

How Was Neoliberal Hegemony Constructed?

Policy Networks and Free-Market Institutions in Peru (1930-1990)*

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**THE NEW SCHOOL
FOR SOCIAL RESEARCH**

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What is Neoliberalism? Ideas, Actors, Neoliberalizations

■ Neoliberalism as an Enacted Ideology

- ▶ Transnational network – Walter Lippmann Colloquium (WLC) and Mont Pèlerin Society (MPS) (Foucault 1979, Walpen 2004, Mirowski and Plehwe 2009, Audier 2012, Slobodian 2018)
- ▶ Discourse implemented by domestic actors and self-identified neoliberals (Bailey 1965, Fischer 2009, Adrianzén 2015, Ugarteche 2019)

■ Neoliberalization as Ideological Reproduction (Foley 2004, Peck and Theodore 2012)

- ▶ Institutional and technical arrangements affecting the actions of agents (Mitchell 1998, Callon 1998, Çalışkan and Callon 2009)
- ▶ Path-dependence effects in policy actions and economic ideas = *institutional legacies* (Heilbroner 1989, Setterfield 2015)

Neoliberalism – Normative Contents

Neoliberal Transnational Network

Walter Lippmann Colloquium (1938) and the Mont-Pèlerin Society

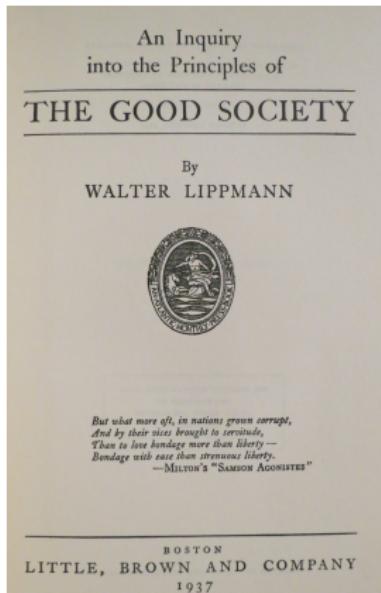
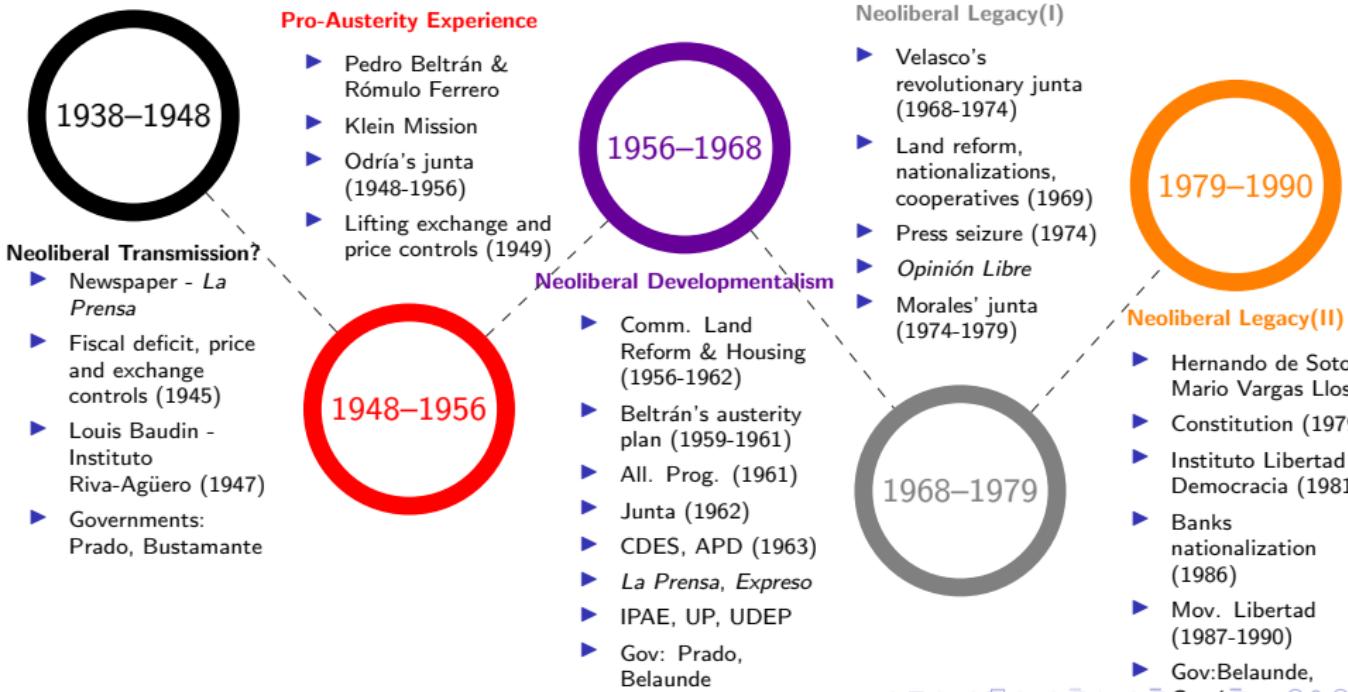


Figure: Walter Lippmann's The Good Society (1937)[left] and MPS's meeting (1947)[right]

Context: The Peruvian Case (1930-1990)

Waves of Neoliberalism in Peru

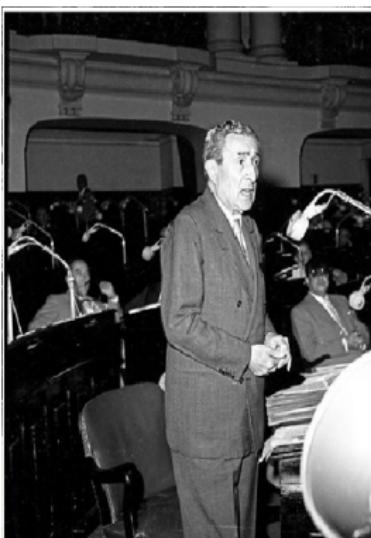


Context: The Peruvian Case (1930-1990)

