
This is the author’s response to a book review essay, “Monopolizing Neoliberalism Away”

Critique, rejection, failure … of these wonderful things academia is made.¹ Or something to that effect.

It’s always gratifying to know that someone is reading your work, even if critically, and so I want to thank Brett Christophers for his vigorous critique of my new book, *We Have Never Been Neoliberal: A Manifesto for a Doomed Youth* (Birch 2015). At the same time, reading his words did produce some butterflies, as well as frustration. I call what Christophers has done a “critique” rather than a “review” because he provides the reader with little sense of what my book is actually about or what is even in it. Considering the lack of any run-down of my argument in Christophers’ critique, I find it necessary to provide one here; there is a logic to the book—I promise!—even if it’s not clear from what Christophers wrote.

But first, I have an admission to make … I struggle, and increasingly so, with the use of neoliberalism as an explanatory concept—whether it’s drawn from human geography or political science or sociology or wherever—and as the thing we need to explain in our research. To me, if not others, it seems difficult, nigh impossible, to reconcile so many different representations of...

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¹ As an aside, Christophers suggests that “even those readings of neoliberalism and contemporary capitalism that Birch finds most agreeable are given a ticking-off of one sort or another; those he is less partial to are comprehensively excoriated”. I had actually thought I’d been rather polite in my assessment of the various theories of neoliberalism I discuss, even though I disagree with them or at least certain aspects of them.
neoliberalism—as governmentality, as elite class resurgence, as ideational project, as epistemic thought collective, as geographical process, and on and on—with so many manifestations of neoliberalism in the world. How do we analyse the relationship between ideas and policies? How do we explain the causation we have to assume between them? Neoliberalism is a concept that is in danger of becoming analytically useless as a result. I think Christophers’ critique and my response simply illustrate the real problem with neoliberalism as an analytical spanner in our intellectual toolkit. We do and can disagree on a range of things: how to characterize neoliberalism? How to define neoliberal ideas? How to define neoliberal policies? How to theorize the relation between these ideas and policies? Is neoliberalism about “free” markets or not? What do neoliberals think about monopoly? How do they and we understand the relationship between markets, competition and monopoly? Etc, etc, etc…

This is part of the reason I wrote the book in the first place. The other was to see if I could write something for a popular audience—rather than an academic one—and so the book is, in many ways, an experiment; can I do such a thing? Will anyone read it? Etc.

In this response I’m going to outline my argument in the book and then respond to some of the key points raised by Christophers. I start at the end of the book and go backwards from there; not for some teleological reason but because that is where Christophers starts.

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To the end then—the sub-title, A Manifesto for a Doomed Youth, represents my politics, as it were, behind writing the book. Basically my suggestion is that the “doomed youth” should consider simply not paying interest—of any sort—as a strategic option for living their lives. i.e. don’t get a mortgage, don’t take out student loans, don’t borrow to consume, etc. A sort of economic rent
strike. While Christophers criticizes this manifesto as ultimately counter-productive to anyone who follows it, I think he misses the point I’m trying to make—which could be my fault since it might be more of an implicit rather than explicit point, even if it does follow from my preceding arguments. Christophers (2015: 4) refers specifically to student debt as follows:

If all aspiring college students say no to debt and college then, sure, capitalism as we know it would indeed be in trouble; but *individuals* taking Birch’s advice simply risk disadvantaging themselves vis-à-vis their more pragmatic peers. That’s how neoliberalism works. It disciplines us to conform.

To be clear, I never suggest that young people simply shouldn’t go to university; that’s not my point. This is my point:

At the same time you have to listen to those who got their degrees and opportunity bang on about how valuable a university education is and why that means students should pay for it—not that these people would ever suggest they pay more for theirs through higher income tax. There is a terrible logic at work here; education is turned into an individual benefit when it comes to you on the back of claims made about it when it was a collective good for me and my parents. (Birch 2015: 170)

Student debt is one example of the transformation of societies into asset-based economies—something I go through in Chapter 4 beforehand and will talk about just below—in which all aspects of our lives are converted into assets, i.e. capitalized and monetized; this is very much the point of the manifesto. Our economies are not deeply problematic *only* because of debt, as
argued by the likes of Maurizio Lazzarato (2012). They are also problematic because of the flip-
side of debt; it’s an asset for someone else. Half the population is dependent on debt for their
income and wealth (e.g. pensions, house prices), while the other half are pushed deeper and
dereeper into indebtedness with few of the benefits previous generations experienced (e.g. falling
pensions, higher housing costs, lower returns on education, etc.). We’re eating our young,
economically- and politically-speaking. To me, the logical response is to refuse to be someone
else’s lunch (i.e. asset). This is why I end Chapter 4—the one immediately before the “manifesto”
chapter—with the comment that “…we are the zombies, chowing down on our own brains and
those of our neighbours with wanton disregard for the consequences of our actions or the
indigestion we’ll suffer” (Birch 2015:110-111).

