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Paradigm Shift: Will “Productivism” Replace the Washington Consensus?

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ABSTRACT

The article examines the reasons for the emergence and theoretical content of a new political-economic concept “productivism”, which claims to be doctrinal, replacing the neoliberalism and the “Washington Consensus”. The article explains how productivism differs from previous economic theories. It also highlights some internal contradictions within productivism and explains why some people criticize it. Despite the fact that some authors consider productivism as a “New Supply-Side Economics”, we propose to treat this concept not in the context of economic theories, as it does not have the relevant paradigmatic characteristics, but within the family of political-economic doctrines aimed at the direct justification of economic policy. In this case, productivism joins the American collection of “national developmentalism” doctrines, which has a long history and acute demand in the present period.

Keywords: political-economic doctrine; neoliberalism; economic development; bidenomics; industrial policy; productivity; protectionism

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INTRODUCTION

The economic and social dynamics of any nation, or even stable coalitions of nations, invariably necessitate a form of scientific “legitimation” aimed at convincing economic agents — ranging from ordinary wage earners to the presidents of major corporations and financial institutions — of the theoretical validity and necessity of the prevailing economic model. The greater the perceived significance of a given concept, as encapsulated in doctrinal economic principles, the more assured and stable the population’s confidence in the system becomes. For instance, the economic policies pursued in the United States between the 1940s and 1970s derived legitimacy from the mutually reinforcing effects of robust economic growth and Keynesian economic theory, which provided a coherent explanation of its underlying principles and mechanisms. However, with the subsequent crisis of Keynesianism and the neoliberal revolution of the 1980s, a constellation of economic ideas rooted in neoconservative thought — mon-

etarism, supply-side economics, and the rational expectations school — crystallized into the principles of the “Washington Consensus” in 1989, fulfilling a comparable legitimizing function.

In the contemporary context, neoliberalism, as a politico-economic doctrine that once underpinned the globalized order, is undergoing a rapid decline alongside the obsolescence of the globalization model it supported. The resulting intellectual void, characterized by the absence of a new organizing framework for the economic systems of the Western world, is increasingly being filled by emergent ideas and conceptual frameworks. These new paradigms are fundamentally antithetical to the principles of neoliberalism, emphasizing a departure from free trade and a reorientation toward production-oriented policies and industrial strategies. Among the multitude of competing proposals, many of which remain underdeveloped in terms of logical coherence, one concept stands out for its theoretical sophistication: the doctrine of productivism, or “productive economics”, introduced in 2022 by

the prominent American scholar Dani Rodrik. This doctrine or “paradigm”, as Rodrik himself prefers to describe it, has elicited significant attention and sparked substantive debate within American political economy discourse. The emergence of an anti-neoliberal consensus in the West, epitomized in part by the concept of productivism, is supported by compelling intellectual arguments. Notably, Rodrik’s critique of globalization policies, articulated as early as 1997, presciently challenged the dominance of a model then at the zenith of its influence.

THE DECLINE OF THE NEOLIBERAL ERA

In 2000, U.S. President Bill Clinton proclaimed globalization to be “the economic equivalent of natural forces, such as wind or water,” rather than “a machine that can be stopped or turned off.”¹ However, just over two decades later, the crisis of globalization has emerged as a recurring manifestation of the broader fragility of the neoliberal doctrine. The decline of neoliberalism as a dominant intellectual paradigm, not only within economics but across the broader spectrum of Western social sciences, has been evident for at least the past fifteen years. This shift has been closely associated with the onset of the global financial crisis and the “Great Recession” of 2008–2009, events frequently identified in academic literature as both triggers and turning points in this historical trajectory [3].

For instance, in their 2011 monograph, Duménil and Lévy [4] argued that the demise of neoliberalism as an economic model parallels historical developments at the turn of the 20th century. They draw an analogy to the period following the prolonged economic depression that began in 1873 and ended in the 1890s. The recovery from this period necessitated a managerial revolution and the intensification of financialization, which, while contributing to the exuberance of the 1920s, ultimately culminated in the Great Depression of 1929–1933. According to Duménil and Lévy, the structural similarities between the late 19th and early 20th centuries and

the period spanning the 1990s to the early 2000s are striking. While the authors refrained from predicting a crisis on the scale of the Great Depression in 2011, they anticipated a profound restructuring of the prevailing economic model. They left unresolved the critical question of whether this would mark a new phase of neoliberalism or the establishment of an entirely new social order.

