

Neoliberalism - from ideas to policy: some preliminary thoughts with particular reference to post-war Britain

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Neoliberalism as a potential antidote to threats to the capitalist social order and as a solution to capitalism's ills had long been lurking in the wings of public policy. A small and exclusive group of passionate advocates – mainly academic economists, historians and philosophers – had gathered together around the renowned Austrian political philosopher Friedrich von Hayek to create the Mont Pelerin Society ... in 1947....The group's members depicted themselves as “liberals” (in the traditional European sense) because of their fundamental commitment to ideals of personal freedom.... Neoliberal doctrine was therefore deeply opposed to state interventionist theories, such as those of John Maynard Keynes, which rose to prominence in the 1930s in response to the Great Depression. Many policy-makers after the Second World War looked to Keynesian theory to guide them as they sought to keep the business cycle and recessions under control....

Hayek ... presciently argued that the battle for ideas was key, and that it would take at least a generation for that battle to be won.... The Mont Pelerin group garnered financial and political support. In the US in particular, a powerful group of wealthy individuals and corporate leaders who were viscerally opposed to all forms of state intervention and regulation ... sought to organize opposition to what they saw as an emerging consensus for pursuing a mixed economy.... Yet this movement remained on the margins of both policy and academic influence until the troubled years of the 1970s. At

that point it began to move centre-stage, particularly in the US and Britain, nurtured in various well-financed think-tanks (offshoots of the Mont Pelerin Society, such as the Institute of Economic Affairs in London and the Heritage Foundation in Washington), as well as through its growing influence within the academy, particularly at the University of Chicago, where Milton Friedman dominated.... Neoliberal theory, particularly in its monetarist guise, began to exert practical influence in a variety of policy fields.... But the dramatic consolidation of neoliberalism as a new economic orthodoxy regulating public policy at the state level in the advanced capitalist world occurred in the United States and Britain in 1979.

In May of that year Margaret Thatcher was elected in Britain with a strong mandate to reform the economy....

She accepted that Keynesianism had to be abandoned and that monetarist “supply-side” solutions were essential to cure the stagflation that had characterized the British economy during the 1970s. She recognized that this meant nothing short of a revolution in fiscal and social policies, and immediately signalled a fierce determination to have done with the institutions and political ways of the social democratic state that had been consolidated in Britain after 1945. This entailed confronting trade union power, attacking all forms of social solidarity that hindered competitive flexibility, ... dismantling or rolling back the commitments of the welfare state, the privatization of public enterprises (including social housing), reducing taxes, encouraging entrepreneurial initiative, and creating a favourable business climate to induce a strong inflow of foreign investment.... There was, she famously declared, ‘no such thing as society, only individual men and women’. All forms of

social solidarity were to be dissolved in favour of individualism, private property, personal responsibility, and family values. The ideological assault along these lines that flowed from Thatcher's rhetoric was relentless. 'Economics are the method', she said, 'but the object is to change the soul'. And change it she did....¹

This is how in less than six hundred words David Harvey has portrayed the rise of neoliberalism in Britain. I apologise for the length of the quote but I began the first draft of this paper by attempting to draw up a caricature 'straw man' of the commonly recognised key features associated with the rise of neoliberalism in Britain, where Thatcherism is seen as 'the political embodiment of an intellectual counterrevolution against the Keynesian consensus'.² I then came across David Harvey's depiction of these events and felt I could do no better. This is not to pick on Harvey in particular but rather because of its succinct representation of this stereotype.³ Many other accounts replicate part if not all of this story of the long-term strategy adopted by Hayek, the role of the Mont Pèlerin Society in elaborating 'the general principles of a liberal order',⁴ his position as 'a prophet in the wilderness',⁵ the role of Antony Fisher and other wealthy individual businessmen, the proselytizing of the Institute of Economic Affairs and the small number of individuals involved,⁶ the U-turn of the Heath government in the early 1970s, the climacteric of that decade and the growing counter to Keynesian ideas in think tanks, the media and the City, culminating in the election of Margaret Thatcher in 1979.⁷ There is a wealth of literature examining these developments and exploring the interaction of ideas, interests, institutions and economic circumstances in explaining this process.⁸

It is already apparent that this caricature is flawed, inconsistent and contested in many respects. Both the form and timing of the Keynesian revolution in economic policy and the extent to which there was a post-war consensus have been the subject of debate amongst historians. The role of think tanks has also come under scrutiny.⁹ This is particularly the case for the 1970s and the early years of the Thatcher governments. For example, it is now clear that the first Thatcher government's economic policies were quite hesitant and cautious from the outset as opposed to the enactment of a fully-fledged ideologically-driven project. The official history of privatisation makes clear the extent to which it was driven by the Treasury's search for finance to reduce the Public Sector Borrowing Requirement (PSBR).¹⁰ The Treasury and the Bank of England were able to influence the form of monetarism introduced, much to Milton Friedman's annoyance and Conservative ministers, such as Keith Joseph and David Howell, committed to neoliberal ideas in opposition become much more protective of the interests of their departments as ministers.¹¹

