

The Idea of Neoliberalism:
The Emperor Has Threadbare Contemporary Clothes

THE IDEA OF NEOLIBERALISM

THE EMPEROR HAS THREADBARE CONTEMPORARY CLOTHES

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To the late Alex Kouzmin
For Tina, Piers, Alik, David, and Isabella

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PREFACE

Neoliberalism is an elusive and contested notion, a hybrid term awkwardly suspended between the lay idiom of political debate and the technical terminology of social science, which, moreover, is often invoked without clear referent. For some, it designates a hard-wired reality ... while others view it as a doctrine. ... It is alternately depicted as a tight, fixed, and monolithic set of principles and programs that tend to homogenize societies, or as a loose, mobile, and plastic constellation of concepts and institutions adaptable to variegated strands of capitalism.

Wacquant (2009, 306)

This book is the outcome of a 40-year intellectual odyssey. It was initiated by my teaching in the mid-1970s of neoclassical economic theory and public choice theory to questioning and skeptical practicing public officials in Canberra, and by the adoption in the early 1980s of the neoliberal reform agenda by the then Australian, center-left, Prime Minister, Bob Hawke. The result is a critical exposition of the idea of neoliberalism.

Neoliberalism, as a set of ideas, represents the 1970s rebirth—rebranding—of classical liberalism that originated in the mid-eighteenth century Scottish Enlightenment associated with the thinking of David Hume, Adam Smith, Adam Ferguson, and Dugald Stewart. Its doctrine is grounded in three foundational principles:

- the absolute supremacy of individual liberty;
- the Lockean idea of a protective democracy; and
- the free-market economic philosophy.

While the holy grail of neoliberalism is not embodied in any coherent corpus of received interpretation—constituting a Neoliberal Manifesto—the ideas underpinning its dogma can be deduced from these founda-

tional principles and its predispositions or standpoints towards:

- ontology—specifically, individualism (only self-caused and self-interested individuals exist in the world of persons); and
- epistemology—specifically, empiricism (privileging factual truths about the world of persons), and rationalism (privileging logical truths about cause of social actions in that world).

This permitted the assembling of a mental construct of neoliberalism, akin to a Weberian pure ideal-type—a “unified analytical construct” (Weber [1903–1917/1949] 1997, 90), with “the highest possible degree of logical integration” (Weber [1914/1922] 1968, 20). This construct enables the demarcation of neoliberalism’s worldview—its point-of-view on the social world—the world of persons. It has own its framing assumptions (organizing ideas) and its own blind spots (reality obfuscations). This enables the world of persons to be consistently—but incompletely—described, explained, and understood, on the presumption that it is as neoliberalism purports it to be. This is the methodological tool used to mark out and analyze the incompleteness of the dogma of neoliberalism. Of course, in the Weberian tradition such a mental construct is not an hypothesis (to be empirically verified); it does not *per se* imply an ethical ideal (but they can embody moral propositions); and it does not exhaust reality (thereby permitting variations in praxis, in terms of the social, economic, and political ideas, institutions, policies, and practices inspired and validated by such a mental construct).

This is very eclectic book. It draws upon concepts, frameworks, paradigms, and theories from philosophy, social theory, economics, political science, sociology, social psychology, organizational theory, public administration, and management. This necessitated its distinctive style. First, it has extensive footnotes. These serve three functions: to define (giving the reader all the technical definitions needed to make the text accessible); to elaborate (giving the reader an appreciation of any nuances); and to contextualize (giving all readers an appreciation of how subject matter is situated within a particular academic literature). Second, it has an extensive bibliography. Finally, it has a thematic index of both the text and footnotes.

All authors are inevitably intellectual debtors. My major intellectual debt is obviously to the thousand or so scholars whose work has been cited. My other debts cannot be adequately expressed, let alone repaid. Foremost are my personal and professional debts to the late Alex Kouzmin, with

whom I collaborated regularly over 25 years on themes related to the neoliberalism, and to whom this book is dedicated. I must also thank the editorial and production team at Westphalia Press, particularly Rahima Schwenkbeck, who is a delight to work with. Their professionalism is evidenced by the end product. Of course, my overwhelming and utterly un-repayable debt is the very personal one I owe my wife, Christina. She has, yet again, put up with me writing yet another book. Indeed, the years of marriage that she has endured is now less than the number of books and book-length manuscripts she has endured, which is evidence of something after 44 years.

1.

NEOLIBERALISM: ITS PHILOSOPHICAL FOUNDATIONS

Neoliberalism is in the first instance a theory of political economic practices that proposes that human wellbeing can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices.

Harvey (2005)

INTRODUCTION

The idea of neoliberalism¹ as a social, political, and economic philosophy derives, but significantly deviates, from classical liberalism.² This places its origins in the Scottish Enlightenment occurring in the middle decades of the eighteenth century and in the thinking of David Hume, Adam Smith, Adam Ferguson, and Dugald Stewart.³ As a system of ideas and ideals, neoliberalism (née classical liberalism) has three foundational principles.

The first principle is the absolute supremacy of individual liberty. This privileges the individual—taken to be “a thinking intelligent Being”⁴

1 Alexander Rüstow, a German scholar, was in 1938 the first to use the term “neoliberalism,” with the connotation that it embraced “the priority of the price mechanism, free enterprise, the system of competition, and a strong and impartial state” (Mirowski and Plehwe 2009, 13–14) and so it endorse state economic intervention. This school of liberalism lost its impetus in the 1960s (Kotz 2015).

2 As does Haymes, Vidal de Haymes, and Miller (2015, 7). See also Kotz 2015; Saad-Filho and Johnston 2005; Steger and Roy 2010.

3 Hayek (1960, chs. 1 and 9) dubbed this practical or pragmatic liberalism, which he considered stood in contradistinction to the more theoretical and radical French rationalist school of liberalism, associated with, among others, Jean-Jacque Rousseau, particularly influential was his *The Social Contract* ([1762] 1973).

4 Locke’s ([1689] 2004, II, 27, S. 9) depicts human being as: ... a thinking intelligent

(1689–1690] 2004, II, 27, S. 9)—over the social (Bunge 1996; McCann 2004). Mill ([1859] 1963, 262) held that “the burden of proof is supposed to be with those who are against liberty; who contend for any restriction or prohibition The *a priori* assumption is in favor of freedom” Thus, individuals are assigned the natural right to live, liberty, and property, and, thereby, the right to be free to pursue their material wellbeing without any obligation to satisfy the needs or wants of others. So, importance is placed on personal responsibility and the intimate linking of liberty, private property, and the free market (see Mack and Gaus 2004).

The second foundational principle is the Lockean idea of a protective democracy (Locke ([1689] 1960; but see also Hobbes [1651] 1948; Nozick 1974; Oakeshott 1975). This limits the role of government to enforcing contractual obligations and defending against any threats to individual rights, so making the state weak, unobtrusive, and small (Hendriks and Zouridis 1999, 126; see also Ellis 1992; Held 1987; Nozick 1974). As Smith (1755) remarked: “Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and the tolerable administration of justice; all the rest being brought about by the natural course of things”⁵ (see also Stewart 1829–324). This proposition is grounded in the Scottish Enlightenment theory of spontaneous order—the self-generating and self-regulating capacity of civil society—first articulated by Hume ([1739–1740] 1978, [1751] 1998); Smith ([1776] 1976); and Ferguson ([1767] 1782; [1776] 1792), then elaborated by Spencer ([1851] 1995) and Menger ([1871] 1994), and finally further refined by Polanyi (1957) and Hayek (1960, 1991).

The third foundational principle reflects the importance of the free-market economic philosophy—an ideological commitment to maximizing a society’s material wellbeing (Bromely 1990). This involves:

- Private enterprise being conducted in deregulated markets:

Being, that has reason and reflection, and can consider itself as itself, the same thinking thing in different times and places; which it does only by that consciousness, which is inseparable from thinking, and as it seems to me essential to it. Filling out this depiction is Descartes’ ([1641] 1975; [1644] 1983) dualist mind-body dichotomy—the immaterial mind being an entity separate from the physical body (Searle 2004), and Freud’s discernment of the importance of unconscious (subconscious or metaconscious) mental states, which are disruptive of conscious mental states (Freud ([1912] 1959)).

5 The source of this quotation was an unpublished paper presented by Adam Smith to his Glasgow club in 1755, a copy of which was acquired by his contemporary, Dugald Stewart (Kennedy 2005, 241–248).

Under classical liberalism, a “free market” was a one free from all forms of economic privilege, monopolies, and artificial scarcities (see Popper 1994). Under neoliberalism it refers to a market free from government intervention.

