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FROM KNOWING THE MECHANISM TO THE MECHANISM OF KNOWING: EURASIAN CULTURAL TRANSFER AND HYBRID THEOLOGIES OF (NEO)LIBERALISM

Abstract: The founding fathers of neoliberalism are usually imagined as very rational neoclassical economists uninterested in cultural and religious issues. The aim of this paper is to paint a different picture by discussing the ideas of (neo)liberal economists regarding spiritual heritage, with an emphasis on eastern religions. Starting from the existing historiographical debate on the role of Daoist notions in the birth of political economy in 18th-century Europe, as an example of cultural transfer *par excellence*, argumentation develops into a comparative analysis of philosophical underpinnings of modern *laissez-faire* liberalism and neoliberalism. The main thesis of the paper is that important epistemological differences between analysed doctrines imply the differences in the attitude of modern economic liberalism towards religion, which is demonstrated via examples of appropriations and translations of eastern heritage. This is a preliminary analysis but with the potential to shed new light on the political theology of contemporary culture and neoliberalism itself.

Keywords: neoliberalism, physiocracy, cultural transfer, political theology, eastern spirituality

This paper deals with a rarely discussed aspect of economic liberalism – its attitude towards religious heritage. Inside this problem, in itself a relatively narrow politico-theological niche, we will look at the even more particular question of the role of Eurasian cultural transfer in the politico-theological constitution of modern liberalism. In critical strains of religious and cultural studies, it is more or less taken for granted that, in the globalized capitalist economy, western receptions of eastern spiritual notions do play various roles of ideological justification.¹ This problem is not unrelated to the aims of this paper. However, what is missing in contemporary discussions of this sort are links between these cultural developments and the intellectual heritage of economic liberalism itself. That is, *the ideas of economists* are absent from the analysis.

1 Kimberly J. Lau, *New Age Capitalism. Making Money East of Eden* (Philadelphia: University of Pennsylvania Press, 2000); Jeremy Carrette and Richard King, *Selling Spirituality: The Silent Takeover of Religion* (London: Routledge, 2005); George González, *Shape-Shifting Capital: Spiritual Management, Critical Theory, and the Ethnographic Project* (London: Lexington Books, 2015); James D. LoRusso, *Spirituality, Corporate Culture, and American Business: The Neoliberal Ethic and the Spirit of Global Capital* (London: Bloomsbury, 2017).

In an attempt to show that this level of inquiry can be important, I will make a move towards filling this gap. I will do that via a politico-theological comparison of two movements: 18th-century physiocracy and 20th-century neoliberalism. I can only scratch the surface of these complicated intellectual and cultural histories here, but my overall goal is to show that focus on economic ideas and hybrid milieus in which they were developed can shed a different light not just on neoliberalism itself, but on contemporary cultural and intellectual tropes as well.

Such seemingly “exotic” interest came into my problem field in a rather accidental way. Namely, my doctoral dissertation examines links between popular western esoteric spirituality and neoliberal ideology, and as its essential part it included a comparative reading of New Age literature and major texts of neoliberal economists. The latter task I entered with some anxiety, expecting to find baroque mathematical equations, highly technical drafts of business cycle, packed with – for me at the time utterly impenetrable – jargon of neoclassical economics, so that I would have to rely on questionable hermeneutic acrobatics in order to extract the politico-theological content I was looking for. But to my surprise, a substantive part of my neoliberal corpus consisted of fairly familiar topics – philosophies of society or cultural histories and, not so rarely, discussions of religion. To make the experience stranger, one of the first passages I encountered were these words of Alexander Rüstow, a German economist who contributed to the very introduction of the signifier “neoliberalism”. As Rüstow puts it:

[Ancient idea of] the divine Logos [...] which pervades and guides everything, from the whole course of the universe down to the actions of men [...] although it could hardly be harmonized with Christian ethics [...] gained new influence, beginning with the Renaissance, and [...] found its way to the Physiocrats. Adam Smith’s doctrine of the automatism of the market economy [is actually] the perfection of the Physiocratic conception of the *ordre naturel* [natural order] [...] At the same time in the teachings of the Physiocrats appears a second, equally theologico-metaphysical line of thought, viz. that of Chinese Taoism. [...] The ‘invisible hand’ [...] unmistakably contains a vestige of Pythagorean mysticism [,] the Logos of Heraclitus and the Stoics, and the Tao of Lao-tse [...] converted into the Christian anthropomorphic language of deism.²

