



# Qui Regit: Electorates, Producer Groups, and Change in Advanced Capitalist Democracies

Political Studies Review

1–13

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DOI: 10.1177/14789299241311766

[journals.sagepub.com/home/psrev](https://journals.sagepub.com/home/psrev)**Cyril Benoit<sup>1</sup>**  and **Tim Vlandas<sup>2</sup>** 

## Abstract

What explains changes in the economic structures, institutions and policies of Advanced Capitalist Democracies (ACDs)? In this article, we suggest that the various answers to this question in the field of Comparative Political Economy (CPE) are essentially linked to two main approaches. The first approach emphasizes the role of electorates and political parties, their transformations, and their competition in shaping the evolution of ACDs. The second approach highlights the primacy of producer groups as the most powerful actors influencing the trajectory of ACDs. This review article introduces the debate between these two approaches and underscores its enduring relevance. It then discusses four recent important contributions that provide renewed perspectives on what remains a structuring cleavage in CPE, with implications for neighbouring fields in political science research. Through a systematic comparison of their analytical structure across various dimensions, we show that their conception of the economy critically shapes their understanding of politics.

## Keywords

comparative political economy, producer groups, electoral competition, politics of growth, institutional change

Accepted: 18 December 2024

What explains changes in the economic structures, institutions and policies of Advanced Capitalist Democracies (ACDs). This question has been central to scholarly debates in Comparative Political Economy (CPE). Over recent decades, it has been approached from various perspectives, for instance by exploring state–market interactions, analysing the structure of industrial relations, racial and gender inequalities, and examining the interplay between international and domestic economic governance. In this article, we

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argue that an important and enduring divide in these discussions concerns the respective roles attributed to electorates and producer groups in explaining changes in ACDs. One approach, rooted in earlier literature uncovering the role of partisanship in post-war political economies, emphasizes the influence of electorates, political parties as well as political institutions in shaping the evolution of capitalism. By contrast, a second approach stresses instead the primacy of producer and interest groups as the dominant actors in ACDs.

This review article introduces the debate between these two competing approaches, underscores its enduring relevance and then discusses four recent contributions that provide renewed perspectives on what remains a structuring cleavage in CPE, with implications for neighbouring fields in political science research. More specifically, we review and analyse four recent books (Baccaro et al., 2022; Hacker et al., 2021; Hassel and Palier, 2021; Iversen and Soskice, 2019), which we situate in the broader CPE literature. These books were chosen for their significant and highly influential contributions to the study of contemporary capitalism. Importantly, although they share a common focus on explaining developments in ACDs over time, they differ in their approaches to the voter–producer group divide as well as how they conceptualize politics and economics. Through a systematic comparison of their analytical structure across various dimensions, we show that their conception of the economy critically shapes their understanding of politics.

The rest of the review is organized as follows. We start by briefly introducing the debate between electorate-centred and producer-group centred approaches as a long-standing cleavage in CPE. Next, we provide a more extended discussion of each of the four books. A final section briefly summarizes our discussion and develops a systematic framework to better highlight the similarities and differences between the books, their limitations and their contributions to broader CPE debates.

## **A Long-Standing Divide in Political Economy: Voters and Producer Groups**

Whether producer-group politics trumps electoral politics (or vice versa) is a long-standing debate in CPE. While this debate does not encompass all discussions and recent disagreements in this diverse and dynamic field of study (see Clift, 2021 for a broader introduction), it provides a useful lens for understanding some important cleavages within it, most notably when it comes to explaining the evolution of ACDs. Over the past few decades, a distinct scholarly tradition has indeed presented large firms, the major producers of goods and services, sometimes in partnership or conflict with organized labour, as the decisive players behind the transformations of ACDs (see Katzenstein, 1985; Piore and Sabel, 1984; Streeck, 1992). For this strand, the causes of continuity and change in capitalist societies are found in the study of institutions and economic structures that distribute and entrench power across different producer groups (see Hall and Soskice, 2001 for a review). Conversely, an equally rich tradition argues that the conflict between capital and labour spills into the electoral arena, where political parties represent different classes or socio-economic groups (see Esping-Andersen, 1985; Rueschemeyer et al., 1992; Stephens, 1979). According to this approach, the evolution of ACDs is best explained by the changing balance of power between competing and largely stable electoral forces, notably workers and the unemployed versus employers (Hibbs, 1977).

