



---

**Research Article/Araştırma Makalesi**

## **Quo vadis neoliberalism: A carefrontation of Veblen, Keynes, and Marx**

### *Neoliberalizm nereye: Veblen, Keynes ve Marx'ın Sevgi ve Saygılı Yüzleşmesi*

Pınar KAHYA AYDIN<sup>1</sup>

---

**Abstract**

Neoliberalism is still main reference point of economic thought in economics departments of universities and hegemonic ideology of policy makers although it comes in harsh criticisms for policy outcomes particularly deepening global inequality from wide range of scholars, journalists and even some policy networks especially after 2008-9 financial crisis. These criticisms are meaningful in terms of questioning neoliberal hegemony even so the motto of neoliberalism which is "there is no alternative" has not been responded as "nope, there is an alternative" yet at least as a counter hegemonic position for global political and economic system. The article sets out to formulate the need of going beyond criticisms and creating a reference toolbox kit to face with neoliberal hegemony. Is it possible to create an alternative method of thought in economics via eliminating deficiencies of particular schools of thought? In particular, is it possible to create a holistic response from different schools of non-mainstream economics focusing on neoliberalism as a concrete case for objection? The answer is yes. In this study, three different schools of economic thought, evolutionary institutionalism, Keynesianism and Marxism are mutually considered and the theoretical possibility of a holistic opposition in different levels is affirmed in a way of their stances in against neoliberalism.

**Jel Codes:** B14, B15, B31

**Keywords:** Neoliberalism, Marx, Keynes, Veblen

---

<sup>1</sup> Araştırma Görevlisi, İnönü Üniversitesi/ SBKY, [pınar.kahya@inonu.edu.tr](mailto:pınar.kahya@inonu.edu.tr), ORCID: 0000-0003-4738-0568.



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

## Öz

Neoliberalizm, özellikle 2008-9 finansal krizinden sonra küresel eşitsizliği derinleştiren politik sonuçları itibarıyla geniş bir spektrumda akademisyenler, gazeteciler ve bazı siyasi ağılardan sert eleştiriler almış olsa da halen üniversitelerin ekonomi bölümlerinde referans noktası olmaya devam etmektedir ve politika yapıcılar için hegemonik ideolojidir. Bu eleştiriler neoliberal hegemonyanın sorgulanması açısından anlamlı olsa da neoliberalizmin “alternatif yok” mottosuna, “hayır, alternatif var” şeklinde en azından küresel siyasi ve ekonomik sistemde hegemonik bir karşı konumlanış olarak cevap verilememiştir. Makale, eleştirilerin ötesine geçme ve neoliberal hegemonyayla yüzleşme için bir referans araç seti yaratma ihtiyacını formüle etmeyi amaçlıyor. Bu amaçla da belli iktisadi düşünce ekollerinin eksikliklerini gidererek, ekonomide alternatif bir düşünce yöntemi yaratmanın olasılığını sorgulayarak ve özellikle, neoliberalizme somut bir itiraz vakası olarak odaklanan farklı ana akım olmayan iktisat ekollerinden bütüncül bir kavrayış yaratmanın mümkün olup olmadığı sorusuna evet yanıtı veriyor. Bu çalışma, üç farklı ekonomik düşünce ekolünü, evrimci kurumsalcılık, Keynesçilik ve Marksizm’i neoliberalizme karşı duruşları açısından ilişkili olarak ele alıyor ve farklı düzeylerde bütünsel bir karşı çıkışın teorik imkanını olumluyor.

