1 Enchaining democracy

The now-transnational project of the US corporate libertarian right

Nancy MacLean

Introduction

Over the past decade, it has become ever more obvious that American politics are in profound crisis, both in Washington and a majority of the states. A government that once claimed to be of, by, and for the people has been captured by corporations whose agendas are driving unmatched inequality and planetary crisis. With the presidency of Donald J. Trump, even elementary norms of civic decency were imperilled.1

Anyone who follows American politics knows this. What you may be struggling to figure out is how things reached this pass and what that means for the wider world, given the dominance of the United States in the global political economy and its rule-making bodies – and, as I will explain in concluding, the international ambitions of the country’s Radical Right. The watershed in US public life has been fed by many streams, of course. They include the kind of movement conservatism that made Barry Goldwater the Republican candidate for President in 1964, just after his vote against the Civil Rights Act of 1964. Another – and related stream – is the Religious Right. And there is the white Supremacist Right that has resurfaced with a vengeance of late. All of these are important, and have yielded votes to effect radical policy change.

But I want to address another piece of the puzzle: a missing piece in the literature and media coverage that explains much that otherwise remains mysterious. My subject is the ideas that are guiding the billionaire-funded libertarian right made notorious by Charles Koch, one of the world’s richest men. He and his brother David, now deceased, have assembled over 600 likeminded wealthy donors into the largest private political network the world has ever seen, one that outstrips in size and sophistication the Republican Party which it has turned into a delivery vehicle for the donors’ unpopular agenda. Other researchers have captured well the scale and audacity of the Koch network’s bid for power.

What they have not identified are the ideas this network has weaponized to climb from utter marginality to breathtaking power. I believe knowing about these ideas – and how the Koch’s networks operations have used them to gain a sway this arch-right billionaire project otherwise could not – is important not just in its own right, to see more clearly what is happening and why and how, but also
because having that knowledge may equip concerned citizens to stop this speeding train before it is too late. A public health nurse who read my book on the subject used this analogy: ‘I see now, she said, that we need to get the diagnosis right before we can determine the best treatment plan’.

Why does getting the diagnosis right matter so much? Because there is an unmarked hazard in our current situation in how the noisiest threats are getting the most attention – among them the now chronic race-baiting and mafia-like intimidation coming from the White House. But as the sitting President at this writing, whom I’ve come to think of as the Distractor in Chief, draws nearly all media attention, an even more extreme plan is moving along apace out of the spotlight – in the 30 states now totally dominated by the Koch cause through a party it has bent to its purposes, in federal departments and agencies, and in the courts. This plan is being pursued, not by a surprise president with a limited attention span, but by a highly strategic network that is archly determined and breathtakingly well-funded. And this cause’s architects aim to rewrite the rules of our society, permanently. To do so, they have shown that they are willing to use those other, popular sections of the right – the Religious Right and the Racist Right, to say nothing of the Trump presidency itself – to get what they want, in the knowledge that they otherwise could not achieve it.

I will state my case concisely: behind all the seeming chaos and dysfunction in US public life, there is a strategy in play, a cold-eyed, calculated strategy. And that strategy is far along. One of its field generals said this in late 2015: ‘We’re close to winning … they [the critics] don’t have the real path’. That was Mark Holden, then head of Koch Industries’ government and public affairs operation, gloating to an invitation-only audience of billionaire and multimillionaire donors. It was an academic economist, I learned in the archives, whose work supplied the strategic path to which Holden referred. This scholar taught Charles Koch that for capitalism to thrive, democracy must be enchained: not overthrown in a coup, but rather quietly rigged so that it can no longer provide what citizens have looked to it to provide – from workers’ rights and retirement security to protection from discrimination and environmental degradation.

My research thus provides an unknown backstory to this pivotal moment, as it uncovers and explains the ‘real path’ to which Mark Holden referred. It exposes how the lives of this thinker and CEO converged, beginning in the early 1970s, through a shared commitment to transform the model of government that western capitalist nations built up over the twentieth century. The thinker was a Tennessee-born economist, James McGill Buchanan, the first US Southerner to be awarded the Nobel Prize in Economic Sciences. The CEO is, of course, the Kansas-based Charles Koch, who spent most of his adult life building Koch Industries into a fossil fuel-based behemoth while also seeking a way to make his country – and the world, in fact – conform to an arch vision of economic liberty, a kind of free-reign capitalism beyond the reach of voters and their governments. The history my conveys is, first, of the crucible in which Buchanan came up with the idea of enchaining democracy to insulate economic liberty: as the civil rights movement made headway in his adopted state of Virginia and
in the nation in the late 1950s and 1960s. Then the focus turns to how Koch began funding an apparatus to make that idea a reality, in a messianic quest that has produced the volatile situation now compounded by the COVID pandemic (MacLean, 2017a).

As the final section of this chapter will convey, while my book’s story was mainly US-based, the Koch project is transnational. Indeed, readers may be surprised to learn that the Mont Pèlerin Society – so formative in promoting neoliberalism around the world – is now chock-full of Koch-funded academics and operatives (Readfearn, 2014). And the Atlas Network, first launched by England’s Antony Fisher in 1981, is now more vast and influential than Fisher could ever have imagined, thanks in no small part to funding from the United States and the Koch network in particular (Atlas Network, 2020a, b; Teles & Kenney, 2007).

