

Coining Neoliberalism: Interwar Germany and the Neglected Origins of a Pejorative Moniker

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Abstract

Widespread use of the term “neoliberalism” is of surprisingly recent origin, dating to only the late 20th century. The “neoliberalism” literature has nonetheless settled on an origin story that depicts the term as a self-selected moniker from the 1938 Walter Lippmann Colloquium. This paper challenges the 1938 origin, positing an earlier adoption of the term by Marxist and fascist political writers in 1920s German-language texts. These writers used “neo/neu-liberalismus” as a derisive moniker for the “Marginal Utility School,” then anchored at the University of Vienna. Definitional commonalities link this earlier use to pejorative deployment of the term in the present.

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1. Introduction

The concept of “neoliberalism” ranks among the most fashionable topics of interest in the academy at the moment. The term itself has somewhat nebulous definitional characteristics, even creating internal tensions to its uses. In the most common form, “neoliberalism” serves as a stand-in term for the claimed infusion of radical free-market or *laissez-faire* economic doctrine into modern socio-economic institutions. A second and less-common definition depicts it as centrist philosophical melding between market-friendly policy approaches and a modernized welfare state, creating some unresolved tension with the first. Yet these arguably substantial distinctions

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become blurred in most discussions of the “neoliberal era” – a period extending from roughly the end of World War II to the present day.

Alleged neoliberals encompass a similarly broad array of thinkers and political figures. The label has been applied to free-market economists in the vein of Milton Friedman and Friedrich Hayek, right-leaning politicians such as U.S. president Ronald Reagan and British Prime Minister Margaret Thatcher, center-left politicians such as president Bill Clinton and British Prime Minister Tony Blair, right-wing autocrats such as Chilean dictator Augusto Pinochet, and the pro-capitalist philosophical system of 20th century novelist Ayn Rand. Again, internal tensions between these figures are under-elaborated, although all are presented as representative examples of the melding of free-market ideology into the political sphere.

“As even its harshest critics concede,” notes Dani Rodrik (2017) in a critical but nuanced essay on the doctrine, “neoliberalism is hard to pin down.” As the above-noted list of figures suggests, the term exhibits “slippery, shifting” characteristics. This does not mean that it is “irrelevant or unreal,” Rodrik cautions. Quite the contrary, he sees “neoliberalism” as having imbued a pronounced and overarching strain of free-market economic ideology into modern political discourse, encompassing a broad range of the ideological spectrum but also acutely manifested in the way that the economics profession approaches questions of public policy. The attributed effects are paradigmatic, appearing as general preferences for deregulation, privatization, lower taxes, free trade, and global economic integration. The influence of neoliberalism is so vast, Rodrik continues, that it impresses itself upon policy outcomes, whether left or right-leaning political parties hold office in a particular country. The resulting concept may still suffer from definitional imprecisions and internal tensions between its adherents, but its outward-facing influence operates as a “universal recipe” for socioeconomic policy premised upon certain free-market ideological beliefs.

Is “neoliberalism” truly to fault for the litany of economic ills and inequities that its critics often charge? Most scholarly works on neoliberalism regard it as blameworthy, and deploy the term disparagingly (Boas and Gans-Morse 2009). Typical accounts of the claimed neoliberal “takeover” of economic and political institutions almost always ascribe the concept with severe and deleterious social effects (Brown 2019; Baradaran 2020). To understand the nature of economic inequality, of poverty, of financial deregulation, of climate change, of systemic racism, of money in politics, and of a long list of afflictions facing higher education – so it follows – we must also understand the intellectual genealogy of this amorphous term and all that it signifies.¹

¹ Attributions of these and similar ills to neoliberalism have become standard fare in the critical theory literature, as exemplified in the recent book-length treatment by Brown (2019). As a point of contrast that attempts to categorize and trace the early and mid-20th century antecedents of “neoliberalism” in its modern uses without adopting the outward hostility of Brown and similar texts, see Kolev (2017). For a longer discussion of “neoliberalism” in higher education, challenging the merits of this diagnosis, see Brennan and Magness (2019, 236–48).

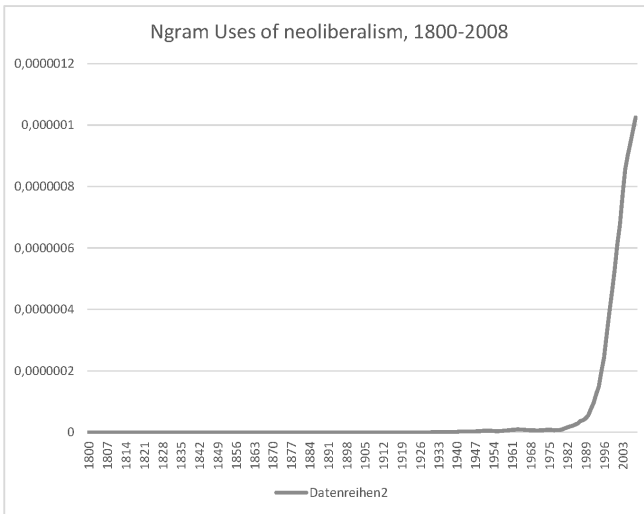


Figure 1

Oddly, the neoliberal moniker makes for an unusual descriptor on account of the comparative absence of self-identified followers.² Its most commonly invoked intellectual expositors – Ludwig von Mises, Milton Friedman, and Friedrich A. Hayek – did not apply the label to themselves with any regularity, and referenced it only sparingly in their works, if it at all. A handful of their mid-century contemporaries from the European intellectual scene flirted with the term as a descriptor for a robust free-market welfare state, reflecting a philosophy more in line with the second aforementioned definition of the term. Yet in doing so they presented their ideas as a conscious break from *laissez-faire* precepts, often extending well beyond what the above-noted free-market expositors were willing to countenance.

All the more curious for a concept that purportedly explains economic policy-making from roughly the end of World II to the present, the popularization of the term “neoliberalism” is a very recent development. The term only began to exhibit hints of wider use in the 1980s, as seen in Figure 1. Its entry into the general academic lexicon almost entirely post-dates 2000.³ As a genealogical inquiry of the concept however, neoliberalism has an oft-claimed origin story with a much earlier date.

² A small number of exceptions exist, mostly deriving from recent attempts to appropriate or reclaim the term from its derogatory uses. Hartwich (2012) presents a historical case for a reclaimed neoliberalism built upon the mid-century German Ordoliberal school. Cowen (2021) presents an argument for reconciling a rehabilitated neoliberalism to Rawlsian social justice theory.

³ As of January 8, 2021, approximately 90% of over 230,000 academic references to “neoliberalism” on Google Scholar were published between 2000 and the present. Prior to 1980 the term appeared in only 668 works.