**Jel Kodları:** B14, B15, B31

**Anahtar Kelimeler:** Neoliberalizm, Marx, Keynes, Veblen



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

## 1. Introduction

Neoliberalism as “the hegemonic theory, ideology, and doctrine of the late 20th and now of the 21st century” is still main motivation behind mainstream economic thought in economics departments of universities and reference point for policy makers although it comes in harsh criticisms for policy outcomes particularly deepening global inequality from wide range of scholars, journalists and even some policy networks especially after 2008-9 financial crises (Cerny, 2020). These criticisms are meaningful in terms of questioning neoliberal hegemony even so the motto of neoliberalism which is “there is no alternative”<sup>2</sup> has not been responded as “nope, there is an alternative” yet at least as a counter hegemonic position for global political and economic system. The article sets out to formulate the need to go beyond criticisms and create a reference toolbox kit to face neoliberal hegemony. Is it possible to create an alternative method of thought in economics via eliminating deficiencies of particular schools? Is it possible to create a holistic response from different schools of non-orthodox economics focusing on neoliberalism as a concrete case for objection? In this study, three different schools of economic thought, evolutionary institutionalism, Keynesianism and Marxism are mutually considered in a way of their stances against neoliberalism. It is obvious that evolutionary institutionalism, (post / new) Keynesianism(s) and Marxism are very broad range of schools even in their tradition that there are full of different interpretations and varying entry points in a single tradition. The article is open to the critique of eclecticism, and it could be blamed for caricaturing interpretations of thoughts, but the aim is to turn back to basics in here. In other words, some of points of original focuses of Veblen, Keynes and Marx are evaluated in terms of neoliberalism. Admitting some limitations of it, I strongly believe that an alternative needs carefrontation especially if the problem is defined as neoliberalism. Although capitalism suffers from inherently contradictory relations, neoliberalism as a specific form of it is not solely a thought, an economic agenda, or a policy formulation additionally it is not unique to some geographies that its outcomes must be analyzed in accordance with different scales from local, regional, nation-state and global moreover neoliberal form has been embedded in social relations too. The post- financial crisis period has shown that neoliberal hegemony will not automatically disappear. The complexity of neoliberal form not in terms of its assumptions –they are very simple- but in terms of its scope necessitates reconciliation of different traditions in economic thought. It does not necessarily have to be a confrontation -hostile or argumentative situation between opposing parties- whereas a carefrontation- confrontation done in caring or loving manner- could be an expedient manner. To be able to make Veblen, Keynes and Marx speak with each other caringly, firstly some basic concepts are evaluated by the help of historical materialist methodology. Then, the relevance of Veblen, Keynes and Marx are investigated by comparing preferences and finally the question of this article is answered in the affirmative that an alternative to neoliberalism could be provided via insights of Veblen, Keynes, and Marx as a macro-economic formula.

---

<sup>2</sup> TINA (There is no alternative) is the famous slogan of the British Prime Minister Margaret Thatcher, the proponent of the new right (neoliberal and neoconservative) policies on the island in the late 1970s and early 1980s. Thatcher, Margaret (21 May 1980). “Speech to Conservative Women's Conference”. *margaretthatcher.org*. Margaret Thatcher Foundation. Retrieved 22 Nov 2022.

To be able to grasp Thatcherism in Britain in detail: Jessop, B. et al. (1984) ‘Authoritarian Populism, two nations and Thatcherism’, *New Left Review* no. 147.



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

## 2. Veblen, Keynes, and Marx in a Historical Perspective

Considering those three intellectuals' time of lives, the chronological order must be as Marx, Veblen, and Keynes whereas the article's historical reconstruction depends on levelling of socio-economic life in terms of individual, nation-state and global level. To be able to reconsider Veblen, Keynes, and Marx in objection and an alternative to neoliberalism; Veblen's definition of an individual who is in contrast with neoliberal individual, Keynes's distributive and interventionist "nation-state" which is encounterer of neoliberal state whose class selectivity<sup>3</sup> depends on capitalist classes instead of middle or working classes, and finally Marx's analysis of global capitalism has been rethought in here. As a result of levelling social aspects, firstly Veblen, then Keynes and finally Marx are analysed in here with their specific focuses on those levels.

Leveling up the social aspects is an overarching task that's always blurred lines. Nevertheless, the first point of carefrontation as an alternative to neoliberalism should be the understanding of the individual. Thorstein Veblen (1857-1929) rejects neoclassical economics' "hedonistic" individual whose main motivation is maximization of his/her utility (Screpanti & Zamagni, 2005). Instead of rational, optimal homo economicus, human behaviour is conducted by some "common patterns" called as "instincts" which are not fixed but they have embodied in "differing historical, social and institutional settings" in addition to social and cultural "institutions" which are transformable in time for Veblen (O'Hara, 2002) (Hunt & Lautzenheiser, 2011). It is significant that human instincts, habits, and institutions are interrelated with each other, and these have been socially evolving theoretical concepts in Veblen's analysis. Veblen defines different instincts of human behaviour such as "parental instincts", "acquisitiveness" "emulatory/predatory instinct", "instinct of workmanship" and "idle curiosity". Apart from scientific relevance of those instincts, the method of Veblen is crucial that it resembles with historical materialist method of Marx that he argues:

