How to transform economics and systems of power? Critical lessons from the neoliberal / neoconservative take-over

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Abstract
This paper examines the transformation in economics during the 1970s in order to distil lessons to transformative efforts today. A historiography is developed around four spheres of change: ideas; corporations; politics; and the economics profession. This history is explained through three inter-connected phenomena of the time: 'neoliberal economics' (the intellectual backbone); 'neoconservativism' (the resulting power system); and 'elite appropriations' (the essential instrument of power). First, neoliberal economics ascended as a result of corporate reactions to deteriorating profits and policy influence, in conjunction with the broader economic and political crises. Secondly, neoconservative political elites ascended mainly through the support of economic elites, neoliberal economists, and effective voter strata that harboured negative norms, especially strict egoism, class elitism, sexism, and racism. Thirdly, the ideological gap between neoliberal economics and neoconservativism were strategically transcended by covert and overt power impositions, but especially through the appropriation of neoliberal ideas to achieve neoconservative results. Altogether, this appraisal stresses the importance of distinguishing between theories, structures and instruments of power, while representing an analytical approach to be utilised in such exercises. It is, after all, imperative to conjure subjugatory powers accurately, practically, and through a multitude of perspectives in order to challenge them effectively. The paper ends with a section on recommendations, organised around three action areas (research; policy; and activism), as well as five criteria that needs to be fulfilled in order to transform economics and systems of power: critical juncture; dissimilarity; sensibility; scholar validation; and external power.

Keywords power, transformation, economics, neoliberal economics, neoconservatism, political economy

Introduction

> "We can shape the future if, and only if, we make use of the past" (Zinn, 2005).

The academic field of economics has been under an intensified pressure after the Global Financial Crisis (GFC), which began in September 2007 (cf. Backhouse 2010). This pressure involved demands to refine, reform, or completely overhaul the field. The latter group viewed the GFC as another dismal outcome of a dominant economics that is significantly supportive of financial interests, while being hostile to states, peoples, and the environment; unless they functioned in the interest of the prevailing economic and power structures (cf. Dowd 2004, Chang 2014). More than a decade later, dominant economics has not changed much; whether in its theory, education, methodology, or policy (cf. Aigner et al 2018).

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This economics ascended over the 1970s, achieving complete dominance in the Global West by the early-1980s, and almost anywhere else by the early-1990s. Its dominance is closely related to the emergence of a new kind of capitalism and power system, often referred to as 'neoliberalism.' After all, as concluded by Wolff and Resnick (2012: 311): "over the last one hundred and forty years or so, capitalism not only oscillated among its different forms, but economic theory focused on understanding capitalism also oscillated among alternative kinds of reasoning. Moreover, these two different kinds of oscillations are interconnected." This paper examines such oscillations from the vantage point of economic theories, focusing on the transitional period of the 1970s. The objective with this 'political economy of economics' is to distil lessons to utilise in emancipatory efforts to transform economics today.

Although this history has been extensively reviewed, few studies are directly concerned with transformations in economics. This critical literature exhibits one common conclusion, however: external powers have significantly influenced the character of mainstream economics (cf. Chang 2014, Näring and Douglas 2012, Skidelsky 2013, Dowd 2004). However, this conclusion is often observational, suggestive, and part of a presumptive diagnosis - rarely proven in a systematic manner. This is surprising considering the importance of the issue and the weight of the allegations. One major reason for this shortfall ought to be the immense empirical challenge. After all, as the renowned power theorist Steven Lukes (2005:1) puts it, "power is at its most effective when least observable".

Thus, there is still a lot to understand about powers that construct and obstruct transformations in economics. This appraisal aims to contribute in this regard. The rest of the paper is organised as follows. The next section introduces three terms that are central to the analytical apparatus of the paper. This is followed by a historiography, divided into two sections: the transformation context (section three) and the transformation processes (section four). Section five concludes (backward-looking inferences), followed by a final section with recommendations to the agenda of transforming economics today (forward-looking inferences).

Analytical concepts

The kind of economics under scrutiny here garnered a number of labels over the years: mainstream, neoclassical, new classical, market-liberal, new conservative, employer-friendly, corporate-friendly, supply-side, orthodox, zombieconomics, fakeconomics, old-paradigm, or simply 'economics' for those who are unfamiliar with other economic school-of-thoughts. The labels often differ depending on the vantage point or purpose of the label maker. In addition, the teachings of economics may differ considerably from journal articles, or implemented policies. For instance, mainstream education in economics are often labelled neo-classical, but as concluded by Lawson (2013:1): "the term [neo-classical economics] is invariably employed rather loosely and somewhat inconsistently across different contributors." In this paper, the term 'neoliberal economics' is found suitable for the purposes and time period at hand. This is simply because its theories form the same market-oriented hardcore as the liberal neoclassical economics that emerged and dominated economics in the late 19th and early 20th century. Moreover, it is "new" in the sense of providing additional sophistication, empirics, rhetorics, ideas, and aggressive support for "free-market" capitalism (cf. Chang 2014, Brown 2006). These theories are elaborated upon in the historiography below.

However, seemingly paradoxical, the analytical concept ‘neoliberalism’ is found unsuitable for this appraisal. This is because the term has been so extensively analysed that it now means everything and nothing about contemporary power. This concern was recognised by, for instance, the late Stuart Hall: “intellectual critics say the term lumps together too many things to merit a single identity; it is reductive, sacrificing attention to internal complexities and geohistorical specificity. I sympathize with this critique, [but] naming neo-liberalism is politically necessary to give the resistance to its onward march content, focus and a cutting edge” (Hall 2011: 706). Although Hall’s analyses are always valuable, a term with almost infinite content about contemporary power is more likely to serve the opposite purpose: confusion, apathy, and passivity. After all, when power is elucidated, so that its various facets are made concretely visible, the reasons and options to dissent also becomes more clear and manageable (cf. Lukes 2005). This is especially true when we have a narrower time frame and objective at hand.

It is found that ‘neoconservatism’ is a semantically more appropriate term to describe the political and economic power impositions from 1979 onwards. This is a “new” conservatism mainly because it is based on more multi-dimensional governance techniques. This power system is intellectual, covert, strategic, rhetorical, subtle, yet very aggressive and gravely dangerous for humanity and earth. For this appraisal, it will be particularly shown that neoconservative elites tactically exploit neoliberal ideas to carry out their hegemonic project (neoconservatism). They do so, mainly because the neoliberal language is more appealing to a larger spectrum of elites and non-elite citizens than their own language, especially from a global perspective. After all, neoconservatism embeds elitism, racism, sexism, various prejudices (social Darwinism) as well as authoritarian approaches to manage governments, markets, democracies, norms, narratives, specific events, and other institutions of society (cf. Brown 2006, Eisenstein 1987).