There are many resonances to the debate on the Keynesian revolution in these issues.¹² However, even with the application of the Freedom of Information Act in the UK it is still too early for historians to examine the end of the process in the later 1970s and early 1980s in sufficient depth. Instead, this paper considers a rather different and, to date, neglected aspect of the process in the conversion of neoliberal ideas and principles into policy. It considers the role of organised business in Britain in this process in the period from the end of the Second World War. This is important not just from the perspective of British history, the rise of Thatcherism, the role of think-tanks etc. but also the intellectual history of neoliberalism and, in particular, the Mont Pèlerin Society (MPS). It thus responds not only to Keith Tribe's recent contribution to *The Road from Mont Pèlerin* but also that by Kim Phillips-Fein on US

business conservatives and Dieter Plehwe's introduction to that edited volume.¹³ The paper begins with a section on the MPS and its relationship to business. It then sets out the organisation of business representation in post-war Britain and the conventional account of its relationship with neoliberal ideas and intellectuals. The main section of the paper then questions this picture by elaborating some of the links that existed by considering three individuals: Arthur Shenfield, Barry Bracewell-Milnes and John Jewkes. As the conclusion sets out, the paper is not arguing that organised business was secretly pushing a neoliberal agenda – that is far too simplistic and ignores the contested and diverse nature of business opinion. Rather, it suggests that there were clear and direct links with organised business which historians have to date ignored and that incorporating these links muddies the clear blue water of the conventional account of the intellectual rise of neoliberalism in the post-war Britain.

The MPS and business

As is well-known one area of agreement between Hayek and Keynes was on the importance of ideas over the exaggerated power of vested interests. Indeed Hayek used Keynes's famous quote from *The General Theory* in his opening address at the first meeting of the MPS.¹⁴ He added that the spread of neoliberal ideas was a long-term project: 'It is the beliefs which must spread, if a free society is to be preserved, or restored, not what is practicable at the moment which must be our concern'. Plehwe draws on this in his depiction of the MPS as a 'thought collective' and as a directory of organised neoliberalism.¹⁵ This approach has great advantages in avoiding the problem of having to define neoliberalism arbitrarily in terms of certain key elements and, with it, escapes the dangers of an unending semantic debate. Instead, he emphasises its transnational and diverse roots, its drawing on different theoretical

approaches (as against a single idea and a single saviour), its dynamic character, and its interdisciplinary nature, as well as its long-term strategy.¹⁶ Its intellectual basis lay at its heart. Thus, while it was not exclusively academic from the outset, Plehwe notes that the official positions were ‘almost exclusively held by the most numerous contingent of MPS members: academics’.¹⁷ In addition, the Society’s statement of aims, drafted by Lionel Robbins, stressed the need to counter ‘what is essentially an ideological movement...by intellectual argument and the reassertion of valid ideas’ to which end ‘further study is desirable *inter alia* in regard to the following matters...’¹⁸

This general approach was particularly relevant with regard to relations with business. While the MPS was dependent on corporate funding, ‘only a few corporate leaders were admitted to the inner sanctum of the neoliberal thought collective. Intellectuals were deeply suspicious of the opportunistic pragmatism of post-war business leaders, many of whom had embraced corporatism and planning’.¹⁹ The main relationship was, therefore, one of providing finance. Phillips-Fein elaborates the efforts of Jasper Crane, a senior executive in the DuPont Company until his retirement in 1946, to bring the MPS meeting to the US, finally with success in 1958.²⁰ The focus of the account is on Crane’s efforts to raise funding and then the tension between himself and Hayek over Crane’s efforts to influence the agenda and participants of the meeting. In addition to the focus on funding, this is a story about individuals – in this case Crane and his friends as individual benefactors. Backhouse adds Joseph Coors and Richard Mellon Scaife as similar wealthy individuals supporting neoliberal ideas in the US.²¹ Similarly, the main original benefactor of the MPS was Arnold Hunold, a Swiss businessman.²² In Britain, Antony Fisher, after reading the abridged version of *The Road to Serfdom* published in the *Reader’s Digest* and making his fortune as the first person to bring chicken factory farming to the

country, funded the Institute of Economic Affairs.²³ In contrast to these ‘enlightened’ mavericks were at odds with, and exceptions to, business in general.