"To know what is useful for a dog, one must study dog nature. This nature itself is not to be deduced from the principle of utility. Applying this to man, he that would criticize all human acts, movements, relations, etc., by the principle of utility, must first deal with human nature in general, and then with human nature as modified in each historical epoch." (Marx, 1887: 432)<sup>4</sup>

Erich Fromm (1961) clarifies Marx's point on human nature by arguing that there is a division between "general human nature" and "specific expression of human nature" for different cultures. Marx's "...types of human drives and appetites: the constant or fixed ones, such as hunger and the sexual urge, which are an integral part of human nature, and which can be changed only in their form and the direction they take in various cultures, and the "relative" appetites, which are not an integral part of human nature but which "owe their origin to

<sup>3</sup> I used selectivity in reference to Bob Jessop's conceptualization of "strategic selectivity" of the state. Jessop, B. (1999). The strategic selectivity of the state: reflections on a theme of Poulantzas, *Journal of the Hellenic Diaspora*, 25(1-2), 1-37.

<sup>4</sup> Footnote on Jeremy Bentham from Capital Volume I. <https://www.marxists.org/archive/marx/works/1867-c1/index.htm>.



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

certain social structures and certain conditions of production and communication”.<sup>5</sup> Both Marx and Veblen have not built a theory which depends on an idea or an assumption about human or individual rather than that their approach accepts species-being of human and then underline evolving and changing form of this human as a concrete individual and as a concept. It is significant for our further discussion on rejecting neoliberal definition of individual and society and creating an alternative to it in which “homo-socius replaces homo-economicus” (Krier, 2009).

In addition to the first issue, which deals with the individual as a subject of environmental and historical conditions, beyond being an isolated and limited creature, the level of the nation state should be discussed in a world that is territorially divided into different areas of sovereignty. The second dimension of the discussion is related with this existing political legal structure of the world economy that states are significant in terms of their scales. Nowadays, it is obvious that globalization and globalization-led theories and arguments have lost their explanatory capacity in terms of that state agency has still strong power in global economic relations. Although the international state system restructures its power relations after 1990s that it would not necessarily mean the retreat of states from economy not only as an agency but also as an area of socio-economic struggle, state-scale economic policy still preserves its power. In economic theory, the regulatory role of the state is mainly discussed by Keynes and his theory finds a ground for implementation through welfare model of capitalist states. Keynes’ critique of classical economics is based on the critique of the “Say’s law”, which was first expressed by Jean Baptiste Say, that means every product which is supplied to the market creates demand at an equal rate as a result the market comes into balance automatically. The income (wage, rent, interest and profit) corresponding to the factors on the supply side of the equality is used to obtain the equal amount of goods on the market and the demand side constitutes the equation at the same time. For this reason, in some cases, supply demand imbalance may be a problem for some commodities even so the economy would be in balance in general. The general equilibrium can be distracted by external factors such as wars, epidemics or natural disasters and unemployment can occur except from these unordinary circumstances full employment can be reached in the long run. This argument, summarized by Say as “every supply creates its own demand,” has been at the centre of the discussions in the economic literature from the 1800's to today. Although, Say’s law suffers from the lack of understanding the differences between the capitalist economy based on capital accumulation and the feudal economy predominantly depended on subsistence production, mainstream economic theory assumes as it is a fact.

In 1936, Keynes published “The General Theory” and mainly argued that if capital increases and investments increase, the marginal efficiency of the capital, or in other words, the return of investment, falls. Keynes stated that:

“If there is an increased investment in any given type of capital during any period of time, the marginal efficiency of that type of capital will diminish as the investment in it is increased, partly because the prospective yield will fall as the supply of that type of capital is increased, and partly because, as a rule, pressure on the facilities for producing that type of capital will cause its supply price to increase; the second of these factors being usually the more important

---

<sup>5</sup> <https://www.marxists.org/archive/fromm/works/1961/man/ch04.htm>



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

in producing equilibrium in the short run, but the longer the period in view the more does the first factor take its place. Thus for each type of capital we can build up a schedule, showing by how much investment in it will have to increase within the period, in order that its marginal efficiency should fall to any given figure. We can then aggregate these schedules for all the different types of capital, so as to provide a schedule relating the rate of aggregate investment to the corresponding marginal efficiency of capital in general which that rate of investment will establish. We shall call this the investment demand-schedule; or, alternatively, the schedule of the marginal efficiency of capital.” (Keynes, 2018: 120)

