

Book review* **Social Market Economy: The Case of Germany**

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The global financial crisis has severely hit economies worldwide demanding more active role of the state in the economy and questioning whether the neoliberalism and globalisation have reached their limits. Now, when it seems that the whole system needs rethinking, it is time to thoroughly examine the main tenets of economic policies and identify good practices in order to acquire the know-how so much needed for reversing negative trends. One of these good examples – that could potentially serve as a benchmark – is certainly Germany, enjoying a long upswing and recovery after the Second World War referred to in the literature as a German economic miracle (ger. Deutsches Wirtschaftswunder). The set of economic principles responsible for this miracle are gathered in the doctrine known as the *social market economy* (ger. *Soziale Marktwirtschaft*).

The social market economy is built mostly on Catholic values – including models of Church teaching – and designed to be a third way between laissez-faire economic liberalism and socialist economics. Based upon three fundamental pillars – market economy, social order and ecology – it integrates economic performance, public security, social equity and dialogue between social partners. In his book *Social Market Economy: The Case of Germany*, Ștefan Sorin Mureșan deals with social market economy as a market economy model which is more social and more human. Mureșan's *Social Market Economy* presents basic characteristics of the social market economy as a theoretical economic policy model, but also analyses its

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practical implementation in Germany since its creation in 1948 until 2008. The content of the book is divided into seven chapters: *1 Introduction, 2 Philosophical and Historical Roots for the Social Market Economy, 3 Models of Capitalism, 4 Pillars of the Social Market Economy as Implemented in Germany, 5 Building up and Implementing a Social Market Economy in Germany, 6 What is on the Horizon for the Social Market Economy?, 7 Principles of Economic Style Moulded Into Sustainability and Foreign Policy Interests*. The book has 410 pages, 3 illustrations, 23 charts and 4 tables.

In order to be as thorough as possible, the author first observes European historical and philosophical context. Then, he concentrates on Germany examining the Christian doctrine and focusing on the relationship between philosophy and theology, in order to explain religion's contribution to identity. Namely, Mureşan claims that for understanding the country's economy, one has to understand its identity. According to author, the most important clues for understanding the identity are the historical and especially the religious and philosophical framework for people's formation, evolution and manifestation on a local and international scale. The success for social market economy, contends the author, lies on the Catholic morals, combined with Protestant work ethics and the desire to accumulate capital through systematic saving. In Germany, the social market economy has seen success due to specific cultural elements, such as the German's natural skills for order, discipline, technique, analysis and systematisation.

Comparing the social market economy to other forms of capitalism, the author identifies the advantages and disadvantages of this economic model. Furthermore, he provides an interdisciplinary interpretation of the progress registered so far, by implementing and developing the system in Germany after the World War II. Mureşan's *Social Market Economy* really is an interdisciplinary book. The author intentionally deals with the topic from a broader perspective considering that awareness and understanding of historical, spiritual, cultural, philosophical and political roots is of crucial methodological importance for drawing an objective and scientific conclusion on any political and economic system. With this in mind, the author combines various complementary viewpoints, such as that of theology, philosophy, history, economics, politics, foreign policy, diplomacy, and international economics.

However, this approach does not make the book too extensive or redundant in scope. On the contrary, it enriches the content and further clarifies author's conclusions making the book easier to understand and more affordable to the general public. Nevertheless, this was not an easy task to accomplish. Although not an experienced author, several characteristics make Mureşan competent for performing this demanding task. First of all, his education which is enviably broad and then, his experience in Germany working as a diplomat but also as a business consultant where he could see the effects of the observed policies in practice.

Mureşan graduated from the German school in Romania and first got a mechanical engineering degree from the Polytechnic University of Cluj-Napoca in 1989. There he certainly acquired analytical skills necessary for systematically observing such a complex area from many different perspectives. He studied philosophy, theology, international relations, European history, international trade and finance and international business law at various academic institutions in Europe. In addition, he studied the political system of the Federal Republic of Germany at the Faculty of Political Science at the University of Bonn. He got his MA in diplomatic studies from the University of Westminster in London in 1994, and a PhD in economics from the University of Cluj-Napoca in 2003. The main research for this book has been done between 1996 and 2004 when Mureşan was a diplomat at the Romanian Embassy in Bonn and exchange parliamentary staff at the Bundestag's Foreign Affairs Committee. The book is a result of his PhD research.

Providing both theoretical and practical aspects, the book offers a valuable resource for researchers, public administration professionals and policymakers. In his book, the author also examines the potential of applying the social market economy to other countries, especially transition economies. This is particularly interesting for Croatia, which has faced a serious public financial crisis for almost a decade now. Being in the election year and – at least seemingly – having a strong political will for a sustainable reform policy, this book could be extremely useful for politicians, but also quite informative for academics, journalists and other interested parties. The critical analysis of the model on the Germany's example is also a valuable contribution to the policy reform debate in Europe, where the social market economy was nominated as a desirable target for the European economic model. The book is also suitable for students studying history of economic thought and other complementary courses as well as to broader general public.

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