

Models of Capitalism in Europe: Towards the Return of the State?*

Steffen Lehndorff

The present economic crisis has sparked a new debate in a wider political and academic public about the role of the state in advanced capitalist societies. The paper discusses this issue in a comparative perspective: How have different models of capitalism in Europe coped with major economic and societal challenges before the present crisis? Taking the UK and Sweden as flagship examples for contrasting models of capitalism in Europe, and Germany as an increasingly controversial case between these poles, the paper describes major moves taken in these three countries, from the mid-1990s, to tackle the challenges of globalisation and the liberalisation of EU labour and product markets, and to respond to societal changes such as ageing and the changing gender roles. It concludes with a comparative assessment of changes in these three models of capitalism in Europe before the current economic crisis as a basis for an outlook at the respective prospects in the near future, given the legacies of this crisis for public budgets and the capacities of the states.

Key words: varieties of capitalism, co-ordinated and liberal market economies, role of the state in contemporary capitalism, welfare and gender regimes

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