**Forget Chicago: The crucible of our current crisis is to be found in the Virginia School**

Here, rather than summarize the book, I want to share the story of how I stumbled upon the trail that led me to these findings. Knowing the circuitous route that led to the stark conclusions I have just stated will give readers an even sharper sense of the stakes, I believe. Because it turns out that what we are seeing in today’s world is not the first time the libertarian right has shown itself willing to exploit racism and demagoguery to advance a cause I have come to think about as property supremacy – a property supremacy that is now endangering the entire planet.

The story is one of serendipitous discovery. I had never heard of either Charles Koch or James Buchanan when I embarked on the research that led to *Democracy in Chains* (MacLean, 2017a). I am a historian of social movements and their impact on public life, with a particular interest in the US South. In 2006, on a chance visit to an archive, I came across the tragic tale of Prince Edward County, Virginia, whose white officials answered the US Supreme Court’s call to desegregate their public schools without further delay by, as the county leaders put it, ‘going out of the public school business entirely’. They shuttered every public school in the community, leaving black children with no formal education whatsoever as their white counterparts headed off to a private segregation academy knowing that they would have state-subsidized tuition grants: vouchers. And the county officials kept the public schools shut for five years, until the courts compelled them to reinstate a school system.

Shocked, I started to research this history and learned that tax-funded school vouchers were crucial to this kind of ‘massive resistance’ to *Brown v. Board of Education*. I also discovered that the Chicago libertarian economist Milton Friedman had issued his first manifesto calling for such vouchers to undermine the ‘government monopoly’ of education in 1955, the year after the *Brown* decision, in the full advanced knowledge of how it would aid segregationists. So Friedman became part of my story. But in following a footnote, I learned of a 1959 report, as this Prince Edward County threat was in the air to close the schools that fall when a court ultimatum would take effect, by two other economists, both trained at the
University of Chicago, who had recently set up a new centre at the University of Virginia in Charlottesville, one of them being James Buchanan.

Their report attempted to refute a movement of moderate whites – led by mothers and liberal clergy – who were trying to save Virginia’s public education system from the segregationists. How did the economists fight? By making a case that these moderates had the math wrong: that if the state sold off its facilities to private operators it could break up the ‘government monopoly’ in schooling and provide better education at less cost with ‘liberty’ (liberty from the federal courts being the crucial subtext). The economists’ report, in effect, called for privatizing the South’s schools, before that verb even existed. And they did so in the full knowledge that the schools thus funded would be white segregation academies because those were the only private schools in question. Black parents and their organizations opposed the vouchers to a person, seeing them as the policy tool to perpetuate segregation they were. Indeed, the economists issued their report with timing that abetted a segregationist effort to alter the Virginia constitution to eliminate its guarantee of a ‘public’ education.

It stunned me, as a professor myself, to see two university faculty members making a case for what their state’s most arch segregationists were seeking. (Two cosmopolitan faculty, I might add: Buchanan read in five languages and had just returned from a fellowship in Italy; his colleague and co-author, G. Warren Nutter, a student of the USSR’s economy, would go on to work for the Central Intelligence Agency and the Nixon administration Defense Department.) It also intrigued me that they advocated the diehard racists’ policy not in racial terms, but in economic terms, self-consciously leveraging the authority of their discipline to back up the state’s powerful right-wing elite and Buchanan’s stature as the new chair of the Economics Department in ‘Mr. Jefferson’s University’, as Virginians referred to it, paying homage to its designer, Thomas Jefferson. Buchanan and Nutter knew they were exploiting the rage of white supremacists to move their libertarian economic agenda, one they referred to as ‘the free society’ even as they showed no sympathy whatsoever for the civil rights activists whose mantra was ‘Freedom Now’. Their cover letter to legislators with their report said that they were speaking out, ‘letting the chips fall where they may’. The professors were fully aware, in other words, of the harm these actions would inflict. As an educator myself, I wondered how anyone could do such a thing – not in irrational frenzy, but in cold-eyed calculation, to move an otherwise unpopular neoliberal agenda?

With curiosity piqued, I began seeking more information about Buchanan. I learned that he had gone on to win the Nobel Prize in Economic Sciences in 1986. He was awarded it for having pioneered a new way of thinking called public choice economics, which also became influential in political science and law – and, I learned, among activists and elected officials on the Right. What Buchanan did that was new was, in his phrase, the economic analysis of politics. But it was a distinctive economic analysis: he applied Chicago-style and Austrian-style libertarian economic assumptions to political actors to argue that they should only be understood as individuals rationally seeking their own personal self-interest – not the common good as they claimed.
That theoretical premise led Buchanan to a new explanation of deficits, because he made sense of why the governments would overspend in times of prosperity, not just depression or recession as Keynesian economics would predict. As a thinker who specialized in public finance and who identified with the political Right in the South and nationally, Buchanan made it his mission to find ways to reduce taxes and shrink the expanding public sector, then in its heyday of expansion. In 1963, he and his colleague and co-author Gordon Tullock founded what became the Public Choice Society (a society to which Charles Koch now contributes, by the way, and whose journal has been edited by many Koch-funded faculty since its founding). With public choice economics, Buchanan turned new attention to what he liked to call ‘the rules of the game of politics’: to the taxing and spending incentives of the political process, and to how altering the rules of the process might yield different outcomes.

Public choice ideas have since interested some people not on the political Right, I hasten to add. Among them is Cass Sunstein, a Harvard Law School professor who worked on regulatory matters in the Obama administration, and co-author of a book called *Nudge*, which shows how altering certain incentives could, say, improve public health (Sunstein & Thaler, 2008). But I also learned that Buchanan’s own subset of the larger school, known as the Virginia School of Political Economy, was always distinctive – and tendentious. Buchanan himself said, looking back, that his goal was ‘to tear down’ the very idea of ‘the public interest’. Why, I thought, would anyone want to do that?

