

The Socio-Economic Philosophy of Keynes: Lessons for the 21st Century

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Keynes is undoubtedly the most influential economic thinker of the 20th century. His economic analysis, while discredited by neo-classical economists during the ongoing neo-liberal period, remains perfectly relevant. Most of his ideas and policy recommendations are still of a peculiar importance, especially in times of crisis. Keynes main concerns, in the historical context of the first half of the twentieth century, are about how to manage the consequences of World War I, to correct monetary and financial imbalances, to fight against mass unemployment, or more generally to implement an international environment aiming to favour peace. In such a context, Keynes appears to be more than a single economist and gives us, all along his writings, the foundations of its socio-economic philosophy. The core ideas of such a philosophy are summarised in the chapter 24 of the *General Theory of Employment, Interest and Money* (1936) where Keynes provides us with central elements as regards unemployment, inequality, uncertainty, the role of the State or the place of economics. So, he gives us the key to understand the failure of the present neo-liberal prescriptions – whether to developed or developing countries – while giving a very interesting analysis of globalisation, economic crisis and their consequences. Thus, we can show that behind his economic revolution hides a model of society which seems to be compatible with sustainable development. Undoubtedly, Keynes appears to be in advance on his time and his ideas are still fruitful for the 21st century.

1. Chapter 24 of the General Theory: a guide for Keynes' socio-economic philosophy

If the *General Theory* represents the main body of the Keynesian revolution, its final chapter gives us the core elements of what Keynes himself calls his social philosophy. According to him, “*the outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and incomes*” (Keynes, 1936a, p.372). Thus, fighting against unemployment and inequality appears to be the roots of Keynes' socio-economic philosophy, which leads him to question the role of competition.

Unemployment

If Keynes shows that unemployment is caused by a weak effective demand, he derives from his analysis that full employment can be reached either by means of investing, consuming or working less. If, by referring to the effective demand principle, his opinion as regards the role of investment and consumption in fighting unemployment is very well known, his position regarding cut in working time is more ambiguous.

As early as 1930, Keynes shows that technological unemployment, “*due to our discovery of means of economising the use of labour outrunning the pace at which we can find new uses for labour*” (Keynes, 1930, p.325) may result in reducing the sorrow of each one, that is, “*to make what work there is still to be done to be as widely shared as possible*” (Keynes, 1930, p.329). Later on, in his *General Theory*, he feels more reluctant about the reality of such an issue: “*Another school of thought finds the solution of the trade cycle, not in increasing either consumption or investment, but in diminishing the supply of labour seeking employment; i.e. by redistributing the existing volume of employment without increasing employment or output. This seems to me to be a premature policy — much more clearly so than the plan of increasing consumption. A point comes where every individual weighs the advantages of increased leisure against increased income. But at present the evidence is, I think, strong that the great majority of individuals would prefer increased income to increased leisure; and I see no sufficient reason for compelling those who would prefer more income to enjoy more leisure*” (Keynes, 1936a, p.326).

This step back does not mean that Keynes changed his mind but reveals his strong attachment to the freedom of people. Besides, he confirms in a letter to the poet T.S. Eliot in 1945 that cut in working time is the best solution to fight against unemployment – and we should add especially in times where investment and consumption are depressed and generating low growth: “*the full employment policy by means of investment is only one particular application of an intellectual theorem. You can produce the result just as well by consuming more or working less. Personally I regard investment policy as first aid. In U.S. it almost certainly will do not the trick. Less work is the ultimate solution (a 35 hour week in U.S. would do the trick now). How you mix up the three ingredients of a cure is a matter of taste and experience, i.e. of morals and knowledge*” (Keynes, 1945, p.383-384)¹.

¹ In this letter, Keynes comments a paper written by T.S. Eliot and entitled “Full Employment and the Responsibility of Christians”, *The Christian News-Letter*, Supplement 230, 21 March 1945. In this paper, Eliot agrees that eradication of unemployment is a Christian responsibility, but declines to treat it as such an absolute end because it might be regarded by some Christians as less important than other social objectives, and because it is only a reform undertaken 'by the temporal power for temporal ends'. See Margaret Kaye Browne (1979), *The idea of a Christian social order: aspects of Anglican social thought in England, 1918-1945*, Australian National University.