Personalities and Institutions



Louis Baudin



Pedro Beltrán



Rómulo Ferrero

Context: The Peruvian Case (1930-1990)

Personalities and Institutions



Ernesto Alayza Grundy



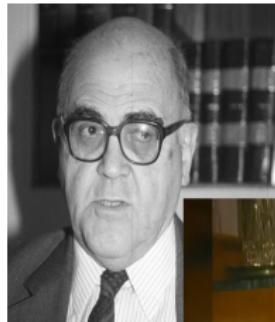
Guillermo Hoyos Osores



Jacobo Rey Elmore

Context: The Peruvian Case (1930-1990)

Personalities and Institutions



J. Zegarra & A. Salazar



Roberto Abusada



Vargas Llosa & De Soto

Context: The Peruvian Case (1930-1990)

Personalities and Institutions



LIBERTAD



Methodology

Data Gathering and Criteria

■ Collection

- ▶ Peruvian personalities who were affiliated to or attended the meetings of the MPS (Hoover Institution, Wilhelm Röpke Archives) [core group]
- ▶ Institutions, events, conferences, and meetings in which MPS members got in touch with Peruvian free market thinkers:
 - ⊕ Commission and advisory group reports
 - ⊕ Lists of attendance: conferences, symposia or founding meetings
 - ⊕ Correspondence, pamphlets or other exchanged documentation shared
 - ⊕ Secondary literature referring to affiliation
 - ⊕ Periodicals and article compilations getting Peruvian intellectuals together

■ Cleaning: exclude personalities with an opposite ideology

■ Classification

- ▶ Register the institutions each individual was affiliated to according to the records
- ▶ Complete institutional affiliation with secondary sources
- ▶ Classify each personality as representing an element of the core group in the spreadsheet

Data Gathering and Criteria

Example of Records

**LIST OF THE MEMBERS OF THE WALTER LIPPmann
COLLOQUIUM⁶**

Raymond Aron (France)
 Roger Auboin (France)
 Louis Baudin (France)
 Marcel Bourgeois (France)
 José Castillejo (Spain)
 John Bell Condilffe (Great Britain)
 Auguste Detocuf (France)
 Friedrich von Hayek (Great Britain)
 Michael Heilperin (Poland)
 Bruce Hopper (United States)
 Bernard Lavergne (France)
 Walter Lippmann (United States)
 Étienne Mantoux (France)
 Robert Marjolin (France)

PERU

Mr. Jacobo Rey
 Guillermo Marconi No. 255
 San Isidro
 Lima 27

Pedro G. Beltrán,
 Presidente

Edgardo Seoane,

Ernesto Alayza Grundy,

José Antonio Saco Miró Quesada,

Carlos Moreyra y Paz Soldán,

Luis de los Heros,

Rómulo Ferrero,

Pedro Roca Muñoz,

Eduardo Neira Alva,

Alberto Eduardo de Amat.

**RELACION DE LOS PARTICIPANTES
EN EL COLOQUIO PERUANO - ALEMÁN**

Abusada Salah, Roberto, Dr. Economista, catedrático

Aguirre Roca, Juan Antonio, Ing. Fast-Presidente de la Sociedad de Industrias, Industrial

Alarco Larabure, Luis Felipe Filósofo, catedrático

Alayza Grundy, Ernesto Abogado, Representante de la Asamblea Constituyente

Alcorta Suero, César A. Abogado, consultor

Amat y León Chávez, Carlos Economista, catedrático

Aparicio Valdés, Luis Abogado, catedrático, especialista en derecho laboral, director de la revista especializada ANALISIS LABORAL

Social Network Analysis

A Glossary

■ Centrality measures

- ▶ **Degree:** how many direct, 'one hop' connections each node has to other nodes in the network.
- ▶ **Betweenness:** which nodes are 'bridges' between nodes in a network. It identifies all the shortest paths and then counting how many times each node falls on one.
- ▶ **Closeness:** calculates the shortest paths between all nodes, then assigns each node a score based on its sum of shortest paths.
- ▶ **Eigencentrality:** identify nodes with influence over the whole network, not just those directly connected to it.

■ Brokerage analysis

- ▶ **Structural hole:** gap between two individuals who have complementary sources to information. Ego and alter.
- ▶ **Effective size:** the degree to which each direct alter is disconnected from other primary contacts.
- ▶ **Efficiency:** the degree of being connected to non-redundant contacts.
- ▶ **Constraint:** the extent to which ego's resources is concentrated within a single cluster of alters.

■ Clustering, Girvan-Newman method: algorithm that separates the network based on the betweenness of the edges.

Social Network Analysis

- Extensive Analysis: visualizing the network of actors and institutions for the complete period

Network Type	Elements	Size
Founders' Network	MPS members	30 nodes
Extensive Network	Founders' Network, Peruvian and foreigner experts	387 nodes
Institutional Network	Institutions	262 nodes

- Wave Analysis: classifying the nodes (individual, institutions) per each wave of neoliberalization

Period (1930-1990)				
Wave	Name	Period	Years	Nodes
Wave 1	Neoliberal Transmission	1930-1948	19	52
Wave 2	Pro Austerity Experience	1948-1956	8	65
Wave 3	Neoliberal Developmentalism	1956-1968	12	274
Wave 4	Neoliberal Legacy (1)	1968-1980	12	304
Wave 5	Neoliberal Legacy (2)	1980-1990	10	114

Extensive Analysis

From the Global North to Peru, or the Other Way Around?