This ideological dichotomy between neoliberal economics (theory) and neoconservativism (reality) were transcended by covert and overt power impositions, but mainly through a specific covert power imposition, here termed ‘elite appropriations’. This term refers to the practice of taking someone’s item and adapting it to one’s own purposes, often without the owner’s permission. In our historical context, it refers to the frequently occurring practice of taking neoliberal ideas to exploit them in neoconservative hegemonic projects (neoconservativism). These appropriations took many forms in 1970s: co-optations, disfigurements, re-workings, distortions, hi-jacks, re-calibrations, etc., but also indirect exploitation of various pretexts and vulnerable conditions on the ground, in order to achieve economic and political ends. The objective of gathering these practices under one term is to contribute to the conjuring of the “third dimension of power, [which is] the capacity to secure compliance to domination through the shaping of beliefs and desires, by imposing internal constraints under historically changing circumstances” (Lukes 2005: 109). By making these types of power more observable, we are in a better position to challenge it. Thus, the analytical concept ‘elite appropriation’ intends to subsume scattered and elusive forms of power impositions in order to expose them. The term is also useful as a lens to regard previously known information and knowledge differently; hopefully in a more lucid manner.

The three analytical concepts are brought to the centre here in order to provide specific vantage points to the power exercises that are extremely variant, omnipresent, yet very difficult to observe. They will be further substantiated below, but it is their inter-relation that is of essence to our appraisal. One example of this inter-relation is economics textbooks. They are sold in millions all over the world and transmit a distinct rationality for economic, but also political and social decision-making. Zuidhof (2014) critically reviews a number of mainstream textbooks and conclude that they are mainly prescribing for ‘classic liberal’ governments, and less for governments according to ‘neo-liberalism.’ This is not a surprising finding when ‘classic liberal’ and ‘neoliberalism’ are, in this paper, approximately corresponding to ‘neoliberal’ and ‘neoconservatism,’ respectively. In between the two, there are various power impositions at play, especially elite appropriations. In other words, neoconservative political elites, with the supportive and coercive power of aligned economic elites, utilise neoliberal economics in rhetorics and as foundations to policy design, but actual policy implementations have neoconservative characteristics and consequences.

The transformation context - critical juncture

Keynesianism dominated economics and economic policy after World War II until the 1970s. Its meta-theory, that of an interventionist government that deploys appropriate economic policies to balance an inherently unstable economy, was rather successful. The indicators supporting such a conclusion includes high economic growth, low unemployment, and the absence of macroeconomic crises, whenever and wherever it was implemented, mainly in the Global West (Chang 2014). However, the so called Golden Age of Capitalism began to deteriorate as a new phenomenon surfaced over the early years of the 1970s: stagflation – the coexistence of high unemployment and high inflation. This was unaccounted for in Keynesianism, why it was interpreted as its fundamental failure. The presence of stagflation was of course in conjunction with the emerging crises in the economy, but also in politics (cf. Duménil and Lévy 2004a, Palley 2004). These crises were burdened on Keynesianism, even in the face of mounting evidence that Keynes’ theories had not been implemented consistently, coherently, or optimally (cf. Palley 2004, Skidelsky 2010, Madrick 2011, White 2012). These issues formed the context to the neoliberal and neoconservative take-overs.

The economic crises

Although the first signs were emerging in the late 1960s, the entire 1970s were marred by recessions and stagflation. All advanced capitalist nations, more or less, experienced the stagnation of economic growth, technological progress, wages, profits rates, as well as higher inflation and unemployment (Duménil and Lévy 2004b). In 1970, the new chair of the Federal Reserve, Arthur Burns, intended to control inflation through a combination of higher interest rates and a tighter monetary policy. Although economic activity was restrained, and unemployment levels rose, inflation rates remained unchanged. At the same time, it became obvious that the war against Vietnam continued to stimulate the economy, through state consumption and investment, resulting in higher prices throughout the economy (cf. Blyth 2002, Chang 2014).

Furthermore, in 1971, the US disowned its commitment at the 1944 Bretton Woods Conference to convert any dollar claims to gold. In response, other countries abandoned their practice to tie their currencies to the dollar. The consequence was currency value fluctuations, additional economic instability, and heightened uncertainty. This also meant a massive transfer of exchange rate risk from the public to the private sector. The Nixon government also shocked a variety of stakeholders when, on 15 August 1971, it announced price controls. The plan was quite detailed, comprehensive, and consisted of three phases. Phase one involved a 90-day freeze on wages and prices along with a 10 per cent surcharge on imports. The intention was to relieve the pressure on the dollar in light of the newly established free currency fluctuations. A second intention was to halt the cyclical formation of higher wages and prices. The import surcharge, on the other hand, were to function as a back-door devaluation while restraining the part of inflation owed to importation (Blyth 2002). In other words, instead of designing and implementing policies that address such structural challenges, the state opted for desperate and symptomatic measures.

Phase two of the price controls began on November 14, 1971. It involved the establishment of a price commission and a pay board, both of which were to have representation from the tripartite government-labour-employers. It also explicitly mandated that wages could rise by maximum five per cent, but go toward an average target rate of three per cent annually. The employers faced a limitation on profit margins, but in practice this was not monitored. A year later, these two measures seem to have paid off as inflation fell to 1.8 per cent. Nixon declared the policy as successful and arranged for Phase three to be semi-voluntary, but in practice it was entirely voluntary, and mainly involved a specific target to not allow wage hikes (Blyth 2002). Phase four was introduced in June 1973, in the midst of the Watergate Scandal. The intention was to regain a success in restraining inflation. But part of the failure was clearly the expansionary monetary policy which entailed a money (M2) growth of 10.8 per cent as an annual average over 1971-1972, compared to for instance 2.4 per cent annually in 1968-1969. Phase four was also very limited and did not even cover wages. It was more of a decontrolling scheme, rather than price controls. Inflation continued its trajectory and uncertainty rambled on (Blyth 2002).

A few months later, in October 1973, the Arab-Israeli war lead to a quadrupling of petroleum prices; from 3-4 dollars per barrel in 1971 to about 12 dollars by December 1973. As petroleum was one of the most important products of the US, this development led to a supply panic and major inflationary effects. It was difficult to curtail importation volumes, at least in the short run given the lack of alternatives, low domestic production, and uncertainty about supply for the future. The state opted for the Emergency Petroleum Allocation Act, but it had the reverse effect: panic buying and even higher prices. The Federal Reserve and the US state simultaneously responded belatedly to this supply shock by higher interest rates and fiscal spending, respectively. This led to a collapse in output in the face of higher input costs and interest payments, while the investment share of GDP declined substantially from 23.4 per cent in 1973 to 20 per cent in 1974 (Blyth 2002, Chang 2014).

