In this chapter we will consider the nature, adoption and impacts neoliberalism has had on and in the periphery; how it has created new peripheries and perpetuated old ones; how the periphery has both ‘answered back’ and led reform through resistance and regulation; and, how the resultant socio-economic geographies at various scales have become ever more complex.

As is exemplified by the breadth of this very collection of chapters, the meaning and definition of neoliberalism are contested and multiple. Although semantics are, indeed, very important, this is not merely such a point. One’s definition of neoliberalism will both betray and influence real political, social, environmental and geographic perspectives and patterns. It is, therefore, important for us to define what we understand by neoliberalism before postulating as to its impacts in and on the periphery. We consider neoliberalism an economic, political and cultural paradigm which is hegemonic among governments across the world. Neoliberalism, based on ideas from Adam Smith, argues that governments crowd-out economic activity, therefore lowering economic growth. A privatized deregulated economy will address this and will allow resources to flow where they are best utilized through the pursuit of Ricardian comparative advantage. By opening up economic spaces for the free flow of capital and goods along these lines, global welfare will be maximized. This economic Darwinism will lead to an evolution so that the strongest and most efficient survive. In many ways it is the revitalization of ideas in the neoclassical political economy of the early 1800s. In a contemporary sense it is tied to the rise of globalization as currently practised (Murray and Overton 2014) and has been the main driver of the adoption of capitalist principles, especially in the global South. For some, neoliberalism and globalization have become synonymous, but this presupposes only one definition of globalization – a position which is erroneous. However, this rolling together of the concepts has seen the ostensible inevitability of globalization used as a incentivizing mechanism to promote the rolling out of neoliberal policies in the global periphery (as well as, to an extent, in the core). These policies effectively combine four strategies: 1) downsize government; 2) privatize state-owned assets; 3) deregulate to allow the free market to operate, and 4) globalize to stimulate competition through scalar effects in export and investment flows. In truth, neoliberalism is much more than just a developmental recipe – it is societal philosophy that is predicated on peripheries and cannot exist without their creation and perpetuation (Larner 2000; Harvey 2005; Murray 2009).

Notwithstanding this ‘definition’, the first and most important point to make is that neoliberalism varies across space, social groups and social sciences. It varies according to where we are
talking about. The neoliberalism exported to and adopted in the periphery of the world economy has been very different from neoliberalism of the core. In the latter, it has indeed been associated with downsizing, privatization and deregulation, but in terms of globalization the main objective has been to influence politics to allow the speeding up and growth of the outflow of capital in order to accumulate more. At the same time it has been accompanied by continued high levels of government expenditure, welfare/social security protections and economic protectionism. This is particularly the case in Japan, Australia, the UK and parts of Europe. On this basis one might question whether neoliberalism has ever been applied in its pure form in the global North. Democratic politics has not allowed it. This is different in the periphery, however, where at the principal time of its roll out (the 1980s and 1990s) many countries were not democratic. Latin America, Africa, and later on parts of the Pacific, were characterized at the time by regimes who could apply neoliberal principles with much more ‘purity’ without fear of overt resistance. In Latin America, then, we have seen much stricter forms of neoliberalism that follow the general definitions much more closely. This reached a zenith in Chile in the late 1980s and was continued into the 1990s, as we will see. Of course, we can conceptualize the multiple unfoldings of neoliberalism as part of the same geopolitical system. Neoliberalism requires an open periphery in order to allow the penetration of subsided and protected government-backed capital that emanates from the elites of the core. In an Orwellian sense, liberal economics and free trade as recommended and perpetuated by Chicago School neoliberalism have been anything but free – being structured and designed to favour the global North and the elites that control the political economy there. Neoliberalism has never been about freedom – but the illusion of it has been profoundly mythologized and deeply influential in terms of real territorial and social space.

