In search of developmental capitalism institutions: bringing growth models back in emerging countries

Em busca de instituições de capitalismo desenvolvimentista: resgatando modelos de crescimento em países emergentes

Moisés Balestro*  
Antonio Junqueira Botelho**

ABSTRACT

How can we explain that some emerging economies grow faster than others? What explains the sustainability of their growth? Not all types of capitalism in emerging markets contribute equally to sustainable growth rates that undergird development. Comparative capitalism research on European economies temporary growth models aims to more properly grasp change in the varieties of capitalism approach. Adoption of the growth models in emerging markets capitalism research requires attention to integration into the global economy and to political coalitions, and to deal with the methodological challenges, given high labor market informality and political instability. This article seeks to make sense of changes in the components of successive growth models throughout a path-dependent capitalist variety, expand the growth model analytical framework by testing elements alongside demand (and supply) based on a case study of Brazil, and explore coalitions in economic reform to identify growth model’s social blocs. The article’s results unveil challenges to

---

* An early draft of this article incorporated significant contributions by Andreas Nölke who, eventually, declined to join as co-author. Some of his original contributions have been edited and retained but the views and opinions expressed here are solely of the current co-authors.

* Universidade de Brasília, Brasília, DF, Brazil.  
Doutor em Ciências Sociais, professor associado do Departamento de Estudos Latino-Americanos, do Programa de Pós-Graduação de Estudos Comparados sobre as Américas, e do Programa Meio Ambiente e Desenvolvimento Rural (MADER) da Universidade de Brasília.  
E-mail: moises@unb.br

** Universidade Candido Mendes, Rio de Janeiro, RJ, Brazil.  
Professor Titular do Programa de Pós-Graduação em Sociologia Políticas PPGSP, IUPERJ / Universidade Candido Mendes, Rio de Janeiro.  
E-mail: ajjbotelho@gmail.com
the employment of existing concepts and analytical framework; the need to build bridges between growth models and the political economy of development; and an exploratory assessment of growth model contributions to Brazil’s postwar development. Thereof, in the long term, interest shifts of economic elites between liberal and non-liberal economic regimes suggest a fragility of repeated attempts to form a durable developmental coalition, a process dynamic that frays state-permeated capitalism positive externalities. It concludes that both path dependent developmental institutions, which hinder change, and growth instability limit the possibilities of designing institutional reforms out of the middle-income trap.

Keywords: growth model, social blocs, comparative capitalism, Varieties of Capitalism

RESUMO

Como explicar que algumas economias emergentes crescem mais rápido do que outras? Qual a razão da sustentabilidade do seu crescimento? Nem todos os tipos de capitalismo em mercados emergentes contribuem igualmente para taxas de crescimento sustentadas que alicerçam o desenvolvimento. Estudos de capitalismo comparativo sobre os modelos de crescimento temporário das economias europeias visam superar a estase das variedades do capitalismo. A adoção de modelos de crescimento em pesquisa sobre capitalismo de mercados emergentes requer atenção à integração na economia global e às coalizões políticas, e precisa superar os desafios metodológicos, dadas a elevada informalidade do mercado de trabalho e a instabilidade política. Este artigo busca dar sentido às mudanças nos componentes dos sucessivos modelos de crescimento ao longo de uma multiplicidade capitalista dependente de trajetória, expandir o marco analítico dos modelos de crescimento testando elementos junto à demanda (e oferta) com base em um estudo de caso do Brasil e explorar coalizões na reforma econômica para identificar os blocos sociais do modelo de crescimento. Seus resultados são a identificação dos desafios à aplicação dos conceitos e marco analítico existentes; da necessidade de estabelecer pontes entre os modelos de crescimento e a economia política do desenvolvimento; e uma avaliação exploratória das contribuições do modelo de crescimento para o desenvolvimento do Brasil no pós-guerra. Daí, no longo prazo, as mudanças de interesses das elites econômicas entre regimes econômicos liberais e não liberais sugerem fragilidade das repetidas tentativas de formar uma coalizão desenvolvimentista durável, e uma dinâmica de processo que desgasta as externalidades positivas do capitalismo permeado pelo Estado. Conclui-se que tanto as instituições desenvolvimentistas dependentes de trajetória, que impedem a mudança, quanto a instabilidade do crescimento limitam as possibilidades de costurar reformas institucionais para além da armadilha da renda média.

