Levy, Jonathan. ***The Real Economy: History and Theory*****, Princeton, NJ & Oxford, UK: Princeton University Press, 2025. ix-324 pages. eBook, $39.95.**

What really is the economy? Is it a "market sector," a "general equilibrium," or the "gross domestic product"? In a brilliant historical investigation, Jonathan Levy challenges traditional thinking, thereby posing profound and difficult questions not only to economists and historians but also everyone interested in the uncertain economy of modern times. Today, economics has become the most abstract and theoretical discipline of all the humanities and social sciences. It is suffused in methods and complex mathematical models that economists risk losing sight of the substantive focus of the economy itself. *The Real Economy* offers a new theory of the history and politics of "the economy" that bridges history and economics. To this end, Levy takes readers back to an earlier period that birthed the discipline of economics; thereby providing an invaluable perspective on what the economy is. The author draws mainly from history, political economy, and philosophy, particularly from Thorstein Veblen's *The Theory of the Leisure Class: An Economic Study of Institutions* (1899) and *The Theory of Business Enterprise* (1904), as well as John Maynard Keynes's *General Theory of Employment, Interest and Money* (1965). A highlight of the works of Veblen and Keynes will shine light on Levy's arguments.

Veblen's *Theory of the Leisure Class* critiqued conspicuous consumption as social activities stemming from social stratification of society and the division of labor. The book was published during the time dominated by millionaire capitalists like John D. Rockefeller (finance), Andrew Carnegie (steel), and Cornelius Vanderbilt (railroads). In this treatise, Veblen explains how the pursuit and accumulation of wealth impacts human behavior. As he framed it, the owners of the means of production have concerned themselves with economically unproductive practices of conspicuous leisure that contribute nothing to the material production of the useful commodities and services required for the functioning of society. The later responsibility falls on the productive occupations of the middle and working classes that serve as the foundational anchor of society. In effect, Veblen presents the evolutionary development of technology and the industrial arts as the creative forces of economic production. In showing the influences of Charles Darwin, Adam Smith, Herbert Spencer, and Karl Marx, Veblen emphasized social evolution and development as characteristics of human institutions. Thus, the social function of the economy, Veblen argues, was to meet the material needs of society and to earn profits for the capitalist owners. Further, *The Theory of Business Enterprise* discusses the growing corporate domination of culture and the economy. It analyzes two interwoven motivations for business (profit maximization) and industry (making of goods). When it is convenient for capitalist owners, they cut back on production in a bid to keep prices and profits high. Veblen used his evolutionary analysis to explain new trends in the economy.

What is the significance of Keyne's *General Theory of Employment, Interest and Money* on Veblen's thoughts? The underlying credo in Keynesian economics is that government intervention can stabilize the economy, and that money plays a key role in the economy. The Great Depression of the 1930s defied prevailing economic theory in explaining the causes of global economic slump and its inability to offer sufficient public policy solution to stimulate economic production and employment. Keynes headed a new thinking that turned away from then-trending idea that free markets would spontaneously provide full employment. Keyne's theory asserted that aggregate demand as measured by government, business, and household spending is the most important driver in an economy. Given that free markets have no self-regulating mechanisms that lead to full employment, Keynes justified government intervention through public policies that aim to achieve full employment and price stability. Furthermore, Keyne's revolutionary idea offered the following arguments: First, insufficient demand could drag out periods of high unemployment. Second, four components, namely: consumption, investment, government purchases, and net exports account for an economy’s production of goods and services. Hence, any increase in demand must come from one of these four components. To illustrate, during economic recessions, uncertainty undermines consumer confidence, resulting in reduced or delayed discretionary spending, for example, on a car or a house. The reduction in consumer spending can result in reduced investment spending by businesses in response to low demand for their products. Consequently, Keynes would argue that government intervention becomes necessary to stabilize the effects of oftentimes fluctuating economic booms and downturns in the business cycle. Keynesian economists believe that fluctuations in any component of spending, be it consumption, investment, or government expenditures, could result in change in output. For example, if government spending increases, while consumption and investment remain constant, then production will increase. This solidifies the Keynesian argument that state intervention has a stabilizing effect on the economy and society.

With a backdrop in the economic philosophies of Thorstein Veblen, John Maynard Keynes and other thinkers, the key themes in Levy’s analysis include the following: *The Real Economy* offers a clear understanding of the evolution of economic thought, integrating historical analysis and theoretical insights. The author criticizes neoclassical economics, noting that it fails to provide understanding of the economy in its entirety, without simplifying or neglecting any aspect of its intricate nature. Levy explores different perspectives, drawing from various thinkers, including Veblen, Keynes, Darwin, Spencer, Smith, and Marx to offer a subtle and detailed understanding of economic processes. Also, Levy visits themes that are often sidelined in mainstream economics and discusses the role of uncertainty and financial markets in shaping economic realities. Lastly, Levy draws attention to another topic rarely addressed in traditional economic literature by discussing the separation of corporations into *for-profit* and *non-profit* sectors.

With a background in the philosophies of Thorstein Veblen, John Maynard Keynes, Charles Darwin, Herbert Spencer, Adam Smith, and Karl Marx, I concede that it made Jonathan Levy's analysis understandable and interesting reading. Without a doubt, *The Real Economy* will provide an invaluable contribution to the literature and debate on the evolution of economic thought and the nuances of modern capitalism. Jonathan Levy deserves credit for his ability in combining information from multiple sources, analyzing them, and creating new historical and theoretical insights.

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