In short, the capitalist rate of return will be invested if it is above market interest rates. Otherwise, the savings will be deposited without conversion. Since capitalists cannot find attractive profit opportunities especially during periods of stagnation, the conversion rate of savings decreases, and the crisis becomes even more acute. Therefore, for Keynes, the demand which drives the growth is mainly the “aggregate demand” stemming from consumption and investment expenditures. During the crisis, capitalists tend to cut their investments and reduce their wages further in addition to reducing consumption of wage earners, increasing the tendency to save due to uncertainty of the future and deepening over-production crisis. Keynes’ response is the increase of government expenditures and promotion of aggregate demand through reorganization of income distribution so as to increase marginal consumption tendency, with Keynes’ own words, labour-side of demand theory:

“A fall in real wages due to a rise in prices, with money-wages unaltered, does not, as a rule, cause the supply of available labour on offer at the current wage to fall below the amount actually employed prior to the rise of prices. To state it does is to suppose that all those who are now unemployed though willing to work at the current wage will withdraw the offer of their labour in the event of even a small rise in the cost of living...” (Keynes, 2018: 12)

It is known that Marx has been criticized by some Keynesian economists, especially Joan Robinson, for neglecting the importance of consumption and even accepting the law of Say. Yet, long before Keynes, Marx presented a comprehensive critique of the law of Say and Ricardo, emphasizing the importance of the realization of surplus value as well as real meaning of consumption in capital accumulation process.

“The conditions of direct exploitation and the realization of this exploitation are not identical. These are not only place and time but also logically different from each other. The first is limited to the productive power of the society, and the second is limited by the proportional relationship between the various branches of production and the consumer power of the society. But this last-mentioned power is determined not by absolute power, nor by absolute consumption, but by the power of consumption, which is based on the conditions of distribution in the form of uncompromising opposition, which reduces the consumption of a large fraction of society, is limited by the tendency to accumulate, to expand capital and to produce surplus-value on an enlarged scale ... However, as productivity improves, it finds itself in such a conflict with the narrow base imposed by the conditions of consumption.”<sup>6</sup>

The tradition of mainstream economics focuses on “how much?” and “how distributed?” that the question of “*what is the social form and purpose of wealth?*” has been neglected (Murray,

---

<sup>6</sup> Capital Vol. III Part III <https://www.marxists.org/archive/marx/works/1894-c3/ch15.htm> .



2000). Thus, Marx's theory of value is not so much a theory of wealth and labour as it is a theory of the peculiar *social form* of wealth and labour in capitalism. Indeed, *Marx's theory of value is nothing but his theory of the distinctive social form of wealth and labour in capitalism*. As a result, it is very hard to fill the table for Marx. Marx's analytical concepts do not simply correspondences of classical economic theory even, so the table is useful to show differences.

**Table 1: The Comparison of Neoclassical Economics with Veblen, Keynes, and Marx**

|                     | <b>Neoclassical Economics</b> | <b>Veblen</b>                            | <b>Keynes</b>           | <b>Marx</b>   |
|---------------------|-------------------------------|--|-------------------------|---|
| <b>Individual</b>   | Rational Individual           | Social Individual (Habits and Instincts) | Limited Mental Capacity | Historical Materialist Analysis of Human Agency               |
| <b>Knowledge</b>    | Perfect Knowledge             | Imperfect Knowledge                      | Incomplete Information  | Historical Materialist Analysis of Knowledge and Institutions |
| <b>Uncertainty</b>  | No                            | Yes                                      | Yes                     | Yes   |
| <b>Equilibrium</b>  | Static Equilibrium            | Dynamic Evolutionary Process             | Transitory Equilibrium  | No  |
| <b>Intervention</b> | No                            | Necessary But Not Enough                 | Necessary and Enough    | Class Struggle  |
| <b>Institutions</b> | Exterior                      | Interior                                 | Interior                | Interior  |

### 3. The Relevance of Veblen, Keynes, and Marx in Objection to Neoliberalism

This part of the article is inspired by an article which asks, “what lessons are there in Veblen’s works *as a whole* that are relevant to us in the twenty-first century?” (O’Hara, 2002). Formulating the question as works of Veblen, Keynes and Marx and defining the problem as neoliberal model, theoretical aspirations of them is questioned concretely. Neoliberalism has three main policy pillars that of privatization of public sphere deregulation of the corporate sector, and lower corporate taxation, paid for with cuts to public spending (Klein, 2014). All around the world, deepening the neoliberal hegemony has been a target for a while in all three levels of socio-economic life; individual, state, and global level.

