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The Anti-democratic Logic of Right-wing Populism and Neoliberal Market-fundamentalism

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Abstract

The paper compares neoliberal market-fundamentalism and right-wing populism on the basis of its core patterns of thinking and reasoning. Based on an analysis of the work of important founders of market fundamental economic thinking (particularly Mises, and Hayek) and the arguments brought forward by leading right-wing populist we find highlight conceptual resemblances of these two approaches: Both show a world that is split into only two countervailing parts. Right-wing populism shows a society split into two groups, fighting against each other. In a similar vein, neoliberal market-fundamentalism shows only two possible countervailing economic and societal orders. Thus, we develop a scheme of the similar dual social worlds of right-wing-populism and market-fundamentalism and offer some examples in the history of the Republican Party, where these concepts mutually reinforced each other or served as a gateway for each other. The main conclusion of the paper is that neoliberal market-fundamentalism and right-wing populism can be perceived as two mutually reinforcing and radicalizing threats to democracy in the 21st century.

Stichworte: Right-wing populism; market-fundamentalism; inner images; Donald Trump; patterns of thinking

JEL categories: B13, B21, B25, B53, D04, D78, E60, E65, G38

1 Introduction: Is Trump a neoliberal populist?

During the election campaign and in also during the first year of his presidency Donald Trump is regularly denoted as a populist. . According to Mudde, populism is the ideology of a divided world:

> „I define populism as an ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups, ‚the pure people' versus ‚the corrupt elite', and which argues that politics should be an expression of the volonté générale (general will) of the people." (Mudde 2004, 543).

But what are the economic consequences of an economic policy directed at „the people" or the „nation"? How does such an economic policy relate to neoliberalism, which was confronted with heavy critique after the outbreak of the financial crisis? Moreover, to what extent does Trumpism collide with the so called Washington Consensus, which had a formative impact on neoliberal globalization since the 1980s?

At a first glance Trumps right-wing populism seems to contradict a neoliberal program. Trump criticizes the international economic order and forces protectionist policies in order to (re)-establish the top position of the U.S. in international trade. Trumps continuously argued that international trade agreements, such as TTIP or NAFTA are systematically discriminating the U.S. and furthermore cause the decline of the U.S. industry. Peter Navarro, director of the new White House National Trade Council, accuses China to pursue an aggressive export policy directed against the U.S. „China price" thus is based on „industrial network clustering", catalytic foreign direct investment, unfair trade practices, like import subsides, counterfeiting and piracy (Navarro 2006). In this way, Trump promised to close the U.S. trade deficit by levying high tariffs on foreign goods, and has also proposed large tariffs as a punishment for American companies that move manufacturing overseas.

Hence, Trumps populist „America First" doctrine seems to oppose neoliberal globalization and the Washington Consensus. Like many prominent European populist leaders (e.g. the French Front Nationale, the German „Alternative for Germany" (AfD) and the „Austrian Freedom Party" (FPÖ)) Trump aims to re-establish the priority of the national state against the globalized economy in order to get rid of what Friedman (1999) called the „Golden Straightjacket" for economic policy. Swank/Betz (2003) furthermore have shown that neoliberal globalization together with a weaker system of social protection correlates with electoral success of right-wing populist parties in Europe. But this is just one side of Trumps economic policy. While on the one hand particularly in the field of trade policies Trump seems to be in favor of protectionist economic policies, on the one hand he follows or even pushes further neoliberal reform agendas initiated before the Global Financial Crisis and even strengthened the state-finance nexus. Trump

announced and partly yet introduced tax cuts for corporations and high-income earners, de-regulative policies in the banking and financial service sector and tried to withdraw Obama-Care and other social security policies. In this vein, Trump explicitly follows the neoliberal Agenda of Reagan and Bush. The Trump administration is dominated by former top managers in the banking and financial service sector, directly influenced by neoliberal think tanks such as the Heritage Foundation or the Charles Koch Foundation and is on a personal level by far the richest in the history of the US.

Although the successful presidential election campaign of Donald Trump came rather surprising for many commentators and political analysts it can also be interpreted against the background of an overall populist trend in many Western capitalist countries (see for instance the contributions in Wodak/Krzyzanowski 2017). In search for an explanation of this phenomenon it was claimed that on the one hand Western societies are confronted with a cultural backlash, i.e. a reaction against progressive societal transformation processes, while on the other hand rather politico-economic arguments focused on the rise of economic inequality during the era of neoliberal capitalism (Inglehart/Norris 2016). These two partly overlapping theories show that populist movements seem to be successful in addressing the feelings of the former privileged middle-classes, now confronted with the fear of downward social mobility. In a long-term ethnographic study of U.S. Tea-Party voters Hochschild argued that their support for a populist movement rests on a shared „deep story" of the possibility of successful upward social mobility for the hard-working middle-classes (Hochschild 2016). Whereas at a first glance it is convincing that these groups are responsive for right-wing populists appealing traditional cultural values and national identity it is at the same time rather surprising that many right-wing populists (Trump, Le Pen, the AfD in Germany or the FPÖ in Austria) at the same time support neoliberal economic policies in favor of economic powerful elites as argued above.

