

Neoliberals Against Europe

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We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels.

– Margaret Thatcher, 1988¹

Since the advent of the European debt crisis in 2009, it has become common to hear descriptions of the European Union as a neoliberal machine hardwired to enforce austerity and to block projects of redistribution or solidarity. Credit for inspiring neoliberal Europe has often been given to the British-Austrian economist F. A. Hayek, whose writings from the 1930s have been described as blueprints for the EU.² One historian places him among “the founding fathers of the new era” despite the absence of any connection between Hayek and the treaties of European integration.³ Bearing more evidence are those who point to the role of German ordoliberals in helping shape European competition policy and push for the “four freedoms” of

¹ The Bruges Speech. <https://www.margaretthatcher.org/document/107332>

² Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism* (New York: Verso, 2014).

³ John Gillingham, *European Integration, 1950-2003: Superstate or New Market Economy?* (New York: Cambridge University Press, 2003), 6. A more insightful version comes from Perry Anderson who points out that Hayek’s proposal of supranational federation could potentially be diverted toward a social-democratic program. He speculates that this was Delors’s own hope. See Perry Anderson, “The Europe to Come,” *London Review of Books* (25 Jan 1996).

goods, capital, labor, and services as an axis for the union.⁴ With Germany's finance ministry and Bundesbank playing key roles in the scrum of the Eurozone crisis, especially in the all-important case of Greece, it became routine to see Europe as "Germany's iron cage," as one article dubbed it.⁵

Such descriptions have migrated to the mainstream. "Those who say the European Union is a neoliberal plot," observed the *Wall Street Journal* in October 2017, "are, of course, largely right. Any single market that allows free movement of capital and people by its very nature pits country against country, region against region and town against town in a competition to attract investment and productive people."⁶ Leaving aside the reality of the national and international redistribution mechanisms of the welfare state as well as the EU's structural and regional funds so disliked by neoliberals, the statement expresses a logical fallacy. To say that the EU has been neoliberal in its outcome does not imply ipso facto that neoliberal actors were responsible for its genesis. Scholars have rightly emphasized the need to distinguish between the use of the category of neoliberalism as a description of a historical period or variety of capitalism, on the one hand, and an organized intellectual and political

⁴ See Pierre Dardot and Christian Laval, *The New Way of the World: On Neoliberal Society* (New York: Verso, 2014). Fritz W. Scharpf, "The asymmetry of European integration, or why the EU cannot be a 'social market economy'," *Socio-Economic Review* 8(2010): 211-50. Laurent Warlouzet and Tobias Witschke, "The Difficult Path to an Economic Rule of Law: European Competition Policy, 1950–91," *Contemporary European History* 21, no. 3 (2012): 437-55. For an overview of these debates see Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018), chapter 6.

⁵ François Denord, Rachel Knaebel, and Pierre Rimbert, "Germany's iron cage," *Le Monde Diplomatique* (Aug 10-16, 2015).

⁶ Simon Nixon, "The European Union's Neoliberal Dilemma," *Wall Street Journal* 4 Oct 2017. See also Alan Johnson, "Why Brexit Is Best for Britain: The Left-Wing Case," *New York Times* (28 Mar 2017).

movement rooted in the Mont Pèlerin Society, on the other.⁷ Failure to keep the levels of analysis distinct can lead to empirical confusion, at best, and conspiratorial thinking at worst.

The problems with a straightforward compound of “neoliberal Europe” became starkly evident with the success of the “leave” vote in the Brexit referendum in 2016. If the EU was neoliberal, were those who called to abandon it the opponents of neoliberalism? A widely-circulated photo showed the two victors of 2016, Donald Trump and UKIP leader Nigel Farage, smiling in front of the golden elevator of Trump Tower. This was an unlikely vanguard for neoliberalism’s opposition. Yet by adopting an explanatory framework associating neoliberalism with supranational organizations like the EU, NAFTA, and the WTO against the so-called populism of its right-wing opponents, many observers had painted themselves into a corner. If the EU was indeed the “neoliberalism express,” as one scholar dubbed it, then to disembark was by definition a gesture of refusal against neoliberalism.⁸ Anti-European neoliberalism had no interpretive home.

This chapter offers an exit from the explanatory impasse by way of an overlooked fact. Notwithstanding the many descriptions of the EU as a neoliberal plot, the intellectuals, think tankers and policy entrepreneurs organized in the actual existing neoliberal movement since the early 1990s have more often been the EU’s critics than its champions. While the Left has seen the EU as an austerity machine, the most engaged neoliberals have seen it as a framework for socialist expansion. Threatened by what they saw as the leftward tilt of Jacques

⁷ See, e.g. Mitchell Dean, “Rethinking neoliberalism,” *Journal of Sociology* 50, no. 2 (2012): 150. Joshua Rahtz, “Laissez-Faire’s Reinventions,” *New Left Review*, no. 89 (Sep-Oct 2014): 137. On the MPS see Philip Mirowski and Dieter Plehwe, eds., *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009).

⁸ Philipp Ther, “Europe’s Ride on the Neoliberalism Express,” *Bloomberg View* (8 Sep 2016).

Delors as European Commission president in the early 1990s, neoliberals formed Eurosceptic think tanks, including The Bruges Group (1989), the European Constitutional Group (1992), and the Center for the New Europe (1993). To oppose expanding European environmental and climate policies, they also organized the European Science and Environment Forum (1994).

Even as they kept a sharp eye on left-leaning “federalism,” most Eurosceptic neoliberals in the early 1990s maintained faith that European institutions could be reformed to serve their vision of free trade, total mobility of capital and services and, ideally, competing currencies. A change emerged in the years after the Maastricht Treaty (1992) and the move to the introduction of the Euro in 1999. While some Eurosceptic neoliberals retained hope for a reformed union, others began forging alliances with cultural nationalist parties. In the process, their opposition to Europe became more absolute, culminating in calls like the Brexit campaign for secession from both the European Monetary Union and the EU itself.

While laboring on the political margins for much of the 1990s and the early 2000s, Eurosceptic neoliberals experienced a breakthrough following the backlash against first, the European “rescue operations” of the debt crisis after 2009, and second, the relatively hospitable response of mainstream parties to the arrival of over one million refugees to Central Europe in 2015. Building on alliances with anti-immigrant politicians and political blocs, Eurosceptic neoliberals have given political form to a novel hybrid of libertarianism and anti-migrant xenophobia. Prime examples are the Alternative for Germany party (AfD) and the Austrian Freedom Party. At the European level, the New Right Eurosceptic parties have created the European Alliance of Conservatives and Reformers (2009) with its affiliated European party foundation and think tank, New Direction (2010).