The cleavage between these two approaches largely persists in more recent research, despite the 2007 financial crisis, the transition to the knowledge economy and more recently, the COVID-19 pandemic and its aftermath. For some, these developments have indeed resulted in an erosion of the remaining institutional arrangements inherited from the Fordist era. As a result, parties have had to navigate through increasingly fragmented social groups (Beramendi et al., 2015) with volatile demands, reflecting structural economic shocks such as digitalization and automation (Gallego and Kurer, 2022), asset appreciation in a context of rising inequalities (Ansell, 2014) or labour market dualization (Rueda, 2007; Simoni and Vlandas, 2021). Conversely, others have interpreted the same developments as a consequence of the emergence of regulatory regimes in which producer groups and business elites hold disproportionate influence. This is often exemplified by the power wielded by global finance (e.g. see Culpepper, 2015) and multinational corporations (MNCs – see Bohle and Regan, 2021) across various sectors and jurisdictions. Other influential contributions pointed to the convergence of ACDs under the combined pressures of a series of developments well beyond party competition, like economic deregulation, financialization (Deeg and O’Sullivan, 2009) and the liberalization of industrial relations (Regini, 2000). The tension between producer-group politics and electoral politics is also reflected in recent studies that examine the broader contextual factors enhancing the influence of electorates or producer groups on decision-making (see Busemeyer et al., 2020; Culpepper, 2011).

## **Voters, Producer Groups and Their Interactions Under Four Different Contemporary Lenses**

In this section, we explore the prominence and contrast between electorate-centred and producer-group-centred approaches in recent research, highlighting four recently published and influential books. Despite their diverse focuses and research questions, they all share this underlying tension, offering four distinct lenses through which to understand current conceptual and analytical disagreements in the field.

### *When Electoral Politics Trumps Producer Groups Politics*

The first of these contributions, *Democracy and Prosperity: Reinventing Capitalism through a Turbulent Century* by Torben Iversen and David Soskice (2019), emphasizes the significant role of voters and electoral politics in the evolution of ACDs. Adopting a long-term historical perspective, the book traces the emergence of democracy alongside a skilled labour force, explores the shifts from Fordism to knowledge economies, and highlights the symbiotic relationship between democracy and capitalism, where democracy disciplines the operation of capitalism, reinforcing support among politically influential voter groups.

The idea that the laws of capitalism are democratically manufactured is linked to three key contentions. First, Iversen and Soskice argue that a strong nation-state is a key commonality among ACDs. It is a necessary condition for imposing competition to recalcitrant business actors on one hand; and to organize labour market rules to prevent labour controlling production to such an extent that it ends up limiting innovation and skill replacement on the other hand. A strong nation-state also provides the necessary apparatus to invest in key public goods in education, training and research and to ‘reset rules and reinvest in response to shocks’ (p. 10). Second, governments actively pursue state

building and the maintenance of state capacities in the service of these policy objectives. This imperative is motivated by their attempts to avoid severe punishment by a significant portion of the electorate – most notably, educated and so-called ‘aspirational’ voters that want to benefit (either directly or through their children) from sustained economic growth. Political parties competing for the median voter have thus a strong incentive to appear as effective economic managers. Third, the symbiotic relationship between a market-enhancing state and economic voters is further reinforced by the relative geographical immobility of the skills on which knowledge-based MNCs depend. Relevant pools of skills are concentrated in differentiated clusters of educated workers, engineers and researchers that are not easily replicable elsewhere and therefore almost impossible to relocate. Crucially, instead of thinking of MNCs and capital mobility as dominating states, globalization is understood as a coordination game of strategic complementarities that ultimately benefits ACDs and their strong nation-states.

In the book, dysfunctions in this relationship are usually presented as temporary readjustments before a return to a long-term equilibrium of democratic capitalism. In this context, the tensions that can affect the stability of the democratic process are seen as resulting from the inherent polarities generated by a technology regime. The rise of populism, for instance, is explained as a temporary reaction of low-skilled workers against middle and upper middle classes’ hegemonic position in the knowledge economy. Those with low or obsolete skills are turning to radical and protest parties that promise greater redistribution and a protection against new labour market entrants (such as immigrants). Whether or not the readjustments should necessarily be expected to stabilise the system into a new symbiotic relationship between democracy and capitalism is an open question. For instance, as the voters of ACDs age, a growing share of the electorate become elderly, which partly insulates them from the negative consequences of growth, thereby reducing the electoral incentives of governments to pursue efficient economic policies (Vlandas, 2025).