The enduring popularity of the zombie-neoliberalism trope aside, what led me to this
statement? Well, it’s the argument that our societies have not neoliberalized, but have actually
assetized—something that Christophers totally fails to mention, at all, in his piece; and Chapter 4
is even called “Assetization and the Concentration of Economic Power”. Focusing on the
relationship between competition and monopoly means that Christophers has simply ignored a
critical part of my book—one that I think contributes most to current debates. Summarizing
briefly, I conceptualize assetization as the increasing transformation of things (e.g. objects,
relationships, structures, knowledge, etc.) into assets, especially intangible assets, and their
subsequent monetization:

Assets are property (i.e. they are controlled) and resources (i.e. they produce income) at
the same time; unlike commodities. Back at the start of the 20th century, Thorstein Veblen
defined assets as “capitalized on the basis of income-yielding capacity, and possibly
vendible under the cover of a corporation security (as, e.g., common stock), or even
under the usual form of private sale”. Moreover, Veblen states that “capitalization…is a special case of valuation” which has important implications for understanding how our economies have changed. (Birch 2015: 122-123)

As a result, economic rents, rentiers and rentiership are increasingly dominant forms of political-economic value, valuation and activity (cf. entrepreneurship), especially when it comes to knowledge and other intangible things—this is not a major claim in my book but is an argument I’m currently developing further. As Veblen (1908) argued, the creation of intangible assets represents the capitalization of “habits of life”—e.g. taste, trust, loyalty, community, etc.—and they now, according to estimates, represent the dominant form of value in society. This is why they are important and why I argue that assetization is a critical and under-theorized process. Where this comes out most clearly is in the valuation of businesses, especially publicly-listed corporations, and then with corporate governance and organization. Here’s an example of its relevance:

Technically this means that asset values (or, really, shareholder value) are determined by the operations of traders making trades on the stock market; in this sense, there is no underlying value to any business’ assets. This form of valuation is legitimated by the rise of intangible assets because anything that can’t be accounted for after a market valuation (e.g. trading of shares) can be classed as part of the intangible assets of the business. (Birch 2015: 140)
The issue here is the reorientation of corporate governance and organization that heralded the emergence of an asset-based economy, especially the dominance of massive corporate monopolies.

Chapter 3 seems to be the one that Christophers takes most issue with as it deals with this idea of corporate monopoly—it’s understandable, I guess, since this is the focus of his own (really excellent) research (e.g. Christophers 2013). When it comes to monopoly, I try to argue that it’s not neoliberal ideas that led to monopoly—since the latter has existed since the end of the 19th century—but rather certain schools of neoliberalism (e.g. Chicago) adapted their positions to fit comfortably with monopoly and were enrolled in legitimating the freeing of big business from antitrust oversight. As I argue: “What does matter is that people like Bork and Posner supported corporate monopoly because of, and not despite, their assumptions about free markets and competition” (Birch 2015: 104). What makes this important now is that there are several layers to monopoly in our economies: the first layer represented by brand name companies (e.g. P&G, Coca-Cola, Amazon, Google, etc.); the second layer by “unknown” suppliers who supply those brand name companies; and the third layer of financial institutions, especially institutional investors (e.g. Fidelity, Vanguard), which own a significant proportion of the overall stock market and of individual companies, as well as other financial assets. My main point is that the relationship between ideas and policies matter to our analytical take on neoliberalism, even when we might be able to identify a causative relation—whether or not a set of policies (or a process) reflects a set of ideas is an important issue to untangle. I come back to Christophers’ critique of my arguments here in more detail below.