Personalities Network-First Degree Links MPS and Peruvians

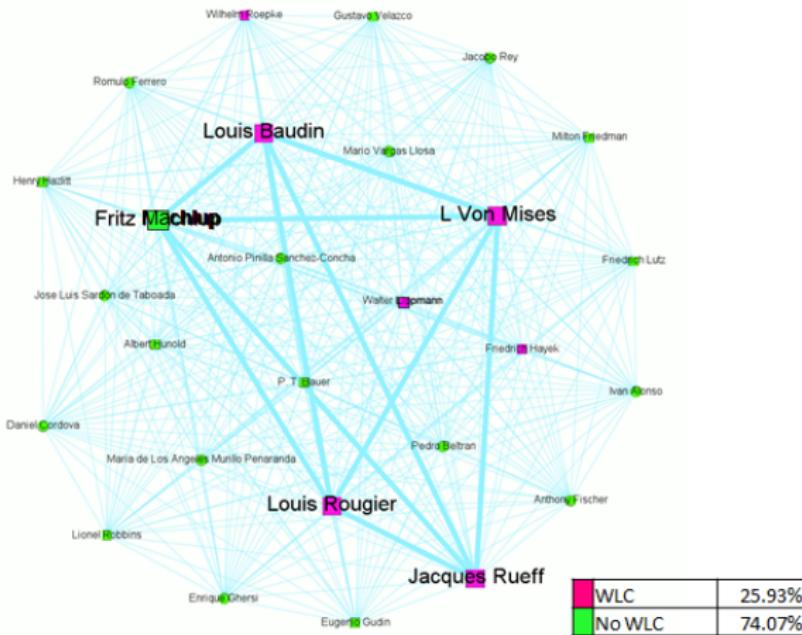


Figure: Number of observations (N=27)

From the Global North to Peru, or the Other Way Around?

Personalities Network - All Neoliberal Experts

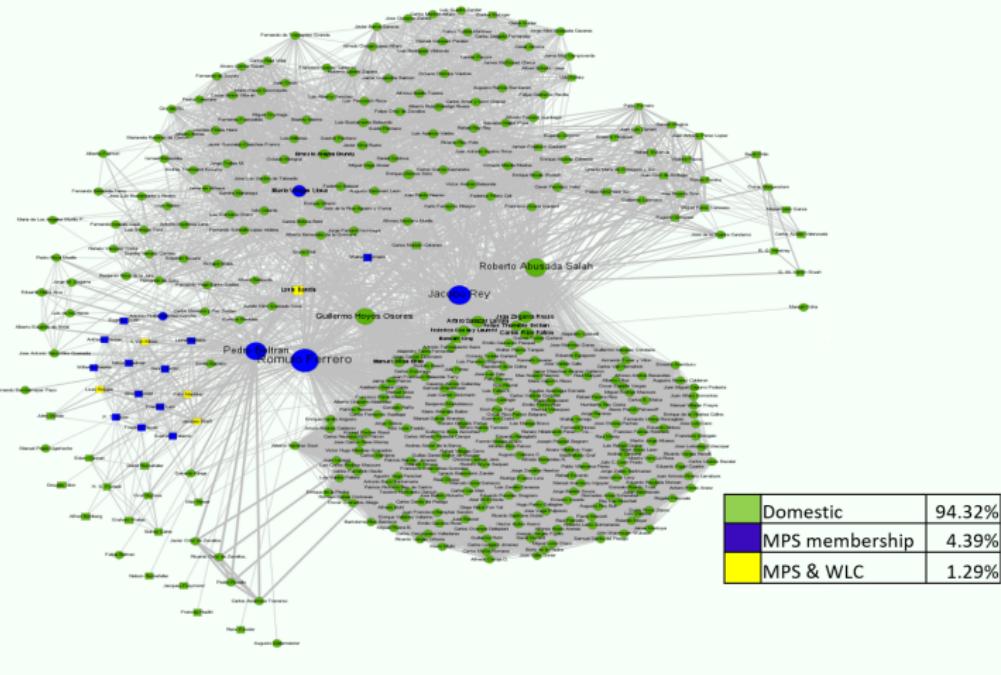


Figure: Number of observations (N=388)

From the Global North to Peru, or the Other Way Around?

Personalities Network - Centrality Analysis

Order	Degree	Betweenness	Closeness	Eigencentrality
1	Rómulo Ferrero	Rómulo Ferrero	Rómulo Ferrero	Rómulo Ferrero
2	Jacobo Rey	Jacobo Rey	Jacobo Rey	Roberto Abusada
3	Pedro Beltrán	Roberto Abusada	Roberto Abusada	Jacobo Rey
4	Roberto Abusada	Juan Zegarra	Guillermo Hoyos	Guillermo Hoyos
5	Guillermo Hoyos	Guillermo Hoyos	Arturo Salazar	Arturo Salazar
6	Carlos Rizo P.	Arturo Salazar	Juan Zegarra	Federico Costa
7	Mario Vargas L.	Federico Costa	Federico Costa	Juan Zegarra
8	Juan Zegarra	Juan Zegarra	Carlos Rizo P.	Felipe Thondike
9	Arturo Salazar	Felipe Thondike	Felipe Thondike	Norman King
10	Louis Baudin	Walter Piazza	Carlos Zuzunaga	Carlos Rizo P.

From the Global North to Peru, or the Other Way Around?

Personalities Network - Brokerage Analysis

Order	Effective Size	Efficency	Constraint
1	Rómulo Ferrero	Pedro Beltrán	Rómulo Ferrero
2	Jacobo Rey	Mario Vargas L.	Jacobo Rey
3	Roberto Abusada	Alberto Fujimori	Roberto Abusada
4	Guillermo Hoyos	Enrique Chirinos S.	Guillermo Hoyos
5	Mario Vargas L.	Ernesto Alayza G.	Arturo Salazar

From the Global North to Peru, or the Other Way Around?