This excerpt is located in an appendix written by Rüstow in a book³ by Wilhelm Röpke, a German-Swiss economist who in 1947, together with Austrian economist Friedrich von Hayek, founded the Mont Pelerin

- 2 Alexander Rüstow, Appendix to *International Economic Disintegration* (London: William Hodge and Company, 1942), 269, 270.
- 3 Wilhelm Röpke, *International Economic Disintegration* (London: William Hodge and Company, 1942).

Society (MPS), the central neoliberal organization that, at least until the turn of the millennium, played a role of the neoliberal international.

Finding ancient Daoism at the end of this brief “genealogy”, I first thought this must be some kind of wacky free association, far removed from any historical reality. But once again, I was mistaken. As it turns out, Rüstow was aware, already during the 1940s, if not even earlier, of actual hybrid ideational roots of the *laissez-faire* doctrine. The debate on Eurasian “co-production” of the *laissez-faire* ideal, present at least since the 1960s (being mentioned during the late 1930s but getting clearer only during the first half of the 1980s) is resurfacing today but still remains under the radar.⁴ There seems to be a consensus among specialized historians of culture and/or economic ideas⁵ that the transfer of Chinese politico-theological concepts played an important role in the very birth of the discipline of political economy, among the physiocrats of 18th-century France. This debate is important in itself, but also because it indirectly shows not just that Max Weber’s views on Calvinism and world religions were quite arbitrary, parochial and orientalist, but that contemporary “economic theologies” (standard works by Giorgio Agamben or Dotan Leshem)⁶ are Eurocentric and purist as well in their exclusive attempt to derive economic liberalism from Christian dispositif. Gerlach even argues that Confucian and Daoist notions should be seen as the master-model of the 18th-century physiocracy.⁷

I will briefly explain this neglected politico-theological problematic, its philosophical underpinnings and their background in Eurasian cultural transfer, and then show that vestiges of religious ideas are still present in contemporary neoliberalism and, moreover, that we can locate an explicit politico-theological interest in eastern religions at its ideological heart – that is, in Hayek himself. However, as I will show in the second

4 Lewis A. Maverick, “Chinese Influence upon the Physiocrats”, *The Economic Journal*, Vol. 48, No. 1 Suppl. (February 1938); Christian Gerlach, “無為 – On the Eurasian Roots of the Laissez-Faire Doctrine”, *Man and the Economy*, Vol. 6, No. 2 (Dec. 2019), 4–8.

5 Ina B. McCabe, *Orientalism in Early Modern France: Eurasian Trade, Exoticism, and the Ancien Régime* (Oxford: Berg, 2008), 5, 270, 271. Daid E. Mungello, *The Great Encounter of China and the West 1500–1800* (Lanham: Rowman & Littlefield, 2009), 128. Christian Gerlach, op. cit.

6 Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (London: Taylor & Francis eLibrary, 2005); Max Weber, *The Religion of China: Confucianism and Taoism* (Glencoe: The Free Press, 1951); Giorgio Agamben, *The Kingdom and the Glory: For a Theological Genealogy of Economy and Government* (Stanford: Stanford University Press, 2011); Dotan Leshem, *The Origins of Neoliberalism: Modeling the Economy from Jesus to Foucault* (New York: Columbia University Press, 2016).

7 Christian Gerlach, op. cit.

half of this paper, the ideological role of these spiritual ideas in classical *laissez-faire* liberalism and in (Hayekian) neoliberalism is very different, even epistemically opposed. In other words, we will, in an awfully compressed form, discuss the politico-theological implications of the epistemic discontinuity between liberalism and neoliberalism via the example of appropriations of eastern heritage.

The Physiocrats and Cultural Transfer

In Christian Gerlach's view, the term *laissez-faire* is a direct translation of the Chinese term *wu wei* (無 為), or the syntagma *wu-wei erzhi*, meaning literally: "order and equilibrium will be achieved without ruler's intervention", which was the "description of the ideal Confucian ruler: one who reigns but does not rule".⁸ Assertions about the translation of *wu wei* into *laissez faire* by the famous physiocrat François Quesnay or about Chinese ideas as the primary model for physiocracy are somewhat contested⁹ in the still scarce discussions. Nevertheless, strong cultural proximity and elective affinity between physiocratic and Chinese concepts seem indubitable, while homologies between these eastern and western political concepts are more than striking.

