

# Comparing Neoliberalism and Neo-Marxism from an Economic Perspective

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## Abstract

Marxism and neoliberalism are two distinct philosophical schools of thought with fundamental distinctions. Marxism takes a scientific view of the world, whereas neoliberalism is a theory of free market regulation in a new economic environment without government intervention. The conflict between neo-Marxism and neoliberalism revolves around the theory and practice of the socialist market economy. There is a contrast between socialism and capitalism because, as a specific economic operation mechanism, the market economy must be combined with a certain fundamental social economic system and subordinated to this system, serving to consolidate and develop this basic system. The socialist market economy is not a combination of the socialist system and the market economy but rather an organic whole that integrates the two; therefore, it cannot replicate the Western market economy system. The socialist market economy must combine planning and the market, maximizing the benefits of both without emphasizing one over the other. Neoliberalism and Marxism took distinct stances and provided different answers to the question of how to define freedom. Although there are many similar perspectives on some issues, there are substantial disparities in fundamental concepts. The key to a solid socialist political structure is an accurate comprehension of the underlying difference between these two schools of thought regarding freedom.

**Keywords:** neoliberalism, neo-Marxism, comparison, education, market economy, concept of freedom

## 1. Introduction

In contemporary society, neoliberalism and neo-Marxism are two influential schools of thought in the disciplines of economy, politics, and society. As an essential component of social development, education has also been shaped by the divergent perspectives and theories of these two ideas. Therefore, a comprehensive comparison of neoliberalism and neo-Marxism in education is essential for comprehending the direction of educational policy, practice, and reform. Comparing the educational philosophies of neoliberalism and neo-Marxism, this paper will examine advantages, disadvantages, and existing problems, as well as practical paths and viable strategies for educational reform. Using a comprehensive analysis and comparison of neoliberalism and neo-Marxism education perspectives, as well as the actual situation in China, a relatively comprehensive and balanced education development model is proposed to address this issue. Neoliberalism and neo-Marxism's educational concepts and practices are dissected and analyzed in depth in this article. Combined with the present situation of education and reform needs in China, this passage further suggests solutions to specific problems and conducts theoretical analysis.

## 2. Neoliberalism and Education

Regarding the definition of neoliberal education, neoliberalism proposes using economic means and commercial methods to transform public education; its essence can be summed up as "education marketization," "education privatization," and "education decentralization." Neoliberalism promotes competition, marketization of education, educational reform, privatization of education, opposition to government intervention, and decentralization of education (Zhang, 2019).

Under the influence of neoliberal education, the West implemented educational reforms such as "study subsidy schemes for designated professions/sectors" and "charter schools". The West has also adopted a school choice system, promoted "school vouchers," and encouraged schools to raise their own funds (Zhang, 2019).

Neoliberal education has produced numerous effects. It deviates from the essential requirements of education

while enhancing educational performance. While maximizing the regulatory function of the market, it disregards the law of the evolution of education. While dismantling the education monopoly, the government's primary responsibility to develop public education has been diminished. It deviates from the goals of educational equity and democracy while expanding the "free choice" of the educated. While emphasizing the external regulatory function of education, internal school determinants are neglected (Wang & Li, 2020).

China's education reform has been enlightened by neoliberal education. We must always adhere to the correct direction of education, actively investigate the regularity of education, focus on the fundamental nature of education, appropriately address the social nature of education, and firmly pursue educational justice.

In the sphere of education, neoliberalism proposes transforming public education through economic and commercial means. It can be summed up in three aspects: "education marketization", "education privatization", and "education decentralization" (Feng, 2019). Neoliberalism promotes competition and the marketization of education; educational reform and the privatization of education; opposition to government intervention; and the decentralization of education.

Indeed, the marketization of education is conducive to reducing government investment, achieving "high performance" in education, and meeting the requirements of various "consumers" of education. But an overemphasis on output and efficiency can easily lead to schools focusing only on short-term gains and losing interest in sustainable development. Education's worth must never be measured as if it were a commodity. The development of education must rigorously adhere to the scientific and public value characteristics of education as well as fulfill the requirements of serving the public interest.

Neoliberal education views the school as a profit-making institution and attempts to guide educational reform with the principles of market competition. This view is flawed because the purpose of market competition is to pursue economic profits, whereas the purpose of education competition is to promote education for the betterment of society.

To oppose the centralization of education administration, neoliberal education advocates argue that the government's "overstepping" should be prevented through the implementation of education decentralization or a decentralized mechanism. The government is obligated to provide citizens with a high-quality education and has the most influence over the development of schools. Therefore, it would be inappropriate to eliminate the government's role in education.

The proponents of neoliberal education believe that students should have more freedom to choose their institutions. However, there are loopholes in the system, as schools can select students with low grades or from low-income families. Ultimately, schools, rather than students, experience freedom of choice. In this way, education has not only failed to attain equity and democracy, but it has also widened the gap between social groups and schools.

The concept of neoliberal education has indeed played a stimulating role in enhancing the quality and effectiveness of school administration. However, from a practical standpoint, these measures have not resulted in a significant change. They were oblivious to the fact that establishing an inclusive and professional community within the school is a prerequisite for a profound and fundamental reform of the quality of school education. It is difficult to resolve education's core problems by relying on economic incentives or administrative reforms (Shi, 2017).