Palavras-chave: modelo de crescimento, blocos sociais, capitalismo comparado, Variedades de Capitalismo.
Introduction

How can we explain that some emerging economies grow faster than others? What explains the sustainability of their growth over a lengthy period and across industrial and technological changes? These questions are pivotal for development. While Comparative Capitalism (CC) is not a mainstream approach in comparative development, it may soon become so, at least for emerging markets (not so much for developing economies, with only rudimentary capitalist institutions). Compared to dominant approaches in development economics (randomized controlled trials, new institutional economics, developmental state), CC is far more sensitive to historical context and current developments in emerging market capitalism. A spate of pioneering research has made efforts at employing the growth model perspective to explain recent patterns of growth in emerging countries (Nölke et al., 2021; Schedelik et al., 2020). This paper, however, aims to explore the suitability of the growth model perspective to explain long term sustained growth and development.

At the core of CC research on emerging markets is the development of specific types of capitalism that portray national capitalism’s nature (Nölke, 2019a, 2019b, 2019c). A key assumption is that there is more than one successful way to develop emerging market capitalism. However, not all types of capitalism that can be found in emerging markets contribute equally to economic growth, particularly to a sustained growth rate undergirding development. To obtain a stable economic growth rate over a lengthy period, an emerging country must pursue an institutionally evolving, yet coherent, variety of capitalism. Specifically, these types of capitalism should rest on positive institutional complementarities between the various institutions that are central to capitalism.

Simultaneously, CC research has identified varieties of capitalism that systematically lead to suboptimal rates of economic growth resulting from negative institutional complementarities. Since the end of the Import Substitution Industrialization (ISI), middle-income countries in Latin America failed to develop institutions to promote sustained economic growth like their Asian counterparts. Schneider (2013) mentions a Hierarchical Market Capitalism (HME) variety, with negative institutional complementarities. However, one must be cautious to put all Latin American countries into
the same basket, because industrialized countries such as Mexico, Brazil, and Argentina have a diverse economic structure which does not fit well into an overarching type of Latin American capitalism. In contrast, more successful cases of economic growth for emerging markets consist of the dependent market economy (DME) type found in Central Europe and the state permeated economy (SME) type, most prominently found in China (Nölke & Vliegenthart, 2009).

Still, the newly coined capitalism types must be further developed to take the particularities of emerging market capitalism fully on board. A significant issue is their instability, what makes the identification of permanent types harder. Advances in CC research on European economies focus on identifying temporary growth models rather than permanent varieties of capitalism (Baccaro & Pontusson, 2016). Such focus is promising, and to match this challenge, one needs to pay closer attention to issues such as integration into the global economy and political coalitions supporting stable models of capitalism (Hall, 2018). Further, the adoption of the growth model perspective on emerging markets must overcome various methodological challenges, given their much higher level of labor market informality and political instability.

In debates involving political economy of development and, more recently, growth models, two “ideal type” coalitions appear in a continuum. One is the coalition around the economic model applied by a developmental state, and the other is related to the neo-liberal growth model (Stubbs, 2011). Thus, in the contemporary trajectory of Brazilian growth models, manufacturing sector has a pendular movement from supporting a developmental coalition to supporting a neo-liberal one. Bridging the relationship gap between structure and agency, institutions shape existing coalitions by either constraining or facilitating agency. There is much plasticity in the coalitions, with the same actors (groups or individuals) cooperating in one arena and competing in another.

A key analytical hindrance to the advancement of the growth model perspective in emerging countries is the need to a better conceptual specification of the formation of social blocs and how they change. This problem becomes more complex insofar as emerging countries’ growth trajectory and politics are often more volatile than those of advanced industrial economies. The state of the art of growth model literature based
on the analysis of developed nations tries to explain the re-composition of social blocs\(^2\) necessary to account for this volatility as well as to brief stabilization of a growth model. The foregoing discussion topic aims to contribute to a solution, albeit still tentative, by providing a focused review of approaches to the study of coalitions in Latin America so that to establish initial conditions to identify promising analytic avenues to advance the study of social blocs in emerging countries.

This article has three objectives. The first two converge on the contribution made by Schedelik et al. (2020). The first seeks to make sense of changes in the components of successive growth models throughout a path-dependent capitalist variety or type, identifying conditions that may contribute to historically bounded stability. Second, it aims to expand the growth model analytical framework by suggesting new elements alongside demand (and supply) that could add analytic power to the explanation of the long-term development trajectory of emerging countries, based on a case study of Brazil. Then, in its final objective, it strives to build upon the earlier two to produce a contribution to the literature by exploring analytic strategies to identify social blocs underlying growth models in emerging economies through a short review of coalitions literature in Latin America.

