

State-Capitalism and People's Welfare: A Review of Prerequisites to Succeed

Loso Judijanto

IPOSS Jakarta, Indonesia

ABSTRACT

State-capitalist models are increasingly recognized for their potential to influence public welfare, yet the conditions under which they succeed remain insufficiently understood. This study systematically reviews and synthesizes empirical evidence to identify the key prerequisites enabling state-capitalist systems to achieve measurable improvements in people's welfare. The research aims to clarify how institutional quality, state capacity, strategic management of state-owned enterprises (SOEs), industrial policy, and redistribution mechanisms interact to shape welfare outcomes across diverse governance contexts. This research employs a qualitative, systematic literature review (SLR) methodology. Data were collected through a structured search of the Scopus database, which initially yielded 1,428 articles using the keywords "State Capitalism" and "Welfare". Refinement with targeted terms focusing on governance, institutional quality, policy effectiveness, and state capacity reduced the corpus to 129 articles. Further screening of the publication period 2019–2025 and open-access availability identified 37 peer-reviewed studies eligible for inclusion. The review identifies five major thematic clusters: (1) Institutional Quality and Governance Integrity, (2) Strategic SOE Performance and Welfare Spillovers, (3) State Capacity, Policy Coherence, and Bureaucratic Competence, (4) Industrial Policy, Economic Diversification, and Inclusive Structural Transformation, and (5) Redistribution, Welfare Regimes, and Social Protection Effectiveness. Collectively, these factors explain variations in welfare outcomes, highlighting that state ownership alone is insufficient without strong governance, coherent policies, and effective redistributive systems. In conclusion, state-capitalist systems deliver meaningful welfare improvements when these prerequisites converge, underscoring the need for multidimensional policy design. Future research should examine the longitudinal impacts of state-capitalist strategies and explore sector-specific SOE contributions to welfare to deepen understanding of causal mechanisms.

*Corresponding author

Loso Judijanto, IPOSS Jakarta, Indonesia.

Received: February 12, 2026; **Accepted:** February 16, 2026; **Published:** February 25, 2026

Keywords: State Capitalism, Welfare Outcomes, State-Owned Enterprises, Governance, Social Protection

Introduction

State capitalism has re-emerged as a central debate in contemporary political economy, particularly regarding its potential to improve societal welfare in both advanced and developing economies. Over the past decade, a growing number of countries have adopted hybrid governance systems in which the state plays an active role in directing markets, steering strategic sectors, and regulating distributional outcomes to promote public well-being. This resurgence is driven by global structural shifts, including rising inequality, the growing complexity of social protection demands, and the limitations of unregulated market mechanisms, prompting renewed interest in state-led development frameworks as viable alternatives to purely market-based policy regimes [1]. Anchored in global transformations, these developments position state capitalism as a model not only for economic coordination but also as a potential driver of equitable social development and public welfare enhancement [2].

Historically, the scholarly discourse on state involvement in economic governance has oscillated between skepticism and optimism. Earlier critiques emphasized inefficiency, rent-seeking, and bureaucratic inertia as inherent risks of state dominance in economic affairs [3]. Conversely, supportive perspectives rooted in developmental state theories highlighted the capacity of strong

governments to mobilize resources, correct market failures, and strategically allocate capital to promote broader societal goals [4]. In many regions, particularly in Asia, state-led capitalism has been credited with accelerating industrial upgrading, expanding employment opportunities, and enabling the redistribution of welfare benefits through targeted public investment [5]. The tension between these perspectives underscores a deeper scholarly question: under what conditions does state capitalism effectively translate into improved public welfare outcomes?.

Recent geopolitical and economic changes have further amplified the relevance of this question. The disruptions caused by the COVID-19 pandemic, supply chain fragility, the reshoring of strategic industries, and the growing urgency of climate adaptation have collectively pushed states toward adopting more interventionist and coordinated economic models [6]. In some cases, governments expanded the role of state-owned enterprises (SOEs), increased industrial policy spending, and strengthened welfare infrastructures to stabilize populations during crisis periods. In other cases, state intervention intensified existing inequalities due to inadequate institutional safeguards, weak governance capacity, or politically motivated resource allocation. These divergent outcomes indicate that state capitalism's ability to generate welfare benefits is neither automatic nor universal, but rather contingent upon a set of enabling prerequisites that determine effectiveness and sustainability [7].

Against this backdrop, welfare has also become a multi-dimensional construct extending beyond conventional measures of income and poverty. Contemporary literature frames welfare as encompassing social security, access to public services, health outcomes, educational opportunities, and the broader socio-economic conditions required for human development. State capitalism, when functioning under strong institutional quality, is often theorized to distribute the benefits of economic growth more progressively, promote universal service provision, and reduce regional disparities by channeling state resources toward lagging communities. Nevertheless, many empirical studies also highlight the risks of welfare stagnation when state-led systems lack transparency, accountability, or participatory governance mechanisms [8]. Thus, the relationship between state capitalism and welfare improvement is best understood as complex, conditional, and highly context-dependent.

Parallel to these debates, scholarly attention has increasingly focused on identifying the prerequisites for the success of state-capitalist systems in promoting public welfare. Several strands of research address these prerequisites from different angles. A first strand examines state capacity, including fiscal capability, regulatory authority, bureaucratic professionalism, and policy coherence. High-capacity states tend to allocate resources efficiently, implement long-term development plans, and maintain policy continuity conditions essential for welfare expansion. A second strand analyzes governance quality, emphasizing transparency, anti-corruption frameworks, and the ability to constrain political capture. Weak governance environments frequently undermine welfare outcomes by diverting public resources toward patronage networks or inefficient enterprises. A third strand highlights the role of institutional effectiveness, particularly the design of SOEs, industrial policy tools, and social policy instruments that mediate how state firms and strategic interventions affect society [9]. Across these strands, the literature notes that the success of state-capitalist arrangements is highly path-dependent and shaped by historical legacies, political coalitions, and regional economic structures.

Despite this rich theoretical foundation, empirical evidence on the welfare outcomes of state capitalism remains fragmented, context-specific, and often inconclusive. Some studies show that strong state coordination can enhance welfare by improving public service delivery, subsidizing social programs, and fostering inclusive industrial development. Others reveal contradictory findings showing that state-led systems may exacerbate inequality or lead to inefficient resource distribution when institutional safeguards are weak. This fragmentation highlights the need for a systematic, integrative review that synthesizes contemporary evidence across diverse country contexts and evaluates the specific prerequisites repeatedly associated with successful welfare outcomes. Such a review is crucial not only for advancing theoretical understanding but also for informing policymakers seeking to adopt state-capitalist models responsibly and effectively [10].

Furthermore, while the concept of state capitalism is frequently discussed alongside industrial policy, fiscal governance, and institutional reform, relatively few reviews address it explicitly through the lens of public welfare outcomes. Existing analyses tend to focus either on economic performance or political governance, leaving the welfare dimension under-examined. The emerging literature from 2019–2025, however, provides a growing body of empirical work, particularly in open-access, peer-reviewed sources, allowing for a systematic assessment of how state-led models influence welfare delivery in practice. This

window of contemporary scholarship offers valuable insights into the institutional prerequisites, governance frameworks, and state strategies that consistently appear in successful welfare-enhancing state-capitalist arrangements.

