



**THE NEW WAY OF THE WORLD
ON NEOLIBERAL SOCIETY**

A NOVA RAZÃO DO MUNDO
ENSAIO SOBRE A SOCIEDADE NEOLIBERAL

LA NUEVA RAZÓN DEL MUNDO
ENSAYO SOBRE LA SOCIEDAD NEOLIBERAL



DARDOT, Pierre; LAVAL, Christian. **A nova razão do mundo**: ensaio sobre a sociedade neoliberal. Tradução Mariana Echalar. 1. ed. São Paulo: Boitempo, 2016.

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The book *The New Way Of The World: on neoliberal society* was published in 2016 by Editora Boitempo – SP. It brings a debate about what neoliberalism is, its genesis, its aspects and its influence not only in the State and its society, but also on the subjects, so that this debate also highlights how “the new way of the world ” was consolidated throughout a historical process.

The work of Pierre Dardot and Christian Laval contains nine chapters divided in two parts. In the first part, the authors explore the “intellectual re-foundation” and highlights how fractures in classical liberalism from the middle of the nineteenth century led to a rethinking of dogmas of laissez-faire. Thus, two divergent groups emerged and favored a bigger or a smaller renewal in the capitalist system, which made one of these groups sympathize with major transformations of liberal dogmas, while the other remained more conservative in the

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principles of liberalism.

In the second part, the authors pointed out the "new rationality", highlighting a process in which neoliberalism came to gain force and, consequently, imprinted its marks on the government, which began to express more and more its entrepreneurial traits, as well as in the subjects, "manufactured" with excellence according to the neoliberal reason.

Considering that there is a fall in profit rates, there are "mutations" in capitalism, that is, it reconfigures itself, Dardot and Laval discuss in the first chapter about the Crisis of liberalism and the birth of neoliberalism. They point out that the system in crisis led to the revision of the dogmas of liberalism, originating as alternatives "New liberalism" and "Neoliberalism", whose one of the points of tension between one type and the other, lies in the fact of bigger or smaller "[...] political intervention in economic and social matters [...]" (page 38).

In order to think about an intervention, to signify it and to give it new limits, the Colloquium Walter Lippmann was held on August 26, 1938, in Paris, a five-day meeting that brought together economists such as Friedrich Hayek, Jacques Rueff, Raymond Aron, Wilhelm Röpke, Alexander von Rüstow, among others. As the Colloquium underlines the second chapter of the book, the authors emphasize that at this international meeting the disagreement between the intellectuals, who were divided between the North American current "strongly influenced by the 'neo-Austrians' Friedrich Hayek and Ludwig von Mises, and the German current [...]" (p.73). Despite the divergence between conservatives and supporters of a renewal of liberalism, the main objective was the search for alternatives that safeguarded the capitalist mode of production and what keeps it vigorous, that is, profit rates.

Aspects of the German movement are explored in the third chapter, The ordoliberalism between "economic policy" and "society policy". According to the authors, "[...] ordoliberalism is the German form of neoliberalism [...]" (p.101) and the use of that term "[...] results from the common emphasis of these theorists on constitutional order and procedural that is at the base of a society and of a market economy". Although there are variations in this current - which, on the one hand are the economists and jurists of the Freiburg School, such as Walter Eucken and Franz Böhm, and, on the other hand the sociological-inspired liberals Alfred Müller-Armack, Wilhelm Röpke and Alexander von Rüstow - the ordoliberals are concerned with "[...] institutionalizing the market economy in the form of an 'economic constitution', [...] in order to develop the most complete and coherent market form" (p. 112).

Unlike the German ordoliberals, who favor a reinvention of liberalism, the Austro-American neoliberals can be considered more conservative in relation to the dogmas of laissez-faire, which are understood as "[...] source of prosperity for each and every one" (p. 133), besides being characteristic of this current of intellectuals the "[...] appreciation of competition and

enterprise as a general form of society". Thus, in the chapter Entrepreneurship, the authors emphasize how this group of neoliberals values the logic of the company to shape the subjects, so that everyone may become entrepreneurs, because entrepreneurship is a "dimension of man", which justifies the fact of the company's culture and the spirit of enterprise to be learned since the first school years.

The logic of the company is also impregnated in the State, thus, far from a state understood as a provider of rights, neoliberals consider it "guardian of private law". This is why the fifth chapter of the book deals with a strong State, whose interference is in the direction of "[...] only ensuring respect for the rules of fair conduct that are equally valid for all [...]" (p. 177).

The political and economic interference characteristic of the welfare state collapsed and, in the wake of a crisis scenario, which involved rampant inflation, declining profits, and a slowdown in growth (p.189), there was a need of new state regulation and consequently, new configurations, both political and economic. In this sense, in the sixth chapter the authors address the Great Turn, the period of a conservative and neoliberal policy that marked the 1980s, whose symbols were Ronald Reagan and Margaret Thatcher. The "great upset" is characterized by the "general implementation of a normative logic [...]" which in the state's terms, in the words of Dardot and Laval, is not a "simple withdrawal from the scene", but rather "[...] a political reengagement [...] on new foundations, new methods and new objectives" (p.190).


A normative logic does not cease to exist also in the ordoliberal current, although ordoliberalism is "[...] prior to the diffusion of neoliberal ideology in the 1970s and to the crisis of regulation of Fordist capitalism" (p. 245). So, in the seventh chapter, the authors point out The origins of Ordoliberalism in the construction of Europe, showing that the idea of reforms, which imply the relaxation of wages, the pension system and also "the promotion of entrepreneurship" have existed for a long time, taking into account a "social market economy", the pillars of which are "[...] the supreme principle of competition and price stability guaranteed by an independent central bank" (page 250).

The rules of competition, therefore, are essential to govern the state, according to the neoliberal view. In this way, a restructuring of the state and a "transformation of public action" are of major importance, one of them being privatization, which signaled the end of a producing state. In this sense, in the eighth chapter of the book, the authors discuss Corporate governance, how it strengthens in society, how the logic of enterprise invades the State, since the rules of functioning of the competitive market are imported into the public sector (p. 274) and, finally, this logic of the company also strengthens the establishment of an evaluating and regulating State.

In addition to its influence on the state and its management, the logic of the company also implies in the making of the neoliberal subject that it is successful, empowered to fulfill its objectives and among other aspects, "[...] it must maximize its results, exposing themselves to risks and taking full responsibility for any possible failures" (page 328). The last chapter of the work - The Neoliberal subject's factory - evidences, after all, a "new definition of man" coined by neoliberal rationality.

The book *The New Way of the World: on neoliberal society* provides the reader an understanding of how neoliberalism originated and consolidated throughout a historical process. In addition to clarifying that this was not simple, because since "the fractures of classical liberalism" in the middle of the nineteenth century, there were disputes and divergences between intellectuals and economists (whether they were from the German ordoliberal current or Neo-Austrian current,) about what would be the best alternative for safeguarding the capitalist mode of production and, also, profit. Therefore, such a work of Dardot and Laval must be read, for in this historical moment we see the recrudescence of the capital-labor relation, the loss of social rights, and thus, when we consider the neoliberal influence, we perceive that these are strategies that strengthen "The New Way of the World" and therefore, capitalism.

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