We also need to consider what we mean by ‘periphery’. In brief, peripheries can be both spatial and social. In the case of the former they might be territorially definable areas that are marginalized; they may be isolated; they may be ‘far away’. Of course, all of these concepts are in themselves relative and socially constructed – marginal to what? Isolated from what? Far away from what? In this sense peripheries – though sometimes neatly mappable – should not be thought of as closer to the outside of the system. Dependency theory has long argued such a point – seeing peripheries and cores as two sides of the same coin (Frank 1969). However, today’s peripheries are even more complex than this neat spatial configuration first discussed in the 1960s. Late neoliberalism has become characterized by intricate crystallizing of space whereby cores exist within peripheries and peripheries within cores. This was never rejected by early world systems theory but it does seem to be more apparent in the contemporary world. In this sense peripheries are inherently social and spatial at the same time. We might also think of cultural, political and psychological peripheries which may also not be neatly territorially demarcated. Further complicating this is the possibility of virtual or cyber-peripheries which may have no – or very little – territorial geography at all. Neoliberalism has certainly stimulated and been stimulated by the latter and much work remains to be done to understand the implications of this.

Neoliberalism and the periphery: six geographical themes

We can consider the relationship between neoliberalism and the periphery through six geographical themes:

1. The export of neoliberalism to the periphery
2. The impact of neoliberalism in the periphery – the new peripheries it has created and old ones it has perpetuated
3. The macro, meso and micro geographies of neoliberalism – peripheries within cores and cores within peripheries
4. The peripheralization of other development ideas through the rise of neoliberalism and the peripheralization of everything to market logic (including environment, culture, and society)
5. The forms of resistance to neoliberalism that have arisen in the periphery
6. Reincarnations of neoliberalism in the periphery and the rise of retroliberalism.

The export of neoliberalism to the periphery

The theory of neoliberalism was crystallized through the late 1960s and early 1970s, principally in the USA, led by Milton Friedman based at the University of Chicago. However, it is in the periphery where the ideas were first applied, in particular in Chile following the coup that led to the 17-year-long Pinochet dictatorship (1973–90). Pinochet seized power vowing to eradicate the ‘cancer of socialism’. Being economically unschooled himself (he studied military geography and was influenced by Nazi-favoured concepts such as lebensraum), he had little in the way of an economic plan and turned to economists from La Universidad Catolica who had studied in Chicago with Friedman under the Alliance for Progress scholarships of the Kennedy era. The ‘Chicago boys’, as they became known, and Friedman himself who visited on occasion, welcomed the opportunity to try out strict monetarist ideas. As had been the case before and has been since, Chile became a social laboratory for economic and political ideas (Gwynne and Kay 2004; Kay 1989). Within a few short years the country became the most open economy the modern world had ever known. This led to enormous inflows of foreign investment which took advantage of low wages and comparative advantages in sectors such as forestry, fruit and fisheries and led to an unprecedented boom in exports. Despite creating deep social divisions and ecological costs that exist to this day, and although the policy locked the country into a primary product export trap that has proven impossible to shake off, the model was hailed an economic success, and Chile became the neoliberal model for the periphery. The concept was exported all across the global South with the World Bank and IMF giving loans based on the adoption of neoliberal policies wrapped up in Structural Adjustment Programmes (SAPs) as they were then known. The oil and consequent debt crises of the late 1970s and early 1980s represented a watershed in this sense and by the end of the 1980s nearly every country in Latin America, Africa, the Pacific Islands and much of Asia (although models here were much more mixed and state developmentalist – as discussed elsewhere) had had SAPs effectively forced upon them. As we discuss below, the ideas were also adopted in the core. Of course, this phenomenon was not just economic – it was also geopolitical and there was a strong Cold War logic at work, intended as it was to diffuse capitalism and keep socialism from spreading across the periphery. Non-conformist governments such as that of Cuba and, at various points, Venezuela, Mozambique, Angola, Vietnam and others were punished with economic sanctions and international ridicule at best and military intervention at worst.

Although specific country models of neoliberalism have varied across time and space, to a large extent, the underlying principles have become immutable and neoliberalism persists in various forms across the global periphery (Larner 2003; Peck et al. 2010). The World Bank, IMF and the WTO have played a major role in perpetuating this diffusion through conditionalities. The deeply undemocratic WTO has led the push towards so-called ‘free’ trade agreements that have washed across the periphery of late, at the same as it has become increasingly difficult to challenge protectionism in North America and Europe. SAPs are long gone, but they were
replaced by Poverty Reduction Strategy Papers under the neostructural regime and, as we discuss later, in the current era new tools are being used to export the latest variant of neoliberalism to the periphery.

