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# Surfing between State and Market, for One Hundred Times

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FRANCESCO RAMELLA

## Surfing between *State and Market*, for One Hundred Times

With this issue, the number 100, *Stato e Mercato* (SeM) enters its thirty-fourth year of activity. Since the early Eighties, the journal has been the promoter, in Italy and in Europe, of the development of an original analytical approach called *Comparative political economy*. A current of studies that analyses the relationship between economic and socio-political phenomena and their modes of regulation and institutionalization, in a comparative and interdisciplinary perspective. Over the past few decades, political economy has spread in various fields of social sciences, primarily in economics, but also in political science and sociology.

Two aspects characterize this approach: on the one hand a renewed attention to the study of *institutions* and, on the other, a call to interdisciplinarity or, at least, a revitalization of dialogue among social sciences. As Jean Drèze and Amartya Sen (1990, p. 2) point out, with reference to economics, «political economy is economics seen in a perspective that is a great deal broader than is common in the mainstream of the modern tradition. In this view, the influences of political and social institutions and ideas are taken to be particularly important for economic analysis and must not be pushed to the background with some stylized assumptions of heroic simplicity. Political economy thus interpreted cannot but appear to be rather “interdisciplinary” as the disciplines are now standardly viewed».

The diffusion of political economy has led to an inversion of tendency in the tight division of labour which had characterized the social sciences after the second world war. That said, it should also be added that the use of the same label

in different disciplines – often accompanied by the prefix «new» – mask the existence of dissimilar approaches which do not necessarily call into question the «neoclassical economics» (Trigilia 2002; Regini 2006; Ramella 2007). For example, within political science – mainly in the United States – the spread of political economy has assumed the form of an extension of mainstream economics to the study of political phenomena. Neo-classical methodological individualism, with its corollaries of rational and maximizing behaviours, has turned into «rational choice», «public choice» and «games» theories, giving birth to a variegated «economic approach to politics» (Monroe 1991). Instead, in economic sociology (but also in another part of the political science community), especially in Europe, the neo-classical paradigm has exerted less influence and therefore a different type of political economy has been established.

*Stato e Mercato* has thus contributed to the development of a «non-neoclassical» approach, that pays attention: *a*) to «non-economic factors» that condition economic actions and outcomes; and *b*) to «historical factors» that shape the economic trajectories of different countries and varieties of capitalism. In other words, this approach focuses on the diverse modes of regulating the relationship between economy and society, and on the peculiar mix of state, market, community and association present in different contexts and different periods (Cella 2008). Following this approach, SeM has contributed to the comparative analysis of a specific type of capitalism, the Italian one, attracting attention to the territorial aspects of its model of development and to the institutional and regulatory arrangements of its labor market and welfare regime (Ballarino e Regini 2008; Trigilia e Burroni 2009).

This perspective is very similar to the *Comparative institutional analysis* (Morgan *et al.* 2010, p. 2), but with one specification. Institutional studies tend to privilege the national level of analysis, even if on the background of international dynamics. SeM, instead, also pays attention to other contexts of regulation, above and below the national one. Even if in the first phase of its life prevailed a «macro» approach that gave priority to the state level, over the following years the analytical focus has become more articulated, both upwards (exploring the dimensions related to globalization and European integration) and downwards (exploring regional and local development). Gradually, it has also

appeared a theoretical and methodological reflection both on the role of individual and collective actors (their choices and strategies) and on social networks.

*Stato e Mercato's* articles have mainly dealt with the *thirty less glorious* years of capitalism development, when some of the features of the *trente glorieuses* have gradually turned into their opposite.

1) Economic development and the mitigation of business cycles have made way, first, for a reduction of the growth rates and, then, for a deep international crisis.

2) The stability of the international monetary system and the predominance of the goods production have been replaced by a financialization of capitalism that is destabilizing the world economy.

3) The primacy of democratic politics and keynesian regulation have given way to central banks technocracies and neo-liberal and austerity policies.

4) Social and political cohesion, pursued through a class compromise that relied on the expansion of mass consumption, education and welfare policies, has left room for growing polarization and social uncertainty, linked to job insecurity and inequalities (OECD 2011). Albeit in different ways and degrees, these phenomena have occurred in all advanced economies, showing a deep crisis of the regulatory order of capitalism.

Especially in the West. Yes, because from the point of view of «the capitalism of the others», the last thirty years tell a rather different story. They speak of a profound reorganization of the geopolitical balance with the advent of new economic giants. The growth of emerging economies, in fact, has been decidedly accelerated, allowing some of them to reduce the gap with the advanced countries. Even though their capacity to contrast inequalities has been variable, the GDP growth has allowed the emerging countries to decrease absolute poverty (*ibidem*, pp. 48-49). Over the last decade low and middle income countries have grown at an average annual rate of 6.4%, compared to 1.6% in high income countries (World Bank 2013, p. 72). Moreover, the percentage of population living below the international poverty line (less than \$ 1.25 a day) has decreased from 52% in 1981 to 21% in 2010: a reduction of more than 700 million people. The history and prospects of capitalism, therefore, take on different connotations depending on the viewpoint we choose.

*Stato e Mercato* has always promoted an open and non-dogmatic discussion on these topics. To celebrate issue 100, therefore, we have invited some friends and scholars, who have accompanied the birth and evolution of our journal, to reflect on the evolution of capitalism over the past three decades and on the challenges it faces today. The annual seminar of SeM – held in Bologna in November 2013 – was an opportunity to discuss about the past, the present and the future of capitalism and to examine the social, economic and political transformations that are going on. This seemed to us a good way to explore the renewed analytical potential of the comparative political economy.

In addition to this «special issue», two other initiatives accompany the «celebration» of issue 100 of our journal. One is projected into the past, the other towards the future of *Stato e Mercato*. The first initiative relates to the «digitization» of some of SeM's articles published in the Eighties which have had a great impact on the Italian and international debate. The articles will be made available to all readers, free of charge, on our website (<http://www.mulino.it/edizioni/riviste/issn/0392-9701>). The second initiative concerns the publication (on the issues 2 and 3 of 2014) of interviews with some of SeM's «founding-fathers» on the new frontiers of comparative political economy; that is to say, on the issues and analytical challenges which *Stato e Mercato* will face in the coming years.

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### Surfing between State and Market, for One Hundred Times

*Summary:* Since the early Eighties, *Stato e Mercato* has been the promoter, in Italy and in Europe, of the development of an original analytical approach called *Comparative Political Economy*. A current of studies that analyses the relationship between economic and socio-political phenomena and their modes of regulation and institutionalization, in a comparative and interdisciplinary perspective. In particular, *Stato e Mercato* has contributed to the development of a «non-neoclassical» approach to political economy, that pays attention: *a*) to «non-economic factors» that condition economic actions and outcomes; and *b*) to «historical factors» that shape the economic trajectories of different countries and varieties of capitalism. The journal's articles have mainly contributed to the analysis of the *thirty less glorious* years of capitalism development, when some of the features of the *trente glorieuses* have gradually turned into their opposite. To celebrate the issue 100 of *Stato e Mercato*, we have invited some scholars, who have accompanied the birth and evolution of our journal, to reflect on the evolution of capitalism over the past three decades and on the challenges it faces today.

JEL Classification: P16 - Political Economy; O1 - Economic Development; Z1 - Cultural Economics.