British business and neoliberalism: the conventional wisdom

The most obvious and most commonly adopted way of discovering what that mainstream was and what relationship it had with economics as a discipline, or neoliberalism more particularly, would be to look at the peak-level business organisations that represented a large proportion of business in each country.²⁴ While on occasions these organizations may push their own agendas, there clear limits as to how far these bodies can stray from the views of their memberships. In the British case the main peak-level organizations representing business in 1945 were the Association of British Chambers of Commerce (drawing together regional chambers of commerce), the Commonwealth Industries Association (which focussed on trade and imperial issues), the British Employers’ Confederation (BEC) (which dealt solely with industrial relations issues), the National Union of Manufacturers (NUM) (which tended to represent smaller firms) and the Federation of British Industries (FBI). The last of these was clearly the most important voice of business on most issues and given the most weight in the press and by government. In 1965 the FBI, the BEC and the NUM merged to form the Confederation of British Industry (CBI), which still exists today as the main representation of peak-level organised business in Britain. The CBI’s organizational structure followed that of the FBI fairly closely. There was a President, a businessman elected for a two-year term, the FBI Grand Council (later CBI Council) on which a large number of businessmen sat and which the peak decision-making body. Below that were a series of ad hoc and standing committees. In addition, there was a staff, headed by the Director-General. The Director-General

has been called ‘perhaps the most prominent public figure in the CBI’.²⁵ Below the Director-General were various Directors who were responsible for particular subject areas (Directorates) and who would work with the chairman of the various committees in that subject area. The Director-General and the Directors would draft most of the papers which then went to the committees for discussion. They also tended to work closely with the chairmen of the committees in their area of responsibility. Thus they played an important role in setting the direction of internal discussions and external policy statements of the FBI and CBI.²⁶

To date the FBI and CBI’s relationship with the rise of neoliberalism has remained unexplored. In many respects this is understandable given the suspicion of many neoliberals of business and the criticisms made of it by many British neoliberals for its support of planning and corporatism. Certainly, on first sight there seems little evidence of any support for neoliberalism within the FBI and CBI. Sir Norman Kipping was the FBI’s Director-General from 1946 to 1965 when the CBI was created.²⁷ He did meet and correspond with the Directors of the Economic League from the late 1940s through to the 1960s and on occasions introduced him to Kipping’s counterparts on the continent.²⁸ He was a believer in private enterprise and was sympathetic to campaigns to highlight its value but was quick to complain if the FBI became publicly associated with such activities and had no detailed understanding of economics.²⁹ It would be hard to define him as a neoliberal. The first Director-General of the CBI was John Davies (1965-69). He then became Secretary of State for Trade and Industry in the 1970 Conservative government. Davies has been credited with coining the phrase ‘lame ducks’ to describe failing companies. He made it clear that the government would not support such companies. However, he then backtracked and was the minister responsible for the nationalisation

of Rolls Royce and the Upper Clyde Shipbuilders, both in response to their financial difficulties, becoming known as the 'lame duck minister' in the process.³⁰

His successor at the CBI was Campbell Adamson. He had read economics at Corpus Christi College, Cambridge, was sympathetic to Keynesianism and had a corporatist outlook, getting 900 of the CBI's member firms to agree to limit their price increases to 5 per cent in 1971 and being critical of the Conservative government's 1971 Industrial Relations Act and its assault on trade union powers.³¹ Sir John Methven was the next Director-General (1976-80). He was less corporatist than Adamson but again was no neoliberal. After 1979 the CBI while in broad sympathy with the Thatcher government's economic policy became increasingly critical of aspects of it and Methven successor, Sir Terence Beckett, famously called for a 'bare-knuckle fight' with the government over the direction of economic policy.³²

Below the Director-General there is further support for the neoliberal critique of the business community. The FBI's first Economic Adviser was Roy Glenday who held the post almost from the FBI's creation during the First World War until 1954. He was a long-standing member of the Council of the Royal Statistical Society. He was a scientist and statistician rather than an economist though he did write some economic works. Again, however, these were in no way neoliberal in content: Kenneth Boulding wrote in his review of Glenday's *The Future of Economic Society*, published in 1944:

If it were not for the unfavorable emotional overtones at present surrounding the term, one might be tempted to call Glenday's solution "moderate Fascist."

It is at this point that one begins to fear that perhaps Glenday's views are, after

all, akin to those of the Federation of British Industries and that the "future of economic society" is a cosily cartelized world in which the Lion lies down with the Bear (so long as each is divided by clearly marked spheres of influence) in a well-ordered, tightly laced, and highly unfree society.³³

At the other end of the period under consideration the CBI's Chief Economic Adviser was Sir Donald MacDougall (from 1973 to 1984), previously having been the Economic Director of the National Economic Development Office (1962-64), the Director-General of the Department of Economic Affairs (1964-69) and then the government's Chief Economic Adviser (1969-73). The other main academic economist used by the CBI in the 1960s and 1970s was the Cambridge economist, Brian Reddaway. The CBI appointed him to carry out a study on the effects of overseas direct investment and from 1972 to 1983 he acted as a consultant for the body, sitting on some of its committees.³⁴ Although he was sometimes at odds with his Cambridge colleague, Nicky Kaldor, again he was no neoliberal.

