliberal principles of regulation and an Austrian understanding of the business cycle. Much like Depaak Lal, the authors make an effort to enlist what they hold to be the valuable Keynes – the understanding

of the problems of uncertainty and limited recourse to state intervention to overcome liquidity traps – to combat a return to “big government” in the name of Keynes.

A careful analysis of the different schools of thought united under the umbrella of neoliberalism has to recognize the common elements of understanding and joint efforts of Austrian and ordoliberal varieties of neoliberalism including the conviction of the neutrality of economic policy, the primacy of monetary stability, an opposition to discretionary intervention into the economic process and the minimization of state ownership and participation in capital accumulation. Notably with regard to monetary policy the different wings also feature occasionally sharp disagreement with regard to the methods enlisted to secure these premises. In reaction to the global financial crisis in any case one can observe a division of labor within the neoliberal networks. To break the momentum of reformist action Austrian positions are most valuable because they are highly effective to cast doubt on the effectiveness of re-regulation, and thereby can be effectively used to undermine support for reform or to slow reform processes down. Ordoliberal instead are better prepared to enter the competition for the scope and instruments of re-regulation usually in an effort to prevent far reaching re-regulation and to limit the impact on private ownership and market activities regardless of rhetoric that can sometimes sound quite radical (against monopoly etc.). The highest value linked to the Austrian perspective is individual freedom whereas ordoliberals emphasize competition and effectiveness. In combination, the joint project can develop formidable strength even in times of enduring crisis of globalized capitalism.

Apart from a defensive rhetoric designed to affirm and shield the basic neoliberal understanding of the relation between the public and the private sector – framing the debate in terms of states and markets rather than subjecting the inseparable economic and political spheres of contemporary capitalism to critical analysis – we can observe tactical manoeuvres involving a rhetorical pattern. Consider the case of former FAZ journalist Karen Horn, the current head of the Berlin office of the Cologne Institute for economic research (founded by Germany’s top business association). A multitalent combining research, media, PR and social skills, Karen Horn is one of the most prominent contemporary intellectuals close to the corporate sector associated with several neoliberal associations and think tanks including the Mont Pèlerin Society, the Hayek Society, the Council on Public Policy, the Herbert Giersch Foundation, the Swiss Institut Constant de Rebecque and the Institut für die Zukunft der Arbeit (www.thinktanknetworkresearch.net). Horn (2005) has written one of the few articles

directing attention to the expansion of neoliberal think tanks under the umbrella of the Stockholm Network for the conservative daily *Frankfurter Allgemeine Zeitung*.

In reaction to the crisis, Horn (2009) clarified the neoliberal perspective in Germany's conservative intellectual high brow journal *Merkur*. She fully acknowledges the important role of the state to secure the economic order in the face of the crisis, and positions herself at the same time clearly as a neoliberal guardian insisting on circumscribed state action, namely limited regulatory policy options guided by ordoliberal perspectives. Why is this important? Horn claims the financial crisis has been (ab)used by social forces to press for and obtain reforms that have nothing to do with the crisis, e.g. new legislation in the U.S. designed to strengthen trade unions. In the same vain German economist Kai Konrad (2009) has accused particular lobbies of environmental groups and trade unions to attempt pushing through ecological reforms and minimum wages, respectively, in the name of the financial crisis.