Western socio-political discourse is now replete with extensive analyses and reflections on this transformation. For instance, Louis Menand’s “The Rise and Fall of Neoliberalism” provides a comprehensive assessment of the life cycle of this once-dominant paradigm [5].

The neoliberal economic model, characterized by the liberalization of financial markets and the prioritization of financialization over industrial production, resulted in an unprecedented surge in profitability from the low levels of the early 1980s. However, this model also facilitated extensive speculative activity and allowed financial institutions to appropriate an increasingly disproportionate share of national income, thereby exacerbating economic inequality. Despite the highly favorable conditions for capital accumulation fostered by neoliberalism, investment rates in core economies have decelerated over several decades. Furthermore, between 2007 and 2020, Western economies experienced the weakest post-crisis recovery in modern history. This phenomenon reflects what could be described as the “economic paradox of neoliberalism”. As Saad-Filho observes, the exceptionally favorable conditions for capital accumulation have coincided with declining productivity and a heightened propensity for deeper and more protracted economic crises [6].

It is important to emphasize that the actual implementation of neoliberal economic policies has consistently been marked by a degree of cynicism and duplicity, as these policies have rarely aligned with the principles of neoclassical market purism. As early as 2005, D. Altman, a prominent advocate of neoliberalism, which posits that freer markets result in greater prosperity for all, was compelled to acknowledge: “The problem is that genuine neoliberals appear not to exist. The U.S. government,

¹ URL: <https://www.wsj.com/articles/globalization-isnt-unraveling-its-changing-11650015032>



like its principal economic competitors, does not seek open markets universally. If it did, the poorer nations so fervently defended by anti-neoliberals might be in significantly better condition.²

J. Stiglitz saw this inconsistency, saying: “The neoliberal agenda has always been partially a farce, serving as a fig leaf for power politics. While financial deregulation was pursued, it was accompanied by substantial government subsidies. While ‘free trade’ was advocated, it coexisted with significant subsidies for large-scale agriculture and the fossil fuel industry.”³

This critique is echoed by Robert Reich, a prominent proponent of industrial policy. Despite his opposition to neoliberalism, Reich wryly remarked in 1985 that the Reagan administration had implemented “a more ambitious industrial policy than Democrats had ever dreamed of proposing.” Decades later, Reich reaffirmed this position: “During the 1980s, significant debates arose concerning the transition to a ‘new economy.’ <...> Increasingly, there was recognition that government intervention was necessary to facilitate the economic shift from traditional industries <...> to high-tech sectors. <...> Without a well-defined industrial policy, the one that encouraged the downsizing of obsolete capacities in legacy industries, adoption of new technologies, investment in research and development for emerging sectors, and support for worker retraining, this transition would have been slower and more disruptive. <...> This is precisely what Reagan’s administration pursued, actively promoting both advanced technologies and the defense industry. The U.S.’s emerging sectors, including advanced computing, lasers, fiber optics, new materials, and biotechnology, reaped substantial benefits as a result.” [7].

The renowned Keynesian economist and Nobel laureate Joseph Stiglitz, a steadfast advocate of traditional liberal principles as evidenced by his recent publication, “The Road to Freedom: Economics and

a Good Society” [8], has issued a definitive critique of neoliberalism. In his article, “Neoliberalism Must Be Recognized as Dead and Buried,” Stiglitz asserts that “The neoliberal experiment, characterized by lower taxes for the wealthy, deregulation of labor and product markets, financialization, and globalization, has proven to be a spectacular failure.”⁴

The economic policies pursued by the last two U.S. presidents signify a clear departure from neoliberal paradigms. From its outset, “Bidenomics” symbolized a decisive break with neoliberal doctrines. The administration’s four landmark legislative initiatives, particularly the Inflation Reduction Act (IRA), embodied a substantial shift toward government intervention through extensive public funding, incentives, and subsidies. This development marked the reemergence of industrial policy as a central economic strategy [9]. Moreover, the Biden administration’s explicit rejection of free trade policies⁵ signaled a fundamental departure from the neoliberal economic framework championed by his Democratic predecessors, Bill Clinton and Barack Obama.⁶ Robert Reich,⁷ a prominent advocate of industrial policy, welcomed this shift, recalling that free trade had previously cost the United States millions of high-paying industrial jobs.