In the conventional telling of this story, the term was first proposed at the Walter Lippmann Colloquium – a 1938 conference of free-market intellectuals who gathered in Paris to discuss the future of economic liberalism. Acknowledging practical and political challenges to laissez-faire doctrine, these intellectuals debated whether concessions to a greater role for state involvement in economic affairs could be reconciled to the preservation of the free market. Although the war sidelined their discussion, several of the conferees reconvened in 1947 to form what became the Mont Pèlerin Society (MPS). Per this account, the MPS gatherings provided an incubator for what Philip Mirowski (2015) has dubbed a neoliberal “thought collective.” This emergent neoliberal intellectual cohort, in turn, expanded its reach into a multitude of socio-economic institutions (Slobodian 2018) and, per its critics, steered them into the service of free-market ideology.

Most scholarly investigations into the intellectual history of neoliberalism have uncritically accepted the 1938 gathering as the starting point for the term’s modern uses and associated economic doctrines.⁴ As a result, the Walter Lippmann Colloquium has acquired the characteristics of a “neoliberalism” origin myth. By dating the concept’s genesis to the 1938 conference, much of the modern neoliberalism literature also asserts culpability for the above-noted socio-economic inequities of the modern era, which it assigns to the colloquium’s attendees and their intellectual heirs.

This origin account, however, misses the earlier introduction of the term “neoliberalism” in German-language texts dating back to the early 1920 s, where it was simultaneously employed by both Marxist and fascist or Nazi political theorists as a pejorative descriptor for free-market doctrines. Although coming from opposite ends of the traditional political spectrum, these early adopters of the term settled upon a cohesive set of characteristics that are traceable to the present day. As originally conceived in the interwar period, “neoliberalism” functioned as a critics’ label for contemporary schools of economic thought that employed (1) methodological and normative preferences for individualism and (2) marginalist or subjective theories of value. As such, the “neo” prefix sought to establish these precepts as reactionary attempts to resuscitate 19th century “classical” liberalism, which both left-wing and right-wing competitor philosophies viewed as having been rendered obsolete by their own respective doctrines.

Recovering these earlier German-language uses helps us to better contextualize how “neoliberalism” is understood today. Hostility to the concept remains a dominant disposition among those who study it, with several recent commentators noting the term’s display of clear pejorative connotations in its modern uses (Boas and Gans-

⁴ In noting the modern dissemination of the 1938 origin story, it is not my purpose to suggest that the associated literature has adopted it from thoroughgoing engagement with the Lippmann Colloquium. Rather this event’s association with the term’s origin is often stated as a matter of fact with only passing consideration of its historical details. The colloquium’s transcript was only recently translated into English (Reinhoudt and Audier 2018) and its history remains an under-explored topic.

Morse 2009; Chait 2017). A simple sampling of the associated scholarly literature on neoliberalism reveals a tone ranging from harshly critical assessments (Giroux 2002; Giroux 2015; Seal 2018; Slobodian 2018; Brown 2019) to viciously profane and even spiteful denunciations (Springer 2016). Turning to the interwar sources, we find a similar proliferation of the term's disparaging invocation to describe political adversaries, and yet few self-professed adherents.

In particular the German-language origins of "neoliberalism" provide an important and overlooked context for the 1938 conference, as these earlier uses primarily applied the moniker to the school of thought surrounding Viennese economist Ludwig von Mises – an attendee at the Lippmann Colloquium. The disparaging connotations of the pre-1938 literature likely explains why Mises and his followers *rejected* the neoliberal label as a self-designation when other colloquium participants suggested the name.⁵ A commonality with these older German sources is nonetheless apparent in the modern neoliberalism literature, which shares a predominantly adversarial stance toward both the individualist disposition of free-market thought and the "neoclassical" disposition of mainstream economics, with the latter reflecting the general incorporation of marginal analysis into the discipline over the last century.

These findings suggest that the term "neoliberalism" still retains the subconscious continuity with its interwar origins as a critics' label for a competing philosophical tradition, as distinct from a novel set of socio-economic doctrines. How did a term with few self-professed adherents today and little common acknowledgement prior to the late 20th century attain such prominence in our current discourse? And how did it become a widely used, albeit mostly oppositional, moniker for a fluid set of socio-economic beliefs? To investigate further, we must look to its neglected emergence as an interwar label for free-market thought.

2. The Neoliberal Origin Myth

The most common origin story for the term "neoliberalism" may be regarded as a case of confused identity, albeit one with profound implications for its subsequent use as a starting point for scholarly analysis. According to this standard narrative, the term emerged as a self-designated moniker for a Depression-induced rebranding of free-market ideology at the Walter Lippmann Colloquium in 1938. In addition to its namesake, the American journalist Walter Lippmann, this Paris gathering brought together two prominent economists from the Austrian school, Ludwig von Mises and F.A. Hayek. Other notable scholars included the Hungarian polymath Michael Polanyi, German conservative economist Wilhelm Röpke, French philosophers Louis

⁵ Despite this rejection, much of the modern neoliberalism literature associates the term more closely with Mises's intellectual progeny than the lesser-known proponents of the name from the colloquium, thereby unintentionally inverting the positions of its attendees.

Rougier and Raymond Aron, and the alleged coiner of the term itself, German sociologist Alexander Rüstow.⁶

Much of the origin story's confusion derives from the fact that some of these attendees proposed adopting the neoliberal moniker for themselves, albeit to designate a set of beliefs that diverges from and chafes with the term's modern academic uses. Whereas today's references to neoliberalism usually connote an alleged infusion of radical free-market or laissez-faire doctrine into socio-economic institutions, its proponents in 1938 saw themselves as relaxing an older 19th century commitment to the same positions.

The Paris gathering convened to assess the state of classical liberalism and the associated concept of *laissez-faire* amidst what seemed to be a crisis of economic identity in the interwar era. Shaken by the aftermath of the "Great War," the turn toward economic intervention during the Great Depression, and the rising tides of political illiberalism from European fascism and Soviet Marxism, the attendees engaged in an open dialogue over the decline and future state of economic liberalism in the world.

In addition to philosophical strategizing, the multi-day discussion yielded several propositions for a new name by which the group could identify itself, corresponding with intense debate about whether the circumstances of the day rendered the non-interventionist conventions of *laissez-faire* philosophy obsolete and politically prostrate. Seeking to reformulate the concept of liberalism around a market-oriented but also more economically active state function, some participants settled upon the term reportedly proposed by Rüstow and embraced by the faction around Rougier – to launch a "neo-liberalism," more suited for the challenges of the age.

Echoing themes in Lippmann's 1937 book *An Inquiry into the Principles of the Good Society*, proponents of the new concept sought to craft a political doctrine that would be better positioned to mount a defense of liberal market theory against its adversaries, left and right. This would be achieved through partial concessions to state economic intervention, including the Keynesian macroeconomic challenges that emerged from the Depression. According to this reasoning, a reformulated "social liberalism" could effectively co-opt the regulatory role of government from illiberal challengers while carving out an institutionally robust home for policies that would remain market-friendly, even if they relaxed classical liberalism's more pure doctrinal adherences.

