

On the Origins of Neoliberalism

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What does it mean to think critically in an age beset by neoliberal hegemony? Is critical consciousness even possible in an age wherein neoliberalism appears to herald the “End of History”?¹ Critical consciousness demands that we speak of origins. I want to suggest that the origins of neoliberalism are secularity. There can be no thorough critique of neoliberalism without an awareness of its secular foundations. Moreover, I want to suggest that the problems wrought by neoliberalism are not reducible to the economic or political but are metaphysical. What is at stake is our very image of the human. An exposition of the metaphysical origins of neoliberalism is all the more necessary given that the neoliberal order is adept at concealing those foundations and presenting itself as the natural order of things.

What is Neoliberalism?

Neoliberalism is based on the idea that the market operates independently and reflects a natural order. In his book *Neoliberalism's Demons*, Adam Kotsko defines neoliberalism by tracing its origins. He distinguishes it from classical liberalism or laissez-faire economics, prevalent in Europe in the nineteenth century. He emphasizes the separation of politics and economics, or the advocacy for minimal state intervention in the economy. However, this separation became unsustainable after World War I when the state had to step in to address the negative impacts of an unregulated market, leading to the rise of social democracy models like “Fordism.”² By the mid-1970s, the Fordist model began to falter, prompting two main responses: strengthening the welfare state and embracing neoliberalism.

Neoliberalism, championed by figures like Margaret Thatcher and Ronald Reagan, aimed not only to reduce state intervention but also to reshape state power, institutions, and society according to market principles. This involved creating new markets through privatization and expanding the competitive market model to more aspects of life, essentially making neoliberalism a way of life with its own metaphysical assumptions.³ As Wendy Brown explains, “neoliberal rationality disseminates the *model of the market* to all domains and activities—even where money is not at issue—and configures human beings exhaustively as market actors, always, only, and everywhere as *homo oeconomicus*.”⁴ We might say, then, that neoliberalism applies the market model to human social life as a whole.

¹ Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992).

² Fordism is a 20th century economic model that favored state regulation, social welfare, and collective bargaining through labor unions.

³ Adam Kotsko, *Neoliberalism's Demons: On the Political Theology of Late Capital* (Stanford: Stanford University Press, 2018), 3–6.

⁴ Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution* (New York: Zone Book, 2015), 31.

Homo Oeconomicus

What emerges from a world beset by neoliberal hegemony is a new god, a “second creator” who recreates man and the world in its own image. The Qur’an employs the term *al-ṭāghūt*, which literally means the one who transgresses. *Al-ṭāghūt* is under the illusion that he is self-sufficient (*istaghna*), as in the myth of the free market: “But man exceeds all bounds when he thinks he is self-sufficient”⁵ Many classical exegetes interpreted this self-sufficiency to mean wealth accumulation.

The economization of the human being meant the emergence of a new human, *homo oeconomicus*, born out of a new “original covenant,” an “unquestionable tale whereby a people is brought—or rather, brings itself—into existence.”⁶ It is the “good news” that “money possessed and bestowed a trove of ‘miraculous facilities.’” As a cult of money, it attributes “ontological power to money and existential sublimity to its possessors”—and everything, as Eugene McCarragher explains, receives its value from the “empty animism of money.”⁷ The process of economization (of non-economic spheres) can be read as the process of [re-]creation. Thereby, the human being is recreated in the image of the corporate firm.

Today, *homo oeconomicus* maintains aspects of that entrepreneurialism, but has been significantly reshaped as financialized human capital: its project is to self-invest in ways that enhance its value or to attract investors through constant attention to its actual or figurative credit rating, and to do this across every sphere of its existence.⁸

The Metaphysical Horizons of Neoliberalism

Neoliberalism emerged from the womb of secularism. To speak of an autonomous market requires that we conceive of the world as immanent. The idea of an autonomous market required, first and foremost, the idea of the world as a sealed-off totality wherein pure power is immanentized. This would demand not the eclipse of transcendence (such is impossible, some would suggest) but its displacement, or, more correctly, its misplacement. Eric Voegelin writes:

What has happened to the transcendent ground in [this] connection? It has become, let us say, immanentized. We still have, of course, the quest of the ground, we want to know where things come from. But since God (in revelatory language) or transcendent divine being (in philosophical language) is prohibited for agnostics, they must put their ground elsewhere.⁹

Modern secularity inaugurated the sovereignty and the transcendence of the world as a totality of possibilities. In other words, the invention of the market as an autonomous space required that we invent the secular as a space. Secularism was born out of a world increasingly alienated from God. Amidst that existential chaos, man had to create for himself a counter-world not only subject to

⁵ Qur’an, 96:6–7, trans. M. A. S. Abdel Haleem.