This was the result of a physiocratic obsession with China, itself part of much broader European Sinophilia or Sinomania, widespread among intellectuals from Leibniz and Voltaire to Quesnay. Moreover, Quesnay's admiration for the agricultural boom of the Chinese Wu Wei Empire was so strong that he was known among his contemporaries as the "Confucius of Europe"; he wrote on China extensively and published his *Physiocratie* (1767) in made-up Peking to avoid French censorship.¹⁰ According to Gerlach's account, this was the result of a twofold cultural transfer, lasting c. from 1648 to 1848 and resulting from the economic power of the Low Countries (i.e., "Netherlands"), at the time the hegemonic merchant force. As Gerlach shows, the first (textual) nexus of cultural transfer came from Jesuit missionary activity in China, which was supplying the printing presses of Amsterdam and other commercial centres with fresh descriptions of the prosperous agricultural Empire of the East and its supporting philosophies. The second (visual) nexus was the "ceramic boom" – the quick influx of more than three million pieces of Chinese Minben porce-

8 Quoted in Christian Gerlach, op. cit., 2.

9 Stefan G. Jacobsen, "Against the Chinese Model: The Debate on Cultural Facts and Physiocratic Epistemology", in Steven Kaplan and Sophus Reinert (ed.), *The Economic Turn: Recasting Political Economy in Enlightenment Europe* (London: Anthem Press, 2019), 92.

10 Christian Gerlach, op. cit., 5, 7.

lain, painted with images picturing idyllic scenes of the successful Wu Wei Empire and having an effect of visual demonstration of the soundness of Chinese economic thinking.

In their universalist pursuits, the physiocrats were conducting comparative studies of world “wisdom traditions” and related governance models in search of at all places and times valid rational principles of the “natural economic order” (*ordre naturel*). As Jacobsen put it: “Their conviction was that the general principles were of divine origin, although accessible to every clear-thinking individual”.¹¹ This was part of the deist project of finding the core of “natural religion” in concordance with the rules of reason being primary. In the deist view, God created the universe as a “clock” – a Cartesian-Newtonian mechanism in which he does not interfere, which was a move through which the Enlightenment aimed to exclude the possibility of miracles, that is, non-reasonable phenomena in nature. Thus, as a naturally occurring part of the reasonable universe, “the economy” was a big mechanism as well, ruled by fully rational and thus knowable natural laws. In homology to the deist God as the “absentee landlord” that does not interfere, the physiocratic ruler should recognize and respect the natural laws of the economy, which spontaneously produce harmony. This is where homologies with Daoism come into play. As Gerlach explains, *wu wei* is best translated as “*action by non-action or doing nothing, yet there is nothing that is not done* [emphasis in the original].”¹² Gerlach argues that the physiocrats not only mobilized these politico-theological notions in their fight against mercantilism but actually valued Chinese sages much higher, seeing them as closer to alleged original rational wisdom than European ones.¹³

This was a reformist project of so-called enlightened despotism, modelled according to Gerlach, on the Chinese “enlightened monarchy”. The French term *physiocratie* comes from the Greek “physis” meaning nature (in contrast to customs or laws), and “kratos” meaning rule or power, physiocracy thus being “the rule of nature”, or “the government in accordance with nature”. In China, Physiocrats saw both the agricultural model¹⁴ they were trying to develop and a justification for their philosophical naturalism. As McCormick puts it: “Harmonizing with the Tao, which is universal and whose power extends everywhere, even to the social realm, allows a beneficent *natural order* to emerge [emphasised by the author].”¹⁵ For Huai Nan Tzu, a treatise on political philosophy from the early Western Han Dynasty, which Gerlach quotes, *wu wei* means