The article has four sections followed by conclusions. The next section discusses the evolution of comparative capitalism research, building upon varieties of capitalism theoretical approach to growth model perspective, by examining its three generations. It focuses on the Growth Model Perspective (GMP) and briefly presents its relationship with demand, international political economy and politics and conclude with a discussion of methodological challenges facing its application to emerging economies. The third section explores the growth model foundations using capitalist development theories. The fourth discusses the coalitional politics approach seeking to identify viable analytic strategies for the study of social blocs in emerging countries.

The last section presents and discusses empirical results of quantitative analysis of components and drivers of growth and growth rates sustainability in Brazil’s postwar development trajectory. Finally, the conclusion presents contributions to the advancement of growth model research in emerging countries and advances proposals for future research.

\(^2\) As defined by Amable (2003, p. 66), the “institutional configuration of an economy depends on the formation of a stable dominant social bloc coalescing different socio-political groups prone to support a coalition with a certain political strategy.”
From varieties of capitalism to growth models

Comparative Capitalism scholarship builds upon general assumptions that country-specific institutions matter for economic performance and that there are alternative ways to attain it. It offers more than “one best way” of organizing capitalism, as suggested by both the new institutional economics and the developmental state literature (Piore & Sabel, 1984). There is a variety of approaches investigating the economic performance of countries (Jackson & Deeg, 2006, p. 11-37). The most influential is the varieties of capitalism (VoC) framework by Hall and Soskice (2001), which introduces ideal types of capitalist economies. Drawing on a long-established research tradition, they made the now classical distinction between liberal market economies (LMEs) and coordinated market economies (CMEs) (Hall & Soskice, 2001, p. 8). In the former, firms coordinate themselves primarily through competitive markets and formal contracts, whereas, in the latter, they rely principally on inter-firm networks and associations (Hall & Soskice, 2001). The systemic differences between LMEs and CMEs lie in the economic performance, not in its substance. This idea rests on their notion of “comparative institutional advantage”, which states that “the institutional structure of a particular political economy provides firms with advantages for engaging in specific types of activities there” (Hall & Soskice, 2001, p. 37).

Thereby, VoC is better suited to account for cross-national variations in product specialization, doing justice to the structural differences of capitalist economies. Its basic features remain useful for the analysis of capitalist systems, in particular the distinction of five institutional spheres: (i) corporate governance, (ii) financial system, (iii) industrial relations, (iv) education, and training as well as innovation, and (v) the identification of cross-cutting coordination mechanisms (inter-firm networks and associations in CMEs, in contrast to competitive markets and formal contracts in LMEs), and the notion of complementarity between several kinds of institutions. The approach relies strongly on the supply-side component of growth. The development of comparative institutional advantages serves as a basis, in the case of the German CME, for successful exports, luxury goods, automobiles, and machinery production and in case of the Anglo-American liberal market economies, radical innovation, for example, in biotechnology.

The second generation of CC research, referred to as “post-VoC,” took issue with the static and over parsimonious VoC approach, including change
in the varieties of capitalism. Specifically, it focused on the historical emergence of capitalist varieties and the role of political factors in their development, including the role of the state and public policies in the distributional struggles between different socio-economic groups. Also, an expansion of the varieties of capitalism approach aimed at making sense of emerging market capitalism.

Capitalist varieties applied to emerging countries could not be simply a mixing of the main varieties present in Hall and Soskice (2001). Several authors have contributed to this effort over the last decade (Schneider, 2009; Nölke & Vliegenthart, 2009; Bohle & Greskovits, 2012; Hundt & Uttam, 2017; Rougier & Combornous, 2017; Moore, 2018; Bizberg, 2018).

In the typology presented in Table 1 below, which draws on the contributions from Schedelik et al. (2020), certain Eastern European countries fall into the type “Dependent Market Economies” (DME), having an industrial structure highly dependent on multinationals involved in the production of complex and durable goods and exhibiting positive complementarities between skilled cheap labor and a higher share of Foreign Direct Invest in the country’s GDP (Nölke & Vliegenthart, 2009). In the “State-permeated Market Economy” (SME) type, which has the collaboration between authorities and (major) domestic companies as its core coordination mechanism, the economy is more protected, and the national capitalists prevail in the allocation of public resources and market regulation (Nölke, 2019b). The “Hierarchical Market Capitalism” (HME) type, characterized by large, diversified family-controlled business groups, atomized labor relations and the strong presence of multinational and technological dependency, exhibits negative institutional complementarities, exemplified by several Latin American countries (Schneider, 2013). The “Patrimonialist Market Economy” (PME) is swamped by cronyism and is controversial for not meeting the core tenets of VoC. Russia could well be an SME type of capitalism.

