Ideology and Scholarship
NOTES ON *THE SOVEREIGN CONSUMER*

By
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According to Niklas Olsen, as I read his recent book, a meme[1] known as the sovereign consumer has been instrumental in transforming political thinking in recent years. Handed down by a series of intellectual developments since the late nineteenth century, the meme today 'subordinates traditional political values to the narrower pursuit of economic ideals' (p. 2). Citizens are reduced to foot-soldiers of the competition state.[2] This is the essence of Niklas Olsen's doctoral thesis *The Sovereign Consumer: A New Intellectual History of Neoliberalism*.[3]

One would expect support for this claim by way of critical exchanges with other scholars, but no. We see many references to 'excellent' authors – none to those who are getting it wrong. Real or potential objections are not raised. That is all up to the reader – a challenge well worth taking up. In what follows I focus on the applied theory and method – or lack thereof – and its consequences for the validity of the book's argument, highlighting some specific examples.

1 The neologism *meme* was coined by the British scientist and cultural critic Richard Dawkins in *The Selfish Gene* (1976). It 'conveys the idea of a unit of cultural transmission, or a unit of imitation.' (Oxford English Dictionary). Deliberately articulated to resemble 'gene' (phonetically) and perhaps even 'mime' (graphically), a meme is, in other words, a cultural unit loaded with significance. It is persistent, yet mutable and readily transmits itself – faithfully but then sometimes not so faithfully – analogous with how a gene works in biology.

2 Cf. Philip G. Cerny: Paradoxes of the Competition State: The Dynamics of Political Globalization, *Government and Opposition*, Vol. 32 (2007), pp. 251–274. In Denmark, the term and concept were introduced by political scientist Ove Kaj Pedersen in his book with the equivalent Danish title: *Konkurrencestaten*, Copenhagen (Hans Reitzels Forlag) 2011. Designating a general system of policy and governance centred on competitiveness and efficiency, it has gained wide acceptance in Danish public debate.

3 Niklas Olsen: *The Sovereign Consumer: A New Intellectual History of Neoliberalism*, Cham CH (Palgrave Macmillan/Springer Nature) 2019. The present contribution to the debate is a revised version of my opposition *ex auditorio* at the author's defence of the book for the doctoral degree at the University of Copenhagen on 3 June 2019.

Methodological approach

Overall, the book offers little in the way of methodological reflection. The author defines himself as a conceptual historian: 'historical actors use concepts to make sense of and order the world, employing them as tools or weapons to meet their political visions' (p. 7). This rather low-profile remark is the book's only explicit statement regarding methodology. We learn, however, that 'a Foucauldian perspective *as opposed to conceptual history*' (p. 11, italics added) usually yields results different from the author's because it focuses on the entrepreneur instead of the consumer. At first, the impression is that the author here seeks to resolve a methodological issue, but the statement is never followed up. After reading the entire book, the opposite impression remains: the author's conception of history does not differ from the 'Foucauldian'. Agency occurs in a series of episodes at different times in different environments. Even though the meme of the sovereign consumer is transmitted forward in time and changes along the way, there is no teleology or progress in the narrative. As presented, history does not evolve. The meme somehow adapts in transition, but no storyline subjects events to a single, unifying narrative logic.

This lack of momentum is not unlike – and certainly not opposed to – Foucault's conception. The resemblance is especially clear as we approach the end of the book where the author opines that in Denmark we now have 'Neoliberalism without neoliberals' (title of chapter 7). Neoliberalism – I quote from the Epilogue – 'has been successful in absorbing concepts and agendas with roots in very different political ideologies, such as conservatism and Social Democratism, and in disseminating its own semantics and visions to these ideologies and their promoters. Populism is no exception …' (p. 264). In other words, neoliberalism is everywhere. Everything is the same. The quotes are strikingly congenial with the notion that power is decentred and omnipresent, maintaining itself by way of a ruling discourse that nobody is accountable for.[4]

[4] John Rajchman: The Story of Foucault's History, pp. 10f, 13–15, 17, *Social Text*, No. 8, 1983–1984, pp. 3–24. The handing down of the concept of the sovereign consumer through the institution of academic economics might suggest an application of Foucault's notion of 'genealogy' (cf. Mark G.E. Kelly: *Foucault and Politics: A Critical Introduction*, Edinburgh University Press 2014, pp. 69–71). However, the episodical composition of the dissertation together with a weak level of theoretical reflection on historicity (see even footnotes 17 and 25) prevents any real appreciation of that approach in the context of the book.