This brings me to Chapter 2 in which I wanted to problematize the notion that neoliberal ideas actually inform society or policy. I do so by examining two policies that are generally used to represent neoliberalism; monetarism and fiscal prudence (or austerity). My conclusion, in light
of the empirical evidence, is that neither policy was pursued by governments in the “Atlantic Heartland”—this either means Thatcher and Reagan weren’t neoliberal or that neoliberalism has to be redefined. Here Christophers takes me to task for ignoring—I assume—other “examples of neoliberal policies embodying and enacting neoliberal ideas”, in which he includes: “Independent central banks, anyone? Deunionization? Dismantling of capital controls? Welfare state retrenchment? Entrepreneurial urbanism? Workfare? Deregulation of financial markets? Structural adjustment programs? Privatization?” (2015: 6).

While my argument wasn’t about these things, we still can question them as well if we want. Some central banks were set up as independent before neoliberal ideas came into vogue, so it’s not clear that they are specifically “neoliberal”; deunionization is linked to deindustrialization which started in the 1960s in places like the UK and USA, while attacks on unions have been ongoing since workers first mobilized; dismantling capital controls happened in the mid-1970s in the USA and UK, and was enacted in response to the rise of Euromarkets, while David Harvey (2005) characterizes China as neoliberal even though it has not dismantled its capital controls; social, welfare and education spending actually increased under people like Thatcher (see Birch 2015: 69), and government spending in general increased during the last few decades of the 20th century (Birch 2015: 66, 158); scholars argue that deregulation is over-stated (Braithwaite 2005), more complex than first appears (Vogel 1996), and didn’t happen in financial markets (Abdelal 2007); privatization, as with public sector outsourcing, can be characterized as the granting of “natural” monopolies rather than instituting markets (Birch and Siemiatycki 2015); and so on. My view is that Christophers’ list of policies is just not adequate for identifying neoliberalism in the world.

With Chapter 2 my aim was always to show how dissecting the characterization of neoliberal ideas and policies highlights a large number of ambiguities in the relation between the
two, and these ambiguities are not easy to push aside with the argument that economies are now neoliberal and we need to explain this through an analytical lens in which we treat it as a process producing hybrid outcomes and effects. It just doesn’t satisfy me anymore.

In coming to Chapter 1, it’s evident that Christophers has little to say about it in his critique; apart from the fact, that is, that he thinks it’s “just silly” on my part to argue that:

…we cannot identify any single or homogenous “neoliberal” rationality or immutable and static neoliberal technologies. It is in this sense that I claim we have never been neoliberal–it is always evolving, becoming something new, something different. (Birch 2015: 43)

My central point here, however, is that “we can’t actually be neoliberal because we can’t identify a neoliberal rationality as opposed to neoliberal rationalities” (Birch 2015: 43, emphasis added). My intent in this chapter was to highlight the diversity of schools of neoliberal thought in order to problematize the notion that there is one neoliberalism–remember this is a book for a popular audience, who don’t necessarily read widely about these issues and may therefore have preconceived ideas about what it is. In this chapter I outline this diversity–e.g. Italian, Austrian, German/ordoliberal, Chicago (first and second schools), British, Virginian–in order to show that we can’t simply identify something as “neoliberal” in the singular. The same could be said for capitalism, as the vast literature on comparative political economy illustrates, so I’m not sure why it’s “silly”. In fact, they are connected since the German social market economy is directly related to ordoliberalism (Dardot and Laval 2014).

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I now get to the meat of Christophers’ critique, which focuses on the relationship between competition and monopoly. I have a number of points to make in response.

First, Christophers mixes up two things in criticizing my take on the treatment of monopoly in the neoliberalism literature—one is analytical and the other empirical. Analytically, and despite what Christophers claims, geographers—and I’ll focus on them here since this is Antipode—do not place business organizations at the centre of their epistemology, for obvious reasons. I think the lack of analytical attention to businesses and corporations in geographical analyses of neoliberalism is problematic—even if they do mention them. We need a better analytical understanding of business organizations, governance, form, law, etc. in geography, and some excellent work is being done in this area (e.g. Barkan 2013). Outside geography, Colin Crouch (2011) provides one of the few discussions of the relationship between corporations and neoliberalism, hence why I discussed his work in detail in my book. Empirically, there are very few academic studies of corporate monopoly, at least up-to-date ones or ones that show changes in monopoly over time—I tried finding them and only came across a few (which I cited). I’m not sure why this is; I thought it’d be easier to find examples.