British business and neoliberalism

So what evidence is there to link the mainstream business community in Britain to neoliberal thinking? It can be found in the economic advisers used between Glenday and MacDougall.

a) Arthur Shenfield

Glenday's successor as the CBI's Economic Director in 1955 was Arthur Shenfield. Shenfield is noteworthy because he lies close to the centre of the network of frequent participants in MPS meetings created by Plehwe.³⁵ Only those who attended at least half of the 26 conferences between 1947 and 1986 are included in the figure and

Shenfield's proximity to the centre means he attended significantly more and can be regarded as highly active in the MPS. Indeed, he was President of the society 1972-74, succeeding Milton Friedman. Plehwe gives Shenfield's occupation as 'think tank' with a background in economics.³⁶ Keith Tribe similarly depicts Shenfield as an example of the 'employees or consultants linked to pressure groups or think tanks', adding in a footnote that Shenfield 'is a very shadowy figure'.³⁷ Both of these images are a bit misleading, in part reflecting that Shenfield was not an academic economist. While Max Hartwell referred to Shenfield as an 'eminent economist', Tribe dismisses this claim as 'the measure of eminence [in post-war economics] had become publication in the leading English-language academic journals, and there is no trace of this achievement for Shenfield'.³⁸

Shenfield, like many other British neoliberals, was a postgraduate at the LSE in the interwar period. He, Arthur Seldon, later one of the two leading lights in the IEA, and others met to 'discuss ways of refuting collectivist economic heresies'.³⁹ Having qualified as a barrister and an economist, Shenfield then held a number of posts, the chronology of which is a little unclear. He was Assistant Editor of the London and Cambridge Economic Service, an Assistant Lecturer in Economics at the University of Birmingham, started a law practice, and served as economic adviser to several colonial governments, mainly in the Caribbean.⁴⁰ He was also active in the MPS giving a paper at the 1953 British 'Regional Meeting' and another at the full meeting the following year.⁴¹

Shenfield's neoliberal credentials were, therefore, firmly established prior to his appointment as the FBI's Economic Director in 1955. Blank suggests his appointment marked a significant change in the organization. First, he was much more active and dynamic than Glenday and the FBI's Economic Policy Committee became

more independent and authoritative under his influence. Secondly, his approach was more theoretical and neoliberal in nature. Blank believes that this 'did not essentially alter the Federation's position on economic policy...but he shaped and stated them in a more abstract and dogmatic fashion', adding that Kipping 'generally agreed with Shenfield's views' and that the Federation's policies after 1955 'strongly reflected Shenfield's influence'.⁴² He was the author of a number of key publications by the FBI in this period. His influence declined somewhat in the early 1960s with the growing commitment to indicative planning and in 1963 he was the Ford Foundation Visiting Professor of Business Economics at the Graduate School of Business at the University of Chicago.⁴³ However, he returned to the FBI and stayed on as Economic Director of the newly-created CBI in 1965, a time when a number of staff retired or left. Moreover, his views and advice were clearly in line with a significant section of the CBI as tensions between it and the Labour government mounted at this time as business became increasingly frustrated at the growing intervention in the economy.

This came to a head in 1967 when a group of about twenty leading businessmen formed the Industrial Policy Group (IPG). The group was led by Sir Paul Chambers, the Chairman of ICI, and all the members headed large British companies and most were active in the CBI. Its membership changed over time but remained at around twenty in number. Table 1 sets out the early membership, illustrating that this was indeed a powerful group of businessmen. They were frustrated that the CBI, representing so many different interests, was not sufficiently explicit in defending big business.⁴⁴ The IPG's aim was to study 'the fundamental causes of the malaise of the British economy' and to increase attention to these issues in popular debate.⁴⁵ The Chancellor of the Exchequer, James Callaghan, called the group 'potentially sinister' and led by 'dubious people'. Opinion in the group was diverse but there was a clear

neoliberal dimension to it. Cayzer helped fund the Economic League amongst other groups.⁴⁶ Chambers was known for his attacks in government expenditure and government intervention, and was a speaker, along with John Jewkes and Lionel Robbins, at a dinner to commemorate ten years of the IEA in 1966.⁴⁷ The Group's relationship with the CBI was ambiguous but its office was on the CBI premises and most relevant here, its Director was Shenfield who, once the Group was created, resigned from his role at the CBI. Shenfield made speeches and drafted papers for the Group until June 1969 when he retired.⁴⁸ He then went to the US as a visiting professor before his spell as President of the MPS and, back in Britain, became a regular contributor to various neoliberal organisations and publications, including the IEA.⁴⁹