The role and meaning of political ideology

The term 'ideology', and its derivations, recurs throughout the book. This is not surprising insofar as neoliberalism is an ideology propped up, among other things, by the notion of the sovereign consumer. However, the concept of ideology is never defined, explained, or discussed in any other way. To be sure, the term may be used casually in everyday speech, but it is far from trivial and has been subject to extensive debate over the last 200 years.[5]

How is one to understand ideology here? The book is an intellectual history, so it seems natural to focus on the relationship between ideology and scholarship. I suggest we consider Karl Mannheim's classic, *Ideology and Utopia*, which became available in English in 1936.[6]

According to Mannheim (1893–1947), modern ideologies are not delusions: '… with increasing democratization, not only the state but also political parties strove to provide their conflicts with philosophical foundation and systematization, … [incorporating] rational and if possible scientific arguments into their systems of thought'.[7] Assisted by 'emancipated intellectuals', they '[based] their actions not on a frank enunciation of their creed but rather on a justifiable system of ideas', teaching 'broader strata … to think about society and politics with the categories of scientific analysis.' However, '… while knowledge always has to retain its experimental character if it wishes to do justice to new sets of facts, thinking which is dominated by political attitude can not allow itself to be continuously readapted to new experiences … parties, because of the very fact of their being organized, can neither maintain an elasticity in their methods of thought nor be ready to accept any answer that come out of their inquiries'.[8]

Hence, in the first instance, parties are faced with a choice between dogmatic ideology (maintaining rational yet partially blinded analyses) and utopianism (where willingness to act supersedes diagnosis of the actual situation).[9] There is, however, a way out of this stalemate. With the diffusion of more sophisticated thinking among the groups that engage in political competition, the additional weapon of 'unmasking' the opposing camp's ideology becomes available. Arguments

5 Terry Eagleton: *Ideology: An Introduction*, London (Verso) 1991, p. 65ff.

6 Karl Mannheim: *Ideology and Utopia: An Introduction to the Sociology of Knowledge*, New York (Harvest Books) 1936. This definitive version was translated from the German as a whole. The first, much shorter printed edition, *Ideologie und Utopie*, appeared in 1929 (F. Cohen, Bonn).

7 Mannheim (1936), p. 36.

8 Mannheim (1936), p. 37f.

9 Mannheim (1936), p. 40.

are not limited to the justification of one's own position, but may include the disclosure of the 'social-situational roots' of the opponent's thought system.[10]

The uncovering of the unconscious in public can provide the relief that comes with reflexivity and critical self-awareness. Paradoxically, the result is not a feeling of defeat but an enhanced ability to act, based on self-insight and self-control.[11] Because adherents of opposing ideologies share this higher level of insight they may now, better than before, engage in dialogue premised on the fact that their theoretical disagreements are not arbitrary but the logical and necessary product of differing interests and views rooted in the main classes that complement each other in the formation of society. Under such conditions, politics as a science (including political sociology and, presumably, political economy) becomes possible.[12]

The enactment of political commitment on this platform, as opposed to primitive partisanship, not only facilitates compromise and the furthering of realistic solutions to current problems, but even allows for 'synthesis of thought styles', that is, the revision of ideologies and their appertaining intellectual tools. To a certain degree, perceptions and policies converge across the divide. Even as the underlying social contradictions and tensions persist, the parties may mutually recognize the truthfulness and logic that permeates the ideology of the opponent, considering the real socioeconomic conditions on which it is based. As these patterns evolve, previous debates cumulatively turn themselves into experience that coalesces into a partly consensual understanding of an epoch and its politics.[13] Typically, the process is channelled through intellectuals whose common educational background makes them especially prone to a common understanding.[14] This conception should not be mistaken for toleration of prejudice and bias. It merely amounts to accepting the existence of differ-

10 Mannheim (1936) pp. 39, 41.

11 Mannheim (1936), p. 47.

12 Mannheim (1936), p. 149.

13 Mannheim (1936), p. 151f, 188.

14 Mannheim (1936), p. 154ff. Unbeknownst to both, reflections on ideology etc. that in some respects concurred with Mannheim's were carried out by his contemporary, the Marxist political philosopher and PCI leader Antonio Gramsci (1891–1937), cf. Chantal Mouffe: Hegemony and Ideology in Gramsci, pp. 190–198, in: Chantal Mouffe (ed.): *Gramsci and Marxist Theory*, London (Routledge) 1979, pp. 168–204.

ent perspectives. Juxtaposing them and translating one into the terms of the other promotes objectivity.[15]

Ideology and economics

The picture of economics that emerges from the author's exposition shows a very much value-loaded discipline. This runs contrary to the perception of most of its practitioners who do acknowledge the existence of opposing doctrines and competing schools as well as a role for political and normative factors, yet view economics as an area of genuine expertise.