### **3. Neo-Marxism and Education**

It is commonly believed that critical theory is the theoretical foundation of "neo-Marxist" education. Marcuse and Habermas are the most prominent supporters of critical theory. Marcuse harshly criticized the society and education in developed capitalist countries that suppressed human nature. On the one hand, advanced science and technology increasingly eradicated human personality, transforming humans into machines' appendages and repressing individual requirements. On the other hand, modern capitalist society propagates and inculcates the concept of "one-sidedness" through school education and the increasingly developed modern media, imposing a certain way of life, way of thinking, behavior, and value standards on people as well as cultivating their submissive consciousness (Wang, 2016).

According to Habermas, education and learning are always crucial intrinsic factors in the social evolution process. Through education and learning, individuals adapt to the existing social productivity and production relations. On the other hand, the social system utilizes the learning abilities and learning outcomes of individuals to form a new structure, thereby fostering the social system's development. Habermas regarded public opinion as a "mass education strategy" and praised its importance. He believes that the "revolutionization" of contemporary

capitalist society can only occur when the public opinion structure of free capitalism is restored, the spirit of public opinion is altered, a public opinion atmosphere of "pure exchange of ideas" is created, and the public opinion's checks and balances and educational functions are carried out. In the view of Habermas, human interests can be divided into technical interests, practical interests, and emancipatory interests, which are associated with the natural and social sciences, interpretive humanities, critical philosophy, and psychoanalysis, respectively. Among these, he places special emphasis on the role of emancipatory interest in contemporary life, believing that this interest seeks to liberate humans from oppressive and distorted communication environments. People's cognition and education are closely related to their interests, and he stressed the importance of guiding curriculum design, teaching method selection, and student activities based on these interests (Yuan, 2018).

As part of critical theory, "neo-Marxism" education offers a new perspective for analyzing the class nature, pedagogical function, and relationship with the social economy, culture, and politics of school education in a capitalist society, which has unquestionably made some progress. Neo-Marxists attempt to employ Marx's concepts and theories to conduct critical research on capitalist school education from a variety of vantage points, including the philosophy of education, sociology of education, education economics, and culture of education. This not only provides new materials for enriching and advancing Marxism but also gives us new ideas for studying contemporary educational issues from numerous perspectives.

### **A Comparison Between Neoliberalism and Neo-Marxism**

Neoliberalism and neo-Marxism are two influential schools of thought with contrasting views on education and society. Neoliberalism focuses on using economic and commercial methods to transform public education, leading to "education marketization," "education privatization," and "education decentralization." (Zhang, 2019) This approach promotes competition, reform, privatization, and decentralization in education. While it has enhanced educational performance and efficiency, it has also neglected equity and the long-term sustainability of education. Neoliberal education emphasizes individual choice, but it often leads to inequality and widened gaps between social groups and schools. While stimulating on the surface, it falls short of addressing the core issues of education quality and development.

On the other hand, neo-Marxist education, based on critical theory, provides a different perspective on school education in capitalist societies. Neo-Marxists critically analyze education's class nature, pedagogical function, and relationship with the social economy, culture, and politics (Liang, 2020). This approach focuses on liberating individuals from oppressive communication environments and advocates for democratic self-government socialism. Neo-Marxism recognizes the importance of education in social evolution and emphasizes the role of public opinion in shaping societal values and development.

When comparing these two ideologies, neoliberalism promotes individualism and emphasizes the importance of freedom in economic and political activities. It seeks to balance individual interests with societal well-being and emphasizes equal economic opportunities and social conditions. In contrast, neo-Marxism acknowledges the relativity of freedom and emphasizes the interplay between human freedom and necessity, considering the achievement of freedom as a result of socialized practice (Li, 1986). Neo-Marxism puts a premium on the liberation of individual and collective interests through communism.

In conclusion, Marxism and neoliberalism represent fundamentally different worldviews. Marxism is a scientific worldview, while neoliberalism is a theory of market regulation without government intervention. China's socialist market economy combines elements of both neo-Marxism and neoliberalism, emphasizing macro control by the government and the market's allocation of resources. It is important to recognize the distinctive characteristics of these ideologies to create a comprehensive and balanced education development model that addresses the needs of society.

### **5. Conclusion**

Marxism and neoliberalism are two fundamentally different philosophical streams of thought. Marxism is a scientific worldview, whereas neoliberalism is a theory of market regulation in a new economic environment free of government intervention. The theory and practice of a socialist market economy are at the center of the conflict between neo-Marxism and neoliberalism. Neoliberalism focuses on the allocation of resources through the market mechanism and maximizes the market's influence in resource allocation. The market is comprised of unrestricted competition. In essence, it is to disregard the social attributes and status of people in production, separate from the economic basis and superstructure, in order to create a theoretical "ideal market" as a premise. Neo-Marxism emphasizes macro control by the government. Socialism with Chinese characteristics combines market power with macro control by the government. There is a contrast between socialism and capitalism due to the fact that, as a specific economic operation mechanism, the market economy must be combined with a

fundamental social economic system and subordinated to this system, serving to consolidate and develop this fundamental system. The socialist market economy is not a combination of the socialist system and the market economy; rather, it is an organic whole that integrates the two. Consequently, it cannot replicate the Western market economy system. The socialist market economy must combine planning and the market, pay attention to the advantages of both, and not emphasize either planning or the market.

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