If instead the increasingly one sided balance of power in favour of capital is considered one of the pre-conditions of far less than adequate regulation of globalization⁸ including the uncontrolled power of financial capital leading up to the crisis, laws designed to re-balance the relation between labor and capital can be considered very much in order to address the problems of the global financial crisis to the contrary of neoliberals who struggle to limit reforms to technical aspects of the regulation of financial markets, and do not hesitate to take advantage of the fiscal squeeze to demand welfare cuts etc. In any case, in addition to Albert O. Hirschman's (1995) three major rhetorical figures of the right (the alleged futility of reform efforts, perverse consequences of reforms, the perils of undermining past achievements due to reform efforts) we can add the rhetorical strategy of the dangers of reform abuse to capture the essence of the tactical arsenal employed by the neoliberals in their reactions to the present crisis. The allegation of reform abuse provides a good criterion to discriminate between neoliberal and social liberal and progressive reactions to the crisis. Whereas the analysis of causes and remedies on the left can be considered systemic, i.e. neither to be reduced to either market failure or state failure, the neoliberal right attempts to deliberately delimit the analysis of causes to a very small range of regulatory devices and / or market behaviour problems requiring action involving a very narrow range of policy measures at best.

⁸ Colin Crouch (2008) does speak of post-democratic social relations due to the decline of social democracy and trade unions in general, and discussions of the democracy deficit of the European Union let alone global institutions are legion.

Beyond the dimension of content, and the rhetorical strategies employed to construct or support “story lines” (Hajer 1993) think tank publications deserve to be considered with regard to the genres at display. Contrary to widespread convictions suggesting think tanks to be primarily engaged in policy related *scientific* research, the majority of publications does not exactly conform to academic standards. Most contributions are small op eds or thought pieces frequently labelled short studies, but there can be no doubt that not much academic research has been invested to produce most of the works. The immediate purpose of Press Citation and other perusal in the public opinion struggle are easily recognized by the efforts made to point out media coverage of the “studies”. If most if not all think tanks are eager to document media coverage online, the UK Policy Exchange has to be admired for its most intense (if not penetrate) efforts in this direction (www.policyexchange.org.uk).

Rarely think tank experts working for the types of advocacy think tanks that populate the Stockholm Network write to publish in academic journals except for academics who are invited to contribute to the think tank production (or provide their names for summary arguments written by ghost writers employed in think tanks). In addition to the small share of more respectable research papers (e.g. Philip Whyte’s work at the Centre for European Reform) that also exist we find highly interesting genres that might be considered unique to think tanks. The Freiburg based Center for European Policy, for instance, features standardized papers on every piece of European legislation considered important. Experts in the policy field subject proposed legislation to a short treatment comprised of summary, critique, and recommendation. An ample system signals the general impression readers are expected to get from the analysis: green for full agreement, yellow for stop and wait, and red for a piece of legislation regarded junk in the eyes of the neoliberal beholder. For lack of better categories we might consider the type of paper constituting a partisan academic service genre, the individual production being a sort of *opinion conspectus* (compare, for example, the short analysis of the proposal for a European Banking Authority by CEP expert Bert Van Roosebeke www.cep.eu/fileadmin/user_upload/CEP-Monitor/KOM_2009_501_Aufsichtsbehoerde/PB_EBA_EN.pdf).

Conclusion: What’s left for neoliberal private authorities?

Based on the survey of MPS deliberations on the question of the financial crisis and the scan of the Stockholm Network contributions it is safe to suggest that neoliberal discourse coalitions can rely on a well organized hinterland of think tank networks engaged in a wide