Personalities Network - Cluster Analysis (Girvan–Newman Algorithm)

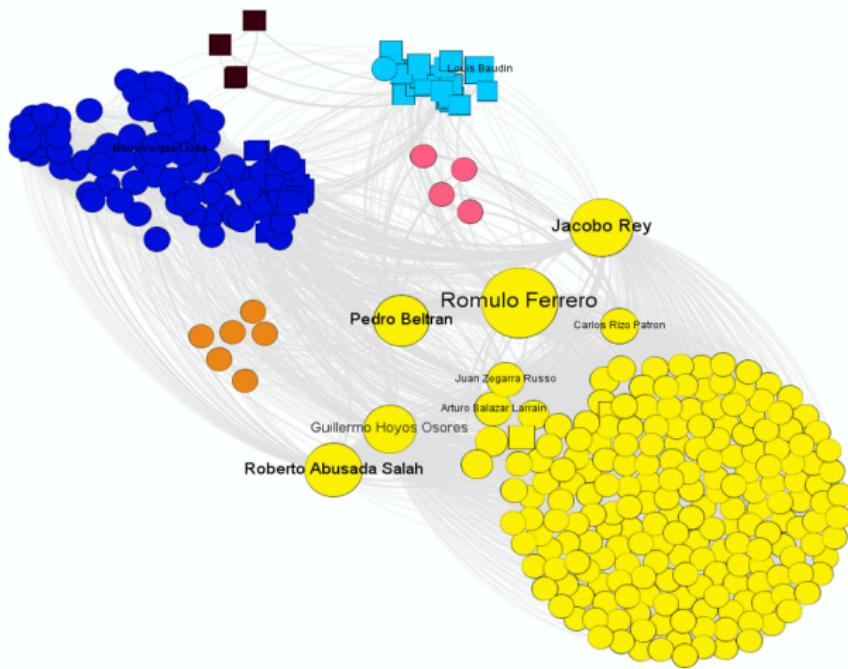


Figure: Number of observations (N=205)

From the Global North to Peru, or the Other Way Around?

Institutional Network

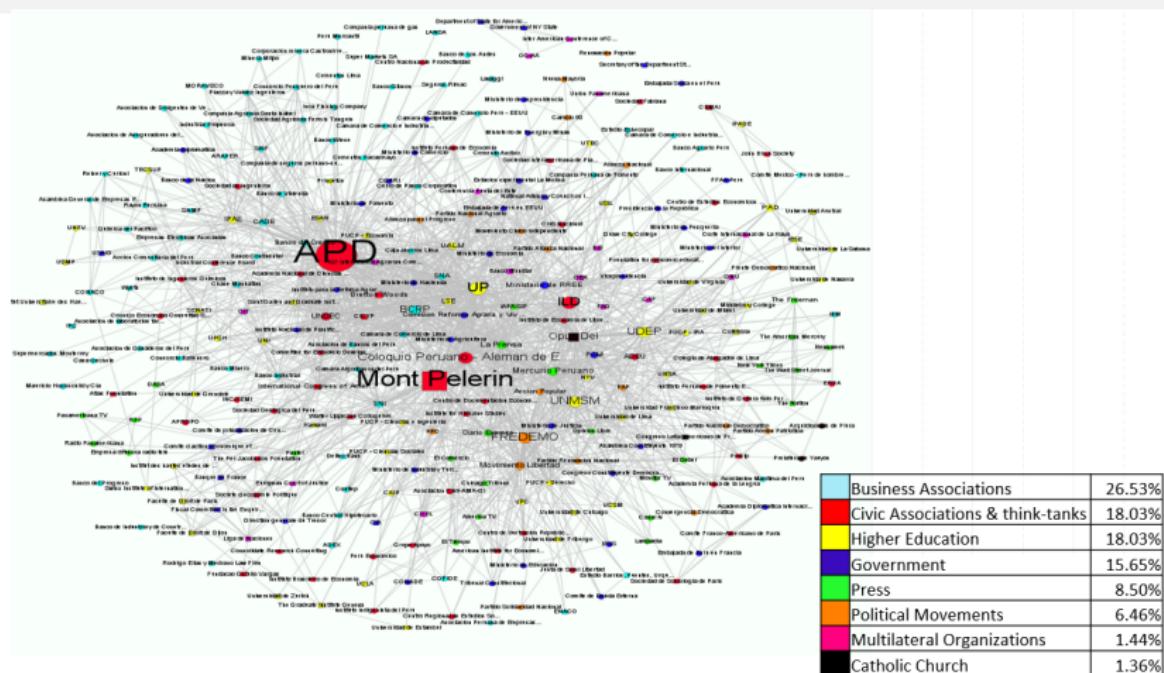


Figure: Number of observations (N=294)

From the Global North to Peru, or the Other Way Around?

Main Actors and Institutional Affiliations

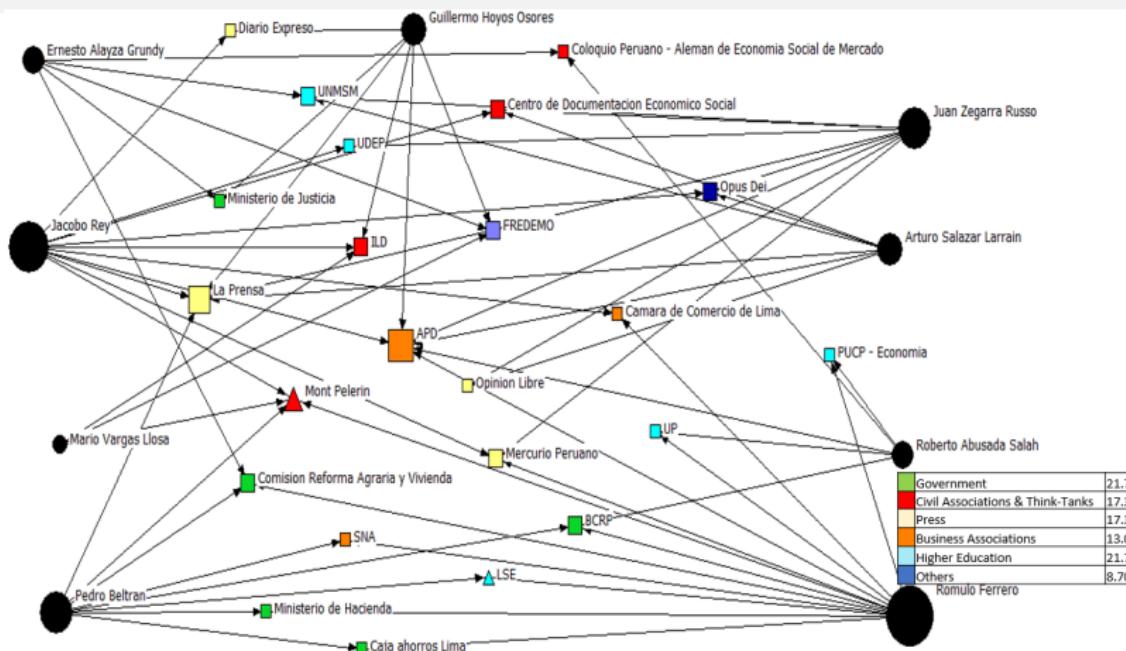


Figure: Number of institutions (N=23). Triangle (international), square (Peru)

From the Global North to Peru, or the Other Way Around?