Reading more, I learned that to a libertarian like Buchanan, there is no common good. Any such notion of shared purpose will lead government to coerce those who do not agree with the majority. Democracy, Buchanan and his colleagues came to argue, violates the individual liberty of the minority. The minority he was concerned with was that of wealthy taxpayers who do not share the majority’s view of the public interest. And government, Buchanan and his colleagues argued, all but steals their property, if it taxes them for purposes they do not share. Indeed, even in his scholarly work he made this point very agitationally. In what he viewed as his master work, *The Limits of Liberty* (Buchanan, 1975a), written during the 1970s crime panic, Buchanan compared government ‘coercion’ of the unwilling taxpayer to ‘the thug who steals his wallet in Central Park’.

We should not be our brothers’ keeper, Buchanan insisted – or at least, we should not be able to use government to transfer tax revenues from one citizen to another. He made that case aggressively in a 1975 article called ‘The Samaritan’s Dilemma’ (Buchanan, 1975b), which argued that the ethics of Jesus produced perverse results in the modern world. Buchanan summarized this piece of what he termed ‘prescriptive diagnosis’ thus: ‘We may simply be too compassionate for our own well-being or for that of an orderly and productive free society’. He then applied a game theory thought experiment – never, of course, empirical research, which he spurned – to make the case. His ‘hypothesis’ was ‘that modern man has become incapable of making the choices that are required to prevent his exploitation by predators of his own species, whether the predation be conscious or unconscious’. *Predators of his own species?* It was a perverse appropriation
of the parable of the Good Samaritan, in which a kind resident of Samaria comes to the aid of a Jewish traveller who has been stripped, robbed, beaten, and left to die – a victim, in other words, in the story Jesus used to show his followers that one should love every person as himself, even when the person was a member of a despised out-group, as Samaritans and Jews were.

But in the view of the libertarian economist, Jesus was a sop for weak minds. What society needed (and Charles Koch would ultimately supply) was the ‘strategic courage’ to restore the market to proper ordering. By this logic, what seemed to be the ethical thing to do – help someone in need – was not the right thing to do, because the assistance would encourage the neighbour to ‘exploit’ the giver rather than to solve his own problems. Buchanan used as an analogy the spanking of children by parents: it taught ‘the fear of punishment that will inhibit future misbehavior’. ‘The potential parasite’ needed harsh discipline to prevent future efforts ‘to live parasitically off and/or deliberately exploit’ society’s ‘producers’. More than any other piece, this article captured the stark morality of libertarianism. As the economist noted in conclusion, ‘welfare reform’ was ‘only one of many applications, and by no means the most important’ (Buchanan, 1975b, pp. 71, 74–76, 84). It was true. He had bigger targets in mind.

Over the ensuing years, Buchanan came to talk about all this in very stark and foreboding terms that are now widespread on the Right, owing to decades of inculcation by Buchanan’s team and the think tanks with which they worked. A case in point: when Mitt Romney, campaigning for the presidency in 2012 at a $50,000 a plate dinner for donors, spoke disdainfully of what he called ‘the 47 per cent’ of Americans who he said would never vote for him because they were too ‘dependent’ on government as net tax recipients, millions of Americans were shocked. Many pundits thought it cost him the election. But Romney was not offering a new idea, in fact. By then, the Heritage Foundation was maintaining an ‘annual index of dependency’ derived from public choice economics. It was Buchanan who gave scholarly imprimatur to such thinking. And he did not hold back. He spoke of net tax recipients as ‘parasites on the productive’; he warned of ‘predators and prey’. His very vocabulary made fellow citizens appear as menaces, not even truly human. It is a vocabulary that is disinhibiting, one that licenses hostility. And it, too, is rife on the Right today.

As I read more, I learned that for those who think this way, social justice is an oxymoron. As Buchanan’s colleague Walter E. Williams, the John M. Olin Distinguished Professor of Economics at George Mason University and a frequent guest host for the right-wing radio pioneer Rush Limbaugh, put it on the Conservative Political Action Conference circuit: ‘Let me offer you my definition of social justice: I keep what I earn and you keep what you earn’ (Civitas, 2014).

**From theory building to trial of radical rules change with Chile’s ‘Constitution of Liberty’**

But Buchanan did not stop with developing theory that he hoped would undermine the legitimacy of the modern welfare and regulatory state. Believing fiercely
in the rightness of his cause, he moved in the 1970s from scholarship to organizing to apply that theory, urging right-wing donors to help build a ‘counterintelligentsia’. How? By creating what he called ‘a gravy train’ to bring men into the libertarian fold and train them for intellectual battle with Keynesians and social justice advocates. As he organized, he also shifted from diagnosis to prescription; he began developing the field he called constitutional economics.

In the belief that all existing constitutions were ‘failures’ as far as protecting the wealthy minority from the grabbing majority was concerned, Buchanan set out to design a new legal regime. Its aim would be to protect capitalists from government – to enshrine the rights of the wealthy minority to a degree no society anywhere had ever done, making them all but impervious to intrusion by democracy.

Buchanan took pride in being an ‘academic entrepreneur’, and this venture showed his acute sense of timing. For he turned to constitutional design in the mid-1970s just as the military junta of General Augusto Pinochet in Chile was facing intense international pressure to return to representative government – yet wanted to lock in the radical transformation of the political economy it had forced upon the country, including the privatization of social security and education.