Accordingly, economic theory and the economist's craft in large measure conform to Mannheim's model. Economics is a cumulative enterprise conducted on a common platform influenced but ultimately not determined by political ideology. Its mainstream is 'orthodox', governed by one super-paradigm, the core of which is a consensus regarding informed and voluntary individual decisions, sensitivity to incentives and an overwhelming tendency for markets to clear, representing the collective outcome of myriad individual deliberations and decisions. From here, economics branches out in separate guilds that operate within 'subframes' for dealing with different aspects of the economy and various kinds of problems. The subframes quite flexibly allow for moderations and extensions of the core assumptions. While still united by one basic conception of how the modern economy works, they are able to accommodate different ideologically informed approaches and facilitate dialogue between them. Depending on context, policy recommendations may come out differently, in tune with sometimes one ideological disposition, sometimes another.[16] Historically, then, economics has been characterized by strong and increasing differentiation while at the same time remaining one integrated body of thought, in terms of both subject matter, epistemology, theory, technique and rhetoric.

In an essay written and published towards the end of his life, Rein-

15 Mannheim (1936), pp. 296, 301. For a further appraisal of Mannheim, see Henrik Lundberg: Between Ideology and Utopia: Karl Mannheim's Quest for Apolitical Synthesis, in: David Kettler & Volker Meja (eds.): *The Anthem Companion to Karl Mannheim*, Bath (Anthem Press) 2018, pp. 13–32.

16 Robert H. Nelson: The Economics Profession and the Making of Public Policy, p. 50f, *Journal of Economic Literature*, Vol. 25 (1987), pp. 49–91; Michael J. Reay: The Flexible Unity of Economics, pp. 47, 49, *American Journal of Sociology*, Vol. 118 (2012), pp. 45–87; Dieter Bögenhold: From Heterodoxy to Orthodoxy and Vice Versa: Economics and Social Sciences in the Division of Academic Work, p. 1568f, *American Journal of Economics and Sociology*, Vol. 69 (2010), pp. 1566–1590.

hart Koselleck (1923–2006) succinctly argued that patterns like this, of constant innovation within parameters changing very slowly, are essential for identifying and understanding the structural component in historical processes.[17] The confidence and influence enjoyed by economists in liberal democracies – to the chagrin of other, more marginally placed groups of scholars – may owe a great deal to this characteristic feature.[18]

Consumer sovereignty in general

It follows from the previous section that the deep semantic content of the meme of the sovereign consumer is indeed likely to be ideologically charged, depending on the specific context. However, considered as a proper concept rooted in a scholarly discipline, it is first and foremost an integral part of a stable, long lasting description of an economic institution that was and continues to be widely considered beneficial, even by persons of differing political inclinations. Thus, the sovereign consumer is a figure of speech employed in order to illustrate a stylized fact: the wide latitude granted to individuals within the institutional framework of a market economy. Although abstract, reductionist and a less than perfect representation of the real world, the theory of market equilibrium based on individual preference and choice describes an optimal allocation. It is assumed that better material welfare and a real sense of human autonomy is achieved when people are allowed to make their own decisions on personal consumption, and to do it within the non-hegemonic framework of monetized exchange. The description is in large measure an objective one, expected to explain economic behaviour in many societies and polities that are different in other respects. The ideal functioning of market-based consumer sovereignty can be hindered in several ways and even at its best implies some negative social consequences, for instance regarding equity in access to welfare. The latter may, however, be compensated for by politically determined regulation and redistribution.

17 Reinhart Koselleck: Wiederholungsstrukturen in Sprache und Geschichte, *Saeculum*, Vol. 57 (2006), pp. 1–15, cf. Helge Jordheim: Does Conceptual History Really Need a Theory of Historical Times?, pp. 32–36, *Contributions to the History of Concepts*, Vol. 6 (2011), pp. 21–41. The basic tenet of the argument, a mainstay in Koselleck's oeuvre, is, naturally, observed in Niklas Olsen: *History in the Plural: An Introduction to the Work of Reinhart Koselleck*, New York (Berghahn Books) 2012, pp. 226, 228. However, there is no trace of it in the book discussed here.