**The impacts of neoliberalism in the periphery**

Opinion on the impacts of neoliberalism in the periphery is deeply divided. Often arguments for and against the model are ideological and rhetorical; using no appreciable empirical evidence to back claims. The adoption of neoliberal ideas in the 1980s came in and of itself to be a measure of success. Implicit in this was the motto that short-term economic pain would be required for long-run structural gain (hence the term SAP). It was almost religiously adhered to in neoliberal circles so that short-term structural impacts such as unemployment, underemployment, inequality, balance of payments deficits, environmental damage and so forth would be replaced by a sustainable model of growth eventually. There were some success stories at the macro-economic level and again Chile was perhaps the principal of these – but other countries were held up as models too such as Peru, Tanzania and Fiji. Neoliberal advocates went as far to try and claim success in terms of the Asian Tigers, arguing that it was free market reform that explained their rapid growth in the 1980s. Others pointed to geopolitical factors, such as the Colombo Plan of the 1950s and 1960s and the role of the developmental state as explanatory, contrasting this to the lack of growth in Latin America. This debate continues in the light of reactions to the global financial crisis (GFC).

Based on their ‘success’, neoliberal ideas were also adopted in the core. In 1979 in the UK under Margaret Thatcher, in 1980 in the USA under President Reagan, and in 1984 in New Zealand, oddly, under the Labour Party, such principles were applied to reform what were argued to be over-bloated statist economies based on Keynesian principles that had dominated in the North since the end of World War II. As noted previously, however, government expenditure and welfare were not cut to the extent that they were in the South – in fact, under both Reagan and Thatcher governments expenditure rose and protectionism was increased, although the direction of policy towards middle-class constituents did rise. In New Zealand a purer form was pursued, state collectives were sold off and protectionism was reduced very rapidly so that by the late 1980s it became the least protected of all agricultural economies (Kelsey 1995). The main point here is that the adoption of such policies led to social differentiation and inequality that effectively created new peripheries within the core. The legacy of this is being felt today in the politics of all of these countries. New Zealand still attracts much international attention in hyperglobalist circles as a model of neoliberal reform, and it is not uncommon to see foreign delegations from countries as diverse as Cambodia, Indonesia and Colombia visiting in order to learn about public sector reform at its supposed hearth. Under the current National Party these reforms have been and are being deepened, despite clear signs that marginalization and peripheralization of the indigenous and the poor continue unabated.

By the early 1990s and following the end of the Cold War the purist arguments from the World Bank and the IMF had been reduced (Stiglitz 2002). They even admitted to some policy errors. But this was in style rather than substance and subsequent policy regimes, as suggested above, followed similar principles while adjusting them at the margins. To a growing number of academics, to civil society and increasingly populations in the global South itself, the impacts of neoliberalism in the periphery were considered nothing short of devastating. The long-run growth had not been delivered and societies were left economically divided, political fragile, culturally threatened and environmentally exploited. There is a vast amount of evidence from Africa, Latin America, the Pacific and Asia that supports this sceptical view of neoliberalism and
the promises it made (see Desai and Potter 2013 for an entrance point). Anti-development ideas and, to an extent, post-development ideas came out of a critique of the impacts of neoliberalism in the periphery. In part, these critiques miss the point: it is not ‘development’ per se that is the problem but the type of development pursued – modernizing neoliberalism – and the concept of development arguably has always contained critiques of the orthodoxy implicit within it, even if it has been obscured by the mainstream (Cowen and Shenton 1996).

**Scalar geographies of neoliberalism in the periphery**

The idea of a level playing field is a powerful myth that has been rolled out with missionary zeal in order to placate the massses and persuade them to embrace globalization. Neoliberalism has redrawn the global centre–periphery map, largely in favour of the former. The geometry of the world’s socio-economic map is much less state-based or defined by north–south or east–west frames: most of the world’s poor now live in middle-income countries (this is the China effect) and peripheries (and centres) are being constructed in much more complex ways within states, regions, and cities. This is not to say nation–states are not important – they are containers of culture and economic policy. Nation-state governments in the core are complicit in the system that allows the diffusion of capital across the world in the interests of globalized elites. Geography has become increasingly complex, not flattened, and this has occurred in different ways on different scales.

