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The Myth of the Invisible Hand: A Discussion on Incomprehensible and Misused Concept of Economics

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Görünmez El Miti: İktisadın Anlaşılmayan ve Yanlış Kullanılan Kavramı Üzerine Bir Tartışma

Abstract

The invisible hand is one of the most familiar and misunderstood concepts popularised by Adam Smith. Smith is the pioneer of the recognisance of economics as a social science. Thanks to the invisible hand mechanism, Smith argues that all economic activities in markets have no shortage of state intervention thanks to perfect competition. Markets consistently and spontaneously come to equilibrium at the full employment level via that. However, this mechanism is a myth, learned worldwide for years. Since the historical process, the state has always been at the stage in the constitution of a market order in economies. However, the underlined roles of the state have evolved correspondingly with the evolution of economic theories. In this context, the economic theories that have specified the general framework of economics are discussed in this paper. Eventually, it is concluded that the state always remains at the forefront of economies as a mechanism that backs up the formation of the market economy. Further, the process of COVID-19, which is expected to licking a new shape to economic theories, has also been investigated very briefly in this connection.

Keywords : Classical Liberalism, Keynesian Theory, Neoliberal Theory, Market Economy, Visible Hand, State.

JEL Classification Codes : N00, P00, P16.

Öz

Görünmez el, Adam Smith tarafından popülerleştirilen kavramların en bilineni ve belki de en yanlış anlaşılanıdır. Smith, iktisadın sosyal bir bilim olarak kabul edilmesine öncülük etmiştir. Görünmez el mekanizması vasıtasıyla piyasalarda gerçekleştirilen tüm ekonomik faaliyetlerin herhangi bir müdahaleye gerek olmaksızın yönlendirilebileceğini ve piyasaların daima dengeye getirilebileceğini savunmuştur. Ancak yıllardır tüm dünyada bu tanımlarla öğretilen bu mekanizma, aslında bir mitten ibarettir. Zira tarihsel süreç içerisinde devlet, ekonomilerde piyasa düzeninin oluşturulmasında her zaman ön planda yer alan bir aktör konumundadır. Ancak devletin altı çizilen rolleri, iktisat teorilerindeki evrime paralel olarak değişmiştir. Bu bağlamda makalede, dünyada ekonomi politikalarının genel çerçevesini belirleyen iktisat teorileri tartışılmıştır. Devletin piyasa ekonomisini kuran bir mekanizma olarak, ekonomilerde her zaman sahnede olduğu sonucuna varılmıştır. Ayrıca, dünyada iktisat teorilerine yeni bir şekil vermesi beklenen COVID-19 süreci de kısaca bu kapsamda incelenmiştir.

Anahtar Sözcükler : Klasik Liberalizm, Keynesyen Teori, Neoliberal Teori, Piyasa Ekonomisi, Görünen El, Devlet.

1. Introduction

The science of economics has its history, like other social sciences. It is possible to start the turning point of economics following the publication of Adam Smith's book The Wealth of the Nations (1776), in which Smith accentuates the theoretical and principal framework of the classical liberal theory. According to classical liberal theory, the invisible hand mechanism is the main factor ensuring market equilibrium. Smith presented that mechanism in his book The Theory of Moral Sentiments (1759) and afterwards in his book An Inquiry into the Nature and Causes of the Wealth of Nations (1776). The invisible hand brings all markets spontaneously to the natural equilibrium point. However, it can be argued that the invisible hand is just a myth. In the classical liberal period of economics, the state played an essential role as a device responsible for generating the required mechanisms to guarantee the stable execution of the capitalist system.

From the Great Depression to the mid-1970s, the state carried out interventions. These policies brought the state to the forefront. This case can be associated with the reconstruction efforts of capitalism on an international scale.

However, as of the early 1970s, some structural negativities have led many economies to open up to foreign markets. Roughly since the 1980s, international organisations such as the World Bank and International Monetary Fund (IMF) have started to recommend programs, particularly to the world's developing countries, and the integration of those countries into the free-market economy has been attempted. The role of the state and international organisations in the economic field has transformed over time through the basic principles of the neoliberal theory. This role has taken the form of controlling, often prompting, and regenerating neoliberal activity. Thus, the discourse of the minimal state does not match this circumstance.

It would also like to point out that as of the 1980s, the old economic structure of the production system and its humble assistant real production began to disappear. It has left its place to a new structuring in the form of a vast and increasingly autonomous finance capital that dominates and directs the production system. The global financial crisis experienced in 2008 brought with its paradigm changes, so to speak; it includes the theoretical redefinition of the state's relationship with the economy.

Along with the shock of the pandemic, myths about the virtues of a free and uninterrupted market economy started to be interrogated more specifically. Eventually, the COVID-19 pandemic-which has shown up in Wuhan, China, in November 2019 as a beginning and has also captured the whole world only in a few months; it can be considered a process that would make this reality aware. Since this critical fact has proved in the short term that there would not be a free-market order relied entirely on an invisible hand. Shaken confidence in the international capitalist system would also make societies more open to alternatives.

In this study, we will discuss the economic theories which stake out the general framework of economics since its birth as a separate science and inquire about their evolution within the context of their stance and policy implementations about the notions of the invisible hand and free market. Therefore, we aim to reveal that the state is never kept in the background in economies by highlighting that all economic theories aim to guarantee the continuity of the capitalist system worldwide. Further, within the light of discussions and investigations, we aspire to form an estimate of the maintenance and struggle of the various economies in the absence of the visible hand which would not be plausible.

2. Understanding the Political Roots and Origins of (In)Visible Hand: The Case for Classical Liberalism

Classical liberalism is a current of thought and a political-moral philosophy, the basic principles of which were shaped during the transition from feudalism to capitalism in Western Europe. The theoretical framework drawn by Adam Smith in his book The Wealth of Nations contributed essentially to the advancement of classical liberalism. Its basic logic refers to the free market system, which leans upon the notions such as individualism, individual rights, private property, and the minimal state[1]. The names who launched classical liberal theory are the Enlightenment philosophers (Hill, 2001) who are Thomas Hobbes (1588-1679), John Locke (1632-1704), David Hume (1711-1776), Jean Jacques Rousseau (1712-1778), Adam Smith (1723-1790) Montesquieu (1689-1755), Voltaire (1694-1778) and Immanuel Kant (1724-1804). Each of them left their marks on their period. Enlightenment thinkers attributed the material and technical progress that emerged prominently in Western Europe in the 18th century to the autonomous human mind. The power gained by reason was believed to lead to an irreversible process of progress in every aspect of human experience. In the rise of classical liberalism, the scientific effort to understand society and the economy was also effective. The British Industrial Revolution and the French Revolution, also described as the two great revolutions of modern world history, bear traces of the meticulously established principles of classical liberalism.