The neoliberal roots of many of Europe's right-wing parties have barely been explored.⁹ The backlash literature about Euroscepticism has largely focused on the national frame. Yet right-wing populism cannot be explained only as a nationalist category. The formation of a new European Right relies paradoxically on a post-national politics, which swears by the national state while forging ahead with economic globalization. Public debate consistently overlooks the neoliberal, post-national and transnational dimensions of the nationalist right. Understanding the rightward shift in domestic politics in Europe requires attention to the activity of right-wing parties at the European level. The most obvious amalgam of nationalist and neoliberal perspectives in a contemporary right wing "populist" party is the AfD, formed in 2013 in protest against the official German conduct in the Eurozone crisis. AfD leaders voice concerns about European integration and trade policies that are considered harmful to German interests and about restrictions against freedom of ownership resulting from social and environmental regulation. Rather than dismissing neoliberal economic policies altogether, the AfD recommends carrying them out at the nation-state level without the cumbersome need for coordination and compromise with partners in the EU. To make sense of the resurgent phenomenon of the far right in European politics, we must track such continuities over time and avoid misleading dichotomies that pit neoliberal globalism—and neoliberal

⁹ For exceptions see David Bebnowski, *Die Alternative für Deutschland. Aufstieg und gesellschaftliche Repräsentanz einer rechten populistischen Partei* (Wiesbaden: Springer VS, 2015). Herbert Schui et al., *Wollt ihr den totalen Markt? Der Neoliberalismus und die extreme Rechte* (Munich: Knauer, 1997). For previous publications by one author see Dieter Plehwe and Matthias Schlögl, "Europäische und zivilgesellschaftliche Hintergründe der euro(pa)skeptischen Partei Alternative für Deutschland (AfD)," *WZB Discussion Paper* (Nov 2014). Dieter Plehwe, "„Alternative für Deutschland“, Alternativen für Europa?," in *Europäische Identität in der Krise? Europäische Identitätsforschung und Rechtspopulismusforschung im Dialog*, ed. Gudrun Hentges, Kristina Nottbohm, and Hans-Wolfgang Platzer (Wiesbaden: Springer VS, 2017).

Europeanism—against an atavistic national populism. The closed-borders libertarianism of nationalist neoliberals like the AfD is not a rejection of globalism but is a variety of it.

The Bruges Group: The Origins of the Neoliberal Eurosceptics

The European integration of the 1990s shattered the relatively pro-Europe position held by neoliberals in the 1980s. Before that time, insofar as national sovereignty was infringed on, it appeared to be more often in the causes favored by neoliberals themselves. Beyond the well-known case of competition law, the laudatory moves in the eyes of neoliberals included the liberalization of internal capital movements and the expansion of majority decisions in the European Council when the Single European Act went into force in 1987.¹⁰ The most consistent point of criticism was European trade policy, especially the protectionist Common Agricultural Policy, which was a special focus of the London-based Trade Policy Research Centre with key publications by Swiss economists and Mont Pèlerin Society (MPS) members Gerard Curzon and Victoria Curzon Price (MPS president 2004-6).¹¹ The situation changed with the Maastricht Treaty when it appeared that the French Socialist Delors, Commission president from 1985 to 1995, might take Europe in a more social democratic and redistributive direction. The Single Market won support from trade unions because of a considerable compensation package that included increases in structural and regional funds and a new emphasis on “social union” with

¹⁰ On the former see Rawi Abdelal, *Capital Rules: The Construction of Global Finance* (Cambridge, Mass.: Harvard University Press, 2007).

¹¹ The TPRC was founded by the Australian Hugh Corbet in 1968. It closed in the late 1980s to be reborn as the Cordell Hull Institute. For key publications see Gerard Curzon and Virginia Curzon Price, *Hidden barriers to international trade*, Thames essay (London: Trade Policy Research Centre, 1970). Victoria Curzon Price, *The essentials of economic integration: lessons of EFTA experience* (New York: St. Martin's Press for the Trade Policy Research Centre, 1974). *Industrial policies in the European Community*, World economic issues (London: Macmillan for the Trade Policy Research Centre, 1981). André Bénard, *A Europe open to the world* (London: Trade Policy Research Centre, 1984).

the promise of measures such as common employment policy. Beyond the “social” shift, the agreement on movement to a single currency under control of a European Central Bank was also a special concern for neoliberals.

A signal moment for the new neoliberal opposition took place in September 1988 when British prime minister Margaret Thatcher spoke in Bruges, Belgium. In her speech, Thatcher acknowledged the bonds that Britain shared with Europe, placing a special emphasis on “Christendom... with its recognition of the unique and spiritual nature of the individual.” She declared that “our destiny is in Europe, as part of the Community” but also expressed concern about tendencies toward centralization and protectionism in the process of integration. “We have not successfully rolled back the frontiers of the state in Britain,” she announced, “only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels.” In conclusion, she voiced the demand that would be taken up by many neoliberal Eurosceptics in the decades that followed. She called for Europe as a “family of nations.”¹²

Taking both inspiration and their name from Thatcher’s speech, the Bruges Group was formed the following year as the first Eurosceptic neoliberal think tank. The leader was Ralph Harris, a veteran of the Institute of Economic Affairs and long-time secretary of the MPS as well as its president from 1982 to 1984, who Thatcher made “Baron Harris of High Cross” as a lifetime peer in her first year in office. The organization was formed in February 1989 and held its first meeting in Bruges itself in April. In an invitation to be part of the new organization sent to MPS members, Harris explained that Thatcher was not “anti-European” but was simply

¹² “The Bruges Speech,” <https://www.margaretthatcher.org/document/107332>

opposed to “the enforcement of unnecessary harmonization from Brussels, followed by spreading European dirigisme.”¹³ Calling for “a Europe of sovereign states,” the Bruges Group contended that “European economic prosperity is served best by encouraging as much free competition and diversity between the differing national systems as possible.”¹⁴ Echoing the ordoliberal language of the “strong state and the free market,” the Bruges Group stated in its purposes and aims that “the freedom and safety of Europe relies upon strong—but not necessarily big—government for our defense and security, and this strength is, in our view, best preserved by the independent nation state and by the promotion of a healthy, natural patriotism that the citizen feels toward the state.”¹⁵

The Bruges Group trod a narrow line in calling for the relinquishing of some aspects of national policy-making to central European authorities while preserving the principle of the sovereign nation state anchored in an affective foundation of “healthy, natural patriotism.” Their primary fear was that the balance would be upended by the seizure of power by left-leaning European bureaucrats. In one of the first pamphlets published by the Bruges Group, Chicago-trained LSE professor and future co-chair of the organization Brian Hindley wrote that “the real issue... is whether there should be an effort to move towards a United States of Europe” complete with a “social charter” granting minimum rights to workers along with worker participation in management.¹⁶

¹³ Harris, IEA to Hayek, 22 Mar 1989. Duke Archive, Hayek Papers, Box 97, Folder 10.