Biden’s divergence from neoliberalism during his first term is particularly striking given his historical alignment with the neoliberal order.⁸ Throughout his extensive political career, Biden was a prominent figure within the Washington establishment, which advanced economic globalization and embraced the tenets of free trade and fiscal responsibility.⁹ However, his recent policy trajectory reflects a broader

² URL: <https://www.nytimes.com/2005/07/16/business/worldbusiness/neoliberalism-it-doesnt-exist.html?searchResultPosition=14>.

³ URL: <https://www.project-syndicate.org/onpoint/what-comes-after-neoliberalism>

⁴ URL: <https://www.theguardian.com/business/2019/may/30/neoliberalism-must-be-pronounced-dead-and-buried-where-next>

⁵ URL: <https://prospect.org/blogs-and-newsletters/tap/2024-05-24-biden-vs-free-trade-blob/>

⁶ URL: <https://www.washingtonpost.com/business/2023/08/27/biden-trade-trump/>

⁷ URL: <https://www.theguardian.com/commentisfree/2023/aug/29/biden-is-turning-away-from-free-trade-and-thats-a-great-thing>

⁸ URL: <https://jacobin.com/2018/08/joe-biden-neoliberal-democrat-conservative-lobbying>

⁹ URL: <https://www.washingtonpost.com/world/2021/04/05/biden-infrastructure-plan-neoliberalism/>.

repudiation of neoliberal orthodoxy and a deliberate reduction in the influence of academic economists on policymaking. The Biden administration has distanced itself from the cohort of economists that rose to prominence during the Clinton and Obama administrations. Rooted in the neoclassical “efficient markets” orthodoxy, these economists have struggled to address novel and unprecedented challenges, such as global climate change. Consequently, Biden’s administration lacks the centralized economic advisory axis that defined previous administrations, such as Larry Summers, Tim Geithner, and Peter Orszag under Obama, or Robert Rubin and Summers under Clinton.¹⁰

Jake Sullivan, the U.S. National Security Advisor and a principal strategist behind Bidenomics, officially declared the “death” of neoliberalism in April 2023. Sullivan argued that the neoliberal economic paradigm had led the country into a state of stagnation, rendering it incapable of addressing four critical challenges currently confronting the United States: the degradation of its industrial base; the need to adapt to a new geopolitical environment defined by competition; the intensifying climate crisis and the imperative of transitioning to sustainable energy; and the growing levels of inequality. In declaring the demise of the neoliberal “Washington Consensus”, Sullivan called for the construction of a new economic consensus, positioning President Biden’s “new course” as a contemporary manifestation of Franklin D. Roosevelt’s New Deal, which had been instrumental in rescuing America from the Great Depression.¹¹

Similarly, in the United Kingdom, the Conservative Party, once closely aligned with Margaret Thatcher and her archetypal neoliberal “Thatcherism”, has explicitly distanced itself from the values associated with neoliberalism in its official policy documents. The Conservative Party’s 2017 election manifesto,

under Theresa May’s leadership, proclaimed: “We do not believe in untrammelled free markets. We reject the cult of selfish individualism. We abhor social division, injustice, dishonesty, and inequality.” Such rhetoric, more commonly associated with socialist ideologies, symbolized a fundamental departure from the neoliberal orthodoxy. May’s radical left-leaning stance on inequality and social division signified the conclusion of the Anglo-American revolution of the 1980s, which had advocated for reduced governmental intervention and free-market primacy. Observers have noted that policymakers are now striving to formulate a new economic consensus, often revising or abandoning their historical positions.¹²

Consequently, Western socio-political thought, having lost confidence in the once-dominant neoliberal economic framework and its doctrinal foundations encapsulated in the Washington Consensus, finds itself in a state of intellectual disarray or in search of a new trajectory for future development. At present, fragmented and disordered conceptual frameworks are colliding in unpredictable ways, awaiting the emergence of a new intellectual focal point. Among the competing ideas is the concept of “productivism”, introduced in 2022 by Harvard University professor Dani Rodrik.