- Competition, including the liberalization of international trade, under the rubric of globalization⁶: The underlying premise is that countries will only trade only if there are net gains from such trade. However, from a national perspective, foreign trade gives rise to both winners—those industries that have an international comparative (price) advantage, and so can compete in particular foreign and domestic markets with the relatively more expensive foreign domestic producers—and losers—those in industries that do not have an international comparative advantage, and so cannot compete with the less expensive foreign domestic producers, a consequence of which is structural unemployment.

To Ralston Saul ([2005] 2009), the free-market economic philosophy involves the emergence of a “Crucifixion Economics”: “... free market assumptions were transposed into a global movement economics and as a tool to weaken government, discourage taxes, force de-regulation and entrench private monopolies” (p. 33). This makes neoliberalism indisposed to the proposition that the state should compensate individuals, communities, and regions in order to correct any negative redistributive effects generated by the market.

Classical liberalism’s faith in the marketplace, and so in the belief that government should be weak, unobtrusive, and small—grounded on the presumption that people have personal autonomy and, so can be held personally responsible for their own fate—was challenged during the nineteenth century Industrial Revolution by the all-too-evident evils and injustices of free market capitalism (Green ([1895] 2006); Mill ([1859] 1963). This loss of faith in the capacity of the free market to empower individuals to take control of their lives was accompanied by a growing faith in government’s ability to govern economic affairs, attributable in part to the increasing democratization of Western states (Ritchie 1896, 64). So, classical liberalism faced a threat to two of its sacrosanct principles—personal liberty and protective democracy—posed by the recognition of

6 The International Monetary Fund (IMF) (2000) considers that international trade is one of four essential dimensions of globalization, the others being international capital flows, migration flows, knowledge flows.

the flaws in its third sacrosanct principle that justified an interventionist state in order to correct the failures of the free market—the failures of capitalism (Keynes 1972). This gave rise to the social liberalism project.

This liberal variant took root in the last third of the nineteenth century and became mainstream liberal thought for most of the next century. It advocated the acceptance of the collective values of social intervention and cooperation. In Millsian terms, while the state can be an instrument of tyranny in the hands of the majority or the political rulers (so constituting a threat to personal liberty that justifies the imposition of constitutional checks and balances to place limits on its powers), the state has an obligation to intervene in the marketplace, when private actions do harm to others, so as to correct any resultant adverse consequences (Mill [1863] 1968). This re-balancing of liberty (negative freedom) and enablement (positive freedom)⁷ in favor of the latter clearly differentiated it from classical liberalism and its heir apparent—neoliberalism.

The re-ascending influence of classical liberalism re-branded—with a vengeance in the last quarter of the twentieth century—as neoliberalism became possible because of the growing sophistication of neoclassical economic theory. This first involved, a century earlier, the demarcation of an economy as a closed, law-abiding determinant system (Colander 2000)—a mathematical abstraction—grounded in a set of *ceteris paribus* (other things being equal) assumptions that isolated it from, and made it independent of, any structural influences in the host society (Edgworth 1881; Jevons [1871] 1888; Marshall [1890] 1920; Menger [1871] 1994; Wicksteed 1910). This permitted the deducing of *a priori* or logical knowledge by analyzing the rational—utility and profit maximizing—behavior of socially isolated, self-determining, and self-interested actors—

7 Berlin (1969) drew the distinction between negative and positive freedom. Negative freedom is the right of self-determination: freedom from control, interference, or exploitation, which is identified with the Hobbesian idea of the absence of constraint or obstacles. It is based on three premises: that individuals require the private space to identify appropriate personal goals and ambitions; that personal goals and ambitions have value only if they are freely chosen; and that voluntary action—reflecting choice and acceptance of personal responsibility—enables individuals to meet important spiritual needs. Positive freedom is the right to be able to take control of one's life: freedom to choose and realize desired outcomes, achieved by collective empowerment, which is identified with Rousseau's ([1762] 1973) notion of moral self-government. It is also based on three premises: that all individuals have capacities or latent, but desirable, qualities; that positive freedom is the realization of these capacities, which may therefore be conceptualized, in the broader sense, as personal autonomy; and that social conditions are the decisive influence on the realization of these capacities.

Sen's (1977) rational fools (see also Dixon 2010, 2016a, 2016b, Dixon, Dogan, and Sanderson 2009).

It was, however, the impeccable logic of public choice theory—epitomized in the seminal work of Buchanan and Tullock (1962)—that ultimately permitted collective action—action by the state—to be re-conceptualized as an economic (exchange) phenomenon. Advanced was the proposition that freely determined individual preferences⁸ are the determinants of both private (market) and public (government) actions—the so-called logic of collective action (Olsen 1965). Its conclusion, in the Lockean tradition, is that the state is inherently coercive and intrusive, and is both inefficient and unknowing of its citizens' preferences for government actions. This provided a logical explanation for the very evident public loss of faith in government as means of enhancing human welfare, and a growing faith in the market's ability to do a better job. Neoliberalism's hostility to collectivist ideologies⁹—including social liberalism—is grounded its unequivocal commitment to the absolute supremacy of individual liberty, private property, the free market, and to the assignment of personal responsibility.

The purpose of this chapter is to elucidate neoliberalism's foundational ontological¹⁰ and epistemological¹¹ premises that determine how it

-
- 8 These “are the way an actor values alternative outcomes of the decision process being modeled. ... Actors prefer a particular outcome because they believe it will best satisfy some deeper goal” (Roberts Clark 1998, 252 and 254).
- 9 The distinguishing feature of collectivist ideologies is their emphasis on the protection of the individual by group membership in return for group loyalty, whether grounded in duty (an adherence to binding normative imperatives (Zimmerman 1996); shared value (norms that endorse co-operation within a group, so bonding homogenous groups) (Putnam 2000), or coercion (the threat of force, which creates a situation in which the choice is between doing what is demanded or suffering the threatened unappealing consequences).
- 10 Ontology seeks to provide a consistent account of the nature and coherence of what exists in the world (Schatzki 2002) and of the status of the categories of phenomena that possess causal efficacy—able to give rise to social actions (Dixon, Dogaan, and Sanderson 2009). In the social sciences the ontological debate has focused on whether social actions can best be ascribed, in reductionist terms, to the internal agential dimensions or free will—agential-causation (agency ontology); or, in holist terms, to the external structural dimensions or determinism—social-causation (structuralist ontology) (Archer 2000).
- 11 Epistemology is concerned with the investigation of the nature, extent, sources, and legitimacy of knowledge and the truth-value of knowledge claims (see Kirkham 1992). The two long-contending approaches to epistemology in the social sciences are naturalism (grounded in objectivism) and hermeneutics (grounded in subjectivism), which gives rise to Bernstein's (1996) objectivist-relativist trap; the Cartesian

describes, analyses, and explains¹² the social world—Marcel’s “world of persons” (1952, 164). These provide the foundations for its distinctive worldview.

NEOLIBERALISM: ITS ONTOLOGICAL AND EPISTEMOLOGICAL PREMISES

When describing, interpreting, explaining, and evaluating the web of beliefs about the world of persons, two fundamental issues need to be considered (Dixon, Dogan, and Sanderson 2009). The first is ontological (Dale 2002); what exists that can give rise to social actions.¹³ Attribution theory seeks to account for how a person explains—attributes reasons for—the behavior of self or others (Jones et al. 1972) by reference to reasons that are internal or external to the person whose behavior is being explained (Heider [1958] 1982).¹⁴ The second is the epistemological: how should the veracity of knowledge claims (proposition or statement) about human affairs be established? At issue is how best to establish genuine knowledge (truths¹⁵ or certainties) (Chisholm 1989; Lucey 1996; Sosa 1994). This requires the application of a truth-standard—a truth-criterion—that enables judgments to be made about what constitutes sufficient justification to warrant a belief being given the status of truth¹⁶ (Kirkham

anxiety condition resulting from the suggestion that human events are explainable either objectively—privileging explanation and certainty—or subjectively—privileging understanding and relativity (Rubin 1994; Wright 1971).

