

## Neoliberalism is dead, long live neoliberalism

A careful analysis of neoliberalism, along with the initial statements and actions of the Trump administration, might suggest a strengthening of neoliberal forces under his regime.

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**January 31, 2025 / 11:15 IST**

*Positioning Trump's regime as a deepening of neoliberalism can help countries like India develop appropriate policy responses*

### Highlights

- The notion that Trump represents a break from the earlier neoliberal paradigm is incorrect
- Trump considers multilateralism as going against US interests and therefore seeks to restore actual "free trade" through direct threats and actions
- Neoliberals believe that while capital has a right to flow freely across national boundaries, labour enjoys no such right—these fit in with Trump's anti-immigrant stance
- Neoliberals see pronounced inequality as a necessary characteristic of their ideal market system

Does Donald Trump's return as President of the United States signal the end of the Washington Consensus and, more significantly, the end of neoliberalism? Some [commentators](#) believe this to be the case. However, a careful analysis of the Washington Consensus and neoliberalism, along with the initial statements and actions of the Trump administration, might actually suggest a strengthening of neoliberal forces under his regime.

The primary reason for the argument that the Washington Consensus and neoliberalism are under threat is due to Trump's aggressive tactics regarding tariff imposition on US imports, which could potentially disrupt global trade—a cornerstone of the neoliberal paradigm. We challenge this argument, offering a different perspective that suggests the deepening of neoliberalism with Trump's return.

What Trump seems to be against is not free trade *per se* but rather multilateralism and multilateral organizations like the World Trade Organization (WTO). The WTO was actually unable to contain one of the biggest threats to free trade, i.e., regional trading agreements (RTAs) or trade blocs. Trump is effectively attacking trade blocs, which he articulates as being *unfair* to the USA. The direct attack on BRICS' members for discussing a replacement to the US dollar and also Russia's oil exports to China and India at cheaper than global prices are indications of his stance against "isolating" the US. Similarly on Europe, his [argument](#) is "they make it very difficult to bring products into Europe, and yet they expect to be selling and they do sell their products in the United States ... the EU treats us very, very *unfairly*, very badly."

Neoliberals who believed in "free trade" as free market exchange between nations without impediments like tariffs realized that some countries could have persistent balance of payments problems and therefore used multilateral institutions to temper imminent crises (for instance, WTO clauses that support higher tariffs by less developed countries). However, Trump now considers

multilateralism as going against US interests and therefore seeks to restore actual "free trade" through direct threats and actions. For instance, Trump's threats to implement countervailing duties on Indian imports have already put pressure on India to consider freer trade. In other words, his contention that India charges higher import tariffs than the US does on Indian imports is actually a move towards greater "free trade" rather than against it. After all, the Washington Consensus unequivocally called for low (below 10%) and uniform tariff rates between countries. The concern that Trump desires trade wars may not be justified if we were to consider his often-touted business instincts and moreover, his restraint in imposing trade restrictions among the other executive orders that he signed in his first hours in office.

On most other policies, Trump's [agenda](#) aligns closely with those advocated by the Washington Consensus, including lowering tax rates from 21% to 15% and deregulation (particularly in the oil sector) to reduce red tape and inflation. Nonetheless, many voices argue that Trump's return signifies the end of neoliberalism—an ideology that extends beyond the ten simple points highlighted in the Washington Consensus. However, when we examine the essential principles of neoliberalism as deconstructed by the economic historian and philosopher Philip [Mirowski](#), it becomes evident why neoliberalism under Trump is actually deepening.

First, neoliberalism does not aim to weaken the state; rather, it seeks to redefine the shape and functions of the state to strengthen the market through techno-managerial governance institutions and programs. The establishment of the Department of Government Efficiency (DOGE) under Elon Musk is a step in this direction. As Mirowski puts it, "One should not confuse marketization of government functions with shrinking the state."

Second, "Neoliberals begin with a presumption that capital has a natural right to flow freely across national boundaries. (The free flow of labor enjoys no similar right.)" This unequivocal assertion by Mirowski on labor flows indicates that Trump's anti-immigration and anti-immigrant policies do not contradict the tenets of neoliberalism.

Third, "neoliberals see pronounced inequality of economic resources and political rights not as an unfortunate by-product of capitalism, but as a necessary functional characteristic of their ideal market system." The rich – especially the corporate rich – showcase the success stories of the market system. They must be envied and emulated, not restrained. Those who demand equality are losers and must be rejected. Trump allocating ringside seats to the richest of the rich—Elon Musk, Jeff Bezos, and Mark Zuckerberg—at his inaugural program demonstrates that the neoliberal idea of meritocracy and competitive markets is entrenched in the American mind. Gary Simonds, in an [article](#) published in Psychology Today, argues that American adoration, not loathing for billionaires emanates from the belief that "grit, determination, brilliance, industry, flashes of startling insight, being mavericks, disrupting the status quo, having better ideas, producing superior products" is "driving our economy, keeping us employed." Trump perhaps understands this better than politicians like Bernie Sanders, who one might expect to be more popular among the masses but surprisingly isn't.

There are two other critical aspects—freedom and religion—and their delineation in the neoliberal paradigm that must be understood to avoid misconstruing the implications of Trump's rise on neoliberalism.

Freedom in neoliberalism, according to Mirowski, is not some human or cultural *telos* that should be pursued as an end in itself. Instead, freedom has a (neoclassical) economic connotation: independent, rational individuals, driven by self-interest, engaging in market exchange lead to optimal outcomes. Freedom aligns with the notion of being "free to choose." A free market not only

enhances economic freedom but also supports personal and political freedom. By reducing government intervention and allowing individuals to make their own economic choices, a free market can limit the scope of political power and enhance individual liberty, giving rise to a society where individuals can thrive and contribute to their fullest potential. Corporate billionaires epitomize this notion of “freedom”.

Finally, there is concern over the apparent contradiction between neoliberalism and the rise of the religious/conservative right personified by Trump. Mirowski puts this apparent contradiction to rest when he points out that "the intellectual accommodation of the [Christian] religious right and the theocons within the neoliberal framework has been an ongoing project" since the formation of the neoliberal think-tank, the Mont Pelerin Society in 1947. This project may now have reached the final stage of completion.

Positioning Trump's regime as a deepening of neoliberalism can help countries like India develop appropriate policy responses that anticipate and adapt to the potential intensification of market-driven reforms and global trade dynamics.

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