Iversen and Soskice’s framework thus postulates a mutual and functional relationship between the state, voters and skill clusters. But in this ‘symbiotic trinity’, it is electoral politics that is running the show. Indeed, the symbiosis between capitalism and democracy is primarily sustained by the combination of ‘the interests of the skilled, educated workforces of the advanced capitalist sectors’ and ‘their support for the political maintenance and promotion of those sectors’ (p. 102). Governments represent ‘economic interests that all, by and large, see themselves as benefiting from advanced capitalism’ (p. 55). They are formed by dominant parties whose main disagreements are over redistribution, not the pursuit of growth itself, and this responds to the demand of the majority of the electorate.

Despite the prominence afforded to electoral politics in their account, Iversen and Soskice do not deny the importance of producer groups. However, they argue that their strategies and the fulfilment of their demands can effectively happen so long as they are capable of providing the kind of growth demanded by electorates. In other words, political economists are right when they say that state and business elites are often in partnerships – but for Iversen and Soskice, such partnerships endure precisely as they provide the conditions for growth in response to the pressures of decisive voters and their representatives. As soon as capitalism fails to deliver good economic performance, the partnership might be quickly renegotiated by politicians – as notably exemplified by the United Kingdom’s and Denmark’s transition from Fordism to the knowledge economy, where democratic politics ‘induced reforms against the will of both business and labour’ (p. 172). Shifts in monetary policies, restrictive fiscal policies, reforms of credit and insurance markets or new bargaining systems did not emerge as a result of the pressures

exercised by the powerful economic interests of the day. Instead, they took place largely among responsible parties in governments that responded to voters pushing for the adoption of efficient policies, regulations and investments.

### *When Producer Groups Politics Trumps Electoral Politics*

Iversen and Soskice advance some important arguments consistent with the ‘electoral turn’ in comparative politics (Beramendi et al., 2015) and locate them in a broader, long-term historical perspective inspired by the Varieties of Capitalism (VoC) approach (Hall and Soskice, 2001). In *Diminishing Returns: The New Politics of Growth and Stagnation*, it is these respective conceptions of politics and economics that Lucio Baccaro, Mark Blyth and Jonas Pontusson explicitly challenge.

This edited volume is structured in four main sections. The first section comprises a series of theoretical chapters about the growth model perspective that underpins all contributions to the volume, albeit to varying extents. The discussion of macroeconomics emphasizes its ‘post’- (as opposed to VoC’s ‘New-’) Keynesian lineage (see chapter by Engelbert Stockhammer and Özlem Onaran). The volume then proceeds to advance a specific view of the transition to the knowledge economy in the chapter by Schwartz (that notably discusses the book by Iversen and Soskice). This section also stresses the importance of international political economy factors (chapter by Schwartz and Blyth). Chapters in the second and third sections explore the trajectories followed by different growth models at the regional and national levels, respectively. The fourth section of the book concentrates on cross-cutting issues that capitalist economies are currently facing, most notably financialization in the chapter by Cornel Ban and Oddný Helgadóttir and austerity in the chapter by Evelyne Hübscher and Thomas Sattler.

The growth model perspective that forms the foundation of this book diverges from standard CPE accounts in several key aspects. While the editors introduce ‘export-led’ and ‘consumption-led’ growth models as the primary alternatives to post-Fordism, they identify a total of five distinct growth models. Several European countries, as shown by Alison Johnston and Matthias Matthijs in chapter 4, have indeed ‘balanced’ growth models that feature elements of these two main variants – as is notably the case for Scandinavian countries, but also for France, Italy (pre-euro), and for (pre-financial crisis) Ireland (p. 121). The fourth, ‘commodity-driven’, growth model is best exemplified by Latin American economies, where governments’ fiscal and macroeconomic policies to preserve the interests of rural areas prevent the emergence of more advanced sectors and city-based growth (Jazmin Sierra in chapter 6). The fifth ‘peripheral’ growth model is characteristic of countries occupying a more minor position in the global economy, where growth is as a result (more or less successively) achieved by attracting foreign capital (chapter 12 by Bohle and Regan). China’s growth model – the most successful growth story of the past decades – is presented as a hybrid case by Yeling Tan and James Conran in chapter 5, featuring a distinctive combination of elements that are present in the growth model of Germany, Ireland, Spain and the Eurozone.

