

Reply to my sovereign critics

BY
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Let me begin by thanking *Historisk Tidsskrift* for organizing this exchange, and Keith Tribe, Bo Fritzbøgger and Jan Pedersen for taking the time to publish their excellent, stimulating and also provocative comments on my *doktordisputats*. It is an honor to be critiqued by scholars whom I admire and from whose work I have learned much.

It is by no means an easy task to reply to the comments. First, I largely agree with many of the criticisms raised, especially those voiced by Tribe and Fritzbøgger, and I have little to add to them. Second, it would exceed the pages at disposal to comment on all issues raised in the comments. Consequently, I have chosen to keep my reply rather short.

A reply to Keith Tribe

I have learned much from Keith Tribe's erudite account of what eighteenth and nineteenth political economists had to say about consumption and consumers. Altogether, it leaves no doubt that there is a much richer and more complex backstory to the analysis of the twentieth century than provided in my book. My decision to rely on secondary literature in this respect was conditioned by the fact that the distinct connection between capitalism, consumers, liberalism and democracy, which I argue is at the core of neoliberalism, simply did not exist before the early twentieth century. Rather than exploring in-depth the source material on pre-twentieth century consumer-discourses (a task that would have required a second *doktordisputats*), I chose to focus on tracing the invention and development of this particular twentieth-century connection (which is my period of expertise) in order to flesh out my main narrative and argument. This analytical focus also explains why I refrain from defining Weber's work in terms of neoliberalism. The distinct connection between capitalism, consumers, liberalism and democracy is simply not present in his work.

Overall, I am pleased to learn that Tribe's findings concerning eighteenth and nineteenth political economy do not undermine my argument, but rather reinforce it. In this respect, I find particular useful Tribe's perspective on how Ludwig von Mises restricts the potentiality of the marginalist framework and obscures the complexity of the economic system, by narrowing down the idea of the consumer to refer only to the end user, framed as a sovereign consumer in a market situation. This provides an important extra dimension to my portray-

al of Mises as the founder of the neoliberal political paradigm and the figure of the sovereign consumer.

On the one hand, I agree with Tribe's comments that a focus on a range of further contexts related to the twentieth century developments might have strengthened the analysis. These include the branding of goods in marketing and its relation to microeconomic theory in the early twentieth century, the role of London School of Economics in the creation of modern textbooks, and the broader field in which German neoliberalism emerged and developed from the 1920s to the 1960s. On the other hand, I believe I selected the most relevant contexts to explore the invention and making of the sovereign consumer, and that the inclusion of an indefinite number of additional contexts would result in a weakening of the innovative argument launched in the book. The exclusion of contexts is thus also a conscious methodological choice, as is the decision not to explore, at least not in depth, themes covered by other researchers, such as the development of consumer languages and identities within the realms of advertisement and motivation research.

A reply to Bo Fritzboøger

Bo Fritzboøger's shrewd comments concern both the theoretical-methodological framework, the overall argument and some specific interpretations developed in the various chapters – often at the same time. Among other things, he rightly points out that my definition of the neoliberal sovereign consumer, and in effect my overall argument, is at times unclear. His prime example addresses my account of German neoliberalism. Although I claim in the introduction that neoliberals have always mobilized the sovereign consumers for their purpose, I argue in a later chapter that early German neoliberals did not include the sovereign consumer in their political language before the late 1930s. However, I think this deficiency in definition and interpretation could easily be salvaged by admitting an exception to the rule, as I do elsewhere in the book. In chapter five, on the discipline of economics, I write that American public choice theorist James M. Buchanan “represents an exception to the general rule outlined in this book, namely, that neoliberals have consistently mobilized the sovereign consumer in their efforts to sketch new liberalisms.” (175) After all, most historical patterns are characterized by exceptions to the rule, and admitting two in respect to the neoliberal sovereign consumer would not weaken my overall argument.

Fritzboøger asks whether I might as well have chosen to study the notion of consumer sovereignty instead of the sovereign consumer (after all, he notes, it had a far wider use). My reply is that, in contrast

Ludwig von Mises (1881-1973) occupies a complex place in the field of neoliberalism research. On the one hand, he is often portrayed as a classical liberal rather than neoliberal with reference to his strong commitment to laissez-faire economics. On the other hand, scholars have recently begun to portray Mises as a key figure in the emergence of early neoliberal thought. I contend that Mises was in fact the inventor of the neoliberal political paradigm and the key actor it utilized – the sovereign consumer. Photo: Wikipedia.



to the sovereign consumer, consumer sovereignty does not qualify as what I call a key actor and consequently holds a more limited analytical potential. As I write in my introduction, in order to become established and function, any political paradigm arguably needs to be legitimized with reference to certain key actors as role models of political, economic and social behavior. These key actors are not real individuals, but they are very real as subjects of economic and political theory, legislation and regulation. Key actors are often (though not always) constructed in the realms of science and politics, as well as in the interaction between scholars and politicians who claim to offer solutions to societal challenges that protect and benefit these figures and rely on assumptions and arguments concerning their needs. As such, they give meaning, coherence and legitimacy to our economic practices and thinking, both collectively and individually. As a primarily analytical notion from the discipline of economics, the notion of consumer sovereignty does not refer to an individual or a subject, and therefore is not open to the same imaginaries and societal-political uses, as is the case with a personified key actor. This explains why neoliberals chose to mobilize the sovereign consumer and why I focus on this key actor in my analysis.