- 12 In contention in the social and behavioral sciences is whether explanation can or should be understood in terms of causation (lawful relations between one material phenomenon and another, so establishing an antecedently sufficient causal chain; reasons (motivations with their overlay of moral justification); or purposes (functions) (see also Campbell, O’Rourke, and Silverstein 2007; Psillos 2002; Wright 1971).
- 13 In the words of the twelfth-century Persian (Afghan) mystic and poet, Rumi (1956, 77): “There is a disputation that will continue till Mankind is raised from the dead between the necessitarians [determinists] and the partisans of free will [indeterminists].”
- 14 Such attribution can be based on the multiple observations of co-variation of the behavior to be explained and the possible causes (co-variation principle) (Kelley 1967; 1973) or on generalized causal propositional beliefs (the causal schemata principle) (Kelley 1972).
- 15 “To say of what is that it is not, or of what is not that it is, is false, while to say of what that it is, or of what is not that it is not, is true” (Aristotle [350 BCE/1924/1953] 1994–2000, 4, 7).
- 16 Nietzsche ([1886] 1998, 5) emphasis in original), however raised a more fundamental question: why is truth important? Why is there a will to truth? What is the value of this will? “Given that we want truth: *why do we not prefer untruth?* And

1992). However, as James ([1897] 1979, 15) pointed out, “no concrete test of what is really true has ever been agreed upon.”¹⁷ Thomas and Znaniecki (1918–1920) identified the two polar perspectives: establishing the facts that are independent of the perceiving person (*en-so*); and establishing the understandings that are the product of immanent acts in a perceiving human mind, conditioned by a person’s mental states, which give rise to interpretations that “take social meaning into account and interpret his [sic] experience not exclusively in terms of his own needs and wishes but also in terms of the traditions, customs, beliefs, and aspirations of his social *milieu*” (p. 230) (*pour-soi*). The dilemma then confronted is well defined by Nagel (1979, 196, see also 1986):

The problem is one of opposition between subjective and objective points of view. There is a tendency to seek an objective account of everything before admitting its reality. But often what appears to a more subjective point of view cannot be accounted for in this way. So either the objective conception of the world is incomplete, or the subjective involves illusions that should be rejected.¹⁸

Neoliberalism advances both a definitive ontological view about what exists in the world of persons that has the causal capacity¹⁹ to give rise to so-

uncertainty? Even ignorance?” He goes on: “However much value we may ascribe to truth, truthfulness, and altruism, it may be that we need to attribute a higher and more fundamental value to appearances, to the will to illusion, to egoism and desire” (p. 6).

17 “Truth in human relations is of this more intangible and dubious order: hard to seize, harder to communicate” (Stevenson [1879] 1909-1914).

18 Chesterton ([1908] 2007, 97) captured the essence of this problem:

The real trouble with this world of ours is not that it is an unreasonable world, nor even that it is a reasonable one. The commonest kind of trouble is that it is nearly reasonable, but not quite. Life is not an illogicality; yet it is a trap for logicians. It looks just a little more mathematical and regular than it is; its exactitude is obvious, but its inexactitude is hidden; its wildness lies in wait.

19 In contention in the social and behavioral sciences is whether in the world of persons causal capacity should be understood in terms of determinism (Earman 1986), which, essentially, means that a phenomenon has causes grounded in dependency relationships with one or more other phenomena (hard determinism). Causal or scientific determinism (see Butterfield 1998) posits a strictly mechanistic causal relationship in that every event has an unbroken chain of prior material occurrences—“all events and states of affairs are determined by antecedent causes and laws of nature” (Kane 2005, 284)—Leibniz’s ([1704/1764] 1996) Principle of Sufficient Reason). This mechanistic view was originally argued by Leucippus and Democritus (Taylor 1999), who considered that everything happens in accordance with laws of nature (Russell 1946, 86)—in Humean terminology this is “necessity”—“the

cial actions,²⁰ and definitive epistemological view about what is knowable about that world of persons, how it can best be known, and how can its truthfulness be best established. Its standpoints are firmly grounded in:

- agency ontology—specifically, individualism (only individuals exist in the world of persons and they are *causa sui* (self-caused)), and utilitarianism (social actions are explainable by the actual or expected utility of their consequences); and
- naturalist epistemology—specifically, empiricism (giving rise to factual truths about the world of persons), and rationalism (giving rise to logical truths about causation in that world).

Agency Ontology

This posits that in the world of persons all that exist are individuals whose social actions can best be ascribed to their self-determined set of hopes, aspirations, goals, and preferences (their intentional mental states²¹). These give the reasons for following a particular course of action that they judges to be personally acceptable and required. This enables neoliberalism to provide a consistent—but incomplete—account of the world of persons and the status of the categories of phenomena within it that possess the power of producing a human action.

Agency ontology permits neoliberalism to deny that social wholes exist as anything more than a mereological sum. So, social institutions—societies, communities, groups, organizations, and families that are the constituents of Simmel’s ([1922] 1955, 126-127) “web of group affiliations”—are merely the aggregate of their members. Agency ontology is, thus, firmly

necessary connexion among events” ([1748/1777] 1902, 75). Contrastingly, probabilistic determinism holds that “causes raise the probabilities of their effects, all else being equal” (Hitchcock [1997] 2002). Alternatively, indeterminism holds that “some events [are] entirely [materially] uncaused, or nondeterministically caused [by events], or [are] caused by agents and not deterministically caused by events” (Clarke [2000] 2004).

20 In the words of the twelfth-century Persian (Afghan) mystic and poet, Rūmi (1956, 77): “There is a disputation that will continue till Mankind is raised from the dead between the necessitarians [determinists] and the partisans of free will [indeterminists]”

21 These constitute propositional attitudes that connect a person to a proposition in a way that involves holding particular attitudes (expectancies and value) towards and/or intentions (hopes, aspirations, goals, and preferences) about that proposition (Cresswell 1985; Lycan 1990; Rey 1997).

grounded in ontological individualism and metaphysical individualism.

Ontological Individualism

This is the proposition that only individuals exist in the world of persons. It embraces nominalism, essentialism, reductionism, and social atomism.

Nominalism

This holds that particulars are all that exist, making universals—features that are shared by many different particulars (such as shared language, culture, or values)—merely ideas or concepts that have no independent existence (Armstrong 1978, 1989, 2000; Ockham [c1329] 1974). Indeed, universals cannot exist, because they are only feature that particulars have in common is that they are covered by the same term, therefore it is language, rather than independent reality, that underlies perceived likeness: “a whole which has parts has no reality of its own, but is a mere word, the reality is in the parts” (Roscelin of Compiègn cited in Russell 1946, 457).

Essentialism

This holds that for any specific kind of material object or phenomenon there is a set of characteristics or properties that any such object or phenomenon of that specific kind must have (Hallett 1991). Fuss (1989, x–xii) argues that essentialism

... is most commonly understood as a belief in the real, true essence of things, the invariable and fixed properties which define the ‘whatness’ of a given entity ... Importantly, essentialism is typically defined in opposition to difference ... The opposition is a helpful one in that it reminds us that a complex system of cultural, social, psychical, and historical differences, and not a set of pre-existent human essences, position and constitute the subject. However, the binary articulation of essentialism and difference can also be restrictive, even obfuscating, in that it allows us to ignore or deny the differences within essentialism.

Reductionism

This is the proposition that complex systems can be fully understood in

terms of their components—less complex objects or phenomena (Charles and Lennon 1992; Ryan 1970)—“The properties of the mass are dependent upon the attributes of its component parts” (Spencer [1851] 1995, 1) and can be explained by reference to them. Chaos Theory, however, challenges this proposition (Ferguson [1994] 2004, 221).

Social Atomism

This advanced the proposition, in the tradition of the ancient Greek atomist Democritus (Taylor 1999), that knowledge of social institutions is limited to what is knowable about the discrete individuals who are their constituents (Watkins 1957; Weissman 2000).

Metaphysical Individualism

This is the proposition that the existence of a social institution is contingent on the patterns of social relationships of the individuals whose social actions come together to sustain its existence. Thus, social institutions—and the social phenomena²² they spawn—can be reduced to the social actions of individuals.

Agency ontology permits neoliberalism to posit that only individuals have causal capacity. It embraces free will (self-determinism), indeterminism (incompatibilism), compatibilism (soft determinism), and self-interest.

Self-determinism

This is the proposition that individuals have the free will, so they can freely decide on their social actions. They have the capacity to choose, from an array of alternative courses of action, to perform particular social actions consciously (knowingly and responsibly²³) and voluntarily

22 Markey's (1925-1926, 733) classic definition of social phenomena conceptualized them, behaviorally, as the interaction of human beings:

Social phenomena are considered as including all behavior which influences or is influenced by organisms sufficiently alive to respond to one another. This includes influences from past generations.

23 Pettit (2001, 12) considers that “to be fully fit to be held responsible for a certain choice is to be such that no matter what you do, you willfully deserve blame should the action be bad and fully deserve praise should the action be good. ... And your action in a given case will be free so far as it materializes in a way that enables you to count as fully fit to be held responsible.” Thus, to be held responsible for a choice of action, the action taker must have been aware of the alternatives courses of action at the time of making the decision, must have been capable of evaluating those options,

(unconstrained by the freedom-limiting punitive, oppressive, coercive, compulsive, or manipulative conditioning factors, whether embedded in internal cognitive processes or neurobiological states, or in external social institutions or social phenomena). This means that they “could have chosen or acted otherwise voluntarily” (Kane 1985, 128).