After all, if full employment requires more investment and/or consumption, we must acknowledge that we are now living in a world where the ecological constraint prevails. Thus, it is indispensable that the State has a say in orienting investment and consumption in sustainable paths, which could possibly lead to lower growth rates. Keynes seems to fit in with such an approach when he considers *“the vital importance of establishing certain central controls in matters which are now left in the main to individual initiative”*² (Keynes, 1936a, p.377-378). As far as investment and consumption are geared towards more sustainability, full employment appears not to be in opposition with the partisans of sustainable development who also militate for a cut in working time.

Inequality

One of the most important features of the Keynesian “revolution” is the alternative explanation given to the relation between investment and saving. Neo-classical economists consider that saving drives investment. Hence, they favour policies aiming at increasing income and wealth of those that have more saving, i.e. the richest – whether individuals or firms –, thus fostering the financialisation of the economy. And if saving governs investment, the trickle-down effect which is at the basis of the so-called Kuznets curve can play and make economic growth resulting in decreasing inequality in the long run. They also promote fiscal austerity policies and the push for a balanced budget because they consider that government deficits represent negative government saving, and this reduces the pool of national saving available for investment, thereby reducing the level of investment.

By showing that investment determines saving and by considering saving as residual³, Keynes allows us to reject neo-liberal policies. The arguments developed in the *General Theory* lead him to conclude that *“in contemporary conditions the growth of wealth, so far from being dependent on the abstinence of the rich, as is commonly supposed, is more likely*

² Therefore, Keynes conceives that *“a somewhat comprehensive socialisation of investment will prove the only means of securing an approximation to full employment; though this need not exclude all manner of compromises and of devices by which public authority will co-operate with private initiative”* (Keynes, 1936, p.378). This implies that *“the central controls necessary to ensure full employment will, of course, involve a large extension of the traditional functions of government”* (Keynes, 1936, p.379). If Keynes insists on the leading role of the State, he also stresses the role of individualism: *“The advantage to efficiency of the decentralisation of decisions and of individual responsibility is even greater, perhaps, than the nineteenth century supposed; and the reaction against the appeal to self-interest may have gone too far. But, above all, individualism, if it can be purged of its defects and its abuses, is the best safeguard of personal liberty in the sense that, compared with any other system, it greatly widens the field for the exercise of personal choice. It is also the best safeguard of the variety of life, which emerges precisely from this extended field of personal choice, and the loss of which is the greatest of all the losses of the homogeneous or totalitarian state. For this variety preserves the traditions which embody the most secure and successful choices of former generations; it colours the present with the diversification of its fancy; and, being the handmaid of experiment as well as of tradition and of fancy, it is the most powerful instrument to better the future”* (Keynes, 1936, p.380).

³ Saving *“is not a substitution of future consumption-demand for present consumption-demand, — it is a net diminution of such demand”* (Keynes, 1936, p.210).

to be impeded by it. One of the chief social justifications of great inequality of wealth is, therefore, removed" (Keynes, 1936a, p.373).

So, his theory of the rate of interest has a bearing on the future of inequalities of wealth. Indeed, by showing that the scale of investment is promoted by a low rate of interest and financed by credit, there is no room for providing incentive to save and to favour capital accumulation. On the contrary, we can ask for "*the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalist to exploit the scarcity-value of capital. Interest today rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of capital*" (Keynes, 1936a, p.376).

While not using a Keynesian approach, Piketty (2014) shows the detrimental impact of high inequality on the economy, leading to greater instability and recurrent crises. His demonstration is based on what he calls the fundamental inequality, i.e. $r > g$, where r stands for the average annual rate of return on capital, including profits, dividends, interests, rents and other income from capital, expressed as a percentage of its total value, and g represents the rate of growth of the economy, that is, the annual increase in income or output (Piketty, 2014, p.25). When the rate of return on capital significantly exceeds the growth rate of the economy, which is the present situation, then it logically follows that inherited wealth grows faster than income and output. In other words, inequality increases and the rentier is the winner of this dangerous game. After all, Piketty is re-discovering... Keynes, but his solutions are less radical. Indeed, he militates for "*a progressive global tax on capital*" (Piketty, 2014, p.27), while admitting it is unlikely to happen without a high degree of international coordination that is lacking today. We are far indeed from the "euthanasia of the rentier".

Cooperation versus competition

Keynes has been deeply marked by WWI and its economic consequences, as described in his famous pamphlet *The Economic Consequences of the Peace* (1919). In this book, he warns the allies, in their own interest, not to further consider the defeated Germany as an enemy but as an economic partner instead. This idea of cooperation can be found throughout his work and would lead him to militate in favour of a gradual movement of relative withdrawal of national economies from international trade and finance, in opposition to nineteenth-century internationalism.

