Seeking the Best Master

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Seeking the Best Master
State Ownership in the Varieties of Capitalism

Edited by Miklós Szanyi

The state is back on the economic agenda. After decades of the predominance of economic liberalism, state-centered paradigms have started to play a much more prominent role in economic discourse and policy. However, the increased prominence of the state is not always beneficial. Sometimes, increased state activism can degenerate into harmful rent-seeking. It is in this context that Seeking the Best Master: State Ownership in the Varieties of Capitalism is a most valuable contribution to the international debate. Based on a broad range of empirical country case studies, it provides a very nuanced picture of beneficial and less beneficial forms of state intervention and ownership. Its core claim that for increased state intervention to be broadly beneficial we need a well-working system of checks and balances should be heeded by policy-makers and voters.

Andreas Nölke, Professor of International Relations and International Political Economy, Goethe University, Frankfurt

The state is back—and not only for a transitory period. Lastingly negative real rates of interest coupled with fiscal laxity counts as the ‘new normal’ macro-economics, from the United States to the European Union and Japan. Parallel to this sea change, state activism is also revived. This means both an enhanced role of discretionary interventionism and a sustained role of public enterprises across the globe. The present collection provides ample evidence for how and why many countries at various levels of development opted for more activism—and more statism. As the title suggests, depending on the context, more active public policies may, and often do, translate into the shortest way to competitive markets. There is no golden route, no single best solution to ensure improved public welfare. Anyone interested in the theory and policy of comparative development should be confronted with the vast evidence, theoretical and empirical, marshalled in this volume.

László Csaba, Professor of International Political Economy, Central European University and Corvinus University, Budapest and Member of the Hungarian Academy of Sciences and of Academia Europaea, London

"The economic crisis of 2008–2009 signaled the end of the post-Washington consensus on restricting the role of the state in economic and development policy. Since then, state ownership and state intervention have increased worldwide. This volume offers a comparative analysis of the evolution of direct state intervention in the economy through state-owned companies in Austria, Brazil, France, Germany, Hungary, Poland, Turkey, Singapore, and Slovenia. Each case study includes substantial explanations of historical, cultural, and institutional contexts.

All the contributors point to the complex nature of the current rent in state economic interventions. The few models that are successful cannot hide the potential problems of excessive state intervention, linked to high levels of moral hazard. State-owned enterprises are primary tools of market and price manipulation for political purposes. They can be used outright for rent seeking. Yet state-owned enterprises can also play an important role in prestigious national initiatives, like major public works or high-profile social and sports events. The authors conclude that after the uniform application of democratizing market economic principles, the 2000s witnessed a path-dependent departure from standard economic and political operating procedures in developed countries."