The term and strategy did not sit well with all participants. French economist Jacques Rueff shot down the proposed name almost immediately, noting "I am hostile to the word 'neo'... if it is our conviction that our effort should aim to restore lib-

⁶ A partial transcript of the proceedings, most likely prepared by Rougier, is included in Reinhoudt and Audier's edited volume on the conference's proceedings. As the editors acknowledge, the record of the conference is incomplete, including the full breadth of discussions around the "neoliberal" moniker. See Reinhoudt and Audier (2018, 5).

eralism, as a permanent basis of economic and social systems, we have to say it in full light of day, in the most provocative form” (Reinhoudt and Audier 2018, 114).⁷ Mises and Hayek similarly demurred. At a later point in the conversation Rueff described Lippmann’s argument as a “left-liberal policy...because it tends to give to the most deprived classes the greatest degree of well-being possible.” Although he stated his own support for this philosophical concern, the matter of a name remained in contention. French businessman Louis Marlio answered Rueff that he “would prefer for this doctrine to be called “positive liberalism,” “social liberalism,” or “neo-liberalism,” but not the word *left* which indicates a political position. Political color should not intervene” (Reinhoudt and Audier 2018, 179–180). The surviving transcripts from 1938 however show no clear resolution of the naming debate.

If anything, other uses of the term in the immediate vicinity of the conference display an inconsistency that does not cleanly map onto the origin story. A few months prior to the Paris gathering, political scientist Charles E. Merriam (1938) briefly invoked the neoliberal moniker in a review of Lippmann’s book, though he used it to cast doubt on whether political liberalism required a distinctive parsing of its doctrines. Four years later economist Gustav Stolper used the term with specific reference to Mises, “whose intellectual influence on modern neo-liberalism was very strong” (1942, 59). Stolper’s comment has almost entirely escaped the notice of the modern literature though (Ebeling 2016). To further the confusion, the reference applied to a discussion of Mises as a radical *laissez-faire* theorist, which Stolper deemed to be “in irreconcilable conflict with the restless activist mental attitude characteristic of our age” (1942, 27). Economist Frank H. Knight similarly made a little-noticed reference to a “current ‘neo-liberal’ reaction...in the direction of statism as a remedy for inequality” (1999, 180) in an unpublished 1943 manuscript. He designated this shift a dangerous “political romanticism.” Knight directed his barb at a broader “intellectual confusion” about the meaning of freedom, which he saw in the political doctrines of Franklin D. Roosevelt.

The 1938 conference produced a cleavage between the two camps that would resume after the Second World War and play out in the formative debates of the Mont Pèlerin Society, founded in 1947 and itself something of a reconstitution of the earlier discussion with many of the same participants. Although nowhere near its level of commonality at the present moment, the term “neoliberal” did see occasional postwar use among some 1938 conference participants. Shortly after the war the French economist Louis Baudin (1947) wrote a brief reminiscence of his attendance at the Lippmann Colloquium almost a decade earlier, depicting it as a starting point in the

⁷ As an interesting aside that speaks to the terminological confusion often surrounding the moniker’s scholarly uses, Rueff is specifically listed as a “neo-liberal” – despite his own rejection of the term in 1938 – in a widely cited 1955 article by Carl Friedrich that attempted to sketch out the dimensions of Ordoliberal political thought under the neoliberal label. Friedrich similarly labels Mises a “paleo-liberal” to distinguish him from the “neo” label, though the modern neoliberalism literature is more apt to include Mises under the neoliberal designation. See footnotes 4 and 11 of Friedrich (1955).

discussion of “neoliberal” philosophy. Baudin would adapt the term to his post-war advocacy of an economic model that blended free markets and a strong state on lines that echoed the concessionary faction at the conference, although the derivative literature had only limited dissemination beyond a small body of French-language works.

Another oft-referenced early use appears in a 1951 newspaper column by Milton Friedman, although he did not attend or reference the 1938 meeting. He instead linked it to the late University of Chicago economist Henry Simons. Per Friedman’s attempt at a definition, “Neo-liberalism would accept the nineteenth century liberal emphasis on the fundamental importance of the individual, but it would substitute for the nineteenth century goal of *laissez-faire* as a means to this end, the goal of the competitive order” (Friedman 1951).⁸ Yet Friedman himself did not adopt the term in his subsequent work, even though his writings dealt directly with economic liberalism and spanned the next half-century. The patterns displayed in Figure 1 clearly illustrate that the term’s use remained uncommon throughout this period.

The term also had other claimants among its sparing postwar uses. In 1950 the economist Raymond Moley, a former member of Franklin Roosevelt’s academic “Brain Trust” who later soured on the New Deal, described an alternative concept and definition for “neo-liberalism.” Crediting the label to St. Louis businessman and fellow anti-communist Towner Phelan, Moley proposed it as a designation for “a person who has stolen the good word ‘liberal’ out of an honored past and is using it as a front for the very sort of political policy against which real liberalism was a great protest.” In Moley’s version, the term meant a diluted form of classical liberalism that openly embraced center-left state intervention into economic matters, as typified by Hubert Humphrey, then serving as U.S. senator from Minnesota (Moley 1950a; Moley 1950b). Although Moley’s own anti-communist advocacy and shift toward free-market philosophical beliefs placed him in the same intellectual circles as the MPS’s founding generation, his writings show no awareness of a competing definition let alone its self-adoption among persons who professed those beliefs. They likely settled upon it independently and by coincidence, which belies the suggestion that the term enjoyed wide familiarity at the mid-century mark, even among persons who shared a classical liberal economic disposition.

On the contrary, the “neoliberal” moniker was at most only batted about in these early years with limited subsequent acceptance. The group of thinkers most closely associated with Rougier and Rüstow’s position eventually settled upon its mid-century German offshoot under a slightly different name: ordoliberalism. Rüstow’s variety of “neoliberal” doctrine has been likened to an economic “third way,” operating between *laissez-faire* capitalism and socialism or communism as he framed it (Rüstow

⁸ The term does not appear again in Friedman’s collected works, an online repository of his writings maintained by the Hoover Institution. In a 2002 interview, Friedman was asked if he considered himself a “neo-liberal,” among other terms. He stated his preference for “libertarian” or “classical liberal” (Friedman 2002).

