

Wrestling with “the new” state capitalism

EPA: *Economy and Space*

2023, Vol. 55(3) 760–763

© The Author(s) 2023

Article reuse guidelines:

sagepub.com/journals-permissions

DOI: 10.1177/0308518X231159109

journals.sagepub.com/home/epn**Jamie Peck**

Geography, UBC, Canada

Abstract

This paper introduces an Exchange section dedicated to the question of the new state capitalism. It is suggested that the new state capitalism, both as an ascendant concept and as marker of socio-institutional facts on the ground, signals a significant geohistorical moment, perhaps not a new “era” as such, but a notable inflection point. This warrants critical attention, even if first-generation treatments of the phenomenon itself may have been somewhat wanting. Contributions follow from Ilias Alami, Jennifer Bair, Isabella Weber, Marion Werner, and Heather Whiteside, each of whom provide a critical take on (debates around) the new state capitalism from their own theoretical perspective and vantage point.

Keywords

States, markets, state capitalism, China, United States

The idea of a “new” state capitalism resurfaced in what has been an especially long decade, beginning with the global financial crisis of 2008 and punctuated first by the Great Recession and more recently by the COVID-19 pandemic and its lingering aftermath. The timing, of course, was anything but innocent or random. It marked an historical moment in which once-precocious and expansive forms of neoliberalizing and globalizing capitalism were being discredited in “new” ways, having apparently failed in some of their principal sites of (re)production and indeed legitimacy, New York and London, as well as across the sprawling archipelago of Anglo-American, “liberal” capitalism. Epitomized most conspicuously by the countervailing “rise” of China, and by so-called “returns” to more statist modes of development elsewhere (the markers of which include the resuscitation of active industrial policies; the growth and restructuring of state-owned enterprises; the expanding scale and reach of development banks and sovereign wealth funds; turns toward neomercantilism, protectionism, and economic nationalism; and so forth), what became known as the new state capitalism took shape in the cracked mirror of (neo)liberal capitalism. This ostensibly new configuration recalled an old binary (which is an analytically stubborn

Corresponding author:

Jamie Peck, UBC, Geography, Vancouver, British Columbia, Canada.

Email: jamie.peck@ubc.ca

as it is politically resilient) between what are framed free-market and supposedly standard-issue models of capitalism on the one side versus more “statist” or “politicized” forms on the other.

Once again, a resurgent Other, in contrast to what we are invited to read as the normal-service or “proper” form of liberal capitalism, was being (re)presented as a competitive threat, institutional alternative, or ideological challenge—if not all of these. We had been here, needless to say, many times before, such as back in the 1980s, when so-called “Japanese” production systems came to epitomize a counter-model to the norms of American capitalism; with the declaration of a “second industrial divide” in that same decade, between a faltering system of Fordist mass production and a resurgent mode of flexible specialization, Third Italy-style; when the East Asian tiger economies, with their plan-rational developmental states, were invoked as alternatives to the neo-liberal order prevalent in the West, and predicated there on more restrained roles for the state; or when Germany’s “coordinated market economy” was contrasted with a liberal variety of capitalism residing in the United States, an institutionalist take on alternate pathways to “advanced” capitalist development that for a while stood as a heterodox counter to one-world visions of globalization.

The early rounds of scholarship on this new generation of state capitalism research often reflected these entrenched forms of binary thinking, many of them resurrecting cold-war imaginaries in their depictions of a China-centric counter-model of statist or politicized capitalism, staged as a polar opposite and unapologetic alternative to an ostensibly normal, purer, less corrupted American model, the model previously elided with “advanced” capitalism (see Bremmer, 2010; Kurlantzick, 2016; Milanović, 2019; cf. Sperber, 2019; Alami and Dixon, 2020; Peck, 2021). The geohistories of capitalism, while they may rhyme, never actually repeat of course, and the fact that “advanced” capitalism has been having something of an identity crisis for more than a decade now—historically speaking, (long) after the mixed-economy moments of the mid-20th Century and the neoliberal turns, mutations, and gyrations in the period since the 1970s—cannot be reduced either to a simple process of repetition or for that matter to a pendulum swing between statism and marketization.

On this basis, it surely has to be acknowledged that the new state capitalism, both as an ascendant concept and as marker of socioinstitutional facts on the ground, signals a significant geohistorical moment (maybe not a new “era” as such, but a notable inflection point for sure), even if first-generation treatments of the phenomenon itself may have been somewhat wanting. *Something* is happening out there, some constellation of norm-disrupting developments that is happening across cases, contexts, and conjunctures; an unevenly developing process of contradictory transformation evidently at work, one is being tracked, narrated, and (mis)diagnosed in real time that raises questions that are not so easily dismissed or foreclosed (Alami and Dixon, 2023; Whiteside et al., 2023).

Now, it is a truism, albeit one that seems periodically to be forgotten, that there can be no such thing as “non-state capitalism.” But the corollaries—that each and every mode and model of capitalist development has involved the state; that the state is an immanent presence in capitalism(s), albeit a contradictory one; and that all capitalisms are state capitalisms—only take us so far. And they take us hardly anywhere at all when it comes to the still-challenging task of mapping out the polymorphic variegations, restructuring geographies, and terraforming landscapes of contemporary capitalism. Debates around “the new” state capitalism, while less than perfectly coterminous with these questions, nevertheless rake them over in ways that are both analytically suggestive and politically relevant. There are good reasons, then, to confront and problematize this latest moment of state-capitalist development (and discourse).