Main Institutions

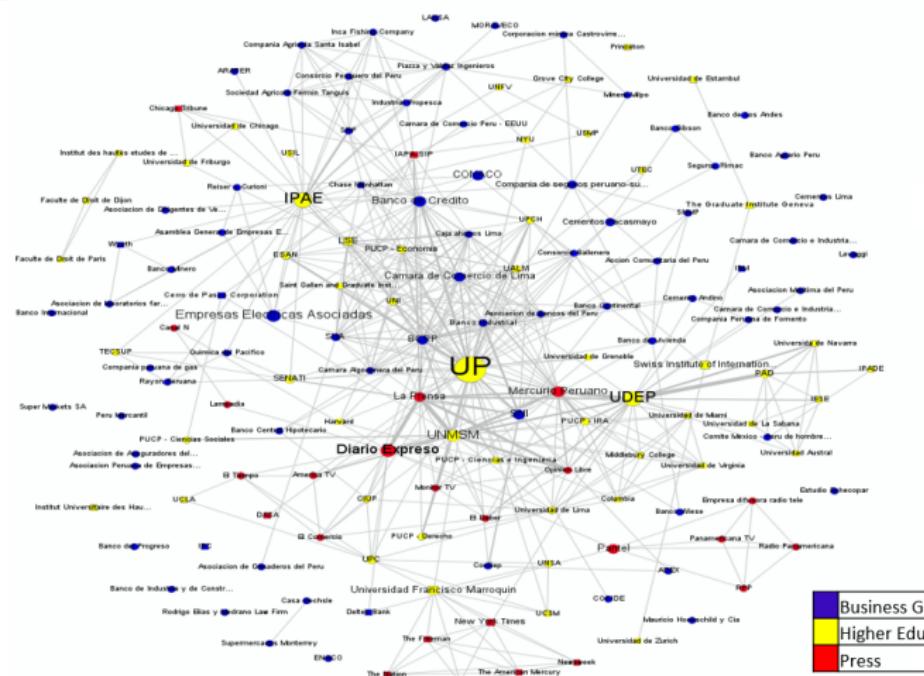


Figure: Number of institutions (N=155). Square (international), circle (Peru).

From the Global North to Peru, or the Other Way Around?

Higher-Education

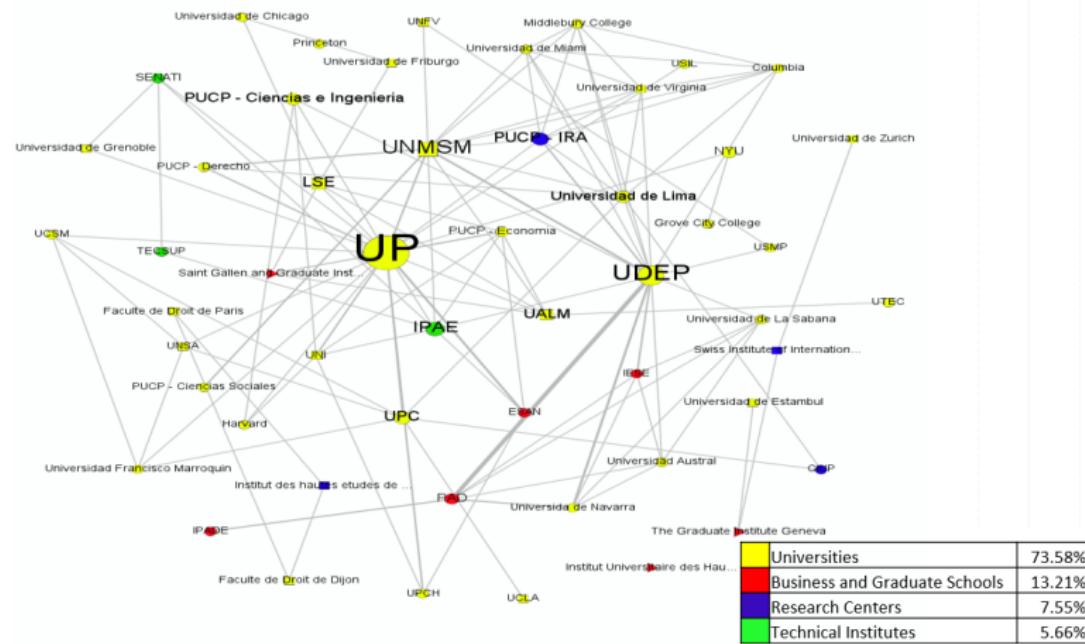


Figure: Number of institutions (N=53)