The seemingly counter-intuitive position of many right-wing populist movements concerning economic policies can partly be seen as a mere strategic behavior of their leaders in their ambition to obtain political power. Hochschild (2016) however argues that the upward-orientation of many Tea Party supporters results in a hostile attitude against „line-crossers" and „cheaters" in the deep story of the American dream. On the contrary, based on a meritocratic concept of competition in a capitalist system those at the top (the „millionaires") of the wealth pyramid thus fulfil a role model function. Hence, the support for neoliberal policies can be built on a feeling of solidarity with the rich, who a believed to have worked hard for their position, whereas at the same time a supposedly „corrupt political elite" supporting „line-crossers" with a policy of affirmative action are blamed to act against the hard—working „forgotten man" (see also: Frank 2012). This narrative, which was prominently and successfully applied in Trump's election campaign, sheds some light on the electoral success of right-populist parties in Europe and the U.S. and furthermore supports the cultural backlash thesis. Nevertheless, the

common roots of neoliberal policies and right-wing populist arguing remain obscure.

In this paper we will therefore highlight the relation of right-wing populism and market fundamentalism on a conceptual level by analyzing their resemblances on the level of deep-seated frames and will furthermore provide examples, where these two concepts served as gateways for each other (Ötsch/Pühringer 2017). Furthermore we will show that the development of the U.S. Republican Party over the last decades was shaped by the interplay of populist and market fundamental reasoning with its culmination in the implosion of the Republican Party under Donald Trump.

Thus, we aim to contribute to the debate on the political and democratic consequences of populism, which was fueled by recent electoral successes of right-wing populist parties in Europe and the US. Moreover we will show that „the state" or „the government" are seen as antipodes for both, populist and market-fundamental reasoning and hence, the mutual emergence can be interpreted as a severe threat to democracy in the 21st century.

The remainder of the paper is structured as follows. In the first section we offer a definition of populism and introduce the concept of demagogy. In section two we develop our definition of market fundamentalism based on the work of three main proponents of the neoliberal thought collective, namely Friedrich Hayek, Ludwig von Mises and Walter Eucken, the latest being the founder of ordoliberalism, the German variety of neoliberalism. Section three provides an analysis of the conceptual and discursive resemblances of right-wing populism and market fundamentalism on the basis of their deep-seated frames of „the people" and „the market", respectively. Section four offers some examples of their interplay in the development of the U.S. Republican Party. The final section concludes with some remarks on the consequences of the anti-democratic logic of the two mutually reinforcing concepts. Hence we interpret the two concepts as a common development with a tendency of radicalization in economics and politics as well.

2 The concept of demagogy in Trump's "America First" doctrine

Mudde's definition of populism cited above includes the central image of a society divided into two separated groups: „the people" or „the citizens" or „the forgotten men" (Donald Trump) and „the elite" (Ötsch 2002; Wodak 2015; Wodak, KhosraviNik/Mral 2013). As Rydgren (2017) rightly argues simply addressing a broad public in agitation against the ruling political elite is a strategy used by many new political contenders and thus an inadequate classification of populism. Populist or demagogic arguing, as we will call it, furthermore is based on the strong belief that there is a homogenous in-group („We", „Us"), which is the target group for political propaganda, and a homogenous out-group: „the Others", „Them"

(Wodak 2015). This reductionist and dichotomous image of homogeneity inside and stark distinction between the two concepts can be shown for many prominent demagogic leaders (Ötsch/Horaczek 2017).

Trump's speeches and even more pronounced his frequent Twitter postings[1] are saturated with this demagogic arguing: „The Establishment and special interest are absolutely killing our country. We must put #AmericaFirst." (@realDonaldTrump, 12.08.2016). In a similar vein Trump stressed his endeavor for the „American people" in an address to the Republican National Convention:

> „The most important difference between our plan and that of our opponents is that our plan will put America First. Americanism, not globalism, will be our credo. As long as we are led by politicians who will not put America First, then we can be assured that other nations will not treat America with respect. This will all change when I take office. The American People will come first once again." (Trump 2016)

This position is even more pronounced in Trump's inaugural address:

> „For too long, a small group in our nation's Capital has reaped the rewards of government while the people have borne the cost. Washington flourished -- but the people did not share in its wealth. […] today we are not merely transferring power from one administration to another, or from one party to another -- but we are transferring power from Washington, D.C. and giving it back to you, the American People." (Trump 2017a)

