Forging a neoliberal knowledge elite (perspective) and restricted pluralism: The history of the Mont Pèlerin Society networks of intellectuals and think tanks

By Dieter Plehwe

"Socially approved knowledge is the source of prestige and authority; it is also the home of public opinion. Only he is deemed to be an expert or a well-informed citizen who is socially approved as such. Having obtained this degree of prestige the expert's or the well-informed citizen's opinion receive additional weight in the realm of socially derived knowledge. In our time socially approved knowledge tends to supersede the underlying system of intrinsic and imposed relevances. Polls, interviews, and questionnaires try to gauge the opinion of the man on the street, who does not even look for any kind of information that goes beyond his habitual system of intrinsic relevances. *His opinion, which is public opinion as it is understood nowadays, becomes more and more socially approved at the expense of informed opinion and therefore imposes itself as relevant upon the better informed members of the community. A certain tendency to misinterpret democracy as a political institution in which the opinion of the uninformed man on the street must predominate increases the danger.* It is the duty and the privilege, therefore, of the well-informed citizen in a democratic society to make his private opinion prevail over the public opinion of the man on the street" (Alfred Schütz, "The Well Informed Citizen. An Essay on the Social Distribution of Knowledge", 120-134 in: Alfred Schütz, 1976, *Collected Papers II, Studies in Social Theory*, The Hague, p.134, emphasis added).

Alfred Schütz was an important philosopher of knowledge. Paradoxically, his insights guided a generation of younger radical scholars towards the development of a critical, post-positivistic approach in policy studies. Phenomenologists like Schütz were eagerly read and cited to introduce the linguistic, and more critically argumentative turn in policy studies and, eventually, in other social science (sub-) disciplines. Yet, Alfred Schütz was not himself a champion of many progressive let alone left wing causes. He shared the deep scepticism towards egalitarian democracy with fellow Austrian School (of Economics) disciples like Ludwig von Mises, Friedrich August von Hayek, Gottfried Haberler and Fritz Machlup. He also shared the formative experiences of critical thinking of this element of a new (post WW II) right (wing liberalism): the cosmopolitan and interdisciplinary character of the Vienna circles stretching form the decidedly socialist positivism of Neurath to the hypothetical apriorism of von Mises, from natural scientists to the fine arts, from university chairs to chamber of commerce officials. And he shared the deprivation and stimulation of exile after the rise of Austrian fascism ended a truly pluralist if fairly elitist debating clubs of the 1920s. Exile can both end and start careers. It killed Stefan Zweig and many other sensitive souls. It propelled academic loosers in their native homeland Austria like von Mises (who was Jewish, earned his money in a Rockefeller Foundation funded business research institute) and his student Fritz Machlup (who headed his family's cardboard business in lieu of academic career opportunities) to esteemed university positions in the American safe haven. While some jobs were secured by private sources (right wing business foundations like the Volcker Fund in the case of von Mises at NYU and von Hayek at Chicago), Machlup and Haberler thrived in regular academic settings: the former at Buffalo, John Hopkins, Princeton and NYU, the latter at Harvard. Alfred Schütz was not quite so lucky. He wrote his major works during his spare time working as a full time banker. His phenomenological sociology at the time was marginal in a field dominated by the structuralist functionalism of Talcott Parsons and the empirical research orientation of Merton and Lazarsfeld. Only in 1952 he became a full professor at the New

School for Social Research, and much of his work has only been published after his death.

While Schütz figured prominently next to philosophers of science like Foucault and Habermas for many 1968ers, Austrian economists have recently tried to show how close Schütz in fact has been to the Viennese neo- (i.e. right wing) liberals who joined forces with like minded individuals from Germany, France, the UK, Scandinavia, the U.S. and a few scattered places elsewhere (South Africa and Mexico, for example) right after WW II. At Mont Pèlerin in Switzerland (near Geneva), a group led by Hayek, Röpke and the Swiss business man Albert Hunold founded the Mont Pèlerin Society, an international association of scholars and intellectuals, to develop a neoliberal alternative to collectivism and socialism, social liberalism, social democracy and communism (compare Walpen 2004, Plehwe and Walpen 2006, Mirowski and Plehwe, forthcoming[1]). Possibly because of the earlier participation in right wing liberal debates of first hour spin experts like Walter Lippmann, and in face of the massive indoctrination powers at the disposal of modern rulers in democratic societies – let alone contemporary Proletarian dictatorships and Nazi Regimes –, the emerging transnational (comprehensive) discourse community[2] was deeply worried about the postwar *mainstream* in science

[1] Walpen, Bernhard, 2004, Die offenen Feinde und ihre Gesellschaft. Hamburg: VSA, Plehwe, Dieter and Bernhard Walpen, 2006, "Between network and complex organization: the making of neoliberal knowledge and hegemony", 27-50, in: Plehwe, Dieter, Bernhard Walpen and Gisela Neunhöffer, eds, 2006a, Neoliberal Hegemony: A global Critique. London: Routledge (RIPE Series). Mirowski, Phil, Plehwe, Dieter, eds., The Road to Mont Pèlerin. The Making of the Neoliberal Thought Collective, Cambridge: Harvard University Press (forthcoming 2009).