range of intellectual productions. The positions developed and conveyed by leading intellectuals and think tank professionals through think tank channels are ready made for the public opinion struggles carried out in the media beyond expert communities, and in civil society at large. In addition to the closed circuits of technical experts that have been described by others (including elsewhere Plehwe 2009), we can point to the larger phenomenon of a neoliberal discourse coalition that is ready to defend the major neoliberal story lines and the status quo ante crisis in the wider spheres of public and media discourse. It is not possible based on the research conducted so far to provide for an impact assessment of the productions discussed in this paper. If Carrigan (2010) is right to credit the British think tanks he scrutinized for changing the terms of the debate on the financial crisis, it might be an adequate hypothesis to be advanced for the neoliberal think tank networks at large, although the impact may differ to a certain extent from country to country, and from time to time. Think tank productions alone clearly are not enough to explain such a capacity, though. The paradigm shift in monetary policy during the late 1960s and early 1970s – the shift toward flexible exchange rates – has been accomplished by a core group of neoliberal intellectuals with the assistance of a small group of think tanks compared to the neoliberal networks that exist today. While the media, public and expert discussions arguably were more restricted 40 years ago, the capacities of the neoliberal networks may be considered much larger and more restricted at the same time on the topic of global finance at least. It appears, however, that the troupes Depaak Lal and others can enlist in support of the neoliberal storylines are strong enough to defend key elements of the hegemonic discourse of the heyday of neoliberal globalization. Bernhard Walpen (2009) is probably right to suggest that neoliberals currently are ruling rather than leading – too many rightly remain unconvinced by the present state of debates on regulatory reforms, but without being able to move debates in a new direction. In order to better understand the contributions of think tank networks to expert and public discourses, to internal elite coordination and external communication (Schmidt 2002), a larger effort is necessary to study the genres and the processing of expertise in more systematic way including efforts to more precisely assess the impact. It would also be an important step forward to go beyond the analysis of one network to study the relation between the different forces involved in expert and public discourses. Time is ripe in any case to more diligently scrutinize the large networks of advocacy think tanks, which have been developed competitively in past decades (compare www.thinktanknetworkresearch.net currently preliminary published at http://www.altocirrus.de/en_wikittni/index.php?title=Main_Page).

Literature

- Becker, Gary, 2008, Keynote Lecture MPS Special Meeting in NYC, (online www.montpelerin.org/nyc2k9.cfm, download Januar 2010).
- Blanchard, Olivier, Dell’Ariccia, Giovanni, Mauro, Paolo, 2010, Rethinking Macroeconomic Policy. IMF Staff Position Note February 12, 2010
- Bond, Patrick, 2009, Realistic Postneoliberalism - A view from South Africa, 193-211 in: Development Dialogue No. 51, January
- Boris, Dieter, Bea Müller, Stefan Schmalz, Anne Tittor, Herausgeber, 2005, Lateinamerika: Verfall neoliberaler Hegemonie? Hamburg: VSA
- Brand, Ulrich, Sekler, Nicola, 2009, Postneoliberalism : catch-all word or valuable analytical and political concept? 5-14 in: Development Dialogue No. 51, January
- Carrigan, Mark (2010): How right-wing think-tanks laid the foundation for the Coalition’s agenda, in: Liberal Conspiracy (August 9, 2010) online at <http://liberalconspiracy.org/2010/08/09/how-right-wing-think-tanks-laid-the-foundation-for-the-coalitions-agenda/> (accessed August 18, 2010)
- Covington, Sally, 2005, “Moving Public Policy to the Right: The Strategic Philanthropy of Conservative Foundations”, in: Faber, Daniel R., Deborah McCarthy, eds., Foundations for Social Change, Lanham: Rowman and Littlefield, 89-115.
- Cutler, A. Claire, Virginia Haufler, Tony Porter, eds., 1999, *Private Authority and International Affairs*. Albany, NY: State University of New York Press.
- Demirović, Alex, 2008, Neoliberalismus und Hegemonie, 17-33 in: Butterwege, Christoph, Lösch, Bettina, Ptak, Ralf, Hrsg., Neoliberalismus. Analyse und Alternativen. VS Verlag für Sozialwissenschaften
- Dingwerth, Klaus, Dieter Kerwer, Andreas Nölke (Hg.) (2009): *Die Organisierte Welt. Internationale Beziehungen und Organisationsforschung*. Baden-Baden: Nomos
- Djelic, Marie-Laure and Quack, Sigrid, (eds.) (2010), Transnational Communities. Shaping Global Economic Governance. Cambridge University Press
- Endres, Anthony M. (2005): Great Architects of International Finance: The Bretton Woods Era, London/New York: Routledge
- Ferguson, Niall, 2008, Keynote Lecture MPS Special Meeting in NYC (online www.montpelerin.org/nyc2k9.cfm, download Januar 2010).
- Fischer, Frank (2003): Reframing Public Policy. Oxford
- Frank, Thomas, 2004, What’s the matter with Kansas? New York: Metropolitan Books
- Forbes, Steve, 2008, Key Note Lecuture MPS Special Meeting NYC, (online www.montpelerin.org/nyc2k9.cfm, download Januar 2010).
- Frank, Thomas, 2004, What’s the matter with Kansas? New York: Metropolitan Books
- Gissurason, Hannes H., 2008. The Strange Death of Liberal Iceland, (online www.montpelerin.org/nyc2k9.cfm, download Januar 2010).
- Hajer, Maarten A., 1993, “Discourse Coalitions and the Institutionalization of Practice: The Case of Acid Rain in Britain”. In: Fischer, Frank and John Forrester, eds., The Argumentative Turn in Policy Analysis and Planning. Durham: Duke University Press, 43-76
- Helleiner, Eric, 1994, States and the Reemergence of Global Finance. From Bretton Woods to the 1990s. Ithaca: Cornell University Press.
- Hirschman, Albert O., 1995, Denken gegen die Zukunft Die Rhetorik der Reaktion Frankfurt: FischerVerlag
- Horn, Karen, 2005, Die wirtschaftlichen Freigeister stellen sich auf die Hinterbeine. Selbst in wirtschaftlich schwierigen Zeiten entstehen auf der Welt immer mehr ‚Think Tanks‘, Frankfurter Allgemeine Zeitung, 11. August 2005, S. 11
- Horn, Karen, 2009, Täuschung als wirtschaftspolitisches Heilsprinzip. Merkur 6