It can be shown that many current prominent leaders of right-wing populist parties in Europe use a similar rhetoric of dichotomous distinction of homogenous groups, based on the image of a divided society (Ötsch/Horaczek 2017). Their policies are aimed at „the people" and they use a variety of moral argumentation strategies to stress the homogeneity of the in-group against the background of a derogatory image of the „others" (Wodak 2015):

a) The „We" are always conceived as good, the „others" are always bad.

b) The „We" are always conceived as true, the „others" are always liars.

c) The „We" are always conceived as victims, the „others" are offenders. They serve as scapegoats for different kinds of problems

Trump uses the strategy of presenting himself as honest confronted with „unfair" critique of „liars", who spread fake news and thus act as „enemies of the people":[2] „We will honor the American people with the truth, and nothing else" (Trump 2016). The concept of „enemies of the people" is an essential condition for the image of a divided society, where the „we" are in an ongoing quarrel against the „others". In this highly emotionally and morally laden perception, the „we" is explicitly threatened by the enormous power of the „others" and the „we" are lead

1 A detailed analysis of Trump's strategic use of Twitter to disseminate right-wing populist discourse is offered by Kreis 2017.

2 „The FAKE NEWS media (failing @nytimes, @NBCNews, @ABC, @CBS, @CNN) is not my enemy, it is the enemy of the American People!" (@realDonaldTrump, 17. Feb. 2017). Beside his Twitter postings, Trump (2017b) is directly addressing his „enemies" also in official speeches: „And I want you all to know that we are fighting the fake news. It's fake -- phony, fake. […] A few days ago, I called the fake news 'the enemy of the people' -- and they are. They are the enemy of the people".

to be scared and even physically feel the fear. Hence, the only possibility for the „we" or „the people" is then to stand up against „the elite". Consequently as Finchelstein (2017, 10) put it, „Trump saw himself as the unrepressed voice of the people's desires". It can be shown in many concrete examples, how Trump and quite similarly other European right-wing demagogues foster feelings of fear and uncertainty and the image of an irreconcilably divided society. Jost (2006) and more recently Wrenn (2014) showed that the neoliberal era of the last decades as a period of heightened uncertainty and anxiety made individuals more responsive for right-wing conservative policies. Against this background Trump in his election campaign as well as during the first year of presidency was very successful in strengthening this deep-rooted emotion of fear and distrust of "the people" against „the elite" or other „enemies of the people", used as scapegoats for bad economic developments of the last years. The myth of a divided society is fueled by demagogues in several ways. One telling example for such a conspiracy theory directed against „the elite" is Trump's support of the denial of global warming. In 2012 Trump stressed that

> „The concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive." (@realDonaldTrump, 6. Nov. 2012)[3]

The basic categories of this image of a divided world, i.e. „the people" and „the elite" remain ill-defined and though have no empirical basis. For a specific person in society one cannot say if she is part of „the people" or an „enemy of the people". There are no definitive criteria for this basic mapping of distinct persons to a distinct group. At the same time, there is no (and cannot be a) explicit discourse about the rules and criteria which fix the central demarcation of a dually divided society, since such a discourse would reveal the illusionary character of its main categories. Besides that, the allocation of specific persons to „we" or the „others" must be done via authoritative action, e.g. by blaming the „others" for crimes. Trump's frequent Twitter postings offer examples for this strategy of scapegoating nearly every day.

Therefore, politically successful demagogy is essential authoritarian. It requires a strong leader, who is able to fight against the suppression of „the people" by „the elite". Thus, Trump in line with the dominant narrative of the Tea Party movement (Hochschild 2016) is addressing the

> „forgotten men and women of our country . People who work hard but no longer have a voice. I am your voice. […] My pledge reads: 'I'm with you—the American people'" (Trump 2016).

Hence, similar to Barry Goldwater's campaign in the 1960s is aiming to represent the „silent majority".

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3 On Jan. 25, 2014, Trump stressed, „NBC News just called it the great freeze — coldest weather in years. Is our country still spending money on the GLOBAL WARMING HOAX?" (@realDonaldTrump)

So far we offered an explorative analysis of Donald Trump's rhetorical strategies, which we interpret as a recent example of the successful application of a demagogic logic of a divided world in populist discourse. In the next section we introduce our concept of market fundamentalism and will then elaborate on the conceptual resemblances of right-wing populism and market fundamentalism.

3 Market-fundamentalism as a guidance of economic policy

3.1. The concept of market fundamentalism

Neoliberalism is a rather ambiguous term and is used to describe a political movement, a theoretical approach as a headline for several economic paradigms or economic policies or as a characterization of a historic period. In this paper we follow the conceptualization put forward by Mirowski (2013) (see also: Mirowski 2014; Mirowski/Plehwe 2009). We use his concept a neoliberal „thought collective", where the Mont Pélerin Society (MPS), the core neoliberal think tank founded in 1947 by Friedrich Hayek, is seen as its organizational core. Mirowski (2013, 44) interprets the MPS applying an history of ideas approach in analogy to a Russian-doll as the core institution, which in the following decades has built up a dense network structure in the field of policy advice, media and not least in academia[4]. On the level of economic paradigms the MPS is rather heterogeneous. The founding and early members of the MPS can be assigned to the Chicago School of Economics (e.g. Aaron Director, Milton Friedman, George Stigler), Austrian legal and economic theory (e.g. Friedrich Hayek, Ludwig von Mises), German ordoliberalism (e.g. Walter Eucken, Wilhelm Röpke) and neoclassical economics (e.g. Maurice Allais, Lionel Robbins). Later on also protagonists of new institutionalism, the public choice theory, monetarism or human capital theory joined the MPS.