Wave Analysis: The Ages of An Ideology

Wave Analysis: The Ages of An Ideology

Neoliberal Transmission (1938-1948) - Cluster

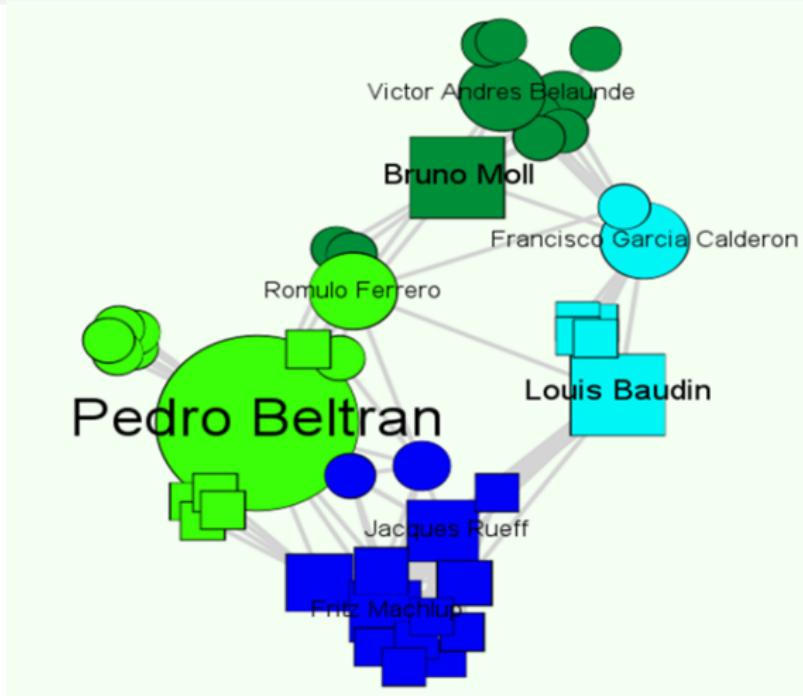


Figure: Number of observations (N=52)

Wave Analysis: The Ages of An Ideology

Neoliberal Transmission (1938-1948) - Institutions

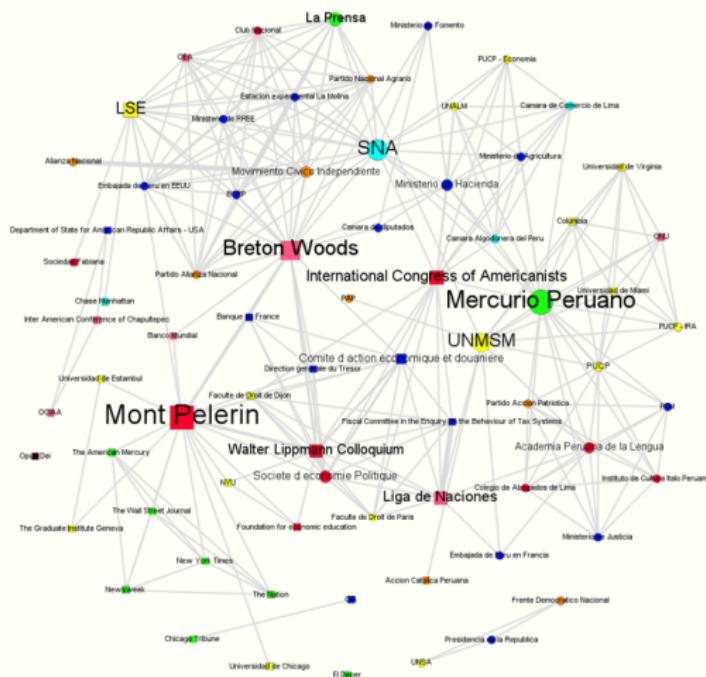


Figure: Number of observations (N=72)

Wave Analysis: The Ages of An Ideology

Pro-Austerity Experience (1948-1956) - Cluster

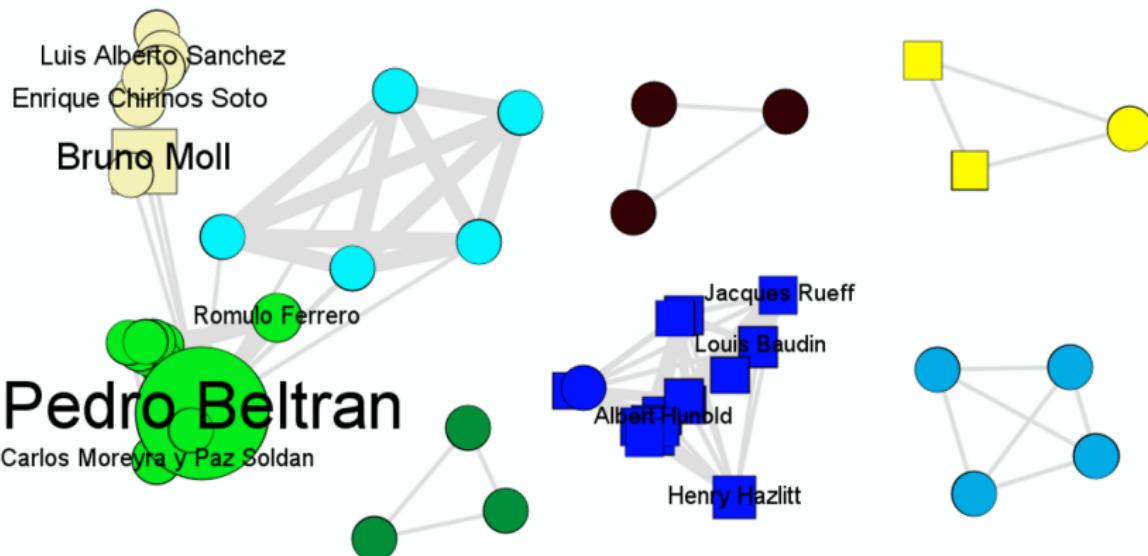


Figure: Number of observations (N=65)

Wave Analysis: The Ages of An Ideology

Pro-Austerity Experience (1948-1956) - Institutions

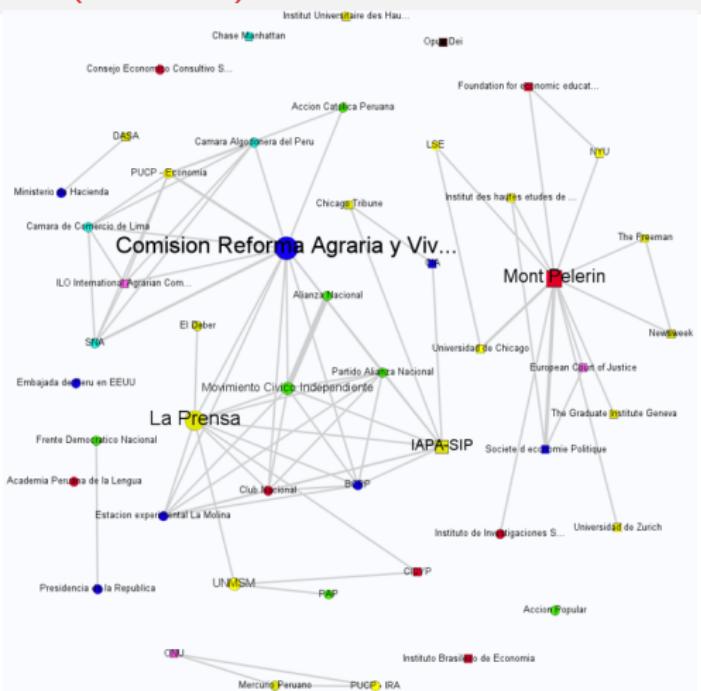


Figure: Number of observations (N=49)