In neoliberal context, the significant part of the hegemony is related with individual-agential aspect that “atomistic” and “self-interested” individuals of neoliberal society enjoy from an illusion that an individual is free and powerful enough as an individually responsible agency of her life (Wrenn, 2012). Although “the individual is not overly socialized, nor a passive recipient of institutional information and pressure”, individual identity could not be considered independently from institutional or hegemonic conditioning that the key element for neoliberal individual identity is “financial success” in neoliberalism (Wrenn, 2012). Another, individual-agential aspect of neoliberal hegemony is dehistoricization of individual. The



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

background and the past of an individual does not matter that opportunities are there for all is the idea of neoliberalism.

Is not there any social side of neoliberal individual? There is. Neoliberal hegemony binds individuals with each other with not only commodity fetishism and consumption but also with “objectified and commodified ideas of democracy, freedom and independence” (Wrenn, 2012). The symbols of power are hidden even in commodities of political ideas and desires that conspicuously displaying of them makes an individual more powerful (Veblen, 1899). As Robert Prash argues correctly, “in a manner parallel to Thorstein Veblen’s description of the spread of upper-class fashions, the social agenda of the upper class becomes society’s social agenda” (2011; Veblen 1899). Neoliberalism forces individuals trapping into boundaries of “conspicuous consumption” that individual identity and even agency is based on commodities in neoliberal context (Veblen, 1899). Mary Wrenn’s conclusion is significant in terms of going beyond neoliberal individual agency:

“Regardless of how the individual identifies herself, the commodification conscribes identification to a superficial level, provides false empowerment to the individual, and actually supports the accumulative drive through the creation and sale of commodities.” (2012)

An alternative to neoliberalism has to rethink the individual-agential aspect of the hegemony that there is a need for being careful about creating new commodified forms of symbols, lifestyles, consumer ethics and trends. Below-quoted approaches of scholars signify Veblenian themes as an alternative:

“The horizon may seem grim, but, as Veblen (1919) claims, habits of thought are historically contingent, thus limited in space and time. Alternatives to the neoliberal worldview are possible. Globally oriented social movements may be in a position to offer a more humane view of the future (e.g., “Occupy,” De-Growth, the World Social Forum). However, these movements must learn from the success of neoliberalism. Indeed, alternatives will need to not only provide exoteric/everyday expressions of hope and improved wellbeing, but also esoteric intellectual foundations for new development policies and reforms to domestic and international institutions. The lesson learned from the “Occupy” movement is that any attempt to rely on human morality and cooperative propensities to challenge neoliberalism will fail if it is not accompanied by social theoretical models for creating democratic societies that emphasize a balance between private interests and the common good.” (Duroy, 2016)

Any alternative to neoliberalism on the state level must reconsider Keynesian formulation of distribution of wealth. Particularly, regarding income distribution, bargaining power of working classes must be incorporated into politico-legal structures of states by institutional arrangements. Empowerment of trade unions, labor rights, social protection is very crucial that struggle for them could not be left aside. This is valid for public rights and monetary and fiscal policy too. Keynesian macroeconomics opens a space for struggle in legal-political state structure in addition to valorization aspect of capital accumulation. In order terms, an alternative to neoliberalism must stick social and labor market protection in microeconomics and full employment in macroeconomic level (Palley, 2004). In addition to that, Jesper Jespersen’s “Seven Theses with Relevance for a Realistic Macro-Analysis” is significant that his third and fourth theses are crucial for the article’s discussion:



“Only the surface of the macroeconomic landscape is directly observable. Structures in the ‘deeper’ strata are assumed to make an impact on how the ‘economy as a whole’ changes through historical time. Therefore, one cannot make a one-way deduction from observed microeconomic behaviour to macroeconomic tendencies.

The importance of the distribution of income, wealth, ownership and power on macro-behaviour and thereby the macro-dynamic processes are also important elements within the deep stratum” (Jespersen, 2009).