In the following section we try to highlight the conceptual common ground of these heterogeneous theoretic approaches, which is not based on the level of paradigms of methods. In contrast we aim to show that the common ground of the neoliberal thought collective can be found on the level of a common thought style, where the concept of "the market" is used as the only criterion to arrange economic orders. The strict dichotomous logic underlying this concept of market fundamentalism moreover shows many resemblances to the concept of a dually divided society in demagogic reasoning and hence offers and interpretation of these two concepts as mutually reinforcing each other.

In the search for a common ground of shared beliefs among members of the neoliberal thought collective Mirowski detected 13 „commands" the thought collective had arrived at by roughly the 1980s. Examples are the ideas, that the conditions for a „good society" must be constructed (command 1), a redefinition of

4 Up to today nine members of the MPS were awarded the (so called) Nobel Prize in Economics.

the shape and functions of the state (4), a revision what it means to be a human person (6) or a special concept of freedom (7) (Mirowski 2013, 53). In order to develop our concept of a market fundamental thought collective with the collective thought of „the market" we first have to clarify the idea of a thought collective, as developed by Fleck (1979[1935]). Fleck defines a thought collective as a community of persons mutually exchanging ideas or maintaining intellectual interaction. Sady stresses the far-reaching consequences of a thought style:

> „Members of that collective not only adopt certain ways of perceiving and thinking, but they also continually transform it […] There arises *a thought style* characteristic for that group. There also arises a certain *collective mood* which straightens up the ties among the group members and inclines them to act in a certain way." (Sady 2016)

Fleck develops his concept of a thought collective from a history of science perspective. Academic communities develop and share a common style of thought, which consists of (1) common features in the problems of interest, (2) the judgement which the collective thought considers evident and (3) the methods which it applies as a means of cognition (Fleck 1981, 99). This means that after the successful development and consolidation of a common thought style the members of a thought collective are no longer aware of its origin. Our thesis now is that all different strands of neoliberalism and its main protagonists organized around the MPS share a common specific concept of „the market". This concept can be understood as a „collective thought" in a Fleckian sense and is in many cases not made explicit and not reflected by members of the society. We further argue that the reference to the concept of „the market" is a basic principle and thus serves as the theoretical core of the neoliberal thought collective and from now use the term „market fundamentalism" as a description for such a reference. In what follows we will show how the concept originated in the neoliberal thought collective as historically described by Mirowski (2013) and can be found at the basis of theoretical texts of main protagonists of the different strands of neoliberalism (Ötsch/Pühringer/Hirte 2017). Despite its various applications, elaborations and translations in different paradigms the main reference to the concept of „the market" offers a common categorical basis and thus ensures their cohesion in a thought collective, which cannot be explained with focus on heterogeneous paradigms from an economic theoretic perspective.

The two main founders of the concept of market fundamentalism are Ludwig Mises and Friedrich Hayek, who both also had a formative impact on the institutional structure of the MPS and it preceding organizations such as the „Ludwig Mises Seminar" or the „Walter Lippmann Colloquium" (Mirowski/Plehwe 2009). Yet in the 1920s Mises published two seminal books (Mises 1951[1922], Mises 1996[1929]) directed against socialism and collectivism, which turned out to have a strong influence on Hayek, Wilhelm Röpke and other prominent early neoliberal scholars.

In the two books „Socialism" and „Critique of Interventionism", Mises distinguishes „socialism" or „interventionism" to capitalism, which he defines as „a social order that is built on private property in the means of production" (Mises 1996[1929], 9).

Mises juxtaposes two countervailing possible economic systems and implicitly stresses the ideological background of his endeavor to fight his broadly defined concept of „socialism":

> „The great ideological conflict of our age must not be confused with the mutual rivalries among the various totalitarian movements. The real issue is not who should run the totalitarian apparatus. The real problem is whether or not socialism should supplant the market economy." (Mises 1951[1922], 13)

Furthermore Mises follows a dichotomous logic of reasoning, when he states:

> „There is no other choice: government either abstains from limited interference with the market forces, or it assumes total control over production and distribution. Either capitalism or socialism; there is no middle of the road." (Mises 1996[1929], 26)

In this dual view of the world, there is no conceptual difference between England, with strong trade unions, „Red Vienna", experimenting with new forms of public welfare, or the Soviet Union of the 1920s. Hayek a few years later takes a similar stance, when he stresses that in the 1920s and 1930s communists, Nazis and fascists „competed for the support of the same type of mind and reserved for each other the hatred of the heretic. But their practice showed how closely they are related." (Hayek, 1944, 30). Hence, it is not surprising that Hayek dedicated his seminal work „Road to Serfdom" to „socialists in all parties".