In 1980, the dictatorship’s corporate allies invited Buchanan to Santiago to try out his ideas for how to devise a constitution that would protect capitalism from government; the result – the so-called ‘Constitution of Liberty’ ratified in a rigged plebiscite – is still achieving that purpose. In 2013, Michelle Bachelet, a president elected by two-thirds of the Chilean people to carry out far-reaching reforms after huge and vastly popular demonstrations by Chilean students protesting the high cost of privatized university education, soon complained that the constitution’s ‘authoritarian trammels’ were keeping her from delivering to that supermajority because it put ‘locks and bolts’ on what government can do. Indeed, in 2019, 20 people lost their lives in the massive struggle for a new constitution that might again be responsive to the will of the vast majority (McSherry, 2020).

Sadly, the Chilean experience is not a detour of purely historical interest, but rather, a case of past as prologue. That kind of constitution – a constitution not of checks and balances, but of locks and bolts – is now coming to the United States, owing to pressure from the Koch network, which is determined to achieve the kind of binding changes Buchanan urged, without informing the public of their true goals. Thanks to assiduous organizing by the apparatus these arch-right donors fund – above all the American Legislative Exchange Council (ALEC) and a Republican Party that the donors have all but taken over and turned into a delivery vehicle with the threat of primary challenges – this cause now has in place 28 of the 34 states’ authorizations needed to call the first constitutional convention since 1787. It is an incredibly radical and reckless gambit, and it is perhaps a few years away, at the rate things are going. The citizens group Common Cause calls this convention push ‘the most serious threat to our democracy flying almost completely under the radar’ (Riestenberg, 2018; MacLean, 2017b).
A slow-motion revolution launched at the state level

You might be wondering how I was able to put together the way that Buchanan’s ideas were guiding ‘the real path’ the Koch network is following to shackle democracy through a quiet constitutional revolution. The answer is, again in good part, coincidence. I happened to move to North Carolina in 2010, just as a radicalized Republican Party, dominated by Koch-backed Tea Party figures, won majorities in both houses of the state legislature. And suddenly, the prescriptions I was reading in Buchanan’s work that still seemed so abstract became concrete as the General Assembly’s lead donor, Art Pope, a long-time Koch ally, boasted of the ‘Big Bang’ his grantees were delivering to make this once-moderate state ‘a laboratory’ for the cause, using measures derived from public choice thought (Mayer, 2011, 2016; Hertel-Fernandez, 2019).

To appreciate the nature of this big bang, a public policy variant of the ‘shock and awe’ strategy of warfare, it helps to know that Buchanan had long urged his teammates on the Right to stop focusing on who rules, and study the rules. He explained to like thinkers and those who funded them – including Charles Koch – that if you did not like the outcome of public policy over a long period of time (as libertarians despised the policy fruits of twentieth-century democracy) and wanted to achieve, instead, the kind of radical U-turn that libertarians did, you must focus laser-like on systematically changing the rules of governance.

What unfolded in North Carolina was a stunning barrage of radical rules changes on this model, one after another – among them, the most extreme and sophisticated gerrymandering in US political history to misrepresent the will of the electorate; new measures to undermine workers’ ability to organize in unions, particularly public sector unions, with teachers unions now the most powerful and progressive in America; attacks on public education at all levels and radical cuts in funding for it; refusal to accept the Medicaid expansion of the Affordable Care Act despite a crying need for health care subsidies in this low-wage state; and rolling back measures to protect the environment and reduce global warming. Also, the new majority broke with customary governing practices like public hearings before passing legislation and transparency about the process; instead, they worked with breakneck speed and often secrecy. And then, to cap it off, they passed what has come to be known as the monster voter suppression bill, which in some 15 different ways tried to keep those least likely to support the corporate libertarian agenda – including African Americans, Latinos, and young people – away from the polls. ‘Getting dramatic economic change at the federal level is very difficult’, Tim Phillips, President of the Koch organizing enterprise Americans for Prosperity, later explained. So ‘a few years ago, the idea we had was to create model states. North Carolina was a great opportunity to do that – more so than any other state in the region’ (Mayer, 2016; NC Policy Watch, 2015).

The new Republican majority, I could see from my research, was applying James Buchanan’s ideas to achieve what they otherwise could not, certainly not if they had campaigned openly for the policies they were rushing through. Indeed, at the very same time, Scott Walker, the Koch-allied Governor of Wisconsin, was
running a similar operation, taking away collective bargaining rights from public sector workers to destroy the labour movement there, under the false pretext of a ‘budget repair bill’ (Kaufman, 2018).

Because of my research, I could also see how the critics of all this – progressive activists and other good people who had helped make their once-poor state a beacon to the South and now were shocked at the U-turn their beloved state was taking – were missing the deep operational strategy that unified all these far-flung measures. They could not see that the men pushing this agenda were not misinformed about the likely consequences of the agenda they were pushing: they fully understood that it would inflict harm on many of their fellow citizens. But they believed their endgame was worth that price. They were, in cold calculation, yet again ‘letting the chips fall where they may’.

What critics of all this also did not see was that this agenda was backed by an ethical system that gave the new-style Republican elected officials confidence and let them feel heroic enough to weather all the criticism and opposition. I understand why they could not, not even the prophetic leader of the Moral Mondays movement, the Reverend Dr William J. Barber II, who has since been awarded a MacArthur ‘Genius Grant’. Why not? Because this ethical system runs counter to the best in all the world’s great religious traditions (Barber, 2016; Nichol, 2020).