Yet, in *The Economic Consequences of the Peace*, his position is clear as regards debt. "*The existence of the great war debt is a menace to financial stability everywhere. (...) In the*

case of internal debt, however, there are interested parties on both side, and the question is one of the internal distribution of wealth. With external debts, this is not so, and the creditor nations may soon find their interest inconveniently bound up with the maintenance of a particular type of government or economic organization in the debtor countries” (Keynes, 1920, p.279).

In a text titled *National Self-Sufficiency* (1933), Keynes confirms his inclination to more protectionism. This national self-sufficiency is, however, only a necessary condition to the advent of a new model, which can break with the logic of laissez-faire: *“I sympathise, therefore, with those who would minimise, rather than with those who would maximise, economic entanglement between nations. Ideas, knowledge, art, hospitality, travel—these are the things, which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible; and, above all, let finance be primarily national. Yet, at the same time, those who seek to disembarrass a country of its entanglements should be very slow and wary. It should not be a matter of tearing up roots but of slowly training a plant to grow in a different direction”⁴ (Keynes, 1933, p.236).*

This fight against laissez-faire is, once again, put forward in the *General Theory*. Keynes shows that, under a free trade regime, nations are involved in a “competitive struggle for markets”, which is similar to the law of the strongest, where only the great economic power can win, thus preventing any catching up. As he previously stated, he believes in fact that solutions are national and he promotes a trade regime based on mutual aid rather than on competition. He argues that *“it does not now seem obvious that a great concentration of national effort on the capture of foreign trade, that the penetration of a country’s economic structure by the resources and the influence of foreign capitalists, that a close dependence of our own economic life on the fluctuating economic policies of foreign countries, are safeguards and assurances of international peace. It is easier, in the light of experience and foresight, to argue quite the contrary. The protection of a country’s existing foreign interests, the capture of new markets, the progress of economic imperialism—these are a scarcely avoidable part of the scheme of things which aims at the maximum of international specialisation and at the maximum of geographical diffusion of capital wherever its seat of ownership. Advisable domestic policies might often be easier to compass, if, for example, the phenomenon known as “the flight of capital” could be ruled out” (Keynes, 1933, p.235-236).*

⁴ This reduction of the interdependence between nations is wished for today by the advocates of sustainable development. Through it, we would assist in the relocation of production, thereby limiting transport in productive processes, including various pollutions (see section 2). We may also notice that, whatever his criticism of capitalism, Keynes rejects any idea of revolution and preaches gradual changes toward a society less subjected to international constraints. He recognizes, however, the risks of an “economic nationalism” that introduces many dangers, in particular the one of great haste: *“it is of the nature of economic processes to be rooted in time. A rapid transition will involve so much pure destruction of wealth that the new state of affairs will be, at first, far worse than the old, and the grand experiment will be discredited” (Keynes, 1933, p.245).*

To avoid this “economic war”, Keynes promotes more protectionists options. According to him, “*if nations can learn to provide themselves with full employment by their domestic policy (and, we must add, if they can also attain equilibrium in the trend of their population), there need be no important economic forces calculated to set the interest of one country against that of its neighbours*” (Keynes, 1936a, p.382). He adds that “*international trade would cease to be what it is, namely, a desperate expedient to maintain employment at home by forcing sales on foreign markets and restricting purchases, which, if successful, will merely shift the problem of unemployment to the neighbour which is worsted in the struggle, but a willing and unimpeded exchange of goods and services in conditions of mutual advantage*” (Keynes, 1936a, p.382-383). The road to sustainable development is opened.

2. Keynes and Sustainable Development: A precursor that ignores himself?

Sustainable development is a notion that everyone accepts nowadays. It guides many economic policies in both the developed and developing world. Besides, it is now widely accepted that the biggest challenge of the 21st century will consist of promoting modes of development that are socially fair, ecologically sustainable and economically viable. Can this be done within the neo-liberal framework? We do not believe so and think it is only possible to view the future optimistically if a break can be engineered with the neo-liberal perspective that has dominated international relations over the past 30 years. Towards this end, we will see how Keynes can be of leading inspiration whereas not being involved in such issues in his time.

What is sustainable development?

While there has been growing interest in environmental issues since the late 1960s⁵, the concept of sustainable development was popularised in the 1980s, notably following the 1987 publication of the findings of the World Commission for Environment and Development (WCED) – the famous Brundtland report – which came up with a definition that many people still use today: “*Sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future*” (WCED, 1987, p.40).