This explicit reduction to only two countervailing possibilities is a basic characteristic of market fundamental reasoning in general. In Mises work this binary logic is quite obvious, when he contrasts „the market" to „socialism", „totalitarianism", „collectivism", „egalitarianism", „interventionism" and „planned economy". In principle, there are only two kinds of economic systems according to Mises. On the one hand he claims „the unhampered market", which represents the concept of „the market" in its pure form and the economic system of „capitalism". On the other hand as the explicit opposite Mises defines „the hampered market order", signifying „socialism" in many varieties, based on „interventionism".

> „Intervention is an order limited by a social authority forcing the owners of the means of production and entrepreneurs to employ their means in a different manner than they otherwise would." (Mises 1996[1929], 20)

The binary definition of „hampered" versus „unhampered" in further step can be applied to all economic phenomena. Hence, „Capitalism" and „socialism" are not simply two possible systems (among many others), similar in some aspects and different in others, but seen as their mutual negations. They are defined as logical contradictions: „Market" is the (logical) counterpart of „intervention", i.e. „order" is opposed to „non-order", as is „force" to „non-force" („the freedom").

This concept of the two dichotomous concepts of „market" and "non-market" as their logical negation can be found in different varieties of neoliberal approaches, or main „sub-guilds" as Mirowski (2013) put it. For instance, this can be shown with the example of Walter Eucken, one of the founders of the Freiburg School and main proponent of ordoliberal thought in the first half of the 20th century. Eucken

furthermore played a crucial role in the foundation of the MPS and had close personal ties particularly to Friedrich Hayek (Köhler/Kolev 2011; Kolev/Goldschmidt/Hesse 2014; Pühringer, 2018) and thus Hayek delegated the right to nominate German members of the MPS to Eucken. In his main work „Principles of economics" Eucken developed a rather complex morphology of possible economic orders (Eucken 1965 [1947], 91–100). Nevertheless when he discusses the determinate forces of economy, he also ends up in a dual conception of economic systems of „planned economy" and „market economy" („Verkehrswirtschaft") in analogy to Mises and Hayek (Eucken 2004 [1952], 242). Mises even uses this dichotomous concept at the level of individuals, when he stresses

> „we can either hold to the opinion that the private property order is the superior form of social organization -- that is, we can be liberals -- or we can believe that the public property order is superior -- that is, we can be socialist." (Mises 1996[1929], 115)

„Liberals" and „socialist" according to Mises thus act on the basis of antagonistic moral standards. Liberals want, that „all living beings affirm their will to live and grow." (ibid., 112). In contrast, their opponents defend „all those whom the feverish activity of government granted protection, favors, and privileges" (ibid.: 36). They long for „the omnipotence of state" and promote a „government policy to manage all worldly matters through orders - and prohibitions." (ibid., 137).

As a consequence, „the market" and its associated individuals are locked in a dynamic conflict with supporters of „the non-market" idea, i.e. with „socialists". Hence, as Mises put it bluntly, the „enemy" one has to fight is, „socialism" or the „hampered market". It might be also called „destructionism", because it „seeks to destroy the social order based on private property in the means of production." (ibid., 101).

3.2. Implications for a market fundamental economic policy

An economic policy, which is based on the assumption of dynamic-antagonistic "forces", thus requires a strictly binary code: „The market" has to be attributed with exclusively positive, „the non-market" with exclusively negative characteristics. In this context, Mises is very consequent within „Critique of Interventionism". „Market" is always described in positive terms, such as „freedom", „consumer service", „natural", „scientific and systematic", „equilibrium", „theoretic insight" or „protection of all those willing to work". „Non-market" on the contrary is associated with „authoritative command", „prohibition", „arbitrariness", „police regulations", „violence" and „chaos". Regulated wages are „artificial". Instead of science, „socialism" is ruled by „naivety", „rigid dogmas" and a „closed doctrine":

> „Economics is formally abolished, prohibited, and replaced by state and police science, which registers what government has decreed, and recommends what still is to be decreed." (ibid., 38)

When it comes to a concrete definition of the substance of the concept of „the market" Mises' reasoning is rather ambiguous. On the one hand „the market" is a

normative or fictional state with market clearing prices, which for instance also includes no long-term employment. On the other hand „the market" is also used to describe the real economic system, where „forces of the market"

> „draw entrepreneurs and owners of the means of production into the service of consumers, and that their economic actions do not result from arbitrariness." (ibid., 37)

