

BOOK REVIEW

**Shooting for Unity in the Era of Chaos: a Review of
Mission Economy by Mariana Mazzucato
New York: Harper Business, 2021**

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As multiple crises of unprecedented gravity loom, the immobility or incapacity of both the private sector and leading governments has become apparent. Keynes' remarks on the Great Depression are still applicable in our days: "decadent international but individualistic capitalism... is not a success... But when we wonder what to put in its place, we are extremely perplexed" (Keynes 1933: 760-1).

In *Mission Economy: A Moonshot Guide to Changing Capitalism* (Mazzucato 2021), the expert on industrial policy Mariana Mazzucato helps alleviate this perplexity. Her solution is to abandon free market worship as well as conservative forms of public management in favor of bold risk-taking and innovative co-operation between markets and the public sector.

To make her point, Mazzucato draws from her acclaimed previous work, *The Entrepreneurial State* (Mazzucato 2013), where she laid down a broad and compelling argument against the long-established dichotomy between market and government. Instead of competing for the control and management of the economy, these two institutions in reality work together in creating markets, economic innovations and productivity growth. To support this claim, the author goes through examples of technologies and products that were developed and came into existence through state-funded institutions, which include the internet-based companies clustered in the Silicon Valley and Apple's iPod. In this context, anti-government rhetoric is a deliberate strategy that allows companies to privately reap the benefits of publicly funded research and development.

The government-market symbiosis reappears in "Mission Economy," this time as a latent force that, if set in motion, is capable of lifting society out of its current conundrums. The book's core argument is that a particular ideology—a set of economic practices and collective spirit, as we infer from the text—has put the economy in a straitjacket. By the same token, a new ideology would be the necessary and sufficient condition to spur economic growth again. "Mission Economy" is about this new ideology.

But what exactly is this ideology putting the economy in a straitjacket? The five myths that Mazzucato discusses in the chapter devoted to this question can actually be read

as stemming from one source: the so-called New Public Management (NPM) theory. In tandem with the neoliberal economic agenda of the 1980s, this doctrine argued that higher efficiency was to be attained by a complete remake of the public sector. This would include measures such as privatization of public companies, decentralization and outsourcing of government activities, adoption of market-derived managerial practices such as performance pays or skin-in-the-game and, finally, the widespread use of metrics as a scientific approach to public management—the root of what would become the omnipresent mantra “evidence-based policies.” The clear assumption here is that private, free markets are the ultimate efficient creator of value, and government’s sole contribution is to address market failures. Doomed to outsourcing their activities, public institutions would face a continuing erosion of their willingness, confidence and capability to act. As the author nicely puts it: “The consequence [of NPM], however, has often been to hollow out government’s capacity, run down its skills and expertise and demoralize public servants” (Mazzucato 2021: 48).

In this light, Mazzucato proposes what she defines as the mission approach to government-led projects and initiatives. A mission is a policy ultimately aimed at a challenge, a task which society does not have yet the necessary tools to complete—and therefore has to create them. Such challenges supposedly comprise the whole society—governments, companies and, above all, individuals—all of which are required to share the same goal and to have the willingness to succeed in it. To be successful, missions have to meet some criteria, such as focusing on concrete outcomes, having a specific time-frame, promoting synergy between different sectors and companies, and spurring widespread investment in research and innovation. The policy instruments particularly suited to this task are contracts, grants, loans and prizes aimed not at specific firms, activities or sectors, but at the big problems that society is facing.

A mission requires too a new public governance, one that recognizes the government’s role in crowding in private investments and spurring the multiplier effect. There should be, in particular, instruments for providing necessary funding for new technologies and solutions while in their experimental (and riskier) stages. In this, missions are in stark contrast to the standard Cost Benefit Analysis framework, widely implemented by consultancies to analyze governmental projects. Based on static metrics around costs and commercialization, they fail to capture the actual benefits of a truly innovative project. This is because the innovative nature of missions means that new products, technologies and markets, not to mention the spillover effects, will happen as a consequence of its undertaking.

To exemplify her mission concept, a whole chapter is devoted to a deep and thorough account of the Apollo mission. Mazzucato, displaying her vast knowledge of industrial policy, excels in detailing both the technological challenges and the creative solutions involved in sending a man to the moon. Entire new technologies, ranging from miniaturization and computational software to new materials and food processing, had to be developed. Moreover, the moon mission generated a long list of spill-over technologies and companies: water

purification systems, shoes, computer devices, medical apparel. In Mazzucato's account, the secret of such success—not only in terms of achieving its goal, but more broadly in shaping the whole economy in the following decades—lay in having a bold vision and engaging in risk-taking experimentation. Organizationally, the Apollo mission required new management, one that accepted trial-and-error, enjoyed the freedom to steer procurement contracts, and spurred horizontal cooperation among departments and sectors. In particular, a productive relationship between government and private companies was pursued, where both ends were cooperative and proactive. From the government's point of view, the complex task of procuring innovative, technological-edge products required a high level of internal expertise, arguably higher than the private counterpart of the deal. This meant a build-up of public capabilities to allow NASA to lead the process instead of being led.

