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Defending the motion

Aldo Musacchio
Associate Professor of Business and Marvin Bower Fellow, Harvard Business School

State capitalism in the 21st century is a hybrid form of capitalism that is propelling firms to the forefront of the *Fortune* 500.



Against the motion

Ian Bremmer
Founder and president, Eurasia Group

The primary purpose of state capitalism is not to produce wealth but to ensure that wealth creation does not threaten the ruling elite's political power.

Skip to... Moderator | Pro | Con



The moderator's opening remarks

Jan 24th 2012 | **Adrian Wooldridge**

01 The world is currently witnessing the most dramatic change in the global balance of power since the rise of American hegemony after the second world war. The emerging world will account for half of the world's GDP by the end of this decade. China will probably overtake the United States as the world's biggest economy before then.

02 This sea change raises a deeper question: is the world also witnessing a shift from the age of liberal capitalism to the age of state capitalism? The world's fastest-growing big economy—China—is also an exponent of state capitalism. But China is by no means alone: most emerging countries give a far bigger role to the state than do developed countries. And the recent crisis of Western capitalism will only exacerbate this habit

Comments from the floor

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1-20 of 141 comments | « First < Prev 1 | 2 | 3 | 4 | 5 Next > Last »

yX6TZ9ZzAt wrote:

Dear Sir,
Most citizens of the western world are not satisfied with their governments so state capitalism cannot work for now. The political risk is too high for vulnerable economies which leads me to believe that corruption, nepotism and little hope may lead the way, were this theory to be instilled.

Yes, in China, there is a view towards state capitalism yet a friend in government is always useful, as goes for the Western world.

In China, state capitalism works as there is political will and a sense of "chinese pride".

As can be seen, the west is turning to the east for economic answers and the east is turning to the west for political/social answers so clearly neither economic/political system is working well.

Perhaps then the answer lies in economic/ecological sustainability before the west no longer have a choice and the east have too many choices.

Recommended (8) Report abuse posted on 27/01/2012 00:21:19 am

Proletariat wrote:

Dear Sir,
One form of capitalism leads to political oppression (Russia and China), the other has lead the world to chaos time and time again (Great Depression, Recession, the Shock Doctrine, and Income Inequality). The third option is to renounce capitalism and engineer a third way. The economy must evolve to survive, because it is not surviving at all.

Recommended (13) Report abuse posted on 26/01/2012 21:14:06 pm

in the coming years.

03 Is this new model of capitalism really a viable alternative to liberal capitalism? Or will emerging-world governments come to regret their choice? To debate this subject we have two people who are not afraid to look at the big picture: Ian Bremmer, the president of the Eurasia Group, and Aldo Musacchio, a professor at Harvard Business School. They approach the subject from different perspectives. Mr Bremmer is a specialist on political risk. Mr Musacchio is an economist. But they have both submitted wide-ranging surveys of what is going on.

04 Mr Bremmer defines state capitalism as a system in which political elites control economic activity for political gain. For him the standard bearers of state capitalism are autocracies—most importantly China but also Russia and various Arab countries. Liberal democracies such as Brazil may adopt some features of state capitalism—such as supporting national champions—but they are essentially market economies with state-capitalist features.

05 His critique of state capitalism flows from his definition. Given that the primary purpose of state capitalism is to keep oligarchs in power, the system will inevitably fail at producing wealth, at least in the long run. State capitalists cannot tolerate the two things that make for dynamic economies: the free flow of information that empowers entrepreneurs and consumers and the creative destruction that allows vigorous new firms to replace tired old ones. Liberal capitalism has survived huge challenges in the past. It will do so again.

06 Mr Musacchio has a broader definition of state capitalism: it is a system in which governments, whether democratic or autocratic, exercise a widespread influence on the economy, through either direct ownership or various subsidies. He also emphasises the difference between today's state capitalism and its predecessors. Gone are the days when governments appointed bureaucrats to run companies. The world's largest state-owned enterprises are traded on the public markets and kept up to snuff by large institutional investors.

07 This hybrid form of capitalism—state support disciplined by the market—gives state capitalism three huge advantages, according to Mr Musacchio. It produces global champions that have quickly risen up the ranks of the world's top companies. It gives companies the freedom to invest for the long-term rather than obsessing about short-term profits. And it smooths the economic cycle: state-capitalist countries such as China were much faster to cope with the consequences of the financial crisis than liberal-capitalist countries.