To sum up, the concept of „the market" as it can be found in Mises and in a similar vein also in the social philosophy of Hayek (see for instance Hayek 1944 and 1991) can be used in very different meanings, e.g. descriptively, normatively or even in an utopian sense. In every instance of market fundamentalism, „the market" is a polysemous concept with different and partly even contradictory meanings (Ötsch et al. 2017, 79–85). „The market" is used to describe real aspects of capitalism and, at the same time, serves as a role model for economic policies. Hence the concept of „the market" can be used as a potentiality in economy, which can be realized by unleashing the „forces of the market" for instance in a „shock therapy" (Klein 2007), like it was applied in former non-capitalist countries or even as an utopia, which has yet never been implemented. All these ambiguous meanings of „the market" stem from its underlying dual world view and thus lack any empirical foundation. Therefore, the category of „the market" as it was shown in this section is not empirically operationalizable. Mises does not attempt to provide any criterion for when a process or institution in reality is equivalent to his idealized concept of „the market" and further stresses that fundamental economic categories like that of "the market" could be deduced a priori. Thus

> „they are, like those of logic and mathematics, a priori. They are not subject to verification or falsification on the ground of experience and facts" (Mises 1996 [1949], 32)

Hence, the neoliberal basic concept of „the market" as outlined here for Mises provides no definitive empirical meaning (with a clear description of the institutional features of „the market"). The same is true for any other form of market fundamental reasoning, such as Hayek's concept of a spontaneous order, Eucken's „Verkehrwirtschaft" or the neoclassical idealized model of perfect competition as it appears in economic textbooks. In politic-economic discourse however the polysemy of „the market" is an advantage. Depending on different circumstances, the attention can be drawn on different meanings of the concept. For instance successful economic developments such as the decline of extreme poverty can be assigned to the implementation of free market policies. On the other hand, every flaw in capitalism such as the outbreak of the financial crises can always be attributed to „non-markets forces", caused by „interventionist" policies. At the same time, the polysemic concept of „the market" can be combined with a great variety of theoretically contradicting economic paradigms, whose proponents are still united as members in the MPS.

Nevertheless, from a history of ideas perspective the long-term impact of market fundamentalism concepts organized in the MPS on real economic policies and politico-economic discourses is impressive. From its institutional foundation in the

1940s against the politico-economic background of Keynesian-oriented economic policies[5] and the Bretton Woods system the neoliberal or market fundamental „thought collective" (Fleck 1979[1935]) has built up a dense institutional network structure of think tanks and policy advice institutions pushing for neoliberal reform policies on an international level as well as in several national contexts. For example yet in the early 1960s members of the MPS played an important role in the Bellagio conferences aiming at a change to a system of flexible exchange rates (Schmelzer 2010). Offer/Söderberg (2016) recently have shown that members of the MPS were actively involved in the process of the establishment of the Nobel Prize in Economics. On the level of economic policies particularly the „neoliberal turn", i.e. the election of Margaret Thatcher and Ronald Reagan in 1979/1980, can be interpreted as an empirical evidence for the success of the market fundamental thought collective. In both cases neoliberal economic think tanks, the Institute of Economic Affairs (IEA) in UK and the Heritage Foundation (HF) in U.S., closely personally and institutionally connected to the MPS, had a formative impact on the respective reform agendas of Thatcherism and Reaganomics. From 1977 to 2013 Edwin Feulner was president of the HF and from 1996 to 1998 also president of the MPS. In 1980 the HF wrote the 1,100-page Mandate for Leadership, which was described as a blueprint for Reagan's market-oriented economic policy agenda. And not at least neoliberal think tanks and prominent members of the MPS were involved in several harsh economic reforms in Latin America yet from the 1970s onwards and Eastern Europa after 1989 (see for instance: Fischer 2009; Klein 2007).

In these historical examples market fundamental economic reforms were partly initiated by conservative governments but also by right-wing populist parties or in the case of Chile in the 1970s by military regimes, as impressively shown by Valdés (1995).

More recently, one could witness other examples, where right-wing populist leaders push market fundamental economic policies. In the European context for instance the German party „Alternative for Germany" (AfD) and the „Austrian Freedom Party" (FPÖ) have strong ties to neoliberal think tanks and at the same time support very restrictive immigration and refugee policies and thus were denoted as „right-wing-conservative national-neoliberal" (Friedrich 2015). In the U.S. context the successful election campaign of Donald Trump similarly indicates the potential coalition of right-wing demagogic and market fundamental reasoning. And again market-oriented think tanks like the HF played an important role in Trump's transition team by writing a blueprint for the government of Trump like they did for the Reagan administration. In the last section we therefore try to highlight some conceptual resemblances of the two concepts of right-wing demagogic and market fundamentalism in order to argue, why these concepts are potentially mutually reinforcing each other (Ötsch/Pühringer 2017).