The state could simply not resolve the stagflation that continued to worsen over the mid-1970s. A rising unemployment was supposed to be a sign of lower demand for labour; a scenario which would, restrain wage hikes, and income growth in general, which in turn was supposed to restrain cost-push and demand-driven pressures on prices, resulting in lower inflation rates. US inflation exhibited three distinct trends over the period of our concern. It had been, at most three per cent between 1956 and 1967, averaging 1.9; then varied between 3.3 and 6.2 per cent until 1973, averaging 4.7; and then between 5.7 and 13.5 until 1981, averaging 9.0 per cent. The equivalent averages for the US unemployment levels are 5.1 (1956-1967); 4.7 (1968-1973); 6.9 (1974-1981) (OECD 2015). The second oil price shock in 1979, associated with the production fall and perceived uncertainty in conjunction with the Iranian Revolution worsened the economic crises around the world. The lingering economic crisis were quickly mirrored into crises in the leadership of the State (cf. Dowd 2004, Chang 2014).

The political crises

The economic, human and environmental costs of the US Cold War proxy wars were enormous. They had also major cost implications to the public coffers. In fact, in 1965, the Council of Economic Advisors to President Lyndon B. Johnson discovered that the costs of the Vietnam War were not publicly acknowledged and not being factored into economic analyses and policy statements. It was therefore concluded that this omission created some of the divergence between performance and predictions. The galloping costs were also part of an over-heated economy. The state machinery was, however, both institutionally unable and politically unwilling to tackle the inflation. The political ambitions of winning political support at home and crushing dissent abroad were seen as more important (Blyth 2002, Zinn 2005). This is another testimony to a failure of hegemonic preferences rather than a specific school-of-thought.

The 1950s and the 1960s were, otherwise, characterised by political improvements, both in the Global West and in the Global South. Almost all countries under colonial rule became independent, at least formally, by the mid-1960s. Labour rights, popular social movements and citizen engagement flourished during the 1960s and early 1970s, particularly with the civil rights movement led by Black Americans and women's movements (Eisenstein 1987, Fairclough 1990, Hohle 2015). As argued by Wainwright (2018: 19), "the movements of the late 1960s and early 1970s challenged the very bases of dominant forms of power. They sought to transform and even eliminate power inequalities altogether." The women's liberation movements aimed, by and large, to transform the gender imbalances in the society, while the civil rights movements challenged white supremacy and aimed to transform racial imbalances (Wainwright 2018). After all, USA was built on colour-coded racism (Kellecioglu 2010, Zinn 2005). In 1954, the world got the news of the landmark 'Brown decision' in which US judges ruled unanimously that racial segregation of children in public schools was unconstitutional. Almost a decade later, in 1964 the Civil Rights Act made racial discrimination also unconstitutional in the workplace, schools, and all "public accommodations," including organisations receiving public funds (Fairclough 1990, Hohle 2015). Thereafter, up to 1975, a number of legislative changes were introduced that prohibited discrimination in federally assisted programmes and activities. In 1975, gender was added to the 'suspect category' of discrimination that included race, colour, or national origin (Eisenstein 1987).

At the same time, labour organisations in the Global West had ever-increasing bargaining power in terms of wages and working conditions, as well as direct political influence from the mid-1930s through the 1960s. In fact, they were often key actors in the design and implementation of national policies. For instance, in western Europe, unions were associated with the post-war reconstructions (Steiner 2009). In the US, one culmination of this development was the far-reaching Occupational Safety and Health Act of 1970. But these measures had compliance costs to corporations at a time when their credit reserves were being eroded by escalating inflation. At this time, even a Republican government implemented tax reforms disfavouring the wealthy. In response to a mounting pressure over the late 1960s, in which the Democrats argued that millionaires had an effective tax rate of zero, Nixon enacted the Tax Reform Act of 1969. This bill was seen by business as an ultraliberal measure that drained tax benefits from the rich. There were also other regulatory and institutional changes in favour of the masses, but disfavouring the wealthy. Even grassroots organisations, such as Common Cause, and consumer movements gained momentum in this political atmosphere (Blyth 2002).

These developments in favour of workers, citizens, the environment, and the emerging economic and political crises, encouraged the coming-together of the corporate sector. This became particularly acute with the Watergate Scandal, which eventually led to the resignation of Richard Nixon, on August 9, 1974; the only president to do so, thus far. This event added to the already mounting disdain for politicians and the state as an institution.

The transformation processes

This section attempts to describe processes that were put in motion in order to change the discourses and policies employed by the powerful in the society. It is organised according to the four arenas identified, in which the transformations in economics and governing spheres of society took place: ideational; corporate; political; and the economics profession. Although the four domains are organised separately, they are obviously intertwined.

The ideational drifts - the encroachment of neo-liberal theories

How could a line of theories dominate not only economic policies, but also cognitive frameworks? Harvey (2005: 5) rightly argues that "for any thought to becoming dominant, a conceptual apparatus has to be advanced that appeals to our intuitions and instincts, to our values and our desires, as well as to the possibilities inherent in the social world we inhabit". An idea needs to be firmly embedded in the person's common sense to be accepted. In the US, political ideals of human dignity and individual freedom had been promoted for a long time, and they were revamped during the economic and political crises (Harvey 2005, Madrick 2011). A number of economists lay the ground for such normative shifts, arguably the most important one was Milton Friedman (1912-2006).

Milton Friedman - economist and super activist

Friedman's exceptional role in transforming economics has been emphasised by a number of scholars (cf. Dowd 2004, Blyth 2002, Klein 2013, Medema 2013) even when they strongly disagree with his ideas (cf. Galbraith 2013, Mirowski 2013, Madrick 2011). Furthermore, Klein (2013) confirms this picture by drawing the attention to a 2010 survey of economics professors. The survey asked respondents to name their favourite deceased economists of the twentieth century. Friedman was a close second to John Maynard Keynes.

Friedman was very active and highly influential in public discourse; mainly in the United States, but also well beyond. He was invited to publish writings, hold speeches, and conduct formal advisory work to officials and candidates from around the world (Klein 2013). He devoted three decades trying to undermine Keynesian thought. His efforts paid off professionally as time went on, but not considerably until the end of the 1960s. His famous book, Capitalism and Freedom, was written during the 1950s but not published until 1962. More importantly, it received little national attention at the time. The central theme of the book is that free markets are the most efficient way to solve the challenges of not only economic production and distribution, but also social problems, such as poverty. His moral philosophy consisted in calling for individual freedom (Madrick 2011). He had the right ideas at the right time. Medema (2013) supports that statement by asserting that "ideas have power, but it is only in the hands of the right personality and the proper context that those ideas become transformative. Milton Friedman was one such personality, and he was fortunate enough to live and work during a period in social and professional history in which he could become what he came to be" (pp. 202-203).

Already in the 1940s, he argued against government spending to stimulate growth, as it would spur inflation, which would, in turn, deplete the nominal value of the economy. According to Friedman, inflation is contained if central bank restrains the nominal supply. This reasoning led to his school being called monetarism. Friedman became, over time, known to certain powerful circles and was hired as the chief economic advisor to the US presidential candidate Barry Goldwater for the 1964 election. Friedman's particular talent for eloquent writing and articulate oratory, on top of his appealing theoretical and moral stance, made him attractive to a broader audience. On top of writing Goldwater's economic plans for The New York Times, he started to write regular columns for the popular Newsweek magazine. He also made television appearances at a time when this was reserved for the few. In addition, the editorials and news coverage in The Wall Street Journal, the major daily financial newspaper of the US, promoted his ideas rather frequently, even before the 1970s (Madrick 2011).