¹⁴ The Bruges Group, “A Campaign for a Europe of Sovereign States” pamphlet. Duke Archive, Hayek Papers, Box 97, Folder 10.

¹⁵ The Bruges Group, “A Campaign for a Europe of Sovereign States” pamphlet. Duke Archive, Hayek Papers, Box 97, Folder 10.

¹⁶ Brian Hindley, “Europe: Fortress or Freedom?” The Bruges Group, Occasional Paper 2. Duke Archive, Hayek Papers, Box 97, Folder 10.

Mobilizing against the specter of a “social Europe,” the Bruges Group brought in allies old and new. One of their distinctive moves was to incorporate partners from Eastern Europe. In early 1989, months before the fall of the Berlin Wall, they held events with members of Polish Solidarity calling for a broader conception of Europe.¹⁷ They also showcased economists who had long engaged with alternative proposals of European integration, especially related to currency policy. At a press conference in London in June 1989, four Mont Pèlerin Society members criticized Delors with a focus on the proposed monetary union, leading to one of the Bruges Group’s first publications, *A Citizen’s Charter for European Monetary Union*.¹⁸ One of the speakers was the sitting MPS president, Antonio Martino, who played a coordinating role in the Bruges Group and would become a founding member of the Forza Italia political party in 1994 and hold cabinet positions in two of Silvio Berlusconi’s governments. Also speaking were Pascal Salin, who would be MPS president from 1994 to 1996, and the German economist Roland Vaubel.

Both Salin and Vaubel had been involved with European monetary policy since the 1970s. They were core members of a long-standing group of neoliberals that advocated competing or parallel currencies as an alternative to a single, common currency as the basis of the European monetary union. As early as November 1975, Salin published the All-Saints Day Declaration in *The Economist* along with the German economist Herbert Giersch (MPS president from 1986 to 1988) and seven other economists calling for the introduction of a parallel European currency called the Europa to compete with national currencies. As part of a

¹⁷ Patrick Robertson to Hayek, 5 Sep 1989. Duke Archive, Hayek Papers, Box 97, Folder 10.

¹⁸ Roland Vaubel et al., *A Citizen’s Charter for European Monetary Union*, Occasional Papers (Brussels: The Bruges Group, 1989).

group of experts assembled by the European Commission, Salin co-authored another report making similar recommendations the same year.¹⁹ Vaubel, who finished his Ph.D in Kiel under Giersch's direction, also served as an expert drafted by the Commission (while still in his mid-20s) and published his first book on the idea of "currency competition and the case for a European parallel currency" in 1978.²⁰ Both Salin and Vaubel were in conversation with Hayek, who was writing about the idea of competing currencies at the same time, including two texts published in 1976 that would become touchstones in the crypto-currency debates of the 2010s.²¹

The specifically European context of Hayek's proposals are often overlooked.²² Salin retroactively dubbed Hayek "the real inspiration" behind the work of neoliberal economists on parallel currencies.²³ Yet in light of the fact that Hayek's two texts followed research and proposals already underway by Giersch, Vaubel and Salin himself, one can infer that the inspiration went both ways. Giersch had published two formal proposals for competing currencies in Europe by the time of Hayek's signature texts.²⁴ Giersch and Hayek had known each other since the late 1940s and Hayek invited Giersch to apply for a position at Freiburg

¹⁹ Emmanuel Mourlon-Druol, *A Europe made of money: the emergence of the European Monetary System*, Cornell studies in money (Ithaca, N.Y.: Cornell University Press, 2012), 87.

²⁰ Vaubel to Hayek, 12 Apr 1976. Duke Archive, Hayek Papers, Box 56, Folder 6. Roland Vaubel, *Strategies for Currency Unification: The Economics of Currency Competition and the Case for a European Parallel Currency* (Tübingen: Mohr, 1978). See also "Plans for a European parallel currency and SDR reform: The choice of value-maintenance provisions and 'Gresham's law'," *Weltwirtschaftliches Archiv* 110, no. 2 (Jun 1974).

²¹ See F. A. Hayek, *Denationalisation of Money: An Analysis of the Theory and Practice of Concurrent Currencies* (London: Institute of Economic Affairs, 1976). *Choice in currency: A way to stop inflation* (London: Institute of Economic Affairs, 1976). On cryptocurrency see David Golumbia, *The Politics of Bitcoin: Software as Right-Wing Extremism* (Minneapolis, MN: University of Minnesota Press, 2016).

²² For an exception see Anderson, "The Europe to Come."

²³ Pascal Salin, "General introduction," in *Currency competition and monetary union*, ed. Pascal Salin (The Hague: Martinus Nijhoff, 1984), 1.

²⁴ The Kiel Report was published in December 1974 and Marjolin Report in March 1975. For details see Mourlon-Druol, *A Europe made of money: the emergence of the European Monetary System*, 35.

University in 1963.²⁵ Further testifying to the influence of the Kiel group, Hayek called Vaubel's work "to a great extent, the departure point" for his continuing work on competing currencies and predicted that Vaubel would be the first German economist to receive the Nobel Prize.²⁶

It was a sore point for neoliberals in the 1990s that their most developed proposal for Europe—that of "currency choice"—lost out to the common currency of the Euro.²⁷ In 1992, Giersch led 59 other economists in publishing an open letter critical of the proposed monetary union.²⁸ While the chief economists of major banks felt that centralized monetary policy was necessary to prevent the collapse into competing national policies, Giersch and others feared that the agreement did not include sufficient sanctioning power to keep the individual state budgets in line. A dividing line was created between those neoliberals who felt supranational governance was necessary to defend overall economic order and right-wing neoliberals who felt that such an order must be anchored more soundly in national states. Neither were opposed to an active role for the state per se. The disagreement was about whether a central European bank or national central banks were the most effective site for monetary management.

At the turn of the 1990s, there was a meaningful divide between the neoliberals of the Bruges Group who emphasized the importance of the nation-state as an ongoing locus of sovereignty and others who saw the very merit of European institutions in its ability to

²⁵ Dieter Plehwe and Quinn Slobodian, "Landscapes of Unrest: Herbert Giersch and the Origins of Neoliberal Economic Geography," *Modern Intellectual History* Online first: doi:10.1017/S1479244317000324(2017): 15, 21.