1949; Rüstow and Maier-Rigaud 1950; Hartwich 2012, 16). Yet as Rüstow's own lengthier postwar articulation of his vision reveals, the "ordoliberal" moniker – eponymized in the 1948 founding of the journal *ORDO* – had already displaced the earlier suggested term and branched away from the more doctrinaire classical liberalism of Mises in particular. Even a 1955 attempt by philosopher Carl J. Friedrich to map out "the political thought of neo-liberalism," which used the term as a rough synonym for the ordoliberal group, attracted little attention prior to the 21st century.⁹

Nonetheless, the alleged 1938 origin story of the term has become an ubiquitous feature of the modern "neoliberalism" literature. "The term 'neoliberalism' was coined in 1938 at the so-called Walter Lippmann Colloquium in Paris," writes Quinn Slobodian (2019, 143) in his historical assessment of the concept. Morowski attributes similar origins and notes "the colloquium defined the concept" in ways that he then associates with its modern academic treatment (Mirowski and Plehwe 2015, 13). Angus Burgin (2012, 56) describes the 1938 conference as the "first international gathering to discuss 'neoliberal' ideals." Werner Bonefeld (2014, 188) repeats the claim that Rüstow "coined" the term at the 1938 conference, as does Rachel Turner (2007, 82) in her history of the concept's origins. Some sources even extend the alleged "coining" to encompass Hayek, Röpke, and other participants who are not on record in support of its adoption (Stark 2010, 9). Thomas Biebricher (2019, 13) designates the conference as both the term's birthplace and its first use "connoting a common agenda and a shared project." In a more nuanced take, Karen Horn (2018) describes the Colloquium as the "birth hour" of neoliberalism and suggests the name stuck because the participants "could not agree on any other label for their joint conceptual project." She acknowledges earlier French language uses of the term, although these date to the 19th century and lack a direct connection to the 1938 gathering. This sample, including several leading recent historical works on "neoliberalism," reflects an origin story that enjoys commonplace acceptance and repetition across a multitude of books and articles on the subject.¹⁰ Although not their exclusive domain, uncritical repetition of this historical account is especially common in present day Marxist and critical theory attacks on "neoliberalism" itself.

Despite its prevalence, the standard neoliberalism origin story misses an earlier coining and development of the concept. The term "neoliberalism" had already entered into the German-language scholarly lexicon over a decade prior to the Paris discussions. Its earlier uses made direct reference to many of the same market liberal thinkers associated with the 1938 conference, and particularly Mises – who rejected it. Instead of serving as a proposed (albeit contested) self-descriptor for the Paris

⁹ Friedrich (1955) received less than two dozen citations between its publication and the late-1980s. His article's influence rose concurrently with the late 20th century academic adoption of the term "neoliberalism." As of January 8, 2021, it has 215 citations, 188 of which post-date the year 2000.

¹⁰ Notably, the editors of the Colloquium's surviving transcripts stop short of claiming that the term was "coined" there, characterizing the conference instead as the moment "neoliberalism acquired a degree of cohesiveness" (Reinhoudt and Audier 2018, 6).

gathering, these prior uses first emerged among economic liberalism’s critics on the far-left and far-right in the 1920s – and proceeded as critical or pejorative designation from these two hostile political factions.

The subsequent sections of this study will trace the pre-1938 uses of the term in interwar Marxist and fascist critiques of economic liberalism, offering a likely explanation for why the faction associated with Mises resisted the moniker, and why the term did not really take root in common usage until its post-1980 revival. That revival, in turn, is probably the main explanatory reason for why the modern “neoliberalism” literature has rallied behind an erroneous origin story. In doing so, they have stacked a mistaken reading of the primary source of the term’s modern adoption from the works of French philosopher Michel Foucault onto the confusion surrounding the 1938 conference. In addition to offering clarity to the term, the present corrective accordingly helps to explain its own modern pejorative uses and resulting conceptual deficiencies as a descriptor for the schools of economic thought it purports to analyze.

3. Foucault and the Rise of Neoliberalism Studies

The post-1980 academic popularization of “neoliberalism” appears to derive heavily, though not exclusively, from the attention this term received in the works of French philosopher Michel Foucault. Foucault delivered a series of lectures exploring the concept at the Collège de France in 1978–79, which were subsequently disseminated among his students and later published as a book-length volume (Foucault 2008). While the broader historiographical impact of Foucault’s conceptualization of neoliberalism exceeds the scope of this study, it is sufficient to note that the rapid expansion of scholarly and popular uses of the term seen in Figure 1 traces primarily to the line of inquiry initiated by Foucault’s lectures.¹¹

Foucault was one of the first modern scholars to direct attention to the 1938 Walter Lippmann Colloquium, which he highlighted in his lecture of February 14, 1979. Although this association makes for a likely genesis point of the term’s origin myth in the modern literature, Foucault himself did not actually claim that the term was coined or created at the Paris conference. Neither did he adopt the pejorative connotation of the subsequent “neoliberalism” literature in discussing the term. Indeed, some contemporary economists who have found themselves labeled with the neoliberal

¹¹ For a detailed discussion of Foucault’s relationship to neoliberalism, its ambiguities, and an accompanying argument that Foucault himself was an equivocal critic or even supportive contributor to neoliberal doctrine in his final years, see Zamora and Behrent (2016). See also Dekker (2019, 218) for further commentary on how Foucault critically engaged with free-market “neoliberal” thought, and Goldschmidt and Rauchschiwandtner (2018) for a related discussion of Foucault’s assessment of ordoliberalism.

moniker in subsequent works have described Foucault's own characterization as largely unobjectionable.¹²

Referring to the French-language transcripts of the 1938 proceedings, Foucault noted that "in the course of this colloquium the specific propositions peculiar to neoliberalism are defined.... In all the texts of the neo-liberals you find the theme that government is active, vigilant, and intervening in a liberal regime." Likely referencing Marlio's comment, Foucault further acknowledged that some of the participants preferred an alternative designation, "positive liberalism," which connoted an increased tolerance for state intervention in contrast with 19th century classical liberalism (2008, 133).

This distinctive view broke from *laissez-faire* precepts, Foucault acknowledged, and also imbued "neoliberalism" with a form of political agency – thus the concept's modern reputation as supporting proactive governance on behalf of free markets. After surveying its mid-century cousins, primarily through the ordoliberal economists in attendance or operating in the broader intellectual spheres of attendees, Foucault strongly associated this overall outlook of proactive free-market governance with the "neoliberal" label and presented it as a clear modification to the term "liberal" with an identifiable set of adherents in the present day.

Even as Foucault remained ambiguous about the nature of neoliberal governance, scholars in successive decades have not. While acknowledging the Foucauldian genesis of the term's modern use (or, perhaps more properly, revival), a deeper inquiry into its pre-1938 uses reveals that its pejorative character today is not far removed from these interwar applications.

4. An Alternative Etymology

Aside from its politicized deployment, a recurring problem with the modern neoliberalism literature is that even the assumed origin of the term is deeply confused and contradictory. This much was already evident in Mises' rejection of Rougier and Rüstow's proposed retreat from *laissez-faire* nonintervention in 1938, and contention over the "neo" label as recorded in Rueff's objections. The term is today much more heavily associated with the Misesian cohort that refused it in 1938 than its actual claimants from the same gathering, or their ordoliberal cousins from the mid-century

¹² Commenting in 2012, economist Gary Becker indicated he had not read or encountered much Foucault beyond two of his lectures on neoliberalism – readings he had been specifically asked to comment on for a discussion forum about American neoliberalism. Becker described Foucault's assessment of his own work as "very clear" in its presentation and as conveying "a good understanding of what human capital consisted of," even as it also showed clear signs of approaching the subject from outside of the economic literature. See Becker, Ewald, and Harcourt (2012).

period.¹³ As a result, most modern uses of “neoliberalism” almost unwittingly embrace the historical contradiction of affixing the term to the intellectual descendants of the wrong faction. The resulting confusion, as we will see, has roots that predate the 1938 conference.