But it is an ethical system, one that has its own harsh coherence, which must be understood to deal with the crisis that Buchanan’s ideas and Koch’s money have created. To wit: the libertarian morality deems it better to have people die from lack of health care than receive it from government, from taxes paid by others. This, really, is what they mean, ultimately, by personal responsibility: you should be on your own, for all your needs. And if you fail to anticipate and save for those future needs, you deserve your fate. Not only that, your suffering will have instructive value for others in the new world the libertarians are ushering into being: watching what happens to you, as government no longer helps you, will teach others that they must save. What they seek, in short, is a world in which we are kept from using government to help ourselves and one another: by ironclad new rules.

The Koch network’s weaponization of bases in higher education

I learned all this and more in 2013, when James Buchanan died, at the age of 93, and finally that September I was able to gain access to his unprocessed archive at George Mason University (GMU), his last institutional home. In his records going back to the 1940s, I found my developing understanding of all this confirmed – in a way that left me gobsmacked more than once. Just one example: in his private office on the second floor, I found a pile of documents stacked on a chair, which exposed how Charles Koch and some of his most trusted operatives, GMU economics faculty, the law school dean, the president and provost, and a politically appointed Board of Visitors presided over by Ed Meese III, Ronald Reagan’s long-time ally, had collaborated to establish a base camp for this political project at a public university, just across the Potomac from Washington, DC.
This was in 1997, when Koch gave his first $10 million gift to GMU to support a big new Center for Political Economy (he has since become the university’s top donor, having given well over $100 million to support his units there). Koch made it clear in the speech that accompanied his money that he wanted bold steps. Buchanan’s theory and implementation strategies were the right ‘technology’, to use the favourite phrase of this MIT-trained engineer. But the professor’s team had not employed the tools forcefully enough to ‘create winning strategies’. The operatives Koch put in place on the campus would. One of them was Buchanan’s former colleague, the aptly named Richard Fink, who by that point had become Koch’s chief political strategist. Fink made clear that establishing beachheads in higher education was crucial because, as he has told donors: ‘It’s an integrated strategy that uses universities, think tanks and political spending for the implementation of policy change’ (UnKoch My Campus; Koch Docs).2

With a respectable base camp secured at GMU, a short ride from the nation’s capital, Koch would turn to assembling what he said he sought when he gave that first multi-million-dollar 1997 gift, with the proclamation that ‘I want to build the kind of force that propelled Columbus to his discoveries’.

To make the remainder of the story short, America and the world have felt that force since. And just as it did not, in fact, start with President Obama’s election, so it will not stop with the end of the Trump administration, however that happens.

Promoting corporate libertarian transformation on every continent

In closing, though, let me pull the lens back out from this flagship campus outpost to the overall Koch project of social and political transformation. It is so radically new in human history in its scope, audacity, and strategic sophistication that the social sciences lack even a concept for it. The Koch donor network funds an infrastructure of literally hundreds of organizations. It includes dozens of ostensibly separate national bodies such as the Cato Institute, the Heritage Foundation, the American Legislative Exchange Council, the Heartland Institute, and the Federalist Society. It also includes over 150 state-level organizations whose work is aligned through the State Policy Network. It further contains organizing enterprises such as Americans for Prosperity, Concerned Veterans for America, the LIBRE Initiative (aimed at Latinos), and Generation Opportunity. And it boasts centres at colleges and universities – with George Mason University as the flagship enterprise, but faculty at over 300 colleges now getting funding. Thus, we are talking about hundreds of organizations working to radically alter government and society in a quest to bring unfettered free-reign capitalism into being – without being honest with the people. Not surprisingly, with all this capacity, the Koch network has been able to bend the Republican Party to its agenda nationally, in the courts, and in the majority of states, with a discipline Joseph Stalin could have admired (Mayer, 2016; Hertel-Fernandez, Skocpol & Sclar, 2018).

But there’s more: this was never just a US project. With capitalism a global system, governed by global rule-making bodies, why would such shrewd strategists
confine their efforts to a single country? Just as Marxists knew a workers’ revolution would have to be international to succeed, so have these revolutionary capitalists reached the same conclusion. Their vehicle is something called the Atlas Network, which at this writing claims over 400 affiliates in 95 countries, their operations partly funded by Koch and allied capitalists, with heavy support from fossil fuel-based fortunes. In fact, Atlas can now claim to be the largest think tank network in the world (Desmog, 2020; Fischer & Plehwe, 2017; Djelic & Mousavi, 2020; Salles-Djelic, 2017).

Yet, the organization is all but unknown to most scholars and trackers of neoliberalism. Atlas presents itself to the global public as a non-profit body ‘strengthening the worldwide freedom movement’. Its mission, according to its website, is to ‘[increase] global prosperity by strengthening a network of independent partner organizations that promote individual freedom and are committed to identifying and removing barriers to human flourishing’. Atlas says that it ‘cultivates a network of partners that share this vision’ (Atlas Network, 2020b). It all sounds so harmless.

As in the case of the Koch network’s operations in the US, the rhetoric of freedom packages a cause which does more than simply compete in the marketplace of ideas to win converts. Even from the very limited investigations undertaken to date, numerous Atlas affiliates have been found to sway public opinion with disinformation, operate in secrecy, violate tax laws on charitable endeavours, and more (MacLean, 2020). Most concerning here is the key role a number of its affiliates have played in the rise of right-wing populism, the topic with which I will end.

