

I) Presentation and Objectives

The course begins with a central paradox: the State is omnipresent in the real functioning of capitalism — regulating finance, organizing production, sponsoring innovation, conducting macroeconomic policy, and shaping social protection systems. Yet in economics curricula — both in Brazil and abroad — the State appears as the “great absentee”, reduced at best to an appendix subordinated to the market. Dominant training relies on textbooks centered on “supply and demand,” “free competition,” and “stochastic general equilibrium models.”

This course is therefore an initiative to bridge this cognitive dissonance, restoring the State to its proper place: the central institution in the organization of capitalism. The approach is analytical, but firmly anchored in historical-institutional contexts. Themes come before authors, who are mobilized as instruments to understand contemporary problems. The hierarchy is determined by the relevance of today’s dilemmas — growth, innovation, inequality, financial instability, geopolitics — always mediated by state action.

Three objectives structure the course:

1. Explore the main analytical perspectives on the relationship between the economic system and institutional order, with special emphasis on the centrality of the State.
2. Discuss the role of the State in enabling — or blocking — economic development, innovation, and social inclusion, as well as in constructing macroeconomic and political stability (or instability).
3. Apply these conceptual frameworks to historical and contemporary cases, revealing how different state architectures have shaped — and continue to shape — the trajectories of capitalism.

In short, the course seeks to address a crucial gap in economics training: to understand that without the State, there is no capitalism that can function — much less reinvent itself.

II) Evaluation

Class participation, one written exam, and one paper (3,000–3,500 words) on a topic agreed with the professor and related to the course program. A final exam will be required only when necessary.

III) Notes

Readings and lectures are complementary (not substitutes). At the end of each class, there will be time reserved for discussion (assigned readings, longer questions, comments, critiques, etc.).

IV) Program

Introduction – The State Paradox

State vs. natural order: Hobbes, Locke and Smith, and the roots of the 'self-regulating market' narrative. The State as an invisible actor in theory, but omnipresent in the practice of public policy.

Unit 1 – The State as the Architecture of Capitalism

- State, Bureaucracy and Capitalism: Max Weber and the multiple features of institutional and entrepreneurial rationalization.
- State and Market: fictitious commodities, social destabilization and protective institutions – Karl Polanyi.
- State, Uncertainty, Money and Economic Instability: Keynes, Kalecki and Minsky.
- Government failures, democracy and the Public Choice 'counterrevolution' – Hayek and Buchanan.
- Economic Evolution, State, and Institutional Instability: Schumpeter and Daniel Bell.

Unit 2 – State and Development: Historical and Contemporary Architectures

- France, the U.S. and Germany: State, market creation, financial architecture and industrialization policies (Colbert, Hamilton, and List/Gerschenkron).
- The Asian Developmental State: Weberian bureaucracies, directed credit, industrial policy and global insertion strategies.
- The Entrepreneurial State in China: socialization of investment, managed creative destruction and the coordination of collective business action.

- States in conflict: Techno-geopolitics and industrial rivalry: chip wars, semiconductors, Huawei, TSMC and the CHIPS Act.

Unit 3 – The State in Crisis and Reinvention (Case studies)

- Brazil: the State as both problem and solution – forced marches, financial fragility, lost decades and current dilemmas of reindustrialization.
- Financial instability and regulation: the 2008 crisis in comparative perspective (U.S. vs. China).
- The Fourth Technological Revolution: digital platforms, artificial intelligence, the green transition, the malaise of contemporary capitalism and the need to refound the State.

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