

Varieties of Capitalism

*Comprehensive and sustainable policymaking
based on global methodologies*

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Clusters & models of global capitalism

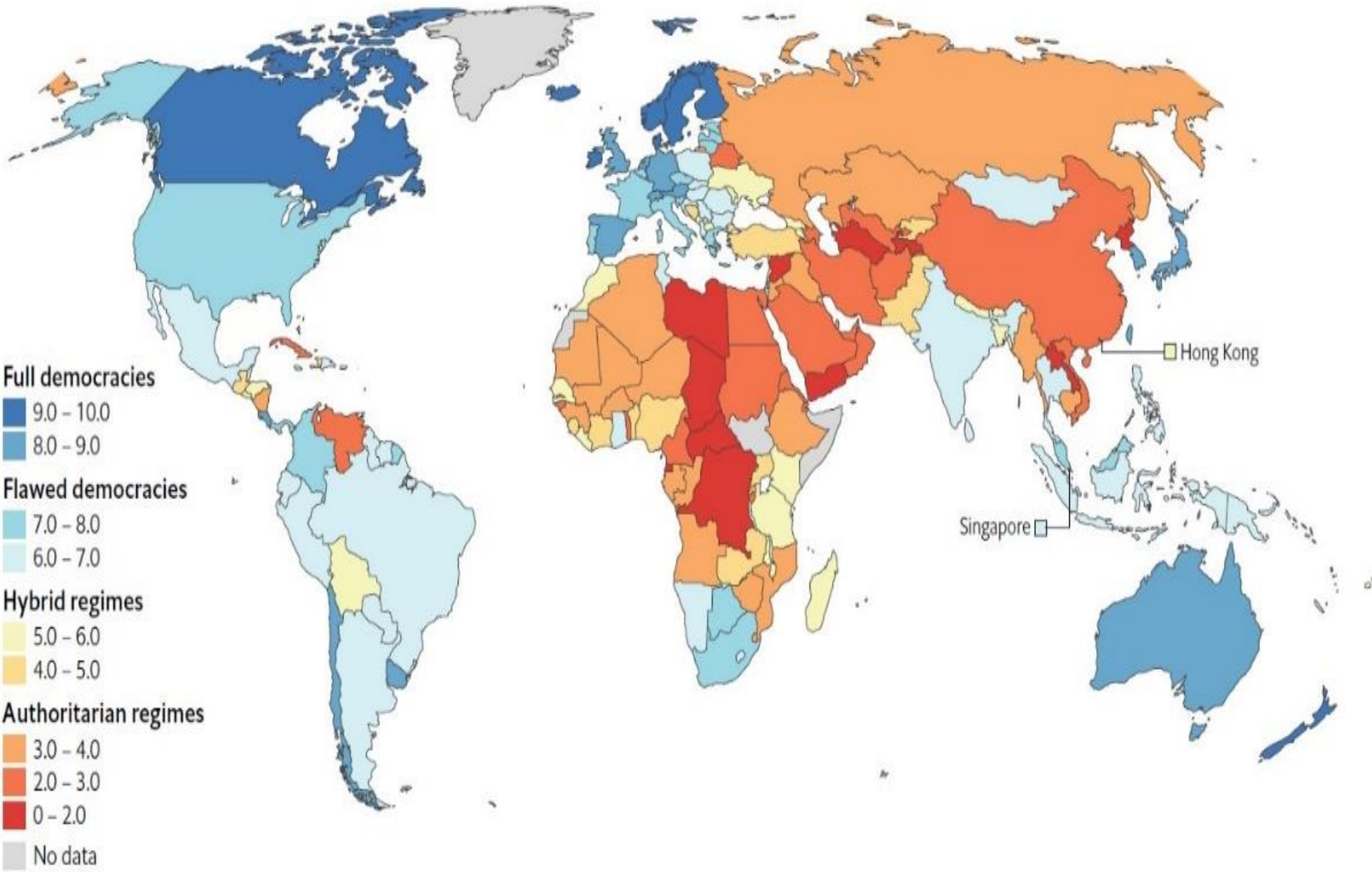
<i>Nordic</i>	<i>Continental</i>	<i>Anglo-Saxon</i>	<i>East Asian</i>	<i>Eastern European</i>
Denmark	Switzerland	New Zealand	Taiwan	Estonia
Finland	Netherlands	United States	Japan	Czech Republic
Sweden	Germany	Canada	South Korea	Lithuania
Iceland	Luxembourg	Australia	Singapore	Latvia
Norway	Austria	United Kingdom	Hong Kong	Slovenia

Limited geopolitics behind global capitalism



Source: Fraser Institute, 2020

Democratic institutions behind global capitalism



Source: EIU, 2020

Complex policy background behind global capitalism

- The geopolitical and institutional framework of the best-ranked countries is predominantly limited to **Western policy models** and allied democracies.
- **Max Weber's thesis on capitalism** remains relatively important considering predominantly **Protestant societal and historical backgrounds** of many best-ranked countries.