18 Koselleck (2006), p. 8. As for chagrin, see Andrew L. Yarrow: *Measuring America: How Economic Growth Came to Define American Greatness in the Late Twentieth Century*, Amherst, MA (University of Massachusetts Press) 2010, pp. 25–28, 34.

All things considered, consumer sovereignty performs well, compared with other institutional arrangements, an assessment not only implicit in economics textbooks, but shared by a wide range of authors.[19]

Consumer sovereignty is not above ideology, but the ideological component can be accounted for. Its tendency can be acknowledged by people of differing mindsets who nevertheless proceed to incorporate the incontestable parts into their own scholarship. Eventually, this feeds into the scholar's own ideological mode. Its partial incorporation provides more common ground and facilitates rational communication between group representatives as they proceed to shape policy in public debate and in government. Those who regard ideological concessions as a betrayal of the cause might consider the fact that ordinary citizens across time and space tend to find free consumer choice attractive. This preference translates into voting patterns. Some groups prefer a large amount of public spending and redistribution, reducing the share of income to be spent under the rule of consumer sovereignty. Others go in the opposite direction. But it is a difference in degree, not in kind.

There is no denying that the ideal of a society based on market equilibrium and low public expenses has a primal affinity with the political ideology of liberalism. This does not imply, though, that a socialist politician or voter who favours orthodox economic reasoning in questions of governance has fallen victim to Mont Pèlerin Society propaganda or to the inscrutable influence of neoliberal discourse. He or she may partly agree on some points, well informed and on rational grounds, yet at the same time be committed to traditional left-wing views regarding the balancing of market regulation, economic redistribution and public service provision against the economic efficiency, productivity incentives and personal freedom that a purer free-market model is supposed to provide.

Röpke on central banking

Neoliberals, so we learn, seek to turn political decisions into economic ones. They summon technocratic expertise, schooled in economic

19 Joseph Persky: Retrospectives: Consumer Sovereignty, p. 186, *Journal of Economic Perspectives*, Vol. 7 (1993), pp. 183–191; Olsen (2019), pp. 20, 52ff; Abba P. Lerner: The Economics and Politics of Consumer Sovereignty, pp. 258f, 260, 263, *American Economic Review*, Vol. 62, (1972), pp. 258–266; Joel Waldfogel: Does Consumer Irrationality Trump Consumer Sovereignty?, pp. 691, 696, *Review of Economics and Statistics*, Vol. 87 (2005), pp. 691–696; Robert E. Lane: Market Choice and Human Choice, pp. 240–244, *Nomos*, Vol. 31 (1989), pp. 226–249; George Schopflin: The End of Communism in Eastern Europe, p. 5, *International Affairs*, Vol. 66 (1990), pp. 3–16.

theory, to decide on vital issues, to the detriment of democratic participation and collective decision-making. We find an example in a series of comments on the German economist Wilhelm Röpke, a mid-20th century figure whose political suggestions are deemed 'often deeply anti-democratic' (p. 78). The author cites Röpke's view that central banks ought to be 'immunized against democratic pressure' (p. 79). But what does this quote really demonstrate? On its face, Röpke's concern does not even rise to non-democratic, much less anti-democratic.

Autonomous central banks governed by top-notch professionals under a stable political mandate is, broadly viewed, a global success. The taming of inflation following the crisis at the end of the Bretton Woods regime – and extending into the 1990s in emerging markets – can be cited as evidence.[20] Identifying the exact causes for the achievement of low-inflation regimes is complicated, though. One part of the research literature suggests that there is no strong empirical correlation between a high degree of central bank independence and a low inflation rate.[21] However, this does not imply that entrusting professional economists with conducting sound monetary policy is an inferior solution compared to political in-fighting, and anti-democratic as well. Quite the contrary: when governments successfully partake directly in doing 'what is necessary' to keep inflation down, they most likely act not in response to voters' spontaneous wishes before election day, but out of conviction that things will turn out bad if they succumb to populist tendencies in economic policy and ignore expert advice from technocrats.