[2] Comprehensiveness sets the neoliberal discourse community apart from epistemic and other communities described in the literature so far. The neoliberal discourse community is a Weltanschauungsgemeinschaft, and has both created and further developed the fundamental values and principled beliefs that guide the formation of more concrete types of (academic and

and society. While Lippmann changed sides once again to embrace social liberalism after the war and became a strong force in the global expansion of social technocracy via the Ford Foundation, Hayek, Röpke, Friedman and many others attempted to recover a socially approved knowledge position (within and beyond academia) to fight the global expansion of what appeared at the time to be the irrevocably socially approved position of Keynesianism, planning, and expansionary welfare state "socialism."

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"Richard Fink, president of the Charles G. Koch and Claude R. Lambe charitable foundations…argued that the translation of ideas into action requires the development of intellectual raw materials, their conversion into specific policy products, and the marketing and distribution of these products to citizen-consumers. Grant makers, Fink argued, would do well to invest in change along the entire production continuum, funding scholars and university programs where the intellectual framework for social transformation is developed, think tanks where scholarly ideas get translated into specific policy proposals, and implementation groups to bring these proposals into the political marketplace and eventually to consumers" (Covington, Sally, 2005, "Moving Public Policy to the Right: The Strategic Philanthropy of Conservative Foundations", 89-115 in: Faber, Daniel R., Deborah McCarthy, eds., 2005, Foundations for Social Change, Lanham: Rowman and Littlefield, here: 91-92).

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other) knowledge. Comprehensiveness also refers to developing appropriate techniques to source, generate, disseminate and apply knowledge including the organizational innovation of the partisan think tank (see Plehwe, Dieter, The Making of a Comprehensive Transnational Discourse Community: The Mont Pèlerin Society of neoliberal intellectuals (and think tanks), in: Quack, Sigrid, Djelic, Marie Laure, Transnational Communities, Cambridge University Press, (forthcoming 2009).

Exactly why Sally Covington subsequently argues that Fink was making good use of market metaphors and adapting laissez-faire economist Friedrich Hayek's model of the production process to social change grant making (ibid., 91) is unclear since the striking aspect of Richard Fink's 1995 quotation (and Hayek's knowledge strategy) is the very opposite of the hidden hand (Adam Smith) of free market competition. Fink obviously refers to the visible hand (Alfred Chandler) of managerial organization, namely the straightforward and meticulous planning of (knowledge) production across several stages (vertical integration if you wish) barely hidden behind a (political) market and citizen as consumer (sic!) rhetoric.

The key invention and site of this production and the further development of the intellectual division and integration of labor is the *partisan* think tank, and the *partisan* think tank networks founded in the vicinities of the Mont Pèlerin Society Network. Think Tanks to a certain extent supported and coordinated by umbrella organizations like the Atlas Economic Research Foundation, the International Policy Network and/or the Stockholm Network can be used to produce yearly global products like the Economic Freedom of the World Index, to channel the neoliberal draft constitution developed by the neoliberal European Constitutional Group or general pamphlets against ATTAC and other globalization critics like Norberg's In Defense of Global Capitalism (published at Timbro, a Swedisch member of the neoliberal family). Their transnational, transdisciplinary, interdisciplinary, and transprofessional intellectual, research, media, policy advisory and organizing capacities are hitherto unmatched by competing forces despite the coming into existence of competing think tank(s) networks founded during the 1990s (e.g. Soros networks, the transform network of the European left) or older networks of Social Democracy and Trade Unions (e.g. F.-Ebert Foundation and partner organizations), which, in the case of New Labour, have themselves been moved to embrace neoliberal philosophy and market doctrines to a great extent. Studying neoliberal think tanks and think tank networks therefore needs to go beyond a critical analysis of think tank political power relations at any given historical point in time to

account for the transformation of intellectual hegemonic constellations (from social liberal to neoliberal) in order to adequately account for and critique the restrictions of pluralism in the present "global knowledge power structure" (Strange, Susan, 1988, *States and Markets. An Introduction to International Political Economy*. London: Pinter Publishers).