Behind the definitions aired in the Brundtland report, two visions of sustainable development continue to vie with one another. The first is neo-classical in inspiration and serves as the basis for “weak sustainability”. It tries, at the micro-economic level, to give monetary value to natural elements so that they could be integrated into a cost-benefit analysis. At a macro-economic level, it extends the Solow model and tries to build theoretical arguments justifying an empirical argument rooted in an allegedly virtuous relationship

⁵ See the work done by the Club of Rome (Meadows *et al.*, 1972)

between economic growth and environmental quality (encapsulated in the Kuznets curve). It also tries to formulate a “sustainability rule” whereby the per capita value of the total stock of capital in a given society can only be maintained if one postulates perfect substitutability between the different forms of capital (physical, human, natural).

The second approach, which has come to form the basis of what might be called “strong sustainability”, is less focused on economic aspects alone and offers a more radical vision. Here, ecological sustainability postulates the preservation of a stock of so-called critical natural capital, rejecting the principle of the substitutability of production factors to emphasise their complementarity instead. It disagrees with a monetary valuation of natural elements. Social sustainability is grounded in the implementation of a development process that combines an acceptable level of social homogeneity, a fair distribution of incomes and full employment with fair access to social services. Economic sustainability depends on a more efficient distribution and management of resources but also on a constant flow of both public and private investments destined to modernise the productive apparatus in an attempt to save on natural resources and alleviate human distress. It also supposes a certain amount of autonomy for scientific and technological research and accepts an integration of international markets without any denial of national sovereignty (see Sachs, 1997).

It seems clear that Keynes could be seen as a precursor of such a strong sustainability⁶. While we already showed his commitment in fighting against unemployment and inequality, his concept of uncertainty and his search for beauty are also marked with sustainability.

From radical uncertainty to the precautionary principle⁷

In Keynes’s own opinion, the principle of effective demand represents the crux of his General Theory of employment. This principle derives from the notion of uncertainty that underlies all of Keynes’ economic philosophy and is a forerunner of the precautionary principle.

⁶ In the 1970s, Sachs (1980) coined the term eco-development which can be seen as the forerunner of the strong sustainability approach. Eco-development relies on three pillars (Sachs, 1980, p.32): (i) *self-reliance*, which encourages autonomous decisions and the emergence of modes of alternative development encompassing the historical, cultural and ecological contexts that are specific to each country; (ii) a fair assessment of everyone’s essential material and immaterial needs, especially people’s need to realise themselves through a meaningful life; (iii) ecological prudence, or the search for a kind of development that is in harmony with nature. In this view, it is only through a better distribution of wealth that everyone’s needs can be satisfied, changes must be made to a balance of power that currently defends markets and transnational firms’ interest. This re-organisation of power is based on the assumption that the State can use indicative planning processes to establish certain objectives and guarantee their realisation. Those positions are clearly compatible with Keynes ideas. For an in-depth analysis of the links between Keynes and eco-development, see Berr (2015).

⁷ This paragraph owes a great deal to Dostaler (2007). Berr (2009) offers an in-depth presentation of possible links between Keynes’ thinking and sustainable development.

The notion of uncertainty is key to Keynes' analysis and one of the pillars of his "revolution". Keynes would later say (Keynes, 1938) that his opinions in this area had been strongly influenced by the philosophy of George Moore whose *Principia Ethica* (1903) will deeply mark him.

Moore tried to determine what is good and how people can do good things. Since he considered that good can at best be defined intuitively, he deduced that the best things imaginable are states of mind associated with aesthetic pleasure and the appreciation of beautiful objects, on one hand, and with personal affection, on the other. Given how difficult it is to apprehend what is good, Moore considered that we never have any reason to imagine that an action is our obligation; and can never be sure that an action will produce the greatest possible value. Since we are unable to predict the effects of our actions with any certainty (insofar as there is no probabilistic basis for this), we have to rely instead on a certain number of traditions, rules of conduct, dominant morality and common sense.

Keynes embraces Moore's "religion", which allows him to abandon the Benthamian utilitarianism that he considers "*as the worm which has been gnawing at the insides of modern civilisation and is responsible for its present moral decay*" (Keynes, 1938, p.445). It also means that he views economic values, thus the principle of rationality, as being of secondary importance⁸. Lastly, Keynes draws from Moore the idea that we live in a world that is by and large non-probabilistic. As demonstrated by Moore, because Good cannot be defined – since its definition would assume that we know what it is – the logical deduction is that we can never be sure of the positive or negative effects of our decisions. This rips a huge hole in neo-classical logic since probabilities do not apply in an economic conception requiring the recurrence of facts⁹. In Keynes's opinion, it is essential that people reason in a universe of radical uncertainty or one where "*there is no scientific basis on which to form any calculate probability whatever. We simply do not know*" (Keynes, 1937, p.114).