To find the term’s earlier context, we must turn the clock back by over a decade to the intellectual scene of 1920s Vienna and, with it, neglected sources. In doing so, we quickly find that “neoliberalism” first emerged as a political label for economic liberalism as applied by its critics on the far-left and far-right of the interwar German-speaking intellectual scene. In particular, interwar uses functioned as a derisive distinction to separate the marginalist or “subjective value” schools of economic thought from their classical antecedents, focusing upon the famous Marginal Revolution in economic theory of 1871.¹⁴

In its first deployments to this effect, dating to the early 1920s, the term *neoliberalismus* (or sometimes *neoliberalismus*) was coined to designate adherents of free market economic doctrine who modified its classical precepts not by rejecting *laissez-faire*, but rather by adopting marginalism in their analysis and with it, crucially, a subjective theory of valuation that directly challenged both classical and Marxist iterations of the labor theory of value. These earlier designations often applied the term to the Viennese thinkers associated with Mises, who was seen as the “neoliberals”’ original champion in the 1920s. In particular, subjective value theory exemplified Mises’ methodological and normative individualism. As Marxist and fascist thinkers each perceived themselves as having successfully exposed fundamental faults in individualist liberal philosophy, they both perceived marginalism as a reactionary attempt to salvage an older liberal economic philosophy from their own respective challenges. “Neoliberal” thus became a shared moniker, used by the collectivist far-right and far-left to attack an individualist adversary that sat between these polar extremes.

One early example of this use appears in a footnote from Max Adler’s 1922 book *Die Staatsauffassung des Marxismus*. Adler was an avowed communist and associate of Rudolf Hilferding, the Marxist theorist-turned-politician who engaged in a decades-long debate with the Viennese Austrian school over the nature and feasibility of centralized planning. The Austro-Marxist school of Adler and Hilferding was sim-

¹³ For a nuanced discussion of the relationship between the Misesian cohort and the mid-century Ordoliberal, see Kolev (2018).

¹⁴ The term “neoliberalism” first coalesced around a definition that resembles the modern concept shortly after the conclusion of the First World War. A handful of 19th-century uses predate this deployment, but with different definitions that do not map onto the current uses. In one occasionally referenced example from 1898, Charles Gide (1898) attempted to coin a “Neo-Liberal School” around the economic ideas of Maffeo Pantaleoni, emphasizing a rigid reliance on “the free play of competition” as a driver of economic efficiency. Gide’s use is only superficially similar to later applications of the term as a descriptor for *laissez-faire* theory, and it does not appear to have attracted so much as a single citation in its own time or until well after the post-1980 surge in scholarly attention to neoliberalism.

ilarly notable for attempting a succession of rejoinders to Eugen von Böhm-Bawerk's critique of Marx's labor theory of value, first published in 1898 (Hilferding 1919).

In 1922, Adler named Mises' recently published *Nation, Staat und Wirtschaft* as exemplifying "der neueren und eifervollsten Verfechter des Neoliberalismus" (80) — essentially the most zealous articulation of "neoliberalism" to date.¹⁵ Adler treated the concept pejoratively, and regarded Mises' effort as a politically driven reaction to the ascendance of his own brand of Marxian socialism. Adler's text conveniently accepted his socialist position as a historically demonstrated truism and accordingly depicted Mises as attempting to breathe life into what he saw as a failing capitalist status quo.

Two years later, Hilferding commissioned Alfred Meusel, a Marxist historian and colleague, to pen a lengthy critique titled "Der Neu-Liberalismus" for his magazine *Die Gesellschaft*, one of the main political organs of the Austro-Marxists. Meusel's article specifically targeted Mises' 1922 book *Socialism*, which continued Böhm-Bawerk's critique of the Marxist theory of "surplus value" and further investigated the obstacles that afflict central economic planning as a result of the socialists' destruction of a functional allocation mechanism.

To the historian Meusel, Mises' "neoliberal" alternative to socialism amounted to a utopian scheme that he regarded as unsuited for the "realities" of Marxian labor struggle, the latter also established axiomatically in Meusel's work. The proposed neoliberal system, he contended, had been devised by the bourgeoisie to present an intellectual counter to the "strong advances of the socialist-minded working-class masses." Its objective was "to reassert, in the face of the increasingly complex organization of our economic life, the principles of 'free competition,' of the 'free play of economic forces.'" Thus did Mises offer his "neu liberalism" as a political instrument of the "strata of society that did not intend to dismantle all private and public organizations, but only those that have penetrated their own sphere of interest in a disturbing way," namely a counterblow "against the workers' organizations, against social policy, against the extensive regulation of working conditions."

In Meusel's telling, Mises' system built upon the antecedents of the "liberal spirit" of the late 19th century by infusing into it a "ruthless radicalism" that subordinated labor to capital. The resulting neoliberal system discarded not only the condition of the worker, but the socialist ideal itself for "[t]here is nothing about socialism that finds grace before its eyes."

At its core, Meusel's designation of neoliberalism builds upon his claim to have identified competing trajectories in the evolution of economic thought, specifically his own Marxist course and the Misesian alternative of a revived and radicalized liberalism. After all, it was Mises' rejection of Marx as a successor to classical economic thought that drew the author's ire, for "[i]f Marxism is no good, Marx cannot be worth

¹⁵ Mises' *Nation, Staat und Wirtschaft* was published in English as *Nation, State, and Economy* (Mises [1919] 1983).

anything.” The Misesian critique of Marx thereby turns upon “the mishap of [Marx’s] being born a little too late or dying a little too early, so that he could not process and integrate the highest blossom of national economic thinking, the marginal utility theory, into his system” (Meusel 1924).

Like Adler, Meusel conveniently claimed the weight of history as a reason to cast aside Mises’ criticisms of socialist doctrine. A labor ascendance was to be a political certainty, and the Marxists claimed to possess the tools to accommodate it – a derivative of Marx’s own conception of history, which, Meusel held, the neoliberal doctrine failed to comprehend or anticipate. Similar themes would characterize Meusel’s sparring with Mises in German-language journals and magazines for the next decade.¹⁶

Tellingly, Mises does not appear to have accepted the Marxists’ moniker, “Der Neu-Liberalismus,” in the course of these exchanges. The titular designation of his 1927 treatise *Liberalismus* reflected simply a continuity of economic and political thought that grew directly from its 19th century antecedents. The distinction is significant as it reveals a break in the conceptual framing that persists in debates over the uses of “neoliberalism” today. Marxists such as Meusel and Adler saw Mises’ project at the University of Vienna, and at least indirectly other marginalist trends in the economics profession, as a reactionary pushback against a labor-centric challenge to the older liberal doctrines of market capitalism. Its present aim, and the novelty indicated by their moniker, was assigned on account of its role as a salvaging effort to sustain an older order from being supplanted by a Marxian successor. To Mises however, the same Marxian doctrine represented an economic error of its own – an eccentric outgrowth of an obsolete theory of value that had since been dispatched by marginal analysis. There was no “new” to assert, for it was Marxism that clung to an antiquated economic doctrine. “Neoliberalism” accordingly functioned as a proprietary term employed by its critics.