Wave Analysis: The Ages of An Ideology

Neoliberal Developmentalism (1956-1968) - Cluster

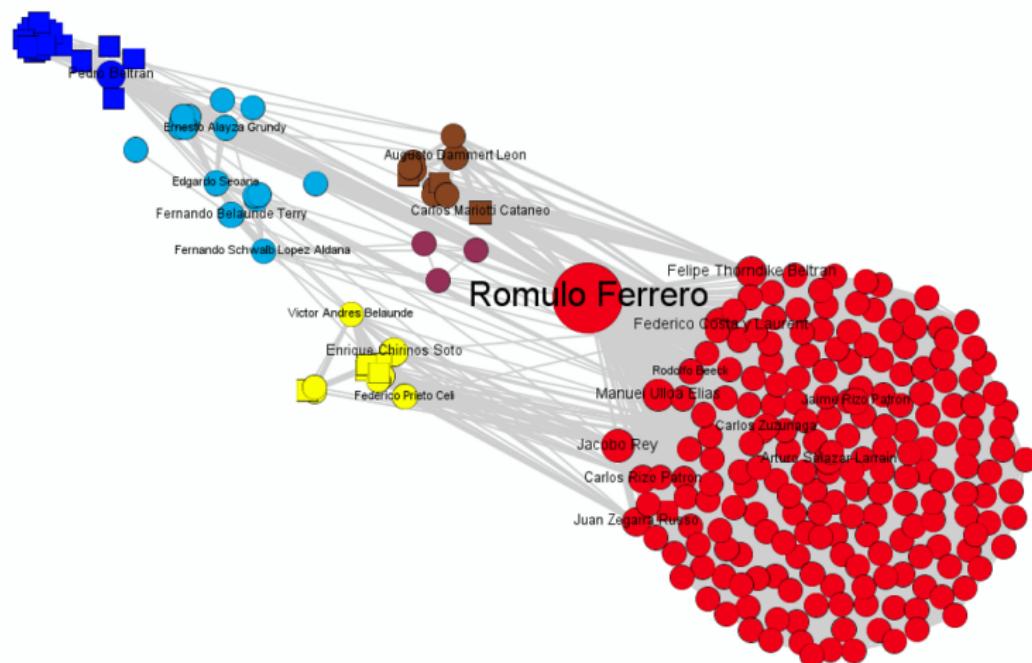


Figure: Number of observations (N=272)

Wave Analysis: The Ages of An Ideology

Neoliberal Developmentalism (1956-1968) - Institutions

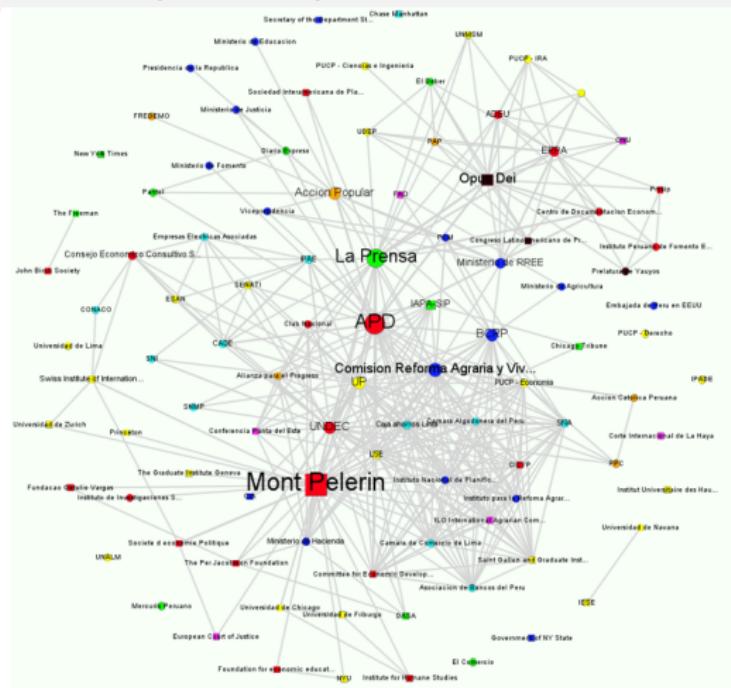


Figure: Number of observations (N=100)