Table 1 Early members of the Industrial Policy Group

Sir Paul Chambers	Chairman ICI
Henry Lazell	Chairman Beecham
Lord Cole	Chairman Unilever
David Barran	Chief Executive Shell
Lord Boyd	Chairman Guinness
Sir Joseph Lockwood	Chairman EMI
A.F. McDonald	Chairman Distillers
John Partidge	Chairman Imperial Tobacco
Lord Netherhope	Chairman Fisons
Sir William McEwan Younger	Chairman Scottish and Newcastle Breweries
Sir Charles Wheeler	Chairman AEI
Sir Peter Runge	Senior Director Tate and Lyle
Sir George Bolton	Chairman Bank of London and South America
Sir Cyril Harrison	Chairman English Sewing Cotton
Sir Nicholas Cayzer	Chairman British and Commonwealth Shipping
Sir Reay Geddes	Chairman Dunlop
Sir Maurice Laing	Deputy Chairman John Laings
Lord Pilkington	Chairman Pilkingtons
Sir John Nicholson	Chairman Ocean Steam Ship Co.
Lord Sieff	Chairman Marks and Spencer

R.G. Soothill	Chairman Turner and Newall
John Davies	CBI Director-General (ex officio)
Sir Stephen Brown	CBI President (ex officio)

Source: John Jewkes, *A Return to Free Market Economics?: Critical Essays on Government Intervention* (London: Macmillan, 1978), p. 189.

b) Barry Bracewell-Milnes

Shenfield's is not a lone story, nor did his departure to the Industrial Policy Group mark a rejection of neoliberal economic advice in the CBI. For a matter of months the CBI's next Economic Director was D. Taylor but in 1968 he was in turn replaced by Dr J. Barry Bracewell-Milnes. Bracewell-Milnes was a graduate of New College, Oxford and King's College, Cambridge and as a member of the Agricultural Economics Society at this time (the mid-1950s) possibly studied Land Economy rather than Economics. At the CBI he was known 'to take a classical view of private enterprise and market economics'.⁵⁰ Given Campbell Adamson's more corporatist views as Director-General from 1969 it is unsurprising that the two clashed and in January 1973 Bracewell-Milnes was asked to leave the CBI following 'differences of opinion about certain aspects of the CBI's affairs'.⁵¹ As a leading article in *The Times* put it, this was not a clash of personalities but 'a clash of ideologies'.⁵² Apparently, it was the CBI's Budget representation to the government that was the final straw. What is also significant was that the chairman of the CBI's Taxation Committee resigned the following month stating that he 'saw eye to eye [with Bracewell-Milnes] on almost every matter'.⁵³ Bracewell-Milnes was not cast into the wilderness after this. Indeed, he was quickly appointed as the Economic Adviser to the openly neoliberal-inclined Institute of Directors, a post he retained until 1986. He also became chairman of the Adam Smith Club and, like Shenfield, an active writer and speaker in neoliberal

circles, particularly on tax issues. It is unclear if Bracewell-Milnes was active in the MPS but he certainly moved in the same circles: in 1974 he was one of eleven signatories to an open letter to the Prime Minister, Harold Wilson, arguing that the only cure for inflation was increasing unemployment.⁵⁴ Among the other signatories were Harry Johnson, E.V. Morgan, David Laidler, Brian Griffiths and S.H. Frankel. It is clear that Bracewell-Milnes continued the tradition of neoliberal economic advice within the CBI and that this advice found favour in a significant section of business opinion.

c) John Jewkes

The third neoliberal economist with clear links to the business community was John Jewkes. Like Shenfield he was active in the MPS, being its President in 1962-64. Of the three, he was the one most clearly with an academic presence, returning from wartime service to Manchester in 1946 as Stanley Jevons Professor of Political Economy before moving to Oxford in 1948 to a chair in economic organization where he stayed until he retired in 1969.⁵⁵ Jewkes came to popular attention for his coruscating attack on post-war controls and planning in *Ordeal by Planning*, published in 1948.⁵⁶ With the revival of planning in the 1960s Jewkes reprinted the essay with a new part on planning in the sixties.⁵⁷ In 1969, following his retirement from Oxford, it was Jewkes who replaced Shenfield as Director of the Industrial Policy Group. Jewkes 'gladly accepted [the post] because [he] sympathised with the aims of the Group and because my academic studies had always led me towards conclusions, concerning the sure foundation of a vigorous system of private enterprise, similar to those held by the members of the Group'.⁵⁸ The Group continued to produce papers as set out in Table 2. All were broadly defined neoliberal and received

coverage in the media, but it was the final paper, published in February 1972, that proved the most controversial. It argued, contrary to CBI appeals for increased investment, that there was no tendency in industry to under-invest and that investment decisions had to be taken by individual entrepreneurs on the basis of economic circumstances and current and prospective rates of profit.⁵⁹ Given this line, the CBI President and Director-General were unable to sign the report. The Group continued to discuss possible future statements but none emerged and it was wound up in 1974, with the belief that it had failed to achieve what it had set out to do.⁶⁰

Table 2 Reports published by the Industrial Policy Group 1967-72

Paper No. 1	British Economic Performance: An Industrial View
Paper No. 2	Government Expenditure
Paper No. 3	Taxation
Paper No. 4	The Case for Overseas Direct Investment
Paper No. 5	The Case Against the Selective Employment Tax
Paper No. 6	The Structure and Efficiency of British Industry
Paper No. 7	The Growth of Competition
Paper No. 8	The Control of Monopoly
Paper No. 9	Merger Policy
Paper No. 10	Economic Growth, Profits and Investment

Source: Jewkes, 'Entrepreneurs'; and *The Times*, 17 May 1968, p. 33 and 31 January 1969, p. 28.