Such critics extended beyond the far-left circles around Hilferding, as the German-language adoption of the neoliberal moniker soon revealed. Far-right social theorist Othmar Spann, one of Mises’ primary adversaries on the University of Vienna faculty, likely did more to popularize the term’s German language use than any other single figure in that era. Just two years after Meusel’s adoption of the term in *Die Gesellschaft*, Spann issued a revised 16 edition of his widely circulating German-language textbook on the schools and history of economic thought (Spann 1910). The 1926 revision and subsequent editions contained a new chapter on “Die neuliberale Richtung” that mapped out the concept as a distinct school of economics, built upon marginalism and succeeding the “old liberal” or “old classical” school of the 19th century. Anticipating another common feature of the modern “neoliberalism” literature, Spann used the term synonymously with “neo-classical” economics (Spann [1926] 1931, 253).

¹⁶ See, e.g., footnote 4 of Meusel (1928).

Spann is best-known today as a proto-fascist sociologist who championed a societal structure built around a pan-Germanic *völkisch* state, a conservative corporatist economic system, and a radical repudiation of 19th-century liberalism. Although his own relationship with Nazism was complicated by his attempts to steer its doctrines from within toward a near-theocratic embrace of corporatist economics, many of Spann's philosophical tenets mapped onto Third Reich ideology. In particular, he found a sympathetic Nazi audience for his denunciation of philosophical individualism as a threat to collective German cultural identity. Nazi philosopher Alfred Rosenberg credited Spann by name for having "successfully refuted idiotic materialist individualism" in his 1930 text *Der Mythos des 20. Jahrhunderts* (1930). Adolf Hitler, accompanied by Rosenberg, attended a February 1929 lecture by Spann in Munich on the democracy-induced "crisis" of contemporary culture – a subject with thematic elements that the future dictator would mirror in his own speeches.¹⁷

A faculty appointment in economics at the University of Vienna brought Spann into direct contact and then conflict with the Viennese marginalists, both over the scholarly incompatibility of their doctrines and the personal feuds of academic governance it engendered. Mises penned a blistering attack on Spann's critique of marginal valuation in his book *Grundprobleme der Nationalökonomie* (Mises [1933] 2002) and would later refer to him as an archetypal "Nazi philosopher" after the war (Mises 1949, 679). In the interwar academic dialogue around competing economic systems, however, Spann served as an early popularizer of the "neoliberal" label.

The exact occasion of Spann's adoption of the term is uncertain, though his known uses of it in print followed shortly after Meusel's essay and preserved its close association with marginalism.¹⁸ In the 1926 textbook revision (later translated to English in 1931), Spann's chapter on the "neoliberal trend" (or "school" in the original version) sought to distinguish it as a newly constructed successor to pre-marginalist individualism. He similarly presented this development as an effort to resuscitate the "Ricardian school," or essentially classical economics in his use, from practical deficiencies in a "production theory of value" used in the 19th century (Spann [1926] 1931, 258, 262–63). His take diverged from Meusel though in developing a broader

¹⁷ The literature on Spann's political theory, his involvement in Weimar era politics, and his connections to Nazism is somewhat sporadic, but points to a complex and reactionary cultural thinker who consciously positioned himself as an adversary of liberal individualism. See in particular Strothmann (1963), Steinweis (1991), Haag (1966), Haag (1969), and Wasserman (2014). Rosenberg later came to view Spann as a philosophical competitor, which likely contributed to his falling out of favor after Hitler obtained political power (Haag 1976, 244).

¹⁸ The 1926 textbook is Spann's earliest known print reference but gives no sign of where he picked up the term. In their history of the free-market Austrian School, Schulak and Unterköfler (2011, 112) note that "Spann came up with the derogatory epithet neoliberal ("neoliberal")" as part of an extended attack on his former Viennese colleagues in 1931, roughly corresponding with the timing of the departure of Mises, Hayek, Gottfried Haberler, Fritz Machlup, and Paul Rosenstein-Rodan to academic appointments abroad in the wake of rising anti-Semitism and fascist political movements in Austria.

expanse of competitor doctrines than the Marxian system. Indeed, Spann's "neo-liberalism" existed in tension with a taxonomy of alternatives, both left and right.

Like his Marxist contemporaries, Spann was bitterly hostile to the object of his labeling and designated it pejoratively. The "very existence of a neo-liberal trend today (when all the Ricardian schools have proved so sterile in the field of theory) and still more the fact that this school should recently have become dominant," he grouched, "are manifest indications that our science is still talking the language of the eighteenth century" (*ibid.*, 278).

Spann's taxonomy attempted to formally define the "neoliberal" schools of thought through their contemporary institutional affiliations. The drivers of this neoliberal push – the "Führer der neoliberalen schule" in Spann's original phrasing – came from the University of Stockholm and from "the marginal utility school, which is likewise neo-liberal" – an unelaborated reference to his Viennese colleagues around Mises (*ibid.*, 278). Spann specifically linked the term to the Stockholm school of Gustav Cassel and Knut Wicksell, treating such economists as parallel expositors of a modernization of classical precepts amid their anti-liberal critics. Curiously, Cassel rejected explicit marginal valuation and posited his own theory of pricing derived from scarcity and comparative price levels across countries. Yet in Spann's taxonomy, Cassel appears as something of a cousin to the Viennese Austrians – a "neo-classical" theorist, who along with Carl Menger, believed that "prices are determined by mechanical laws" (*ibid.*, 253). Spann devoted less energy to the better-known Wicksell by name, although he includes the Swedish economist on a list of marginal utility theorists (*ibid.*, 263) along with Austrians Böhm-Bawerk and Weiser, as well as the English-speaking marginalists in the tradition of Jevons, Wicksteed, and Marshall.

Spann further associated "neoliberalism," in its many academic iterations, with the methodological individualism that his own "universalist" system sought to drive from economic and social theory. To Spann, liberalism's great failing was its individualism, which he saw as an exercise in denial of a natural and spiritual national community. Although he attacked the newly-dubbed neoliberal schools from the political right, he premised his criticism on grounds that paralleled Meusel and similar Marxist critiques:

[T]he old liberal school and the neo-liberal school are agreed in believing that no measure of social reform or applied economics can have a lasting effect on prices or on distribution. That was why the individualists enunciated the doctrine that social reform established a "vicious circle." It made commodities dearer, and in this way used up any supplementary purchasing power it might have given to the workers. They taught, too, that if unearned increment were to be taxed, the cost would ultimately be borne by the consumer; and so on. An English writer recently declared that to fight against the law of supply and demand was to "buy the moon." Böhm-Bawerk says that force can only make its influence felt within the limits imposed by the economic laws of prices (*ibid.*, 253–54).¹⁹

¹⁹ The referenced English writer is Marshallian economist Hubert D. Henderson (1890–1952).

