

Mazzucato, M. (2021). *Mission economy: A moonshot guide to changing capitalism*. Penguin Allen Lane. 272 pages.

Mission Economy: A Moonshot Guide to Changing Capitalism

Mariana Mazzucato's work is a powerful rumination of the twin problems of public sector inertia and the crisis of capitalism. Her proposition is straightforward: to transform capitalism, we need to reimagine government by investing in its internal capacities, including its ability to foster dynamic collaboration among all players in society to steer the direction of economic development.

For Mazzucato, four deep forces define the crisis of shareholder capitalism, the dominant variety of capitalism in many industrialized societies. The first is that the financial sector is financing itself rather than the more productive segments of the economy (e.g., manufacturing). Secondly, business itself is increasingly becoming financialized. This refers to the trend of private businesses using a greater share of their profits in boosting short-term gains in stock prices to satisfy their shareholders, rather than using it productively in long-term investments in innovation, new capital investment, research and development, and worker training. Third is the climate emergency, brought about by the dominance of fossil fuels as energy sources which are still being heavily subsidized by governments. The last deep force is the dominant thinking that the role of government is simply to fix market failures, not to lead and steer the direction of economic growth.

Mazzucato maintained that the problem lies in neo-liberal economics that has long shaped the thinking about governance and public policy: the smaller the government is, the better. She spells its five specific myths, namely: (1) businesses create value and take risks; governments only de-risk and facilitate; (2) the purpose of government is to fix market failures; (3) government needs to run like a business; (4) outsourcing saves taxpayer money and lowers risk; and (5) governments should not pick winners. The mythology of neoliberal economics argues that only private businesses create innovation and jobs while the government simply provides the conditions for the private sector's dynamism. For Mazzucato, this conventional wisdom infantilizes the government sector, resigning the latter to act too little too late, hence, a self-fulfilling prophecy.

Mazzucato used the template of the US government's Apollo 11 Mission to show that the government can be the first investor and lead risk-taker to achieve ambitious goals, such as landing a man on the moon and bringing him back safely. The endeavor required the state to coordinate interdepartmentally and initiate collaborations with private firms using a mix of appropriate policy instruments, including procurement contracts, grants, loans, prize schemes, and strategic directing of public finance. The mission brought about major spillovers in various

sectors of the economy beyond aerospace engineering, foremost of which was the development of computing hardware and software which propelled the IT revolution, among others.

This dynamic collaboration between the public and the private sector, Mazzucato believed, is the key to solving this century's grand challenges in the 17 Sustainable Development Goals (SDGs). Mazzucato's "mission-oriented approach" translates the 17 SDGs into multiple "mission maps" to be accomplished. Each map outlines one measurable and time-bound goal, showing the cross-sectoral innovations and investments in the form of a portfolio of projects and experimentation.

Mazzucato argued that the moon landing dispels the five myths and yields seven key pillars to a better political economy. The pillars may be summarized as follows: (1) value is collectively created by business, government, and civil society; (2) markets can be proactively shaped, not just fixed; (3) just like private organizations, the public sector has to invest in its dynamic capabilities, fostering risk-taking, creativity, and learning by doing; (4) solving societal problems requires patient long-term finance from both public and private sector; (5) collectively created value must be reflected in the equal distribution of risks and rewards among all the stakeholders; (6) partnerships in innovation between business and government must be designed in ways that mutually benefit both; and (7) solving complex societal problems through innovation requires genuine participation of and feedback from civil society.

Mazzucato's capacious analytical vision penetrates to the core of the issue which is the deficiencies of the dominant economic theories that have long shaped corporate governance and government bureaucracies. Mazzucato did not tinker on a specific and narrow area of public sector reform, but she brought together major areas of government institutional capabilities, such as public finance; outcomes-based budgeting; finding coherent policy mixes, organizational agility, and fluidity; and governing intellectual property regimes, among others. Finally, she also translates her framework into a practical guide for achieving the 17 SDGs through her "mission-oriented approach." The book will appeal to policy practitioners, academic specialists, and anyone interested in looking into the state and its decentralized network of public sector organizations. The writing is accessible and engaging in style, which appeals to ordinary citizens, the key stakeholders in Mazzucato's view.

Nevertheless, some dimensions in Mazzucato's work need to be refined and further fleshed out. First, the book must confront the issue of the powerful interests of corporate elites. While Mazzucato highlighted the dangers and pitfalls of the current dominant governance and public policy frameworks, it is not quite clear what mechanisms and strategies to be used to overcome powerful interests that profit from the status quo within nation-states and the international political economy. Second, most of the examples in the book are within the context of developed industrialized Western liberal democracies. Delicate nuances must be made in applying the book's insights to developing countries with backsliding democracies, authoritarian populist tendencies, and the influence of international financial institutions that often constrain national policy space. These must be confronted especially within a framework that puts a premium on citizen engagement and vibrant democratic processes.

At the time of climate emergency, financial crisis, global pandemics, and widespread citizen disaffection with democratic institutions, Mazzucato successfully argues that it is high time for the government sector to think broadly and act boldly in solving the grand challenges of humanity on earth.

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