By now it is clear that what Mazzucato is proposing is nothing short of a complete overhaul of the public management practices. The call, however, has to be approached with caution. The plethora of requirements and restrictions inserted in public procurement contracts, for instance, is not aimed at the sheer bureaucratization and obstruction of the process. Instead, it has often been the outcome of checks and balances procedures, whose intent is to safeguard the budgetary process from wrongdoings.

To illustrate the point, take for instance the following quote: “Another element in the success of the NASA organization was flexibility: flexibility for the Administration to appoint to excepted positions, to award major R&D contracts without competitive bidding, to reprogram within appropriation accounts and to transfer between them, to devise and administer a custom-tailored entrance examination, and the like.” (Mazzucato 2021: 76). Now picture what such flexibility would mean not for the well-off NASA but for a corrupt, captured or politically-driven agency. Indeed, if applied by governments with weak institutions, captured regulatory agencies, or the false sense of common public purpose, one could argue that such freedoms would not translate themselves into innovation and accomplishment but corruption, incoordination, and inaction.

The point above is one instance where the author's arguments rely on over-confidence in the power of the community's shared belief of the common good. Although it is certainly inspirational, such reliance can also undermine the very solutions being proposed, for such a political unison is a rare phenomenon. A whole section entitled “Engaging citizens in a mission” is devoted to the question of how to bring about this collective engagement. The answer, in short, is to tackle the roots of our extremely individualized contemporary society: lack of society-wide experiences of wars and economic depressions, the greed enabled by finance, and prosperity and consumerism.

However, missing from the picture is the role played by long-established and well-coordinated economic interests in producing civic disengagement, such as scientific hesitancy, the spread of misinformation, and lobbying activity. These phenomena appear to some degree

in all Mazzucato’s “grand challenges”: climate change, public health and financialization. Take, for one, climate change. As Michael Mann shows in his recent book (Mann 2021), the carbon-intensive energy industry has actively pushed for political division, through mechanisms such as scientific distrust¹, fake news and heavy political lobbying. A similar story appears in the U.S. health system. David Michaels (Michaels 2008) shows how the tobacco industry undermined scientific consensus on the hazardousness of their products, thus contributing to public health inaction. The COVID-19 pandemic is only the most recent—although, unfortunately, the deadliest—example of how political and social divisions are more the rule than the exception when it comes to public health. Consequently, social unity in the most pressing issues is not only absent, but also not likely to appear.

Through this lens, the collective collaboration around Apollo program arose in a particular social setting that stemmed from the political circumstances of the era—namely, the Cold War. Its military character was undoubtedly a factor behind the national unity. A second one was the reciprocal nuclear menace, which led the U.S. and the U.S.S.R. to engaged in an outright cultural and technological race—hence the competition to put a man on the moon. If, as Mazzucato points out, the US government turned a blind eye to the costs and pursued the success of the Apollo program relentlessly, was it because of Kennedy’s “ambition and vision,” or because it was a true war effort? Can we really disentangle “a mission led by the government and achieved by many” from the Cold War context?

Relying on military effort is a proven solution to the tension between politics and economic coordination. As Keynes observed in the Second World War, “It is, it seems, politically impossible for a capitalistic democracy to organize expenditure on the scale necessary to make the grand experiment which would prove my case—except in war conditions” (Keynes 1940: 158). The question that remains open since the 1940s is how to replicate such coordination in peaceful times - especially in the chaotic era in which we are currently living.

Mariana Mazzucato has produced an innovative and thought-provoking analysis of economic and political stagnation. The erosion of governmental capabilities in spurring and steering the technological thrust is rightly highlighted as a pressing social challenge. This certainly goes a long way in explaining the contrast between having at our disposal such powerful technologies and yet failing to address the humanitarian challenges of our day. However, a cautionary note is in order when it comes to the solution proposed, which seems to be built on political grounds that do not hold in contemporary societies any longer. The social and political division on scientifically undisputed matters, alas, is an inconvenient

¹By scientific distrust as a mechanism, we allude to practices from companies such as ExxonMobil in the late 70’s early 80’s, when it started to fund scientific research whose aim was solely to cast doubt on the findings on global warming that by that time were starting to emerge. An example of this practice was to pay handsome sums of money for leading researches to produce reports questioning data and methods used by the (then emerging) climate scientists (Kaiser and Wasserman 2016)

reality that has to be understood and incorporated in the analysis instead of just assumed away.

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