Indeed, their political differences notwithstanding, more room for commonality on economic theory likely existed between Spann and the Marxist left than each camp could maintain between themselves and those they dubbed the “neoliberals.” Although an anti-communist himself who rejected Marx’s “surplus value” solution to economic valuation as “theoretically unsound,” elsewhere Spann effusively praised Marx’s “good service by drawing attention to the inequality of the treatment meted out to worker and to entrepreneur respectively in the individualist order of society” (*ibid.*, 226).

Spann retained the “neo-liberal” designation from his textbook’s 1926 edition onward, and further expanded upon it in a German-language assessment of competing economic doctrines during the global depression, published in 1931. Coupled again with Ricardian or classical antecedents, neoliberalism formed the latest iteration of what Spann dubbed the “individualist or mechanical” schools of economic doctrine. Within this taxonomy, he designates “the marginalist school” – again, a reference to his Viennese colleagues – as “the most important form of neoliberalism” (*ibid.*, 278).

A deep hostility to marginalism appears throughout Spann’s writings, and further confirms his derogatory intentions in adopting the “neoliberal” label. Indeed, Spann’s own anti-Semitism shaped his rejection of marginalist solutions to the question of value. According to his University of Vienna faculty rival Hans Mayer, Spann and his supporters maintained that the “Marginal Utility School” was a “spawn of Polish-Jewish minds,” making it antithetical to his pan-Germanic social vision (Mayer 1952, 256).²⁰ In the decade that followed, Nazi political doctrine would echo this charge with recurring designations of the “Marginal Utility School” as a Jewish construct, at irreconcilable odds with the Third Reich. As Mises (1944, 147) would later recount, “Nazi economists wasted much time in searching the genealogical tree of Carl Menger for Jewish ancestors” in an attempt to discredit the Viennese school of economic thought that he founded.

Spann’s 1931 elaboration most closely associates the “new” or neoliberal practitioners of marginalism with the *laissez-faire* political outgrowths of classical economic thought, taking issue with the same. Indeed, he considered the two functionally identical, using the example of free trade to illustrate the point:

The establishment of free trade theory and the rejection of the protective tariff by the old classical as well as the new liberal theorists has the same procedural meaning: that state of free trade, through which the unhindered, free governance of the natural laws of the economy is found, should be defended thoroughly, and the inhibition of the natural laws of the economy should be rejected (Spann 1931, 658).

²⁰ Spann spent the better part of two decades in a bitter departmental feud with Mayer, replete with sincere philosophical disagreement, the posturing of academic politics, and the weaponization of anti-Semitic overtones by both sides against the backdrop of the Nazi era. For a longer discussion, see Klausinger (2014).

Having sketched out this basic similarity of prescriptive individualism, Spann sought next to attend to “the neoliberal schools with a few [additional] remarks.” The marginalists, he continued, “kept the questions and the basic solutions of the old classical school – the meeting of self-interests, value- and price-creation as the grounding aspects of the economy – but it improved value theory and price theory.” The marginalist modification emerged “quite simultaneously by Jevons, Walras, and Carl Menger.” Thus the new, or neoliberal, solution differentiating it from classical *laissez-faire* doctrine held that “the individual participants in the economy value the good for the smallest benefit that a good gives them from a reserve. This smallest utility or “marginal utility” is decisive for the estimation of worth” (*ibid.*, 659).

Spann’s identification of the central distinction between the old and the new liberal approaches exhibits remarkable similarity to the framing offered by the latter’s Marxian critics a few years prior. “The further one pushes into the more exact analysis of price creation processes in the market and economic-historical facts,” he observed, “the less they match with the labor theory of value.” Spann’s discussion leans the most heavily on Menger out of the three, describing its application to scenarios “where participants in the economy meet and ascribe a different marginal utility to the needs of the goods that they buy.” At this point, following Menger, “buyers and sellers come to different valuations” until the “last buyers and sellers to come... should then determine the price” (*ibid.*, 659).

Expectedly, Spann finds this solution intriguing but dissatisfying insofar as he then accuses Menger and his students of “turn[ing] and contort[ing] the marginalist school” from a specific process of transaction into general theory of the “market mechanism and finally price formation in the market.” For his own considerations, the distinguishing attribute of the marginalist solution was that it then proceeded to explain the economy “through the pattern of value and price formation, and the entire economic theory is built up accordingly.” This, he reasoned, imposed an exacting determinism on economic life by binding it to supposed rules and structures of nature. Neoliberalism, through its marginalist expression, therefore prescribes an inherently individualistic process built upon “the meeting of the self-interests of all individual participants in the economy, in which “quality in quantity” is dissolved, and in the following: the economy appears as an epitome of facts through which mathematical-mechanical rules are determined” (*ibid.*, 659).

Spann (*ibid.*, 660) concludes his discussion by announcing his intention to move “onto a better, more refined groundwork!” – an implicit assertion that the marginalist solution to a theory of value faltered on its individualistic character and its alleged reduction of economic activity to unalterable mechanistic rules. He then presents his own “universalist” economic theory as an alternative to mechanistic individualism. That alternative envisions a societal purpose of meeting economic needs and attending to the difficulties of life through the blending of social and economic policy.

We need not dwell upon the elaborated mechanisms of Spann’s “universalist” alternative. Spann’s arguments contributed to heated interwar discussions of com-

peting economic visions, and particularly the emergence of “state corporatist” economic theory. Presented as a third way system of sorts between capitalism and socialism, this often deeply conservative approach envisioned an economically active state that served as both arbiter and unifying agent between labor and the owners of capital. Spann’s contributions effectively ended with his own career though, in no small part due to his conscious attempts to adapt universalist or corporatist economic theory to explicitly accommodate Europe’s fascist and eventually Nazi regimes. Although Spann would later encounter political troubles of his own with the Nazi party following the territorial *Anschluss* of Austria in 1938, his arguments came to be viewed as a thoroughgoing economic treatise for fascism, designated as such by critics as disparate in their economic views as Mises and the socialist philosopher Karl Polanyi. After the war, Spann found himself unable to regain an academic position and died in disrepute in 1950.²¹

The similarity of Spann’s proto-fascist critiques to the Marxian detractors of the same group of interwar marginalist thinkers warrants mention. As subsequent historical events attest, the animosity between both groups would set the stage for the global conflict that followed. Yet for about a decade and a half spanning the end of World War I until the mid-1930s, the collectivist dispositions of these two camps in the German-speaking world, far-right and far-left, converged on a term and made a third tradition of individualist economic liberalism a common enemy under their shared label of “neoliberalism.”

Taking issue with similar components of liberal doctrine, albeit for different reasons, these competing extremes of the interwar political spectrum establish an earlier genesis of the term “neoliberalism” than may be found from the much-repeated 1938 origin story. Unlike other attempts to affix the designation of “neo” to liberal philosophy, dating at least to the 19th century, this interwar usage by its critics is also distinctive for a clear – if subconscious – continuity to the modern concept. Both the interwar and modern applications of the term “neoliberal” exhibit habits of using it as a *bête noire* to their respective causes, and fault it for the alleged infusion of individualist and free-market economic beliefs into political institutions.