²⁶ Hayek to Klaus Dellmann, 22 Dec 1983. Hayek to Klaus Dellmann, Kiel University, 17 Nov 1983. Both at Duke Archive, Hayek Papers, Box 56, Folder 6.

²⁷ Charles P. Kindleberger, *A Financial History of Western Europe* (London: George Allen & Unwin, 1984), 459. See also Pascal Salin, "The choice of currency in a Single European Market," *Cato Journal* 10, no. 2 (Fall 1990).

²⁸ Andrew Fisher, "Germans defend treaty," *Financial Times* June 16, 1992.

pickpocket national sovereignty for the sake of locked-in market freedoms at the supranational level. The contrast is best illustrated in a contribution from an unlikely quarter: the American economist James M. Buchanan, MPS president from 1984 to 1986 and recipient of the Nobel Memorial Prize in Economics in 1986, who otherwise engaged little with European or international questions.²⁹ At the first MPS general meeting after the fall of the Berlin Wall, held in Munich in September 1990, Buchanan led off with an "American perspective on Europe's constitutional opportunity." The respondents were the German-Swiss economist Peter Bernholz and Harris himself. The published version of the talk appeared in French, German and both the US and UK, suggesting its centrality to the discussion at the time.³⁰

In a provocative departure from the right-wing neoliberals, Buchanan diagnosed a waning of the very sentiments of nationalism and patriotism to which Harris, Thatcher, and the Bruges Group appealed. Far from seeing nationalism as "healthy" or "natural," Buchanan saw it as one of many "artificial" "dependency-induced loyalties" concocted by intellectuals to shape collectives to their own self-interested ends.³¹ By the end of "the socialist-collectivist century," he wrote, "political entrepreneurs can no longer exploit the Hegelian sublimation of the individual to a collective zeitgeist or the Marxian dialectic of class conflict."³² He saw the belief

²⁹ An exception is his constitutional proposal for Pinochet's Chile. See Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America* (New York: Viking, 2017), chapter 10.

³⁰ James Buchanan, *Une Constitution pour l'Europe? Etats-Unis 1787-Europe 1990* (Paris: Euro 92, 1990). "Möglichkeiten für eine europäische Verfassung: eine amerikanische Sicht," *Ordo* 42 (1991): 127-37. "Europe's Constitutional Opportunity," in *Europe's Constitutional Future* (London: Institute of Economic Affairs, 1990). "An American perspective on Europe's constitutional opportunity," *Cato Journal* 10, no. 3 (Winter 1991): 619-29.

³¹ "An American perspective on Europe's constitutional opportunity," 623.

³² *Ibid.*, 624.

in the need for a culturally homogeneous nation inhabiting a single territory as part of a “romantic myth... substantially displaced in the public consciousness of the 1990s.”³³

Evidently convinced by contemporary arguments about the eclipse of the nation in an era of globalization, Buchanan believed that the waning of nationalism created an opening for constitutional design. “Europe waits for its own James Madison,” he wrote, “who understands the constitutional economics of competition.”³⁴ Because, as he put it elsewhere, “socialism is dead but Leviathan lives on,” there would have to be checks to prevent the expansion of the remit of power by rent-seeking private interests.³⁵ The European constitutional mandate must be limited to the guarantee of “competition among producers and consumers of goods and resources across the territory that encompasses the several nation-states.”³⁶ Significantly, he also emphasized that a European constitution would need the right of secession. Without an exit option, the temptation of elite-led leftward mission creep would be too great.

Buchanan’s plan harked back to the proposals of Hayek and Lionel Robbins from the 1930s, when they sought consciously to harmonize and lock in free trade policies through supranational federation.³⁷ Yet Buchanan recalled his proposal being met with hostility:

I was attacked by the right mostly by Britishers who at that time had formed what they called the Bruges Group. There were a few European members in that group, but basically it was dominated by the British. I was a vicious man because I was proposing the possibility that Europe was moving toward some sort of federal structure. “Federal” is a black word in their lexicon; the idea of federalism or federation or anything like that they consider outrageous. They were essentially refusing to agree to have England or

³³ Ibid., 628.

³⁴ Ibid., 629.

³⁵ *Socialism is dead, but Leviathan lives on* (St. Leonards: The Center for Independent Studies, 1990).

³⁶ “An American perspective on Europe's constitutional opportunity,” 625.

³⁷ See Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism*, chapter 3. Or Rosenboim, *The Emergence of Globalism: Visions of World Order in Britain and the United States, 1939-1950* (Princeton, NJ: Princeton University Press, 2017), chapter 5.

Britain give up even one jot of what they thought was their national sovereignty.³⁸

The early 1990s neoliberal discourse on Europe is captured well by the opposing stances of Buchanan and the Bruges Group. There was a faction within the MPS, including Curzon Price, who believed similarly that “tying the hands” of sovereign governments was precisely the goal of supranational monetary order, either through binding rules or a central authority.³⁹ In 1989, she referred positively to the “Ferrari model” of integration in the wake of European Court of Justice decisions securing competition over European borders and, most importantly, the freeing of capital movements between member states, which she believed would lead organically to the disciplining of national governments and the narrowing of their space of policy discretion.⁴⁰ Martino himself followed Buchanan in the argument that what was essential was the institution of rules binding national governments and central banks and that the content of the rule itself could change with time.⁴¹

Following Buchanan’s prompt, the European Constitutional Group was formed in 1992 by German public choice economist Christian Kirchner. The ECG drafted a proposed European constitution in 1993 outlining a narrow set of supranational political capacities for the EU. Following Buchanan, they included the right of secession. Among the ten original participants in the ECG, seven were Mont Pèlerin Society members, including Bernholz (the original respondent to Buchanan at the 1990 MPS meeting), Francisco Cabrillo, and Salin.⁴² In 1997, the

³⁸ James Buchanan, “Response,” in *Public Finance and Public Choice: Two Contrasting Visions of the State*, ed. James M. Buchanan and Richard A. Musgrave (Cambridge, MA: MIT Press, 1999), 180.

³⁹ Victoria Curzon Price, “Three Models of European Integration,” in *Whose Europe? Competing Visions for 1992*, ed. Ralf Dahrendorf (London: Institute of Economic Affairs, 1989), 37.

⁴⁰ *Ibid.*, 38.

⁴¹ Antonio Martino, “A monetary constitution for Europe?,” *Cato Journal* 10, no. 2 (Fall 1990): 519.