The self-determined human motivations—manifesting as preferences or choices—that give rise to social actions are grounded in intentional mental states (see, for example, Donagan 1987). Such motivations are premised on individuals:

- being capable of self-rule—the ability to think rationally, to exercise self-control, and to be free from debilitating (genetic) pathologies and (unconscious) self-deception and to be able to be free from the external interference of others and, thus able to choose freely their hopes, desires, and choice preferences (deliberative and choice independence) (Arneson 1991; Dworkin 1988); and
- having individual authenticity—the ability to be critically self-reflective, which means having the capacity to reflect upon and endorse a set of desires (procedural and substantive independence) (Benson 1987; Christman 1989; 1991; Frankfurt [1971] 2002; Stoljar 2000).

These cognitions and cognitive processes—as part of the interior mental life of first-person experiences (Searle 2004)—are presumed to take place in an immaterial mind²⁴ that exists separately from the brain (mentalism)—Descartes’ ([1641] 1975, [1644] 1983) mind-body duality—as conscious²⁵ mental acts undertaken by an autonomous self.²⁶ This meta-

and must not have been the victim of unwelcome duress (pp. 13-14).

24 “The operation of the mind ... is not so much an aspect of our lives, but in a sense, it is our life” (Searle 2004, 6). To Berkeley ([1710] 1962, 38) the mind is “wherein ideas exist ... whereby they are perceived.”

25 Consciousness is a single, well-defined, unified field of first-person awareness—the first-person mental experiences that are unobservable and only individually knowable (Thorpe 1962, 21)—that has the qualities of, at least, self-awareness, sentience, sapience, subjectivity, unity, and intentionality (in the sense of being able to attach meaning to an external object, which enables a person to perceive self as separate from its environment (Blackmore 2003; Searle 1983, 2004). Indeed, Kinsbourne (2008, 152), considers that “being conscious is what it is like to have neural circuitry in particular interactive functional states.”

26 In the mentalist tradition, Rosenberg (1979) defined the self-concept as “the totality of the individual’s thoughts and feelings having reference to himself [sic] as an

physical proposition, which “fell out of favor in scientific circles in the twentieth century”²⁷ (Al-Khalili and McFadden [2014] 2015, 332), is premised on either the mind existing in a metaphysical realm as a nonphysical substance (entity) that is both autonomous and causally efficacious (substance dualism) (Eccles 1994; Popper and Eccles 1977) or on the brain having both physical and metaphysical (mental) properties (property dualism) (Robinson 2003). Metaphysical realists assert that “the existence of the mind is a contingent fact” (Stroll 2006, 12). In any event, mental states are presumed to be embedded in reasoning and reflecting human minds.

Intentional mental states have two presumed attributes. One is that they can bring about social actions by being able to affect neurobiological states and processes taking place in the brain.²⁸ How the nonmaterial mind can affect the material brain (mental causation) is an unresolved issue.²⁹ The other attribute is that intentional mental states are indeterminate. This means that they are unaffected by any internal or external determining condition. So, they are unconstrained by agential determining conditions—whether physiological (related to age, gender, ethnicity, and physiological completeness), neurobiological (related to processes in

object.” Allport (1955, 40) called it “*proprium*,” which embraces “all aspects of personality that make for inward unity”—the self as experienced and the functional self. In the behaviorist tradition. Skinner (1971, 199) considered that “a self is a repertoire of behaviors appropriate to a given set of contingencies” (see also Rovane 1998). Neuroscience, however, “suggests that the self is best understood as a sort of illusion that the brain creates (Butler-Bowden 2007, 5).

- 27 Materialists (physicalists) hold that either the mind supervenes on the brain (material monism) (Firth 2007; Pylyshyn 2007), or that the mind does not exist (eliminativism) (Feyerabend 1963; Rorty 1971). The unresolved issue is, of course, how the brain gives rise to consciousness, which suggest an irreducible, subjective state of awareness that is intrinsically mental (Searle 2004, 91). Somewhat facetiously, McCloskey (1998, 27) remarks:

It is a postulate of modernism, largely unspoken and therefore unargued, that minds do not exist. The puzzle is that the modernist who examines his [sic] mind when getting dressed in the morning and assumes the existence of other minds when driving to work, claims to deny both as soon as he flicks on the lights at his laboratory.

- 28 Under the Input-Output Picture of consciousness (Mele 2003; Spiker 1989), intentional mental states shape and govern meaningful action, because the interaction of meaning, purpose, and action places consciousness at the point at which perceptual inputs interface with behavioral output, on the premise that an individual’s mental states can be directed onto tangible or intangible objects (Brand and Walton 1976; Searle 1983).
- 29 Eccles (1994, 5) hypothesizes that “mental events act by a quantal probability field to alter the probability of emission of vesicles from presynaptic vesicular grids.”

the brain), or psychological (related to mental properties or states (Buss 1999)). These internal determining conditions can have their origins in:

- inherited genetic make-up (hereditarianism³⁰), in relation to particular physiological attributes (physiological freedom-diminishing conditioning factors), to particular genes being responsible for particular behaviors (genetic freedom-diminishing conditioning factors) (Wilson 1975, 1978), to particular inherited neurobiological processes in the brain (neurobiological freedom-diminishing conditioning factors) (Lucas 1970), or to the psychological makeup of mental properties or state in accordance with the laws of psychology (because human actions are in accordance with either their strongest desire (orectic psychological determinism) or their best reason (rational psychological determinism) (psychological freedom-diminishing conditioning factors)) (Berenson 1976; Lucas 1970);³¹ or
- unconscious mental states, which Freud ([1912] 1959) conceived as a personal repository of suppressed and forgotten experiences and memories that he considered to be the driver of human behavior over which a person has little control and which defy any sort of introspection³² (Mollon 2000; Searle 2004) (unconscious freedom-diminishing conditioning factors).

Intentional mental states are also presumed to be unaffected by any societal determining conditions. So, they are unconstrained by any mandated social actions that are the product of a person's obligations towards others (structural freedom-limiting conditioning factors) grounded in:

30 The theory of evolution holds that certain traits (attributes and capabilities) give certain individuals a survival advantage. These traits are passed down to more dependents than traits that do not constitute a survival advantage (Wilson 1975, 1978).

31 The physicalist tradition holds that the brain follows the known laws of science. So, people are conceptualized as biological machines. Thus, all mental states and phenomena are contingent upon physical phenomena (Firth 2007; Pylyshyn 2007)—the product of neurobiological states and processes taking place in the brain (Chalmers 1996; Kim 1993; Poland 1994).

32 To Jung ([1934] 1981), however, the unconscious is the repository of inherited religious, spiritual, and mythological symbols and understandings, expressed through universal thought forms or mental images (archetypes) (collective unconscious). To Frankl ([1948] 2000, 31) it can be “differentiated into unconscious instinctuality and unconscious spirituality.”

- economic processes and production relations (economic freedom-limiting conditioning factors) (Marx [1859] 1977);
- the beliefs prevalent in a social whole that have to be adopted in order to sharing something in common so as to become integrated into that group (social freedom-limiting conditioning factors) (Durkheim [1895] 1982; Mead 1934; Parsons 1937, 1951);
- culturally specific cognitive structures or artifacts (cultural freedom-limiting conditioning factors) (Benedict [1934] 1989; Lévi-Strauss [1958/1963] 1974);
- language that shapes the way meaning is created and communicated about the world of persons (linguistic freedom-limiting conditioning factors) (Harré 1980, 1983);
- interactive discourse processes that underpin the social construction of knowledge of the world of persons and affirmation of self (discourse freedom-limiting conditioning factors) (Derrida 1976, 1978; Foucault [1966] 1989, [1969] 2002; Lacan 1968; see also Berger and Luckmann 1967); and
- customary behaviors with respect to particular relationship that have become culturally obligatory (relational freedom-limiting conditioning factors) (Ho 1998).

Thus neoliberalism, in the social atomist–reductionist tradition, gives no capacity for freedom-limiting social conditioning factors, to even influence the content of individuals’ hopes, aspirations, goals, and preferences. As Mill expressed it ([1859] 1963, VIII, 879): “human beings in society have no properties but those which are derived from, and which may be resolved into, the laws of the nature of individual men” (see also Bentham [1789] 1970, Ch. 1, Sec. 4). The status of social institutions and phenomena is, thus, reduced to epiphenomena: “a mere aggregate consequence of individual activities, incapable of acting back to influence individual people” (Archer 1995, 4). So, individuals have compelling free will.

