



# **CONFERENCE PROCEEDINGS**

## **IRC- 2014**



**International Research Conference on Business,  
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**17-18 April 2014. Istanbul, Turkey.**



# **Book of Proceedings**

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## **CONFERENCE CHAIR MESSAGE**

A major issue faced by today's growing economies is that irrespective of allocation huge financial and human capital resources they are not able to grow as an innovation based economy. The reason behind this failure is the biased policy making towards few bright and media oriented sectors of the economy. Limiting the scope of innovation to some specific areas and fields. While most of the developing Asian world is relying on traditional sectors. The major reason behind this lack of innovation is that governments, policy making institutions and scholars are less concerned about the auxiliary fields. This platform is established to provide an equal opportunity to all fields for sharing innovative insights to meet the challenges faced by developing countries in transforming from traditional economy to knowledge based economy. By cross fertilization of ideas we the scholars of the time can help the policy makers and governments to meet the innovation challenge. This cross fertilization of ideas will provide the basis for developing an infrastructure which can serve the society in a better way. This is the main theme of this conference. "Let's help all fields grow together to serve the society in a better way".

A very special thanks to our honorable scientific and review committee for spending much of their time in reviewing the papers of this event, selecting the best paper awards and helping the participants in publishing their research in affiliated journals. Also special thanks to all the session chairs from industry, academia and policy institutions who volunteered their time and support to make this event a success. A very special thanks to the great scholars for being here with us as key note speakers, their valuable thoughts will surely open the horizon of new research and practice for the conference participants throughout the world. I am also thankful to all the participants for being here with us to create an environment of knowledge sharing and learning. I am also indebted to the collaborating institutions for playing their key role in making this event successful. We the scholars of this world belong to the elite educated class of this society and we owe a lot to return back to this society. Let's break all the discriminating barriers and get free from all minor affiliations. Let's contribute even a little or single step for betterment of society and welfare of humanity to bring prosperity, peace and harmony in this world. Stay blessed.

Thank you





Keywords: neoliberalism, Chicago School, Keynesian Economics, Washington Consensus, free market.

### Understanding Neoliberal Politics by the Mediation of Institutional Economics

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#### Abstract

Neoliberalism, which is not described by a certain rule, renders a wide range of perspective. Therefore, it is a highly effective notion on economics and political phenomenon. This efficiency gets meaning mutually in socio-cultural area. However, it is obvious that the most effective area of neoliberal politics is economics. Because intended efficiency in politics and socio-cultural levels are provided by the mediation of applicable economics politics. Even it has some certain notions derived from all those economics premises, fundamentally neoliberalism forces financial market orders and it therefore requires usage of state's power systematically.

Institutional economics is the economics stream established by Thorstein Veblen, linking between man's nature of society and economics affected by Darwin's ideas of the origins of species. Thus, institutional economics claims that the economics behaviour cannot be thought separately from all institutional forms such as social, cultural and politics of the society. Economics can hereby differentiate between societies, time to time and place to place.

This study focuses on two main premises: Putting forward the relationship between mainstream economics (neoclassical economics) and neoliberal economics politics, and the criticism of institutional economics to this condition. Initially, the relationship between neoliberalism and mainstream economics will be analyzed, then the nature of institutional economics will be examined especially in terms of the thoughts of its founder Thorstein Veblen and finally the relationship between neoliberalism and institutional economics will be debated. By the mediation of new aspects provided by institutional economics to neoliberal economics politics, the applications of economics can be better maintained, and this can take more fair steps towards economics politics.

Key words: neoliberalism, institutional economics, Thorstein Veblen, neoclassical economics, mainstream economics.