WHAT IS PRODUCTIVISM?

Dani Rodrik aptly observes that “economic policy must be based on a unifying and inspiring vision”, which implies adhering to an authoritative consensus recognized by key economic elites. In the past, this consensus was represented by Keynesianism, followed by neoliberalism, but due to the discrediting of the latter, Rodrik proposes a new “candidate” — productivism. “This approach prioritizes the spread of productive economic opportunities across all sectors of the economy and segments of the workforce. It differs from the neoliberalism that preceded it in that it assigns a significant role to governments (and civil society) in achieving this goal. Furthermore, it places less

¹⁰ URL: <https://www.nytimes.com/2021/04/08/opinion/biden-jobs-infrastructure-economy.html>.

¹¹ URL: <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/04/27/remarks-by-national-security-advisor-jake-sullivan-on-renewing-american-economic-leadership-at-the-brookings-institution/>.

¹² URL: <https://www.nytimes.com/2017/06/20/magazine/the-rise-of-jeremy-corbyn-and-the-death-throes-of-neoliberalism.html?searchResultPosition=8>



trust in markets and is suspicious of large corporations — for productivism, the focus is not on finance, but on production, investment, and the revitalization of local communities” [10]. Rodrik has formulated a new “value triangle” of productivism — production, work, localization — which he proposes should replace the “triangle” of neoliberalism — finance, consumerism, and globalization [1].

Productivism also differs from the Keynesian paradigm or the Keynesian-Rooseveltian consensus that preceded neoliberalism. Keynesianism, especially at its peak, relied on the potential to build a welfare state through aggregate demand management, income redistribution, social transfers, and so on. Productivism, however, is a “supply-side” theory aimed at creating productive jobs for all. Moreover, the new concept distinguishes itself from its predecessors by following Rodrik’s earlier idea about the exaggerated dangers of populism in the economic sphere [11].

Rodrik argues that the major economic problems of the developed Western countries — poverty, inequality, alienation (exclusivity), and insecurity — have multiple causes, but they are daily reproduced and exacerbated within the framework of the current business model, which is focused on short-term profit success. This model continuously generates externalities. Positive externalities (such as learning and innovation effects from R&D) justify tax breaks and other government subsidies, while negative externalities, such as environmental pollution, justify regulatory interventions.

Rodrik suggests considering the external effects of “good jobs” as positive externalities, as they provide a pathway to the middle class, and firms creating such jobs contribute to the viability of their communities. Conversely, a lack of good jobs leads to social (manifesting as alienation, family breakdown, drug addiction, dependency, and crime), political, and economic costs.

The shortage of “good jobs” results from the gradual leveling of production conditions between developed and developing countries due to the mass offshoring from the former to the latter dur-

ing globalization. Consequently, the “dualism effect” in production, formulated by Nobel laureate W.A. Lewis in 1979 for developing countries, has recently become relevant for developed nations as well. The essence of the effect is the existence of two economic sectors: a small industrial one utilizing high-productivity technologies and a large “traditional” one characterized by low productivity and low wages. However, Lewis’s 1954 model assumed that the development of underdeveloped countries would occur through the absorption of labor from the traditional sector by the advanced industrial sector. Yet, advances in automation over the past 70 years have altered this dynamic: the industrial sector has been shrinking, not only in newly industrialized countries like China and India but also in exemplary industrial nations such as Japan and Germany.