However, it was one particular event that turned out to be Friedman's most important theoretical contribution. In December 1967, Friedman gave a presidential address to the American Economic Association, which later came to be interpreted as a novel prediction. He argued that if the New-Keynesian policy of pushing down unemployment were realised at levels below a certain structural threshold (the natural rate of unemployment thesis), then inflation would take-off considerably alongside higher unemployment rates. In his view, when wages rise in the face of low unemployment, employers would try to offset the higher wage costs with higher prices. In the face of lower real wages, some workers would quit their jobs. And if the government tried to stimulate the economy in order to dampen unemployment levels, the cycle would start again. Over the long run, the cycle would result in both higher rates of unemployment and inflation (Madrick 2011).

Therefore, in the years of stagflation, Friedman and his ideas rose to prominence. In addition, at the height of the crisis in 1976, he received the Sveriges Riksbank Prize in economic sciences in memory of Alfred Nobel (popularised as 'the Nobel prize in economics'). This was an additional major boost to his person and his theories. His fame rose over the 1970s and was established further in 1980 when a simplified version of his book Capitalism and Freedom was published, entitled Freedom to Choose. This book was also the basis of a public television series, a unique step for economic theories. Friedman became the intellectual leader of a movement that aimed to downscale governmental influence in the economy and upscale business influence under the umbrella of individual freedom (Madrick 2011).

James K. Galbraith (2013) especially points out Friedman's debating skills as exceptional, playing an important role in supplanting the New-Keynesian school. According to Galbraith, Friedman's genius lay in his line of attack. He did not reject Keynesian theories outright. Instead, he tilted them to a vulnerable character in order to modify them according to his position. Although he promoted logical positivism, hypothesis testing and evidence had nothing to do with his debating methods, which were more experimental. In so doing, New-Keynesians would fall for various rhetorical tricks in debates. Real Keynesians, who avoided such tricks, were ridiculed. Friedman was also appealing to mass audiences, built around simple arguments and optimism. He lived and acted in an optimistic age for optimistic audiences, painting a vision of capitalism in which losers would largely disappear (Galbraith 2013).

Other dissenting economists and meta-theories

Friedman's monetarist theories were also complemented by other theories in the attacks on the dominant Keynesianism. A central one was the so called 'micro-foundations critique.' It argued that the aggregated macroeconomic components of the Keynesian school lacked foundations at the micro level. The aggregations were not based on the sum of individual components; they were taken for granted. Policy success was, therefore, measured arbitrarily and nothing was being said about individual welfare. Keynesianism fooled individuals in believing that there is policy coherence and success. Instead, the individual level was promoted; whether it is the individual consumer, firm, or government (Chang 2014, Blyth 2002).

In addition, 'rational expectations theory' argued that economic policy could be more successful if it is accepted that individuals have rational expectations and act strictly selfishly. In this scenario, the role of the state should be to announce and deploy small and credible policy changes that individual economic agents would respond to according to their selfish preferences. Policy targets such as full employment would make agents adjust their expectations to low unemployment and actively modify wage and price levels to the prefigurative scenario in the near future. Policy outcomes of such major targets would lead to zero effects (inflation discounted), if not negative for economic output and investments. Government were not trying to solve problems; they were the problem (Chang 2014, Blyth 2002).

A theory that was re-introduced and adapted from neoclassical economics was 'supply-side economics'. In this version, labour supply was seen to be extremely sensitive to inflation, albeit under the absurd assumption that unemployment is voluntary. If workers receive higher real wages, they would supply more labour, prompting higher output and investments. This virtuous cycle was suggested to be triggered by tax cuts that would be financed by higher savings in the short run. Arthur Laffer went as far as suggesting that tax cuts would generate higher public revenues and finance any potential deficit. This doctrine became quite influential in this period. It aligned well with monetarism and rational expectations theory, since it advocated for tax cuts, especially for the wealthy who would invest the additional resources and thereby contribute to overall economic activity; the so called 'trickle-down economics' (Blyth 2002).

Another theory that surfaced in this period was the 'public choice theory.' This was a more direct attack on the foundations of the institution of government and, indirectly, democracy. This theory stated that democratically elected governments had to provide 'goods' to their electorate in order to get re-elected. Under the assumption that governments are selfish and aim to maximise votes (in analogy to market agents), they would implement policies that influence business cycles according to election calendars. The results would be inflation, lower economic activity, and inefficient utilisation of state resources (Blyth 2002). This theory was directly compatible with rational choice theory, supply-side economics and micro-foundations critique; all of which were emerging as part of a broader economic discourse and narrative that promised freedom. Markets would deliver freedom, as the superior conveyer of information between buyers and sellers; of goods, services, labour, capital, environmental externalities and so on. In fact, markets would clear at an optimal equilibrium when it was allowed to function smoothly (cf. Chang 2014).

Although economic growth was the main target of these neo-liberal theories, the real battle was on power distribution; political, economic, social, and even cultural. For instance, George Stigler, a member of the prominent and powerful Mont Pelerin Society, wanted to capture the minds of powerful elites by innovating new economic and political doctrines which those elites would recognise as being in their interest once they were introduced to them. Stigler wanted to occupy the state rather than to dismantle it (Mirowski 2013). Friedrich Hayek, another leading Mont Pelerin Society member, pursued a strategy to convince intellectuals, arguing that they would transmit the conviction into decision-making processes (Miller 2010). In retrospect, their collective project was very successful. One sign of this was the recognition given to Hayek, who in 1974 received the "Nobel Prize in Economics" (Mirowski 2013). All in all, the challenge to the mainstream Keynesian economics involved multifaceted and complementary attacks; both theoretical and tactical. Of course, these scholars would not have achieved much success without the corporate support.

The new activism of the corporate sector

At the onset of the 1970s, the US business community was troubled. They were experiencing deteriorating profit rates, higher costs associated with regulations on working conditions and production structures, as well as increased tax burdens, while witnessing policy paralysis. These crises resulted in deteriorating wealth and incomes, especially for the wealthy. Mainstream Keynesians were deeply divided about how to solve income distribution effects, and what role, if any, downward nominal rigidity played in generating unemployment. This disunity and the successful rhetoric of 'government failure' helped neoliberal economists (Palley 2004). Corporate executives concluded that they needed new ways to influence policy. This widespread conclusion triggered the reinvigoration and establishment of a large number of initiatives, business associations, think tanks, and other business institutions over the 1970s and well beyond, both at the national and international levels (Blyth 2002, Harvey 2005, Birch and Tickell 2010, Miller 2010, Mirowski 2013, Chang 2014).