⁴² Dieter Plehwe and Bernhard Walpen, “Buena Vista Neoliberal? Eine klassentheoretische und organisationszentrierte Einführung in die transnationale Welt neoliberaler Ideen,” in *Ideologien in der Weltpolitik*, ed. Klaus-Gerd Giessen (Wiesbaden: Springer, 2004), 78.

ECG drew up another counter-proposal to the proposed constitution of the Amsterdam Treaty, adding Vaubel and German think tanker and MPS member Detmar Doering, among others, to their ranks.⁴³ The core group remained active in the ECG into the 2010s, demanding reform while also stating that "the ultimate protection against a breakdown of the rule of law is the right to withdraw. There ought to be more room for opt-outs."⁴⁴

If the constitutionalist contingent of Eurosceptic neoliberals, with a preponderance of German-speaking and Southern European participants, leaned toward internal reform, the British members of the Bruges Group edged toward rejection of the EU through the 1990s. In 1996, the organization's co-chair, Brian Hindley co-authored a paper titled *Better Off Out? The Benefits or Costs of EU Membership*. The paper set out to dispel the idea that leaving the EU would be economically devastating, concluding that "the idea that dire economic consequences make UK departure from the EU unthinkable has no evident foundation."⁴⁵ In the introduction to a 1997 Bruges Group publication titled *A Euro-sceptical dictionary*, Chris R. Tame, the founder of the UK's Libertarian Alliance, captured the development of the second half of the decade when he wrote that "there has been an increasing shift in 'Euro-sceptic' opinion from the hope that the increasingly statist and illiberal character of the EU could be reformed, to the view that the European-project is now irrevocably flawed and inherently statist, and that total withdrawal is the only feasible option."⁴⁶ The Bruges Group promoted this line in an online web magazine called *eurocritic* as well as a publication titled *Critical*

⁴³ Ibid., 79.

⁴⁴ Peter Bernholz et al, "European Constitutional Group Open Letter to the President of the European Council," *Open Europe Berlin* (1 Dec 2015).

⁴⁵ Brian Hindley and Martin Howe, *Better off out? The Benefits or Costs of EU Membership* (London: Institute of Economic Affairs, 1996), 99.

⁴⁶ Chris R. Tame, *A Euro-sceptical Directory*, Occasional Paper No. 29 (London: The Bruges Group, 1997).

Journal. By 1999, the die seemed cast. The campaign director of The Bruges Group promised publicly that “the EU will break-up because of its contradictions. Just in the way that the USSR broke-up then the EU will suffer a similar fate.”⁴⁷ From the hope of internal reform, the British neoliberal Eurosceptics had moved to the prediction of dissolution.

Centre for the New Europe: The Opening to the Right, or the Meaning of the Mole

The Bruges Group was joined on their path of Eurosceptic radicalization by an affiliated think tank, Centre for the New Europe, founded in Brussels in 1993 by the Belgian lawyer Fernand Keuleneer and the Belgian jurist and journalist Paul Belien, who presented the new organization at the MPS meeting in Cannes in 1994.⁴⁸ Belien paid homage to Hayek’s last publication in the same year in an article titled “The Fatal Conceit of Europe.”⁴⁹ Keuleneer and Belien had already launched a magazine together, *Nucleus*, in 1990. Keuleneer acted as president of the CNE with the French economist Paul Fabra as director general and Belien as research director. Ralph Harris helped secure funding, which came through the Roularta Media Group and the pharmaceutical company, Pfizer.⁵⁰ The links to the pharmaceutical company were intimate as CNE’s vice-president into the 2000s, Catherine Windels, retained a parallel position there as a marketing executive.⁵¹ The center’s publications reflected the interests of

⁴⁷ Jonathan Collett, “Euro-scepticism: Past, Present and Future,” *The Bruges Group* (13 Apr 1999).

⁴⁸ Paul Belien, “The Brussels Capitalist Ball 2006,” *The Brussels Journal* (25 Feb 2006).

⁴⁹ “The Fatal Conceit of Europe,” in *Visions of Europe: Summing Up the Political Choices*, ed. Stephen Hill (London: Duckworth, 1993). See F. A. Hayek, *The fatal conceit: the errors of socialism*, University of Chicago Press ed., vol. 1, *The Collected works of F. A. Hayek* (Chicago: University of Chicago Press, 1988).

⁵⁰ Belien, “The Brussels Capitalist Ball 2006.”

⁵¹ “Presentation: CNE Staff,” www.cne.be [1 Nov 1996; Accessed through archive.org]

their patron with an emphasis on health care and environmental regulation.⁵² Belien contributed treatments of the European health care regulation to the broader neoliberal network, including Vancouver, British Columbia's Fraser Institute, to which Windels was an international advisor.⁵³

The CNE was designed as a Brussels outpost for the Euroskeptic neoliberal position. Its mandate was comparable to the Bruges Group in its self-description as promoting "a pro-market, yet pro-Community viewpoint."⁵⁴ It emphasized the need to return to the primary European function of encouraging competition and preventing "over-regulation" and centralization. At the same time, it included explicit attention to traditionally socially conservative positions, arguing that "the backbone of a community is its ethical, moral and cultural framework."⁵⁵ The organization insisted that "the concept of community depends upon commonly held systems of values: criteria to distinguish good from evil, right from wrong. Pluralism, civilised debate, personal freedom and human dignity cannot survive in a cultural climate that denies either the existence of truth (nihilism) or the importance of truth (relativism)."⁵⁶ According to Belien, the attention to socially conservative themes reflected their goal to cast the CNE in the mold of American think tanks like the Heritage Foundation

⁵² See, e.g. Paul Belien and Kevin Vigilante, *The Health Care Dilemma* (Brussels: Centre for the New Europe, Sep 1996). William Looney, *Drug Budgets: The hidden Costs of Control. Impact of European Drug Payment Reform on Access, Quality and Innovation* (Brussels: Centre for the New Europe, June 1995). Jeremy Rabkin, *Euro-Globalism? How Environmental Accords Promote EU Priorities into 'Global Governance' — and Global Hazards* (Brussels: Centre for the New Europe, Sep 1999).

⁵³ Paul Belien, "What can Europe's health care systems tell us about the market's role?," in *Healthy Incentives: Canadian Health Reform in an International Context*, ed. Cynthia Ramsay, Michael Walker, and William McArthur (Vancouver, BC: The Fraser Institute, 1996).

⁵⁴ Centre for the New Europe, *Introducing CNE* (Brussels: Centre for the New Europe, May 1994), 6.

⁵⁵ *Ibid.*, 10.

