

The Politics of Advanced Capitalism

Pablo Beramendi, Silja Häusermann, Herbert Kitschelt,
& Hanspeter Kriesi (Eds.)
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This edited volume is highly relevant primarily from the perspective of institutional analysis, but it also has a certain appeal from the perspective of political science in general. It is created in the specific point at which comparative capitalism literature is trying to reinvent itself by introducing growth models and electoral politics into narratives of institutional transformation. This book is well poised to help in this task for at least two reasons: the impressive intellectual tradition it belongs to, and the strong team of contributing authors. Firstly, it belongs to a rich tradition in literature, most notably being a follow-up to the highly influential volume *Continuity and Change in Contemporary Capitalism* edited by Kitschelt, Lange, Marks and Stephens in 1999. This older volume helped introduce categories which were to lead to Varieties of Capitalism research – which has in turn framed most of the comparative capitalisms agenda since the early 2000s. Consequently, any ambitious attempt at reinterpreting comparative capitalisms must negotiate the shortcomings and limitations of this older agenda in order to succeed. Particularly, this long-standing body of literature suggests that there are at least two institutional pathways to high growth and successful development: the strategically coordinated economies (e.g. Germany, Japan or Sweden) and the liberal economies (e.g. USA, UK or Australia). The idea underlining this typological project was sound enough for it to dominate the comparative agenda for a long time. However, it eventually became clear that it was not well-adapted to study the divergence within the types or institutional changes occurring in the specific cases. The volume under review seeks to add to the growing debate by introducing constrained partisanship in institutional change. As the authors point out, the intention is advocating the “return of politics to political economy research” (xvii-xviii) – with “an emphasis on electoral and coalitional politics – understood as the dynamics of constrained policy choices” (xviii).

Secondly, the strong team of contributors is certainly a blessing, although it could have been a curse. Similar books have a tradition of a strong opening contribution which can be followed by an array of chapters more or less aligned with the general idea of the introduction. The obvious risk of an edited volume is the overall structure becoming dispersed and content-incongruent, while the obvious hope is being able to harness individual research and create a whole which is greater than the sum of its parts. The present volume fares notably well in this respect. Introduction and conclusion bracket thirteen chapters, some of which were written by notable heavy-weight researchers in comparative political economy.

The impressive opening chapter is authored by the four editors (Beramendi, Häusermann, Kitschelt and Kriesi), who point out the increasing tendencies of parties in developed countries to move away from traditional ideological models and construct their policies according to the interests of particular constituencies they represent. Their model deals with four key class groups: low-skilled wage earners, socio-cultural professionals, who are typically well-educated and employed in public or nonprofit organizations, business-finance professionals, who are typically also well-educated and have high earnings, and the petty bourgeoisie, who are self-employed, owners of small enterprises, typically with low education and relatively high income (21-22). The institutions of specific countries are connected with this class structure, and they are grouped into four different types of advanced capitalism: Equality-Oriented Capitalism (Nordic countries), Status-Oriented Capitalism (most of continental Europe), Capture-Oriented Capitalism (southern Europe) and Competitiveness Oriented Capitalism (USA, UK).

The types of reform which are viable in these arenas reflect the possible coalitions between the four classes and their interests. These interests are simplified into two axes: the scope of government intervention (weak, strong) and the relative orientation to investment (education or healthcare) or consumption (redistribution, pensions) spending. For instance, a coalition of low skill workers and socio-cultural professionals would agree on the need for strong state intervention but would need to resolve their differences on whether to prioritize investments (favored by socio-cultural professionals) or consumption (*i.e.* redistribution) favored by organized labor. There are also two coalitions which this model of constrained partisanship finds impossible – the coalition of low skilled labor and business-finance professionals and the coalition of petty bourgeoisie and socio-cultural professionals, as these two pairs of groups have interests which are too divergent to find common ground in any given reform (55-57) within this simplified model focused as it is on the electorate.

Boix sets the tone for the rest of the book by analyzing the long-term growth patterns of advanced economies, relevant particularly in his approach to the divergence of high- and low-value-added sectors. The crucial point is that sectoral compositions exacerbate

the crises in periphery states of Southern Europe and prevent convergence with more developed economies, thus casting a shadow over the European integration process (85-88). Rueda, Wibbels and Altamirano follow up in an attempt to locate the origins of dualized labor markets. This is another relevant subject as many advanced economies witnessed the decay of social compromises of the post-war decades, evolving into a dualized structure sporting a well-protected segment and an under-protected bottom of the pyramid, left largely to the functioning of market forces. David Rueda is one of the authors who can be credited for bringing dualism into the research spot-light, and his co-authored chapter looks for links of dualism with trade protectionism and the strength of insider groups. It is followed by Oesch's text on the changes in occupational structures, which strikes a different tone than most of dualism literature. Focusing on UK, Germany, Denmark, Switzerland and Spain, Oesch points primarily to an occupational upgrade in which the high-paying professionals and occupations in management gradually supplant the lower-paying menial and manufacturing jobs. Dancygier and Walter look at the impact of globalization on voter preferences and find that the low-skilled workers are most likely to feel threatened by cultural and economic aspects of globalization. The chapter by Gøsta Esping-Andersen, the seminal researcher of welfare state regimes, delves into the role of the family in modern society and anticipates a newly increasing role for families coupled by a realignment to gender-symmetric career and housework arrangements. Kitschelt and Rehm analyze the polarizations of party systems in post-industrial developed economies and find that most countries experienced a realignment of older party tendencies, while a group of clientelist and economic latecomer countries (Greece, Italy, Spain, Portugal, Ireland and Japan) display some evidence of dealignment or even cartelization of the political sphere.

Häusermann and Kriesi set out to map the political space of Western European countries in a chapter aptly titled "What Do Voters Want?", outlining cultural (universalism-particularism) and economic (state-market) groups of variables. Anke Hassel tracks the worrying trends in unionization and business organization and the transformation of labor market institutions. Huber and Stephens deal with partisan influence in determining social consumption policies, while Gingrich and Ansell do the same for social investment policies. Jackson and Thelen (another great name of institutional analysis) explore the specific approaches in liberalization of the two coordinated market economy cases of Germany and Denmark in corporate governance and industrial relations. Beramendi uses an additional chapter to strengthen and underline the overall case made by the book – in that he argues that the balance of consumption and investment determines the outcomes of income inequality and long-term unemployment. Investment-oriented economies tend to produce more egalitarian outcomes and better-functioning labor markets. However, this relationship is mediated by the

scale of revenue collected by the state and the existence of regulation favoring insiders. In the penultimate chapter, Anderson and Hecht look for mechanisms which connect life satisfaction with social policy instruments. Finally, the four editors author the concluding chapter in which they quite successfully attempt to provide an overarching narrative connecting the chapters. They point to a rising inequality both within and between countries and go so far as to assert that the old modes of comparing advanced capitalisms are not as important as noting the primary distinction between Northwestern core countries and the Southern periphery, which potentially drives a structural wedge in the European project.

This book should certainly be read by anyone interested in institutional research dealing with comparative capitalisms. In this genre of research, the volume in question posits itself in the middle of the institutionalist electoral turn and represents one of the very best contributions to comparative capitalisms of the past two decades. The questions raised are necessary not only for the continued research into institutional transformations, but also for the understanding of the modern political arena of the developed world. The book is not without its faults, as the traditional concerns of ideal-typical reasoning remain pertinent for the analysis of its central approach. Nevertheless, it is an impressive achievement which is pushing the debate in a fruitful direction and its shortcomings are more than made up for by the notable impression of scientific rigor and well-thought out structure.

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