Since action is needed, what is required is a new logic to orient actors' decisions. According to Keynes, decisions must be rooted in expectations of conventional behaviour. The problem, however, is that the foundations underlying such expectations are not particularly solid. In other words, Keynes feels that economic agents are guided both by facts that they feel relatively sure about – even if the effects are not the most significant – and by the degree of confidence they have in such facts.

The adoption of this convention is what enabled Keynes to reject Moore's conclusions that actions must be guided by traditional morality. Instead, he described a

⁸ Keynes believes that "*the attribution of rationality to human nature, instead of enriching it, now seems to me to have impoverished it. It ignored certain powerful and valuable springs of feeling*" (Keynes, 1938, p.448).

⁹ "*All these pretty, polite techniques, made for a well-panelled board room and a nicely regulated market, are liable to collapse*" (Keynes, 1937, p.115).

conventional way of generating situations in which rumour, fear, disillusion or, to the contrary, hope – all elements that cannot be probabilised – might cause sudden and sharp revisions in people’s expectations and create self-fulfilling prophecies whose great variability explains, according to Keynes, the appearance of crises.

This convention, as defined by Keynes, makes it easier to understand our attitudes towards the environment. A number of scientific studies have demonstrated that the Western model of development is unsustainable over the long run, and that rising pollution will cause major climate change. Yet, even if we are certain that such change will occur, the fact that we are uncertain which form it will take (or, in Keynes’s words, that our confidence is limited) means that we do not fully understand the gravity of this problem – showing that in this area what is most important is not to know that changes are definitely going to occur but to simply believe that they may arise one day.

It remains that these new ecological circumstances, which as risks relating to our environment become increasingly visible have turned into an increasingly important component of actors’ expectations, should normally induce us to adopt a more prudent attitude. If we consider, as per Keynes’ thinking, that economic questions are secondary and that we live in a world of radical uncertainty, what we need to promote is a precautionary principle (PP). This construct, which appeared for the first time in Germany in the late 1960s, has been consecrated in numerous international texts. An example is Principle 15 found in the Rio de Janeiro Statement on the Environment and Development, containing the following definition: *“In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”* (United Nations, 1993, p.6).

The precautionary principle is related to two antagonistic conceptions. The first, which is a kind of weak PP, considers that the burden of proving the existence of danger falls on the opponents to a given measure. The end result is that risk management should be rooted in a cost-benefits analysis that endorses the primacy of economic thinking since economic gains are easier to highlight than human and ecological costs. The second conception, which is a kind of strong PP, considers that it is up to the promoters of a risky activity to demonstrate the absence of any “serious” risk. This approach considers that environmental (and social) considerations are more important than economic ones. It is a vision that does not undermine the Keynesian notion of the primacy of investment but does ask questions about the investments’ substance (see Robinson, 1977). This intimates a greater role for the State, which (notably using its law-making capabilities) can try to motivate firms to adopt an ethical stance and commit to “clean” investments. Kalecki goes further by considering that the State must be both the planner and promoter of

development, even producer if need be. In this view, it is up to the State to indicate development priorities and ensure that needed investments take place. In turn, this implies the use of a certain form of planning (see Kalecki, 1964).

All in all, it is evident that Keynes analysis of radical uncertainty leads to the adoption of a precautionary principle, and that this vision is perfectly compatible with eco-development's desire for reasonable and prudent analysis.

The search for beauty

Keynes is not only a famous economist, he is a lover of Arts. As such, his socio-economic philosophy is marked with the search for beauty. Keynes feels that the purpose of life is to enjoy beauty, knowledge, friendship, and love, all concepts that are not primarily concerned with economics. He rejects the "classical" vision, based on Benthamite utilitarianism, coming from the eighteenth and nineteenth centuries, which he considers to be a catastrophic change for civilization. In his opinion, the arts, like nature, must be disconnected from economic considerations because *"the exploitation and incidental destruction of the divine gift of the public entertainer by prostituting it to the purposes of financial gain is one of the worst crimes of present-day capitalism"* (Keynes 1936b, p.344).