Indeterminism and Incompatibilism

This is the proposition that social actions are the result of human motivations— reasons—without reference to any freedom-limiting social conditioning factors (agent-causation (Chisholm [1964] 2002), because

those factors either do not cause social actions (simple indeterministic libertarianism³³), or do not inevitably cause them (event-causal libertarianism³⁴) (Kane [2001] 2002). In the absence of any antecedently sufficient causal chain, social actions can only be exempt from prior-event causality (Campbell, O'Rourke, and Silverstein 2007) (libertarian free-will or metaphysical freedom). This is because they are either not strictly caused (naturalistic libertarianism) or entirely exempt from causation (supernatural libertarianism). Thus, free will is incompatible with strict or hard determinism³⁵ (incompatibilism), because if determinism is true then free will is an illusion (Slimansky 2002). As a consequence, a person cannot be *causa sui* and so is not a genuinely free agent.³⁶ Essentially, this means that free will exists because determinism is not true (libertarian incompatibilism).

This proposition, however, creates a dilemma. It is contingent upon the veracity of indeterminism-incompatibilism assumption that agents do not—or cannot choose to—permit either freedom-limiting social conditioning factors to shape the content of their intentional mental states, recognizing, of course, that the disposition to accept such conditions may be the product of cognitive biases that function almost entirely at a sub-intentional level. These biases are grounded in

- unconscious mental states (as intention-determining suppressed and forgotten experiences and memories) (Mollon 2000; Searle 2004);
- neurobiological properties and processes (because all mental states are contingent upon genetically determined physiological and neurological structures and processes) (Lucas 1970, 84-89; Wilson 1975; 1978); or
- psychological laws that determine intentional mental states (Berenson 1976, 116-117; Lucas 1970, 78-83),

33 This construction of indeterminism avoids the need to explain how intentional mental states can cause physical actions (mental causation).

34 This construction of indeterminism is consistent with the proposition that reasons for action are its causes, albeit, not inevitably and thus only indeterminately.

35 A deterministic relationship exists when “the occurrence of the determined event is *inevitable* or *necessary*, given the determining conditions” (Kane 2005, 5, emphasis in original).

36 Kane (1985) argues, however, that even if a person's character determines his or her actions, they can still be considered free, provided that person has freely chosen his or her character and remains free to change it at will—can exercise deliberate self-forming willings or actions that bring about character-development.

None of these are, of course, amenable to change by acts of will.

Soft Determinism and Compatibilism

This is the proposition that, following the Humean conceptualization of causation³⁷—“causation does not give rise to compulsion or constraint or indeed to any form of necessity” (Stroll 2006)—individuals have the capacity, by exercising their free will, to diminish or reject the capacity of determining conditions to shape the content of their hopes, aspirations, goals, and preferences, and so to influence the course of social action they chooses to follow. As Schopenhauer ([1839] 1999) epigrammed: “A man can surely do what he wills to do, but he cannot determine what he wills” (see also Meyers 1989)

Free will, then, can be exercised in the absence of freedom-limiting conditioning factors (constraints or impediments that prevent actions being taken). Thus, free will is the freedom to act in whatever way a person is inclined *and able to* do in any situation, which means he or she could have chosen to act differently if so willed (Neilson 2002; Skinner 2002). This, however, requires that person to be willing to exercise that freedom of will, on the presumption that what matters is that he or she takes ownership of, or is committed to, whatever he or she has willed—regardless of the sources from which its content was acquired—and that he or she is free to act accordingly (hierarchical motivation) (Frankfurt [1971] 2002).

Self-interest

This is the proposition that social actions are the product of intentional mental states grounded exclusively in self-interest considerations (Elster 1982; Hollis and Nell 1975; Hume [1739–1740] 1978, [1748] 1975; Locke [1689–1690] 2004; Smith [1759] 1976, [1776] 1976). This manifests, in the Epicurean tradition, as the will to acquire hedonistic pleasures and avoid displeasures (Bentham [1789] 1970). According to Hume [1739–40] 1978, II, 3), the starting point for understanding human behavior

37 Hume, a skeptical empiricist, argued that an assertion explaining one material phenomenon in terms of another is based on confused logic. To him, causation had three components: priority (a cause must precede its alleged effect), contiguity in time and space (a cause and its alleged effect must be spatio-temporally adjacent), and necessary connection (a cause must make its alleged effect happen) (Searle 2004, 137). On this basis, any proposition maintaining that it is a necessary truth that one material phenomenon must automatically follow another is, no matter how clever, based on a fallacious argument (Hume [1748] 1975, XII, 3).

is *pathos*—passions, desires, tastes, and preferences. This is taken to be beyond logical disagreement and moral dispute, for individuals—and only individuals—can determine and define their requisites for the good life. How these passions are satisfied is the realm of *logos*—reason or instrumental (technical or means-ends) rationality: “Reason alone can never be a motive to any action of will ... reason is and ought only to be the slave of passions and can never pretend to any other office than to serve and obey them” (Sect. 3). Individuals, according to Rand (1965, 1957), have a rational egotistical belief in self-determination. They are presumed to be isolated, self-determining “Robinson Crusoe” agents (Urry et al. 2007, 96), with the necessary self-determined hopes, aspirations, goals, and preferences and with the capacity to choose what is their best (expected utility maximizing³⁸) course of action for them to take, unaffected in any way by what others say and do (metaphysical libertarianism) (Kane [2001] 2002; but see Wildavsky 1994).³⁹ This privileges rational action and public choice theories (Arrow 1954; Buchanan and Tullock 1962; Downs 1967; but see Tversky and Kahneman 1981, 1986). Neoliberalism’s premise, then, is that social actions are best attributed to the product of utility calculations, either because individuals actually seek to maximize their own good (psychological egoism)—perhaps in ways that, largely or exclusively, produce virtuous behaviors—because that enhances their wellbeing in the broadest sense (egoistic moral motivation)—or because they should be seeking to maximize their own good (ethical egoism) (Scheffler 1992).

The Agency Ontology’s Classical Liberal Traditions

The following agency traditions all share the liberal belief that all individuals have the natural right to liberty and the pursuit of their own happiness.⁴⁰

38 Expected utility theory proposes that a rational action is one that yields the highest expected utility of all possible actions, after allowing for the probability of the occurrence of each possible action’s outcomes (Fishburn 1982; Savage 1954)

39 Yet as Nietzsche ([1886] 1998, 21) observes: “The yearning for ‘freedom of the will’ in the superlative metaphysical sense that unfortunately still prevails in the minds of the half-educated, the yearning to bear complete and final responsibility for one’s own actions and to relieve God, the world, one’s ancestors, coincidence, society from it—this is really nothing less than being the same *causa sui* and, with a daring greater than Münchhausen’s [a reference to Raspe’s adventure-hero in Baron Münchhausen’s Narrative of his *Marvellous Travel and Campaigns in Russia* (1785)] dragging yourself into existence.”

40 “The term happiness refers here to the measure of overall hedonic balance, a

Individualism

This tradition, drawing upon liberal humanism (Davis 1997; Mann 1996), holds that humanity is a human quality embedded in all individuals. This inner human core—the voice of humanity—gives meaning to the world and is the source of ethical authority. This proposition is taken to be timeless and universally applicable. The liberty of the individual is, thus, sacrosanct, to be protected from intrusion or coercion. Thus, the collective must justify any imposition of restrictions on personal liberty.

Unqualified Individualism. This postulates that all explanations of social actions must be expressed solely in terms of reasons embedded in agent-caused intentional mental states. This, in the reductionist–atomism tradition and following Hobbes and Menger (Lukes 1968; Udehn 2001), is premised on individual psychology being fully a-social or pre-social—essentially, others play no role in the development of an individual’s “concept of self.” As Hobbes ([1642] 1949, 8: 1) asserted: “consider men [sic] as if but even now sprung out of the earth, and suddainly [sic] (like Mushromes [sic]) come to full maturity without all kind of engagement to each other.” Agent-causation requires individuals to have personal autonomy, making the contents of their intentional mental states completely self-determined (narrow mental content) (Fodor 1987, 1991; Kripke 1979; Loar 1988; White 1991), so the reasons for undertaking social actions become an expression of their authentic self. To achieve such control over their intentional mental states requires individuals to be able to access and understand them, without being able to draw inference from observing them, and without having anything or anyone to mediate between their self-ascribed beliefs and the object of those beliefs (Russell 1917). This presumes that action takers have the capacity to reflect critically on their intentions, which generates self-knowledge (Cassam 1997; Wright, Smith, and Macdonald 1998) that, with the first-person authority with which they are held (Parrott 2012), privileges a presumption of truth (Jackson 1987).

theoretical average across all pleasures and pains” (Parducci 1995, 1). This constitutes an egoistically subjective satisfactory good life—a propitious situation and a positive state of mind. It stands in contrast to the objectively desirable life—*eudaimonia* (literally in Greek, ‘having a good guardian spirit’, best translated as human flourishing)—which is a good life from everyone’s perspective, as sought by Socrates and the Stoics (as a virtuous life), by Aristotle (as a virtuously ethical life of right (rational) actions for greater human wellbeing), by Plato (as perfect goodness), and by Epicurus (as a life characterized by detachment, serenity, and freedom from anguish).