5 Particularly in the first years after its foundation the MPS served as a gathering point for anti-Keynesian economist. Hence, Karl Popper concluded in 1992: „Its first and perhaps greatest achievement was, I feel, to encourage those who were fighting the then overwhelming authority of John Maynard Keynes and his school." (cited in: Shearmur/Turner 2012, 403).

4 Right-wing populism and market fundamentalism: two concepts of a divided world

In this paper we argue that market fundamentalism and right-wing populism share a common conceptual root, which in turn serves as a mutual point of reference. Both concepts are built upon the idea that the world is split into only two countervailing parts, which are in a continuous fight against each other. Right-wing populism distinguishes a group of „we" or „the people" from the group of „them" or „the elite". In a similar vein, market fundamental reasoning allows only for two possible countervailing economic and societal orders. As we have argued above both dually concepts of a divided world fail to provide any sound empirical basis or institutional characteristics, on which one could assign people or real economic events to one group or the other. On contrary one can show that the dichotomous logic of both concepts of a divided world is highly arbitrary and thus only serves the purpose of a basic moral categorization of „good" vs. „bad". Nevertheless, our main theses of a similar binary code at the basis of right-wing demagogism and market fundamentalism offered in this paper has far-reaching implications for a better understanding of recent and ongoing politico-economic developments in the U.S. and Europe. When we are right, that there is a strong conceptual similarity between these two concepts on the level of a basic logic of thinking, the increase of right-wing populist movements and leaders and the increased pressure on the welfare state and social security systems (see for instance: Blyth 2013) should not be interpreted as a mere coincidence. In contrary, both developments can be interpreted as the consequences of two mutually reinforcing concepts, implicitly providing gateways for each other. Moreover in its interplay they have to be perceived a fundamental threat to democracy in the 21st century. Whereas the potential anti-democratic attitude is rather obvious for right-wing demagogues (see for instance: Wodak 2015), market fundamentalism is not opposed to democracy in general. Nevertheless the rather modest claim for a "market-conform democracy" of Angela Merkel during the financial crisis policy discourse in an German neoliberal tradition (Pühringer 2015) to the implicit and partly explicit support of leading market-fundamentals for the military dictatorship of Pinochet (Valdés 1995) indicates the normative superiority of „economic freedom" over „political freedom" as argued by Hayek (1960). Therefore, market fundamentals are sometimes even willing to push market fundamental reforms in military dictatorships. Or as Hayek referring to Chile under Pinochet once put in bluntly,

> „At times it is necessary for a country to have, for a time, some form or other of dictatorial power (…) Personally, I prefer a liberal dictator to a democratic government lacking in liberalism." (Hayek, 1981, D8)

Although Hayek is certainly not supporting dictatorships in general, market-fundamentalism with its exclusive normative order of different kinds of „freedom" (Farrant/McPhail 2014; Knutsen 2015) offers a potential gateway for anti-democratic and/or right-wing demagogism.

Hence, when market-fundamental reasoning is combined with right-wing populist political argumentation, the binary code of „we" and „they" is mutually reinforcing the binary code of „the market" and „the non-market". This combination of binary codes can be identified – on different levels – for many right-wing demagogues. In the remainder of this paper we will elaborate our thesis of a common conceptual root of market fundamentalism and right-wing demagogic reasoning and their mutual reinforcement with examples from the history of the Republican Party.

5 Linkages of market-fundamentalism and right-wing populism in the history of the Republican Party

In the U.S. context, the explicit opposition to (big) government in the Republican Party can be dated back to Barry Goldwater in the 1960s, who was influenced by Hayek and actively supported by Milton Friedman (Breit 2012). Moreover, despite his unsuccessful election campaign against Lyndon B. Johnson, Goldwater particularly with his book „The Conscience of a Conservative" inspired many prominent conservative leaders in the late 20th century (Breit 2012; Jones 2012). Its preliminary culmination was the successful election campaign of Donald Trump. The election campaign and first political actions of Trump, despite several personal curiosities, are rooted in a market-fundamental, neoconservative tradition ranging from „Reagonomics" to Bush Jr's dichotomous view of „the West against the rest" to several campaigns of the Tea Party Movement. Skocpol and Hertel-Fernandez (2016) further stress the impact of the Koch-network, organized around the two billionaires Charles and David Koch, in the process of radicalization of the Republican Party toward market extremist positions since the early 21st century, which also paved the way to Donald Trump's „America first" doctrine.