The primary philosopher of classical economic liberalism was Adam Smith, whose theories and writings are still influential. Smith's invisible hand foundation of modern liberal economic policies- is based on the belief that, under appropriate situations, what brings about the most return for individuals also brings about the most return for society[2]. He suggests

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[1] *The state brings legal and institutional arrangements to protect the free market system, which is the ideology of the capitalist system. The state must pave the way for freedoms and private property in the Islamic economic system and ensure life's safety. It is understood from this that the state has a specific mission in both systems. They differ because the individual's happiness is a priority in a free market economy. The basis of every state intervention in society is the concern that it will disrupt social and individual happiness. Despite Adam Smith's emphasis that the invisible hand will make society happy by itself, it is essential in Islam that the state produces social policies and plans and thus intervenes in the market. In this respect, laissez-faire and invisible hand slogans are incompatible with Islamic economics.*

[2] *But it is necessary to open a special parenthesis that the Islamic economy opposes capitalism, an individualistic system whose main motive is capital accumulation. In Eastern Europe, Adam Smith's invisible hand conjecture is not valid in all directions. In other words, there is no belief here that the selfish behaviour of each individual*

that capitalism is rushed up by self-interest, which is the best way to develop any economy sooner or later. While people run after their self-interest, they fill society's interest without deliberation. Smith refers to the existing natural harmony of human motives and activities under a benefit providence and the central topic of the invisible hand supporting the harmony of interests: the "interest of the individual and the highest interest of the community naturally coincide. In pursuing his interest, the individual pursues that of the community, and in promoting the community's interest, he promotes his own" (Quoted in Carr, 1964: 42-43). Smith asserts, "The individual is neither interested in promoting the public interest nor knows how much he is promoting it. He contemplates his gain solely, and he is in this, as in many other circumstances, led by an invisible hand to promote an end that was no part of his intention (Quoted in Carr, 1964: 43)". Adam Smith remarks that self-interest would create unmeant consequences that were favourable to the public: "By pursuing his interest he frequently promotes that of the society more effectually than when we intend to promote it" (Smith, 1976: 477-478). Individual interest is the engine of the economy train. It is supposed that the best-known passages of the Wealth of Nations in this direction:

> *We expect our dinner not from the benevolence of the butcher, the brewer, or the baker but their regard for their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their self-love, and never talk to them of our own necessities but of their advantages. Every individual necessarily labors to render the annual revenue of the society as great as he can. He generally neither intends to promote the public interest nor knows how much he is promoting it. He intends only his own gain, and in this, as in many other cases, he is led by an invisible hand to promote an end that was no part of this intention. Because the natural effort of every individual to better his own condition is so powerful that it is alone, and without any assistance, not only capable of carrying on the society to wealth and prosperity but of surmounting a hundred*

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aimed at maximizing profits and minimizing costs will miraculously enrich all nations. David Graeber (2011) based Adam Smith's concept of the invisible hand and his ideas about the concept on the axis of physical science pioneered by Isaac Newton (1642-1727) and a result of Divine Providence. Newton represented God as a cosmic watchmaker who created the physical mechanism of the universe to work for the ultimate benefit of humans and then allowed it to work on its own. Smith moved by making a similar Newtonian argument (Graeber, 2011: 44). In Graeber's saying on the subject, "Newtonian argument. God or Divine Providence, as he put it had arranged matters in such a way that our pursuit of self-interest would, nonetheless, given an unfettered market, be guided "as if by an invisible hand" to promote the general welfare. Smith's famous invisible hand was, as he says in his Theory of Social Sentiments, the agent of Divine Providence. It was literally the hand of God" (Graeber, 2011: 44, 396). Graeber's argument is based on some textual evidence of Smith's Theory of Moral Sentiments. But in The Wealth of Nations, there is no explicit characterization of the invisible hand as a theological reference to God's capacity as a divine planner. Most interestingly, however, Graeber reveals that Muslim legal scholars have embraced the Prophet's words that in the free market situation, prices depend on God's will (Graeber, 2011: 270). Thus, he hypothesizes a possible link between Smith and medieval Islam. Mirakhor and Askari (2017: 60-67) also discussed Adam Smith's ideas about the invisible hand in detail. They argued that the invisible hand in Adam Smith's writings pointed to the Invisible Hand of God. They argued that Smith's concept had an Islamic dimension, emphasizing the role of moral and spiritual principles in people's economic life. However, since the study does not have a structure that directly considers the perspective of Islamic economics, it was deemed appropriate to include this information in the footnote.

> *impertinent obstructions with which the folly of human laws too often encumbers its operation* (Smith, 1976: 18, 456).

Smith's invisible hand metaphor is not a spontaneous argument of order, as is commonly claimed. According to Smith, while people pursue interests, power, and wealth, even if they do not aim for such a thing, the emergence of results suitable for the general interest depends on establishing an appropriate institutional structure. Smith argued that to eliminate the problems caused by the pursuit of self-interest, an institutional framework should be set to prevent self-interest from harming the natural order. Such an institutional framework must be created based on a political will, not be driven by these interests. This is why Smith favoured a landlord-based legislature. According to him, a landlord-dominated parliament would be based on a broad view of the general interest, not the endless cries of self-interest (Smith, 1976: 471-472). Smith (2002: 13) also characterised the political economy as a science of politicians and lawmakers. In this context, he stated that classical liberalism does not mean the downsizing of the state in favour of political and economic freedoms. On the other hand, he argued that classical liberalism is not a libertarian movement of thought independent of the material basis and production relations. Pack's account of this issue is remarkable:

> *Adam Smith affirms a certain amount of social stratification necessary for any post-primitive society. He affirms the state's role to protect the rich from the poor. The commercial government relies on taxation, and it is not surprising that Smith ultimately chose to spend his final years working at Scottish Customs. In Smith's opinion, the commercial society needs the state, and the state needs tax revenues in return, and Smith has strived to be a good citizen of the state. Smith was not a libertarian* (Pack, 1988: 78).

As can be recognised, Adam Smith is generally known as the founder of liberal economics. However, this issue is open to debate; Smith favours a strong state in the economy:

> *Smith was fervently in favor of a firm but strong state. More specifically, Smith emphasized four functions of the state: first, a good military for national defense; second, a legal system to protect freedom, property rights, and payment of contracts and debts; third, public works-roads, bridges, ports, and other infrastructure projects, and fourth, capitalist general public education to counteract the mentally alienating effect of specialization (a division of labor) in the system. In short, Smith was not a pure libertarian* (Skousen, 2005: 31).