08 Mr Bremmer needs to confront several possible objections to his argument as the debate unfolds. Is his definition of state capitalism too narrow? Brazil has recently embraced a more active role for the state without becoming an autocracy. China has also released large numbers of companies into the private economy even as it has kept hold of "strategic companies". Is he criticising "state capitalism 1.0" rather than "state capitalism 2.0"? The current system of state capitalism is surely more market-friendly than its predecessors. State capitalists use the disciplines of the market to strengthen their national champions rather than to protect them from global competition. And is he ignoring the fact that state capitalism is changing the state as much as it is changing capitalism? China is producing a new generation of leaders who have MBAs (and other degrees) from Western business schools and extensive experience of running global companies.

09 For his part, Mr Musacchio also needs to deal with some obvious problems. Isn't state capitalism inevitably about politics as much as economics? It can hardly be a coincidence that its most enthusiastic exponents—not just China but also Russia and the Arab states—are also autocracies? And isn't there a limit to the extent to which "state capitalism 2.0" can improve upon "state capitalism 1.0"? Various studies have shown that state-owned companies make less efficient use of capital than their private-sector equivalents. For all the talk of subjecting state-owned companies to market disciplines, governments frequently interfere in their inner workings: the Chinese Communist Party routinely rotates the CEOs of big companies.

10 And surely Mr Bremmer is right about creative destruction and innovation. State capitalism has flourished in countries that are going through the first hectic stages of modernisation, with capital and labour in ready supply. Will it be as successful when companies need to focus on efficiency rather than simply throwing resources at problems? The most successful state-capitalist companies focus on infrastructure and raw materials. Can they also prosper in industries that depend on innovation and creativity?

Lastly, I would like to make a couple of suggestions to add a little clarity to the debate. The first is that we should recognise that there are different varieties of state capitalism (just as there are different varieties

pramukta wrote:

Dear Sir,

One fundamental differentiating point between the two systems that is touched on by the proponent is that state capitalism is tooled for competition at the level of nations rather than at the level of corporations. While government bureaucracy is rarely efficient, a well-run state-backed corporation definitely has an advantage over a private entity.

It does appear that autocratic and socialist states have become better at backing companies in recent years. However, this may be a secondary question since direct economic competition between states has the potential to escalate into wars, whereas corporations have a slightly more limited tool set.

Recommended (7) Report abuse posted on 26/01/2012 20:35:21 pm

Old Father Time wrote:

Dear Sir,

As others are saying, there is no basic difference between state and liberal capitalism. The problem is capitalism itself - the gulf between rich and poor still exists. This gulf led to the rise of Fascism and warfare, the rise of Communism, which was easily taken over by Fascist-minded leaders. Now that Communism has failed, we are stuck with basically the old capitalist system and the potential threat of economic and social upheaval yet again. It has seemed necessary for many years now, to adjust the capitalist system to a version which avoids vast differences between rich and poor. The debate should perhaps be about how to achieve this. As politicians do not seem to be aware of this need, I suppose it is unlikely to be debated by anyone, but, to be positive, I suggest you do debate it.

Recommended (3) Report abuse posted on 26/01/2012 20:31:50 pm

Ekaterina Vorobieva wrote:

Dear Sir,

I think that the debate between state and liberal capitalism is missing acknowledgement of what ends we desire our means to meet.

"Human beings value opportunities to create prosperity for themselves and their families, and free markets have proven time and again that they can empower virtually anyone."

The free market in the United States can't be called a free market as it currently is -- the consumers are obligatory roles which make up the middle and lower classes, used to build profits for large corporations. The only competitors are large corporate entities whose only moral necessity is to appeal to their stockholders. As long as a company continues to have the support of its investors, it can continue to profit and give benefits to its owners.

However, how is it benefiting every man, woman, and child in the united states when short term profits in the free market outweigh their ability to a secure home, food sources, medical care, etc? It's wrong to say that the free market is improving the quality of life for everyone when it is just improving the quality of life for successful entrepreneurs and is subjecting lower social castes to economic slavery.

State-run capitalism, I believe, would balance out the system. While it won't be as "economically efficient" for profits, it will, however, still more or less reflect the interests of everyone on a broader scale than just CEOs. The same resources will still exist under a more moral form of capitalism, one that is mutually beneficial not only for investors but also for consumers. It doesn't even necessitate large government restrictions on capitalism -- just more control and restriction to just how greed-influenced our economy should be. Although traditional capitalism runs on the premise of an entrepreneurs right to achieve maximum profit, it isn't a system which guarantees the right to live or the right to survive for consumers.