Wave Analysis: The Ages of An Ideology

Neoliberal Legacy (2) (1979-1990) - Cluster

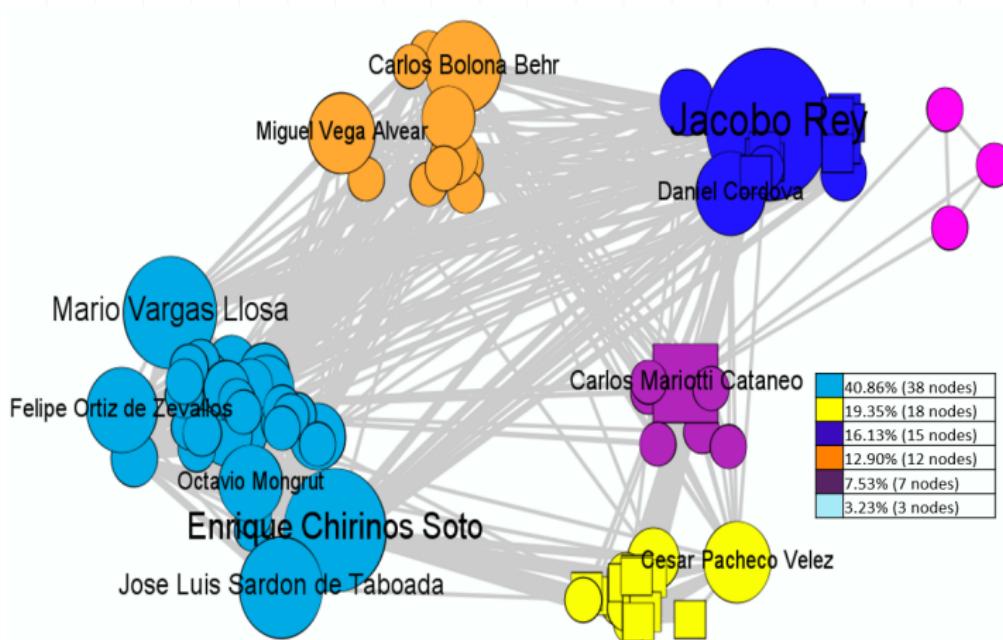


Figure: Number of observations (N=114)

Wave Analysis: The Ages of An Ideology

Neoliberal Legacy (2) (1979-1990) - Institutions

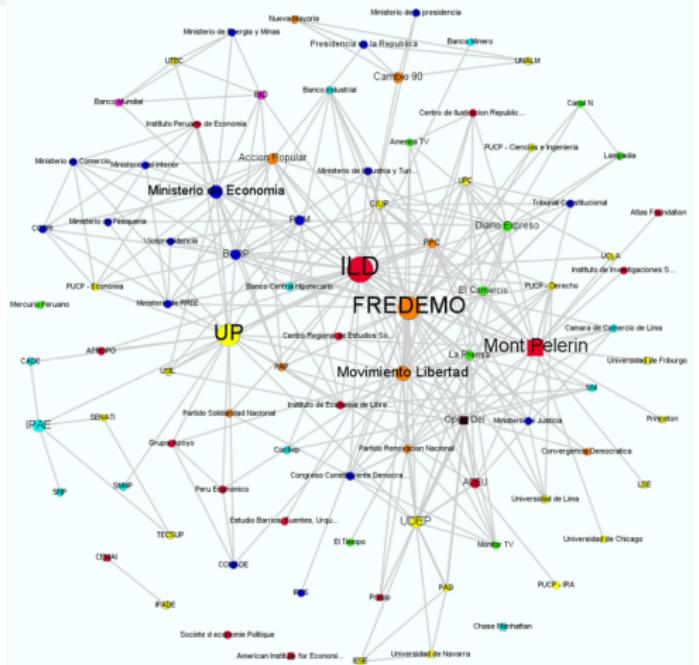


Figure: Number of observations (N=91)

Wave Analysis: The Ages of An Ideology

Evolution of Betweenness Centrality

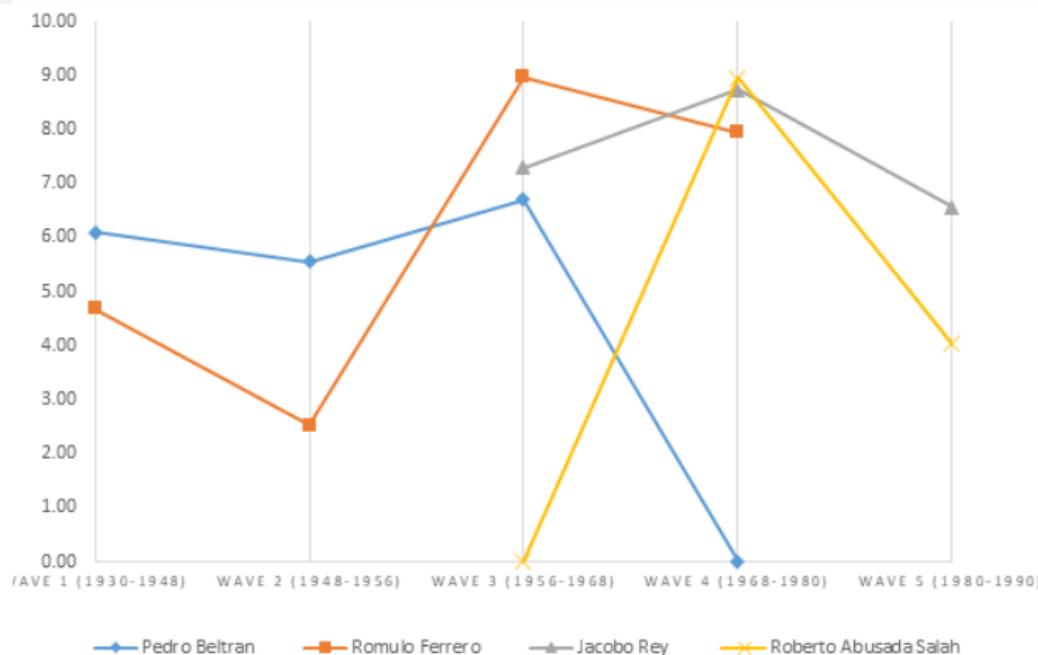


Figure: Logarithm of Betweenness Centrality

Concluding Remarks

Conclusions

1. Social Network Analysis (SNA) allows to exploit historical records on affiliation, and study the institutional history of ideas
2. South North and South-South interactions have shaped Neoliberalism in Peru at least as much as North-South
 - ▶ Founder's network of WLC-MPS requires domestic experts' efforts
 - ▶ Centrality of Peruvian actors=**Pedro Beltrán, Rómulo Ferrero, Jacobo Rey, Roberto Abusada, Mario Vargas Llosa**
 - ▶ Yet, each one's centrality changes in time according to economic and political dynamics
3. **Higher education, the government, and the Press** are the institutions in which central actors operate
 - ▶ Characteristics of the infrastructure reproducing neoliberal ideas in Peru
 - ▶ Evidence of "neoliberal interventions" before Fujimori (1990)
 - ▶ An example of the sustainability of policy ideas without political stability?

Appendix

Neoliberalism – Principles