For instance, the American Chamber of Commerce (ACC) grew from about 60,000 member firms in 1972 to about 250,000 a decade later. The ACC also grew financially over this time, reaching 80 million dollars per annum. The ACC operated mainly in three areas. First, it embarked on an extensive public relations campaign to improve the general negative image of business. Secondly, it set up the National Chamber Litigation Center to challenge any litigation brought by activist and state representatives with the intention to make corporations abide by regulations such as Occupational Safety and Health Administration and Environment Protection Agency. Thirdly, it changed its lobbying activities from Congress level to mobilisation almost entirely from the grassroots up. This was mainly a tactical response to the Congressional reforms in 1974 that detached power from incumbent committee chairs and senior senators. By 1980, the ACC had set up about 2,700 Congressional Action Committees (CACs) in member districts. This strategy proved to be very successful since the ACC could for instance, in a very short time produce research material, or swiftly carry out campaigns to influence local elections (Blyth 2002, Birch and Tickell 2010, Miller 2010).

Another major business organisation that emerged in this period was the Business Roundtable, becoming by the mid-1970s the premier business lobbying entity. To give an idea of its power, it controlled $1,263 trillion in assets and produced $1,265 trillion in revenues in 1978, while its collective gross revenues were equal to about one half of the US GNP. At this time, if the Business Roundtable were a country, its GNP would be second only to the United States. An individual Roundtable firm's spending on lobbying (between $850 and $900 million a year and per member firm) surpassed others' similar spending by far, including the state's (Blyth 2002).

In order to be successful influencers, the business community produced and disseminated business-friendly ideas and institutions, while contesting existing ideas and institutions. To be successful, they had to win back the state and larger spectrum of the electorate. In more ways than one, this amounted to a corporate appropriation of democracy. The major route to do this was made possible by the widening of the Political Action Committees (PACs). This measure is rather complex, and became increasingly so over time, but PACs are, in brief, financial funds based on various contributions from corporations or labour organisations to be utilised for political purposes. In practice, the measure became increasingly co-opted and distorted in favour of corporations. For instance, Blyth (2002: 155) concludes that "in 1975 the Federal Election Commission (FEC) upheld [Sun Oil's] interpretation in the so-called SUNPAC ruling and effectively handed business a license to print political money." Before this ruling, in 1974, there were 89 PACs with $4.4 million in financial muscle; after the ruling, in 1976 the digits were 433 and $19.2, respectively. Moreover, by the end of the 1970s, two-thirds of the PAC resources were associated with Republican candidates, breaking the trend of roughly equal share with the Democrats (Blyth 2002).

The corporate right was fast becoming a force also in the 'market of ideas.' In particular, three foundations aggressively engaged in this field: The Smith Richardson Foundation, the Scaife Funds, and the Olin Foundation. They financed, in whole or in part, a large number of policy institutes and think tanks that were explicitly designed to promote free-market and corporate-friendly ideas. These institutions often divided their work based on either a general support for competitive capitalism, or work that re-built the foundations of that system. They were engaged in dismantling Keynesian ideas, while strengthening the case for their worldview. This involved production of research material, expert consultancy to other business organisations, and by bankrolling resources to scholars, journalists, writers, journals, magazines, newspapers, that were, or became willing to advance their ideas, values and ideology. For instance, it was the Scaife Foundation that financed the television version of Friedman's Free to Choose. In this environment, National Bureau of Economic Research (NBER) became arguably the most influential business-friendly research entity, which by 1983 was receiving almost half of its budget from Fortune 500 companies. (Blyth 2002, Birch and Tickell 2010, Miller 2010).

These business people perceived neo-liberal theories as sophisticated statements of their worldview. Although differing in character and aggressiveness, they shared the long-term program of altering the society into a more corporate-friendly direction (Phillips-Fein 2009). For instance, Jenkins and Eckert (2000) identifies three ideological groups over the late 1970s: moderate conservatives at the Business Roundtable and American Enterprise Institute (AEI); ultraconservatives at the Chamber of Commerce of the United States (COCUS), the National Association of Manufacturers (NAM), the Heritage Foundation and the Hoover Institution; and liberals at the Brookings Institution and the Committee for Economic Development (CED) that opposed aspects of the policies that were increasingly adopted, first by the Carter and then by the Reagan administration. In the end, "the partisan think tanks functioned almost like a political party" (Phillips-Fein 2009: 282).

The neoconservative take-over of the state

The corporate-led advocacy programmes bore fruit as their ideas, theories and language were converted into policies, especially in 1979 with the entrance of neoconservative Margaret Thatcher as prime minister of the UK, and Paul Volcker as Chair of the US Federal Reserve. Two years later, Ronald Reagan became US president and aggressively implemented neoconservative policies. These figures led a radical deregulation of the economy in general, and financial markets in particular, while diverting the services of the state to corporations and wealthy individuals. They were even able to defend their policies by claiming that “There is no alternative,” as infamously expressed by Thatcher (Chang 2014). Although with great variety, form, and magnitude, political leaders everywhere enacted laws that suppressed the majority, by restricting rights of association, protest rights, and alternative local governance. This global process was also part of an extension of Western imperialism and capitalism at large. The West accrued benefits from the periphery by exploiting natural and human resources; often through the operations of transnational corporations and by draining their financial flows, mainly through the debt accumulation extended to political elites (cf. Duménil and Lévy 2004b). The dismal neoliberal theories had devastating neoconservative consequences. The language was freedom and economic growth for all, but its policy effects was economic and power re-distribution in favour of the already privileged. Baker (2010) argues that the process was not so much about deregulation and minimising government; it was about regulatory protection and intervention for the benefit of special groups, especially Wall Street finance and associated large corporations.

Thatcher initiated a swift dismantling of the mixed economy, earning the nickname ‘The Iron Lady’ for her stubborn attitude. She lowered taxes for higher income groups, legally teared down the power of labour unions, abolished capital controls, and sparked a wave of privatisations. Public-owned sectors were now open to private investors, including gas, water, electricity, steel, airlines, automobile manufacture and parts of the public housing. In parallel, UK interest rates were raised to mitigate and lower inflation. This led to a dampening of economic activity but attracted foreign currency, which in turn drove up the value of Sterling. These two effects led to a major recession as demand for labour shrank, while British exports were reduced because they had become more expensive. Unemployment reached 3.3 million people, up from one million. Paradoxically, one of the slogans of Thatcher’s election campaign was ‘Labour isn’t working’ - a slogan invented by an advertising company (Chang 2014). The new masses of the UK regarded, of course, the labour union movement as its arch enemy, and therefore had to be brought to its knees. This happened through a number of channels, including outright assaults. For instance, Thatcher granted the Police sweeping powers, and hiked their salaries. Police gratitude was demonstrated during the Miners’ Strike of 1984-5, and in the infamous 1984 Battle of Orgreave, when miners were charged by mounted police (Jones 2014).

In the US, the newly appointed chairman of the Federal Reserve Bank, Paul Volcker, raised interest rates to an unprecedented height, causing unemployment to jump to levels not seen since the Great Depression. On the other hand, inflation was halted and kept at low levels. This represented a victory for capitalists in the face of the classical policy priority battle between inflation and employment. It was a deliberate policy priority to halt losses to financial assets, despite its expected (and later realised) negative effects on economic activity, unemployment, household debt, public revenues, and job security in general. This event was the beginning of the ever-increasing, albeit uneven, financial hegemony, not only in the US, but also around the world (Duménil and Lévy 2004b).