Ronald Reagan's successful election campaign for the U.S. presidency in 1980 coincided with the election victory of Margaret Thatcher in the United Kingdom in 1979. These two simultaneous events were labelled as the „neoliberal turn" in economic policies. Thatcher had close personal connections to Hayek as well as to the radical anti-welfare economic think tank Institute of Economic Affairs (IEA) and based her market-oriented reforms of the British social system on expertise of the IEA (Muller, 1996). Similarly, there was a formative impact of market-fundamental think tanks, such as the Heritage Foundation and the RAND corporation, on the economic policy of „Reagonomics" (Abelson 1995). A quite telling example of this immediate impact of market-fundamentalism manifests in the long-term study „the RAND health insurance experiment" (Manning 1988), which paved the way for the healthcare reform of Reagan. Hayek was also quite optimistic that after the election of Reagan, the U.S. would be „on the right track" again:

> „Reagan understands that the best thing is to take the free market as his basis, as the only way of restoring the country's economy." (Hayek 1981, D8)

The presidency of Reagan, thus is often interpreted as a turning point for the Republican Party. Kabaservice (2012) for instance claims that 1980 initiated „the collapse of the moderate republicans". He argues that the development of the Republican Party from Goldwater's nomination for the presidential elections in 1964 can be described as a „slow and painful transformation over the next half century into an organization entirely dominated by ideological conservatives" (ibid, 1).

Another illuminating example for the dichotomous logic of the „common man" against the „bureaucratic elite" can be found in the anti-intellectual, antihistorical, and dangerously antipluralist narrative of the Tea Party Movement (Lepore 2011). Based on a similar dual populist world view, the Tea Party paints the picture of a fundamentally divided American society, where „we", i.e. „the hardworking (white) men" is confronted with and suppressed by a privileged elite that is financially linked to „the government". The success story of the Tea Party movement, which can be explained by the cooperation of „grassroots activists, roving billionaire advocates, and right-wing media purveyors" (Skocpol/Williamson 2012, 13), though, paved the way for Trumpism. Whereas the market-fundamental logic present in the harsh anti-government narrative (e.g. the call for tax revolts) of the Tea Party movement was mainly directed against social security reforms of the Obama administration, market-fundamentalism again went hand in hand with right-wing populist reasoning. Thus the aggressive rhetoric of prominent Tea Party leaders, which is also present in Trump's narrative of the „forgotten man", is directed against (illegal) immigrants and fueled by conspiracy theories claiming that Obama is Muslim and/or is planning the submission of the white American population. Trump shares several conspiracy theories. Another worrying one is the debate on the causes of global warming, which already has quite a long tradition among right-wing conservatives in the U.S. (Boston 2000; Brulle 2014) and can rely on generous financial support of rich market fundamentalists, such as long-standing MPS member Charles Koch.

6 Conclusion

Trump is a telling example of a narrow connection of market-fundamentalism and right-wing demagogy. The way he is aiming to reshape U.S. politics is based on the logic of a divided society and furthermore has an immanent tendency to radicalization. Since such a dual world view is not based on any empirical facts, no event or fact can disprove it. If, for instance, one believes in the beneficial effects of „the market", no crisis (not even the near-death experience of financial capitalism in 2008) can correct this view (Mirowski 2013). In contrast, elements of the sphere of the „non-market", such as national banks, regulations or the government in general are blamed for the crisis. The same is true for demagogic policies. Independent of political achievements or disappointments, in every case a conspiracy of „them" is suggested.

The binary coding of real-world events moreover leads to a process of radicalization. Every achievement (e.g. a deregulation in an important economic sector or a sharp reduction in income taxes) is only an intermediate step on the way to the distant utopia: a new dual picture can always be established. It leads to new claims, e.g. the next deregulation or even lower taxes. Hence, market-fundamentalism on the one hand and demagogy on the other hand has a built-in radicalization, particularly when they are successful. This can be shown for instance in the case of Milton Friedman. He was the most influential economist in the second half of the 20th century and switched „from a rather moderate liberal position in the 1930s and early 1940s to a definite classical liberal position in the 1950s and then increasingly to a robust libertarian view" (Ebenstein 2014, 92). In a similar vein, the history of the Grand Old Party from Barry Goldwater to Donald Trump can be seen as an increasing radicalization (Frank 2012; Kabaservice 2012), the last step being the implosion of the party in 2015.

The politics of Trumpism is the culmination of these trends of radicalization. The most telling example is Steve Bannon, who was a member of Trump's National Security Councils Principal Committee and served as one of Trump's closest advisors in the election campaign. Bannon is a radical demagogue; he can be called a racist and a radical market-fundamentalist as well. The dichotomy of „the market" versus „the state" in his case is quite clear: he wants „to destroy the state … destroy all of today's establishment",[6] i.e. he wants to establish a new authoritarian order and consequently announced a „war against the establishment" of the Republican Party. Trump's government in line with other contemporary European populist leaders such as Orban violently fights against „them" and against the „non-market" simultaneously. Both developments strengthen themselves mutually and endanger the U.S. political system and democracy in general.

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6 Ronald Radosh, 08-22-16: www.thedailybeast.com/articles/2016/08/22/steve-bannon-trump-s-top-guy-told-me-he-was-a-leninist.html (last accessed, 12 December 2017)

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