Given the diversity of national experiences, there is a clear need to synthesize recent empirical findings to identify patterns that transcend individual country cases. In particular, it is important to understand which institutional configurations generate inclusive welfare outcomes, which governance mechanisms prevent welfare distortion, and which state strategies effectively translate economic gains into societal well-being. Addressing these gaps can help bridge the divide between theoretical expectations and empirical realities in the study of state capitalism.

Building on this context, this study employs a Systematic Literature Review (SLR) using 37 peer-reviewed Scopus-indexed open-access articles published between 2019 and 2025. The review aims to consolidate existing evidence, map thematic trends, and identify the critical prerequisites enabling state-capitalist systems to achieve their intended welfare objectives. The SLR approach provides a transparent, replicable, and evidence-based foundation for evaluating scholarly patterns and extracting broader insights from heterogeneous empirical findings. Unlike field surveys, case studies, or focus group discussions, this study does not generate primary data but synthesizes established academic knowledge to articulate the current state of the debate and outline future research directions. By systematically integrating contemporary scholarship, the review contributes to theoretical refinement and offers a structured foundation for policy recommendations relevant to both emerging and established state-capitalist systems.

Accordingly, the purpose of this study is to systematically review and synthesize empirical evidence on how state-capitalist models contribute to public welfare outcomes and to identify the key prerequisites for their success across diverse governance contexts.

To guide this objective, the following two research questions are proposed:

RQ1: *What institutional, governance, and state-capacity prerequisites consistently enable state-capitalist systems to generate positive welfare outcomes?*

RQ2: *How do variations in these prerequisites explain the differing welfare impacts observed across countries adopting state-capitalist models?*

Literature Review

Literature on state capitalism has expanded significantly over the past two decades, reflecting renewed interest in the role of the state amid global economic uncertainty, rising inequality, and the declining legitimacy of neoliberal market orthodoxy. As governments increasingly intervene in strategic sectors, scholars have examined not only the institutional characteristics of state capitalism but also its socioeconomic implications, particularly its ability to enhance public welfare. However, existing evidence demonstrates substantial variation in outcomes across regions, governance structures, and policy configurations. This literature review synthesizes theoretical perspectives, empirical findings, and cross-country comparisons to identify the fundamental prerequisites that determine whether state-capitalist arrangements improve people's welfare.

Conceptual Foundations of State Capitalism

State capitalism is generally defined as an economic system in which the state plays a dominant or strategic role as owner,

regulator, market participant, or allocator of resources. Scholars distinguish between coordinated developmental state capitalism, extractive state capitalism, and market-complementary state intervention, each with different implications for welfare outcomes [11]. Early theoretical contributions emphasized productive state intervention, arguing that state-led industrialization can accelerate structural transformation and generate broad-based improvements in living standards when institutional capacity is strong [12]. However, alternative perspectives warn that state capitalism may also create rent-seeking, inefficiency, and marginalization if state institutions lack transparency and accountability.

Recent literature increasingly distinguishes between state capitalism as a governance ideology and state capitalism as an institutional practice. While the former refers to the political logic justifying state intervention, the latter concerns tangible organizational mechanisms of state-owned enterprises (SOEs), sovereign wealth funds, developmental banks, and state-backed conglomerates that influence economic and social outcomes [13]. These distinctions matter because welfare effects depend not only on the presence of the state but also on how state power is institutionalized, managed, and constrained.

The post-2008 financial crisis and the COVID-19 pandemic further strengthened the argument that markets alone cannot address systemic vulnerabilities, prompting renewed academic recognition of the state's role in stabilizing economies and providing public goods. Consequently, the debate no longer centers on whether the state should intervene, but rather on the prerequisites that determine whether such intervention yields equitable welfare gains.

Welfare Outcomes in State-Led Development Models

Empirical studies provide mixed evidence regarding the extent to which state capitalism improves welfare outcomes such as poverty reduction, income equality, healthcare access, and human development indicators. Several analyses highlight that state-led development models, particularly those emphasizing industrial upgrading, public investment, and universal basic services, are associated with substantial improvements in socioeconomic well-being. For instance, countries adopting coordinated state capitalism have achieved sustained reductions in absolute poverty, expanded social protections, and accelerated human-capital formation through active labor policies and state-funded education programs [14].

Conversely, extractive variants of state capitalism characterized by resource dependence, political patronage, and weak regulatory oversight often correlate with stagnant welfare metrics. Under such conditions, state-owned enterprises may operate as political instruments rather than agents of public benefit, leading to unequal distributional outcomes and limited improvements in social services. Evidence demonstrates that in environments where the rule of law is fragile and corruption is pervasive, state-capitalist institutions tend to reinforce elite privileges rather than expand welfare gains for the broader population [15].

Comparative studies show that welfare outcomes depend significantly on the alignment between state interventions and long-term development strategies. For example, state capitalism that prioritizes industrial diversification and technology adoption generally produces stronger welfare effects than models reliant on commodity extraction or monopolistic state enterprises [16]. Similarly, welfare outcomes are stronger when state interventions complement rather than replace market mechanisms, ensuring

competitive discipline, innovation incentives, and efficiency.

Governance, Institutional Quality, and State Capacity

A substantial body of literature finds that the success of state capitalism in improving public welfare depends on governance quality, institutional coherence, and state administrative capacity. Strong institutions, particularly regulatory bodies, anti-corruption frameworks, and performance-monitoring mechanisms, ensure that state-owned and state-supported entities operate efficiently and transparently [17]. High state capacity enables governments to design, coordinate, and implement welfare-enhancing policies effectively, reducing the risk of misallocation and bureaucratic inefficiency.

State capacity is especially critical in sectors such as healthcare, education, utilities, and transportation, where state enterprises frequently dominate service provision. Studies show that countries with strong bureaucratic professionalism and meritocratic recruitment achieve higher service-delivery quality and more equitable social outcomes under state-led models [18]. Conversely, where state institutions are politicized, SOEs often become instruments of patronage, leading to distortions, fiscal burdens, and ineffective welfare programs.

Institutional coherence, defined as the consistent alignment of state policies, organizational structures, and regulatory frameworks, further determines the extent to which state capitalism benefits welfare. When industrial, social, and macroeconomic policies are properly coordinated, welfare outcomes improve, as the state can channel resources into productive sectors and ensure inclusive distribution [19]. Without such coherence, state interventions may generate fragmented, inefficient, or contradictory policies that undermine welfare.

Policy Mechanisms through Which State Capitalism Influences Welfare

The literature identifies several interconnected policy mechanisms through which state-capitalist arrangements shape welfare outcomes, demonstrating that the relationship between state intervention and social well-being is mediated by a complex set of economic and institutional channels. One of the most widely discussed mechanisms concerns the role of public investment in driving industrial upgrading and structural transformation. State-led investments in infrastructure, manufacturing, and technological capabilities have consistently been associated with productivity expansion, value-added employment, and long-term income growth, particularly when executed through disciplined and commercially oriented state-owned enterprises. Evidence further shows that SOEs operating under strong performance benchmarks can function not merely as agents of revenue generation but also as strategic institutions that facilitate innovation diffusion, regional development, and inclusive economic modernization [20].