Overall, the book’s framework and the empirical chapters advance five core arguments. The first is that secular stagnation is best understood when the level and composition of aggregate demand are factored in the analysis – with fiscal and monetary policies both thought to play a central role in this regard. A second related theoretical argument is that post-Keynesianism, with its emphasis on wages, profits and, ultimately, the long-term importance of effective demand for economic growth, is the most suitable approach

to understand capitalist dynamics. Third, both the essential commonalities between capitalist economies (that manifest in a common need to achieve growth) and their diversity (in the response that distinct growth models provide to this problem) have to be considered: while capitalism does not come in variety per se, its regional and country-level developments differ. Fourth, the international political economy (IPE) is a key mediating condition for the drivers of national growth models. Finally, policy choices matter – and instead of being entirely determined by supply side factors that can in some cases largely escape governments' control, secular stagnation is the result of how policies arbitrate explicit conflicts and seek to craft compromises.

Among these five points, it is the last one that offers a crucial key to understanding one of the book's main contributions to the debate on change in ACDs. Baccaro, Blyth and Pontusson's framework assigns a pivotal role to stable coalitions of business elites and organized interests in shaping growth models. These interactions determine macroeconomic management choices and long-term growth policies, reflecting in turn the balance of power within dominant growth coalitions. While political parties are acknowledged, their role mainly involves articulating relationships within the coalition and securing stable electoral majorities to implement predetermined macroeconomic policies. Consequently, voters' choices at the polls have limited influence on government macroeconomic policies, marginally constraining the range of acceptable options. At the same time however, the need for these coalitions to actively engage in the uncertain work of legitimation suggests a broader understanding of political agency than Iversen and Soskice's more functionalist approach. In *Diminishing Returns*, politics is not limited to redistribution but also encompasses the politics of legitimacy, especially in the low-growth environments that characterize many of the political economies studied in the book.

### *When the Welfare State Mediates Electoral Politics and Producer Group Politics*

Both books discussed above argue that electorates and producer groups are significant in contemporary capitalist politics, but they differ in the weight they assign to each and in their assessment of their respective roles in driving institutional change. Anke Hassel and Bruno Palier's syncretic framework in *Growth and Welfare in Advanced Capitalist Economies* proposes a middle-range approach that aims to reconcile these contrasting views. This edited volume focuses on the consequences of transformations faced by ACDs since the 1970s, by putting education and social policy at the centre of their analysis.

The book is divided into three main sections. The first section examines growth regimes and their evolution in advanced democracies, featuring chapters by Peter Hall on this direct topic, by Georg Picot on the sources of their variation, and by Fritz Scharpf on their convergence. The second section focuses on politics, with chapters by Kathleen Thelen on the transition to the knowledge economy, Cathie Jo Martin on employers' coalitions and Anne Wren on labour market policy. The third section delves into the relationship between growth strategies and welfare reforms, encompassing various thematic and sectoral contributions. For instance, the chapter by Alison Johnston shows that the impact of wage moderation is conditional on export performance and coordinated wage setting institutions.



The book's conceptual core is centred around the notions of growth regimes and growth strategies. In developing their own framework, Hassel and Palier build on Baccaro and Pontusson's approach to growth models (and both authors contribute to the present collection in Chapter 3), but combine it with insights from the VoC literature and the French Regulation school. In addition to the typical actors and institutions of a growth model, a growth regime thus also encompasses product market competition, labour market and labour relations, social protection, education systems and financial systems. In this context, a growth 'strategy' is a relatively coherent set of decisions and reforms meant to achieve growth – that can, in turn, have transformative effects through policy feedbacks on the growth regimes. The term 'strategy' does not imply that decision-makers have complete information or clear-cut assumptions about the consequences of their decisions; but that they do have some intentions. This basic framework entails several implications, both for our understanding of continuity and change in advanced capitalism and for the more specific roles electorates and producer groups play in it.