Any socio-economic and political reality must be formulated at a global level, particularly in global capitalist relations. An alternative to neoliberalism must focus on a global level inevitably. This is the third dimension of encountering neoliberal hegemony in addition to individual and nation-state levels. Neil Brenner, Jaime Peck and Nik Theodore’s article on regulatory restructuring process of contemporary capitalism deserves close attention for not only its well- established historical analysis of neoliberal restructuring but also providing alternative scenarios for post-neoliberal period. In the article, neoliberalism is analyzed as “a variegated, geographically uneven and path-dependent process” that neoliberal “regulatory experimentation; inter-jurisdictional policy transfer; and the formation of transnational rule-regimes” must be considered in any kind of scenario of alternative (2010). According to these scholars, regulatory experiments are “place-, territory-, and scale-specific projects designed to impose, intensify, or reproduce market-disciplinary modalities of governance. Such projects are necessarily path dependent, and generally entail both a destructive moment (efforts to roll back non-market, anti-market, or market-restraining regulatory arrangements) and a creative moment (strategies to roll forward a new politico-institutional infrastructure for marketized regulatory forms)”. Another aspect is systems of inter-jurisdictional policy transfer that these are “institutional mechanisms and networks of knowledge sharing through which neoliberal policy prototypes are circulated across places, territories, and scales, generally transnationally, for redeployment elsewhere”. And lately, transnational rule-regimes are “large-scale institutional arrangements, regulatory frameworks, legal systems, and policy relays that impose determinate ‘rules of the game’ on contextually specific forms of policy experimentation and regulatory reorganization, thereby enframing the activities of actors and institutions within specific politico-institutional parameters.”<sup>7</sup>

Authors have listed four scenarios as “zombie neoliberalization”, “disarticulated counter-liberalization”, “orchestrated counter-liberalization” and “deep socialization” that first three scenarios assume a kind of continuation of neoliberal logic at least in one or two dimensions of neoliberal framework that the article is interested in the fourth scenario which is called as “deep socialization” with insights of Veblen, Keynes, and Marx. Deep socialization alternative necessitates a condition that

“the inherited institutional frameworks of neoliberalization are infiltrated at all spatial scales by social forces and political alliances oriented towards alternative, market restraining agendas. These might include capital and exchange controls; debt forgiveness; progressive tax

---

<sup>7</sup> Stephen Gill’s “new constitutionalism” and Ngai-Lin Sum’s “new ethicalism” focuses can be reconsidered with the third dimension.

regimes; non-profit based, cooperatively run, deglobalized credit schemes; more systematic global redistribution; public works investments; and the decommodification and deglobalization of basic social needs such as shelter, water, transportation, health care, and utilities. Out of the ashes of the neoliberalized global rule-regime emerges an alternative, social democratic, solidaristic, and/or eco-socialist model of global regulation...one of its core elements would be a radical democratization of decision-making and allocation capacities at all spatial scales—a prospect that stands in stark contrast to the principles of market discipline and corporate rule on which neoliberalization has been based.” (Brenner, Peck & Theodore, 2010: 17.)

In reference to deep socialization argument, Veblenian, Marxian and Keynesian formulation elaborates at least mainstream theory of economics by confuting assumptions of neoclassical-driven logic of neoliberal hegemony. Veblen’s formulation of evolutionary institutions and Marx’s labour theory of value are socially grounded in a way that leaves no room for discussion. Keynes’ visions in the General Theory<sup>8</sup> depend on the idea that economy fails in “socialization of investment” that “central controls in money and credit” are necessary to achieve normal functioning rather than institutional or social transformation (Özel, 2007). Although, unlike Veblen and Marx, the diagnosis in Keynes, rather than the cure, lies in the social context, all three theoretical currents still contradict mainstream economic theory. As John F. Henry rightly indicates:

neoclassical economic theory illustrates one form taken by the illusion of the epoch . . . [its] theoretical formulation stands outside any social order—it is natural; it describes relationships that are consistent with human nature; a (stereotypical) capitalist system conforms to the natural laws embodied in the theory; and all societies conform to these laws regardless of what the external, superficial appearances might be... The starting point for this program [neoclassicism] is the elimination of society, relationship therein, and historical movement thereof. (Henry, 2009: 29-30)