Keynes continues by denouncing the fact that the same rule of self-destructive financial calculation governs every walk of life. *"We destroy the beauty of the countryside because the unappropriated splendours of nature have no economic value. We are capable of shutting off the sun and the stars because they do not pay a dividend... Or again, we have until recently conceived it a moral duty to ruin the tillers of the soil and destroy the age-long human traditions attendant on husbandry if we could get a loaf of bread thereby a tenth of a penny cheaper"* (Keynes, 1933, p.242).

Keynes realizes that economic and financial logic are in opposition to ecological and social reasoning. He condemns environmental destructions and reacts to the disfigurement of the planet, which led him to minimize the role of economics¹⁰ (Keynes 1930). He would thus reject weak sustainability which subordinates nature to economic calculation.

His positions concerning the environment and the arts lead Keynes to formulate a virulent criticism of capitalism¹¹, which he accuses of being amoral. In his opinion, *"it seems clearer every day that the moral problem of our age is concerned with the love of money, with the habitual appeal to the money motive in nine-tenths of the activities of life, with the*

¹⁰ In his *Economic Possibilities for Our Grandchildren* (1930) Keynes considers that the role of economics is to allow the satisfaction of *"those needs that are absolute in the sense that we feel them whatever the situation of our fellow human beings may be"* (Keynes, 1930, p.326).

¹¹ However, even if he is conscious of the environmental and cultural limits of capitalism, he does not reject it and proposes a regulation of the system instead.

universal striving after individual economic security as the prime objective of endeavour, with the social approbation of money as the measure of constructive success" (Keynes 1925, p.268).

If direct references to environmental problems are rather limited, the stance of Keynes toward the arts – or his philosophy of uncertainty – contains the premises of a Keynesian approach to the environment that foreshadows sustainable development.

Conclusion: are ideas more important than vested interests?

Keynes has always been sure of the power of ideas, and especially his own¹². Besides, he concludes his *General Theory* on this issue: *"I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval"* (Keynes, 1936a, p.383).

If ideas are powerful, Keynes is aware of the role of vested interests. His (wrongfully?) naive interrogation concerning the fulfilment of his ideas — *"Are the interests which they will thwart stronger and more obvious than those which they will serve?"* (Keynes 1936a, p.383) — is meaningful to that extent. It helps us to understand the basis of the neo-liberal counter-revolution triggered in the late 1970s by those who where "loosing" part of their power during the "thirty glorious years", i.e. the richest – whether households or multinational firms. Keynes was also concerned by the possible confiscation of the power by a minority for its own interest. Indeed, *"it is the modern method—to depend on propaganda and to seize the organs of opinion; it is thought to be clever and useful to fossilise thought and to use all the forces of authority to paralyse the play of mind on mind"* (Keynes, 1933, p.245)¹³. On this point, the partisans of a strong sustainability fully agree with Keynes. Indeed, they consider capitalism to be responsible for the increase of inequalities while it reinforces the power of the "powerful"—that is, multinational firm managers, northern and southern political leaders, and the mainstream media—whose cupidity or ignorance make them put their own interest before the general interest. Thus, they manage to convince the victims of the system how they need to make sacrifices today to reach an unceasingly differed and largely illusory happiness.

Nevertheless, Keynes underestimates the power of vested interest, whereas Kalecki (1943) underlines that the influence of economic ideas in shaping policy is severely

¹² See for instance what he thought about the future impact of his *General Theory*, as stated in a letter to G.B. Shaw: *"I believe myself to be writing a book on economic theory, which will largely revolutionise – not, I suppose, at once but in the course of next ten years – the way the world thinks about economic problems"* (Keynes, 1935, p.42).

¹³ In *My early beliefs* (1938), Keynes confirms this idea: *"We were not aware that that civilisation was a thin and precarious crust erected by the personality and the will of a very few, and only maintained by rules and conventions skilfully put across and guilefully preserved"* (Keynes, 1938, p.447).

constrained by the prevailing social and political institutions (Eshag 1977). Thus, Kalecki seems closer to reality by placing emphasis on political and class struggles.

The topicality of Keynes' ideas is unquestionable. The "subprime" crisis has shown the failure of the neo-liberal approach and the validity of Keynes' analysis on such an issue. On our own, we stressed the proximity of Keynes with sustainable development. Eventually, the main challenge facing post Keynesian economics is not only continuing to show the powerfulness of Keynes' ideas but to make them worldly applied, thus overcoming the vain optimism of Keynes and build a more equitable balance of power, favouring the entrepreneur instead of the speculator, the one who has a high propensity to consume instead of the rentier, while preserving the biosphere.

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