The Marxian and far-right usages of “neoliberalism” from the interwar period evince a coalescing around a shared definition that takes the *laissez-faire* antecedents of classical liberalism from 19th century economic doctrine and modifies them to incorporate a marginalist solution to the theory of value, supplanting the labor theory of value in the process. And while “neoliberalism’s” interwar critics such as Meusel and Spann diverged on their alternative visions by taking them in more explicitly

²¹ Spann would fall from favor with the Nazi leadership in the wake of the very same pan-Germanic political unification with Austria that his political writings had helped to popularize, leading to his arrest for several weeks in 1938. Whereas Spann hoped to steer the Nazi party from within, Nazi officials who once treated him as an intellectual ally came to regard his beliefs as overly disposed toward constructing a conservative Christian theocracy and effectively sidelined him from exerting academic influence after his release (Haag 1976).

socialist and fascist directions, respectively, their shared application of the term to a definition constructed around (1) methodological and normative commitments to individualism and (2) the economic insights of marginalism establishes an identifiable link to its later, and indeed modern, uses.²²

5. The Return of the “Neoliberal” Label

Although they amounted to a tiny fraction of the late-20th century adoptions of the term, variants of “neu/neo-liberalismus” became more common in the academic lexicon of German-language texts after Meusel and Spann popularized their use. Such references did not always exhibit the overt hostility of these respective elaborations, but they applied the term in clear reference to the Viennese marginalists around Mises.

Albert Hensel, a legal scholar at the University of Königsberg, used the term in a 1931 review essay on jurist Friedrich Darmstädter’s theoretical treatises on the rule of law. Invoking Mises’ *Liberalismus* (1927) as an example of a political treatise for liberalism, he suggested the time had now come “to give neoliberalism a scientific foundation” (Hensel 1931, 379). The Dutch economist Willem L. Valk similarly characterized the work of Mises’ student and colleague Fritz Machlup as a product of “österreichischen Neoliberalismus” in a German-language review (1934, 552).²³ A 1935 issue of the *Wiener Politische Blätter*, a bimonthly newsletter of the Catholic conservative politician and sociologist Ernst Karl Winter (1895–1959), sought to distinguish its own economic philosophy from the “neoliberalen Wirtschaftsdeologie,” which was “built upon the myth of free competition” (Winter 1935, 149).²⁴ As these

²² Socialist and other left-leaning uses of the term comprise the majority of neoliberalism’s scholarly literature today, likely owing to the much larger presence of left-leaning political perspectives in the academy. As such, it continues to reflect labor theory of value-based alternatives to marginal valuation that are common outside of the economics profession, even as most economists have long since incorporated marginalism. In similar fashion, the modern literature often treats neoclassical economic theory – now a hallmark of the economics profession’s mainstream – as a font for political neoliberalism, thus retaining the interwar association of the two terms at an earlier stage of neoclassical economic theory’s ascendance. Curiously, the emergence of a methodological split between mainstream neoclassical thought and a distinctive Austrian school between the mid-20th century and the present is often obscured in the modern neoliberalism literature’s own imprecision of framing. Austrians such as Mises and Hayek are often grouped interchangeably with neoclassical figures such as Friedman and “the Chicago school” as extensions of the same “neoliberal” project.

²³ Valk’s 1928 book *The Principles of Wages* took a largely critical view of the Austrian marginalists, seeking to differentiate them from his own conception of a distinct quasi-marginalist tradition emerging through Léon Walras and Gustav Cassel.

²⁴ Winter’s comment made reference to Gregor Sebba (1905–1985), a statistician at the University of Vienna who had previously attended the marginalists’ seminars on business cycle theory, although by 1935 the core members of the group had fled Austria for academic appointments abroad. While Winter himself maintained an outspoken anti-Nazi editorial position until fleeing Austria in advance of the *Anschluss*, his economic beliefs rejected individualist

examples reveal, the definition and close associations with the Viennese marginalists, as first laid out by the Marxists and Spann in the 1920s, were beginning to spread into other German-language sources well in advance of the 1938 conference.

Mises himself appears to have left very little commentary that would indicate what he thought of the “neoliberal” label in the 1920s and 1930s, save from avoiding it in his own work. He preferred and retained “liberalismus” throughout his extensive corpus from the 1920s until the end of his life.²⁵ The “neoliberal” term’s shared interwar adoption by several of his most vocal opponents, right and left, nonetheless suggests he likely perceived it as a hostile descriptor. Having been the subject of multiple public attacks that attempted to brand him as a standard bearer of “neu/neo-liberalismus” in the 1920s, Mises may have had these earlier uses on his mind in 1938 when the other Lippmann Colloquium attendees proposed the term and associated it with a shift toward greater state economic intervention.

Curiously, the oppositional uses of the term in the 1920s and 1930s continue to have much in common with the deployment of the “neoliberal” label that we see all around us today. While some modern “neoliberalism” critics do at times attempt to distinguish what might be better designated as an ordoliberal-style melding of market liberalism with a fiscally disciplined social safety net, the classical liberal positions of deregulation, free trade, and above all *laissez-faire* remain the far more common target of the term’s uses in the late 20th and early 21st century literature (Cahill *et al.* 2018; Kolev 2020). As with its interwar antecedents, modern applications of the term arise primarily from adherents of hostile and competitor economic philosophies and find little in the way of self-adoption by scholars working in the traditions to which the term is applied.

Yet also hovering just beneath the surface in these uses are a number of familiar concepts from those who coined and applied it in the interwar era, and particularly those hailing from the leftist traditions of Adler and Meusel rather than the now-discredited Spann despite the latter’s greater role in popularizing the German-language adoption of the term. Commonalities include a core economic theory constructed around the classical dichotomy of capital and labor, a rejection of marginalism and its derivative theory of value from subjective preference, varying degrees of retained belief in the labor theory of value, and an emphasis upon the collective identity struggles that typify both classical-Marxist and modern critical-theory ap-

market-liberalism in favor of the corporatist doctrine of his former patron, the assassinated Austrian Chancellor Engelbert Dollfuss.

²⁵ Mises’ (1962, preface) appended note to the postwar English translation of his book *Liberalism* indicates his conscious preference for the unamended term, even though it had come to be associated with progressive economic doctrines that “in every regard are the opposite of all that liberalism meant to the preceding generations.” Taking this shift of language into account, Mises’ publisher retitled the work “The Free and Prosperous Commonwealth: An Exposition of the Ideas of Classical Liberalism.” Mises nonetheless insisted on retaining the term “liberalism” so as to preserve its distinction from what he considered the anti-liberal doctrines of the original 1927 text, fascism and socialism.

proaches to social analysis, as distinct from the liberal individualist approach. Although its earlier uses ebbed and flowed between the interwar period and the 1980s, only to surge in scholarly attention from that time until the present, the “neoliberal” label, it seems, never shed its original pejorative political purpose.

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