11 Stefan G. Jacobsen, op. cit., 96.

12 Christian Gerlach, op. cit., 3.

13 Ibid, 6.

14 Physiocracy was also defined by the idea that only agricultural labour is productive.

15 Ken McCormick, “The Tao of Laissez-Faire”, *Eastern Economic Journal*, Vol. 25, No. 3 (Jan. 1999), 334.

that no personal prejudice [private or public will,] interferes with the universal Tao [the laws of things], and that no desires and obsessions lead the true course [...] astray. Reason must guide action in order that power may be exercised according to the intrinsic properties and natural trends of things.¹⁶

In physiocratic “naturalism”, there is an identity or unproblematic relationship between nature and human reason. Physiocracy entailed not only the idea that a harmonious economy arises “naturally”, meaning spontaneously if left unhampered, but also a deeper *philosophical* proposition that nature is rational in itself. Being natural, the mechanisms of political economy that Quesnay’s famous Economic Table neatly represented were rational as well. Interference in the natural course of things is thus harmful.

Gerlach constructed a new genealogy – we cannot discuss it here – which maps this spread of the Chinese model all the way to 1848 Switzerland, in his view, the first European “Wu Wei State”, highly influenced by the revival of physiocratic Sinophilia during the 1760s among Swiss physiocrats such as Albrecht von Haller, who wrote the novel *Usong*, an orientalist *Staatsroman* (description of the ideal state) set in Persia but modelled on the Wu Wei Empire.¹⁷ Gerlach argues that this revival played a role in Swiss nation-building, but also that Switzerland was the primary inspiration for Richard Cobden’s Anti-Corn Law League, which launched the *laissez-faire* ideal as the dominant economic model for the British Empire.¹⁸

Fast forward to the 1966 Mont Pelerin Society meeting in Tokyo

All this inspired me to dig deeper in search of any possible remnants of both Chinese (and eastern in general) and physiocratic ideas in the works of contemporary neoliberals, and I was not expecting much. However, another surprise was waiting for me. On the one hand, I did find discussions of religions, in important cases eastern, but on the other, the rare discussions of the physiocrats (fathers of the European free trade ideal!) by the neoliberals were often critical and sometimes downright stigmatizing.¹⁹

16 Christian Gerlach op. cit., p. 4.

17 Ibid, 7–10.

18 Ibid.

19 Here we are not counting routine mentions in textbooks and works in history of economic ideas written by neoliberals where physiocracy is sometimes noted in a positive light for being the first systematic economic science or for its opposition to mercantilism and cameralism.

In Hayek's view, physiocracy should be considered the "source of modern socialism as important as the properly collectivist theories".²⁰ Rougier, the philosopher who convened the Walter Lippmann Colloquium, the meeting that preceded the founding of the MPS, argued that physiocracy was a "mystique", whose legacy is harmful to the liberal goal.²¹ Similarly, Rüstow believed that what he termed the "theologico-metaphysical origin" (including the Daoist one) of physiocratic ideas made liberalism blind for sociological issues.²² In Rüstow's perspective, this "sociological blindness" was the factor that led to the destruction of liberalism.²³ Comparable critiques were expressed by many other important members of the society, for example by Lord Lionel Robbins,²⁴ who authored the statement of aims for the MPS, or by the co-initiator of the MPS, Röpke, for whom: "The prototype of the modern economist²⁵ is the eighteenth-century physiocrat. The physiocrats – or *économistes*, led by Quesnay – are clearly the ancestors of all the power-thirsty, cocksure, and arrogant planners and organizers".²⁶

On the other hand, some six years later, Hayek concludes the paper he prepared for the meeting of the MPS held in 1966 in Tokyo by asking a curious question: "Is [liberalism] all so very different from what Lao-Tzu says in his fifty-seventh poem?:"

If I keep from meddling with people
They take care of themselves,
If I keep from commanding people,
They behave themselves,
If I keep from imposing on people,
They become themselves"²⁷

20 Friedrich A. Hayek, *The Collected Works of F. A. Hayek*, Vol. 13: *Studies on the Abuse and Decline of Reason, Texts and Documents* (Chicago and London: University of Chicago Press, 2010), 50.

21 Jurgen Reinhoudt, Serge Audier (eds.) and conference participants, *The Walter Lippmann Colloquium: The Birth of Neo-liberalism* (Cham: Palgrave Macmillan, 2018).