Immediately after his election victory, Reagan established six economic policy task forces, comprising entirely of individuals aligned to the new ideas surrounding monetarism, supply-side effects, rational choice theory and other gap fillers. The Economic Recovery Act of 1982 and other regulatory changes, produced by these task forces, consisted first and foremost of substantial tax cuts for wealthy individuals and large corporations (Blyth 2002). In this economic and political atmosphere, the influence of US labour unions declined; most obviously through legislations that made organising more difficult and collective bargaining rights harder to obtain and defend. For instance, federal aid to the unemployed were limited to only “unfortunate persons who through no fault of their own cannot be reasonably expected to work” (quoted in Blyth 2002: 180). This was probably a way to ‘establish’ their theory that unemployment is voluntary. Indeed, neoliberal ideas had long been prescribing for cutting the power of organised labour, as it was seen as a coercive obstruction to a ‘free economy’ (Steiner 2009). A telling example of neoconservative assaults on labour is Reagan’s sacking of the 11,400 striking members of the air-traffic controllers union who were employed by the state.

These decisions were part of a larger paradigm shift in managing labour, represented best perhaps by Reagan’s re-configuration of the National Labor Relations Board (NLRB). This board, which was traditionally pro-labour, were altered completely and by 1983 triggered a policy path that involved rulings that would have been unthinkable few years earlier. A few telling examples should indicate this policy shift. The NRLB ruled, in March 1984 that a worker who left work to find medical assistance for another worker was voluntarily terminating employment. Three months later, NRLB found that an employer, or the employer's agent, was allowed to take pictures of workers involved in union activities so that they would be remembered. In the same month, June 1984, the NRLB decided that the sacking off union supporters was legal since membership constituted a contractual breach; regardless of whether workers were informed that they were in breach or not. Over this time period, the NRLB also managed to disregard any collective bargaining success reached by labour unions (Blyth 2002). Reagan also allowed the minimum wage to drop in real value, and weakened welfare safety nets, such as unemployment insurance benefits and Aid to Families with Dependent Children (Campbell 2004).

All in all, the ‘New Right’ managed to preserve capitalism and made it even more favourable to whites, males, and elites. They could not have appropriated the state without stirring up effective voter strata, however. Voters harbouring sentiments of nationalism, racism, sexism and authoritarianism were successfully mobilised in elections (Desai 2007). When it was time for policy implementation, a number of pretexts were utilised, as the racial component was silent in neoliberal economics. One pretext in the US was the white-private/black-public binary at the time. White people were associated with the market and business, as well as superiority; while black people were associated with public works and social services for the marginalised, and thus, inferiority. But instead of being explicitly about black and white, the narratives and policies were built and implemented around concepts, such as “hard work,” “individual responsibility,” and “undeserving entitlements to lazy poor people” (Hohle 2015).

In particular, Hohle (2015) substantiates four important economic policy channels in which market-solutions re-enforced racial segregation: austerity, privatisation, deregulation, and tax cuts. Austerity ensured that black employment in the public sector were reduced, social welfare cuts hit the black poor hardest, and public support to businesses that hired blacks were reduced. At the same time, privatisation ensured that the private sector became richer and stronger; especially the already privileged white elites, while well-selected parts of the public sector became weaker. Deregulations functioned in the same way, benefitting the white-private sector and selectively disfavouring the black-public sector. Tax policies followed the same logic: tax cuts to the private sector and the wealthy, but increased tax burden on the employees in the public sector, the unemployed, and other vulnerable groups. This turn of events emerged over the 1970s, especially under Nixon, but were intensified considerably under Reagan (Hohle 2015, Eisenstein 1987).

The racist Reagan administration operated also along sexist lines. Eisenstein (1987) shows that this was most evident in its budget and discourse on women. Women were also negatively affected from the selective dismantling of the state, in terms of employment, opportunities, and welfare support. The neoconservatives did not argue that women were not equal to men; only that they were different. They supposedly did not mind that women worked but that they had to be free to compete in the race of life, just like everyone else. It was through such narratives that the state dismantled the affirmative action programmes of the previous decades. One concrete and telling policy change based on this worldview is the altered burden of proof when it came to discrimination. It was no longer the employer who had to prove that discrimination did not happen, it was the individual who had to prove the occurrence of discrimination. In parallel, any discrimination established would only have an individual effect, and not ‘identified victims’ and ‘affected classes’ as before. These changes were the response of the new political elites to the 'excess of democracy' the liberal society had produced thus far (Eisenstein 1987).

These US and UK policies were soon replicated by governments of all political persuasions in the English-speaking world, and later in the rest of the world. One powerful ideological policy tool was privatisation; to sell public enterprises to the private sector, often at ‘wholesale price levels’. This tool benefitted the corporate sector in general, but the financial sector, in particular; both directly and indirectly. The direct benefits included the massive consultancy fees and bonuses derived from managing and executing the privatisations. The indirect benefits included enhanced economic and political power of financial corporations since all major investment decisions come to be driven by the financial sector. Now, it became routine for politicians to be offered attractive jobs in the financial sector, provided, of course, that they followed the right kind of policies when in office. By the 1990s, the privatisation trend had also reached EU, were such ideas were traditionally dismissed (Quiggin 2010). Privatisation also became part of the standard package of reforms forced upon the Global South by the World Bank, the IMF and the US Treasury (together forming the ‘Washington Consensus’).

The appropriations of the economics profession

The changes in the ideational, economic, and political spheres also affected the economics profession. To begin with, economists who helped to put inflation on top of the policy agenda were rewarded. The policy impact of such economists is perhaps best exemplified by ‘independent’ central banks; an institution established in almost all nations of the world, and it is almost completely free from democratic influence (Blyth 2002). Secondly, economists whose research work adhered to the broader agenda of “free-market” capitalism were increasingly favoured over the 1970s, and certainly so by the 1980s (cf. Fullbrook 2014). In particular, the corporate foundations mentioned above supported this type of economics in a much more direct way now. They were certainly not interested in research that was devoted to the tearing down of their ideologies and interests (Colander 1989).

There were also changes in the public sector that transformed the economics profession, again with the US as the pioneering country. In the early 1980s, US economists had to react to the planned, and later realised, public budget cuts to the National Science Foundation (NSF). The NSF received and directed government funds to research activities according to the demand of academics. The NSF's commitment to the social sciences grew from 1957 in the wake of Sputnik, and culminated in 1968 with the creation of a Division of Social Sciences. During the 1970s, government support for the social sciences had replaced a large chunk of funding from philanthropists, so that the government had become the dominant patron of social science. However, the NSF's entitlement to federal patronage, their status within the polity, in Congress and in the White House was waning. The 1981 budget crisis shocked social scientists and propelled them to action, which is evident in the statements and efforts of economists in the period 1981-1983 (Mata and Scheiging 2012). They had to play the game right in order to obtain NSF funding. NSF funding would mean 'selling out' to the new mainstream economics (Colander 1989).

