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'Globalisation has often been seen to spell the end of effective State action to improve economic performance. In this provocative book, Nikolaos Karagiannis and Zagros Madjd-Sadjadi strongly challenge that view, investigate the nature of State activities and use the idea of a developmental state to map out policies which can be effectively used in the present era.'

– Malcolm Sawyer, University of Leeds, UK

'Nikolaos Karagiannis and Zagros Madjd-Sadjadi in this very interesting book on the economics of interdependence range widely from agricultural subsidies to comparative advantage, national sovereignty to global cooperation, political democracy to social welfare. Institutionalist and comparative in its economics, open and pragmatic in its recommendations, their book on a new world order is a stimulating reminder that the big issues of culture, intervention, cumulative causation and regional disparities remain as important and as relevant today as they were when Plato, Mun and List made collective action the centrepiece of the science of things.'

– David Reisman, Nanyang Technological University, Singapore and University of Surrey, UK

'Modern State Intervention in the Era of Globalisation is a thoughtful and well-researched assessment of the evolving role of the state in the contemporary world economy. This work is provocative because it goes against the predominant arguments in favor of a minimal state, as commonly asserted by neoclassical economics. Instead, Karagiannis and Madjd-Sadjadi think "outside of the box" and produce both theoretical arguments and evidence from important cases such as the EU, Singapore and Hong Kong to support the idea of a viable and continuing role for the "Developmental State". The scholarship underlying this very readable book, which includes contemporary material as well as ancient economic thought, is truly impressive. Readers will be left with much to reconsider about the benefits of globalization.'

– Patrick James, University of Southern California, USA

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MODERN STATE INTERVENTION
 IN THE ERA OF GLOBALISATION

NIKOLAOS KARAGIANNIS
 ZAGROS MADJD-SADJADI



New
 Directions
 in
 Modern
 Economics



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Modern State Intervention in the Era of Globalisation

In his 'New Guide' to *The General* The authors of this book argue that in order to meet the challenges of globalisation and promote their own economic welfare, governments need strong policy instruments that will enable them to take up a strategic role in selected policy arenas. They illustrate how this retooling of policymaking requires a rethinking of the form of government intervention and, especially, an emphasis on its modern developmental role.

The book begins with chapters exploring theoretical issues such as: economic and political aspects of the state, the impact of government expenditure, the case for and against free trade, and neoclassical and Keynesian approaches to public finance. Succeeding chapters examine fiscal policy, development problems in the European Community, and the success of Japan, South Korea, Taiwan, Singapore and Hong Kong. The final chapters present the Developmental State argument not only as a coherent theory but more importantly as a realistic development policy framework.

This will be an important reference text for students and scholars of public sector economics, public finance, East Asian studies, development studies and governance. Policymakers will also find the in-depth discussions a valuable tool.