The rise of new peripheries in the core is a meso- and micro-level impact of the continued influence of neoliberalism. In the case of New Zealand, for example, whole regions – such as the east coast of North Island and west coast of South Island, as well as urban areas – such as Porirua and parts of South Auckland – have been socially and economically distanced from the neoliberal core. Similar processes are evident across the global North – in the UK and Europe, for example. But the new geographies of neoliberalism are no more evident than in the USA. A journey from Colorado to the California coast, as the authors recently undertook, would clearly illustrate this. Contrast the gleaming wealth of Denver with the grinding poverty evident in the Native American reserves of Navajo country where outside latrines and shacks exist side by side with rusty campervans strewn across the desert. The latter is juxtaposed with the neoliberal hyperreality of Las Vegas and Hollywood – in many ways the cultural hearth of late neoliberalism. But the rise of new peripheries in the core has had a major impact in terms of the consciousness of society and, to an extent, the Occupy movement can be seen as a product of this. The so-called GFC of 2007–8 seems to have created new geographies on different scales and, within this, a new seed of the undoing of neoliberalism seems to have been sown. Whether civil society will grasp this and push for new reforms remains to be seen: the political inertia and vested interests in the neoliberal system are profound and often lethal when awakened – witness the oppression of protest across the world by police regimes and the growing monitoring of cyberspace, as well as military interventions that ostensibly promote freedom yet in reality search natural resources to sustain the over-consumption of neoliberalism.

In sum, neoliberalism has perpetuated and stimulated peripheralization at different scales in two ways. It has made many peripheral countries even more peripheral in economic terms – although there has been some shift in the geography of this (and the GFC has actually closed that gap, a little, for now). It has also created new peripheries within peripheral countries as certain groups and places are bypassed by the neoliberal superhighway. This has created new macro, meso and micro geographies. Nowhere is this more evident than in Latin America, where the crystallization of inequity is visible in the juxtaposition of shanty towns and sparkling Manhattan-like areas that are evident in virtually every world city in the region such as Santiago,
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Lima, Rio de Janeiro, Sao Paulo, Mexico City, Bogota, and Buenos Aires. But there are also new cores in the periphery where capital and wealth are concentrated in new circuits as a result of the opportunities afforded by neoliberalism, as evidenced in terms of innovation ventures such as Ciudad Empresarial just north of Santiago de Chile’s centre.

Peripheralization of development ideas and concerns

Neoliberalism is based on an ideology of free markets and globalization, yet this is manifested differently across space in ways which marginalize alternative ‘liberalisms’ on the periphery and privilege certain markets and market-based ideas at the centre of the global economy. Most critically, neoliberalism reifies the economy as the central mechanism for change. The logic of the market and its liberalization is central. This acts to obscure the non-economic: society, the environment and culture in particular. Notions of liberal societies or free cultural expression or protection of fragile environments – particularly of relevance in the periphery where customary, non-capitalist or non-commodified forms continue to exist – are relegated within a discourse that promotes market-mediated relationships. This narrow interpretation of freedom within neoliberalism gives primacy to certain market freedoms so that, for example, social relations are captured and restructured through labour-wage markets (rather than customary protocols) and resource management decisions are increasingly determined by new market mechanisms such as that for carbon, rather than by state regulation or customary collective ownership. Not only is this more severely felt on the periphery where market penetration has been hitherto more limited, but it also serves to ‘peripheralize’ culture, society and the environment vis-à-vis the market in discourses of development and change both within and beyond cores.

Neoliberalism is the dominant development ideology. Yet other ideas and critiques have emerged, many from the periphery. While some of these have gained attention and some appeal in the academy globally, they have been generally overlooked, belittled or dispensed within the wider political and policy domains. For example, structuralist ideas of the 1950s, associated with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC, CEPAL in Spanish), offered a critique of free trade and promoted alternative capitalist models of development, just as dependency theory in the 1970s offered a more radical set of criticisms of the liberal foundations of what became neoliberalism. Despite some enthusiasm in the past, as with the adoption of structuralist-inspired import substitution industrialization strategies, these have been swept aside with neoliberalism, consigned to a ‘failed policy’ category and denigrated as anti-liberal. It has been convenient to categorize these theories – and the more recent neostructuralist approaches (see below) – as belonging to the periphery (particularly Latin America) and therefore not in the mainstream.

Yet, perhaps most tellingly, neoliberalism has framed development policy in ways which marginalize alternative conceptions of liberalism from the periphery. Neoliberalism has promoted globalization. It has been very successful with regard to the liberalization of trade, investment and tourism and the global protection of property rights (Sheppard and Leitner 2010). This, of course, has favoured capitalist enterprises at the centre: the investment funds and corporations seeking to extend their operations to new markets. And in the workings of the World Trade Organization we can see how even these forms of market liberalization have favoured the centre: later entrants to the WTO from the periphery have had to agree to much more stringent terms and requirements to liberalize their economies than the founding members from the centre.