Production dualism has become typical in developed countries due to deindustrialization and globalization, creating a pressing issue in the West of a disappearing middle class [13]. Today, Western politicians and officials are tackling the same challenges that were traditionally outlined in development economics for underdeveloped countries: how to attract investment, create jobs, improve skills, stimulate entrepreneurship, expand access to credit and technology — in other words, how to reduce the gap with more developed and productive parts of the national economy. Rodrik’s proposed productivism aims to enhance the productive potential across all layers and regions of society. “This economic policy should directly contribute to increasing the quantity and quality of jobs available to less educated and less skilled members of the workforce, where they prefer (or can afford) to live” [10]. Of course, productivism is not feasible without industrial policy, which must take on new characteristics. Rodrik does not believe that the old principles of industrial policy — selecting “winners and losers” with their accompanying inefficiencies and corruption — are adequate for productivism. In his view, the most effective industrial policy is one that entails close cooperation between public authorities and private companies, where the latter

receive essential public resources — financial support, skilled workers, or technological assistance — in exchange for achieving “soft” and evolving goals in the areas of investment and employment.

Rodrik does not believe that new “good jobs” will necessarily be created within the industrial sector. He does not support the views of those who argue that only manufacturing can generate well-paid and promising jobs. For instance, Jeff Ferry, the chief economist of the “Coalition for a Prosperous America”, maintains that industrial production will remain the key to economic growth in the 21st century due to two unique characteristics: “scalability and reach”. Scalability means that the expanding manufacturing sector benefits from economies of scale. ... Manufacturing also has “reach”¹³... It can provide employment to a significant portion of the population, employing millions of workers¹⁴. Ferry strongly endorsed Rodrik’s concept in an article titled “Productivism — The Key to National Prosperity” [14], seeing it as focused on creating productive opportunities within the country.

Rodrik argues that within the framework of productivism, as with any other economic policy narrative, the favorite neoliberal argument against government intervention — namely that the state lacks the information and capacity necessary to achieve positive structural changes in the economy — must be rejected. Productivism should shift economic thinking and make the “state-market” dichotomy irrelevant, as both are complementary rather than substitutive. The standard “top-down” model of economic regulation based on “principal-agent” frameworks becomes obsolete.

Finally, Rodrik warns about the entrenched institutions that universalized economic principles during the dominance of previous paradigms: “By the time a certain set of ideas becomes accepted wisdom, it is filled with universal generalizations

and truisms that inevitably prove to be useless and misleading. Productivism may be the right approach to solving current challenges. However, the more successful it becomes, the less relevant it will be for future challenges” [10].

INTERPRETATION OF PRODUCTIVISM

Productivism, as a novel economic paradigm, has elicited a range of responses within Western political-economic circles, reflecting a significant degree of ambivalence. One of its most consistent proponents is Jeff Ferry, who underscores the industrial and production-focused ethos of productivism, positioning it as a counterpoint to neoliberal globalization, which has led to the loss of millions of jobs in the United States. Conversely, numerous economists and political commentators, particularly from the academic sphere, identify substantial conceptual contradictions and ambiguities inherent in the productivist framework.

Felix Salmon, a commentator for the financial analytical outlet “Axios”, when evaluating productivism’s effort to establish a new political consensus, observes that it is sufficiently broad to encompass political figures such as Donald Trump, Joe Biden, and Boris Johnson. However, Salmon argues that while Keynesianism and neoliberalism had solid academic foundations, productivism is merely a collection of populist intuitions, lacking a comprehensive or coherent theoretical structure. He posits that productivism’s core essence lies in its critique of large corporations that, particularly during inflationary periods, profit at the expense of consumers, and argues that the proposed new consensus, which spans the political spectrum, “rejects globalism and liberal capitalism in favor of something more localized and state-managed”.¹⁵

Professor James K. Galbraith, drawing on his distinguished father John K. Galbraith’s work, identifies internal contradictions within Rodrik’s conception of productivism. Galbraith argues that “productivity”

¹³ The author takes the term. The author uses the term “reach” in quotation marks, emphasizing the ability of industrial production to reach (the main meaning of the term reach) significant distances in physical space through supply chains.