This was the original impetus for what has morphed into a theme-issue sequence of papers on “Making space for the new state capitalism,” the second installment of which is published in this issue of *Environment and Planning A: Economy and Space*. And it was the premise and provocation, too, for a panel convened by the journal at the Global Conference on Economic Geography

in Dublin in June 2022. Rather than resort to a binary of our own making—and asking whether the notion of the new state capitalism is in any way useful, or not; or staging a debate between advocates and opponents of the concept—the panel was instead constructed around a diversity of (critical) takes on the question of state capitalism, framed as a question, panellists being invited to problematize and wrestle with the concept from a range of perspectives and positions. These included several varieties political economy, heterodox economics, economic geography, sociology, feminism, political science, international politics, and development studies. The invited panellists—Ilias Alami, Jennifer Bair, Isabella Weber, Marion Werner, and Heather Whiteside—each developed drafts what amounted to short, think pieces and provisional position papers on the question of state capitalism prior to the meeting. These were not “presented” as such, but informed the panellists’ contributions to what was an engaging and wide-ranging discussion. After the conference, each of the panellists was invited to revise and develop their written position papers in light of the discussion. They are reproduced in this Exchanges section.

The commentaries begin with Ilias Alami’s succinct and provocative statement of ten theses on the new state capitalism and its futures—futures that are apparently neither what *nor where* they used to be. Grounded in the contention that state-capitalist impulses are in many respects normal rather than novel, and quite ordinary as opposed to exceptional, Alami nevertheless makes a case for reconstructing the concept of “new state capitalism,” allied to searching and critical analyses of capitalist restructuring and the ongoing mutations of the capitalist state. Alami’s commentary is followed by an intervention from Jennifer Bair, which suggestively inverts the question of where in the world (the new) state capitalism is located, asking instead where the world (system) is in concepts of the new state capitalism, and how these might map into *longue-durée* movements in accumulation regimes and hegemonic cycles. With Sperber (2019), she also asks what it means, exactly, that concepts of (new) state capitalism index, or are commonly taken to index, situations in which the institutional presence and regulatory prerogatives of the state exceed some “normal” level, or weight, since this begs myriad questions about presumptions of normalcy as well as the political-economic and socioinstitutional substance of the state’s presence-cum-role within different systems, regimes, contexts, and conjunctures.

In her contribution to the exchange, Isabella Weber develops an argument for a much deeper (and at the same time more geographically sensitive) historicization of the concept of state capitalism, illustrated in this case with reference to the development of China from the late Qing dynasty through Maoism to the present. “State capitalism,” she notes, has been endowed with a wide variety of context-specific meanings and significations, often being employed with strategic intent and not infrequently with pejorative connotations. In this context, there is more than a little irony in the recent resuscitation of the term, in large part by Western observers, at a time when liberal capitalism and the world system are confronted by lingering crises of legitimacy.

In their contributions, Marion Werner and Heather Whiteside likewise develop arguments for reframing contemporary debates around state capitalism, which they each find to be restrictive and narrowly formulated. Werner calls attention to the default positioning of the “new” state capitalism in relation to the global financial crisis of 2008 and the world wrought in its wake, pointing out that there are equally compelling reasons to assign structural effects of the “other GFC,” the global food crisis. Many of the responses to the global food crisis might (also) be classified as “statist,” although paradoxically these appear to be both challenging *and reproducing* entrenched features of the incumbent, “neoliberal” food regime. (In turn, this opens up the matter of neoliberalization as a modality of statecraft and domain of reregulation, not some lazy signifier for the absence or withdrawal of the state). Whereas Werner seeks to extend the analytical optic conventionally associated with the new state capitalism thesis with reference to socioecological conjunctures and contradictions, Whiteside’s parallel move involves a reconsideration of this thesis from the perspective of longstanding debates (and controversies) around the so-called Asiatic Mode of

Production. This amounts to much more than saying that there is nothing new to see here, calling attention instead to the need to recognize and to challenge Orientalist formulations, in all of their persistent forms; to acknowledge and to engage extensive contributions on (comparative) state theory; and to historicize in ways that clarify the political stakes of these latest iterations in the processes, practices, and patterns of state-capitalist transformation.

Declaration of conflicting interests

The author declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: This work was supported by the Social Sciences and Humanities Research Council of Canada, (grant number 435-2021-0634).

References

- Alami I and Dixon AD (2020) State capitalism(s) redux? Theories, tensions, controversies. *Competition and Change* 24(1): 70–94.
- Alami I and Dixon AD (2023) Uneven and combined state capitalism. *Environment and Planning A: Economy and Space* 55(1): 72–99.
- Bremmer I (2010) *The End of the Free Market: Who Wins the War Between States and Corporations?* New York: Penguin.
- Kurlantzick J (2016) *State Capitalism: How the Return of Statism is Transforming the World*. Oxford: Oxford University Press.
- Milanović B (2019) *Capitalism, Alone*. Cambridge, MA: Belknap Press.
- Peck J (2021) On capitalism's cusp. *Area Development and Policy* 6(1): 1–30.
- Sperber N (2019) The many lives of state capitalism: From classical Marxism to free-market advocacy. *History of the Human Sciences* 32(3): 100–124.
- Whiteside H, Alami I, Dixon AD, et al. (2023) Making space for the new state capitalism, part I: Working with a troublesome category. *Environment and Planning A: Economy and Space* 55(1): 63–71.