Scholars and journalists interested in corporate-driven neoliberalism and climate denial have only begun to study the Atlas Network and its far-flung affiliates. So far the work has focused on Australia, Latin America, the United States, and Western Europe (particularly England, Germany, France, and Sweden). Much more research needs to be done on Atlas affiliates’ operations in these places, as well as in Africa, East and Southeast Asia, Eastern Europe, and the Middle East (Salles-Djelic, 2017; Fischer & Plehwe, 2017; Djelic & Mousavi, 2020).

The global organizing appears to track the intensification of the US project in the late 1990s and thereafter. Between 1995 and 2015, the number of Atlas affiliates quadrupled, and longer-standing member organizations also grew in size (Djelic & Mousavi, 2020). Why such a global push? The timing suggests one critical prompt. While the Atlas Network had been created a decade and a half earlier, its work notably escalated at this particular moment in the late 1990s. That was just as global recognition of climate change spread and parties across the spectrum began coordinating policies to address it, with the Kyoto Protocol adopted in 1997 being the prime example (Kelly, 2019; Djelic & Mousavi, 2020).

To pass on the knowledge and techniques honed by the cause, instructional exchanges between national affiliates are common. The most common seem to involve those outside the United States being visited by representatives of key American Koch-funded hub organizations – such as the Cato Institute, the Heartland Institute, and the Heritage Foundation – or spending time in the United States to learn first-hand how the US organizations operate. The Australian
groups, a study of them notes, are ‘in constant contact and working in tandem’ with US allies (Kelly, 2019).

First-hand exposure is no doubt ideal for tutoring in the kind of stealth tactics practiced by many US affiliates. Thus, the Atlas affiliates studied to date all rely on undisclosed donors. Australia’s Institute for Public Affairs (IPA), for example, rebuffs inquiries about its donors, despite transparency being the national norm. Still, journalists managed to discover that its lead donor is the coal mining magnate Gina Rinehart, one of the country’s richest individuals. Her contributions alone account for between a third and half of the revenue of the IPA (Readfearn, 2018). So, too, England’s Institute for Economic Affairs has been indicted for violating the country’s Charities Law, which requires that alleged non-profits refrain from meddling in politics (Pegg, Lawrence & Evans, 2019).

Still more toxic to democracy, some affiliates have been found to use strategic disinformation to stop policy action that the dark-money donors view as harmful to their interests. As a Canadian scholar of climate denial notes, many of the self-described think tanks ‘have become heavy-duty weapons in the battle for public opinion and political support’. The disinformation has included, above all, the avid promotion of climate science denial by multiple Atlas affiliates (Hoggan, 2009).

The original Atlas affiliate, the Institute for Economic Affairs (IEA) in England, is a case in point: it was recently exposed for having ‘undermin[ed] climate science’ for decades. Similarly, the Heartland Institute offered to pay any scientist who would help ‘generate international media attention’ for and attend an ‘International Conference on Climate Change’ designed to downplay the danger. Elected officials would enjoy all-expenses paid ‘scholarships’ to the conference thus publicized (Hoggan, 2009; Pegg & Evans, 2019; MacLean, 2020).

More broadly, many of the democracy-undercutting developments scholars have been studying under the rubric of ‘the new constitutionalism’ have their origin among thinkers of the Mont Pèlerin Society, whose ideas Atlas seeks to implement. Its leading intellectuals, the European historian Quinn Slobodian has shown, ‘did not see democracy and capitalism as synonymous’. Nor were they seeking an international laissez-faire system. On the contrary, their distinguishing intuition was that ‘the market does not and cannot take care of itself’. That is why they sought to re-make institutions ‘to inoculate capitalism against the threat of democracy’ – on a global scale, by ‘redesigning states, laws, and other institutions to protect the market’. A premier example is trade treaties with terms that curtail national sovereignty to regulate corporations and preclude democratic claims from national citizenries (Gill & Cutler, 2014; Slobodian, 2018). Future research is needed to track just how the operatives of the Atlas Network and their allies in political parties have implemented ideas first conceived by MPS members.

With hard-core libertarian ideas being so unpopular, journalists have found that Atlas affiliates in several countries enlisted divisive demagogy to move their policy agenda. US Tea Party mobilizations against the Obama administration showed the utility of such demagogy – a point further proved by the election of Donald Trump. Indeed, Australian Atlas affiliates soon held an event entitled
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‘Trump in Oz! Could “the Donald” Happen Here?’ (Atlas Network, 2017b). In Latin America, the journalist Lee Fang reports that the long-time Atlas director Chafuen ‘lit up when U.S. President Donald Trump came up, offering praise for the president’s appointees’, such as Atlas allies Mike Pence and Betsy DeVos (Fang, 2017). Much more research needs to be done in dozens of nations to understand how Atlas affiliates operate, but I will conclude here with some preliminary investigations by others to convey what makes this research so urgent.

Historian Janek Wasserman in his 2019 study of the Austrian economic tradition, long promoted by Charles Koch and many of his grantees throughout the world, points to the existence of a ‘libertarian-to-alt-right pipeline’. In the United States, it manifests in the slippage of numerous libertarians from arcane economic theory to neo-Confederacy, white supremacy, and even Holocaust revisionism. In Europe, some Atlas members have peeled off to neo-fascism. Not all, to be sure, or even most. And those who go this way have encountered attempted rebuttal by some of their fellow believers. But significantly placed individuals and groups continue to join the alt-right in a manner that may hint at what is to come as the war of ideas and policy gets tougher while the number of climate refugees from the global South to Europe continues to grow. Indeed, the leading Koch-backed Austrian economist in the United States, GMU’s Peter Boettke, a past MPS president, admits that the ‘paleoliberal’ racists have won the battle for the mantle of Austrian economics. He says of the too-sullied standard: ‘We have to let it go’ (Wasserman, 2019).