There must under all circumstances be procedures of political regulation, for instance removing badly performing directors or attuning monetary policy to a radical change in circumstances other than price level development. Especially, deciding money supply while considering both inflation and the stability of financial institutions transcends a purely technocratic horizon and raises the issue of whether to locate responsibility in one unified or two mutually independent regulators.[22] Despite the complexity, indeed murkiness of these matters, there is no point in casting doubt on the democratic credentials

20 Marco Arnone, Bernard J. Laurens, Jean-François Segalotto & Martin Sommer: Central Bank Autonomy: Lessons from Global Trends, pp. 278f, 287, *IMF Staff Papers*, Vol. 56, (2009), pp. 263–296.

21 Sven-Olov Daunfeldt & Xavier de Luna: Central Bank Independence and Price Stability: Evidence from OECD-Countries, p. 420, *Oxford Economic Papers*, New Series, Vol. 60 (2008), pp. 410–422.

22 Mark S. Copelovitch & David Andrew Singer: Financial Regulation, Monetary Policy, and Inflation in the Industrialized World, p. 663–65, *Journal of Politics*, Vol. 70 (2008), pp. 663–680.

of those who believe that central banking operations are best left with experts who are shielded from political manoeuvrings and group pressure from voters. On the contrary, Wilhelm Röpke's basic argument only gains in force after considering the pitfalls of monetary policy. It may be added that even in general, regarding less difficult spheres, there are often good democratic reasons for the detachment of decision-making from party politics, for instance by setting up special agencies, boards and commissions entrusted with decisions that are discretionary yet may have a political dimension.

Ordo-liberals

I suspect that the assessment of Wilhelm Röpke indicates an overall problem with the treatment of the German Ordo-liberals (whom N. Olsen consistently designates 'neoliberals'). We learn that several of them – not Röpke, though – rendered services to the National Socialist regime. They drew up plans and made recommendations on macroeconomic and institutional governance. Also, they were typically of a conservative bent, community-oriented and so on. After the war, they were most instrumental in shaping the social market economy that under democratic rule provided stability in the Federal Republic and – conveniently – kept the working-class movement at bay. (pp. 72, 79-85, 97-99).

The picture of the Ordo-liberals as loyalists during the NS regime may be overstated.[23] On the other hand, it makes sense to assume that the group in general were not necessarily champions of civil resistance against Hitler. So, let us accept as a fact that the Ordo-liberals did contribute to public governance before as well as after May 1945. Was this perhaps a sign that NS cadres remained influential in the Federal Republic?

The author concludes his discussion in these terms: 'Against this backdrop, rather than the product of a complete *Stunde Null* … social market economy was characterized by certain lines of continuity from the German past in terms of its overall aims, discursive features, and political practices' (p. 97, see even pp. 66, 69).

I find this awkwardly vague and casual. Will there not always be 'lines of continuity' even after violent socio-political ruptures? The issue needs a more precise framing. Applying the Mannheim model, the Ordo-liberals were scholars who developed certain notions about how to optimize the relationship between the marketplace and other

[23] David J. Gerber: Constitutionalizing the Economy: German Neo–Liberalism, Competition Law and the 'New' Europe, pp. 28–30, *American Journal of Comparative Law*, Vol. 42 (1994), pp. 25–84.

political and legal institutions.[24] Their ideas are, like all others, ideologically biased and hence disputable, yet at the same time, they contain points and arguments that may be accepted as rational and fit for problem-solving across a wide politico-ideological spectrum. This means that regardless of how much government agencies under the NS regime assimilated Ordo-liberal ideas, other later governments could and can do the same without being morally tainted.

The concept of *Wiederholungsstruktur* cited above applies as well: Even anomalous periods are rich in normal phenomena that extend themselves into future days, thus providing structural continuity in time. However, the momentum provided by the repetition of material practices and thought styles does not entail replication. On the contrary, change arises from the combination of emerging structural varieties and random events.[25]

Marketization and the policy of Danish Social Democrats

As already hinted at above, it is a central assumption in the book that the paradigm of neoliberalism has penetrated all barriers, diffused through all pores and saturated the body politic (cf. pp. 2, 227). One important element of support for the thesis is that the Scandinavian centre-left, including Danish Social Democrats, took the bait. Already in the 1950s they began courting the sovereign consumer (p. 204). Much further down the road – in the late 1980s and especially the 1990s, driven by several impulses that had undermined the belief in more-of-the-same welfare policies – they went from courting to embracing (p. 218). This had a high impact on their public sector reform policies (pp. 221f, 224, 232).