Second, despite what Christophers suggests—and I agree with him on this point analytically (see Birch and Siemiatycki 2015; Birch forthcoming)—neoliberalism is frequently equated with “free markets” in popular (and academic) discourse. It’s an easy shorthand, attested to, for one example among many, in the reviews of Block and Somers’ (2014) new book The Power of Market Fundamentalism. We may not like this characterization, and we may seek to theorize it away, but neoliberalism and free markets are seen as synonymous by many people. Remembering that my book is meant for a popular audience explains why I equate neoliberalism and free markets; I want to problematize this popular notion and, instead, highlight that...
neoliberalism (or whatever we want to call it) is about monopolies. Especially about “freeing-the-monopolies”, as I put it. This is as much a political move as analytical one, since it highlights the disjuncture between claims about free markets (and associated metaphorical “goodness” of freedom, choice, liberty, etc.) and reality about the lack thereof.

Third, and requiring a rather long discussion, Christophers raises a key theoretical issue with any discussion of neoliberalism—what is a market? This has direct implications for how we define competition and monopoly—which is Christophers’ key critique of my book. According to Dardot and Laval (2014)—who I’m reading right now—what distinguishes neoliberalism from neoclassical economics is their different conception of markets. Dardot and Laval suggest that neoclassical economists—formed by marginalist theories—frame the market and competition as a “condition”, e.g. a situation in which there are lots of buyers and sellers. Consequently, where a situation does not meet this condition (e.g. one or only a few buyers or sellers) then competition is not “pure and perfect” and, hence, monopoly disrupts market equilibrium. In contrast, they argue that Austrian neoliberals like Hayek and von Mises frame markets and competition as a “subjective process” of discovery, e.g. prices provide information to market participants which helps them make choices. Where choice is restricted (which can be conceived as another form of monopoly), then competition cannot function properly. To put it simplistically perhaps, it’s possible to argue that neoclassical economics focuses on inputs (e.g. buyers and sellers) and Austrians on outputs (e.g. prices)—although the latter is dynamic in that prices then inform further choices. We then might add a third framing in the middle to understand markets as a mechanism of exchange (e.g. how transactions can or can’t happen due to costs)—the work of Ronald Coase (1937) and others on transaction costs fits here, but that’s for another time.

What this brief discussion is meant to illustrate is that markets, competition and monopoly are not one thing or another. There is no single historically consistent, politically
enacted version of markets, competition and monopoly. Nor is there one analytically accurate, technically precise definition. Why might this matter? Well, I’m sure Christophers would generally agree that economic ideas are partially performative–not necessarily in the sense used by Michel Callon (1998), but in the sense that economic ideas influence economic practices and policies. And history shows us how ideas about monopoly, for example, have influenced things like antitrust policies quite significantly, which somewhat contradicts Christophers’ (2015: 12) argument that:

…amongst the various main schools of economic theory, the only one, to my knowledge, which subscribes to the position that monopoly and competition, corporate power and markets, are mutually exclusive is a highly stylized and formalized neoclassicism–the neoclassicism, that is, of so-called “perfect competition”.

And answers his question: “But why? Who says that monopoly and markets–and, thus, the competition that is seen to define markets–preclude one another?” (Christophers 2015: 11).

Policy-makers in many countries have sought to protect competition against monopoly for over a century. And even though technical understandings of monopoly have changed, as I point out clearly in my book, this change was predicated on finding some way to legitimate monopoly (e.g. change it into concerns with consumer welfare; Birch 2015: 102) rather than simply brush it away as yet another reoccurring problem with capitalism we just have to live with. It was seen as a problem; it was embedded in policies as a problem. The fact that supposedly neoliberal ideas are part of the rehabilitation of monopoly in our political economies is an important point to make (see also Davies 2010). It is not, in regards to another of Christophers’ claims, the same as saying that neoliberalism sanctions monopoly; my point is that
neoliberalism became useful because it rehabilitated an existing trend towards monopoly, not that it caused that trend.

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To end—the overall and general claim of my book is that neoliberal ideas, in the plural, have ended up following wider political-economic trends and policies (e.g. financialization, corporate monopoly, changes in antitrust regulation, etc.); they do not drive them. At some point neoliberals saw the tactical benefit of adapting themselves and their ideas to these political-economic trends and policies (e.g. corporate monopoly), especially in the Anglo-American world, as a precursor to achieving political and policy relevance. It is, in this sense, a parasitic epistemology rather than a dominating one (cf. Mirowski 2013), which explains its ideational diversity and the shape-shifting nature of that diverse set of ideas since the 1930s (if not before). It’s also why it’s so difficult to actually identify any politics or policies as clear-cut “neoliberal” in origin, as opposed to some hybrid manifestation—as geographers are keen to highlight.

References

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