One of the main contributions of the book is to show that welfare state reforms are decisive in the government's economic strategy. Building on previous chapters, the introductory and concluding contributions (chapters 1 by Hassel and Palier and 12 by Avlijaš, Hassel and Palier) link each of the five different growth strategies to a specific type and direction of welfare state reforms. The high-quality manufacturing-based export-led strategy (exemplified by the case of Austria, Germany or Switzerland) induces dualization between the highly protected labour force in the export sectors and the outsiders from this core. The UK's finance-based domestic demand-led growth regimes makes the country an outlier in Europe. Here, a dynamic financial sector compensates for the privatization and marketization of social services by providing access to credit while ensuring stable asset appreciation – thus sustaining the housing market and the demand for private retirement accounts. Occupying an intermediary position, the Netherlands and Scandinavian countries also have an export-led growth regime focused instead on dynamic services: this requires a high degree of financialization to sustain innovation, but also a strong social protection and social investment to protect a flexible and highly skilled workforce. The more peripheral economies of Central and Eastern Europe and Ireland both develop FDI-financed export-led strategies to attract foreign investors. Social and education policies in these countries are thus primarily directed towards adapting the workforce to these requirements. Finally, the public financed domestic demand-led growth regime that is mostly found in Southern Europe more or less successfully seeks to keep domestic demand high through minimum wages and (relatively) generous social benefits.

A second implication of the book's emphasis on welfare state transformations more directly relates to the question of the respective influence of electorates and interest-groups in growth regimes and strategies. On one hand, the editors are broadly in line with Baccaro and co-authors when they state that 'policy reforms are influenced by the dominant production regime and profile' (p. 24). However, they also maintain a critical distance by emphasizing the importance of education and social policy within their framework. This implies that some issues that are central to a country's growth strategy are precisely those that are usually considered as extremely important to voters. More generally, the editors recognize that the structure of political competition can influence outcomes that significantly impact a growth strategy, potentially beyond the demands or conflicts within the coalition of supporting producer groups. Hassel and Palier extend the separation introduced by the growth model approach by distinguishing economic

strategies from political and institutional structures. Hence, their perspective not only recognizes the role of legitimation but also allows for greater contingency in the politics of change.

### *When Institutions Mediate Electoral Politics and Producer Groups Politics*

In *The American Political Economy: Politics, Markets and Power*, Jacob Hacker, Alexander Hertel-Fernandez, Paul Pierson and Katleen Thelen offer a distinctive response to the electorate-producer groups binary. Their framework seeks to transcend it, not through synthesis like Hassel and Palier, but by sidestepping it.

Taking inspiration from the field of CPE, the introduction to the book advances a theoretical framework to study the American Political Economy (APE) by putting institutions at the centre of their analysis and focusing ‘on the ways in which institutional configurations shape coalitional politics to produce long-term developmental processes’ (p. 7). According to the editors, this is crucial to ‘avoid taking the scope of economic governance as given and thus missing the power relations embedded in taken-for-granted features of markets and politics’ (p. 8) – which they present as an important pitfall of current approaches to American politics and of their excessive focus on voters, parties and formal institutions. Thus, political institutions have primacy in this account to a much larger extent than in the other three books. More fundamentally, these institutions are argued to favour the rich and big business in the US to a much greater degree than in other ACDs.

The book is divided into four sections. A first part gathers contributions focused on political arenas and actors, all studied from a thematic angle (as, for instance, in Nathan J. Kelly and Jana Morgan’s chapter on Congressional politics in an era of inequality). Chapters in the second part then discuss issues of race, spatial organization and governance, as well as how they are dynamically linked, as in Jessica Trounstein’s chapter on American cities. Corporate power and concentration are the focus of the third part of the book, which successively touches on corporate strategy (chapter by Schwartz), corporate governance regime under ‘asset manager’ capitalism (chapter by Benjamin Braun) and labour (chapter by Suresh Naidu). The last part directly echoes topics and debates discussed in the other books mentioned in this review – namely the knowledge economy and the distinctive role the US plays into it.

While the book is therefore primarily focused on the US case, various contributions seek to locate it in a broader cross-national perspective. Several chapters examine issues and developments that, given the centrality of the APE, prove consequential for other political economies. This is especially the case for David Soskice’s chapter on the declining role of the US as an innovation driver, or Ben Ansell and Jane Gingrich’s chapter on post industrialism in the country and beyond.