Conclusions

First, it is important to repeat the message at the start that this is a work in progress. There is still much research to be done and as a result, the following conclusions are preliminary and may be revised. Nevertheless, the material presented here does raise some serious questions about how the rise of neoliberal ideas in the post-war period has been depicted and the process which led to their application, however, flawed that may be, by the Thatcher governments. Key aspects of the conventional, if

caricatured, account presented by David Harvey at the start of this paper seem misleading. It also is relevant to our perception of the role of economists in this process and, more generally, how we approach the study of the discipline in this period. Finally, it suggests the need to reconsider our understanding of the strategy of the MPS.

To elaborate, the emphasis on the isolation of a small coterie of neoliberal outsiders in Britain during the dominant period of Keynesianism seems overstated. There were clear links to organised business and to big business for much, if not all, of the period. These were not individual maverick businessmen, as Antony Fisher is portrayed, or even limited to members of the Institute of Directors, but businessmen at the heart of the peak-level representative federation for business. Nor is this simply a story of providing funding: these businessmen were clearly content to receive their economic advice from those – like Shenfield, Bracewell-Milnes and Jewkes - active in neoliberal circles and known for such views. This is not to suggest a business-led conspiracy, just that the business community, in particular the CBI's attitude to corporatism was strongly contested and that the type of account that emphasises the importance of the IEA and other think tanks as the key means of transmission of neoliberal ideas is an exaggeration. There was wider support for such ideas than these accounts suggest and examination of their role needs to be embedded in these wider societal interests.

Just as this paper questions the roots of the Thatcher revolution so it also adds insights to the role of economists in this process. The case of Shenfield reaffirms the role of the LSE in the production of post-war neoliberals. The paper also implicitly confirms that neoliberal economic advice was found more readily outside of UK academic economic circles, with the notable exception of one or two institutions, than

in academia by the 1960s. However, the paper also suggests that there is a danger in focussing narrowly on academic economists. Increasingly in the post-war period this has become an arbitrary distinction given the growth in the number of economists employed outside of academia, be it in government, business or the City.⁶¹ These may not be academically ‘eminent’ as defined by Tribe but concentrating on academic eminence alone excludes large and growing numbers of these economists and a consideration of their views and their influence. In addition, there is the related issue of those individuals that moved between academic economic employment and non-academic economic employment. A notable example here would be Sir Donald MacDougall, academic, government economist and business economist.⁶² Does John Jewkes count as an economist but not Arthur Shenfield, although both held the same post in the Industrial Policy Group, or should one discount Jewkes’ work while at the IPG? In part, the answer to this question depends on what is being studied – the intellectual development of economic ideas in the abstract or the development of these economic ideas and their implementation in practice.

This leads into the final conclusion which relates to the strategy of the Mont Pèlerin Society. Hayek’s focus on the MPS as a long-term intellectual movement needs some qualification and the emphasis on this aspect may be a reflection of reading back from the neoliberal turn taken in the last few decades. Clearly, it was an intellectual movement but that was only part of the story: it was also about getting those ideas implemented by governments. Although he discounted the short-term political and practical tasks of gaining popular support it was necessary to ‘raise and train an army of fighters for freedom’.⁶³ There is an inevitable tendency to focus on the famous members of the MPS, the numbers of Nobel Prizes won and so forth. However, if one adopts Plehwe and Mirowski’s definition of neoliberalism as

involvement in the MPS then this has consequences for how we should understand neoliberalism. For, as Plehwe has shown, social network analysis of the attendees of the MPS conferences ‘helps to shed light on the group of less well-known neoliberal activists, who all too frequently have remained hidden in the shadow of the official leaders and prominent neoliberals’ but who were active in attending the MPS conferences.⁶⁴ On this basis it becomes imperative to understand the activities of individuals like Shenfield if we are to comprehend the MPS. That British MPS members were providing economic advice at the heart of the mainstream British business community and formulating its policies changes how we need to perceive the paradigm shift from Keynesianism to neoliberalism in Britain. Perhaps more fundamentally, it also alters our understanding of neoliberalism as an intellectual movement.

¹ David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005), pp. 19-23.

² Monica Prasad, *The Politics of Free Markets: The Rise of Neoliberal Economic Policies in Britain, France, Germany, and the United States* (Chicago: University of Chicago Press, 2006), p. 101.