The end point is: do we want wealthy CEO's with the power to uninhibitedly subjugate the consumer or do we want a more balanced economy which will withstand economic change for the duration of a whole people's existence?

Recommended (13) Report abuse posted on 26/01/2012 20:26:30 pm

babydaddy wrote:

Dear Sir,

The words viable in the statement should be changed. China is viable, but what is their opportunity cost in relation to their growth? In which economy are the poor better taken care of by their leaders and future environmental impacts?

Time is the deciding factor, it is unfair to compare China and the US after all, the US is still an infant compared to China who could be viewed an adult. Why is it that China is only surpassing the US now when clearly China has had a huge head start.

11 of liberal capitalism), stretching from China's autocratic model to Brazil's more liberal one. The second is that we should recognise that the utility of the model might vary with different stages of development: state capitalism might be more effective during the early stages of modernisation than it is during later stages when the economy demands creativity rather than sheer bulk.

Skip to... **Moderator** | **Pro** | **Con**



The proposer's opening remarks

Jan 24th 2012 | Aldo Musacchio 1

12 With the rapid fall of command economies over 20 years ago and the wave of privatisations of the past three decades, many hopeful observers began writing the obituary of state capitalism. Yet state capitalism, understood as the widespread influence of the government in the economy, either by owning and controlling companies or through the provision of credit and privileges to private companies, seems to be on the rise. Leviathan is back. It is back in business and this time Leviathan 2.0 comes turbo charged. In contrast to the old model of state capitalism that emerged from bail-outs and nationalisations between the second world war and the 1980s, state capitalism in the 21st century has three new features.

13 First, countries that have strong systems of state capitalism showed more resilience during the financial crisis of 2008-09. Large emerging economies where state capitalism is the norm, such as China, India and Brazil, were able to avoid a severe recession thanks, in part, to the capacity of their governments to deploy resources through state banks and through state-owned holding companies.

14 Second, state capitalism today is a system in which governments have realised that profitable state-owned enterprises (SOEs) make the state stronger. Thus, even if large state-owned firms have a "double bottom line", in which social and political objectives are important, profitability has become a key goal. Large SOEs, moreover, no longer have the government as the sole owner. The largest state-owned enterprises in the world are publicly traded and have large institutional investors monitoring their activities. Furthermore, big SOEs compete internationally, follow international reporting standards and have professional management. Even in many public utilities, where social objectives commonly trump profitability, Leviathan's designated managers have made an effort to turn round their companies and achieve profitability. Recent reforms in companies like Italy's Enel, Indian Railways, or São Paulo's water and sanitation company, Sabesp, are some examples.

15 Third, in state capitalism today we find Leviathan commonly acting as a minority shareholder, rather than as an owner and manager. This means that the most common agency problems associated with state ownership (eg, lack of commercial orientation, the absence of high-powered incentives and the influence of politics in the management of corporations) have been tamed. Through this minority ownership model, governments around the world keep cash-flow rights in key industries without necessarily having to worry about running companies themselves. Surveys of state ownership by the OECD and by academics show clearly that many of the formerly state-owned and controlled corporations now have the government only as a minority shareholder. Therefore, many of governments' best assets, in Europe and the emerging world, are now run by professional managers who get paid for performance and are usually not appointed by politicians.

16 A final element in state capitalism's coming of age is the rise of so-called "national champions" to top positions around the world. These national champions are private firms that receive privileges from the government, most commonly equity or subsidised loans, but also other entitlements such as tariff protection. Rather than being simply inefficient and complacent enterprises, national champions in most cases are dominant global players. National champions rose to these dominant positions thanks to their ability to compete with private multinational corporations and, in some cases, their capacity to innovate (eg, South

Liberal capitalism has impaired itself with policy and law which causes capital flight to under developed economies who can be bought.

Recommended (1) Report abuse posted on 26/01/2012 20:09:48 pm

US perspective wrote:

Dear Sir,

Perhaps it comes down to ability to create externalities, the marginal effect of innovation and co-opt the opposition. In the quaint theory of liberal economics, the invisible hand always wins out in the end ... but as Keynes said, "The market can stay irrational longer than you can stay solvent".

Externalites: state and crony capitalists both create subsidies by shifting costs somewhere else to make selected industries more competitive. State capitalists use it to target new industries; crony capitalists entrench their own position ...