⁵⁶ *Ibid.*, 28.

and American Enterprise Institute, which combined themes of free markets with traditional morality and thereby, in his metaphor, “walk on two legs” instead of only one.⁵⁷

The mixture of conservative and market themes also reflected the approach of the Social Affairs Unit (SAU), an offshoot of the IEA, overseen by MPS member Digby Anderson, who sat on the board of directors of the CNE. In the 1990s, the SAU published books suggesting that the loosening of sexual norms since the 1960s had eroded the conditions for reproducing the free market order. The title of one of Anderson’s edited SAU volumes illustrated the approach starkly: *This Will Hurt: The Restoration of Virtue and Civic Order*.⁵⁸ Belien’s own investment in socially conservative themes was reflected in his engaged activism in support of home-schooling as well as a polemical text opposing abortion, published by the Roularta Media Group, which hosted the CNE offices in their early years.⁵⁹

Belien wrote the CNE’s first publication in 1994 and became an MPS member in 1996.⁶⁰ Toward the end of the decade, his politics shifted further rightward. In 1995, his wife, Alexandra Colen, who had suggested the names for both *Nucleus* and CNE, entered Belgian parliament with the far-right Flemish separatist party Vlaams Blok. During her time in parliament, the couple published a “quarterly journal for the study of secession and direct democracy” titled *Secession (Secessie)*. The journal’s website offered links to The Bruges Group and the CNE alongside right-wing libertarian Lewrockwell.com and the anti-immigration site,

⁵⁷ Belien, “The Brussels Capitalist Ball 2006.” On neoliberalism and social conservatism as mutually interdependent see Melinda Cooper, *Family Values: Between Neoliberalism and the New Social Conservatism* (New York: Zone, 2017).

⁵⁸ Digby Anderson, ed. *This Will Hurt: The Restoration of Virtue and Civic Order* (London: The Social Affairs Unit, 1995).

⁵⁹ Paul Belien, *Abortus: het grote taboe* (Zellik: Roularta Books, 1992).

⁶⁰ *A History of the EC/EU by a Federalist Eurosceptic* (Brussels: Centre for the New Europe, May 1994).

VDare, run by the former *National Review* journalist and forerunner of the Alt Right Peter Brimelow.⁶¹ After Colen's party was outlawed as racist in 2004, Belien wrote for VDare that a new party would arise that would spell the end of Belgium through the partition he desired and "will bury mass immigration too."⁶² Since 2006, Belien has directed the think tank Islamist Watch and published articles warning of Muslims as "predators" who "starting when they're small, learn at their yearly offerings how to cut the throats of warm-blooded livestock." "We get sick at the sight of blood," he warned, "but they don't. They're trained and they're armed."⁶³

Belien's swing from reformist Eurosceptic to separatist xenophobic nationalist is an extreme case of a trajectory taken by others. A case in point is Belien's successor as research director at CNE, the German philosopher Hardy Bouillon, who also established a branch office of CNE in Trier, where he taught and lived in the late 1990s. Bouillon was an MPS member and the CNE's advisory board was heavily stacked with others. MPS members accounted for 22 of 24 advisors, including those involved with the Bruges Group like Harris, Salin, Vaubel, and Martino and the ECG like Bernholz, Jiri Schwarz, and Angelo Petroni.⁶⁴ Martino's wife, Carol Erickson, was a member of the five-person board. During his tenure at CNE, Bouillon became actively involved with the libertarian magazine *Eigentümlich Frei* founded in 1998, writing articles on libertarianism and sitting on its editorial board.⁶⁵ According to the mandate of its

⁶¹ <http://web.archive.org/web/20010722042051/http://secessie.nu>. On Brimelow see George Hawley, *Making Sense of the Alt-Right* (New York: Columbia University Press, 2017), 39.

⁶² Paul Belien, "Anti-Immigration Party Banned In Belgium," *VDare* (9 Nov 2004).

⁶³ "Geef ons wapens!," *The Brussels Journal* (21 Apr 2006).

⁶⁴ <http://web.archive.org/web/20010418225100/http://www.cne-network.org:80/cne/index.htm> [18 April 2001] Fred Singer, *The Scientific Case Against the Global Climate Treaty* (Brussels: Centre for the New Europe, 2000).

⁶⁵ See, e.g. Hardy Bouillon, "Libertarianismus - mit oder ohne Naturrecht?," *Eigentümlich Frei*, no. 6 (1999): 195-99.

publisher André Lichtschlag, the goal of the journal was to create an alliance between libertarians and the New Right.⁶⁶ He followed the model set by American libertarian Murray Rothbard in the famous “paleo alliance” he formed in the late 1980s between the paleoconservatives of the Right, including Samuel Francis and others around the Rockford Institute, and the paleolibertarians centered around the Ludwig von Mises Institute in Auburn, Alabama.⁶⁷ The latter regularly promoted topics of “race realism” as well as secession, neo-confederacy and the need for increased regulation of immigration.⁶⁸ In 1992, Rothbard laid out a strategy of “right-wing populism” returned to innumerable times by right-wing libertarians since. The goal, he wrote, was to oppose Hayek’s approach of “trickle-down educationism” that targeted elites with a style that was “exciting, dynamic, tough, and confrontational, rousing” and appealed to the masses.⁶⁹ Also known as the “redneck strategy,” the goal was to transform people’s natural dislike of politicians into a dislike for politics as such, thereby paving the way to a stateless society.

A connection between US paleolibertarians and German neoliberals existed via the most forceful proponent of the “closed borders libertarian” position after Rothbard’s death in 1995, his protégé, the German economist Hans-Hermann Hoppe. Rothbard brought Hoppe to the United States on a scholarship from the Center for Libertarian Studies and eventually found him a position at the University of Nevada-Las Vegas where Rothbard himself worked.

⁶⁶ André F. Lichtschlag, “Für die libertär-konservative Sezession,” *Sezession* 3(Oct 2003).

⁶⁷ On the paleo alliance from a participant see Paul Gottfried, *The Conservative Movement*, Revised ed. (New York: Twayne, 1993), 144-59.

⁶⁸ On Rothbard’s split with Charles Koch and the Cato Institute see Daniel Bessner, “Murray Rothbard, political strategy, and the making of modern libertarianism,” *Intellectual History Review* 24, no. 4 (2014). See also Hawley, *Making Sense of the Alt-Right*, 34.

⁶⁹ Murray N. Rothbard, “A Strategy for the Right (January 1992),” in *The Irrepressible Rothbard*, ed. Llewellyn H. Rockwell (Burlingame, CA: The Center for Libertarian Studies, 2000), 11.