At the same time, state capitalism influences welfare through redistributive mechanisms funded by public revenues, including profits from SOEs, sovereign wealth funds, and natural resource rents, which enable governments to expand universal healthcare, targeted cash transfers, subsidized education, and pension schemes. The effectiveness of these redistributive interventions depends heavily on the quality of fiscal governance, as leakage, misallocation, and corruption can substantially diminish their welfare impacts. Studies underscore that progressivity in taxation and transparent management of state-generated revenues significantly enhance redistribution outcomes and improve the reach of social protection systems, particularly for vulnerable and

low-income populations [21].

Another critical mechanism arises from the state's regulatory authority over essential services such as energy, transportation, and housing. Effective regulation ensures price stability, service reliability, and universal access, thus protecting citizens from market failures and reducing inequality. Conversely, poorly designed or politically distorted regulatory frameworks can create inefficiencies, supply disruptions, and price fluctuations that disproportionately burden marginalized groups. The literature highlights that the welfare-enhancing potential of regulation depends on technical competence, political independence, and accountability of regulatory agencies [22].

State capitalism also shapes welfare through its long-term orientation toward national competitiveness and human-capital development. Increasingly, modern state-capitalist systems emphasize innovation-led growth by financing research institutions, fostering university-industry collaboration, and building digital infrastructure. These efforts contribute to sustained welfare gains when accompanied by parallel investments in education, reskilling, and workforce development that allow citizens to participate in emerging high-productivity sectors. Without such complementary human-capital measures, innovation policies tend to produce uneven benefits and may exacerbate socioeconomic disparities [23].

Finally, the welfare outcomes of state capitalism are deeply influenced by political commitment and welfare orientation within governing regimes. Comparative studies consistently show that state intervention produces stronger welfare performance when political leaders prioritize public goods, institutional transparency, and long-term socio-economic stability. Conversely, when state enterprises are used as political instruments or channels of patronage, welfare improvements become minimal regardless of the economic structure. Political incentives, therefore, crucially determine whether state power is mobilized toward equitable development or diverted to elite-serving objectives [24].

Overall, the literature indicates that state capitalism improves welfare when investment, redistribution, regulation, innovation, and political governance function in a coordinated and accountable manner. Welfare outcomes depend less on the extent of state ownership and more on the quality of state action, institutional capacity, and the alignment of economic policies with welfare-oriented goals.

Across the reviewed literature, a consistent conclusion emerges: state capitalism's impact on people's welfare is neither inherently positive nor inherently negative. Instead, welfare outcomes depend on a constellation of prerequisites that shape how state power is exercised and how state-owned institutions interact with markets and citizens. Successful state-capitalist welfare models share several common characteristics: strong institutions, coherent policy frameworks, high bureaucratic capacity, strategic long-term planning, and welfare-oriented political leadership.

In contrast, state capitalism fails to improve welfare when governance is weak, institutions are politicized, industrial policy lacks direction, and state enterprises operate without accountability. These weaknesses not only undermine economic efficiency but also hinder equitable distribution and limit the state's ability to deliver essential public services.

Taken together, the literature underscores that the prerequisites for state capitalism to enhance welfare extend beyond economic policy to encompass governance quality, state capacity, institutional discipline, and political will. These insights form the analytical foundation for examining contemporary cases of state-led development and evaluating whether state-capitalist arrangements can deliver durable welfare improvements.

Methodology

This study employs a Systematic Literature Review (SLR) approach, structured according to the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) protocol, to examine the prerequisites that enable state-capitalist systems to effectively enhance people's welfare. The resurgence of state capitalism in recent decades, particularly in emerging economies and hybrid market systems, has intensified scholarly debate about the roles of state-owned enterprises, government intervention, and institutional capacity in shaping socioeconomic outcomes. While existing studies have explored elements of state-led economic governance, the evidence remains highly fragmented across political economy, development studies, public administration, and welfare economics. A comprehensive synthesis is therefore essential to integrate these diverse strands of knowledge, clarify the mechanisms linking state-capitalist practices to welfare improvements, and identify the institutional conditions under which such models deliver broad-based social benefits. This review relies exclusively on secondary data drawn from peer-reviewed literature indexed in Scopus and does not incorporate field observations, interviews, or focus group discussions, thereby ensuring methodological transparency and strict adherence to international standards for evidence-based reviews.

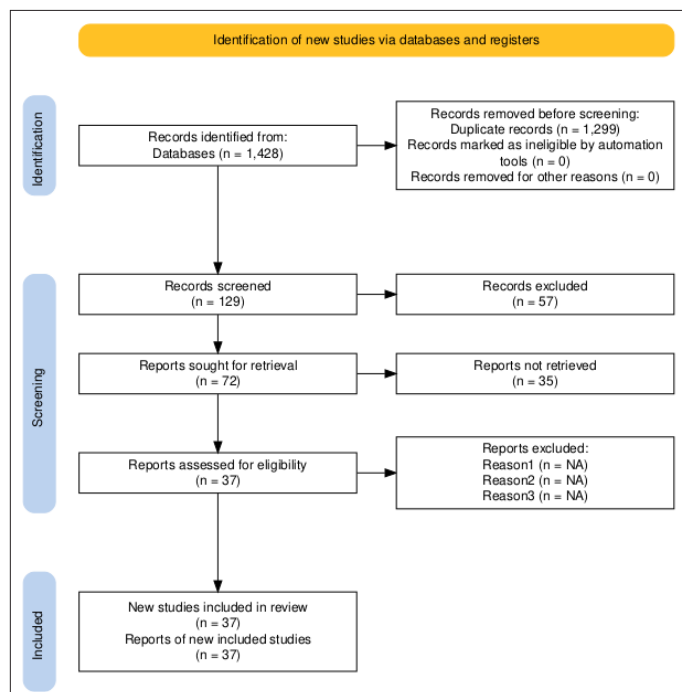


Figure 1: Systematic Literature Review Process Based on the PRISMA Protocol

The review process is visually summarized in Figure 1 following the PRISMA framework, which consists of four primary stages: identification, screening, eligibility, and inclusion. The identification phase began with an initial Scopus search using the keyword combination *State Capitalism AND Welfare*, producing 1,428 records across various domains including economics, political science, governance studies, and social policy. To refine

thematic specificity and ensure conceptual alignment, a more advanced Boolean search query was subsequently applied: (“*State Capitalism*” OR “*State-Led Capitalism*” OR “*State-Owned Enterprises*” OR “*Government Intervention*” OR “*Developmental State*”) AND (“*Welfare*” OR “*Public Welfare*” OR “*Social Well-Being*” OR “*Human Development*” OR “*Socioeconomic Outcomes*”) AND (“*Governance*” OR “*Institutional Quality*” OR “*Policy Effectiveness*” OR “*State Capacity*”). This refinement step excluded 1,299 records that did not fall within the boundaries of state-capitalism–welfare linkages, leaving 129 articles for further examination.