A different interpretation of the subject belongs to Colander and Kupers. According to the authors, it is possible to talk about the necessity of public intervention in many areas in Smith (Colander & Kupers, 2014: 72).

The actuality talked over ardently in Book IV of Wealth of Nations was that Britain was not a free-trade economy; the government had followed policies since the 16th century, abridged as the envy of trade promoted and carried out by monopoly practices (Dwyer, 2005: 674; Hutchison, 1976: 523). As a side note, instances of the classic liberal regime's state intervention involve the British enclosure movement that privatised public land to turn peasants into wage labourers (Prelman, 2000). In addition, state intervention carved out British manufacturing to lock out foreign goods, provide British shipping with a monopoly of foreign trade, and shape foreign competition by pressure[3].

Since the second half of the 19th century, almost all European states have begun to implement social policies requiring state regulatory interventions to reconcile the interests of different social classes (bourgeoisie and proletariat) and to create a broad and powerful social consensus in this way. For example, a Poor Law (1834)[4] in Britain was enacted during the reign of Queen Elizabeth, which included public service work for people experiencing poverty (Blaug, 1964). In the same years, the Factory Act was also enacted. The Factory Act (1833), carried into effect in England, prohibited the employment of persons under nine (Peacock, 1984). It also limited the working hours of those under eighteen to twelve hours daily. This act was initially valid only for factories but applied to areas such as mines in 1842, shipping in 1876, and railway work in 1899. In 1842, a law prohibited women from working more than twelve hours daily (Humphries, 1981). This time was reduced to ten hours in 1847. In 1908, pensions for older people; in 1911, unemployment insurance was introduced; and in 1919, the first Ministry of Health was established (Hellwig, 2005). The movement for social democracy gained significant influence, which demanded improvements in the legal and physical lives of the large masses working in Germany after its unification in 1871. Subsequently, pension, accident, sickness, and unemployment insurance were introduced between 1881 and 1885 (Dickinson, 1948). The emergence of a formal severe social security system can be observed. Parallel mercantilist policies also constituted the American, German, and Japanese industrial systems through hefty tariffs

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[3] *It would be helpful to open a separate parenthesis to Ha-Joon Chang's views in this context. Chang also described the idea of the absence of state intervention in developed countries as a myth. He emphasised that the United Kingdom would not be able to reach its current position in the absence of state intervention (Chang, 2012: 44). For example, in the post-feudal period, King Edward III wore only English-made clothes, developed Flemish weavers, and banned the import of all kinds of processed wool except raw wool to develop local wool clothing manufacturing (Waugh, 1991: 1-9). Henry VIII, one of the kings of the Tudor Dynasty, transformed England from a raw wool exporter to the largest wool-manufacturing country. In this context, since 1489, he has determined suitable places for wool production, brought skilled workers from other countries, and increased the taxes on raw wool exports (Chang, 2012: 44; Stone, 1947: 103-120).*

[4] *The foundations of the law go back to ancient times. King William III discussed the need to increase the number of institutions where people experiencing poverty were employed in his speech in the English Parliament in 1689. He based his view on the idea that these institutions were essential for helping people experiencing poverty and the growth of manufacturing industrial products. The idea of making the capitalist system work by employing people experiencing poverty has become more and more attractive (Davis, 1966). However, it should be noted that the Poor Law, officially adopted in 1834, abolished all aids except the institutions where people experiencing poverty were employed. This paved the way for worsening working conditions in these institutions (Blaug, 1964: 229-245). The law characterises the culmination of a worldview that defines man as a workforce.*

imposed on industrial goods (Tuman & Strand, 2006; Wolfe, 1981). Free trade was embarked on by soundly founded industrial powers, who employed laissez-faire as an ideological tool to prohibit potential competition from tracking the identical route of industrialisation. The state has been cooked on the front burner for the welfare of the social class, which keeps hold of the capital. Therefore, one cannot discuss the natural order the invisible hand provides in economies.

As argued by Arrighi (2007: 358) in Adam Smith in Beijing, Smith's work does not include self-regulating markets. Capitalism has never been constituted through the free market or even by the principal activity of the bourgeoisie. It has always been instituted by the revolution from above set upon by a pre-capitalist predominating class. While the bourgeoisie was saying laissez-faire, they requested neutrality from the state to allow the big fish to swallow the small fish. Thus, it can be seen that the state has a contradictory operation. The state both deepens and restricts capitalist relations. In other words, in a capitalist society, the state, on the one hand, has the function of being the administrative organ of the ruling classes; on the other hand, it has assumed the function of representing the entire society (Tönnies, 1988: 216-217). From the line vision of Smith, state intervention is an indispensable, necessary, and desirable element of the capitalist system.

The basic principles of classical economic liberalism began to be interrogated in pursuit of the chaos in the world system due to the economic and political downsides that arose in the late 19th and early 20th centuries. In Hobsbawm (2006)'s words, those downsides imply the Age of Catastrophe of the world system, which manifested itself after the crisis of the 1870s. Further, the Soviet Revolution should not be disregarded, which led to the reorganisation of the world system by taking place at the onset of the 20th century within two political spectrums. However, conceivably, the most blazing one is the 1929 World Economic Crisis (Great Depression), which emerged as the breaking point amid the two world wars.

The Great Depression took the Western world by storm and paved the way for an extraordinary decline in worldwide production. Accordingly, there was a widespread and continuous unemployment problem in the US, Britain, and the Continental European countries. All these happenings can be evaluated as the inevitable outcomes of the period, voiced various criticisms against the system (Helleiner, 2003). Moreover, ineffectualness in finding the way out of this period of crises, fierce competition, economic depression, and militarism proposed new economic theories and policies for the agenda (Hirst & Thompson, 2007: 23).

3. Golden Age of the (In)Visible Hand: The Keynesian Revolution & New Deal for The World Economy

The Great Depression arose in a conjuncture where the capitalist system and the basic principles of classical liberalism got in trouble in almost every economy. Until this crisis, economies relied on discourses like every supply creates its demand (Say's Law). However, it was ascertained painfully in the wake of the crisis that such a mechanism should not be put faith in economies. Economies with overproduction dropped during an overproduction crisis (Neisser, 1934: 433-465).

In pursuit of every major crisis, the primary institutions of capitalism have been put on the agenda within the framework of some ideological disputes. Within this respect, economic ideas started to be embraced by the study of the famous British economist John Maynard Keynes, The General Theory of Employment, Interest, and Money (1936). The views put forward by Keynes in the General Theory came to the fore as a solution proposal to the crisis experienced by the science of economics in the face of the problems emerging in the international capitalist economy. Through this book, Keynes was destroying the orthodox economic view and attempting to disentangle capitalism from the crisis (Galbraith, 2004: 194). His theoretical framework of him has been a persuasive basis for the intervention of the state in economic life in capitalist economies. In line with Keynes' recommendations, in 1934, the implementation of the social security system, which includes old age, assistance to older people, unemployment benefits, and assistance to children and blind people, was initiated in the US (Skocpol & Amenta, 1985). In 1937, the minimum wage was constitutional (Ingalls, 1974).