Yet the author shows some caution when it comes to the actual role of the sovereign consumer in Social Democratic manifestos and policy decisions. 'Free choice rhetoric' was 'toned down' (p. 233). Nevertheless, 'free consumer choice', among other things, was 'central to all debates'. As part of market-based solutions to problems in pub-

24 For an exposition of the socalled *Freiburger Schule der Nationalökonomie's* quest for an optimum point, against which other systems of economic order might be measured, see Nils Goldschmidt & Bernhard Neumärker: Kapitalismuskritik als Ideologiekritik: Der Freiburger Ansatz des „Ordo-Kapitalismus" als sozialwissenschaftliche Alternative zum Laissez-Faire-Approach, Marburg (Metropolis-Verlag) 2009, https://www.metropolis-verlag.de/Kapitalismuskritik-als-Ideologiekritik/11636/book.do, also available (at no cost) at https://portal.uni-freiburg.de/wiwi/Unterlagen/Neumaerker/gone_ordokapitalismus_freib.pdf, retrieved on 14 August 2019.

25 Koselleck (2006), p. 4; Michael Freeden: *Ideologies and Political Theory: A Conceptual Approach*, Oxford University Press 1998, pp. 119–121.

lic service provision, citizens might act as consumers whenever doing so is meaningful (p. 234). In a book published in 1994, a group of young hot-headed Social Democrats called for decentralization, marketization and privatization as policy instruments, 'including a system of consumer choice for the services covered by the state, for example, in relation to schools and hospitals' (p. 235f). The Prime Minister quickly called them and other fellow party members to order (p. 236), but over the 1990s the party increasingly 'view[ed] the dissemination of market mechanisms and consumer choice to all areas of society as necessary …' (p. 238). The author now plays a trump as he emphasizes 'that these privatizations [of state-owned companies, such as the national airport and the national telecommunications company] took place less than five years after the Social Democratic Prime Minister Poul Nyrup Rasmussen had denied that privatizations of key public services formed part of the reform agenda pursued by his government.' (p. 239). After all, the conclusion seems to be that even the Social Democrats were unable to resist.

While admitting that this exposition is nuanced it is nevertheless flawed. In a heading on p. 7, the sovereign consumer is declared *the* key actor in the neoliberal paradigm. Conceptually and politically, however, there is only a marginal connection between consumer sovereignty and the administrative and institutional reforms in the provision of Danish public services.

Firstly, the state-owned companies mentioned as symptoms of capitulation are in fact not providers of public service. They are infrastructure or utilities (*offentlige værker*), that is, business operators whose services are being paid for by consumers regardless of whether they are publicly or privately owned, licensed, regulated or free-market agents, monopolies or subject to competition. Selling them off may be debated on various grounds as the said companies are of a different nature. The airport, for instance, remains a monopoly irrespective of ownership. The telephone company is a different story, one of increased competition. In one respect, though, it amounts to the same: payment takes place by individual transactions between producer and consumer before as well as after the privatization.

Second and more importantly, user choice between two or several options, none of which are paid for by the beneficiary, is not a marketization of the relation between the public provider and the citizen-user. Hence, consumer sovereignty does not come into question. One real life example is when local authorities introduce private, yet publicly financed providers of domestic help for the elderly as an alterna-

tive to support rendered by the municipality's own employees.[26] Those who receive the service get it for free,[27] meaning that at the consumer end there is no price. Of course, the citizen has paid through the taxes; any link from here to the individual transaction is severed, though. The consumer is faced with neither opportunity cost, that is, the utility forgone by choosing one item instead of another, nor the diminishing marginal utility that comes with consuming two items instead of one. The incentives that govern consumer behaviour in the market are out of alignment and so is the mechanism that produces market equilibrium.[28] Obviously, the purpose of this institutional arrangement is to grant equal access to welfare precisely by eliminating market mechanisms. It may or may not involve offering end users some choice between variants of basically the same service. The difference is often negligible.

On the supply side, market mechanisms do influence public service. Authorities either recruit workers for their own organization, that is, become agents in the labour market, or they outsource tasks to private firms. Theoretically, it amounts to the same, but only if one disregards the specific transaction cost structures and principal-agent problems that arise depending on the task at hand. If, for example, there are particular reasons to retain tight political and/or administrative supervision of the way work and its management are carried out, hierarchy instead of market should prevail. Such matters can be complicated to resolve, both technically and politically, and are likely to arouse ide-

26 As for the relevance and veracity of this and the following examples, including footnote 27, cf. John Storm Pedersen & Karl Löfgren: Public Sector Reforms: New Public Management Without Marketization? The Danish Case, Table 2, *International Journal of Public Administration*, Vol. 35 (2012), pp. 435–447.