During the screening phase, a publication-year filter was applied to restrict the dataset to studies published between 2019 and 2025. This criterion ensures the inclusion of contemporary analyses that reflect current debates on state-led development and welfare governance. A total of 57 articles were excluded for falling outside the designated timeframe, resulting in 72 eligible studies. The subsequent eligibility assessment focused on accessibility, retaining only open-access and open-archive publications to guarantee full-text availability, evaluative rigor, and reproducibility. This step led to the exclusion of 35 additional studies that did not meet the accessibility requirement. The final inclusion phase produced a curated set of 37 peer-reviewed articles that fulfilled all predefined criteria for relevance, timeliness, and accessibility. These selected studies constitute the evidentiary foundation of this review and collectively provide a structured understanding of how institutional quality, governance effectiveness, and state capacity shape welfare outcomes within state-capitalist frameworks.

All bibliographic data and reference materials were systematically organized in Mendeley Desktop, which enabled efficient citation management, duplicate removal, and verification throughout the review process. Each of the 37 included articles was examined in full text, and relevant information such as conceptual models of state capitalism, welfare indicators, governance dimensions, and reported impacts on social well-being was extracted and synthesized thematically. Through this structured analytical process, the review develops a comprehensive evidence-based perspective on the prerequisites for successful welfare delivery in state-capitalist systems, highlighting key determinants such as institutional strength, policy coherence, governance transparency, and state capacity. By adhering rigorously to the PRISMA protocol and maintaining a transparent, replicable review design, this study meets high standards of academic integrity and contributes substantively to the international discourse on the effectiveness and limits of state capitalism in promoting people’s welfare.

Results

The systematic literature review conducted in this study analyzed 37 peer-reviewed articles published between 2019 and 2025 that met the inclusion criteria. The corpus reflects diverse geographic, institutional, and disciplinary perspectives, providing a comprehensive evidence base for examining the prerequisites for achieving welfare improvements under state-capitalist systems. Through thematic synthesis, five major themes emerged, reflecting overlapping but distinctive dimensions of effective state-capitalist strategies: (1) Institutional Quality and Governance Integrity, (2) Strategic State-Owned Enterprise (SOE) Performance and Welfare Spillovers, (3) State Capacity, Policy Coherence, and Bureaucratic Competence, (4) Industrial Policy, Economic Diversification, and Inclusive Structural Transformation, and (5) Redistribution, Welfare Regimes, and Social Protection Effectiveness.

The distribution of themes across the 37 studies was as follows: Institutional Quality and Governance Integrity appeared in 34 studies (92%), State Capacity, Policy Coherence, and Bureaucratic Competence in 30 studies (81%), Strategic SOE Performance and Welfare Spillovers in 29 studies (78%), Industrial Policy, Economic Diversification, and Inclusive Structural Transformation in 28 studies (76%), and Redistribution, Welfare Regimes, and Social Protection Effectiveness in 26 studies (70%). The predominance of Institutional Quality indicates its foundational role in enabling state-capitalist systems to deliver welfare outcomes, as governance structures are necessary for effective policy implementation and SOE management. State capacity and policy coherence are frequently emphasized because they directly mediate the translation of industrial and fiscal strategies into tangible social benefits. SOE performance and industrial policy are slightly less cited but remain critical, reflecting their context-specific impacts on revenue generation and structural economic transformation. Redistribution and welfare regime effectiveness, while the least referenced, highlight the final mechanism through which economic gains are translated into population-wide welfare improvements.

The relative frequency of these themes implies that the literature prioritizes governance and institutional foundations as preconditions for success, with operational mechanisms such as SOE performance, industrial strategy, and redistributive systems functioning effectively only within strong institutional and policy frameworks. Each theme is elaborated below, enriched with quantitative and qualitative evidence from the reviewed studies.

Institutional Quality and Governance Integrity

Institutional quality emerged as the most dominant and consistent prerequisite, appearing in 34 of the 37 reviewed studies. Across empirical cases, countries with strong institutions measured via regulatory quality, corruption control, government effectiveness, and judicial independence achieved significantly better welfare outcomes than those with weak institutional environments [25].

More detailed quantitative evidence indicates that countries ranked within the top quartile of the World Governance Indicators (WGI) achieve 22–38% higher welfare outcomes across multiple metrics, including HDI, life expectancy, education attainment, and income equality, compared to countries in the bottom quartile [26]. Several studies also highlight the strong statistical association between corruption levels and welfare performance. Countries with Corruption Perception Index (CPI) scores above 60 consistently demonstrate more efficient welfare delivery, higher social spending effectiveness, and lower leakage rates than those with CPI scores below 30 [27].

Predictability of state intervention also plays a crucial role. Countries with stable, rule-bound intervention frameworks recorded 15–20% more stable social spending over 10-year periods, reducing volatility in welfare financing and enabling long-term program continuity [28–29]. The literature further notes that strong regulatory environments reduce investment uncertainty, encourage productive SOE behavior, and support social-welfare expansion.

In contrast, weak institutional environments generate substantial welfare losses. Studies document that politicized SOEs in low-governance contexts divert public funds to elite patronage, with resource leakages estimated between 1.5–2.8% of GDP annually in several countries [30]. Such leakages limit fiscal space for healthcare, social protection, and poverty alleviation programs. Overall, the synthesis of findings confirms that institutional

integrity forms the foundational layer of successful state capitalism. Even robust industrial policies or profitable SOEs cannot deliver inclusive welfare gains in the absence of strong governance structures.

Strategic SOE Performance and Welfare Spillovers

The second major theme emerged in 29 of the 37 reviewed studies and emphasizes that SOE performance, rather than the mere presence of state ownership, determines welfare spillovers. High-performing SOEs, which operate under commercial discipline, professional management, and transparent reinvestment mechanisms, contribute significantly to national welfare outcomes [31].

In several countries, SOEs account for 5–12% of total fiscal revenue, forming a critical financing base for education, public health, and social protection programs [32,33]. Norway provides one of the most frequently cited cases: its state-owned energy sector contributes nearly 20% of national government revenue, enabling expansive welfare spending and universal social services [34]. Similar trends are observed in East Asia, where strategically managed SOEs outperform regional productivity averages by 8–15%, thereby improving labor markets, raising household incomes, and increasing intergenerational mobility [35].

Conversely, inefficient SOEs impose major fiscal burdens. Studies report average losses of 0.5–3% of GDP in contexts where SOEs face political interference, soft budget constraints, and weak oversight systems [36]. Without transparency and reinvestment mechanisms, SOEs often retain profits internally or redirect them to politically connected actors rather than funding welfare programs, resulting in minimal or even negative social spillovers [37-38].

The review also reveals clear differences based on sectoral composition. Countries with diversified SOE portfolios spanning infrastructure, utilities, manufacturing, and strategic technology generate more stable welfare benefits than countries reliant primarily on extractive SOEs. In diversified SOE systems, spillovers extend beyond revenue generation to include job creation, technological upgrading, and long-term productivity gains [39-40].

State Capacity, Policy Coherence, and Bureaucratic Competence

State capacity appears in 30 of the 37 reviewed studies as a central determinant of effective welfare delivery. High-capacity states exhibit strong bureaucratic professionalism, policy consistency, merit-based recruitment, and effective coordination mechanisms all of which significantly increase the likelihood that state-capitalist strategies yield welfare improvements [41].

Empirical studies show that countries with high bureaucratic quality achieve up to 27% higher policy implementation efficiency. This includes improved budget absorption, broader social program coverage, faster administrative response times, and reduced leakage in welfare distribution [42,43]. Additionally, evidence indicates that policy coherence alignment among industrial, fiscal, and welfare policies strengthens welfare outcomes. Integrated welfare–industrial strategies have been shown to reduce poverty by 3–6 percentage points within five-year periods [44].