Although Keynes (1936) criticises the assumptions of classical liberalism, he adopted the theoretical framework of classical liberalism while generating his economic ideas. From his point of view, the main problem of classical theory is not its theoretical framework but the inapplicability of the analytical tools it uses to analyse economic phenomena (Keynes, 1936: 378-381). In his General Theory, Keynes argued that, unlike the classical theory, it does not include a mechanism that allows the economy to reach full employment equilibrium. For this reason, he thought the state could solve the underemployment problem by leading demand-side policies. These ideas of Keynes brought about radical changes in economic theory.

Keynesian policies also formed the intellectual framework and practical tools of the economic policies implemented in the post-Second World War economies. They were also the concrete form of capitalist reformism aimed at regulating capital conditions to reproduce itself in the post-war economic order. In the period from the 1929 Great Depression to the mid-1970s, the share of the state in the economic life of the capitalist world economies is significantly evident. In this environment, the state aims to ensure the continuity of capital accumulation. Behind this situation are many factors, such as providing full employment in the economies and getting them out of the crisis, the hegemonic struggle between the developed capitalist countries during and after the Second World War, and the re-development efforts of the war-torn countries.

However, the economic crisis, which manifested with oil shocks in the mid-1970s, paved the way for a new transformation process. The economic shock generated by the oil price rise by the Organization of Petroleum Exporting Countries (OPEC) provoked a simultaneous high rate of inflation and unemployment, known as stagflation. Accordingly, Keynesian economic theories and its production regime Fordism also were shattered. The exigency of a transformation in the basic parameters of the capitalist system was well understood. Therefore, the transition towards neoliberalism materialised (Connell & Dados, 2014; Talbot, 2016).

4. Understanding The Visible Hand of Neoliberalism: From Keynes to Deregulation or Re-Regulation Game?

Neoliberalism is a conceptual progenitor of classical liberalism, continuously enhancing the market in all spheres of life. Dardot and Laval (2014: 8) claim that neoliberal thinking "appeared historically as an attempt to re-establish liberalism against the naturalist ideology of laissez-faire." Unlike classical liberalism, it is not associated just with goods and services but perpetually pursuing new parts for marketisation. As analysed by Foucault, neoliberalism has emerged as a new version of the modern state mind and sovereignty paradigm, has taken the form of power on a global scale, spreading to the world at an unprecedented level through institutions, corporations, classes, discourses, and practices (Cotoi, 2011).

Neoliberalism refers to activating state power in the incompatible augmentation and reproduction of market-like principles (Dardot & Lawal, 2014). The theoretical framework and principles of neoliberalism were created by the thinkers of the Austrian school, such as Friedrich August von Hayek and Ludwig von Mises, and by the Chicago School, especially Milton Friedman. According to neoliberal thinkers, the state's intervention in the economy and its active role in social expenditures mean a violation of individual freedoms. However, although neoliberal thinkers regard the state as the biggest obstacle to realising personal liberties, they have accepted the vitalism of a strong state for establishing social order and the continuity of the private property order. The question is not the existence of the state. The question is who the state serves and whose interests it looks after. In Capitalism and Freedom, Friedman says that the state is essential for the continuation of the private property regime and freedom of enterprise in economies. However, the state will play a role as a forum to determine the rules of the game and as an arbiter who will ensure the sanction of these rules (Friedman, 2002: 15). Harvey characterises "neoliberalism" as:

> *A theory of political and economic practices proposes that human well-being can best be advanced by liberating individual entrepreneurial freedom and skill within an institutional framework characterized by substantial private property rights, a free market, and free trade. The state's role is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. In case of necessity, the state must set up military, political, and legal structures and functions required to secure private property rights and guarantee the proper functioning of markets by force* (Harvey, 2005: 2).

Neoliberalism targets to expand the role of the market mechanism and competition and to acknowledge the requirement for state intervention to generate and sustain the operation of the markets (Jessop, 2019: 969). What has been quoted can also be confirmed in the words of Neoclous (2014: 51): *"Neoliberalism refers to the new form of economic reason, which is the product of liberalism. Neoliberalism has also given new content to the view of state reason. Thus, it has provided a new rationale for the state to act: free economy"*. In the other process, neoliberal policies have been imposed, particularly on developing countries, such as reducing and privatising social services- health and education-through institutions such as the World Bank and the IMF.

Margaret Thatcher was one of the leading figures in the construction of neoliberalism in England. As she claimed in the 1981 Sunday Times interview: *"Economics are the method, she said, the object is to change the heart and soul."* An objective of neoliberalism is to enlarge the market and the moralities of the market into every aspect of life. Society must sail along the grounds of the market; everyone must be converted into entrepreneurs who are taking risks, searching for profit, and behaving individualistically in their work and every sight of their life. The government generates policies that encourage people to think differently to attain this. For example, in England, in the 1980s, Thatcher initiated an enterprise allowance scheme that individuals could prefer instead of unemployment benefits (Turner, 1989: 41-51). Ronald Reagan is another initiator of the implementation of neoliberal policies worldwide. However, there has been a slight decline in government dimensions in these economies. In the words of Reagan:

> *Now, so there will be no misunderstanding, I do not intend to do away with the government. It is instead to make it work with us, not over us, to stand by our side, not ride on our back. The government can and must provide opportunity, not smother it; foster productivity, not stifle it* (Reagan, 1981: 787).

State intervention was used to attack workers, such as Thatcher's enacting anti-union laws or usage of police power against miners' strikes in the years of 1984-1985. The state has been a solid obstacle to economic and social policies to improve income distribution and workers' rights (Streeck, 2016: 17-22). Speculatively and essentially, neoliberalism is carried out not only to protect markets from society and democracy but also to the evolution of society in the sight of markets to the detriment of egalitarian democracy (Munck, 2005). Neoliberalism reorganised social relations in a way that raises and augments the inequalities of capitalism through the smashing of the trade unions, cut-offs in social expenditures, privatisation of public industries and services, liberalisation of financial markets, monetary policies based on price stability (Lapavitsas, 2007: 65). Therefore, the discourse of the retreat of the state is just an inaccurate name for the process of its neoliberal reconstruction along the way of the capital's attempts to revitalise the rate of profit:

> *Projects of neoliberalization. . . have never been synonymous with a simple diminution, or withdrawal, of the state, but instead have been variously concerned with its capture and reuse, albeit in the context of a generalized assault on social-welfarist or left-arm functions, coupled with an expansion of right-arm roles and capacities in areas like policing and surveillance* (Peck & Theodore, 2019: 249).