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Dominant majority

Significant portion

Historically significant (minority)

Complex policy background behind global capitalism

- Ranking results of different capitalisms derive from **long term institutional and societal inputs**.
- Country rankings may **go beyond the existing political-economic models** (varieties of capitalism).
- Countries should be judged based on **policy-by-policy** approach.

State interventions during crisis

- State interventions exist in all capitalisms, regardless of the political-economic model – **how to provide proportionate policy limits?**
- State interventions **may not necessarily** hinder economic freedom, **IF:**
 1. new subsidies are targeted, limited and temporary;
 2. public investments do not squeeze out private investments;
 3. government consumption will be moderate and frugal in the mid-run;
 4. central banks will preserve stable money and low inflation;
 5. regulatory policies and market reforms provide sufficient compensations.

State interventions via green transition

- All varieties of capitalism have reached a **consensus on the green transition**, led by the European Union
- Green policies may not hinder economic freedom/capitalism, **IF NEW**:
 1. green taxation stimulates tax cuts (for labor and investments);
 2. green subsidies stimulate cuts of vertical state aid and other subsidies;
 3. green regulations stimulate deregulation of small enterprises (1 in, 1 out).

Holistic EU policy approach toward the UN's 2030 agenda for sustainable development

Balanced Europe
Better balanced territorial development utilising Europe's diversity



Functional Regions
Local and regional development and less inequalities between places

Integration Beyond Borders
Living and working across national borders

Healthy Environment
Better ecological livelihoods and climate-neutral towns, cities and regions

Circular Economy
Strong and sustainable local economies in a globalised world



Sustainable Connections
Sustainable digital and physical connectivity of places

A large orange graphic for Sustainable Development Goal 11, 'Sustainable Cities and Communities'. It features the number '11' in a large white font on the left, and the text 'SUSTAINABLE CITIES AND COMMUNITIES' in white on the right. Below the text is a stylized white silhouette of a city skyline with buildings of varying heights. At the bottom of the graphic, several smaller SDG icons are arranged in a row: 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production), 13 (Climate Action), 14 (Life Below Water), 15 (Life on Land), and 8 (Decent Work and Economic Growth).

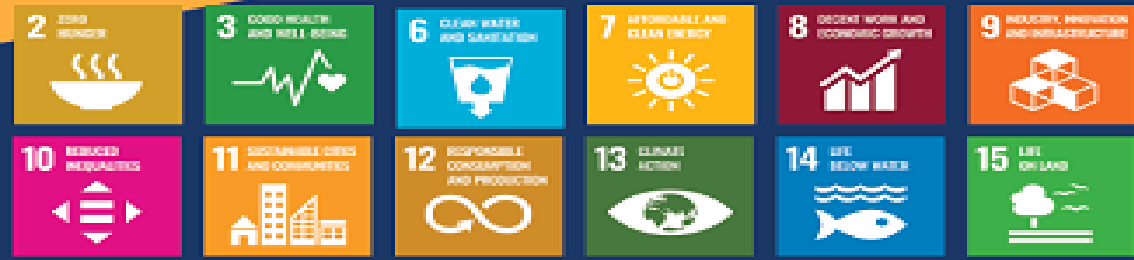
EU policy approach toward SDGs

- Economic, fiscal, regulatory, labor and social policies (European semester)
- European Green Deal and Green Deal Investment Plan
- Coordinated EU response to the COVID 19 situation
- Circular economy action plan
- Simplified and fair taxation supporting the recovery
- New European Research Area and New industrial strategy for Europe
- Renovation Wave

Opportunities for the EU member states

European Commission Priorities

European Green Deal



Economy that works for people



Europe fit for the digital age



European way of life



Stronger Europe in the world



European Democracy



Specific sustainable goals of countries and regions

- Intensified recovery efforts are required by the SDGs in the light of COVID-19.
- SDG indicators offer the opportunity for new policies.
- Civil society stakeholders are key for delivering the 2030 Agenda.
- It is not all about comparability – it is also about incentivizing partnerships, peer-to-peer learning and exchange of experiences.
- Indicators of sustainable goals may become more comprehensive while allowing advancing and comparison between countries, regions and cities.

EU Biodiversity strategy for 2030

- Building resilience to threats, such as food insecurity, the impact of climate change and disease outbreak.
- Maintaining EU network of protected areas on land and at sea by launching EU nature restoration targets.
- Sustainable management for restoration targets by increasing biodiversity, and adapting to climate change.
- The idea is to prevent and reduce the impacts of natural disasters and assess the potential of environmental, social and economic impacts.