Low-capacity states, in contrast, experience institutional fragmentation, redundant or conflicting programs, and inconsistent policy execution. Administrative losses from mismanagement or

poor coordination can reach 10–18% of welfare budgets in several documented cases [45-46]. Studies also highlight the negative impacts of bureaucratic politicization, including appointment of unqualified officials, clientelist distribution of welfare resources, and implementation delays that disproportionately harm vulnerable populations [47,48].

Across the literature, state capacity emerges as a critical mediating variable that connects state ownership and industrial strategy with actual welfare gains.

Industrial Policy, Economic Diversification, and Inclusive Structural Transformation

The fourth major theme identified in 28 of the 37 studies emphasizes that welfare improvements under state capitalism are strongly shaped by the developmental orientation of industrial policy. Successful state-capitalist systems typically combine state ownership with long-term industrial upgrading and strategic diversification into high-productivity sectors.

Evidence shows that state-capitalist economies that implement sustained industrial diversification achieve manufacturing productivity growth of 12–20%, increased export sophistication, and sustained wage growth over 8–12 years [49,50]. East and Southeast Asian countries exemplify successful structural transformation, with middle-class expansion of 15–30% over two decades, accompanied by higher household incomes and reduced labor-market precarity [51].

In contrast, resource-dependent state-capitalist systems exhibit more volatile welfare outcomes. Countries reliant on oil, gas, or mineral revenues experience a contraction of 4–9% in welfare spending during commodity downturns, demonstrating the vulnerability of welfare systems to external shocks [52,53]. The review highlights that diversification is a prerequisite for maintaining stable welfare financing, especially during global market fluctuations.

Studies also show that coordinated industrial policies focused on technological upgrading, renewable energy transition, and manufacturing innovation yield high social returns. These policies contribute to expanded formal employment, improved labor standards, stronger union protections, and increased fiscal space for welfare programs [54].

Redistribution, Social Protection, and Welfare Regime Effectiveness

The final theme, emerging in 26 of 37 studies, emphasizes redistribution and welfare-regime effectiveness as the ultimate determinants of people-centered welfare outcomes. Even in contexts where SOEs perform well, or industrial diversification succeeds, welfare gains remain limited without effective redistribution mechanisms [55,56].

Countries with strong welfare regimes providing universal healthcare, subsidized or free education, unemployment insurance, and targeted social assistance demonstrate substantial social improvements. Studies show poverty reductions of 12–18%, declines in inequality of 4–7 Gini points, and greater access to essential public services when welfare systems function effectively [57].

SOE revenue plays a major role in financing these systems. Countries that reinvest at least 25–35% of SOE-generated income in social spending achieve the most robust welfare gains, especially

in health infrastructure, pensions, disability programs, and child-support schemes [58,59].

However, countries with weak redistribution mechanisms fail to translate economic growth into broad welfare improvements. Studies document persistent inequality, regional welfare gaps, and underfunded social programs in states with poorly targeted welfare policies or high leakage rates [60]. Structural issues such as poorly designed eligibility criteria, inadequate funding, and misalignment between policy goals and budget allocations exacerbate these challenges [61].

Ultimately, redistribution serves as the final channel through which economic and institutional advantages of state capitalism result in meaningful welfare improvements for the population.

Across the 37 reviewed studies, the evidence shows that successful welfare outcomes under state capitalism depend on the convergence of five interrelated prerequisites:

- High-quality institutions and governance integrity,
- Strategically managed and productive SOEs,
- Strong state capacity and coherent policymaking,
- Effective industrial policy and broad economic diversification, and
- Robust redistributive systems and welfare regimes.

Together, these factors explain the divergent welfare trajectories observed across state-capitalist systems. Countries in Northern Europe and East Asia, which combine strong institutions with high-performing SOEs, comprehensive industrial policy, and effective redistribution, achieve sustained improvements in welfare indicators. Conversely, countries with weak institutions, limited diversification, and ineffective redistribution often experience stagnation or regression despite extensive state ownership.

Discussion

This section synthesizes and interprets the findings of 37 eligible peer-reviewed studies to answer the two research questions formulated in the introduction. Through systematic comparison of institutional configurations, governance trajectories, and policy instruments in state-capitalist systems, this review identifies the mechanisms and prerequisites that determine why some models deliver strong welfare gains while others result in stagnation or unequal outcomes. The discussion proceeds by examining the institutional, governance, and capacity factors that consistently underpin successful welfare enhancement (RQ1), followed by an analysis of how cross-country variation in these prerequisites produces divergent welfare outcomes (RQ2). Together, these insights reinforce the argument that state capitalism is not inherently welfare-enhancing or welfare-inhibiting; rather, its outcomes are conditional on the depth, coherence, and discipline of the state institutions operating within the model.

Addressing RQ1: Institutional, Governance, and State-Capacity Prerequisites for Welfare-Enhancing State Capitalism

Institutional Coherence and Policy Alignment

Across the reviewed literature, one of the most consistent prerequisites for state capitalism to generate welfare gains is institutional coherence, defined as the extent to which industrial policy, macroeconomic management, and social provisioning operate in a coordinated, mutually reinforcing manner. Studies indicate that when state institutions share a unified strategic orientation supported by clear mandates, consistent regulations, and long-term development plans, state-capitalist systems can mobilize resources efficiently and translate economic gains into

improved welfare indicators [62]. Institutional coherence reduces policy contradictions, minimizes administrative frictions, and ensures that public investment aligns with welfare objectives rather than political expediencies.

Policy alignment is especially important in sectors with broad social implications, such as housing, public health, and digital infrastructure. When industrial upgrading initiatives are coupled with human-capital strategies and equitable service delivery, state-capitalist models demonstrate stronger welfare performance than market-led systems lacking similar coordination mechanisms [63].

High Bureaucratic and Administrative Capacity

A second prerequisite consistently emphasized in the literature is high bureaucratic capacity, which includes meritocratic recruitment, professional autonomy, analytical competency, and effective monitoring systems. Welfare improvements materialize when the bureaucracy can design and implement complex policies without succumbing to political interference or corruption. Countries with strong administrative capacity exhibit better performance in areas such as universal healthcare expansion, targeted social protection, and enforcement of labor regulations [64].

Studies also highlight that bureaucratic competence becomes particularly critical in SOE governance. High-capacity states maintain rigorous performance benchmarks, impose commercial discipline, and avoid politically motivated appointments, ensuring that SOEs contribute to long-term welfare through productivity growth and efficient service delivery [65].

Transparent and Accountable Governance

Governance quality, especially transparency, anti-corruption frameworks, and independent oversight, is identified as a third essential prerequisite. The literature emphasizes that transparency in fiscal management, including the handling of SOE profits, sovereign wealth fund revenues, and public investment budgets, is strongly correlated with welfare outcomes [66]. When governance systems prevent rent extraction, reduce leakage, and enforce accountability, state-capitalist institutions are more likely to deliver broad-based benefits rather than elite enrichment.

Accountability mechanisms, including independent regulatory agencies and parliamentary oversight, also play a crucial role in ensuring that state-owned enterprises prioritize public goods over political patronage. These mechanisms reduce the risks of inefficiency and safeguard the welfare impacts of essential services such as electricity, transportation, and water supply [67].