Libertarian Individualism. This holds that agents have the right to full self-ownership—the absolute right to use of their body as they see fit; to transfer those rights to others; and to full payment immunities for the possession and execution of those rights (Vallentyne 2001, 12). These rights, thereby, make all human interactions voluntary, so endorsing the right to act in a self-interested manner (Hayek 1948, 1960, 1991; Humbolt [1791] 1969; Locke [1689–1690] 2004; Milton [1644] 1949; Nock [1924] 1991; Nozick 1974). Hayek (1960) recognized the supreme importance of rightful self-governance. He propounded true individualism, “which regards man not as highly rational and intelligent but as a very irrational and fallible being, whose individual errors are corrected only in the course of a social process, and which aims at making the best of a very imperfect material” (Hayek (1948, 9)).⁴¹ A little later he adds: “the famous presumption that each man knows his interests best...is neither plausible nor necessary for the [true] individualist’s conclusions” (p. 15).

Utilitarianism

This tradition, grounded in the works of Bernoulli, Bentham, John Stuart Mill, and Spencer, holds that that all explanations of social actions must be expressed solely in terms of states of mind about the actual or utility of its consequences: “Nature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure*. It is for them alone to point out what we ought to do, as well as to determine what we shall do” (Bentham [1789] 1970, 2, emphasis in original). This is utilitarianism’s utility principle—“...[the] principle which approves or disapproves of every action whatsoever according to the tendency which it appears to have to augment or diminish the happiness of the party whose interest is in question” (Bentham [1789] 1970, 2) (psychological utilitarianism). Bentham ([1789] 1970, 4) considered that social actions are made explicable by reference to hedonic or utility calculations, which “sum up all the values of all the pleasures on the one side, and those of all the pains on the other.” He measured the amount of pain in accordance with seven criteria—intensity, duration, certainty, extent, propinquity, fecundity, and purity—and took into consideration the merits of various kinds of pleasure (such as, those associated with sensation, possession, skill, friendship, reputation, power, and malevolence) and demerits of various kinds of pain (such as those associated with want, disappointment, and regret)

41 Libertarian paternalism accepts that people can be nudged into doing what is in their best interest by a re-arrangement of the “choice architecture” that sets their choice decision context (Sunstein and Thaler 2003).

(Bentham [1789] 1970). This calculation is premised on the proposition, following the Epicurean tradition, that individuals seek to enhance their pleasure and avoid any pain, which Frankl ([1948] 2000, 89) described as the “will to pleasure.”

Thus, the maximization of personal wellbeing is the only goal that people are motivated to pursue (psychological hedonism or egoism) and, indeed, should pursue (evaluative hedonism), as established by what they perceive as giving value to any pursuit (reflective hedonism).⁴² Personal sacrifices for others—altruism (Scott and Seglow 2007; but see Ridley and Dawkins 1981)—can only be justified by reference to self-interest, which, of course, converts a sacrifice into a gain. Utilitarianism, thus, sustains the supremacy of individual hedonism and egoism.

Neoliberalism’s Agency Ontology Premise

Neoliberalism’s ontological standpoint is that only their members exist, because societies, communities, groups, organizations, and families are merely sets of shared ideas—shared language, culture, or values. These shared ideas cannot causally affect human intentions and, thus, social actions. This means that knowledge of the world of persons is limited to what is knowable about the discrete individuals who are its constituent members. So, social institutions and social phenomena can be fully understood, completely explained, and accurately predicted by reference to the actions that those individuals that gave rise to, and sustains, them (methodological individualism) (Arrow 1994; Durkheim [1895] 1982, 1947, [1903–1917] 1949, 1997, 1994; Elster 1982; Watkins 1952, 1968).

So, under neoliberalism, the study of the social must be grounded in the agential free-will ontological proposition. This is premised on individuals’ social actions being the fundamental building blocks of any social institution or social phenomenon (Durkheim [1895] 1982, 50-59; Weber [1924] 1947; [1948] 1998). Thus, explanations can only follow understanding why people take the social actions that give rise to those phenomena. Parsons (1937, 43-51) referred to this as “the action frame of reference” in social-scientific explanation—an action-theoretic mechanism (Alexander 1987). As Weber ([1914/1922] 1968, 13) remarked: “collectives must be treated as solely the resultants and modes of organi-

42 What brings meaning to a pursuit is the human essence of striving to persevere in being—*conatus* (Spinoza [1677] 2009). This generates a self-conscious desire in a person (Hampshire 2005). Therefore, when needs are satisfied by the striving of the individual, his or her wellbeing is enhanced in the process (Scruton [1981] 1984, 57).

zation of the particular acts of individual persons, since these alone can be treated as agents in a course of subjectively understandable action.” On this proposition, Elster (1982, 463) commented: “To explain social institutions and social change is to show how they arise as the result of the actions and interaction of individuals. This view, often referred to as methodological individualism, is in my view trivially true.” This means adopting an enquiry process that proceeds from the micro (by elucidating the self-determined hopes, aspirations, goals, and preferences that explain the social actions of self-interested constituent social actors, on the premise that they have the freedom of choice to determine the content of their intentions and the ability to ensure that those intentions give rise to the expected desired social actions) to the macro (so as to explain the patterns of social interactions that build up social institutions and give rise to social phenomena).

The key issue is, then, the source of the content of the intentional mental states that motivated their social actions that built up social institutions and gave rise to social phenomenon. On this, Parker (2007, 2) cautions that methodological individualism should not be confused or conflated with individual agency, positivism, rationality, and homeostasis. Indeed, Weber ([1914/1922] 1968), although a keen advocate of methodological individualism, did not privilege the individual over the social: “it is a tremendous misunderstanding to think that an ‘individualistic’ method should involve what is in any conceivable sense an *individualistic* system of values” (Weber [1914/1922] 1968, 18, emphasis in original). Heath (2015), however, observes that as a result of Elster’s [1982] arguments,

... methodological individualism became synonymous in many quarters with the commitment to rational choice theory. Such an equation generally fails to distinguish what were for Weber two distinct methodological issues: the commitment to providing explanations at an action-theoretic level, and the specific model of rational action that one proposes to use at that level (i.e., the ideal type).

Naturalist Epistemology

This permits neoliberalism to postulate objective truths—genuine knowledge—about the world of persons.⁴³ This is premised on two truth

43 There is, of course, “no direct relationship between proof on the one hand, and what we can or cannot doubt on the other” (Baggini 2002, 36). This means that a proposition can be evidentially (objectively) proven/unproven but psychologically

propositions. The first is that it is a property that can be investigated.⁴⁴ The second is that it is a unique extra-linguistic objective fact that is independent of the truth-seeker. Nomothetic methods presume that what makes a knowledge claim true is evidence (evidentialism), which means that believing a truth claim is warranted if and only if the evidence supports so doing⁴⁵ (Feldman and Conee 2004) (the correspondence theory of truth)⁴⁶.

Naturalist epistemology axiomatically presumes that the world is real, material and objective.

Realism

This is the long-standing proposition, advanced by Plato, that the external world exists when not being experience, and has properties and relations that are entirely independent of any human knowledge of, or beliefs about, their actuality (metaphysical realism), which gives it cognitive authority (Putman 1987, 1988; Rorty 1997; Searle 1995). What the senses perceive about the external world, despite accepted perceptual fallibilities, is true (epistemological realism) and portrays that world accurately (direct, naïve,⁴⁷ or classical realism) (Devitt 1984; Hawking and Mlodinow 2011; Wright 1987; see also Blackburn 1993), evidenced by the fact that different people can perceive the same object in the same way in all essentials (Searle 2004, 190-191). Realism does, however, accept the existence of unobservables (scientific realism) (Psillos 1999; Russell 1946).

uncertain/certain to a person because he or she believes it to be untrue/true without any doubt. Doubt of course, is a state of mind—a state of indecision or hesitancy about accepting the truthfulness of a proposition.