With even the intellectuals unable to hold the line, not surprisingly, their allied operatives and the donors often turn to right-wing populist candidates and officials to get what they otherwise could not.

Brexit is a good example. Pushing it from the outset, in fact, was the founding organization of the Atlas umbrella, the venerable IEA. Originally funded by Antony Fisher, IEA has since come to be supported by UK-based multinational corporations, including the fossil fuel giant British Petroleum – and by Charles Koch and some of his allied donors. ‘Wealthy US donors gave millions to right-wing UK groups’, in the apt summary of one Guardian headline, reporting on 11 Americans who together gave $3.7 million between 2014 and 2019 – in the run-up to Brexit, that is. Five of the groups in the vanguard of the push for it were Atlas partners, which met regularly with organizers from other non-Atlas groups ‘to agree on a common line’. The IEA could soon boast that 14 of those in Boris Johnson’s cabinet were its own alumni ‘liberty-lovers.’ That achievement, in turn, was abetted by top US Koch-funded think tanks, including the Heritage Foundation and the American Enterprise Institute, having done their utmost to help those who would achieve and implement Brexit (Gordon, 2018).

As one member of Parliament and chair of a committee inquiry into the role played by disinformation summarized: ‘We’ve got to recognize the bigger picture here. This is being coordinated across national borders by very wealthy people in a way we haven’t seen before’ (Mayer, 2018).

As with Brexit, so with Bolsonaro. Atlas affiliates seem to have played a leading role in Brazil’s sharp right turn, by helping to empower Jair Bolsonaro, an
open racist and virulent homophobe – and ally of local and multinational capital. Back in 1999, Bolsonaro shared his dream of a civil war that would let him ‘do the job that the military regime didn’t do: killing 30,000’ people deemed obstacles to the right’s agenda (Simões, 2018). Brazilian Atlas affiliates brought him closer to that dream by helping ‘to fuel a cultural war against the Workers Party and its representatives’, in the words of researcher Karin Fischer (2018). Reporting from the front, Hernán Ramirez pointed to the prominent role of Atlas think tanks in spreading the doctrine that primed the pump for radical change and of Students for Liberty, a transnational Atlas affiliate, whose in-country members organized the massive street demonstrations that prepared the way for the parliamentary coup (Ramírez, 2018).

Indeed, the long-time Atlas director Alejandro Chafuen boasted of the role the Free Brazil Movement (sometimes called Brazil’s Tea Party) played in the street demonstrations and later impeachment under false pretences of Workers’ Party leader Dilma Rousseff, in what Brazil specialists have called a parliamentary coup. Leadership in the fight came from alumni of Atlas. The federal judge who prosecuted Rousseff and drove her from office, since charged with improper conduct, was a featured speaker at the 2018 Atlas-sponsored Forum da Liberdade, which claimed over 6000 participants, including 6 presidential candidates. For the Brazilian transformation, Atlas relied on well-trained activists, many of them tutored by US affiliates, nearly 30 in-country libertarian think tanks (up from 3 a decade ago), far-right voices waging ‘a constant war’ in the media, particularly on social media, and faculty allies at donor-funded campus centres to provide ‘defense’ with ‘the credibility of academic institutions’. All of these operations had ‘quiet support from local industrial conglomerates’, notes Lee Fang in the most detailed English-language coverage to date (Fang, 2017; Atlas Network News, 2018; Phillips, 2018; Rocha, 2019). As the well-regarded outlet Brazil Wire summed up: ‘[The] election was not a free or fair process’ (Mier, 2018).

Nowhere is the application of the whatever-it-takes-to-win ethos of Atlas more chilling than in Central Europe, the original spawning ground of Nazism. Some Atlas participants are building cosy relationships with neo-Nazi parties in Germany and Austria. This is all the more interesting and starkly instrumental on both sides, since the original fascists were enthusiasts of state planning and welfare provision, anathema to founding libertarians like Friedrich Hayek. But in the quest to stop government action on climate change, many of their successors seem to be of the mind that any enemy of social democratic environmentalism is a friend. ‘The transnational emergence of the ‘New Right’, observes a historian of Central Europe, ‘demonstrates an alarming degree of interaction between rightists and “Austrian” supporters of free markets and economic liberty’ (Wasserman, 2019). Where one side brings numbers and street energy, the other brings wealthy donors, highly placed political and intellectual allies, and a coherent policy agenda.

In Austria itself, two organizations that got most of their seed money from the Koch Foundation and the Atlas Network, the Friedrich Hayek Institute and the Austrian Economics Center, saw some of their leading members join the
Freedom Party of Austria (FPÖ). A right-wing populist party par excellence, it is anti-immigrant, ethnonationalist, and hostile to the European Union. In other words, ‘a seed bed of incipient neo-Nazism’. Yet the Director of the Friedrich Hayek Institute, Barbara Kolm, has served the (FPÖ) as an economic advisor, denouncing the EU and trumpeting the US Tea Party, ‘all in the name of Hayek and Austrianism’. But, then, she succeeded in bringing the FPÖ to embrace the economic agenda of the arch-capitalist donor network: ‘deregulation, privatization, decreased corporate and income taxes, [and] decreased social services’ (Wasserman, 2019; Booth, 2010).