³ It is also a popular account with at least three reprints of the paperback edition in 2009 alone. For a similar account see Christopher Muller, ‘The Institute of Economic Affairs: Undermining the Post-war Consensus’, in Michael Kandiah and Anthony Seldon (eds), *Ideas and Think Tanks in Contemporary Britain Volume 1* (London: Frank Cass, 1996), pp. 88-110.

⁴ Friedrich Hayek, *Studies in Philosophy, Politics and Economics* (London: Routledge, 1967), p. 149. From his opening address to the first meeting.

⁵ Eric Hobsbawm, quoted in John Cassidy, ‘The price prophet’, *New Yorker*, 7 February 2000.

⁶ Richard Cockett, *Thinking the Unthinkable: Think-tanks and the Economic Counter-revolution, 1931-1983* (London: HarperCollins, 1994). Cockett quotes Maurice Cowling who stated that the intellectual counter-revolution was carried out by about fifty people, p. 3.

⁷ Michael Oliver, *Whatever Happened to Monetarism?* (Aldershot: Ashgate, 1997), ch. 3; and idem ‘A Response to Denham and Garnett’s “The Nature and Impact of Think Tanks in Contemporary Britain”’, in Kandiah and Seldon (eds), *Ideas and Think Tanks Volume 2* (London: Frank Cass, 1996), pp. 80-6.

⁸ For example, David Marquand and Anthony Seldon (eds), *The Ideas that Shaped Post-war Britain* (London: Fontana, 1996); Peter A. Hall, ‘The Movement from Keynesianism to Monetarism: Institutional Analysis and British Economic Policy in the 1970s’, in Sven Steinmo, Kathleen Thelen and Frank Longstreth (eds), *Structuring Politics: Historical Institutionalism in Comparative Analysis* (Cambridge: Cambridge University Press, 1992), pp. 90-113; idem, ‘Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain’, *Comparative Politics* 25(3) (1993), 275-96; Andrew Gamble, *The Free Economy and the Strong State: The Politics of Thatcherism* (Basingstoke: Macmillan, 1988); Desmond King and Stewart Wood, ‘The Political Economy of Neoliberalism: Britain and the United States in the 1980s’, in Herbert Kitschelt, Peter Lange, Gary Marks, and John D. Stephens (eds), *Continuity and Change in Contemporary Capitalism* (Cambridge: Cambridge University Press, 1999), pp. 371-97; James I. Walsh, ‘When Do Ideas Matter? Explaining the Successes and Failures of Thatcherite Ideas’, *Comparative Political Studies* 33(4) (2000), pp. 483-

516; and Colin Hay, 'The "Crisis" of Keynesianism and the Rise of Neoliberalism in Britain: An Ideational Institutional Approach', in John L. Campbell and Ove K. Pedersen (eds), *The Rise of Neoliberalism and Institutional Analysis* (Princeton NJ: Princeton University Press, 2001), pp. 193-218. More generally see Roger Middleton, *Government versus the Market: The Growth of the Public Sector, Economic Management and British Economic Performance, c.1890-1979* (Cheltenham: Edward Elgar, 1996).

⁹ See Kandiah and Seldon (eds), *Ideas and Think Tanks Volumes 1 and 2*; Andrew Denham and Mark Garnett, *British Think-tanks and the Climate of Opinion* (London: UCL Press, 1998); and Andrew Denham, *Think-tanks of the New Right* (Aldershot: Dartmouth, 1996).

¹⁰ David Parker, *The Official History of Privatisation Volume 1: The Formative Years 1970-1987* (Abingdon: Routledge, 2009).

¹¹ See Parker, *Official History*, chs 2-3; and Prasad, *Politics of Free Markets*, ch. 2.

¹² Peter A. Hall (ed.), *The Political Power of Economic Ideas: Keynesianism across Nations* (Princeton NJ: Princeton University Press, 1989).

¹³ Keith Tribe, 'Liberalism and Neoliberalism in Britain, 1930-1980', in Philip Mirowski and Dieter Plehwe (eds), *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (Cambridge MA: Harvard University Press, 2009), pp. 68-97; Kim Phillips-Fein, 'Business Conservatives and the Mont Pèlerin Society' in idem, pp. 280-301; and Dieter Plehwe, 'Introduction' in idem, 1-42.

¹⁴ Hayek, *Studies*, ch.10.

¹⁵ Plehwe, 'Introduction', pp. 4-5.

¹⁶ Plehwe, 'Introduction', pp. 14-15. Philip Mirowski does, however, attempt to define neoliberalism in terms of key elements at the end of the book, Philip Mirowski, 'Postface: Defining Neoliberalism', in Mirowski and Plehwe, *Road*, pp. 417-55.

¹⁷ Plehwe, 'Introduction', pp. 20-21.

¹⁸ R.M. Hartwell, *A History of the Mont Pèlerin Society* (Indianapolis IA: Liberty Fund, 1995), pp.41-42.

¹⁹ Plehwe, 'Introduction', pp. 6-7.