In the 1990s, Hoppe wrote about immigration as “forced integration” and spoke positively about the neo-nationalist secession groups sweeping Europe.⁷⁰ His most famous book, published in 2001, was titled *Democracy: The God that Failed*, and called for a shift to a non-democratic “private law society.”⁷¹ Following his mentor, Rothbard, Hoppe referred to his philosophy as anarcho-capitalism.

Bouillon met Hoppe in 1991. Having grown dissatisfied with “Hayek’s concept of individual freedom,” Bouillon recalls finding Hoppe “refreshing.”⁷² It is likely through Bouillon that Hoppe was hosted at the Center for the New Europe in 2001.⁷³ Hoppe also joined Bouillon as a member of the advisory board of *Eigentümlich Frei* in 2006. At an event where Hoppe spoke in front of a gathering of libertarians and German liberals of the FDP in 2005, Bouillon brandished the mascot of Krtek, a stuffed cartoon mole, calling “for a combination of adapting to and subverting the system.”⁷⁴ The spirit of the meeting was that of Rothbard and Lichtschlag—the search for a viable union between right-wing populism and libertarianism. The Swiss rightist Christoph Blocher was named as one candidate for such a politics at the meeting, and the examples of the AfD and the Austrian Freedom Party would follow.⁷⁵

Bouillon counted Rothbard as one of his favorite authors.⁷⁶ As director of academic affairs, he held the same position as Rothbard had at the Mises Institute in Alabama. Under

⁷⁰ Hans-Hermann Hoppe, “The Case for Free Trade and Restricted Immigration,” *Journal of Libertarian Studies* 13, no. 2 (1998): 221-33. “Small is Beautiful and Efficient: The Case For Secession,” *Telos* 107(Spring 1996): 95-101.

⁷¹ *Democracy: The God that Failed* (New Brunswick, NJ: Transaction, 2001).

⁷² Hardy Bouillon, “A Note on Intellectual Property and Externalities,” in *Property, Freedom & Society: Essays in Honor of Hans-Hermann Hoppe*, ed. Jörg Guido Hülsmann and Stephan Kinsella (Auburn, AL: Ludwig von Mises Institute, 2009), 149.

⁷³ <http://web.archive.org/web/20010418225100/http://www.cne-network.org:80/cne/index.htm> [18 Apr 2001 archive.org]

⁷⁴ David Schah, “Mobilmachung der Libertären in Gummersbach,” *Eigentümlich Frei*, no. 54 (Aug 2005): 36.

⁷⁵ Ibid.

⁷⁶ Hardy Bouillon, “Schlagermusik gegen Freiheitsabsenz,” *ibid.*, no. 18 (Oct 2001): 18.

Bouillon's direction, the CNE took a similar route to the Bruges Group but with a bent toward radical right-libertarianism where the Bruges Group tended to a more staid Toryism. The CNE enjoyed what they saw as tweaking the noses of the European bureaucrats, hosting a "Capitalist Ball" in 2003 where Bouillon gave the CNE's F. A. Hayek Award to his co-author and mentor, the MPS member and philosopher of science Gerard Radnitzky, who used his talk to skewer the European Commissioner Frits Bolkestein.⁷⁷ Radnitzky's perspective resembled Hoppe's. He questioned the necessity of democracy for a functioning market order, wrote extensively on the importance of Western values for the success of capitalism, and denounced the EU as "the forerunner to a global tax cartel."⁷⁸

The CNE's perspective overlapped substantially with that of Lichtschlag's *Eigentümlich Frei*. Another of the magazine's advisors, the MPS member Detmar Doering, published a report for CNE on the need for a right of secession from the EU a few years after an article in *Eigentümlich Frei* attempting to recuperate the reputation of Social Darwinism.⁷⁹ Climate denial became another focus as the CNE published a report refuting "the scientific foundations of the global warming scare" and Bouillon claimed that the belief in climate change was based on "falsification."⁸⁰ By the first decade of the 2000s, the CNE had established itself as the wild sibling of neoliberal Euroscepticism, flirting with anti-democratic strains of right-wing

⁷⁷ André F. Lichtschlag, "Der „CNE Capitalist Ball 2003“," *ibid.* 6, no. 33 (Apr 2003).

⁷⁸ See, e.g. Gerard Radnitzky, "Towards a Europe of Free Societies: Evolutionary Competition or Constructivistic Design," *Ordo* 42(1991); "Die EU als Wegbereiter des globalen Steuerkartells," *Eigentümlich Frei* 6, no. 33 (Apr 2003). "„Demokratie“ Eine Begriffsanalyse," *ibid.*, no. 3 (1998).

⁷⁹ Detmar Doering, "„Sozialdarwinismus“ Die unterschwellige Perfidie eines Schlagwortes," *ibid.* 2, no. 6 (1999). *Friedlicher Austritt: Braucht die Europäische Union ein Sezessionsrecht?* (Brussels: Centre for the New Europe, Jun 2002).

⁸⁰ Singer, *The Scientific Case Against the Global Climate Treaty*. Hardy Bouillon, "Which ideas matter? ... rather than an introduction," in *Do Ideas Matter?: Essays in Honour of Gerard Radnitzky*, ed. Hardy Bouillon (Brussels: Centre for the New Europe, 2001), 13.

libertarianism and seeking a basis for an effective neoliberal populism. The breakthrough would come with the Eurozone crisis.

New Direction: The Breakthrough of Neoliberal Secessionism

Throughout the 1990s, a Eurosceptic Right formed at the European level with little effect on the individual national political landscape. In a painful irony, the directly elected members of European parliament, originally intended to help bridge the so-called democratic deficit and legitimate Europe-wide governance, ended up offering a stage to those suspicious of the European project as such. Although there was already a robust transnational network of Eurosceptic right-wing parties by 1994, few scholars paid attention or took them seriously as part of the system of national and transnational European civil society. The fact that the hurdle for a seat in the European parliament is only 3% (as opposed to 5% in the German Bundestag) lowered the barriers to entry for protest parties.

The opening for neoliberal populist parties came after the financial and economic crisis of 2008. A so-called critical realignment took place as existing party system could no longer channel the economic and social problems produced by the Global Financial Crisis. The formation of the Alliance of European Conservatives and Reformers (AECR) in 2009 was a clear expression of the increased confidence of the European New Right.⁸¹ The decision of the British Conservative party along with the Czech ODS and the Polish PiS to end their traditional cooperation with the majority conservatives and social democrats in the European Parliament

⁸¹ The party changed its name (and acronym) to Alliance of Conservatives and Reformers in Europe (ACRE) in 2016.

marked a break with the integration policy of the past. The new formation introduced a conservative perspective with no ties to the previous policy of integration.