- 44 The deflationary theory of truth holds that truth does not have a nature that can be investigated (Kirkham 1992). To ascribe truth to a statement does not attribute a property called “truth” to that statement, rather it asserts nothing more than the statement to which truth is ascribed (Frege [1918] 1997).
- 45 Under the Platonic conception of knowledge, for a truth proposition to be genuine knowledge requires the evidence proffered as proof to give rise to propositional (absolute) certainty that can never become false. Descartes ([1641] 1975), in this tradition, held that nothing should be believed unless it is absolutely certain that it is true—*de omnibus dubitandum* (everything is to be doubted)—(Cartesian doubt).
- 46 The correspondence theory holds that “a belief is true when there is a corresponding fact [an extra-linguistic fact], and is false when there is no corresponding fact” (Russell [1912] 1997, 129) (epistemological realism) (Russell 1946).
- 47 “Naïve realism leads to physics, and physics, if true, shows that naïve realism is false. Therefore naïve realism, if true, is false; therefore it is false” (Russell 1940, 15).

Realism, in the tradition of Thucydides, Machiavelli and Hobbes, is “a theory concerned to generate a scientific account of ‘the facts as they really are’ ... [and] excludes the consideration of normative issues from theory in favor of a purely explanatory endeavor, based on the notion of the separation of facts and values” (Murray 1997, 730). A phenomenon can, thus, be explained by reference to objective truth-conditions (Alston 2002; Devitt 1984; Dummett 1963; Wright 1987). Thus, truth depends upon factuality (epistemological realism).

Materialism

This holds that reality is constituted as material objects and phenomena (see Davies and Gribbin 1992): “everything that exists either is ‘matter’ or depends on matter for its existence” (Nightingale and Cromby 1999, 227). And all material phenomena can be explained as a manifestation or result of those material objects.

Objectivism

This considers that reality is independent of the mind (Bhaskar [1979] 1998, 2-3): “independent of human conception, speculation or fantasy” (see also Stroll 2006). However, as Berkeley ([1710] 1962, 74) observed, the mind construes the material world as it is experienced—as perceived through a distorting mental lens—and there is “no necessary [causal] connexion” between the two, for the perception of an object—the idea of the object—cannot prove that the separate existence of the object “without the mind, or unperceived.” This proposition reduces physical objects to mental entities (mentalist monism), thereby denying the possibility of any genuine knowledge of the material world, leaving just beliefs and opinions. Hume ([1748/1751/1777] 1902), however, observed that while there are no rational grounds for believing that there is an objective reality, there is no choice but to act as if it is true. Similarly, Russell ([1912] 1997) conceived objects as logical constructions inferred from sense data (inferential realism). So, “the only object of our awareness is that experienced by the brain,” which may be illusory (Searle 2004, 180, see also 181-184). This means that all knowledge of the external world is grounded in potentially problematic sense data (Ayer 1953; Price 1932; Swartz 1965).⁴⁸

48 The extreme position—methodological solipsism—holds that the content of a belief about the external world is fully determined by the mental properties or mental states of the believer (Wood 1962).

The doctrine of objectivism, thus, postulates that a knowledge claim is epistemologically objective—a matter of fact—if the evidence for determining its truth value is material in form and, therefore, can be established by generally agreed enquiry procedures involving inductive inference (inferring conclusions about a category of things from observations of particular things in that category) and/or deductive logic (drawing logically valid conclusions from a set of premises). This gives rise to two types of knowledge, differentiated on the basis of how a proposition can be known (Kant [1781–1787] 1956; Mill [1843] 1988).

Synthetic Knowledge

Synthetic propositions contain *a posteriori* (empirical or sensory experience-based) knowledge that has been justified by reference to facts on the basis of inductive reasoning. This involves empirical evidence (Hempel 1966), in the tradition of Galileo, Bacon, Locke, Berkeley, and Hume (Atherton 1999).⁴⁹ Synthetic propositions are closely related to Leibniz's ([1714] 1973) truths of fact, or contingent truths (truth propositions that could be factually untrue), as they “would seem to be knowable only *a posteriori*, since it is unclear how pure thought or reason could tell us anything about the actual world” (Baehr 2006). Kant saw it differently; while *a posteriori* knowledge of objects is of importance, it “is of only practical application, since it has not the slightest effect in enlarging theoretical knowledge of these objects as insight into their nature by pure reason” ([1781–87] 1956, 58). Thus, causal explanation through *a posteriori* knowledge is limited to immediate appearances. The problem that dominates is whether an objective understanding of reality is achievable through the explanation and modification of sensory perceptions.

Analytical Knowledge

Analytic propositions contain *a priori* (non-empirical) knowledge that has been justified by reference to being logically deduced from a set of premises (mathematics, semantics, and logic)—rationalism—in the tradition of Plato, Spinoza, Leibniz, and Descartes (Pereboom 1999). This advances “the self-created world of pure thought” (Russell 1946, 93): “There is nothing in the intellect that was not first in the senses, except the intellect” (Leibniz [1704/1764] 1996, II, 111). Analytical knowledge is grounded in the Platonic proposition that the most important truths

49 This presumes that how an object is experienced is how it is when it is not being experienced.

are those available through reason (Plato [390s-347 BCE] 1997, xiv). This means that they could never become false (Russell 1946, 58). Analytical *a priori* propositions present the product of syllogistic reasoning or self-evident tautologies, the truthfulness of which logically follows from either a set of *a priori* premises or axioms (statements accepted without proof, from which all other statements of a system can be derived, for the sake of studying the consequences that follow from them) or from its very definition (the predicate is in the subject, which means its opposite implies a contradiction). They are beyond the scope of the senses to confirm, and so they present transcendental deductions that can lead to *a priori* truths. Such propositions are closely related to Leibniz's "truths of reason" ([1714] 1973) or logical necessities (propositions that must be true because their opposites are self-contradictory). So, that all analytical propositions are necessary propositions but not all necessary propositions are analytical propositions (Stroll 2006, 32).

Analytical knowledge offers a profound and strong demonstration of causal explanation. The deductive logic of analytic propositions can provide irrefutable grounds for knowledge claims about logical relationships. But the strength of the causal relationships that they identify derives from the coherence of the definitions held within their premises. Thus, the truth of analytic statements rests on mathematical or linguistic definitions. But, in Aristotelian terms, "how do we know the first premises from which deduction must start? ... we must begin with something unproven, which must be known otherwise than by demonstration" (Russell 1946, 222). Unfortunately, mathematical description cannot be equated with empirical regularity, which means analytic statements can be logically valid, because they necessarily follow from the premises, but empirically untrue, because one or more of the premises are empirically false (Williams and May 1996, 25).⁵⁰

On Knowledge of the World of Persons

Central to neoliberalism's epistemological standpoint are, then, rationalism and empiricism. The truth-value of the knowledge so generated depends, however, on the presence of any verifying evidence (verificationism and logical positivism) and on the absence of any falsifying evidence (falsificationism).

⁵⁰ Of syllogistic reasoning, Russell (1946, 456) identified the following defects: "indifference to facts and science, belief in reasoning in matter which only observation can decide, and an undue emphasis on verbal distinctions and subtleties." Nietzsche ([1886] 1998, 13) is more condemning: synthetic *a priori* judgments "should not 'be possible' at all: we have no right to them, in our mouths they are false judgments."

Rationalism

This, in the tradition of Plato, Spinoza, Leibniz, and Descartes (Pereboom 1999), is the search for the truth—armchair truth (Ferguson [1994] 2004, 266)—on the premise that reality is a system of cause and effect that can be deciphered by reason. Reality is, thus, presumed to be rational (has patterns, symmetries, and predictability), accessible (open to investigation), objective (truths independent of the observer), and has unity (lawful without contradictions and with minor unresolved problems). The ultimate proof that theories represent reality lies in their success in explaining observations and predicting future observations.

Under the doctrine of rationalism, inductive reasoning is considered to give rise to inferior explanations compared with those derived by a process of deductive reasoning.⁵¹ Thus, the validity of a conclusion follows from the logical deductions drawn from the postulated premises. On this basis, deductive reasoning produces contingent truths that are reliant on, first, the truthfulness of the premises from which the *a priori* knowledge is deduced; and secondly, the validity of any *ceteris paribus* assumptions, which is only applicable in a closed system. Thus, rationalism maintains that truths about the “really existing intelligible world that underlies the appearance of changing particulars that we experience” (Shand 2002, 69), which can only be discovered through the methodical application of deductive reasoning. This proposition is grounded in Descartes’ ([1641] 1961, 123) observation that “it is only the things that I conceive clearly and distinctly which have the power to convince me completely.” Thus, only the mind, divorced as it is from the body, can sanction certainty and truth: “I think, therefore, I am” (p. 82).

Under the principles of rationalism, the world of persons is taken to be a deterministic system of cause and effect. So, deductive inference permits theorizing about causal explanation. Theories, however, provide as-if explanations that may be true in so far as they are capable of exact prediction, but contingent in so far as they are ultimately unprovable (Hollis 1994, 59).

