

State capitalism and the rent-seeking conjecture

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Abstract The notion that state capitalism (an economic system “in which the state functions as the leading economic actor and uses markets primarily for political gain”) is a new form of capitalism emerging in the global arena has been recently advanced by several authors. This paper explores the problem of the nature of this system in the light of these claims to novelty. What are its main features as described by these authors? Is state capitalism distinctive from other forms of capitalism or other types of economic systems? Are we really witnessing the emergence of a new type of economic system? To address such questions the paper starts by trying to place the model of state capitalism within the traditional comparative economic systems framework. The inconclusive result leads to a different approach in which the concept of rent-seeking society is used to underlie the structural similarities between mercantilism, real life socialism and state capitalism. The article argues that the conjecture that what has been labeled “state capitalism” is yet another form of rent-seeking system is both robust and worth further investigating.

Keywords State capitalism · Mercantilism · Rent-seeking · Comparative economic systems · Political economy

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