27 Or, at the least, heavily subsidized. This is the case when hearing-impaired patients opt for a private supplier in order to skip the queue at the public clinic where the service, including the device, is free of charge. The patient who renounces on the public service receives a solid monetary compensation for exercising market-based consumer choice instead. For the health authorities, the advantage lies in relieving the demand pressure on the ordinary unpaid-for service system. Generally, in the Danish health sector, patients get to choose the hospital of their preference; if waiting time exceeds a certain limit they are even allowed to be treated in private hospitals, all expenses being covered by the state. It can be argued that in non-critical cases this degree of liberty of choice, unhampered by neither market mechanisms nor bureaucratic procedures, is often wasteful because it obstructs reasonable collective priorities. Either way, it is a far cry from the sombre imaginations of the anti-neoliberal discourse.

28 Jørn-Henrik Petersen: Decentralisering i den offentlige sektor 1981, p. 390, *Nationaløkonomisk Tidsskrift*, Vol. 119 (1981), pp. 378–391.

ological instincts. An optimal outcome, however, depends not on ideology but on decision-makers' greater or lesser ability to act rationally on the market as well as in governance. This makes a great difference for citizens as end users of the service, but still does not imply colonization of civil institutions by the market.

One significant example of market allocation ought perhaps to be mentioned: the voucher-like system permitting Danish parents to send their children to private, non-profit schools at a modest cost over and above the subsidy given by the state. This represents real opportunities to supply schooling with a special profile so that parents may shop around for an alternative to the ordinary, non-fee *Folkeskole*, taking price into consideration among other parameters. But then again, that option has its roots in the nineteenth century[29] and is therefore hardly an example of market fundamentalism diffusing relentlessly all over the place in our age. On the contrary, there are frequent public debates on what a reasonable level of support for private schools should amount to, measured as a percentage of the average cost per pupil in municipal schools. So, far from abandonment of genuine politics in favour of one-sided economic reasoning, the system entails substantial policy discussion on a continuous basis.

New Public Management

The connection between the sovereign consumer and New Public Management is explained in a bewildering way: NPM was 'central to the continued push toward the competition state … from the 1990s onwards. Here, the neoliberal sovereign consumer became an even more powerful and omnipresent political paradigm, …' (p. 226). One may wonder whether this means that the two phenomena, NPM and the sovereign consumer, were directly related to one another; or, alternatively, that they were merely contemporaneous, each of them constituting a distinct feature of the competition state.

Despite frequent mention of NPM, in not one single instance does the text exemplify or explain why the concept and practice of NPM must play a role in a treatise on the importance of the sovereign consumer for political discourse and mentality in our time. This is not given by definition; NPM does not target markets and consumers. Basi-

29 Anne Katrine Gjerløff & Anette Faye Jacobsen: *Da skolen blev sat i system*, *Dansk Skolehistorie*, Vol. 3, *1850–1920*, Aarhus Universitetsforlag 2014, pp. 74, 76, 125ff; Anne Katrine Gjerløff, Anette Faye Jacobsen, Ellen Nørgaard & Christian Ydesen: *Da skolen blev sin egen*, *Dansk Skolehistorie*, Vol. 4, *1920–1970*, Aarhus Universitetsforlag 2014, p. 13–16; Ning de Coninck-Smith & Lisa Rosén Rasmussen: *Da skolen blev alles*, *Dansk Skolehistorie*, Vol. 5, *Tiden efter 1970*, Aarhus Universitetsforlag 2015, p. 322.

cally, NPM is about provision – not sale – of public services. There is a strong emphasis on controlling and incentivizing employees. NPM partly resembles and is certainly congenial with the ideas of Frederick Winslow Taylor on Scientific Management about one hundred years ago.[30]

In order to understand the modern economy, one must necessarily distinguish between market (transactions) and hierarchy (governance). What happens inside an organization is not the same as what happens in the marketplace. The subject matter of NPM is revealed by its semantics: management is the word. Markets may slip in as part of the process of provision by subjecting external contractors or even internal departments to competition through calls for tender. However, these procedures only imply choice on market conditions within the sphere controlled by the supplier of a given public service, not at the point of consumption. And even within these boundaries, 'marketization' tends to be a fringe phenomenon. In Denmark at least, civil servant bureaucracy has undergone extensive NPM-driven 'modernization', yet yielded only limited terrain to alleged frictionless, spontaneously optimizing market mechanisms.[31]

Final remarks

I have tried to argue – and demonstrate – that proper theory is required in order to deal with the interplay between ideas and politics. In order to establish a fundamental platform – absent in *The Sovereign Consumer* – I have suggested the use of Karl Mannheim's sociology of knowledge in his classic *Ideology and Utopia*.

