

Architects of Free-Market Hegemony? Think Tanks' Political Influence in Comparative
Perspective (Argentina and Chile, 1976-2020)

Social scientists from a range of disciplines have found think tanks to be powerful but neglected actors in right-wing political circles, and one of the main forces behind the rise of anti-statist and free-market ideas in the United States and Europe since the 1980s (Cockett, 1995; Hall, 1992; Hertel-Fernandez, 2019; Pierson & Skocpol, 2007; Stone, 1996). Following this insight, a literature on the global diffusion of neoliberal ideas has documented the silent but aggressive expansion of free-market think tanks to the Global South. As free-market networks have expanded from Latin America to Southeast Asia, often with the help of conservative political donors in the US and Europe, new think tanks have taken root worldwide (Bourdieu & Wacquant, 1999; Djelic & Mousavi, 2020; Fischer & Plehwe, 2017; Mudge, 2008; Slobodian & Plehwe, 2022; Teles & Kenney, 2007). But while this scholarship has shown that the *organizational form* of the think tank has spread widely, and that many think tanks receive funding from international donors to “spread the liberal creed,” we still know little about how this organizational form is adapted locally and under which contexts it becomes more influential.

I tackle these questions by comparing the evolution of free-market think tanks in two countries that are often cited as examples of neoliberal “resilience” (Chile) and “failure” (Argentina), respectively. In both settings, think tanks are integrated in international neoliberal networks. However, whereas Chilean think tanks remain deeply embedded within the state, political parties, universities, and business organizations, in Argentina they are mostly disconnected from the political and bureaucratic fields and largely isolated within the realm of cultural production. What accounts for this historical divergence?

Drawing on interview, archival and observational data collected during 15 months of fieldwork in both countries, I analyze how different cohorts of think tanks have developed mechanisms to promote consensus on neoliberal ideas and policies since the implementation of the first free-market policy reforms (1976-2020). The paper makes two interrelated contributions. First, I emphasize the indispensability of a relational and historical approach to understand the diffusion and local prevalence of neoliberal policy ideas. Although free-market think tanks in Chile and Argentina have had parallel goals, their success in conferring hegemonic status to neoliberal ideas has differed dramatically. Broadly speaking, I find that think tanks in

the two countries become influential to the degree that they exploit their positions as “boundary organizations” (Medvetz, 2012) by embedding themselves in multiple fields (bureaucratic, political, cultural/intellectual) at once, thus channeling free-market advocates into influential positions across those fields. Nevertheless, because the fields in question are structured differently in Chile and Argentina—a difference itself attributable to the two countries’ divergent policy reform experiences—the same “kinds” of organizations have met with different levels of success.

In my analysis of Chile, I find that networked coalitions of divergently situated professionals made neoliberal ideas and policies more resilient over time. Initially, a small cluster of intellectuals and technocrats within the Pinochet regime (1976-1990) founded a group of think tanks during the democratic transition to shield reforms implemented by the “Chicago Boys” in the economic realm. They did so by building a cohesive network of free-market advocates who, based on their experience as public officers and technocrats, possessed rich knowledge about the functioning of the bureaucratic, economic, and political fields. This network consolidated in the late 1990s and early 2000s, with a small cluster of think tanks recruiting university students and instructing them in the main ideological tenets of the model. After doing so, think tanks managed to channel their trainees into four types of institutional positions: (a) advisory positions within Congress, (b) positions in other think tanks providing technocratic aid to politicians, and (c) bureaucratic positions alongside mayors of most regions across the country or politicians in office. Since free-market think tanks work fluidly with the main right-wing political party (UDI, also founded during the Pinochet regime), many of these young trainees also end up (d) participating as activists within the party in the long-term, and therefore gain significant leverage in the public sphere. By informally articulating a coalition of professionals with the same values across fields, think tanks contributed to defending neoliberal policies originally implemented during Pinochet’s authoritarian regime.

In contrast, Argentina represents a negative case in which both military (1976-82) and democratic (1991-97) governments enforced free-market reforms but without similar results. The strength of welfare coalitions forced governments to repress and/or compensate labor unions, and rampant inflation and important imbalances in exchange rates led these reforms to major economic crises. Faced with a starkly political landscape from that of Chile, free-market think tanks in Argentina have had to decide whether to get involved in these reforms as suppliers of

technocratic knowledge or work to strengthen neoliberal ideas to build viable political alternatives in the long-term – a division that my interviewees refer to as “pragmatists” vs “ideologues.” The perceived failures of structural reforms in Argentina then led to a delegitimization, followed by the disappearance, of the ‘pragmatic’ think tanks, whereas their ‘ideological’ counterparts have transformed themselves into spaces in which free-market intellectuals can diffuse ideas without becoming engaged in party politics. As a result, free-market think tanks have become agents of cultural production that lack strong ties with actors in the political, economic, and bureaucratic fields. Significantly, they are not considered relevant by policymakers, who rely on their own technocrats due to think tanks’ lack of knowledge about the functioning of the state.