The AECR was formally launched in March 2009 with the ten-point Prague Declaration, spearheaded by the British Tories and MPS member Vaclav Klaus's ODS. The Prague Declaration linked neoliberal and conservative thinking. The manifesto opened with the demand for economic rather than political freedom as the basis of personal freedom and national welfare. "Free enterprise, free and fair trade and competition, minimal regulation, lower taxation, and small government," it declared, were "the ultimate catalysts for individual freedom and personal and national prosperity." The Declaration also demanded more individual freedom and responsibility, clean energy and energy security, emphasized the family as the basis of society, national sovereignty against European federalism and the significance of NATO, especially for the younger democracies in Eastern Europe. It called for a stricter control of immigration and greater transparency for the expenditure of European funds.

In 2010, the AECR launched its own think tank, titled New Direction – The Foundation of European Reform (ND). Expressing continuity with the genesis of neoliberal Euroscepticism in the late 1980s, Thatcher was the patron of the foundation until her death in 2013. The foundation was directed by Tom Miers and erstwhile Polish Solidarity activist Krzysztof Grzelczyk as the East European coordinator. Its deputy director from 2011 to 2015 was none other than Hardy Bouillon, formerly of the CNE. The *Alternative für Deutschland* or AfD, formed as a protest party in 2013 against the German government's conduct in the Eurozone crisis, was not part of the AECR, but there was overlap with New Direction. Hans-Olaf Henkel,

one of the founders of the AfD, who later left to join the splinter Liberal Conservative Reformers (LKR) was New Direction's vice-president.⁸² He edited the first issue of their magazine in 2015, titled "That Sinking Feeling," which pictured the symbol of the Euro descending into a dark sea as a shark's fin approached. The magazine included an article by the veteran neoliberal Eurosceptic Roland Vaubel calling the banking union a "breach of faith" and another by MPS member (and founding AfD member) Joachim Starbatty questioning the positive impact of the Euro on the German economy.⁸³ The participation of neoliberal Eurosceptics in New Direction and the AECR represents the culmination of the arc beginning in 1988 from internal reform to a call for dissolution. Once considered salvageable, neoliberals now pictured the EU in the process of drowning.

Conclusion

When the Institute for Economic Affairs held a debate in March 2016 about how Hayek would have voted in the referendum on British EU membership, the think tank's head of public policy concluded that "Hayek would have been a Brexiteer."⁸⁴ This chapter has narrated the shift in neoliberal Eurosceptic organization from 1988 to the 2010s as a passage from reform to radicalism, from demands for conservative reconstruction to separatism and secession. The recent far right parties must be understood within this backdrop. Ironically the new right-wing neoliberalism profits from the dislocations of the neoliberal project (free trade, free capital movements, deregulation and liberalization) and the inadequate protection offered by the

⁸² LKR was originally known as Alliance for Progress and Renewal (Allianz für Fortschritt und Aufbruch, ALFA).

⁸³ Roland Vaubel, "Banking Union: A Breach of Faith," *That Sinking Feeling* (Autumn 2015): 48-51. Joachim Starbatty, "Has Germany benefitted from the Euro?," *ibid.*

⁸⁴ Ryan Bourne, "Hayek would have been a Brexiteer," *IEA Blog* (18 Mar 2016).

ever-shrinking welfare state. The transformation of welfare capitalism has effected changes that have boomeranged on the neoliberal camp itself. Neoliberals may not like it, but the logic of the competition state and locational competition inevitably frees up centrifugal dynamics both in Europe and in the nation state, because competition requires a free hand in influencing local conditions. Nation state building and the construction of Europe is premised to a large degree on regulating and even limiting certain conditions of competition. Europe and even some of the member states are at a critical juncture, because cross-regional cohesion and competition ultimately cannot be easily reconciled by going in one direction only. Because right-wing neoliberalism embodies a culturally and socially conservative variant of neoliberalism, it offers its own kind of regressive politics: exclusionary social romanticism takes the place of egalitarian social policy. An adherence to the ideology of family and competition replaces the spirit of equality of opportunity and social mobility.

At the MPS meeting in South Korea in 2017, AEER co-founder Vaclav Klaus expressed the spirit of neoliberal nationalism. The biggest problem was that of migration, accelerated in his opinion by the inducements of the welfare state along with a "post-modern ideological confusion connected with the ideas of multiculturalism, cultural relativism, continentalism (as opposed to the idea of nation-state), human-rightism and political correctness." "Mass migration into Europe," he said, "threatens to destroy European society and to create a new Europe which would be very different from the past as well as from MPS way of thinking." He defended the right-wing populist parties in France, Austria, Germany, the Netherlands and Italy as "powerless people who try to oppose the arrogant European (or American) political elites." The solution was to ground "continental or planetary thinking" back in the nation-

state.⁸⁵ The neoliberal nationalist position rebukes the legalist constitutionalism of thinkers like Buchanan and places questions of affect and psychology front and center. Far from a proposition of one-dimensional homo economicus, it is a vision of human nature, social order and political subjectivity grounded in extra-economic factories of morality and emotion.

The relationship of neoliberal nationalism to the wider world is highly selective. In the programs of two of these parties—the AfD and the Austrian Freedom Party—we find that the rejection of Europe does not mean a blanket rejection of economic globalization, as suggested by the frequent conjoining of populism, political isolationism, and economic protectionism. While the parties condemn the EU, the language demanding increased trade and competitiveness is entirely mainstream. The AfD calls for trade agreements to be settled through the WTO and the lifting of barriers for exports from developing countries in the place of foreign aid transfers. Fiscal conservatism is raised to an absurd degree with criminal charges demanded for policymakers who overspend. Both parties call for school choice and an end to inheritance tax and burdensome regulations, even as they make new promises for social spending.

In the right-wing neoliberal imaginary, free market capitalism is not displaced but anchored ever more deeply in conservative family structures and a group identity defined against an Islamic threat from the East. Aware of the resonances with the West German social market economy of the 1950s, the AfD self-consciously employs the same slogan in its party program as the country's first Economics Minister and MPS member Ludwig Erhard: "prosperity for all!" Rather than contrasting a neoliberal Europe against its populist critics, this

⁸⁵ Václav Klaus, "Mont Pelerin Society Speech in Korea," (2017).

chapter has shown that the anti-European neoliberal nationalism must be seen as a political position with its own cast of characters and a clear pedigree. Any future description of Europe as a neoliberal plot must acknowledge the neoliberals who have plotted against it too.