²⁰ Phillips-Fein, 'Business Conservatives',. See also idem, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: W.W. Norton, 2009).

²¹ Roger Backhouse, 'The Rise of Free Market Economics: Economists and the Role of the State since 1970', *History of Political Economy* 37 (2005), p. 380.

²² Cockett, *Thinking the Unthinkable*, ch. 3.

²³ Cockett, *Thinking the Unthinkable*, ch. 4. See also Gerry Frost, *Antony Fisher: Champion of Liberty* (London: Profile Books, 2002).

²⁴ On the US see Crauford D. Goodwin, 'The Patrons of Economics in a Time of Transformation', *History of Political Economy* 30 (1998), pp. 53-81.

²⁵ Wyn Grant and David Marsh, *The Confederation of British Industry* (London: Hodder and Stoughton, 1977), p. 88.

²⁶ See Stephen Blank, *Industry and Government in Britain : The Federation of British Industries in Politics, 1945-65* (Farnborough: Saxon House, 1973) ch. 3; and Grant and Marsh, *Confederation*, ch. 5.

²⁷ Norman Kipping, *Summing Up* (London: Hutchinson, 1972)

²⁸ Modern Records Centre (MRC) MSS200/F/3/D3/9/31-4. The Economic League carried out activities with workers to emphasise the values of capitalism and the dangers of communism. It became infamous for maintaining a blacklist of left-wing workers and trade union activists which employers consulted.

²⁹ MRC MSS200/F/3/D3/9/36, Kipping to General Spears (Institute of Directors), 26 July 1951.

³⁰ Davies, John Emerson Harding, Oxford Dictionary of Biography <http://www.oxforddnb.com/view/article/31009?docPos=7> [accessed 28 February 2010].

³¹ Adamson, Sir Campbell, <http://www.oxforddnb.com/view/article/74490> [accessed 28 February 2010].

³² Parker, *Official History*, p. 70.

³³ Kenneth Boulding, 'Review of *The Future of Economic Society*', *Journal of Political Economy* 54(6) (1946), pp. 556-7. For reference to some of Glenday's other work see Martin J. Wiener, 'Some Leaders of Opinion and Economic Growth in Britain, 1918-74', *Journal of Contemporary History* 14(2) (1979), pp. 353-68.

³⁴ W. Brian Reddaway, *Effects of UK Direct Investment Overseas: An Interim Report* (London: Cambridge University Press, 1967); and idem, *Effects of UK Direct Investment Overseas: Final Report* (London: Cambridge University Press, 1968).

³⁵ Plehwe, 'Introduction', p. 20.

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- ³⁶ Plehwe, 'Introduction', p. 18.
- ³⁷ Tribe, 'Liberalism and Neoliberalism', pps. 87 and 96.
- ³⁸ Tribe, 'Liberalism and Neoliberalism', p. 88.
- ³⁹ Quoting Seldon in Cockett, *Thinking the Unthinkable*, p. 136.
- ⁴⁰ Kipping, *Summing Up*, p. 62; Blank, *Industry and Government*, p. 159; and Tribe, 'Liberalism and Neoliberalism', p. 70.
- ⁴¹ Cockett, *Thinking the Unthinkable*, p. 119; and Tribe, 'Liberalism and Neoliberalism', p. 87.
- ⁴² Blank, *Industry and Government*, pp. 129 and 159.
- ⁴³ Arthur A. Shenfield, 'The Two Faces of the Common Market', University of Chicago Graduate School of Business Selected Papers No. 6.
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- ⁴⁹ Some of his works from this period have been collected in Norman Barry (ed.), *Limited Government, Individual Liberty and the Rule of Law: Selected Works of Arthur Asher Shenfield* (Cheltenham: Edward Elgar, 1998).
- ⁵⁰ Grant and Marsh, *Confederation*, p. 104.
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- ⁵⁵ Jewkes, John, Oxford Dictionary of National Biography, <http://www.oxforddnb.com/view/article/39975> [accessed 1 March 2010].
- ⁵⁶ John Jewkes, *Ordeal by Planning* (London: Macmillan, 1948).
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- ⁵⁸ John Jewkes, 'Entrepreneurs on the Defensive: The Industrial Policy Group: The Failure of an Experiment' in Jewkes, *A Return to Free Market Economics? Critical Essays on Government Intervention* (London: Macmillan, 1978), p. 174.
- ⁵⁹ Jewkes, 'Entrepreneurs', pp. 180-1.
- ⁶⁰ 'Chancellor Attacks "Potentially Sinister" Business Group', *The Times*, 23 November 1967, p. 1. On the IPG see Grant and Marsh, *Confederation*, pp. 103-5; Trevor Smith, 'United Kingdom', in Raymond Vernon (ed.), *Big Business and the State* (London: Macmillan, 1974), pp. 100-101; and Anthony Sampson, *The New Anatomy of Britain* (London: Hodder and Stoughton, 1971), p. 612.
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