By bringing back society in economic theory, “these theoretical principles represent, if not entirely, Marx’s and Veblen’s (and Keynes’s) revolutionary ideas and still bear on the understanding (and transforming) contemporary capitalism” (Jo & Lee, 2016: 6). What is argued in this article is that some operational concepts of Marx, Veblen, and Keynes, which have essentially social and historical foundations, may be considered at different levels (individual, nation-state, and global levels) in practice, even if they are not in complete agreement. In other words, a social evolutionist approach that does not isolate the individual from his or her environmental conditions allows us to think beyond the mainstream economic assumptions that try to construct the neoliberal subject. Secondly, the nation-state is still the most fundamental component of the economy, so when we put the scale as the nation-state, a Keynesian welfare state is still functional, intervening in a distributional relation that must be waged against neoliberal hegemony. From raising the minimum wage to expanding workers’ rights and freedoms, the state is important as an area of class struggle and defending Keynes’ demand-side macroeconomic policies at this level may be a way to breach the neoliberal hegemony. Finally, in a world so interconnected with global value chains, the mode of exploitation of labor is not differentiated as a value form within capitalism, the global class

---

<sup>8</sup> For detailed analysis: Özel, H. (2007). The Clash of The Titans: Alternative Visions Underlying the General Theory. *Ekonomicky casopis*, 55(5), 459 – 475.



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

struggle gaining ground and at least the global awareness of capitalist reality will again pave the way for alternative searches. In short, in this study, rather than adapting the 19<sup>th</sup> or early 20<sup>th</sup> century ideas of Marx, Veblen and Keynes to the 21st century, it is discussed whether different methods and tools, or rather perspectives, will be considered together for the needs at different levels in the current century's neoliberal hegemony.

**Table 2: An Alternative to Neoliberalism That Could Be Provided via Insights of Veblen, Keynes, and Marx as a Macro-Economic Formula**

|                         | <b>Neoliberalism</b>                                 | <b>Alternative</b>                 |
|-------------------------|--|------------------------------------|
| <b>Individual Level</b> | Homo-economicus                                      | Homo-social, non-atomic individual |
| <b>State-Level</b>      | Minimum state in idea; pro-capital state in practice | Interventionist State              |
| <b>Global Level</b>     | Free flow of capital                                 | Class Struggle                     |

#### 4. Conclusion

The attempt of carefrontation of non-mainstream schools of economics particularly Veblen, Keynes, and Marx in against creating an alternative to neoliberal hegemony is an open project that the article sketchily thinks aloud on that. Mainstream economic theory of neoliberalism does not have dialectical (Marx), evolutionary (Veblen), and historical (Keynes) visions (Henry, 2009, p. 28) (Jo & Lee, 2016, p. 4). Apart from sticking to point by point analyses of these thinkers, there can be produced modified versions which is derived from general underpinnings of Marx, Veblen, and Keynes in reference to the critique of contemporary capitalism (Jo & Lee, 2016). In this article, it is emphasized that it is possible to develop an alternative to the homo economicus of neoliberal hegemony at the individual level, based on Veblen's evolutionist institutionalism and Marx's labour theory of value. Considering the individual with her institutional or hegemonic conditionings evocates other levels of socio-economic reality such as state and global. At the state level, it has been stated that the state, which intervenes in distribution relations in Keynesian sense, can still be an important tool in creating an alternative to neoliberal hegemony by shifting strategic selectivity of the state from capital to labour. At the global level, it has been stated that the transformation of the labour-value form into a generally observed phenomenon can only be possible with the acceptance that the ultimate scale of the alternative is global in reference to Marxism. A carefrontation provides organic/holistic analysis of economic life, it is an evolutionary stance toward economic arrangements, and it helps to replace homo-economicus with homo-social taking into consideration of importance of social conflict in economic life (Krier, 2009). The article sets out to formulate the need to go beyond criticism and create a reference toolbox kit to face neoliberal hegemony. It is argued that an alternative method of thought in economics from different schools of non-mainstream economics; evolutionary institutionalism, Keynesianism and Marxism are mutually considerable that the theoretical possibility of a holistic opposition in different levels is affirmed in a way of their stances in against neoliberalism. The discussion has to be improved and broaden via different



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

contributions. As a concluding point, the need of alternative is urgent that every level and dimension of socio-economic life has to be an area of struggle.