Of course, funding was not guaranteed just because the research proposal adhered to the tenets of neo-liberal economics. Researchers had to adapt to what NSF saw as acceptable research at the time. Rumours would diffuse through the network about what research was, and what research was not, being considered for funding, and proposals would be shaped accordingly. Thus, there was a certain degree of faddishness in NSF funding with rational expectations catching on in one period, large-scale models catching on in another, and so on. Young economists who felt that their research lead nowhere had to continue in order to get tenure (Colander 1989). Furthermore, Colander (1989: 231) notes that "one would think that after they do receive tenure, they would be free to direct their own research, but by that time they are so caught up in the profession that to change their research focus is impossible."

Yet another structural transformation went by way of Reagan's White House. As he entered office, he staffed his administration with unaccredited economists that adhered to monetarism and other neoliberal economics that guided him. Economists who wanted political recognition and influence had to adapt to the new situation and demands. Over time, the economic language in both the public and private sector became much more common, as well as the broadening of their revolving doors, in which civil servants, lobbyists, business people and economists traded roles (Mata and Scheiging 2012). These developments led to a concentration of like-minded individuals in powerful roles, which in turn, affected the character of economists. Keynesian and other economists were increasingly purged from the profession. The purge rate was close to 100 per cent in economics departments at elite universities. This was particularly alarming, since the media turns firstly to them for expert commentary. Over time, the public heard very little about how economies looks when viewed through non-mainstream lenses (Fullbrook 2014). Economists who wanted a career had to reinvent themselves or disappear elsewhere, while students had to adapt themselves to the new curricula, aspirations, and career paths.

By the early 1990s, similar developments were taking place all around the world, and the position of neoliberal economists had reached very prominent heights. They served power also in demonisation of socialist and Marxist alternatives, given the Cold War atmosphere (Wolff and Resnick 2012). After all, the ascendance of neoliberal economics and neoconservativism were the outcomes of a collective effort by an international community of economists, political scientists, and other scholars wishing to dismantle the welfare state and run society with markets and corporations as central governing institutions (Phillips-Fein 2009). Neoliberal economists were also helped by an image of sophistication, given their formalistic models and empirical work. These scientific credentials were accumulated over time and became the new normal (Blyth 2002). All around the world, these economists would prevail in central government institutions, inter-governmental bodies, international organisations, corporations, financial institutions, civil society organisations, etc. They provided 'expert advise' on, not only 'the economy,' but nearly everything else in the society; based on the 'solution powers' of strict egoism, competition, market effectiveness, and other tenets of the new dominant economics (cf. Hirschman and Berman 2014, Earle, Moran and Ward-Perkins 2017).

Conclusions

Neoliberal economics did certainly not achieve its dominance through methodologies prescribed by its adherents. It was not through 'objective' and 'intra-scientific' contestations of superior verisimilitude that ensured its ascendency (cf. Popper 1970). It was through 'extra-scientific' circumstances and interventions. The critical juncture in the form of economic and political crises triggered a number of reactionary efforts by various individuals, groups, corporations, politicians, and institutions. They reacted to perceived and potential losses in a number of crucial areas, particularly: corporate profits; class hegemony; white supremacy; and patriarchy. They found channels to combine forces, directly or indirectly, in order to achieve sufficiently overlapping objectives. The most important channel involved financial support and inducements (mainly from the private sector, but also from the public sector) to the production, dissemination and advocacy for neoliberal theories. The second channel was the political parties. Neoliberal theories and ideas were increasingly endorsed, and later on, appropriated by political elites. Thirdly, these theories were also increasingly endorsed and appropriated by prestigious institutions, awards, media, journals, universities, etc. Fourthly, they appealed to a significant share of the population by way of mass media.

Furthermore, the neoliberal take-over of economics and the neoconservative take-over of society were based on successful exploitation of negative norms, such as strict egoism, profit-orientation, (class) elitism, racism, sexism, prejudices, and ignorance in general. There are, however, also positive lessons from this period. The socio-economic conditions under the 1950s and 1960s *vis-à-vis* the increasingly egalitarian and democratic atmosphere implies that economic theories could play a positive role in society, even when they are deployed in disfigured manners. However, there is also a lesson in the reactionary backlashes against the progressive developments – the importance of building institutional cushions to such forthcoming backlashes. The neoliberal and neoconservative take-over of economics also shows the importance of: exploiting crises; being context-bound; being solution-oriented; inciting hope; using 'creative' language; alliance-building (overt and covert, with seemingly disparate stakeholders); operating on multiple arenas; and that activist scholarship could be effective.

In addition, when appraising the multi-faced and complex transformations of the 1970s, a common thread is evident: elite appropriations. These are the strategic and selective exploitation of theories, ideas, sentiments, terminology, institutions, governments, media, scholarship, academia, world-views, narratives, democracy, etc. that were conducted and carried out by economic and political elites. They utilised seemingly 'neutral' and 'objective' neoliberal language, knowing fully well that the underlying conditions in society are far from neutral or objective. The neoliberal theories, converted into policies, exacerbated the existing imbalances in society, especially when they were tilted and adapted to favour the already powerful and privileged. For instance, when neoliberal theories prescribed lower taxes for everybody and especially the wealthy, the neoconservatives reduced taxes considerably for the wealthy, somewhat for the middle class, and nothing at all for the ones in low income brackets. When neoliberal theories disapproved organised labour, neoconservatives employed the neoliberal logic to conduct full assaults on this group. When neoliberals prescribed a small government with minimal interventions, neoconservatives dismantled public services to the masses, but expanded services to corporations and the wealthy. In this manner, the neoconservatives exacerbated and entrenched the very same imbalances that neoliberals suggested would wither away when markets rule. For instance, by generating a society that is even more driven by strict egoism, they further normalised this belief. This process, in turn, 're-confirmed' their world-views and the necessity to further implement their policies. This vicious cycle pushed societies further to the ideological right, as well as the broader acceptance to populist and authoritarian rulers (cf. Kellecioglu 2017a).

However, this does not necessarily mean that the appropriations of the 1970s were well orchestrated, optimally sequenced, and coherently executed. They oscillated between random and carefully designed decisions and plans; between set-backs and progress. They were results of a large number of push and pull factors produced by a diverse set of people with similar demands: profits and power, especially over other peoples in society. After all, neoliberal economics, and more so neoconservatism, harbour elitism, racism, sexism, and various prejudices. This is visible in their assumptions and analytical aversions. Although vested interests are important for this group, their ethics shape the distribution of money and power among different peoples in society. To put it differently, there are numerous ways to make money and power, but they choose the neoliberal/neoconservative way. Along this way, any egalitarian progress will be directly attacked or appropriated away.

