

Book review

The Return of the State: and Why it is Essential for our Health, Wealth and Happiness

Graeme Garrard

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Graeme Garrard has written a timely and engaging book which advocates the need for a bold return of the state to its proper role as the principal champion of the public good and general welfare. In his book, Garrard argues that the state is not dying: in many spheres, it has retreated; in others, its power and range have been extended. The state has increased its capacity in some areas, such as the surveillance of its citizens. In the aftermath of the financial crisis of 2008 and the Covid-19 pandemic, the states saved the financial system from complete collapse. In many countries, states retreat from active involvement in the market (through privatisation, outsourcing, deregulation); in others, states and markets collude against the general interest and are more mutually supportive than antagonistic.

Therefore, as the author argues, the key question remains what balance should there be between public and private power so long as the balance between public power and market power tilts towards business to a dangerous degree. As long as private power exists, we need comparable, or even greater, public power to control it.

The book is divided into an introduction, seven chapters, and a conclusion. In the introductory chapter, Garrard gives a brief overview of the shifting relationship between state power and market power from the 17th century, when only the political and economic elites had their own resources to pay for services such as healthcare and education, up to the late 20th century when many states provided these services to their citizens. Today, the critical issue is that the rise of new private powers increasingly challenges the state and subverts its capacity to protect citizens and act for the public good. These state transformations in response to the challenges they face are the central focus of the first chapter. The second and the third chapters highlight the rise of a new role for the state and for its citizens over the last half-century as well as a massive shift in the balance of wealth and power from states to markets. The chapters document that the portion of the world's economy owned and controlled by the largest private corporations has increased dramatically in recent years. In the fourth chapter, the author highlights another challenge that a state weakened by privatisation and outsourcing faces. Fragile states are much more vulnerable not only to private corporations and to the power of international agencies (such as the World Trade Organization, the World

Bank and the International Monetary Fund). They are much more vulnerable to criminal organisations that use armed forces to dominate the economic system. However, the pendulum between public and private power is constantly swinging and now, as Garrard advocates, it is just beginning to swing back towards the state. In the sixth chapter, he describes that with state-owned enterprises a new form of state capitalism is emerging, combining statist strategies with aspects of free-market multinationals in a sophisticated manner. The global economy is dividing into two different forms of capitalism, one privately owned and the other publicly owned. State and markets co-exist everywhere today. However, as the author points out in the final chapter and in the conclusion, we need a stronger, richer and bigger state to counter strong corporations and promote and protect public interest. This state has three basic purposes: security, welfare and democratic control of both politics and the economy.

These chapters are the strength of the book, but in one chapter I found some weaknesses. The main theme covered in the fifth chapter is the crisis of civil society. Garrard believes that the sphere that we call civil society has largely become a thing of the past. The author argues that civil society groups and protest movements may win some local battles, but they will not win the war against the present economic system. He believes that we are in an era of market fundamentalism where the drive to subject the civil sphere to market mechanisms prevails.

Graeme Garrard has made a valuable contribution to the public and academic debate on the role of the state and the market in our societies. In his book, he provides an excellent analysis of the current relationships between the state and the market but, in some ways, neglects the role that civil society could play. State and market need each other, but both require the counteracting power of a robust and independent civil society.

In my view, a more in-depth reference to the literature on civil society could be useful for enriching the conceptualisation of the relationships between welfare, market, and civil society. For example, authors such as Margaret Somers and Jurgen Habermas, who the author refers to in his book, do not observe civil society as 'salvation'. They stress the importance of the background of resources, relations, common beliefs, contexts, and dimensions of social action in enabling public and private institutions to integrate action. Their approaches recognise the plurality of resources (public, private, informal relationships) that the state, groups and individuals can mobilise to overcome the legitimisation crises of the institutional order we observe in many societies. As Garrard reminds us, over the last two decades, the 'colonisation' of the civil sphere by the market and the state, money, and power has fundamentally undermined this sphere of life. This 'colonisation' forces the adaptation of the lifeworld to system imperatives and imposes norms and values that are overwhelming the collaborative resources of civil society and the flow of communicative actions. However, democratic regimes require robust civil societies that produce values and relations that interact and shape the purposes and direction of future state and market development. The critical issue is to promote state and market forms that do not undermine this sphere of life and create instead opportunities and conditions that can help civil society to become stronger and more independent.

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