The state also actively transformed distribution relations in favour of capital and transferred some public resources to the private sector. Through privatisation, one of the most basic principles of neoliberalism, new profitable areas have been created by putting the assets in the hands of the state or the values that are the subject of joint ownership to the market. In this way, the blockages in the accumulation process were tried to be removed. In this context, neoliberalism has been defined by Harvey (2005) as a political project aimed at recreating the necessary conditions for the uninterrupted continuation of capitalist capital accumulation. State intervention was shaped on the plane of depoliticisation of economic administration (Burnham, 1999: 37-54).

World's alliance with capital determined the rules of the new world economy. When Latin American countries entered the debt crisis in the 1980s, the US made many agreements to prevent banks from being dragged into a challenging situation, and international institutions and organisations tried to integrate these countries into structural adjustment programs. The IMF imposed extremely harsh conditions on many countries to guarantee the banks' receivables in return for long-term loans (Bacha & Feinberg, 1986; Agarwal & Sengupta, 1999; Glassman & Carmody, 2001). It is also worth-mentioning affair the Volcker Shock (1979), through which the dramatic increase in interest rates occurred in the US. On the other hand, the high-interest rate applications of Thatcher in 1980-1984 aimed at specifying policies in favour of the capital, especially the finance capital (Dumenil & Levy, 2005: 13). Each time, those practices connect with the state. The state's existence is revealed in its relation to distribution, besides its intervention in the economy (Clarke, 1991: 3-4).

When Karl Polanyi's (1944, 2001)'s thoughts in his book The Great Transformation are re-read by taking into consideration these advancements, it is possible to realise that the visible hand is not a method used in economies; on the contrary, it is the thing captured through several compulsions. Polanyi asserted that a self-functioning and socially disembedded market economy is impossible, and he also evaluated the collapse of the British hegemony in this respect (Cangiani, 2011; Polanyi, 2001: 71-80). Essentially, he qualifies the weird thinking of an economy which independent from state and political institutions as a Stark Utopia (Polanyi, 2001: 3). For this, he excellently states that "The road to the free market was opened and kept open by an enormous increase in continuous, centrally organised and controlled interventionism" (Quoted in Block & Somers, 2017: 384). From Polanyi's perspective, the market is a phenomenon deliberately or forcibly imposed on society as a joint market organisation created by the state. The understanding of laissez-faire is far from natural. To ensure capitalism's long-run operation, market mechanisms must be socially and politically controlled (Arrighi, 1994: 255-257). The claim that the state is passive in neoliberalism is deception.

A strong and active state is needed to establish a neoliberal economic and social order. In the neoliberal approach, the state is given the role of playmaker and regulator in the market with a positive approach, without interfering with prices. In other words, regulation in a market economy is underlined. In neoliberalism, the regulatory-regulatory state is defended rather than the interventionist state. The private ownership of the means of production and the price mechanism to distribute resources are built on the powerful state apparatus (Kasper, 2010: 333-334). In the system, the market and the state are not opposed; they evolve and depend on each other. The market cannot exist without the state. In Röpke's words on the subject:

> *To conceive of a free market regime as an autonomous institution that needs no support, protection, or assistance unconnected with the state is a grave mistake to fail to appreciate the vital importance of a moral, legal, and institutional framework in line with free market principles* (Röpke, 1967: 120).

The characteristics of neoliberalism have begun to evolute radically ever since the 1980s. Neoliberalism has become financial neoliberalism (Christiaens, 2019; Palley, 2013; Velucci, 2021). Speculative financial flows and the financialisation process were the last refuges for capitalism (Amin, 1996, 2003; Arrighi, 2003). The growth efforts of world economies by expanding their place in the financial world have given rise to financialisation. The most crucial feature of neoliberalism became financialisation, which connotes the subordination of economic and social reproduction to what Karl Marx initially called interest-bearing capital. In the most widely accepted way, financialisation is defined as the increase in the functions of financial markets, market players, and financial institutions in the international and national economy. Epstein (2005: 3) defines financialisation as the increase in transactions of financial motives, financial markets, financial actors, and institutions both in the local and international economy. Wade (2005) made a relatively different definition and identified financialisation as the growing dominance of the financial economy over the real economy.

Financial neoliberalism developed through the transformation process of the economic and institutional structure throughout the world in parallel with the changing structure of production, primarily through the influence of advances in communication and technologies. Financial markets have undergone a significant evolution in terms of market volumes, transaction density, and the rules of the regulatory authorities they are affiliated with, especially in the last few decades worldwide. The compensation for falling profit rates is tried to be eliminated through financial transactions (Gowan, 2009). Such policies have become complementary to forestall falling profit rates in real production, where competition is warming up and profit rates are reducing. Financialisation has also promoted the transnationalisation of production and finance, known as globalisation. It has become a domain where capital is reproduced, which was assumed as a hegemonic structure of production and profit (Eroğlu & Tunç, 2018: 30). Neoliberal policies are capitalism's attempt to dominate the globe with expansionist logic. However, financial neoliberalism has generated a new world, a new order, a new system, a new logic, a new sovereignty, and a new reality. The most important aspect of this reality is that the borders between countries have begun to disappear, the distances between continents have decreased, capitalism has evolved into imperialism, and most importantly, the absolute dominance of neoliberalism has begun to emerge (Hoogvelt, 1997).

Financial neoliberalism has carried rising inequality, falling investment, and a broad wave of speculation with adverse effects on global growth, despite unprecedentedly favourable conditions for accumulation (Lazzarato, 2009; Ostry et al., 2016; Western et al., 2007). It has also fuelled an increasing trend in financial institutions' appropriation of national income. The attainment of extraordinarily favourable conditions for accumulation has coincided with worsening macroeconomic performance and more profound, longer-lasting crises. This is because of the state's wandering away from society and the neglect of the social aspects of the economy. This is the economic paradox of neoliberalism. As Polanyi remarks:

> *To allow the market mechanism to be the sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of purchasing power, would result in the demolition of society* (Polanyi, 1944: 76).

The transformation of capital into speculative financial capital has been the source of many crises, especially in developing countries. The creation of mechanisms enabling the markets to build unimaginably, along with the commodification of labour, land, and money, and even the commodification of humans by sealing off them from history and society, has been the source of crises. This situation can be noticed when the crises in the last few decades are considered. Latin American Debt Crisis (1982), Türkiye and Mexico Crisis (1994), Southeast Asia (1997), Russia (1998), Türkiye (1994-2001), Brazil (1999), and Argentina Crisis (2001-2002) are examples of the most striking financial crises eventuated in the peripheral countries (Öniş & Aysan, 2000; Bowles, 2000; Crotty & Lee, 2005).