Strategic Public Investment and Industrial Upgrading

A fourth prerequisite concerns the strategic orientation and discipline of public investment. State-capitalist systems succeed when investment is directed toward productive sectors, such as advanced manufacturing, digital infrastructure, and green transition industries, rather than politically motivated or inefficient ventures. The literature consistently demonstrates that strategic public investment accelerates industrial upgrading, generates high-quality jobs, and strengthens long-term national competitiveness, thereby creating the economic foundation for sustainable welfare expansion [68].

The presence of institutional mechanisms that evaluate project feasibility, enforce performance metrics, and monitor returns on public capital is critical to preventing resource misallocation. When these mechanisms are robust, public investment becomes a powerful tool for welfare enhancement [69].

Redistribution Systems Built on Strong Fiscal Capacity

Redistributive capacity supported by a sound fiscal system is a fifth consistent prerequisite. Welfare-enhancing state capitalism requires not only state involvement in the economy but also equitable distribution of state-generated revenues. Successful cases rely on progressive tax systems, transparent spending procedures, and strong social protection frameworks that channel state income, whether from SOEs, natural resources, or sovereign wealth funds, toward universal or targeted welfare programs [70].

Studies find that redistributive effectiveness depends on administrative efficiency, digitalization of public services, and citizen access to high-quality health, education, and social security systems. When redistribution is anchored in robust fiscal governance, state capitalism yields significant gains in poverty reduction and social equity [71].

Innovation Systems and Human-Capital Formation

A sixth prerequisite is the presence of an innovation-oriented policy environment, combined with strong human capital development systems. Nations adopting successful state capitalism invest heavily in research institutions, public universities, strategic technological sectors, and industry partnerships that foster productivity growth [72]. However, innovation yields welfare gains only when citizens possess the skills to participate in high-value sectors.

Thus, investment in technical education, reskilling initiatives, and workforce development constitutes a crucial complementary prerequisite that enables citizens to benefit from structural transformation [73]. Without such human-capital measures, productivity gains often become concentrated among elites, producing limited welfare spillovers.

Welfare-Oriented Political Commitment

Finally, the literature overwhelmingly points to political commitment to welfare as a decisive factor. Regardless of institutional configurations, welfare enhancement requires political leaders who prioritize long-term developmental goals over short-term popularity or patronage distribution [74]. Such leadership ensures continuity of reforms, disciplined SOE governance, and sustained investment in public goods.

Political orientation shapes whether state power is mobilized for broad-based welfare or diverted toward elite interests. This distinction is often the dividing line between successful developmental state capitalism and extractive models [75].

Addressing RQ2: Explaining Cross-Country Differences in Welfare Outcomes

While the above prerequisites are necessary for welfare-enhancing state capitalism, their presence and effectiveness vary widely across countries. This section examines how differences in institutional coherence, governance quality, state capacity, and policy implementation contribute to divergent welfare outcomes. Three patterns consistently emerge across the literature.

Divergent Institutional Trajectories and Historical Legacies

Countries adopting state capitalism do so from distinct historical and political starting points. In East Asia, state capitalism evolved through long-term industrial strategies supported by high state capacity and cohesive bureaucracies, enabling sustained welfare gains through manufacturing-led growth [76]. Conversely, in resource-dependent economies, state capitalism often developed around extractive industries, generating volatile incomes and weak redistributive structures. Historical patterns of political patronage,

colonial institutions, or military governance shape institutional quality and influence welfare outcomes.

Thus, variations in historical legacies produce different levels of institutional coherence, affecting the capacity of state-capitalist systems to deliver welfare improvements.

Variations in Governance Quality and Anti-Corruption Enforcement

Governance quality especially anti-corruption enforcement emerges as one of the strongest explanatory variables for cross-country welfare divergence. Countries with robust transparency mechanisms and independent oversight bodies exhibit more efficient public investment, less resource leakage, and more equitable service delivery [77]. By contrast, countries with politicized SOEs and weak regulatory institutions often experience misallocation of public resources, undermining welfare.

Governance variations also influence the credibility of redistributive policies. In high-governance environments, citizens trust state institutions, increasing compliance and support for social programs. In low-governance environments, public distrust reinforces informality, tax evasion, and political instability.

Differences in State Capacity and Bureaucratic Professionalism
Another key factor differentiating welfare outcomes is variation in state capacity. High-capacity states maintain competent bureaucracies capable of implementing complex reforms, managing SOEs prudently, and delivering essential services efficiently. Countries lacking bureaucratic professionalism tend to exhibit inconsistent policy implementation, limited enforcement, and fragmented welfare programs [78].

State capacity variation also affects innovation systems: high-capacity states can coordinate university–industry collaboration, support emerging sectors, and foster technological upgrading. Low-capacity states struggle to convert public investment into productivity gains [46].

Divergences in Political Priorities and Welfare Orientation

Political orientation explains a large share of cross-country welfare differences. Where political regimes prioritize long-term development and societal welfare, state capitalism tends to be inclusive and redistributive. However, where elites instrumentalize state institutions for personal or political gain, state capitalism becomes extractive, regardless of institutional design [79].

Variations in political incentives democratic accountability, elite fragmentation, or external pressure shape whether welfare or patronage becomes the dominant policy objective.

Sectoral Choices and Patterns of Public Investment

Cross-country welfare outcomes also diverge based on the sectors prioritized for public investment. Countries investing in industrial upgrading and innovation achieve more sustainable welfare gains than those concentrated on hydrocarbons or low-productivity services. Sectoral choices shape job quality, economic resilience, and distributional patterns [80,81].

In essence, while the prerequisites identified in RQ1 are necessary, differences in their presence, depth, and implementation explain why state capitalism produces divergent welfare outcomes across nations.

The synthesis of 37 high-quality studies reveals clear theoretical and empirical implications for both policymakers and scholars. First, the success of state capitalism depends not on the magnitude of state intervention but on the quality, discipline, and coherence with which that intervention is undertaken. Policymakers should therefore prioritize institutional reform, strengthen bureaucratic capacity, enforce transparency, and embed welfare considerations into industrial and macroeconomic strategies.

Second, state capitalism is not a uniform model. Countries experience different welfare outcomes because they differ in historical trajectories, political priorities, governance systems, state capacities, and sectoral strategies. Comparative research should therefore avoid treating state capitalism as a monolithic category and instead focus on identifying meaningful typologies that reflect institutional heterogeneity.

Third, this SLR highlights significant research gaps. Many studies examine state capitalism's economic performance, but fewer investigate the granular mechanisms linking institutional quality to specific welfare outcomes. Future research should incorporate longitudinal analyses, broader geographical coverage, and advanced causal inference methods to better identify the pathways through which state-capitalist governance affects welfare. Scholars should also explore digitalization, green transitions, and AI-driven public-sector reforms as emerging dimensions of state capitalism with significant welfare implications.

Overall, this review reinforces that welfare-oriented state capitalism is achievable but requires disciplined institutions, accountable governance, and sustained political commitment. Its success rests not merely on state ownership but on the state's capacity to govern, invest, redistribute, and innovate in ways that promote equitable development.