However, one form of market liberalization that would, arguably, favour economies on the periphery has been noticeably absent from the neoliberal discourse: labour migration.
While international labour mobility has increased markedly, especially with regard to skilled or business migration, most Northern states have been careful to retain strict controls over immigration from the South. They have needed a continued supply of cheap labour and allowed limited movement but, simultaneously, have introduced some of the heaviest forms of state regulation and border controls in order to restrict and control such labour movement. Yet from the perspective of many individuals and communities on the periphery of the global economy, this is the one form of liberalism that might offer some opportunity, given the demise of local protected industries and deregulation of local labour markets. Millions on the periphery have sought ways to engage in labour migration that would connect them to economies at the centre. Labour migration, coupled with remittances of substantial shares of their incomes back to kin on the periphery, has become a highly visible and significant feature of many peripheral economies. Thus, labourers from Pakistan and Bangladesh are the workers who have supported the construction boom in Dubai; workers from central America or the Philippines tend to the gardens and domestic needs of households in the USA or Hong Kong; nurses from the Philippines or Ghana are found in the hospital wards or rest homes of the UK or New Zealand; and Nepalese Ghurkhas and Fijians serve in the British Army. Their remittances now comprise a major share of national income in countries such as Samoa (21 per cent), Haiti (21 per cent), Nepal (25 per cent), and Lesotho (25 per cent), according to World Bank estimates for 2012 (World Bank 2013). Overall, the largest recipients of officially recorded remittances in 2013 were India ($71 billion), China ($60 billion), the Philippines ($26 billion), and Mexico ($22 billion) (ibid.).

The attraction of such earnings has led people from the periphery to seek access to labour markets in the centre either legally (by exploiting family connections or special migration concessions) or illegally (through overstaying tourist visas or entering countries illicitly). To an extent, we can see these strategies of people on the periphery as demonstrating considerable initiative and skill in identifying and exploiting fissures in the global economy. The Tongan writer, Epeli Hau’ofa, for example saw this as an example of the strongly positive and enduring element of Oceanic peoples, in contrast to the negative depictions of Pacific smallness, vulnerability and passivity by commentators from outside the region (Hau’ofa 1993). However, these voices from the periphery espousing a world open to the movement of people and ideas and the facilitation of ‘transnational corporations of kin’ are not accommodated in a selective neoliberal discourse of globalization. Neoliberalism and the politicians in the West who promote it are happy to talk of free trade and investment but they simultaneously speak of the illegal movement of immigrants and the threat to local ways of life. From this perspective from the periphery, then, neoliberalism is not open and free but rather selective, self-serving and exploitative. George Orwell saw it coming.

**Forms of resistance to neoliberalism in the periphery**

Resistance to neoliberalism, and capitalism in general, has been ongoing for much time. The Zapatista movement based in Chiapas, Southern Mexico, is often credited as the starting point of the ‘anti-globalization’ or the ‘contra-neoliberalism’ movement. It was certainly an important watershed in the movement and led to global recognition and diffusion. Resistance to neoliberalism as we know it actually began in Chile in the 1970s – as this was the first place where it was applied with such force and purity. The student occupations and rock-throwing protests undertaken at Universidad Metropolitana’s Pedagogy campus (which had been separated from the wider University of Chile by the dictatorship to break its power and, in a humorous play on the Spanish word for rock, came to be known as the *Piedragogia*), the Chilean new song movement (that began in the late 1960s led by Victor Jara and Violeta Parra, among others, and
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flowered among the exiled communities led by groups such as Inti Illimani, Illapu and Los Jaivas) and the small but determined armed resistance embodied in such groups as the Manuel Rodríguez Front all formed different aspects of early resistance to neoliberalism when it was combined with murderous oppression. As already noted, the purity of Chile’s neoliberal experiment would never have survived without that oppression – and when the dictatorship finally fell in 1990 neoliberalism morphed into a more human form – neostructuralism – to which resistance has continued right up the present day, leading most recently to the globally significant student protests of the so-called Invierno Chileno (‘Chilean Winter’) from 2012 to the present.