Financial crises have been recorded as economic and social crises, whose effects are very sharp and still ongoing, with a predominant poverty and humanitarian dimension, which verifies Polanyi's views again. Today's societies embrace all the contradictions of a period in which the unbridled use of nature and human labour in line with capital accumulation accelerated, and wealth accumulation through speculative financial transactions reached unprecedented levels. Financial transactions increasingly determine daily life, behaviour, and decision-making processes. Global financial assets such as stocks, debt securities, and bank accounts totalled approximately $12 trillion in 1980. In 1995, this figure increased to 64 trillion dollars, and in 2005 it reached 140 trillion dollars (Bryan & Rafferty, 2006: 38). In 2007, it reached 196 trillion dollars. While the ratio of global financial asset reserving to World Gross National Product was 109% in 1980, this ratio increased to 338% in 2005. While the ratio of financial asset reserving to Gross National Product for the US economy was 303% in 1995, this ratio increased to 405% in 2005 (Orhangazi, 2008: 11). It is obvious that a particular state organisation and structure has been built; in the words of Gill (1995: 43), a regulatory state that conducts and provides economic order within the global financial market.

In brief, neoliberalism is less about stateless markets and more about a market that would keep safe from demands of mass justice and redistributive equality. Cyclical financial and monetary crises are the cost of opening out financial markets. Contrary to market orthodoxy, the capitalist system must be managed through the market's invisible hand and the state's visible hand. It would not be possible to talk about a neoliberal system without the continuous and active intervention of the state to strengthen marketisation, privatisation, and the interests of finance (Mason, 2015: 364).

5. (In)Visible Hand at The Peak of Financial Neoliberalism: Global Financial Crisis & Aggravation of The Neoliberal Interventionism

The mortgage crisis breaking out in the US in 2008 was a milestone since it reflected the financial instabilities of the visible hand formed by financial neoliberalism in many regions worldwide. The 2008 global financial crisis is a dramatic turning point in the fate of the international political economy also. The crisis has dissipated worldwide, which is quite common in all heterodox economics literature, and has been discussed thoroughly (See Lapavitsas, 2009, 2010, and 2011; Rose & Spiegel, 2012; Moreno, 2014). It erupted after the US mortgage market collapse and continued with the bankruptcy of large banks and financial institutions in significant countries. This crisis has evolved into an economic crisis by generating adverse effects on global consumption, production, capital accumulation, and employment since financial neoliberalism and the globalisation of capital provoked the contagiousness of the crisis. The most contagious area was the financial system. The crisis came out by combining many variables, such as speculation, the lowering of consumer loans, and the FED's loose monetary policy (Stiglitz, 2012; Goodhart, 2014; Green & Lavery, 2018). The ability of American capitalism, which integrates the activities of ordinary people into the financial system, was another reason that played a role in the outbreak of the crisis. The financialisation of ordinary people's incomes, savings, consumptions, and assets still shapes the current period. In addition, the crisis is the crisis of neoliberalism, which cannot be thinking apart from the American hegemony, primarily its financial institutions and mechanisms (Dumenil & Levy, 2011: 326). Therefore, the crisis can be interpreted as a financial crisis and a failure of neoliberal governmentality over society.

It can be argued that Polanyi's concepts and implications lived through their heyday in the twenty-first century, particularly after the financial crisis of 2007-2008 again. Against the groundwork of the 30 years of interwar crises, Polanyi (1944) claimed that the exigency of the great transformation, as the market economy, which used to be embedded in society, became disembedded, giving rise to the destruction of both society and nature as Devil's turning point. Multiple successive social, ecological, and financial crises drum up interest in Polanyi's opinions during the period in question. Especially the commodification of money has reached a dimension unimaginably through financialisation. The invention and commodification of derivatives have swept the world; regardless of inspection mechanisms, the state supported all of the improvements fulfilled in the financial sector (Stockhammer, 2010). As Campbell (2011: 214) sets forth, all of these incidents compose part of the deeper institutional roots of the crisis. The statements of Noam Chomsky referring to the 2008 crisis are thought-provoking also:

> *Another lesson to be learned from the crisis that started in the US and spread to the world is the disgrace of a system in which neoliberalism, free market ideology, and profit belong to private interests, and damage belongs to the people. The unprecedented magnitude of intervention by the FED in the markets again demonstrated the undemocratic character of the state's capitalist institutions. According to this characteristic feature, the state distributes the risk and cost, expropriates it, privatises the profit, and gathers it in a few hands. In a country where 50 million people do not have the merest health insurance, the state puts its hands in its pocket regarding rescuing financial capital. This happens at the capitalists' request* (Cited in Destici & Tekerek, 2008).

The scope, intensity, and variety of state interventions have increased dramatically in the aftermath of the crisis. Especially in developed capitalist countries, states have developed mechanisms to intervene in economic life to stimulate consumption, support credit markets, save some industrial sectors, and restructure the international financial system (Dumenil & Levy, 2015: 71-89; Clift, 2019: 16). As it is well known, the first austerity package against the crisis in the US came to the fore in the form of the billion-dollar bailout operation of the FED. In the face of the panic that arose with the collapse of Lehman Brothers, the FED expanded its monetary base and tried to compensate for the financial difficulties of the financial institutions. However, the state bailout 2008 was not based on triggering economic growth by increasing government spending, as with the Great Depression of 1929. Instead, the government bailout of 2008 was formed when funds created by non-US but US-focused states bought stocks of US companies and banks. In other words, the resource requirement of the capital was met by government or state funds or by these funds, known in the market as Sovereign Wealth Funds. The response of the US government to the crisis emerged in the form of preventing the deepening of the crisis by rapidly launching dollars into the market. Since the expanded monetary base in the US was realised not by transferring money to debtors but by covering the losses of financial institutions, it was interpreted as a solution to the problem of creditors, not a solution to the problem of debtors (Aalbers, 2013: 1086; Schwartz, 2012: 517).

The state has excellent control over the activities of private economic actors. It continues to function as an organ that protects the interests of those who own the means of production (Jayasuriya, 2005: 381). States are allocating more money since big business and big finance need to be bailed out - again. After the finance sector and large businesses were bailed out, states started to move on to support smaller businesses, homeowners, and landlords by giving small business loans and mortgage relief. However, many small businesses have attempted to go and return to the confused bureaucracy called for to attain these loans. Moreover, millions in the private rented sector are encountering evacuation as evacuation bans conclude. However, after support was given for each of these groups, any support was given to the workers. In the US, the poorest used stimulus checks to meet their basic needs, while the richest used the money to bet on a roaring stock market. The result was a dramatic increase in income inequality as the rich emerged from the crisis with a large stock of savings, and the poorest emerged with more debt.