- Kogut, Bruce and J. Muir Macpherson (2008): The decision to privatize: economists and the construction of ideas and policies. In: Simmons, Beth A., Dobbin, Frank, Garrett, Geoffrey, eds., *The Global Diffusion of Markets and Democracy*. Cambridge, 104-140.
- Konrad, Kai, 2009, Die Finanzkrise ruft zu viele Lobbyisten auf den Plan. *Tagesspiegel* 17.2.2009.
- Lal, Deepak, 2008, *The Mont Pelerin Society: A Mandate Renewed Presidential Address* (online www.montpelerin.org/nyc2k9.cfm, download Januar 2010).
- Macdonald, Laura, Ruckert Arne, eds., 2009, *Post-Neoliberalism in the Americas*, Palgrave Macmillan
- McKibben, Bill, 2010, *Eearth: Making a Life on a Tough New Planet*. Times Books
- Mirowski, Phil and Dieter Plehwe, 2009, eds., *The Road from Mont Pèlerin. The Making of the Neoliberal Thought Collective*, Cambridge: Harvard University Press
- Piper, Nikolaus, 2010, Schlechte Zeiten für Ideologen, *Süddeutsche Zeitung* 19./20.3.2010
- Plehwe, D. 2010, "The Making of a Comprehensive Transnational Discourse Community" in: Djelic, Marie-Laure and Quack, Sigrid, eds., *Transnational Communities. Shaping Global Economic Governance*. Cambridge University Press, 305-326
- Plehwe, Dieter, 2009, Schützt die Krise vor der Beratung? In: *Gegenblende* 20. August 2009 (<http://dgbdebatte.blogspot.com/search/label/Politikberatung>)
- Plehwe, Dieter, Bernhard Walpen and Gisela Neunhöffer, (eds.) 2006, *Neoliberal Hegemony: A Global Critique*. London: Routledge
- Plickert, Philip, 2008, *Wandlungen des Neoliberalismus*. Stuttgart: Lucius & Lucius (Marktwirtschaftliche Reformpolitik, Schriftenreihe der Aktionsgemeinschaft Soziale Marktwirtschaft).
- Prollius, Michae von, 2009, Kann die Regierung die Rezession bekämpfen? Kommentar für das Institut für unternehmerische Freiheit (online: <http://iuf-berlin.org/kommentare/2359.php>)
- Ptak, Ralf, 2009, Neoliberalism in Germany: Revisiting the Ordoliberal Foundations of the Social Market Economy, in: Mirowski and Plehwe, 2009, 89-138.
- Saloma, John S. III (1984): *Ominous Politics. The new conservative labyrinth*. New York: Hill and Wang
- Schmelzer, Matthias, 2010, *Freiheit für Wechselkurse und Kapital! Die Ursprünge neoliberaler Währungspolitik und die Mont Pelerin Society*. Marburg: Metropolis Verlag
- Schmidt, Vivien A., 2002, *The Futures of European Capitalism*. Oxford: Oxford University Press.
- Straubhaar, Thomas, Wohlgemuth, Michael, Zweynert, Joachim 2009, Rückkehr des Keynesianismus: Anmerkungen aus ordnungspolitischer Sicht, in: *Aus Politik und Zeitgeschichte, Beilage zur Zeitschrift Das Parlament* vom Nr. 20 / 11.05.2009 (online www.bundestag.de/dasparlament/2009/20/Beilage/index.html)
- Teles, Steven, Kenney, Daniel A., 2008, Spreading the Word. The Diffusion of American Conservatism in Europe and beyond, 136-169 in: Kopstein, Jeffrey, Steinmo, Sven, eds., *Growing Apart? America and Europe in the 21st Century*, Cambridge University Press
- Walpen, Bernhard, 2004, *Die offenen Feinde und ihre Gesellschaft*. Hamburg: VSA
- Wolf, Martin, 2008, *Global Imbalances*, (online www.montpelerin.org/nyc2k9.cfm, download Januar 2010).