## References

- Brenner, N., Peck, J. & Theodore (2010). After Neoliberalization?. *Globalizations*, 7(3), 327-345.
- Cerny, P. G. (2020). The Paradox of Neoliberal Hegemony in Twenty-First-Century World Politics. Benjamin Martill & Sebastian Schindlerin (Ed.), *Theory as Ideology in International Relations the Politics of Knowledge*. London: Routledge.
- Duménil, G. & Lévy, D. (2001). Costs and Benefits of Neoliberalism: A Class Analysis. *Review of International Political Economy*, 8(4), 578–607.
- Duroy, Q. (2016). Thinking Like a Trader: The Impact of Neoliberal Doctrine on Habits of Thought. *Journal of Economic Issues*, 50(2), 603-610.
- Henry, J. F. (2009). The Illusion of the Epoch: Neoclassical Economics as a Case Study. *Studi e Note di Economia*, 14(1), 27–44.
- Henry, J. F. (2011). Sismondi, Marx, and Veblen: Precursors of Keynes. J. J. Leclair, T.-H. Jo & J. E. Knodell (Ed.), *Heterodox Analysis of Financial Crisis and Reform (72–83)*. Northampton: Edward Elgar.
- Jespersen, J. (2009). *Macroeconomic Methodology a Post-Keynesian Perspective*. Cheltenham & Northampton, MA: Edward Elgar.
- Keynes, J. M. (2018). *The General Theory of Employment, Interest and Money*. Cambridge: Palgrave Macmillan.
- Klein, N. (2014). *This Changes Everything Capitalism vs. the Climate*. London: Allen Lane.
- Krier, D. (2009). Finance Capital, Neo-Liberalism and Critical Institutionalism. *Critical Sociology*, 35(3), 395–416.
- Marx, K. (1887). *Capital a Critique of Political Economy*. Moscow, USSR: Progress Publishers.
- Murray, P. (2000). Marx's "Truly Social" Labour Theory of Value: Part I, Abstract, Labour in Marxian Value Theory. *Historical Materialism*, 6(1), 27-66.
- O'Hara, P. (2002). The Contemporary Relevance of Thorstein Veblen's Institutional-Evolutionary Political Economy. *History of Economics Review*, 35, 78-103.
- Özel, H. (2007). The Clash of The Titans: Alternative Visions Underlying the General Theory. *Ekonomicky Casopis*, 55(5), 459 – 475.
- Palley, I. T. (2005). From Keynesianism to Neoliberalism: Shifting Paradigms in Economics. Alfredo Saad-Filho and Deborah Johnston (Ed.), *Neoliberalism a Critical Reader*. London & Ann Arbor, MI: Pluto Press.
- Prasch, R. E. (2011). Capitalism, Freedom and Democracy Reprised; or Why Is the Liberalization of Capital Associated with the Increased Repression of Individuals?. *Journal of Economic Issues*, 45(2), 277-288.



Kahya Aydın, P. (2023). Quo Vadis Neoliberalism: A Carefrontation of Veblen, Keynes, and Marx. *Fiscaeconomia*, 7(1), 724-736. Doi: 10.25295/fsecon.1172538

---

Screpanti, E. & Zamagni, S. (2005) *An Outline of the History of Economic Thought*. Oxford: Oxford University Press.

Jo, T. & Lee, F. S. (2016). *Marx, Veblen, and the Foundations of Heterodox Economics Essays in honor of John F. Henry*. Oxon & New York: Routledge.

Veblen, T. (1899). *The Theory of the Leisure Class*. New York: Macmillan.

Veblen, T. (1907). The Socialist Economics of Karl Marx and His Followers. *The Quarterly Journal of Economics*, 21(2), 299-322.

Veblen, T. (1919). *The Vested Interests and the State of the Industrial Arts*. New Brunswick, NJ: Transaction Publishers.

Wrenn, M. V. (2012). Agency, Identity, and the Great Crisis: A Veblenian Perspective. *Journal of Economic Issues*, 46(2), 403-410.

**Etik Beyanı:** Bu çalışmanın tüm hazırlanma süreçlerinde etik kurallara uyulduğunu yazarlar beyan eder. Aksi bir durumun tespiti halinde Fiscaeconomia Dergisinin hiçbir sorumluluğu olmayıp, tüm sorumluluk çalışmanın yazarlarına aittir.

**Ethical Approval:** The authors declare that ethical rules are followed in all preparation processes of this study. In the case of a contrary situation, Fiscaeconomia has no responsibility, and all responsibility belongs to the study's authors.