Germany, too, has seen disturbing collaboration. Here again, the US Tea Party, hailed as a beacon, encouraged some libertarians to summon old demons for new purposes. The Alternative für Deutschland (AfD) developed as a significant player in German politics in 2013, criticizing the EU, arguing for anti-statist economics, and evoking comparisons in its reactionary populism not only to the Tea Party but also to France’s National Front and Austria’s FPÖ. With Germany’s acceptance of two million refugees in 2014–2016, the AfD became more shrill in its ‘ethnonationalist, xenophobic, and anti-Muslim message’. When a rare female member of the Hayek Society, Karen Horn, criticized how this body was becoming a ‘hotbed of the AfD’, her speaking out ‘ignited a firestorm’. Two dozen members attacked her and demanded she resign, as in fact she – and 60 others – soon did. Those who remained doubled down on their new affinity; the Hayek Society now includes ‘several prominent AfD figures’, including its 2017 candidate for Chancellor of Germany. Still, the Society membership in the Atlas Network continues unabated, just like that of Kolm’s Hayek Institute (Wasserman, 2019; Slobodian, 2018).

To be sure, there is some dissent within Atlas on the part of those uncomfortable with the direction in which their cause is moving. But their answer is always more rigid application of the same toxic medicine that feeds the right-wing populist movements, including austerity and anti-democratic ‘constitutional reform’ (Atlas Network, 2017a). With fossil fuel ideologues like Charles Koch determined to win at any cost, the rest of us would be wise to learn as soon as we can what, exactly, Atlas is doing. If history is any guide, this cause is too dogmatic and determined for self-redemption. But to be defeated, it must be understood.

Notes

1 This article originated as a keynote address in the form of a book talk on Nancy MacLean, Democracy in Chains: The Deep History of the Radical Right’s Stealth Plan for America (New York: Viking/Penguin, 2017). So as to keep the documentation for this chapter manageable, the reader should be aware that any evidence or interpretation in the text that is not documented through other sources in this chapter can be found there using the index or a simple word search.

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Recent years have seen contestations of democracy all around the globe. Democracy is challenged as a political as well as a normative term, and as a form of governance. Against the background of neoliberal transformation, populist mobilization, and xenophobic exclusion, but also of radical and emancipatory democratic projects, this collection offers a variety of critical and challenging perspectives on the condition of democracy in the 21st century.

The volumes provide theoretical and empirical enquiries into the meaning and practice of liberal democracy, the erosion of democratic institutions, and the consequences for citizenship and everyday lives. With a pronounced focus on national and transnational politics and processes, as well as postcolonial and settler colonial contexts, individual contributions scrutinize the role of democratic societies, ideals, and ideologies of liberal democracy within global power geometries. By employing the multiple meanings of The Condition of Democracy, the collection addresses the preconditions of democratic rule, the state this form of governance is in, and the changing ways in which citizens can (still) act as the sovereign in liberal democratic societies.

The books offer both challenging theoretical perspectives and rigorous empirical findings on how to conceive of democracy in our times, which will appeal to academics and students in social and political science, economics, and international relations amongst other fields. The focus on developments in the Middle East and North Africa will furthermore be of great usefulness to academics and the wider public interested in the repercussions of Western democracy promotion as well as in contemporary struggles for democratization ‘from below’.

During the last 50 years, liberal democracies have been exposed to a fundamental reorganization of their politico-economic structure that transformed them through the impact of neoliberal economic doctrines focused on low taxation, free markets, and out-sourcing that have little regard in reality for democratic institutions or liberal values. The failures of the neoliberal ‘remedy’ for capitalism are now dramatically obvious through the banking crisis of 2008–2011, the increase in income inequality, the social and psychological damage caused by the austerity packages across Europe, and widespread dependence on experts whose influence over government policies typically goes without public scrutiny. While this has only accelerated the destruction of the social fabric in modern Western societies,
the dramatic redistribution of wealth and an open ‘politics for the rich’ have also revealed the long-time well-covered alliance of the global oligarchy with the Far Right that has the effect of undermining democracy. The contributions to this volume discuss a wide variety of processes of transformation, the social consequences, dedemocratization, and illiberalization of once liberal democracies through the destructive impact of neoliberal strategies. These strongly politico-economic contributions are complemented with general sociological analyses of a number of cultural aspects often neglected in analyses of democracy.

**Jürgen Mackert** is Professor of Sociology and co-director of the ‘Centre for Citizenship, Social Pluralism and Religious Diversity’ at Potsdam University, Germany. His research interests include sociology of citizenship, political economy, closure theory, and collective violence. Recent publication: Social life as collective struggle: Closure theory and the problem of solidarity, **SOZIALPOLITIK.CH** (2021).

**Hannah Wolf** is a Researcher and Lecturer at the Chair for General Sociology at the University of Potsdam, and associate member at the DFG-collaborative research centre ‘Re-Figuration of Spaces’. Her research interests include urban sociology, theories of space and place, and citizenship studies. Latest publication: *Am Ende der Globalisierung: Über die Refiguration von Räumen* (ed. with Martina Löw, Volkan Sayman, and Jona Schwerer), 2021, transcript.

**Bryan S. Turner** is Research Professor of Sociology at the Australian Catholic University (Sydney), Emeritus Professor at the Graduate Center CUNY, Honorary Max Planck Professor Potsdam University Germany, and Research Fellow the Edward Cadbury Center, University of Birmingham, UK. He holds a Cambridge Litt.D. In 2020 with Rob Stones he published ‘Successful Societies: Decision-making and the quality of attentiveness’, *British Journal of Sociology*, 71(1), 183–202.
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