Innovation: is obviously blocked by these actions from crony capitalists. More importantly, Facebook and Google may innovate, then Baidu and Renren compete ... perhaps not the best examples because in most cases the subsidized follower can wipe out the small innovator, especially for intellectual property rights that are weak or favor the large incumbents. I don't thin innovation at the margin can overwhelm the main street subsidies.

Co-opt the opposition: it seems to me that state capitalists effectively co-opt the others with technology transfer requirements that quickly erode the benefits of innovation.

So will the invisible hand win out? or rigging the system? The most obvious loser in all this in the "classical, liberal capitalist".

This conversation is just the 1900 anti-trust debate repeated. ... Dismaying eh?

Recommended (3) Report abuse posted on 26/01/2012 17:34:26 pm

rVGvR6EjPR wrote:

Dear Sir,
"STATE CAPITALISM" IS MERELY A LABEL AND NOT A SYSTEM DESIGNED ALGORITHMICALLY FOR A PURPOSE.
CAPABLE OF BEING MONITORED O KEEP IT ON COURSE.

LET US FIRST AGREE THAT "CAPITALISM" IS AN ECONOMIC, not A POLITICAL SYSTEM.

No one (except me, perhaps) has defined the mission of a political system.

I Define any political system as a Dynamic search for the principles of human behavior which will permit as friction free social coexistence as is possible with its unique members operating under genetic and cultural constraints both as individuals and as members of groupings.
A.Hamilton Mencher, Applied Anthropologist
Lima Peru
ahmencher@gmail.com

Recommended (2) Report abuse posted on 26/01/2012 17:31:40 pm

TPires wrote:

Dear Sir,

It is true that State Capitalism has great benefits and I think the only "con" is the limited creative destruction it allows companies to have... but, as State Capitalism has evolved from time to time into a more liberal form, can this be something that might change in the near future? If so... WHAT'S THE ADVANTAGE OF LIBERAL CAPITALISM?!

However I find one disadvantage of State Capitalism: Its is not something you can implement whenever you want! State Capitalism is something that evolves with time and usually from a Total Communist era of a certain country.

For instace: I'm Portuguese and I find advantages in the State form of Capitalism, however, my country has high debts and cannot benefit from this system because the State doesn't have the funds (to help companies and aquire shares) , ability or the peoples approval to engage in such a system. In sum, Portugal couldn't benefit from State Capitalism.

On the contrary, I imagine the ex-USSR countries from eastern europe much more likely to do so.

Recommended (0) Report abuse posted on 26/01/2012 17:00:00 pm

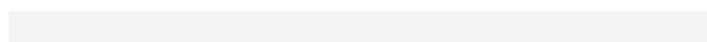
rVHKoaM6oR wrote:

Dear Sir,

Korea's national champions are leaders in patent filings). The governments behind such national champions can be blamed for providing unfair advantages, but is not that what rich countries did when they were still emerging?

State capitalism in the 21st century is, therefore, a hybrid form of capitalism that is propelling firms to the forefront of the *Fortune* 500. What are some of the advantages making state capitalism an attractive system in these turbulent times? Perhaps the most important is Leviathan's preference for stability and its aversion to risk. Leviathan's tendency to favour stability means that companies, both private and public, operating in countries with a strong state presence face relatively less pronounced recessions, keeping economies closer to full employment. Leviathan's low tolerance for risk under state capitalism, for instance, explains why, during the financial crisis, bank bail-outs and corporate restructurings in many countries that favour this system were faster and smoother than, for instance, in America. Finally, another important feature is Leviathan's patience as an investor; its capacity to focus on long-term rather than short-term investing. That is, instead of focusing on simple cost-cutting measures that may lead to short-term profits, Leviathan can act like a patient investor willing to wait and invest in projects that have long maturity and low social returns in the short term, but high social and economic returns in the long term.

17



Skip to... Moderator | Pro | Con



The opposition's opening remarks

Jan 24th 2012 | Ian Bremmer

It might seem an odd time to argue for the durable strength of free markets and to underline state capitalism's inherent flaws. European leaders are struggling to restore confidence in the euro zone and America is fighting to regain its economic footing as China's economy continues its great leap forward. But this is not the first debate on the relative merits of public- and private-sector-led growth. In the past century alone, liberal capitalism has faced down several seemingly formidable challengers. It defeated fascism, shed colonialism, outlasted communism and survived more than one crisis of its own making.