However, Mannheim's theory that ideologies adapt to reality through convergence and syncretism must now be turned on its head. Being a classical modernist, Mannheim operated under the optimistic assumption that scholarship provides a common ground for exchange

30 'Congenial': Robert Kanigel: *The One Best Way: Frederick Winslow Taylor and the Enigma of Efficiency*, London (Abacus) 2000, pp. 7–14; 'partly resembles': Gernod Gruening: Origin and theoretical basis of New Public Management, pp. 2, 18 (the column 'Principal-Agent'), *International Public Management Journal*, Vol. 4 4 (2001), pp. 1–25.

31 Christopher Hood: The 'New Public Management' in the 1980s: Variations on a Theme, pp. 95–98, *Accounting, Organizations and Society*, Vol. 20 (1995), pp. 93–109; Patrick Dunleavy, Helen Margetts, Simon Bastow & Jane Tinkler: New Public Management Is Dead: Long Live Digital-Era Governance, pp. 469–471, *Journal of Public Administration Research and Theory*, Vol. 16, (2006), pp. 467–494; Carsten Greve: Public Management Reform in Denmark, pp. 165, 168, *Public Management Review*, Vol. 8 (2006), pp. 161–169; Pedersen & Löfgren (2012), p. 445f.

and development that can improve partisan ideologies, making them fit for solving current problems by realism and dialogue instead of by resorting to utopian fantasies and entrenchment. This reasoning, as I have tried to argue, is valid even today, but a slight postmodern twist is now required.

Ironically, the strong expectations attached to scholarship as a source of reliable knowledge has led to a virtually blind acceptance of its authority in today's public discourse embedded in the mass media. Journalists, civil servants and politicians are not always sincere when proclaiming their faith in research output but operate on a selective, opportunistic basis. Nevertheless, a claim on truth is typically grounded in the *institution* of research. A researcher might win status as an influencer and earn symbolic capital.[32]

At the same time, research is nowadays an encompassing economic sector, in terms of money and employment opportunities, that quite many can join. The combination of augmented scale and stronger specialization, together with the need for companions-in-arms within this crowded competitive environment, encourages the formation of tightly knit communities – research niches – united by what resembles ideology in a pure, old-fashioned meaning of the concept. We see all over the Western world a cottage industry of studies on neoliberalism whose practitioners mutually confirm their worldview as they ply their trade. Mainstream economics is identified as 'neoliberalism' and then turned into an object of study, for instance by historicizing it, as in the case discussed here. This manoeuvre of estrangement confirms, seemingly, the academic credentials of the anti-neoliberal discourse. It relieves, cosmetically, the embarrassment arising from quixotic, non-dialogic, head-on attacks against the entire scholarly field of mainstream economics.

One can admire the determination of the endeavour, yet one must next inquire which motives govern it. While resembling a fad, now traversing the zenith of its cycle, it is, nevertheless, more than the manipulative creation of a niche environment in the vast ecological system of academia. There are manifest affinities with left-wing populism, for instance the renunciation of well-proven fiscal and monetary policies if they contain an austerity component; or, particularly in Denmark, the celebration of 'the competition state' as an apt characterization of recent developments. The question is, then, to which comprehensive

32 Erik Albæk: The interaction between experts and journalists in news journalism, pp. 337–339, *Journalism*, Vol. 12 (2011), pp. 335–348; Jannie Møller Hartley: When Homo Academicus meets Homo Journalisticus: An inter-field study of collaboration and conflict in the communication of scientific research, p. 212, 213, 218, 222f, *Journalism*, Vol. 18 (2017), pp. 211–225.

social group the ideology appeals, besides the intellectual elite who outlines the ideas. What is the core of that group? Does anti-neoliberalism represent the emergence of a new 'new left'? Who and how many might rally around its banner? Will the working class join in, or is it a middle-class phenomenon? The sociology of knowledge may yet provide answers to those questions.