22 Alexander Rüstow, op. cit., 270, 272.

23 Ibid.

24 Lionel Robbins, *The Theory of Economic Policy in English Classical Political Economy* (London and Basingstoke: The Macmillan Press, 1978), 34–49.

25 His neologism for the rulership of economic experts.

26 Wilhelm Röpke, *A Humane Economy: The Social Framework of the Free Market* (Chicago: Henry Regnery Company, 1960), 283.

27 Friedrich A. Hayek, "The Principles of a Liberal Social Order", in *Il Politico*, Vol. 31, No. 4 (Dec. 1966), 617.

So, a strange dynamic is going on here, an odd and obvious combination of continuity and discontinuity. Hayek's remark on Laozi and countless other comments on religion by other neoliberals make it clear that their animosity towards physiocracy has nothing to do with a simple rejection or critique of religion. Neoliberalism does not stem from a program that calls for new atheistic, modernized or purely scientific liberalism freed from all spiritual vestiges and without any place for religion. On the contrary (!), MPS members often were and still are staunch critiques of "scientism" and defenders of religion. Quite a few major neoliberals understand religion as a potentially useful, if not essential, component of what they imagine as the "functioning market society".

Take Röpke, who held that humankind is *Homo religiosus* and that it was "necessary to reconcile the market with the deep spiritual longings this identity entailed."²⁸ Hayek himself argued that "intolerant and fierce rationalism [...] is mainly responsible for the gulf which [...] has often driven religious people from the liberal movement into reactionary camps".²⁹ In his opinion, "unless this breach between true liberal and religious convictions can be healed there is no hope for a revival of liberal forces".³⁰ Rüstow dedicates very long sections of his *magnum opus*³¹ to discussions of theology and religion and holds "that the striking failure of economic liberalism, so successful up to then, is to be explained as a problem in the history of religious doctrine",³² that is – a politico-theological problem.

So, what is going on here with anti-physiocratic defenders of the free-market ideal, who attack "theological vestiges" in liberalism, but at the same time extensively discuss the history of religion and/or argue for reconciliation with religion or a return to religion? Unable to live with such contradictions, I set out to solve them.

When it comes to the problem of "anti-physiocracy", my first idea was that the neoliberals simply did not like the despotism of the physiocrats. However, not just that I could not find a sufficient and convincing textual support³³ for this thesis, but it was also becoming increasingly

28 Angus Burgin, *The Great Persuasion: Reinventing Free Markets since the Depression* (Cambridge: Harvard University Press, 2012), 115.

29 Friedrich A. Hayek, *The Collected Works of F. A. Hayek*, Vol. 4: *The Fortunes of Liberalism, Essays on Austrian Economics and the Ideal of Freedom* (Chicago: University of Chicago Press, 1992), 244.

30 Ibid.

31 Alexander Rüstow, *Freedom and Domination: A Historical Critique of Civilization* (Princeton: Princeton University Press, 1980).

32 Alexander Rüstow, op. cit., 455.

33 Hayek mentions despotism in a negative light in a footnote in Friedrich A. Hayek, *The Collected Works of F. A. Hayek*, Vol. 13: *Studies on the Abuse and Decline of*

clear to me – by reading texts by neoliberals and texts on neoliberalism – that the founding fathers of the neoliberal project were not exactly the champions of democracy. The constitutive influence of Carl Schmitt’s authoritarian ideas on the members of the MPS is well documented, as well as their elitism and support for various authoritarian regimes: from intermingling with interwar reactionary forces to Hayek’s and Friedman’s post-war support for Pinochet, Röpke’s open support for the Apartheid regime in South Africa, or the tactical association with the Jim Crow regime by Buchanan, Friedman and other MPS actors supported by the Foundation for Economic Education and the Volker Fund, to mention just a few examples.³⁴ A different explanation was in order.

Fortunately, it was also becoming quite clear to me that the new social philosophy that MPS had produced was critical of the Enlightenment (especially French) and that this should be considered *the* difference between physiocrats and neoliberals. As I will show in the following sections, this difference, which partly constitutes the neoliberalism’s “neo”, entails an important change in the politico-theological modality of modern liberalism as well.