18

The subject of this debate, however, is not the champion but its latest challenger. Let's first define our terms. State capitalism is a system in which the state dominates market activity for political gain, and China is its standard bearer. Other governments that practise it—Russia, Saudi Arabia and the United Arab Emirates—are autocracies that built wealth by selling natural resources. There are also a few democracies that practise limited forms of this system, but the presence of state-owned companies and a sovereign wealth fund alone does not imply true state capitalism. The government of Brazil, for example, relies on Petrobras, a state-owned energy firm, and Vale, a privately owned mining champion, to help create jobs, yet the private sector remains crucial for that country's growth. To give true state capitalism its due, we must look to China's three decades of success.

19

State capitalism has crucial weaknesses. First, the primary purpose of this system is not to produce wealth but to ensure that wealth creation does not threaten the ruling elite's political power. Forced to choose between public prosperity and their own security, state capitalists will tighten their grip every time. For example, if commercial activity depends on access to information, if the internet provides access to that information, if the internet then enables popular resistance to an autocratic government, and if political officials have the means to (even temporarily) shut the internet down, they will shut it down. Though Western governments sometimes allow security concerns to trump growth potential too, state capitalists have many more levers to pull and buttons to push to halt the free flow of ideas, information, people, money, goods and services. This lowers the trajectory of long-term growth.

20

Second, there is "creative destruction", a process that invests liberal capitalism with a self-regenerating dynamism. As industries die, the workers, resources and ideas that once sustained them are freed to

America's democracy in its purest form seems to fit America. Other countries have to develop their own systems based on geography, history, etc. Likewise, it seems that capitalism has to be developed to fit the realities of each country. A hybrid of the two systems appears to be the mold of the future. State capitalism as is practiced by China today will morph based on public demand for greater freedom- that is inevitable

Recommended (0) Report abuse posted on 26/01/2012 16:58:12 pm

KR Sriram wrote:

Dear Sir,

It is not necessary that only state capitalism ensures that the political power of elites is not threatened; powerful enough business interest groups could also protect such elites. Hence, to treat state capitalism as somehow 'untouchable' is wrong.

KR Sriram

Recommended (0) Report abuse posted on 26/01/2012 15:30:27 pm

kluz wrote:

Dear Sir,
Markets do not and cannot function alone. States and markets are complements not substitutes.

Recommended (9) Report abuse posted on 26/01/2012 15:30:02 pm

raghava raja wrote:

Dear Sir,
I wish to add that any liberal capitalism leading to increase in disparity in income and wealth in a society is not a desirable one. Rather a controlled (state) capitalism to the extent desired is always welcome like in the case of disciplined democracy ensuring social justice.

Dr P.Raghavan

Recommended (4) Report abuse posted on 26/01/2012 14:30:34 pm

sanmartinian wrote:

Dear Sir,

Being 80 and much traveled, I've seen and even lived in most modern economic systems including some forms of state capitalism.

It works for a while and seemingly very efficiently. Then it gives rise to incestuous relationships, becomes corrupted, crony infested and creates social unrest. Sometimes it leads to popular uprisings.

To say the least, popular uprisings can be uncomfortable.

Just like democracy, liberal capitalism is the worst economical system there is apart from all others.

I vote con.

Recommended (4) Report abuse posted on 26/01/2012 13:53:30 pm

groundhog wrote:

Dear Sir,
In this world, I believe in "common wealth". Mankind is facing a lots of common issues together. and our actions do effect each other in one and another way. The information technology, emails, web, blackberry and I-phones, and aviation technology have changed the way of our communications. Science, technology and even politics are becoming commodity consumer products.

The world is integrated together by the global economy (despite the culture collision still exists). So the companies need to work for all stake holders interests.

The entrepreneur should use all the resources to make a difference, including leverage the resources from the government.

Recommended (1) Report abuse posted on 26/01/2012 13:24:50 pm

Valentine1968 wrote:

Dear Sir,

There isn't future for neither capitalism -- see the financial crisis -- or communism -- see the end of Iron Curtain and Cold War. However I suggest

recombine in new forms that then produce new goods and services that meet the evolving wants and needs of consumers. This process, as organic as human evolution, sustains an ever-expanding economic ecosystem.