In the last few decades, the state's position in the economy has been primarily determined by the transnational institutions defending the interests of capital worldwide and their proposals (Robinson, 2017). Before capitalism acquired a transnational character, the demands of the national bourgeoisie, located within the territorial boundaries of each nation-state, were decisive in the state's position in economies. In essence, the material basis of the transformation of the state in economies is determined within this framework. On the one hand, the state reflects the contradiction of the capitalist capital accumulation process; on the other hand, it undertakes to execute this process. The powers which dominate the transnational capital decide which mechanism would operate the world market. At the rear of these powers state resides, whose quantitative and qualitative weight gradually increases (Table 1). Parallel to the level of transnationalisation that capitalism has reached today, the emergence of some transnational institutions other than the nation-state over time has remained the absolute position of the state and its role in ensuring the maintenance of the capital accumulation process.

Table 1. The Periodization of regulation styles in the economic system in the flow of history and the evolution of the (in)visible hand.

Period	Characterisation of the International Conjuncture	System and Policies Implemented	Regulation Style	The Mechanism Ensures Market Equilibrium
Laissez Faire Liberalism (1776-1929)	-Integration within the world economy	-Classical liberalism -International free trade	-Political, social, and economic structure relied on individualism and free market	-The (in)visible hand striving to make capitalism function and institutionalised via state power.
Keynesian Liberalism **(1929-1945 Transition Stage)** **(1945-1973 Effective Stage)**	-Limited integration within the economy	-Bretton Woods regime -Keynesian economic policies -Fordist accumulation regime -Financial pressure	-Regulation -Audit of the risk by the public authorities	-The (in)visible hand attempting to ensure the macroeconomic stability of the international economic system.
Neoliberalism (1973-1990s)	-Worldwide liberalisation of the economic and financial system	-Structural adjustment policies. -Market fundamentalism - Policies toward the globalisation of capital - Policies towards universalising capitalist relations by hinging on private enterprise and individual freedoms.	-Deregulation -Privatization -Financialization -Removal of market regulatory measures by states, international institutions, and transnational corporations.	-The (in)visible hand endeavouring to integrate incredibly underdeveloped and developing countries within the world economy.
Financial Neoliberalism (1990s to present)	-Acceleration of globalisation (specifically financial globalisation) - The extraordinary developments in computer and internet technologies.	-Searching (ostensibly) reforms for post-financial liberalisation. -Social and regulatory neoliberalism (allegedly).	- (Re)regulation -State-market collaboration. -The supervision of the public authorities and international organisations.	-(In)visible hand which underlines finance capital, worldwide shift towards financial production that drives everyone, even ordinary people in the system, to borrow.

Source: Prepared by the author.

It is easy to understand from here that today's capitalism is, one way or another, state capitalism. It is possible to characterise state capitalism as an economic system in which the state utilises different mechanisms for effective intervention in economic production and the operation of markets, in addition to its regulative and security roles. As a customer, owner, creditor, etc., Various aspects of direct state participation in economic activities can be singled out. In other words, it is possible to mention the existence of a system in which the state operates as the leading economic actor and uses the markets for political gain

(Bremmer, 2009: 41). The active role of the state is essential for the maintenance of capitalism. The capitalist state continues to create, correct, and direct the market.

6. The Invisible Killer of the (In)Visible Hand Myth: World-Shaking Pandemic COVID-19

The year 2020 has been an episodic year for many reasons. However, the principal among them is the continuing COVID-19 crisis, which has taken down a series of dominoes by paving the way for significant implications in so many different sides of life on our planet, containing the issues such as health, economics, trade, environment, and society. The global pandemic has disclosed and called attention to many of the structural and ideological frailties present and prevalent in a globalised free market economy along the neoliberal route. It has the potential to transform the health crisis into a socio-economic crisis, which can be evaluated as an affair with its multidimensional and profound consequences, especially enhancement of unemployment and poverty, and socio-political tensions (Pereira & Oliveira, 2020; Tisdell, 2020; Besenyö & Karman, 2020; Erokhin & Gao, 2020).

COVID-19 gave rise to the debate on the stature of the visible hand-the character of the state- and its association with the market, the invisible hand. The COVID-19 pandemic has expressed the radical change in how states replied to crises and how those replies are directly associated with rebuilding state devices in all parts of the countries. Due to the COVID-19 pandemic, governments are playing a much more effective and direct role in their economies, saving firms, purchasing shares in firms, giving loans, and developing vaccines. It was observed that state intervention was used in almost all countries, albeit in different degrees and forms.

States immediately enlarged proprietorship through their sovereign wealth funds and increased their investments in the health, tech, real estate, and travel industries. For instance, in Portugal, the government gave financial assistance to the flagship carrier TAP Air Portugal, while in Germany, the government realised a US$9.8 billion capital injection into Lufthansa (Albers & Rundshagen, 2020). A few years ago, the Portuguese government had minority ownership of TAP. Still, now it has a 72.5% stake. The airline also received the €1.2bn government loan (Wright et al., 2021: 1). In the United Kingdom, HM Treasury and the Bank of England gave monetary backing in the form of the COVID-19 Corporate Financing Facility for a total of £12 billion to great non-financial non-state-owned European (making a significant benefaction to the United Kingdom economy) and the United Kingdom companies, such as travel companies (British Airways, Ryanair, Wizz Air, Easyjet, RCL Cruises, Stagecoach, Intercontinental Hotels, Airbus), retailers (John Lewis, Westfield, and Boots, Burberry), or education and sports (Tottenham Hotspur Stadium, Football Association, Football League, London Business School) (Wright et al., 2021). The facility was styled to prop up liquidity between greater firms, which assisted them in overpassing COVID-19-reasoned breakdown to their cash-flows by the agency of buying short-term debt by the United Kingdom government. These investigations focus on the significance of understanding the diversity of state interventions throughout the countries and how effectually governments dispatch crises.

States got involved and began taking steps as buyers, employers, and creditors of last resort. From a 1,200 dollars per person government handover in the United States (Aharon et al., 2021: 15), nationalisation of payrolls, several credit guarantee programs, suspension of mortgage payments throughout Europe, augmentation of public services and financial assistance in the United Kingdom; promotion of childcare payments for low-income parents, essential income assistance and tax and utility bill holidays; for the self-employed in Germany; government changeovers of Alitalia airline in Italy and hospitals in Ireland are kind of examples (Sumonja, 2021: 219). One author summarised the translation of these advancements in the context of the discourses such as the turning back of the state:

> *The age of neoliberalism, in terms of the primacy of market interests over all other social interests, is ending. After four decades of neoliberal scepticism about the state, a long-forgotten fact is coming to light: that nation states still have enormous creative power if only they are willing to use it* (Saxer 2020).