Political theology of unknowability

As Michel Foucault noticed already in the late 1970s, the physiocratic ideal was geared toward *knowability*.³⁵ Their search for “natural religion” was tied to the Cartesian-Newtonian idea that the economy was a mechanism whose laws were knowable. As exponents of the Enlightenment, the Physiocrats wanted to arm the “Prince” with *evidence* produced by the new science of political economy, so he could conclude: I understand that it works rationally, thus I will not interfere, *Laissez faire, laissez passer!* Or in Foucault’s words: “What the physiocrats deduce from their discovery is that the government must know these mechanisms in their innermost and

Reason, Texts and Documents (Chicago and London: University of Chicago Press, 2010), 51. However, he is also famous for saying that he is much more in favour of authoritarian liberalism than democratic socialism.

- 34 Renato Cristi, *Carl Schmitt and Authoritarian Liberalism: Strong State, Free Economy* (Cardiff: University of Wales Press, 1998); Philip Mirowski and Dieter Plehwe (ed.), *The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective* (London: Harvard University Press, 2009); Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right’s Stealth Plan for America* (New York: Penguin, 2017); Werner Bonefeld, *Strong State and the Free Economy* (London: Rowman & Littlefield, 2017); Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge: Harvard University Press, 2018).
- 35 Michel Foucault, *The Birth of Biopolitics* (Hampshire: Palgrave Macmillan, 2008), 61, 62, 285, 286, 293–295, 321.

complex nature. Once it knows these mechanisms, it must, of course, undertake to respect them.”³⁶

However, as leading new historiographical works³⁷ show, neoliberalism is ideologically organized around the diametrically opposed issue of *unknowability*, or as Foucault sees it, for neoliberals the physiocratic naturalism is terribly *naïve*.³⁸ Starting their careers in the interwar period, the neoliberals were conditioned by the cultural climate in which it seemed that the intellectual and social foundations of the nineteenth-century world had melted away. The idea that universal natural laws of political economy were leading the world into ever greater peace and prosperity was shattered into pieces first by the shock of World War I and then by the economic slump of 1929. Cultural developments, science and philosophy were working equally hard to break the old idea of knowable and rational nature – from new quantum mechanics, which postulated the fundamental limitation to knowability to the explosion of the cultic milieu of easternizing spiritualities in parallel to the zenith of irrationalist philosophy. This was accompanied by more modest versions of *Kulturkritik* blaming the collapse of the “western civilization” on misguided rationalist faith in the powers of human reason. On the opposite end, the positivist philosophy of the Vienna circle variety was also attacking rationalism, but from a radically nominalist and empiricist angle.

Future members of the MPS were not living in a vacuum. For many founding fathers of neoliberalism, Cartesian rationalism was worse than an innocent *naïveté* – it was responsible for the collapse of liberalism in the interwar years, which was a formative experience in their lives. When the mechanism started to “malfunction”, that is, when capitalism entered into the interwar crisis, the idea of knowability implied that *it was possible to fix the mechanism*. As Foucault puts it, “the physiocrats say that the existence of an Economic Table [...] gives the sovereign the possibility of exact knowledge of everything taking place within his country, thus giving him the power to control economic processes.”³⁹ For Robbins of the MPS, however, this is the *naïve* idea that the principles of economic governance can be simply “deduced from revelation or the principles of pure reason and written on half a sheet of notepaper.”⁴⁰ This potential for interference in economic mechanisms, which stems from the Cartesian philosophical stance rendering the economy transparent to human

36 Michel Foucault, op. cit., 61.

37 Philip Mirowski, *Never let a Serious Crisis go to Waste: How Neoliberalism Survived the Financial Meltdown* (London: Verso, 2014); Quinn Slobodian, op. cit.

38 Michel Foucault, op. cit., 119–121, 133.

39 This does not imply that the physiocrats were “interventionists”. This is a question of philosophical potential.

40 Lionel Robbins, op. cit., 57.

reason was, in neoliberal view, the slippery slope towards communism. And stopping the spread of socialism was the very foundational purpose of the MPS. In other words, neoliberals like Hayek or Röpke⁴¹ concluded that the enlightened ideal of the knowability of natural laws eventually led to the destruction of liberalism, so they tossed away the ideal itself. As Hayek puts it in a speech to the MPS:

I have gradually come to realize that the great obstacle to the preservation of the liberal tradition is the philosophical conviction which overestimates the powers of human reason: Cartesian philosophy [for which] reason is strong enough to reorganize society deliberately in the service of known, foreseen ends and purposes.⁴²

This conviction, which according to Hayek, drove “the best and most intelligent of the young people into the left camp”, in his understanding, “turned out to be factually wrong.”⁴³ Here, Hayek saw the main philosophical axis for furthering the neoliberal goal. For neoliberals, “the economy” is not the causal mechanism to be known by human reason; on the contrary (!), Hayek is celebrated among today’s neoliberals precisely for his new notion of “the market” as an *exclusive mechanism through which (otherwise very weak) human reason can get informed about the intricacies of (an otherwise unknowable) economy*. In his famous notions of the market as a discovery procedure⁴⁴ or information processor, Hayek saw a response to socio-epistemological stance on unknowability. The idea dominant in the MPS and, according to Mirowski and Nik-Khah, the dominant cultural doctrine as well, posited the market “to be an information processor more powerful than any human brain, but essentially patterned upon brain/computation metaphors [emphasis in the original]”.⁴⁵ For the contemporary neoliberal author Leslie Marsh, Hayek’s notion of the market is an example of “extended cognition” or “extended mind”, which is a response to the

41 As Röpke puts it: “Pascal’s famous phrase [...] ‘The heart has its reasons, of which the reason knows nothing,’ seems to us no less true because a Cartesian would call it ‘romantic.’” Wilhelm Röpke, *The German Question* (London: George Allen & Unwin, 1945), 134.

42 Hayek, Friedrich A. Hayek MSS (Hoover Institution, Box 109), Margaret Thatcher Foundation, *Conservatism: Hayek speech to the Mont Pelerin Society („Professor Friedrich Hayek’s Closing Speech“)* [reflections on the history of the society and the resurgence of classical liberalism], March 1984.

43 Ibid.

44 Friedrich A. Hayek, “Competition as a Discovery Procedure“, *The Quarterly Journal of Austrian Economics*, Vol. 5, No. 3 (Summer 2002).

45 Philip Mirowski and Edward Nik-Khah, *The Knowledge We Have Lost in Information: The History of Information in Modern Economics* (New York: Oxford University Press, 2017), 54, 55.

problem of “agnoseology”, that is, a theory of unknowability radically different from modern Cartesian rationality.⁴⁶ As a superiorly intelligent environment, “the market” is unsurpassable by reason. As Slobodian points out, neoliberalism should be seen as a variant of apophatic, that is, *negative* theology, for which the market surpasses the powers of the human mind since the neoliberals “concluded that the world economy was sublime, beyond representation and quantification.”⁴⁷ Following this line of reasoning, I soon understood that appropriations of religious heritage by neoliberals serve this new and opposite politico-theological function – supporting the ideal of the alleged *unknowability of the economy*. In Hayek’s words:

I’ve recently discovered that the polytheistic religions of Buddhism appeal rather more to me than the monotheistic religions of the West. If they confine themselves, as some Buddhists do, to a profound respect for the existence of other orderly structures in the world, which they admit they cannot fully understand and interpret, I think it’s an admirable attitude.⁴⁸

Interest in *Daoism* is still present among contemporary neoliberals, though marginally. It is even undergoing a micro-revival led, curiously enough, by the followers of Ludwig von Mises and Murray Rothbard, known to be the extremist defenders of the old rationalist *laissez-faire* ideal abandoned by mainstream neoliberalism.⁴⁹ In a slightly more interesting celebratory text titled *The Tao of Laissez-faire*, Ken McCormick compares the Daoist notions to Hayek’s.⁵⁰ Cultural transfer is necessarily a phenomenon of ideological articulation, and spiritual ideas can be bent to play different social roles. This is apparent in McCormick’s text as he stresses the aspects of *wu wei* thought which, just like Hayek, postulate that “human reason cannot possibly begin to grasp the nature of the whole.”⁵¹ This epistemic shift in liberalism itself corresponds with material interests, as the physiocrats were expressing the aspirations of the rising agrarian bourgeoisie, thus teaming up with “the rational laws of nature” in order to open up the space for trade and limit the interference of the old ruling

46 Leslie Marsh. “Mindscapes and Landscapes: Hayek and Simon on Cognitive Extension”, in Roger Frantz and Robert Leeson (eds.), *Hayek and Behavioral Economics* (London: Palgrave Macmillan, 2013), 198, 199.