The paper’s second contribution lies in showing how the divergent trajectories of think tanks in Chile and Argentina help to account for the local prevalence of different strains of neoliberal thought. Whereas in Chile the “Chicago School”—with its emphasis on the technocratic management of the state—has become more prevalent, most free-market intellectuals in Argentina belong to the “Austrian School of Economics” and “Objectivism,” two strains of thought that emphasize the need to develop strong moral commitments to defend free-market ideas in adverse contexts. Complementing work on the global diffusion of free-market economics (Babb, 2001; Montecinos & Markoff, 2009), I argue that prevalent strains of neoliberal thought respond to local needs of particular types of expertise. Whereas in Chile think tank professionals rely on the Chicago School to train them as technocrats, which also grants them with institutional prestige given its historical influence, in Argentina the same professionals become faculty and intellectual entrepreneurs that need to “sell” free-market ideas in an adverse context by making them culturally resonant. This finding helps to illuminate current debates about the differential adoption of neoliberal thought, particularly across the Global South (Ban, 2016; Dezalay & Garth, 2002; Slobodian & Plehwe, 2022).

References

- Babb, S. (2001). *Managing Mexico: Economists from nationalism to neoliberalism*. Princeton Univ. Press.
- Ban, C. (2016). *Ruling ideas: How global neoliberalism goes local*. Oxford University Press.
- Bourdieu, P., & Wacquant, L. (1999). On the Cunning of Imperialist Reason. *Theory, Culture & Society*, 16(1), 41–58.
- Cockett, R. (1995). *Thinking the unthinkable: Think-tanks and the economic counter-revolution 1931-1983* (Rev. ed.). HarperCollins.
- Dezalay, Y., & Garth, B. G. (2002). *The internationalization of palace wars: Lawyers, economists, and the contest to transform Latin American states*. University of Chicago Press.
- Djelic, M. L., & Mousavi, R. (2020). How the Neoliberal Think Tank Went Global: The Atlas Network, 1981 to the Present. In D. Plehwe, Q. Slobodian, & P. Mirowski (Eds.), *Nine lives of neoliberalism* (pp. 257–283). Verso.
- Fischer, K., & Plehwe, D. (2017). Neoliberal Think Tank Networks in Latin America and Europe: Strategic Replication and Cross-National Organizing. In A. Salas-Porras & G. Murray (Eds.), *Think Tanks and Global Politics* (pp. 159–186). Palgrave Macmillan US.
- Hall, P. A. (1992). The movement from Keynesianism to monetarism: Institutional analysis and British economic policy in the 1970s. In S. Steinmo, K. Thelen, & F. Longstreth (Eds.), *Structuring Politics* (1st ed., pp. 90–113). Cambridge University Press.
- Hertel-Fernandez, A. (2019). *State capture: How conservative activists, big businesses, and wealthy donors reshaped the American states and the nation*. Oxford University Press.
- Medvetz, T. (2012). Murky Power: “Think Tanks” as Boundary Organizations. In D. Courpasson, D. Golsorkhi, & J. J. Sallaz (Eds.), *Research in the Sociology of Organizations* (Vol. 34, pp. 113–133). Emerald Group Publishing Limited.
- Montecinos, V., & Markoff, J. (Eds.). (2009). *Economists in the Americas*. Edward Elgar.
- Mudge, S. L. (2008). What is neo-liberalism? *Socio-Economic Review*, 6(4), 703–731.
- Pierson, P., & Skocpol, T. (Eds.). (2007). *The transformation of American politics: Activist government and the rise of conservatism*. Princeton University Press.

- Slobodian, Q., & Plehwe, D. (Eds.). (2022). *Market civilizations: Neoliberals East and South*. Zone Books.
- Stone, D. (1996). *Capturing the political imagination: Think tanks and the policy process*. Frank Cass.
- Teles, S., & Kenney, D. A. (2007). Spreading the Word: The Diffusion of American Conservatism in Europe and Beyond. In J. Kopstein & S. Steinmo (Eds.), *Growing Apart? America and Europe in the Twenty-First Century* (pp. 136–169). Cambridge University Press.