¹⁴ URL: <https://www.industryweek.com/the-economy/competitiveness/article/21272198/the-idea-of-a-manufacturing-delusion-is-delusional-itself>

¹⁵ URL: <https://www.axios.com/2022/07/10/productivism-policy-consensus-necessary>



is conventionally defined as the ratio of output to labor (Y/L), where Y represents output in physical units, and L denotes labor time. According to this definition, productivity increases as the labor component decreases, typically through the elimination of jobs and their replacement by machines. This dynamic, Galbraith suggests, explains why, in capitalist economies, firms strive to reduce “good jobs”, while governments and unions seek to resist such trends. At the same time, government and non-profit sectors play a crucial role in creating additional employment opportunities to offset reductions in the private sector. In this context, Galbraith contends that to achieve the goal of “good jobs with decent wages”, there is no alternative to laws, institutions, unions, wage standards, and countervailing power. The challenge is not to align firms with this goal through market incentives, but rather to regulate and counteract the market in the interests of a stable and prosperous society. Consequently, he asserts that defending this position requires rejecting the current mainstream economic paradigm [15].

It is worth noting, however, that Rodrik, first, does not view industrial production with its significant potential for labor substitution as the principal source of good jobs, and second, he fully supports an active role for the state in replacing market forces to generate employment. In this regard, his brand of productivism seeks to establish an alternative paradigm to the mainstream economic model.

A second critique raised by Galbraith concerns Rodrik’s skepticism toward large corporations, which seems puzzling given the son of the author of “The New Industrial State” and the term “technostructure”. Galbraith questions whether Rodrik truly advocates for manufacturing automobiles in small workshops or producing steel in backyard furnaces [15]. Furthermore, Galbraith contends that productivism does not appear to belong to any recognizable unorthodox tradition within economic thought.

Indeed, productivism does not represent a fully developed and refined theoretical framework, but rather a loosely coordinated set of doctrinal propositions aimed at addressing the challenges posed by contemporary “tectonic processes of global

transformation”.¹⁶ As such, it has yet to secure a definitive position either within mainstream economic thought or among established heterodox economic schools.

Productivism has found some unexpected allies, including Daron Acemoglu and James A. Robinson, authors of globally recognized bestsellers, who paradoxically argue that neoliberal and democratic forces in the West should be more attentive to well-functioning economies under authoritarian regimes, such as China, as economic prosperity over time provides a pathway to democratic values. The example of Taiwan [16], they contend, supports this argument. In light of this, D. Mamun suggests that productivism represents the missing theoretical foundation in economic literature, emphasizing progress as a result of economic growth capable of addressing long-standing issues such as unemployment and inflation. If businesses can create “good jobs” through innovation, this will not only increase wages but also reduce production costs (thereby reducing inflation) and partially alleviate the outsourcing needs of enterprises, thereby reducing unemployment [17].

Finally, productivism has found support in the United Kingdom, where leaders of the revitalized Labour Party have adopted the term “securonomics” as a central tenet of their economic platform. Rachel Reeves, the new leader of the Labour Party, defines “securonomics” as the “practical restoration of the balance between market forces and state control, shifting greater power to the latter”. She views “securonomics” as fundamentally rooted in the belief that economic security must take precedence over foreign initiatives. Reeves has frequently referred to the “modern supply-side economy”, though George Dibbs of the left-wing analytical center IPPR asserts that “productivism”¹⁷ is a more apt description of her economic approach.

Political philosophers argue that “securonomics” represents a response to contemporary political maneuvering, reflecting the Labour Party’s

¹⁶ URL: <https://iz.ru/news/511884>

¹⁷ URL: <https://theweek.com/business/economy/securonomics-what-is-rachel-reeves-economic-plan-and-will-it-work>

efforts to address the changing political and economic landscape. By emphasizing economic security, “securonomics” highlights the analysis of the economic consequences of the geopolitical divide emerging between two competing blocs: one centered around the United States and Europe, and the other around China and Russia.¹⁸

CONCLUSION

In conclusion, it is evident that Dani Rodrik’s concept of productivism, as an attempt to establish an alternative paradigm in economic theory, remains significantly distant from its intended goal. Productivism lacks the requisite model constructs and a comprehensive set of new categories needed to adequately describe its subject matter in theoretical terms. Proponents of productivism highlight its focus on expanding productive capabilities, drawing parallels with the supply-side economic theory that gained prominence during the Reagan era. In this context, they attempt to position productivism as a “new supply-side economy”. However, this endeavor is likely to encounter limitations, as an inherent contradiction arises between the “old” and “new” economic paradigms. The former regards the state as the primary impediment to growth, while the latter identifies it as a key driver of progress in contemporary economic contexts.