The anti-neoliberal movement, of course, has been active all across the global South and in many forms, and comes out of earlier resistances to modernization and capitalism and colonialism in general. This amorphous nature has been – to some – its very downfall. The overgeneralized nature of the anti-globalization movement has perhaps reduced its effectiveness. Furthermore, the war in Iraq and more recent concerns with terror in the Middle East have deflected attention from the movement in ways that might suggest that capitalist governments have encouraged this refocusing, worried by the growing challenge presented by such a movement. There have been other forms of resistance – state-centred alliances – for example, such as the G77, the Banco Sur, the left-leaning Latin American governments of the 2000s, but these are often painted as troublesome in a northern-controlled monopolistic media which exist to peripheralize alternatives and, to use Chomsky’s phrase, manufacture consent. The rise of neostructuralism in Latin America seemed to suggest an organized resistance to the dominant models; and the alignment of Argentina, Chile, Ecuador, Bolivia, and Venezuela, together with their mutual empathy to Cuba in the 2000s, seemed to suggest a new direction for a while (Petras 1999). But, predictably, this has been undermined by the media and even nation-states (US involvement with Venezuela, for example). Elsewhere we contest that weak forms of neostructuralism have become nothing but neoliberalism in slightly more palatable clothing in an electoral sense.

One example of resistance to neoliberalism in the periphery involved protests against attempts to privatize communal land. Following from the ideas of de Soto and others, reform packages in several countries in the 1990s sought to release land held under customary communal tenure and convert it to individual tradable title. Such a change, it has been argued, would allow land owners to free up land for development, provide the incentive for individual investment and gain access to credit markets. In areas where such communal tenure still prevails – in the Pacific Islands, South America and Africa – many groups have a strong historical, cultural and spiritual connection to the land: the home of their ancestors and the means of survival. In Papua New Guinea, after strong pressure from aid donors such as Australia, the IMF and World Bank, the government moved to introduce laws that would help privatize land (as well as a wider programme of privatization of state assets). In 2001 this led to student and local protests and a police crackdown, which left several dead. There was eventually an electoral backlash and the policy change was dropped.

Resistance at the periphery has also taken on less overt or political forms. Work by postdevelopment theorists such as Gibson-Graham has pointed to the way some communities in the Philippines, for example, have built ‘diverse economies’. These are local systems that do not entirely reject capitalism but build on a strong foundation of communal self-reliance and reciprocity in ways which help preserve social forms and cultural norms. They are conscious efforts to opt out of some of the perceived more harmful aspects of capitalism. In this way these local economies develop resilience against external shocks and preserve systems of mutual support as a counter to the creative destruction that the market brings. Such forms of organization are not centrally organized or coordinated, nor do they represent a serious threat
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to the neoliberal project. Yet, in the multiplicity of such diverse efforts to insulate communities at the periphery and elsewhere from the dangers of the market, while retaining access to some of its opportunities, these local movements may point to the limits of neoliberalism on its margins.

Even in the face of the GFC – the worst capitalist crisis in eight decades if not in history – the anti-neoliberal movement – which re-emerged as the Occupy movement – has not managed to break the monopoly on power enjoyed by the very elites that created the conditions leading to the crisis in the first place. The GFC led to the widespread condemnation of neoliberalism, but, ironically, a retrenching in its strength and a re-export of the model across the world have occurred as powerful vested interests managed to overturn any meaningful reform and twist the argument so that it appeared that the reason for the collapse was ‘imperfect markets’. This will create ongoing resistance in the periphery for many years to come (Altvater 2009). Tensions between China, Russia and the West, and indeed the current ISIS battle which came out of the occupation of Iraq and false dawn of the Arab Spring, are associated with the GFC and the failure of neoliberalism to deliver global prosperity and democracy as was believed in the heady days of the late 1970s and early 1980s.

The reincarnations of neoliberalism in the periphery: the rise of retroliberalism

Neoliberalism has proved to be resilient, changing its course and appearance over the past 30 years. In many ways, these changes have been felt particularly strongly on the periphery, the structural adjustment policies of the 1990s being perhaps the most glaring example of the export of a particularly virulent strain of neoliberalism. More recently, and in the aftermath of the GFC, a new form has appeared, a variant we term ‘retroliberalism’ (Murray and Overton forthcoming).