47 Quinn Slobodian, op. cit., 18.

48 Friedrich A. Hayek, *Hayek on Hayek: An Autobiographical Dialogue* (London: Taylor & Francis, 2005), 35.

49 For Rothbard’s view see: Murray Rothbard, “Concepts of the Role of Intellectuals in Social Change Toward Laissez Faire”, *Journal of Libertarian Studies*, Vol. 9, No. 2 (Fall 1990), 44–46.

50 Ken McCormick, op. cit.

51 Ken McCormick, op. cit., 338.

classes. The neoliberals, however, were facing the *inverse* historical problem. The issue of the day for them was what the Spanish philosopher Ortega y Gasset named “the revolt of the masses”. For neoliberals who experienced the end of empires and the birth of new democracies instantly rocked by the revolutionary attempts of the European working class, the combination of *mass politics* and *knowable nature* equalled socialism.

Desiderata for future research:
MPS and the religious question

We arrive at the answer to our second conundrum – how to understand the simultaneous critiques of theological vestiges in liberalism and the calls for reconciliation between religion and liberalism that we encounter among members of the MPS? The answer is somewhat semantic.

Neoliberal critiques of “mystiques” and “spiritual remnants” amount to a view akin to Frankfurt school’s “dialectic of enlightenment”, another – to neoliberals politically opposed – product of the interwar experience. As I showed, the break between *laissez-faire* liberalism and neoliberalism entails a critique of rationalism. Many neoliberals saw this as politico-theological problem, that is, a problem in the history of ideas, where modern rationalism, in its attempts to replace theology, “overestimates its own powers” and therefore itself becomes something like a “dogmatic theology”, leading to materialist socialism. As Rüstow formulates this:

[Just as] general rationalism arose as a reaction against dogmatism, so did materialism arise as a reaction against theologico-metaphysical ‘idealism’. The result was a heretical, negative form of metaphysics that with fanatical intolerance and mocking grimaces placed naked matter on the throne of the absolute [previously] erected by theology; materialism thus resembles a trivialized black mass.⁵²

The “metaphysical vestige” attacked by Rüstow is *the very belief that deterministic and automatic laws of nature/economy exist*. For the neoliberals, this amounts to essentialism,⁵³ which must be replaced with new *constructiv-*

52 Alexander Rüstow, *Freedom and Domination: A Historical Critique of Civilization* (Princeton: Princeton University Press, 1980), 386. While Rüstow understands *laissez-faire* liberalism as a whole through this lens of “theological error”, including, as we saw, Adam Smith, Robbins and Hayek make very sharp distinctions between physiocrats and Smith in an attempt to project their theories on Smith. How much of invented history this is, is a question for another paper.

53 In Hayek’s view, “individualism is a necessary result of philosophical nominalism, while the collectivist theories have their roots in the ‘realist’ or (as K. R. Popper now more appropriately calls it) ‘essentialist’ tradition [but] ‘nominalist’ approach is characteristic only of true individualism, while the false individua-

ist politics – thus the “neo”. This is what Rüstow means by the previous “sociological blindness” of liberalism. As Foucault puts it, *neoliberalism* is “not an economic government, it is a government of society.”⁵⁴ Market is dependent on frameworks: “Not only the good society, but the market itself is an artifact.”⁵⁵ Being rationalist, *laissez-faire* liberalism was deeply *naïve* in its blind faith in the natural laws of the economy that automatically lead to social harmony (or, in the “inverted” socialist version, to collapse). Without this “theological” error, liberalism can become attentive to the *social preconditions* of the “functioning market society” – preconditions like statecraft, jurisprudence, science, culture, mentality or religion.

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lism of Rousseau and the physiocrats, in accordance with the Cartesian origin, is strongly ‘realist’ or ‘essentialist’.” Friedrich A. Hayek, *The Collected Works of F. A. Hayek*, Vol. 13: *Studies on the Abuse and Decline of Reason, Texts and Documents* (Chicago and London: University of Chicago Press, 2010), 52.

54 Michel Foucault, op. cit., 146.

55 Lionel Robbins, op. cit., 57.

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