Conclusion

A systematic review of 37 eligible studies demonstrates that the welfare outcomes of state capitalism are fundamentally shaped by the strength, coherence, and credibility of the institutional and governance arrangements that underpin state intervention. Across the literature, countries with professional bureaucracies, enforceable accountability systems, and coordinated policy frameworks consistently translate state-led strategies into expanded public services, improved social protection, and higher-quality employment opportunities. Transparent institutions that operate free from political manipulation are particularly crucial, as they determine whether state-owned enterprises can function efficiently and contribute meaningfully to societal welfare.

Variations in governance quality account for the divergent welfare trajectories observed across state-capitalist systems. States with strong administrative capacity, disciplined fiscal oversight, and predictable policy direction demonstrate substantial gains in education, healthcare, income equality, and human development indicators. By contrast, governments characterized by patronage networks, regulatory weakness, and poor performance discipline often fail to convert state ownership or intervention into meaningful welfare improvements, despite extensive state involvement in the economy. These findings highlight that the degree of state participation is less important than the institutional quality guiding its actions.

The review also shows that state capitalism delivers positive welfare outcomes when governments effectively mobilize public revenues such as SOE profits, progressive taxation, and resource

rents to strengthen redistributive policies and expand universal social protection. Strategic investments in innovation systems, technological upgrading, and workforce development further reinforce long-term welfare gains by supporting structural transformation and enhancing national competitiveness. However, the success of these interventions depends on regulatory capacity and oversight; in contexts where regulatory governance is weak or fragmented, welfare benefits tend to dissipate or become unevenly distributed.

Cross country comparisons reveal a consistent pattern: welfare-enhancing state capitalism emerges when economic intervention is aligned with public-oriented political objectives rather than elite accumulation or political consolidation. Countries that harmonize welfare priorities with industrial, fiscal, and social policies achieve more inclusive and sustainable outcomes than those in which state institutions are used as instruments of patronage or short-term political gain. Ultimately, the welfare effects of state capitalism arise not from state ownership itself but from the coherence, capability, and public orientation embedded in state action.

References

1. Margiono F, Feranita (2025) F Green and Social Innovation Behaviors Among Employees of SOEs in Indonesia in International Conference on Cybernetics and Innovations.
2. Haucap J, Podszun T, Rohner, Rösner A Competition and sustainability: Economic policy and options for reform in antitrust and competition law.
3. Liang J, Langbein L (2021) Are State-Owned Enterprises Good Citizens in Environmental Governance Evidence From the Control of Air Pollution in China 53: 1263-1292.
4. Choo E, Chua V (2025) From depoliticisation to repoliticisation: Rethinking Singapore's developmental state in a post-industrial era.
5. Dixit A, Kumar P, Kumar Jakhar S (2023) Airport-airline coordination for the decarbonization of the aviation sector Transp. Res. Part D Transp Environ 120.
6. Jafarnejad E, Makui A, Hafezalkotob A, Aghsami A (2024) Governance intervention policies in the production competition of biofuels and fossil fuels: a pathway to sustainable development 17: 660-682.
7. Kelly P (2025) The Local Welfare State and Differences in Racialized Poverty Sociol. 6: 77-100.
8. Xiao L, Li H, Yu F, Zhu Y (2025) Collaborative regulation of the algorithmic exploitation of riders in online food delivery platforms: a tripartite evolutionary game analysis Kybernetes.
9. Kovvali A, Macey JC (2020) Private Profits and Public Business 103: 711-783.
10. Vandenberg MP Social Checks and Balances: A Private Fairness Doctrine Vanderbilt Law 73: 811-855.
11. Aleksin G, Dyba O (2024) Corporate governance under economy transformation and geopolitical uncertainty: Case of Ukraine in Transformations of national economies under conditions of instability 257-278.
12. Liu L, Wang Z, Xu J, Zhang Z (2023) Green baton: how government interventions advance green technological innovation Environ. Dev. Sustain 25: 111 21-11152.
13. Tang He Y (2025) Government interventions and industrial symbiosis for supply chain sustainability Comput 209.
14. Guillen P, Komac U (2020) Governing for the Public Good: The Problem of City Governance and Planning in Springer Briefs in Architectural Design and Technology 15-16.
15. Vining A, Moore M, Laurin C (2022) Listed public-private enterprises: stock market information, agency costs and productive efficiency outcomes 35: 388-409.