51 “Experience is not all, and the savant is not passive; he [sic] does not wait for the truth to come and find him, or for a chance meeting to bring him face to face with it. He must go to meet it, and it is for his thinking to reveal to him the way leading thither. For that there is need for an instrument; well, just there begins the difference” (Poincaré [1905] 1907, 318).

Empiricism

This stresses the fundamental role of sensory experience as the foundation of all knowledge. Its contention is that genuine knowledge—truths—rests on the Humean principle of induction (Hollis 1994, 45), “which seeks to reach principles inductively from observations of particular facts” (Russell 1946, 58). As Lock ([1690] 2004, II, Ch. 1, Sec. 19) observed: “No man’s knowledge here can go beyond his experience.”

Empiricism grounds causal explanation in the sensory perception of incorrigible empirical observation, whereby the world itself provides stimuli that are directly open to human sensory perception and do not require a pre-existent theoretical frame of reference. It offers causal hypotheses—theories—grounded on the empirical demonstration of constant conjunction—regular correlation. So, a particular social phenomenon follows particular social actions by particular social actors. Knowledge, then, is composed of generalizations based on observed regularities that enable prediction, and serve as contingent explanations based on the probability that future correlations between cause and effect would reflect the patterns observed in previous instances. Thus, empiricist epistemology confronts a twin predicament. By inductive inference, empiricism can offer reasonably reliable predictions, but only a contingent correlation of cause and effect, because it cannot show precisely the connection between the two, which means that it cannot identify unambiguous causal relationships (Williams and May 1996, 25). Indeed, “beyond the constant conjunction of similar objects, and the consequent inference from one to the other, we have no notion of any necessity or connexion” (Hume [1748/1751/1777] 1902, 82).

Empiricism, then, has three discernible fundamental suppositions (Scruton 1985, 123):

- Facts are contingent upon sensory experience, for there can be *a priori* proof for any matter of fact, which means that the only source of factual propositions is induction reasoning.
- Facts grounded in sensory experiences can only establish what is known to be true and, by implication, what is not true, so many theories labeled as laws cannot be sustained by the epistemological limitations of inductive inference from which they derive, so they are merely theories with an unblemished predictive history. As Gribbin (2005, 156) remarks: “Note that a theory can never be proved right. The best that can ever be said is that it has passed all the tests applied so far.”

- Factual propositions advanced after empirical enquiry are only true by virtue of their inherent ideas, which means that reason is nothing but the relationship between different ideas.

Verificationism

This stresses that a knowledge claim's truth-value is established by reference to confirming empirical evidence (Hume [1748] 1975; Locke [1689–1690] 2004; Quine 1951). Under the hypothetico-deductive model, the verification process commences with observation, and proceeds making use of theory to hypothesize causal explanations that provide verifiable explanatory propositions, the truthfulness of which can be tested using empirical evidence. So, if the explanatory propositions are consistent with observed outcomes, then they can demonstrate very high rates of successful prediction (Hempel 1966; Lipsey and Chrystal [1953] 1995). This does not, however, bestow upon them the status of confirmed knowledge claims. This use of theory to manage the problem of explanation has been subject to criticisms, especially by the logical positivists, who consider incorrigible verification as the only basis for genuine knowledge.

Logical Positivism. In the tradition of Ayer, Carnap, and Schlick, this stresses that knowledge propositions are meaningful only to the extent that they can be empirically verified (Ayer 1959).⁵² Its contention is that the problem of inductive inference, notably its incapacity to identify causal relationships, denied any epistemological legitimacy to the unverifiable theoretical statements that served as probabilistic guides to explanation. Rooted in radical empiricism⁵³ (phenomenalism⁵⁴), logical positivism re-

52 Logical positivism emerged in the early part of the twentieth century in the work of the Vienna Circle of philosophers, mathematicians and natural scientists as a response to the significant influence of Romanticism on nineteenth century German philosophy of science (Frank 1949). Romanticism was an eclectic pan-European movement in the arts and philosophy that began in Germany and England in the 1770s. It is characterized by its emphasis on imagination, feelings, and intuitions (Abrams 1971; Higgins and Solomon 1993). It featured the philosophy of Hegel, Schelling, Schlegel, von Hardenberg, and Schleiermacher. It rebelled against the “barren rationalism of John Locke and the ‘Age of Reason,’ partly ... to discover some principles of unity (or ‘Oneness’), some common hidden truth perceived, cherished and guarded by...representatives of the Hermeneutic tradition through the ages” (Newsome 1997, 178-179). Its emphasis was, thus, on an organic concept of nature (Silz 1929) and “upon mind as opposed to matter” (Russell 1946, 730).

53 “To be radical, empiricism must neither admit into its constructions any element that is not directly experienced, nor exclude from them any element that is directly experienced” (James 1912).

54 This postulates that knowledge claims about the physical world can be reduced to

stricted knowledge claims to the analytic propositions of mathematics and the incorrigible evidence of sense experience (Lewis 1946). Thus, Ayer's ([1936] 1975) verification principle holds that a knowledge claim is meaningless either if it is not true by definition or if, in principle, its truth value cannot be empirically established, which requires that all the evidence needed to establish beyond doubt its truth value must be available. So, he drew the conclusion that "all empirical observations are hypotheses because there is no way of absolutely confirming or refuting such propositions" (Shand 2002, 248). However, this led to the contradiction that is central to the uncertainties of induction: "if an induction is worth making, it may be wrong" (Russell 1927, 83).

Logical positivists, thus, linked knowledge to meaning and claimed that only empirically verified statements have epistemological meaning (Carnap [1928] 1969). So, if meaning is derived from knowledge, and knowledge from verification, then statements that cannot be verified, cannot be considered knowledge, and, therefore, cannot have any meaning epistemologically (Ayer [1936] 1975). This forced them to abandon causal explanation, thereby "denying not only that we could identify any form of natural necessity in the world but that, in principle, we could never come to know the real world" (Williams and May 1996, 27). The implication of this extreme empiricism is to require the abandonment of virtually the entire knowledge base of the physical, human, and social sciences. Despite the heroic failure of logical positivism, it inspired a key development in naturalist epistemology: the recognition by Popper of the theoretical nature of observation (Ackermann 1976, 43-64).

Falsificationism

This stresses that only if a knowledge claim can, in principle, be falsified can it be possibly true, and that the truth value of a knowledge claims is established by the absence of disproving empirical evidence (Popper ([1935/1959] 2000, [1962] 1968, 1979; see also Burke 1983). As Ackermann (1976, 18) argues:

Falsifiability is a logical notion: a sentence or statement is falsifiable if it is incompatible with some clearly defined basic statements representing possible observations. ... Falsification is actually deciding that a falsifiable sentence is false—and this will depend on methodological rules which we adopt

claims about possible sensory perceptions of it (Lewis 1946).

and which set out the decisions to be made as to whether a sentence is falsified given that certain observations are made.

The focus of its concern is the refutation of unfalsifiable contentions of self-referential systems of thought (such as Marxism and Freudianism). So, if the proposed theoretical system cannot survive all falsification attempts, then it cannot be considered to have any truth-value. This process does not result in the discovery of the truth; rather it identifies the best available unfalsified theory.

Neoliberalism's Naturalist Epistemology Premise

Neoliberalism holds that what is knowable about the world of persons is limited to what is knowable about its social institutions and social phenomena and their causality. What is knowable about social institutions and social phenomena are the facts grounded on empirical evidence derived by the use of generally agreed enquiry procedures involving inductive inference. What is knowable about their causality is what is knowable about the individuals whose social actions built up its social institutions and gave rise to its social phenomena. What is knowable about those action-takers is their observed social actions. What is knowable about those observed social actions is that they must be rational, because action-takers always act in their own best (expected utility maximizing) interest.⁵⁵ Their best interests are presumed not only to be unaffected in any way by what others say and do, but also to be free from the influence of any debilitating pathologies or self-deception. This is all taken to be true beyond doubt because a combination of experience—Russell's ([1912] 1997) knowledge by acquaintance (Jager 1972; but see BonJour 1985)—and reason has made it a foundational belief that does not need further justification (the foundationalism theory of truth) (DePaul 2000; Moser 1989).

CONCLUSION

Classical liberalism has its origins in the Scottish Enlightenment in the third quarter of the eighteenth century. Its emphasis is on personal autonomy, personal responsibility, and the desirability of government being weak, unobtrusive, and small. A century later, the Industrial Revolution in Britain posed a serious threat to those sacrosanct principles, giving

55 As Samuelson (1955, 90) surmised, behavior can be “explained in terms of [individuals’] preferences, which are in turn defined only by behavior.”

end of sample