Anhang: Programm des Special Meetings der Mont Pèlerin Society in New York (2008)

The Mont Pelerin Society: A Mandate Renewed
Presidential Address

- Deepak Lal

An Invitation to Debate the New Deal

- Amity Shlaes

Thirty Years of Economic Freedom: Has the Free Market's Golden Age Come to an End?

- Antonio Martino

The Great Crash of 2008

- Deepak Lal

The Strange Death of Liberal Iceland

- Hannes H. Gissurarson

Where was SOX?: Believers in Democracy Should Let Shareholders Opt Out of Expensive Regulation

- Henry Butler

How to Escape from Balance Sheet Recessions: Lessons from Japan

- John Greenwood

Tales from the South Pacific

- Greg Lindsay

How Government Created the Financial Crisis

- John B. Taylor

Global Imbalances

- Martin Wolf

Central Banking, Financial Regulation and Property Rights

- Timothy Congdon

What Happened to Efficient Markets?

- Peter J. Boettke

The Free Market's Trial by Fire

- Gary S. Becker

Follow-up Report to *MPS Tokyo 2008's* Financial Technologies and Global Institutions: The BIS Capital Regulation as a Cause of the Current U.S. Financial Crisis

- Yoshinori Shimizu

Wicksell, Hayek, Keynes, Friedman: Whom Should We Follow?

- Axel Leijonhufvud

Select Sound Files:

Thursday, March 5th: Dinner at The Union League Club

Welcome by Edwin Feulner, Presidential Address by Deepak Lal, and Keynote Lecture by Prof. Niall Ferguson

Friday, March 6th: *'The U.S. Crisis: Origins & Outcomes'*

Afternoon session featuring Anna Schwartz, John Taylor, Holger Schmieding, and Henry Butler, moderated by Charles Brunie

Friday, March 6th: Dinner at the Grand Hyatt

Welcome by Greg Lindsay, Keynote lectures by Steve Forbes and Ayaan Hirsi Ali

Saturday, March 7th: Closing Luncheon at the Grand Hyatt

Welcome and closing remarks by Deepak Lal, Keynote Lecture by Prof. Gary Becker