Appropriations are, by definition, deceiving and elusive. They are normative inceptions that are intended to run deeper into cognitive mindsets and last longer in time, when compared to more direct interventions, such as co-optations. If something or someone is co-opted they could be delinked, but if appropriated they have to be delinked first, (mentally) emancipated next, and thereafter be re-built, for instance to its original configuration. Appropriations are widely exercised but require efforts to detect given their subtle character. Thus, appropriations are more difficult to reverse than more direct power impositions. Neoliberal and neoconservative institutions have been increasingly entrenched in our societies over time, and therefore more difficult to conjure and overturn today. This may partly explain the absence of transformations in the aftermath of the GFC. There was only a brief period, lasting over late 2008 to mid-2009, in which forms of Keynesianism were considered and partly deployed, but only because these policies served the powerful themselves (cf. Farrell and Quiggin 2012, Palley 2008). This is yet another testimony to the importance of recognising and challenging elite appropriations.

Recommendations

This section attempts to convert the backward-looking appraisal above into forward-looking recommendations for the transformative agenda of today, i.e. emancipate economics and our societies from neoliberal economics and neoconservativism. To manage this task, the journal paper "How to transform economics? A philosophical appraisal" (Kellecioglu 2017b) is utilised. It involves philosophical accounts about the attributes of a dominant theory, and requirements to supersede it; analytically organised around intra- and extra-scientific influences. The complex facets of such transformations are, thereafter, organised into five criteria, or conditions “that appear essential to realise a successful transformation in economics: critical juncture; dissimilarity; scholar validation; sensibility; and external power” (p. 1). These criteria correspond well with the analytical historiography above, and therefore employed below. Although organised individually, they overlap considerably.

The first criterion, *critical juncture*, should not be regarded as an exogenously given event, or a momentary opportunity. It should be seen as something that can be established. There are a number of serious crises around the world today, which are all, more or less, linked together, forming one massive, overarching crisis – a global critical juncture. There are crises in economic distributions; crises in corporate operations; crises in political leaderships; crises with increasing totalitarianism; crises in humanity, as people are increasingly at variance with each other; crises of conflicts and wars; crises with environmental degradations; crises of hunger and poverty; etc. These crises could also be linked to their regional, national, and local contexts, so as to garner sufficient attention and commitment to combat them.

The second criterion, *dissimilarity*, is about economic discourses that challenge the neoliberal/ neoconservative axis. Although each individual discourse may be valuable to the transformative agenda, collective empowerment strengthens the position of dissent. In this endeavour, it is important to achieve unity of purpose, such as an emancipatory interest with the objectives to improve the economy, the conditions of humanity, as well as the environment through sustainable and constructive theories and ideas. The debates on pluralist economics is useful in this regard (cf. Fullbrook 2008). However, it is essential that dissimilar discourses involve solution-oriented research and policy tools to be deployed for each specific objective and context. In similar fashion, they should be able to describe and prescribe for economies that integrate a variety of seemingly disparate economic activities, similar to a ‘mixed economy,’ but with the particular emancipatory interest. For instance, dissimilar research should develop people-led alternatives to the state-led, or corporate-led economies of the recent past; both of which has also been elite-led (cf. Wolff and Resnick 2012).

The third element, *sensibility*, is of vital importance in order to amass support for dissimilar discourses and power systems; not only from an effective stratum of the popular classes, but also from the middle classes, including scholars, journalists, managers, activists, etc. It is of particular interest to amass support from an effective stratum of women, black people and other traditionally marginalised groups; given the historiography above. Sensibility involves the art of persuasion and utilisation of communication channels in order to inspire, spark or trigger changes. In doing so, our appraisal above shows that it is essential to transcend interests, values and ideology so as to shift cognitive frameworks toward alternatives that appear feasible and realisable. Thus, rather than being traditional and problem-oriented, innovative and solution-oriented ideas are necessary to transcend dominant mindsets. For instance, explaining ordinary people’s economic issues with dissimilar, yet sensible language would not only catch attention, but garner external support.

The fourth element, *scholar validation*, involves collegial and institutional backing to dissimilar discourses and their scholars. This is important in order to generate more topical, context-bound, practical and coherent theories, ideas, and perspectives, while minimising duplications and maximising complementary research. Strategic and collective scholar activism is also imperative to contest the dominance in economics. The criterion is also increasingly fulfilled the more dissenting scholars strengthen each other’s work. It may also be worthwhile to reach out to economists that operate within the realm of neoliberal economics. This is only worthwhile occasionally as success is far from certain given the career risks involved. However, the relatively few that directly or indirectly engage with dissimilar discourses and scholars could be important allies. For instance, researchers in international organisations often exhibit dissatisfaction with neoliberal economics, but rarely have the power to influence this structural dependency. Scholar validation should also be sought from marginalised groups, such as women and people affected by racism and white supremacy. Unfortunately, sexism and racism are still widespread realities in our world. They have, however, taken an even more subtle, yet aggressive turn in recent years through the 'neutral' and 'colour-blind' forms of elite appropriations by the neoliberal discourse (cf. Saull 2018, Prügl 2015). Race and gender issues should therefore be explicitly taken into account in research, rather than be subsumed into analytical concepts such as 'class' (cf. Wright 2015).

The fifth and final criterion, *external power*, is the most important one. It is not possible to generate transformations in economics and the society without substantially tilting it in favour of the emancipatory interest. This entails disempowerment of institutions that sustain the dominance of neoliberal economics and neoconservativism, while empowering institutions that supports people-oriented economics and power systems. This disempowerment mainly involves revealing, dispossessing and blocking the material and immaterial sources of the neoliberal/ neoconservative axis. This entails, for instance, conducting case studies that 'follow the money' to neoliberal economics curricula and neoconservative politics. There are surprisingly few studies in this regard, while critical assessments of neoliberal theories are numerous. At the same time, the empowerment process could involve developing innovative finance mechanisms to support dissimilar discourses and policy influences. In this respect, it may be worthwhile to identify and garner the support of economic and political elites that have shown interest in halting and reversing neoconservative trajectories. After all, re-distributions of external power in economics should be valuable to, not only radicals and progressives, but also liberals, and even some conservatives, since neoconservatism, and its prospects for fascism, are not aligned with their world-views.

These recommendations are, of course, only one approach to formulate guidance to more systematically challenge the hegemony in economics, and in our societies. They are, however, not intended to be passed on to political decision makers, but to concerned scholars, researchers, decision-makers, activists, students, or anyone else who are unhappy with the state of our economics and societies. The criteria explicitly highlight the importance of dealing with external powers to neoliberal economics, rather than spending time and efforts on its theoretical weaknesses. In fact, one general recommendation is to conduct more research on external powers that obstruct or construct transformations in economics and systems of power (research-oriented). A second general recommendation is to design solution-oriented policies that intend to tackle such obstructions, while boosting constructive forces (policy-oriented). Thirdly, it is recommended that scholars actively seek to change the environment within which they operate (activist-oriented). By pursuing these three lines of action with the objective of fulfilling the five criteria, we may not only generate knowledge on transformations, but also contribute to the likelihood that transformations occur.

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