⁶ Eugene McCarragher, *The Enchantments of Mammon: How Capitalism Became the Religion of Modernity* (Cambridge: Harvard Press: 2019), 10.

⁷ McCarragher, *The Enchantments of Mammon*, 5.

⁸ Brown, *Undoing the Demos*, 32–33.

⁹ Eric Voegelin, cited in Glenn Hughes, *Transcendence and History: The Search for Ultimacy from Ancient Societies to Postmodernism* (Columbia, Missouri: University of Missouri Press, 2003), 55.

“rationality and manipulability, but also, crucially, mastery.”¹⁰ Power was to be distributed in the immanent, spaces were to be forged (read: created), and new possibilities were to be inaugurated. What I am suggesting is that secularism provided the grounds and metaphysical horizons of neoliberalism.

The alienation that beset man in a secular world returns with a vengeance. Neoliberalism creates new forms of alienation wherein the new human, *homo oeconomicus*, finds himself in a precarious state. “A subject construed and constructed as human capital both for itself and for a firm or state is at persistent risk of failure, redundancy and abandonment through no doing of its own, regardless of how savvy and responsible it is.”¹¹ Modernity’s dream of the morally autonomous man disappears in a neoliberal political imaginary, reducing Hans Blumenberg’s dream of a self-affirming man into human capital, concerned with “bare life.”¹²

Paradoxically, neoliberalism becomes modernity’s full expression on the one hand and its undoing on the other. Ali Shariati aptly diagnosed these processes as *istihmār*, namely, stupefaction.¹³ What he meant was that these processes act as diversions, diverting man from his existential and political aims. For Shariati, man is fundamentally a *homo politicus*, concerned with the collective existence of the polis and its fate. The political concerns of man are not to be understood independently of his existential concerns. Man’s existential project finds its fullest expression in the political space. In other words, it is the space wherein intellectual-action (pure thought) becomes actual-action (praxis). Thus, the alienation of man from the political amounts to a *de facto* alienation of man from the existential. What appears to be an economic or even political problem is, in fact, a metaphysical and existential problem. As such, the crisis of neoliberalism is nothing short of an existential crisis.

Neoliberalism and the Meta-Order

Thus far, I have argued that secularism and its metaphysical horizons are the origins of neoliberalism. I want to extend this argument further and suggest that neoliberalism and secularism are grounded in a meta-order that the Qur’an describes as the *dunyā*. The Qur’an differentiates between two existential orientations towards the world: the immanent world—the *dunyā*—of *diversion*, closed upon itself (appearing self-sufficient), divorced from any relation to the transcendent, and the *‘ālam*, which is open and inextricably connected to the transcendent. The market’s claims to self-sufficiency find its metaphysical legitimation and logic in the illusive self-sufficiency of the *dunyā*. The counter-world is the *‘ālam*, which literally means sign and is an open world that signifies that which is beyond itself (the presence of God). In the Qur’an, the *dunyā* is a meta-order that grounds and legitimizes all worldly orders. Thus, the *dunyā* serves as the origin and legitimizing meta-order of neoliberalism. This, in turn, amounts to an alienation of the self from its primordial self, an alienation of the self from God, and an alienation of the self from the world. To

¹⁰ Joseph Albernaz and Kirill Chepurin, “The Sovereignty of the World: Towards a Political Theology of Modernity (After Blumenberg),” in *Interrogating Modernity: Debates with Hans Blumenberg*, eds. Agata Bielik-Robson and Daniel Whistler (Cham: Palgrave, 2020), 91.

¹¹ Brown, *Undoing the Demos*, 37.

¹² Agata Bielik-Robson and Daniel Whistler eds., *Interrogating Modernity: Debates with Hans Blumenberg* (Cham: Palgrave, 2020).

¹³ More literally, it means to become donkey-like. See: Ali Shariati, *Khūd’āgāhī va Istihmār* (n.d.).

overcome the alienation wrought by neoliberalism, as I have suggested elsewhere, requires no less than a revolt against the world, that is, the meta-order, the *dunyā*.¹⁴

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Suggested citation:

Ali Harfouch, "On the Origins of Neoliberalism," *Ummatics*, Aug 25, 2025, <https://ummatcs.org/neoliberalism-origins>.

¹⁴ Ali Harfouch, "Islam: A Revolt Against the Meta-Order," *Ummatics*, February 19, 2023 <https://ummatcs.org/political-theory/inventing-generation-m-the-umma-and-neoliberalism/>.