Both in their introduction and in a concluding chapter that reflects on the COVID-19 pandemic and its aftermath, the editors convincingly argue that there are three distinctive features of the APE, with important consequences for the dynamics we observe in the US, especially as these three features regularly interact and mutually reinforce each other. The first feature is an extremely fragmented institutional landscape characterized by a strict separation of power based on numerous veto points, a disintegrated – and often weak – state bureaucracy, an outsized role for the Courts and a federal system without redistributive policies or revenue sharing. The second feature is a fragmented polity that mechanically confers disproportionate power to repeat, multi-venue players and generates various venues where policy is made in isolation from direct electoral oversight.



Finally, the editors emphasize how ‘centuries of racial oppression and division have deeply shaped the contours’ of the APE (p. 2), most notably the development of its peculiar private welfare regime, its very deregulated labour market and its social institutions.

The three main features of the APE are deeply entrenched in dense institutional settings, fostering enduring coalitions that mould long-term developments of the APE. Constitutional and institutional divisions disproportionately benefit well-resourced and highly motivated organized actors, often operating in partnership with political parties. As a result, political developments are to a large extent determined by powerful organized interest. Formal political institutions, party campaigns and elections – the usual focus of students of American politics – is thus not ‘where the action really is’ (p. 10). But the book, given its analytical lens, does not either exactly suggest a story of pure producer and interest group politics or organizational combat happening in a vacuum. The most salient outcomes in the contemporary APE – the growing power of business elites, the transformation of American conservatism and the increasingly captured and oligopolistic knowledge economy – are not attributed to the simple actions or alliances forged by the most powerful groups in society. Business elites, plutocratic populists and intellectual-property rich firms themselves appear throughout the book as being bounded by – and emerging from – broader institutional configurations that appear as the main causes of their structural advantage.

## Discussion

What drives changes in the economic structures, institutions and policies of ACDs? While this broad question has been explored from various angles in CPE, we argue that the role of voters and producer groups remains a central dividing line, as highlighted in our review of four recent studies on contemporary capitalism. However, this shared focus overlooks certain key aspects in the four books. For instance, while the state is mentioned as a significant actor, its role, as well as the issues of bureaucratic autonomy and capacity, are not fully theorized as having an independent influence beyond the voter-producer group dynamics. Important topics such as political disaffection, the crisis of political representation and declining levels of trust among ACDs are not central to the books’ analyses. Apart from Baccaro et al. (and to a lesser extent Hassel and Palier’s reference to the EU), the role of the IPE, especially international organizations and regulatory regimes or foreign state investments (e.g. Thatcher and Vlandas, 2021), is somewhat ignored. With some exceptions, these books also share common blind spots in political economy, particularly regarding patriarchy and colonialism, which have shaped capitalism and continue to influence its current dynamics (see Best et al., 2021 for further discussion).

These works nonetheless engage with a wide range of CPE debates that are sufficiently important in their own right. In the remainder of this article, we present a systematic comparative conceptual framework to better map and examine the similarities and differences between these four books. While this framework engages more directly with the voter-producer group debate, it also implicitly links to broader discussions in CPE and political science research.

Perhaps unsurprisingly, a first important source of variation that emerge from our discussion relates to the conception of the economy that the four books (sometimes implicitly) embrace (Table 1). We identify four analytical dimensions: the driving force of aggregate demand (supply versus demand side), the role of the IPE (low versus high), notions of stability, key economic policies and the importance of economic institutions.

**Table 1.** Understanding of How Economics Is Structured in the Four Approaches.

Dimension	Authors			
	Iversen and Sorkice	Blyth, Baccaro and Pontusson	Hassel and Palier	Hacker, Hertel-Fernandez, Pierson and Thelen
<i>Dominant approach</i>	Supply side	Demand side	Both	Implicit and mostly supply side
<i>Role of the international political economy</i>	Low importance (VoC firm-level focus, globalization as a strategic complementarity game)	High importance (mediating condition for national models' growth drivers)	Medium importance (matters in certain contexts and sectors)	Secondary importance (given the focus on the APE and its hegemonic role)
<i>Stability</i>	High importance (democracy-capitalism reinforcement loop)	Medium importance (robust yet evolving growth coalitions)	Medium importance (stable growth coalitions but dynamic governments and electorates)	High importance (robust institutional configurations, path-dependent dynamics)
<i>Key economic policies</i>	Labour market, education and training	Fiscal and monetary	Social policy and education policy	Economic institutions