Moreover, productivism faces difficulty in finding a comparable theoretical kin within non-mainstream economic schools. Post-Keynesianism remains deeply embedded in the monetary paradigm, a framework that productivism does not endorse. Similarly, contemporary neo-institutionalism operates within a distinct theoretical framework, governed by alternative categories and dynamics. Left-wing radical and neo-Marxist theories, which emphasize the critique of capitalism, would likely find productivism at odds with its aim of stabilizing and improving what they perceive as an exploitative system.

Nevertheless, when examined from a broader methodological perspective, particularly through the lens of the traditional political-economic approach rooted in mercantilist thought [18]—where national economic development is considered the paramount objective — productivism reveals its alignment with a longstanding American intellectual tradition. This tradition is encapsulated in the concept of “national developmentalism”, as articulated by R. Atkinson and M. Lind [19]. They identify five distinct schools of thought, each presenting a different vision of how the United States should engage with the global economy and govern its own: global libertarianism, progressive localism, national protectionism, global neoliberalism, and national developmentalism. Each of these schools articulates its vision of a just society, expressed through its own preferred mix of policies regarding businesses, trade, and immigration.

“Unlike global neoliberals, libertarians, and progressive localists, but akin to national protectionists, national developmentalists perceive national economies as directly competing with one another for high value-added production and the well-paid employment it facilitates” [19]. National developmentalism embraces large corporations as key drivers of innovation. The government, in this framework, is envisioned as a “coach”, assisting American firms in competing on the global stage, fostering innovation, and enhancing productivity, while concurrently attracting high value-added foreign production. The ideological origins of developmentalism lie in the works of F. List, T. Veblen, J. Commons, and J. Schumpeter, and align with a tradition that, in the late 20th century, underwent a renaissance under the term “evolutionary economics” (Richard Nelson).

In a subsequent work, R. Atkinson, while critiquing the “Neo-New Dealism” (the Biden administration’s efforts to implement economic policies reminiscent of Franklin D. Roosevelt’s New Deal), articulates five core principles of national developmentalism that define its identity and distinguish it from other schools of thought [20]:

¹⁸ URL: <https://renewal.org.uk/bringing-securonomics-down-to-earth/>



1. The primary focus is on growth, particularly productivity, innovation, and competitiveness.

2. The development of strong, dynamic opportunities for firms of all sizes, particularly large corporations, is central to achieving growth.

3. A carefully devised and implemented state policy is of paramount importance.

4. National development is more oriented toward goals than processes (in contrast to neoliberals and neo-progressives, who prioritize processes).

5. National developmentalism rejects the neo-liberal and Marxist dialectic of capital and labor (“Neo-New Dealism”): capital and labor are not in a zero-sum competition, where the success of one necessarily detracts from the other.

The conceptual frameworks of Atkinson and Rodrik exhibit notable similarities, as both offer not an abstract, logically refined, and overly simplified theoretical model of economics, but rather a set of economic principles addressing the pressing challenges currently confronting the United States and the West. Both frameworks emerge from a fundamentally different (in contrast to the prevailing economic orthodoxy) competitive, rather than equilibrium-based, ontological worldview. Atkinson’s work consistently emphasizes that national developmentalism does not adhere to the foundational notion of neoliberalism (and, by extension, the broader contemporary mainstream)

of market equilibrium, and similarly, Rodrik’s productivism does not conform to this ontological premise, but instead seeks an alternative.

Therefore, the search for a new doctrinal-type political-economic framework capable of guiding economic policy in the evolving global landscape has become an increasingly critical pursuit in Western political discourse. The ideological collapse of neoliberalism as the dominant derivative of neoclassical orthodoxy in the era of liberalization, which has failed to function as an adequate theoretical foundation for economic policy during periods of deglobalization and escalating inter-state competition, has catalyzed the need for alternative conceptual paradigms. The central criteria for the relevance and urgency of these new concepts are the challenges associated with preserving and rebuilding the national industrial base, particularly in the context of competition with China. Questions surrounding domestic production and employment — often at the expense of comparative advantage in costs and international specialization — now dominate discussions surrounding the emergence of new economic doctrines.

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