Fritzbøgger also presents a number of comments that challenges my interpretations of the Danish case. One of these comments concerns

the account of the emergence of the social-political concept of the consumer in Denmark. Contrary to what I claim, Fritzbøger argues that the co-operative chain of shops was closely associated with the social-political category of the consumer. This may very well have been the case, though it should be noted that the founder of the first Danish “brugsforening” did in fact not use the term “brugs”. Similar to his contemporaries, he spoke of “arbejderforening” (workers co-operative).¹ Likewise, the concept of the consumer does not appear in the quote from the 1892 co-operative bylaws that Frizbøger quotes. To be sure, I will certainly not dispute that it is possible to construct (or study) consumer languages and identities without invoking the specific concept of the consumer. My point is rather that we know little about consumer languages and identities in nineteenth century Denmark. Here lies an avenue for further research.

The same is the case with respect to the period from the 1970 onwards. In his comments, Fritzbøger points to the co-existence of a variety of consumer ideas in this period. Next to ideas of the sovereign consumer, these include the anti-consumerist ideas that manifested themselves in the 1970s, ideas that invoked old ideals of consumer co-operatives in the 1980s, and the internal criticism of the liberal attempts at implementing market-like management of the public sector in the 1990s. It is, I concede, a weakness of the book that these discourses are not discussed in my analysis. Such a move could have served to soften up the account of our epoch, in which the sovereign consumer is (wrongly) presented as the single, uncontested and thoroughly hegemonic consumer ideal. Further research, so I learned from Fritzbøger’s comments, is needed to grasp the complexity of this period.

A reply to Jan Pedersen

Jan Pedersen presents a large number of questions and criticisms divided into nine headlines (excluding his rather wide-ranging final remarks). I will answer only a few of them.

I will begin by expressing a strong disagreement with Pedersen’s observation that I do not engage “in critical exchanges with other scholars”. In a well-established field of research, scholars rarely position themselves vis-à-vis existing research by pointing to “those who are getting it wrong”. Clearly, in the case of neoliberalism, none of the three mentioned schools of research got it wrong. They have left ques-

¹ Kristoffer Jensen, “Etableringen af en dansk forbrugerkooperation”, Kristoffer Jensen, *Brugsen – en anderledes forretning, 1866-2016. Dansk brugsbevægelse fra pastor Sonne til det moderne Coop* (Samvirke: Albertslund, 2016), p. 29.

tions unanswered, such as the question how neoliberalism has been legitimized. To answer this question, I use the novel analytical framework related to the above-mentioned idea of the key actor to launch an innovative argument: the sovereign consumer has been crucial to the ways in which neoliberals have constructed and justified their visions of modern society ever since the interwar era. This is why I (provocatively and presumptuously) title my book *A New Intellectual History of Neoliberalism*.

Pedersen rightly points out that I do not define the term ideology. In brief, I proceed from Michael Freeden's understanding of ideologies (which we might also call "worldviews" or "mentalities") as made up by a morphology of concepts, and his ambition to interpret ideologies as particular combinations of meaning from indeterminate range of meanings at the disposal for a society. Freeden focuses mainly on ideologies as located in "isms" (liberalism, conservatism, socialism etc.). However, the assumption is that ideologies are found in all spheres of society, including within the discipline of economics. But Pedersen and I seemingly understand the relation between economics, ideology and the sovereign consumer somewhat differently. Pedersen wants to stress economics as "a cumulative enterprise", and the sovereign consumer as an economic institution "widely considered beneficial", embodying an "objective" description of reality that "performs well." My ambition is to show how ideas of economics and of the sovereign consumer reflect wider social-political changes and disciplinary contestations, and are influenced by historical actors who use concepts such as the market, efficiency and consumer sovereignty to make sense of and order the world, and at times employ these concepts as tools to pursue their political visions.

The question, raised by Pedersen, as to whether central banks are more democratic than other political decision-making mechanisms and institutions ultimately depends on one's definition and ideal of democracy. There can be no doubt that neoliberals have successfully contested (and some, including Wilhelm Röpke, have outright rejected) traditional meanings of democracy that emphasize public deliberation and majority voting as the primary sources of legitimacy in political decision-making. Most importantly, for many neoliberals, the market represents a superior solution to securing the individual citizen's representation and participation in sociopolitical processes. This is a solution that supposedly allows for individual choice, unbound by the will of the majority and eclipses the idea that social movements, unions, and organizations can empower segments of the population to improve their living conditions and promote sociopolitical rights. Neoliberals wanted to constrain the mechanisms of traditional politics

on behalf of market democracy, which is focused on consumer choice and the price mechanism. This ambition is reflected in the building of a regime of international institutions, such as central banks, that have been immunized against the pressure of mass democracy to protect the market order, as Quinn Slobodian convincingly shows in his widely praised *Globalists: The End of Empire and the Birth of Neoliberalism*.²

William Davies correctly speaks of neoliberalism as “the pursuit of the disenchantment of politics by economics”.³ The point is that neoliberalism rehabilitates and re-enchants the market and its virtues, giving primacy to the economic over the political. Against this background, Wendy Brown is surely right to state that neoliberalism undoes (traditional notions of) democracy by turning it into a market place.⁴ However, if we want to understand, and criticize and perhaps even offer a viable alternative, we must recognize its force as a positive program that also rallies popular support through appeals to democratic legitimacy by means of referring to key actors such as the sovereign consumer. This is the most important message of my book.

² Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Harvard University Press: Cambridge Massachusetts, 2018)

³ William Davies, *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition* (London: Sage, 2014), 4.

⁴ Wendy Brown, *Undoing the Demos. Neoliberalism's Stealth Revolution* (Zone Book: New York, 2015).