21 Those who administer state capitalism fear creative destruction—for the same reason they fear all other forms of destruction that they cannot control. When old industries die, workers lose jobs and wages, a problem that can drive citizens into the streets to challenge authority. In a state-capitalist society, lost jobs can be pinned directly on state officials. Of course, workers in a free-market system blame politicians for lost jobs and wages too, but when the government owns the company that owns the factory, its responsibility for workers and their welfare is more direct and more obvious. As state-owned companies develop constituencies within government, some of them will long outlive their usefulness.

22 Nor is a state-capitalist system well equipped to inspire innovation. To compete globally, Chinese leaders know they must continue to push their economy up the value chain with development of new-generation information, energy, bioscience and bioengineering technologies. Government-directed investment can play an important role, but over the longer term, state officials cannot value assets and allocate resources as efficiently as market forces can.

23 Even in China, prime exemplar of modern state capitalism, the state knows that citizens are the engine of lasting economic strength. Its leaders acknowledge that, in the words of Premier Wen Jiabao, China's state-capitalist economy is "unstable, unbalanced, unco-ordinated and unsustainable". The current five-year plan makes clear that the state must transfer wealth from China's largest companies to consumers to ensure that the country is no longer quite so vulnerable to fluctuations in the purchasing power of outsiders and that China's standard of living can continue to reach new heights.

24 Yes, China pushed past Japan to become the world's second-largest economy in 2010, yet measures of income per person remind us that this remains a developing country. In 2010, China's GDP per person ranked 94th in the world with about half the income of Lithuania and one-third that of Portugal. In other words, state capitalism has never proven an ability to empower consumers, a critical step if China is to become a developed world economy.

25 Herein lies the lasting strength of liberal capitalism. Human beings value opportunities to create prosperity for themselves and their families, and free markets have proven time and again that they can empower virtually anyone. As hundreds of millions of people become more aware of how others live—across the road and around the planet—they see that some have much more than others. But they also see that wealth, however they define it, need not remain beyond their reach.

26

autocracy and free economies ("market economies).

Thank You,
Sincerely Yours,
Alien V. Ioan
Lipova, Arad, Romania

Recommended (0) Report abuse posted on 26/01/2012 13:10:10 pm

bobzyouruncle wrote:

I think your point needs to be stressed. Coming from a developing country I couldn't agree with you more. It is a point the debaters need to consider as it is not one size fits all.

"In countries that combine democracy and poor institutions (What about the whole Latin America minus Chile?) state-capitalism will not only favour Consumption vis-a-vis Investment, Short term vis-a-vis Long term, but it will deepen corruption. Uneducated crowds are always eager to applaud their leaders' rethorics even when the president's best buddies are untoucheable."

Well said, thank you :)

Recommended (4) Report abuse posted on 26/01/2012 12:28:26 pm

ZamChi wrote:

Dear Sir,
I do not see the two as being mutually exclusive, I think they are complementary and together lead the world economy to new heights from technical innovation, efficiency and fighting world poverty. There may seemingly be contradictions but like in a national economy, private deficit equals public surplus and vice-versa.

Chi Samahanda
Lusaka, Zambia

Recommended (0) Report abuse posted on 26/01/2012 09:34:14 am

Anjin-San wrote:

Dear Sir,
The motion as it stands is almost nonsensical in that it bunches all industries together and does not discuss inherent advantages and disadvantages of the two forms of Capitalism in different sectors. This is probably due to the 'myth of unlimited competition', whereby it is ASSUMED that free, unlimited competition is possible in ALL sectors of industry. Even I can name several counter-examples where this is physically impossible. All geographically restricted industries (Mining, real estate, utilities, transport) have physical limits on the number of players that could compete before limit of viability is reached. In such limited markets, there will be cases where state capitalism would provide the necessary checks and controls to prevent over-competition. (ie. Free enterprise doesn't work in a zero-sum situation).

Recommended (4) Report abuse posted on 26/01/2012 09:17:49 am

bobzyouruncle wrote:

Dear Sir, economic and social progress is facilitated by government not created by them. I have a metaphor I like to use from nature. State Capitalism is like taking a domestic animal and putting it in the wild, its going to get killed by stronger fitter wild animals. The incentives for the private sector to survive and succeed are much stronger than the state, plain and simple. If a private company fails it goes out of business. The state does not have the same incentives acting upon it.

Recommended (8) Report abuse posted on 26/01/2012 08:39:23 am

1-20 of 141 comments « First < Prev 1 | 2 | 3 | 4 | 5 Next > Last »

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