The ostensibly increased effectiveness of the state has been interpreted as the resurrection of the state. However, how accurate this interpretation is is open to debate. As soon as the pandemic hit, neoliberal governments retreated again to artificial Keynesianism. Moreover, that is entirely what we have given evidence with the trillions of dollars being used up for economic recovery across the world, by which most states have transferred the lion’s share to corporations and a relatively small amount of donation conduct to human populations (Rosenberg, 2021; Ryan, 2020: 80-93). As one example, the United States CARES ACT provided approximately 560 billion dollars in one-time cash remittances to individual citizens; but allocated over 1.217 trillion dollars to businesses and government organisations (Bergquist et al., 2020: 631). Big businesses were taken financial assistance and bailed out to a large extent, small businesses were mostly left to whither, and ordinary people were left to starve. This intervention by the state was made for political benefit and gain. While the state manages the key productive powers that support the continuity of the capitalist system, it strives for a political economy in which market powers also operate (McNally, 2013: 9-10). As Fazi (2020) holds forth, “In any case, neoliberalism has always used state intervention: when convenient: to police the working classes; prop up the financial system; bail out large firms that would otherwise go bankrupt; and open up markets abroad (including through military intervention)”.

7. Concluding Remarks

Historically, the state has always existed as an instrument playing an active role in the genesis of the free market, which is the essential component of the capitalist system. The change in economic systems, regimes, and schools of thought over time and the creation of different theories did not change its position.

Adam Smith’s invisible hand concept has the property of being a myth. Classical theory has been introduced as a theory of economics that adopts the state and the market as separate and opposite modes of organisation of economic activity. However, this is an incorrect presentation. State and politics are always crucial in developing capitalism in the classical liberal period of economics.

On the other hand, Keynesian economic theories and policies believe that the capitalist system has its internal problems, which can only be overcome through sound economic management. Economies do not have an invisible hand mechanism, and market equilibrium cannot be achieved without intervention. The visible hand that seems to provide equilibrium is the state again. The Keynesian period is not the retreat of liberalism but a period that expresses the revival of liberal capitalism in the new phase of capitalism. Keynes' liberalism is interventionist. He proposed a new understanding of liberalism which includes market control and compromise between labour and capital to protect the capitalist private property system.

Neoliberalism came into being as a radical version of classical liberalism which is a new interpretation of classical liberal theory. Neoliberalism is not a transformation that can be interpreted as the complete elimination of state intervention and the replacement of the state by the market. However, this misinterpretation, which dominates the ideological environment in many parts of the world, has led many economies and societies to a dead end. Neoliberalism does not aim to abolish the state. On the contrary, it seeks to put the state at the service of the market. The state has always existed as a public sphere and is structured under monopolistic private interests' control. Policies such as the financialisation of capital, reduction of labour power, deregulation, and privatisation have been carried out by the state, among the essential principles of neoliberalism. The state never contracted during the neoliberal stage; it was substantially reformed. Instead of spending and making laws to decrease unemployment as it had during the post-war period, in which a strong labour movement had been able to compromise directly with both employers and the state, the neoliberal state instead opted to target consumer price inflation and control discipline organised labour. With another saying, the neoliberal state is not an implication of the small state; it is a state contrived to satisfy the interests of capital. So, the neoliberal process is not based on an invisible hand but on a visible hand project. Financial neoliberalism is also a visible hand project that began more commonly in countries that have roughly implemented neoliberal economic policies since the 1980s.

The state has been reshaped institutionally and financially and brought under neoliberal discipline. Accordingly, a state has dominated the market with its rules, procedures, and institutions. The agreements imposed by international financial institutions- structural adjustment policies- through harsh conditions prove this. The US, the dominant power in the global system, sometimes intervenes directly without resorting to international financial institutions to deepen this process. The structural adjustment pressure exerted on developing countries from the 1980s represents one of the most vivid examples of this circumstance. Of course, these pressures painfully opened the way to successive financial crises in the periphery.

States can reidentify their own rules and limits in economies due to the events that have witnessed transformation and development in the world. The Great Depression, the structural crisis of the 1970s, the financial crisis of 2008, and some progress we discussed in the paper assessed this situation. The same scenario may apply to the COVID-19 pandemic, which is regarded as one of the most extreme events the world has experienced. Today, we are living through another world, a world wiped out by the pandemic, which, as we know, is no longer just a health crisis but a vigorous social, political, and economic crisis that would give rise to unspecified long-term consequences.

The pandemic appears to have quarantined neoliberalism professedly in the short term. However, this is just a mistake. In fact, after the pandemic outbreak, support packages for citizens and incentive packages for businesses were created in many countries. However, when the aid packages are examined in detail, it is seen that large pro-capitalist companies are favoured in the amount of aid, which plays a crucial role in turning the wheels of the capitalist system. States are allocating more money since big business and big finance need to be bailed out - again. The invisible hand that Smith points to is not such a supernatural force but somewhat tangible. The COVID-19 process has once again shown that thanks to their financial capital, the hand of the mysterious structures direct the world economy. We saw the same dynamic in pursuit of the global financial crisis when states and central banks spent trillions of dollars supporting the world's financial system. This can be considered a consistent situation for many countries that have adopted neoliberal economic policies, which is the central ideology of global capitalism. State intervention does not give rise to economic redistribution or well-funded public services. Intervention pivots, above all, on which classes in society take advantage. In 2008, intervention-especially monetary expansion and the bank bailouts-directly promoted those whose income reaps from capital over that contingent upon wages. State intervention has been brought into play to safeguard present forms of investment and finance. For decades these forms have systematically come in handy as capital over labour. As Thomas Piketty has claimed, when yields on capital outstrip those of wages, high inequality will spring up. This implies that in the absence of substantial further alteration in the economic model, which precedes labour over capital, the vast inequalities of our time would continue to exist in the post-virus world. These subjects suggest that COVID-19 does not stand for the expiration of neoliberalism, let alone any challenge to the international capitalist system.

In conclusion, historical experience has proven that states actively intervene in economic life in different accumulation processes. What changes is only the differentiation of the content of state intervention in terms of time and space, compatible with the requirements of the capital accumulation process. The differentiation of the content of state intervention in terms of time and space can be interpreted as a result of the changing requirements of the capital accumulation process in different conjunctures of the historical process.

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