The authors differ in whether they attribute growth primarily to supply-side factors (as in Iversen and Sorkice, and Hacker et al.), demand-side factors (Baccaro et al.) or a combination of both (Hassel and Palier). In turn, the emphasis on either side of the economy significantly influences the conception of the key economic policies that affect growth. Those focused on the supply side tend to see labour market institutions, education, and R&D investment as key. Conversely, those concentrating on the demand side tend to attribute a more central importance to fiscal and monetary policies, which shape consumption and aggregate demand. When institutions are deeply entrenched, the conception of the economy becomes less critical; however, if both sides matter, social policies (broadly understood) are only effective when they align with fiscal and monetary strategies. This demand–supply perspective also influences views on the stability of democratic capitalism. The focus on supply-side dynamics present in the works of Iversen and Sorkice, as well as Hacker et al., tend to be associated with stability, while Baccaro et al. and others argue that the demand-side drivers can lead to unstable coalitions. In addition, the role attributed to the IPE varies: it is most prominent in Baccaro, Blyth and Pontusson, and to a lesser extent in Hassel and Palier, while it appears to be secondary for Hacker et al., and relatively minimal for Iversen and Sorkice, where globalization enhances strategic complementarities.

These differing conceptions of the economy dynamically interact with the distinct perspectives of which political actors matter most presented in the four books, though this latter conception is also influenced by the books' specific empirical focus (Table 2).

Iversen and Sorkice examine transitions between technology regimes, studying producer groups during the decline of dominant sectors when their influence is likely diminished. In contrast, Baccaro, Blyth and Pontusson analyse contexts where supportive

**Table 2.** Understanding of How Politics Is Structured in the Four Approaches.

Dimension	Authors			
	Iversen and Soskice	Blyth, Baccaro and Pontusson	Hassel and Palier	Hacker, Hertel-Fernandez, Pierson and Thelen
<i>Dominant approach</i>	Demand side	Supply side	Both	Mostly supply side
<i>Role of electorates</i>	High importance (central)	Medium to low importance (consenters)	Medium importance (co-decider)	Low importance (weak)
<i>Role of producer groups</i>	Low importance (constrained)	High importance (central)	Medium importance (co-decider)	High importance (central)

**Table 3.** Linking Conception of Economics to Conception of Politics.

Dominant side	Role of the IPE	
	Low relevance	High relevance
Supply side dominates	Electorates matter most (Iversen and Soskice)	
Demand side dominates	Interest groups matter most (Baccaro et al)	
Both sides equally important	Both electorates and interest groups matter (Hassel and Palier)	

producer groups are already entrenched, arguing that stable growth coalitions limit voters' ability to shift their orientation. Similarly, Hassel and Palier reach similar conclusions but place greater emphasis on electoral pressures in redistributive welfare policies. Hacker et al., focusing on the dominant features of the APE, investigate long-standing configurations that are less affected by electoral competition.

More broadly, we observe connections between the authors' conceptualization of the economy (described in Table 1) and their understanding of how politics is structured (summarized in Table 2). Specifically, when abstracting away from specificities and detailed insights across the four books, we identify two dimensions: first, whether the economy is driven by demand side (Baccaro, Blyth and Pontusson), supply side (Hacker et al. and Iversen and Soskice) or dual dynamics (Hassel and Palier); and second, what role is ascribed to international political economy (see Table 3).

In the latter dimension, we posit that accounts emphasizing the international political economy tend to see the producer groups as the dominant actors, empowering MNCs at the expense of electorates and complicating policy areas for democratic governance. In terms of the first dimension, demand-side perspectives tend to emphasize the importance of the electorates, while supply-side views tend to stress the dominance of producer and interest groups in the policymaking process. Thus, the conception of economics in each contribution structures which understanding of politics is adopted.

## Acknowledgements

This paper has greatly benefited from the insightful comments of Anke Hassel, Marek Naczyk, Bruno Palier, Aidan Regan, and Hanna Schwander. We are also grateful to participants of the PERG Lecture at Central European University (March 2023) and seminar audiences at Humboldt University Berlin (December 2022) and the University of Oxford (May 2023) for their valuable feedback

## Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship and/or publication of this article.

## Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: The authors received support from the Oxford-Sciences Po network (OxPo).

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