

A neoliberal's recognition of the end of Neoliberalism

It is significant that a prominent neoliberal economist, Dani Rodrik, a professor at Harvard University, after a process of critiquing mainstream economics, acknowledges that it has run its course and is dead. However, while recognizing that the current problem and main objective is decent employment, and that there is a consensus on relocating and revitalizing the manufacturing industry, he still faces a dilemma (a neoliberal lag) by showing a preference for services. In our opinion, this preference should not be the case, since there is no manufacturing activity producing physical goods that does not require related services. At the end of his article, he seems to acknowledge that there must be both an industrial policy and a service policy that do not promote corruption or narrow corporate interests, with a clear allusion to President Trump's crony State Capitalism.

In this regard, we also anticipated what is now a consensus in previous articles: *Réquiem al Neoliberalismo* (V. <https://www.csd-institute.org/Publish/R%C3%A9quiem%20al%20Neoliberalismo.pdf>, 24-08-2025); *Pope Francis and the Soul of Economics* (V. <https://www.csd-institute.org/Publish/Pope%20Francis%20and%20the%20Soul%20of%20Economics-%20Project%20Syndicate%20may2025.pdf> ; 03-05-2025).

Given its international relevance and the debate surrounding it, we are transcribing the following article published in *Project Syndicate*.

NOTE: The yellow highlighting is ours..

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The Post-Neoliberal Consensus Is Here



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[Dani Rodrik](#)

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CAMBRIDGE – The post-neoliberal consensus is here, but **don't look for it in US President Donald Trump's policies.**

After a decade of backlash, it is time to accept **not only that neoliberalism is dead but also that a new consensus is taking its place.** Remarkably, significant segments of the left and the right in the United States have come to agree on the broad outlines of economic policy. Discussions in universities and think tanks are driven today by a common understanding **that departs significantly** from the neoliberal orthodoxy of the last 50 years.

The first element of the new consensus is a recognition that the **concentration of economic power has become excessive.** The concern is expressed in different forms by different groups. Some complain directly about inequality in income and wealth and its corrosive effects on politics. Others worry about market power and the adverse implications for competition. For yet others, the key problem is financialization and the distortion of economic and social priorities that it produces.

The remedies on offer also vary, from wealth taxes to vigorous antitrust enforcement to campaign-finance reform. But the desire to curb the economic and political power of corporate, financial, and tech elites is widespread, uniting progressive supporters of US Senator Bernie Sanders with populists like the podcast host and former Trump adviser Steve Bannon.

The second element of the new consensus is the importance of **restoring dignity to people and regions that neoliberalism left behind.** Good jobs are essential to this agenda. Jobs are not just a means of providing income. They are also a source of identity and social recognition. Good jobs are what underpin a robust middle class, which is the foundation of social cohesion and a sustainable democracy.¹

Dislocation is inevitable in a world of economic change. Until the 1990s, plenty of safeguards – job protections, trade restrictions, price controls, and regulations that kept finance in check – limited the impact on workers and communities. For neoliberals, these safeguards were inefficiencies that had to be removed. They overlooked the economic and social distress that job losses arising from technological change, globalization, or economic liberalization would produce.

The third component of the emerging consensus is that government has an active role to play in shaping the economic transformation that is needed. Markets on their own cannot be trusted to produce economic resilience, national security, innovation for advanced technologies, clean energy, or good jobs in distressed regions. Government must prod, twist arms, and subsidize. Industrial policy has moved from the disreputable fringe of economic discussion to its very center.

Taken together, these three tenets provide a new understanding of the goals and instruments of economic policy that is both novel and, on the whole, laudable. But the devil is always in the details. Actual outcomes will be determined by specific policies that are chosen and implemented.

Consider the good-jobs objective. Here the left and the right seem to have reached a consensus on the desirability of reshoring and reinvigorating manufacturing. Historically, the industrial labor force played a pivotal role in producing equitable, middle-class societies. But automation and other technological forces have turned manufacturing into a labor-shedding sector. Even China has been losing manufacturing employment by the millions in recent years. So, even if manufacturing investment and output is revived in the US and Europe, the impact on employment is likely to be minuscule.²

Whether we like it or not, the future of employment lies in services – care, retail, hospitality, logistics, the gig economy, and so on. Any approach to good jobs that does not focus on organizational and technological innovations in these services will necessarily disappoint.

There are of course other important reasons for supporting manufacturing. Advanced manufacturing, along with the digital economy, plays an outsize role in innovation and national security. It makes sense to deploy industrial policies that focus on these economic activities, in addition to policies that focus on labor-absorbing services. But here, too, the “how” matters as much as the “what.”

Caveats apply to industrial policies as well. These can go badly wrong when they foster corruption or serve narrow corporate interests. Unfortunately, Trump’s approach provides little comfort on this score. His trade policies and dealings with tech companies have been erratic, transactional, and devoid of a coherent long-term strategy that would serve the public interest. Even worse, they are part of an agenda of deepening authoritarianism and disregard for the rule of law.

The post-neoliberal tenets of economic policy provide us with a broad checklist for evaluating actual agendas – and Trump’s fails miserably. It pays lip service to good jobs and industrial policy in the service of economic transformation, while fostering even greater concentration of wealth and power. A model of crony state capitalism that tries to resuscitate a long-dead industrial economy is hardly an antidote to neoliberalism.

The best that can be said of Trump's approach to the economy is that it is an experimental phase in the post-neoliberal transition. The good news is that future policymakers will not have to look far for new guiding principles. **The new consensus is already here.**



Dani Rodrik

Writing for PS since **1998**

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Comments:

1. Why is only a strong middle class important for social cohesion? This leaves out the significant number of lower class persons, are they not to be considered as important and valuable members of society? No wonder, many of these Fall prey to demagoguery.

2 Well, this is too simple. Manufakturen was also characterized by strong Labor Union, which prmoted more equality abd Labor rights and security. Their disappearance weakens Labor leverage

https://www.project-syndicate.org/commentary/new-post-neoliberal-economic-policy-consensus-emerging-in-us-by-dani-rodrik-2025-12?utm_source=Project+Syndicate+Newsletter&utm_campaign=20d4cca164-Sunday_Newsletter_2025_12_21&utm_medium=email&utm_term=0_-ced868fa34-107449818