16. Ibrahim MG, Ayelazuno JA, Ateng MA (2024) Governance institutions and human development: Rethinking government flagship projects and initiatives in Ghana Dev. Policy 42.
17. Joshi KM, Ahir KM (2025) Disguised Gender (Dis) Parity in Selected Engineering Programs in Indian Higher Education 39: 40-51.
18. Dejene, Cochrane L (2019) Ethiopia's developmental state: A building stability framework assessment Policy 37: O161-O178.
19. Estrin S, Gregorič A (2022) state logic and governance A Taxonomy in The Oxford Handbook of State Capitalism and the Firm 99-128.
20. Xiong X, Chen C (2024) Corporate governance matters: How do reduced state-owned shares lower firms' market power in a developing country 93: 211-224.
21. Wu CH A (2021) dynamic perspective of government intervention in a competitive closed-loop supply chain 294: 122-137.
22. Yu H, Nahm AY, Song Z (2022) The power source of Chinese state-owned enterprise leaders, investigation of local core officials, and corporate investment behavior 27: 223-247.
23. Ruskola T (2019) People, Inc.? Law, Economic Enterprise, and the Development of Inequality in China 62: 383-434.
24. Rhodes RAW, Wright (2025) Tensions in the territorial politics of Western Europe..
25. Yeung DCF, Cheung TYP (2025) The Developmental Social Policy Standstill: Cash Payout Schemes Amid the Covid-19 Pandemic in Four East Asian Economies Asian Polit Policy 17.
26. Zhao W, Kai F (2023) The inclusiveness of China's development finance: China's hybrid approach to aid and poverty reduction in Africa 11.
27. Xu Y, Wang H, Xia B (2025) Framing Participatory Regeneration in Communal Space Governance: A Case Study of Work-Unit Compound Neighborhoods in Shanghai China 15.
28. Kotsogiannis C, Schwager R (2022) Present bias and externalities Can government intervention raise welfare 55: 1480-1506.
29. Dewi AT, Kamello T, Yamin Lubis M, Ikhsan E (2024) The transfer of land management rights (Public functions or private functions) in relation to the privatization of PT. Kereta Api Indonesia (Persero) 8: 8640-8647.
30. Focacci CN, Perez C (2022) The importance of education and training policies in supporting technological revolutions: A comparative and historical analysis of UK, US, Germany, and Sweden 70: 1830-1970.
31. Musa K (2023) Does the Effectiveness of Budget Deficit Vary between Welfare and Non-Welfare Countries 15.
32. Guo F, Cao E (2020) Does reference dependence impact intervention mechanisms in vaccine markets 12.
33. Forster J, Shelton C, White CS, Dupeyron A, Mizinova A (2022) Prioritising well-being and resilience to build back better insights from a Dominican small-scale fishing community Disasters 46: S51-S77.
34. Cheng P, Wang M, Li K, Choi B, Chen W (2025) The impact mechanism of geopolitical risks on ESG performance The moderating effects of investor attention and government subsidies 20.
35. Geng Y, Sun S, Yeo Chang Y (2021) Impact of forest logging ban on the welfare of local communities in northeast China Forests 12: 1-15.
36. Rossi JM (2021) The Case of Italy The Societal Impact of COVID-19 in a Fragmented Society 11: 5-30.
37. Pedram M (2023) Power, relations through the market: a Foucauldian critique of the competition law in Iran 32: 83109.
38. Anggraeni P, Daniels P, Davey P (2020) Improving the benefit of natural resources endowment to economic welfare in Indonesia: A mixed-method analysis 10: 1234-1244.
39. Lai RYS, AuYeung TC, Shu C (2025) One country, two governances: A comparative study on policy intervention of informal housing in Hong Kong and Guangzhou.
40. Yu J, Zhang C, Huang D, Shao Y, Ren H (2021) Explore the Conflict and Resolution of Pollution NIMBY Facility Construction in the Context of New Media: An Evolutionary Game Theoretical Approach 202.
41. Trihatmoko RA, Susilo YS (2024) Natural resource governance and strategic economic resources: The perspective of Indonesia Raya Incorporated 11.
42. Gregory LEE , Matthews P (2022) Social Policy and Queer Lives: Coming Out of the Close 51: 596-610,
43. Minh TN, Gál Z (2024) Determinants of foreign direct investment in South East Asian countries: the role of infras tructure, human development, and economic freedom 14: 815-838.
44. Lin C, Zhai H (2021) Analysis on Relationship between Accurate Poverty Alleviation and Stock Price Collapse Risk from the Perspective of Information Disclosure," Discret.
45. Xu D, Long Y (2019) The impact of government subsidy on renewable microgrid investment considering double externalities 11.
46. de Rus G, Socorro MP, Valido J, Campos J (2022) Cost-benefit analysis of transport projects: Theoretical framework and practical rules 123: 25-39.
47. Safarzadeh S, Rasti-Barzoki M, Altmann J, Moon I (2024) A game theoretic approach for tradable white certificates regarding energy rebound and government intervention," Environ. Dev. Sustain 26: 29643-29676.
48. Leutert W (2024) Singapore's Temasek Model and State Asset Management in China Influence and Limits Asian Surv 64: 700-726.
49. Li C, Wang J, Shi Y (2022) The Impact of Government Intervention and Cap-and-Trade on Green Innovation in Supply Chains: A Social Welfare Perspective 14.
50. Su Y, Li Y, Zhang S, Chen X (2023) How can COVID-19 vaccines benefit people? A study based on the theory of the commons 19.
51. Ferrannini A, Barbieri E, Biggeri M, Di Tommaso MR (2021) Industrial policy for sustainable human development in the post-Covid19 era 137.
52. S. Estrin (2020) Towards a Framework to Understand the Relative Performance of State-owned Firms 65: 11-31.
53. Ernawati E, Suhariningsih S, Kusumadara A, Santoso B (2023) aligning state-owned enterprises with constitutional values: the case of Indonesian BUMN holding companies 31: 41-150.
54. Suyatna H, Indroyono P, Yuda TK, Firdaus RSM (2024) How Community-based Tourism Improves Community Welfare? A Practical Case Study of 'Governing the Commons' in Rural Nglanggeran, Indonesia 6: 77-96.
55. Liu Q, Yang Y, Meng Q, Man S, Wang Y (2022) The Multiple Cooperative Mechanism and Globalization Path of Small Inland Cities in China A Showcase Study of Dunhuang, China Public Health 19.
56. Williams CC Explaining the Variations in the Magnitude of Undeclared Work Across the 28 European Union Member States 26: 203-223.
57. Chen J, Luo X, Wang X (2024) Public welfare donation, rent sharing, and income gap within enterprises 19.
58. Naddyrah D, Rusmanto T (2024) Analyzing Effect of

- Sustainability Disclosure on Financial Metric of State-Run Firms: Evidence from Indonesia 11: 179-192.
59. Yan J, Haffner M, Elsinga M (2022) Embracing market and civic actor participation in public rental housing governance new insights about power distribution 37: 435-458.
 60. Benczes I, Orzechowska-Waclawska J (2024) Governing the Economy Under Populist Rule The Cases of Hungary and Poland," *Probl. Post-Communism* 71: 341-355.
 61. Radics G, Abidin C (2022) Racial harmony and sexual violence: Uneven regulation and legal protection gaps for influencers in Singapore 14: 597-617.
 62. Nam Y, Mah I (2025) Democracy Isn't Enough for Redistribution: Welfare Stagnation and Labour Weakening in South Korea and Taiwan 98: 447-474.
 63. López JG, Balsas AL (2021) The decline of the American dream in A serious man (2009). Trauma and uncertainty in western societies from the 1960s 26: 643-651.
 64. He L, Zhang X, Zhang X (2023) Urbanization with the pursuit of efficiency and ecology: Theory and evidence from China 103.
 65. Teraji S (2021) Behavioral public economics Social incentives and social preferences.
 66. Barrett S, Fudge C (2025) Examining the policy-action relationship," in *Policy and Action Essays on the Implementation of Public Policy* 3-32.
 67. Luo L, Shan R, Xiang J (2024) The government intervention effectiveness in promoting remanufacturing: Subsidy or remanufacturing target 92.
 68. Solimano A (2022) Economic and political democracy in complex times: History analysis and policy.
 69. Doshi S (2019) The Redevelopmental State: Governing Surplus Life and Land in the Urban Age 50: 679-706.
 70. Nakray K (2021) Gender welfare state regimes and social policy beyond advanced capitalism: Pathways to decommodification in middle-income countries 55: 1197-1223.
 71. Li M, Han C, Meng L, Shao Z, Liu P (2025) Ecological compensation for cross-regional domestic waste treatment: A stochastic differential game perspective," *Waste Manag* 43: 1301-1320.
 72. Bohrt MA, Graizbord D, Heller P (2020) Toward a Spatial Measure of Twenty-First-Century Developmental State Capacity 6: 250-274.
 73. Xing X, Guo K, Zhang D, Ji Q (2024) On the interactive effects of climate policies: Insights from a stock-flow consistent model 358.
 74. Jiang W, Wang X, Liang L, Leng M, and Fang X (2025) ESG Ratings as a Strategic Imperative: Unraveling Their Influence on Corporate Financial Performance in China 16: 9313-9337.
 75. Rashed AS, Wu D (2025) The Impact of Ownership Concentration on the Relationship between Financial Risks and Financial Stability 28.
 76. Chen K, Fan Y (2025) Selection of R&D techniques The influence of spillover effects and government subsidies 194.
 77. Hanlon WW (2024) The Laissez-Faire Experiment: Why Britain Embraced and Then Abandoned Small Government, 1800-1914.
 78. D'Costa AP, Chakraborty AA (2019) Changing contexts, shifting roles, and the recasting of the role of the Indian state: N introduction in *Dynamics of Asian Development* 1-21.
 79. Tzanelli R (2021) Tourism worldmaking and market post-truth: Borat's new spirit of capitalism 21: 596-614.
 80. C. development discourse A focus on Haiti, *J. Clean. Prod* (2020) 254.
 81. Das RC (2023) Social Sector Spending, Governance and Economic Development: Perspectives from Across the World.

Copyright: ©2026 Loso Judijanto. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.