The GFC hit the economies of Europe and North America particularly hard. Those countries on the periphery that had close trading connections with these regions, such as Argentina or South Africa, also experienced economic reversals (Murray and Overton 2014). However, other economies fared better and continued economic growth in China helped them bounce back: the GFC thus helped to reconfigure the periphery and align many more towards East Asia – especially China – rather than North America or Europe. Yet at a more fundamental level, the GFC led to a metamorphosis in neoliberalism. Forced to bail out many large corporations and introduce Keynesian-style stimulus packages to avert deep economic crisis, Western economies began to adopt a new economic strategy that seemed a far cry from the fundamental early versions of neoliberalism. Neoliberal states appeared to be much less averse to supporting private enterprises, first through immediate crisis-inspired stimulus packages and then, later, by attempts to export such stimulus in more covert ways (Mawdsley et al. forthcoming).

As with earlier forms, this new variant of neoliberalism was transferred from the centre to the periphery via aid (as well as conditional loans). In the decade prior to the GFC, international aid had both increased significantly in volume and sharpened in focus, guided by the launch of the Millennium Development Goals (MDGs) in 2000 and agreements such as the Paris Declaration of 2005 (Mawdsley et al. 2014). Elsewhere we have termed this the ‘neostructural period’ (Murray and Overton 2011) as it was influenced by earlier structuralist ideas from Latin America but combined these with outward-oriented models that would favour the free market and stimulate globalization. There was a focus on poverty alleviation and a recognition of the need to support recipient states to develop effective systems of governance in order to pursue these development strategies. There was still a strong concern to continue to liberalize markets and
promote global trade and investment. After the GFC, aid levels from Western donors surprisingly did not diminish – some, such as the UK, even increased their aid budgets. But the nature of aid changed. For many donors, the explicit concern for poverty alleviation was replaced by notions of promoting ‘sustainable economic development’ and, later, the catchphrase of ‘shared prosperity’ was adopted, a none-too-subtle device to allow for more articulation of donor self-interest in aid. Part of this self-interest was constructed around geopolitical concerns, such as the interventions in Afghanistan, but much was economic: the active promotion of the private sector and the commercial interests of companies in donor countries as they sought to build operations overseas. Retroliberalism in this way has many expressions in the aid world. The UK aid agency, the Department for International Development (DFID), now works in conjunction with City of London financial institutions to promote financial services in sub-Saharan Africa; the New Zealand aid agency has an agreement with Fonterra, a large dairy conglomerate, to – for example – help develop dairy supply chains in Sri Lanka, and Canada has seemingly directed some of its aid to countries where its own mining companies are seeking to expand. Interestingly, these approaches of Western aid donors now resemble somewhat the approach of China to ‘South–South cooperation’, whereby Chinese state funds are loaned or granted to recipients who then engage Chinese firms to build highways or public buildings.

This retroliberal approach has pitched the notion – the myth – of shared prosperity as a new aid regime. It echoes, to an extent, the ‘trickle down’ mantra of early neoliberalism (poverty would only be tackled through economic growth), but it goes further to suggest that promotion of one’s own prosperity is allowable and desirable. However, because it moved away from an explicit concern for poverty and inequality, in effect it promoted an approach which shared the benefits of economic growth among the elites of donor and recipient countries and further marginalized the poor.

Conclusion

Neoliberalism remains as powerful in the periphery today as it was when first applied in the 1970s. It continues to reorder space along lines that are attractive to capital and, although the geographies shift and become more intricate and complex, the rationale remains the same. The forces that back it also remain much the same.

This is evidenced by the retraction of neoliberalism after its obvious failure in the GFC and the rise of the latest version, retroliberalism. Neoliberalism has and will continue to exploit, create and perpetuate peripheries in both a territorial sense and social sense at micro, meso and macro scales across the world. This is because neoliberalism is predicated on differentiation – inequality is not just a consequence of the system, it is the system.

We urgently require new geographical theories to untangle the new geometry of neoliberalism. A new dependency combined with post-development ideas that are realist rather than naively relativistic might be the place to start. As such, until other ideas emerge from the periphery, both spatial and social, and until these are captured by the political classes, neoliberalism will continue to re-write global geographies in ways that entrench peripheries in order to foster the continued exploitation of society and the environment in the name of capital accumulation for an elite minority.

Note

1 Rates of remittances are also high for countries on the margins of Europe (Tajikistan, Moldova, Armenia or Kosovo).
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References