Table 1. Capitalist types in emerging economies

| Positive institutional complementarities | Open | Protected |
|------------------------------------------|------|-----------|
| DME (Czech Republic, Slovakia)           |      | SME (China, India) |
| HME (Colombia, Mexico)                   |      | PME (Egypt, Russia) |

Source: Schedelik et al. (2020).
This typology with analytic flexibility converges with the recent emergence of “growth regimes” or “growth models” third generation of CC research (Nölke, 2016, p. 146-147). This scholarship is based on three assumptions. First, the demand and the supply sides of the economy are equally essential for capitalist development. Thus, it is necessary to bring macroeconomics back in. Second, types of capitalism must be compared. Both the interaction between different growth models within a country in relation to the global or regional economy and the interdependence between export- and consumption-led economies matter. Finally, politics becomes a relevant explanatory variable for the dynamics of the social bloc supporting a growth model.

Whereas most of this paradigmatic work has initially studied contemporary responses of European economies to twenty first century crisis, there were important inroads into emerging economies. All four types of emerging market capitalism depicted above aim to incorporate politics. Both the DME and the SME – and to a more limited degree also the HME and the PME – are based on an understanding of how these economies are integrated into global capitalism and its interdependencies.

The GMP, in contrast, argues that sufficient demand from government, firms, and consumers is the core to economic growth. Baccaro and Pontusson (2016) observe that, before the 1980s, the development of all major advanced industrial economies was wage-driven. The expansion of wages was, then, the most important driver of domestic demand. After the economic crisis of the late 1970s, European economies either focused on export-led growth, where demand comes from foreign economies, or on the stimulation of growth based on private consumption, with the extension of credit to private households. To explain the different economic development paths of countries such as Germany, the United Kingdom, Sweden, or Italy, additional growth models besides credit-led and export-led ones should be considered. Moreover, due to the developing nature of emerging markets, demand from governments and private investment makes room for a greater role of the state.

In addition to the incorporation of the demand side, a major contribution of the GMP lies in highlighting the international interdependencies between diverse types of growth models to overcome many works in CC that boils down to a taxonomy of country-specific types studied as strictly separate
cases. It bridges the wide gap between Comparative and International Political Economy (Nölke, 2016), meeting recent developments in third-generation CC that address these interdependencies, not only within the Eurozone, but also in the global economy (Nölke, 2016, p. 146-147). The trade between Latin American countries for manufacturing goods starkly contrasts with the Eurozone and the Asian continent. Between 1995 and 2019, the export share of manufactured goods from Latin American countries to other countries in the continent fell from 23% to 16%. On the contrary, Asian countries’ export share of manufactured goods from Asian countries to other Asian countries went up from 49% in 1995 to 56% in 2019. The weak trade inside the continent has severe consequences for the economic interdependencies in the region. In European developed economies, the export share of manufacturing goods to other developed economies in Europe did not vary much between 1995 and 2019, but it stays far above Latin American regional trade with 66% of the total exports.

Given that the growth model perspective allows for changes from one growth model to another in the same country, the political determinants of the (in-)stability of growth regimes become relevant. Although later CC research incorporated more politics in “post-VoC” research (Nölke, 2016, p. 145-146), the GMP focuses on a dimension of politics other than electoral politics (Cusack et al., 2007). It strives to look at the hidden politics between large firms and leading politicians. This is because the bargains between economic and political elites are critical for the establishment of growth regimes, beyond the prevailing proportional representation for CMEs and majority systems for LMEs.

Thus, recently, the GMP started to probe into the “social blocs” that underwrite specific growth models at each moment, based on cross-class alliances between capital and labor (“producer coalitions”) in dominant sectors (Amable et al., 2019).

The ongoing growth model research in advanced industrial economies encompasses consumption-led growth, usually associated with financialization, lower wage and lower consumption, profit-led and export-led growth models (Martin, 2016). Both profit-led and financialized consumption-led are related to pro-capital distributional policies (Lavoie &

---

3 Data from UNCTADSTATS, available at https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=101
Stockhammer, 2013). The pro-capital distributional policies lead to long-run decline in wage share within national income. They include wage flexibility, the weakening of collective bargaining, and less employment protection legislation (Lavoie & Stockhammer, 2013). For profit-led regimes, a rise in the wage share has a negative total effect on aggregate demand when investment spending is extremely sensitive to firms’ profit margins or exports are highly price-sensitive (Behringer & Van Treeck, 2019).

A limit of the GMP, particularly relevant for emerging countries, is the role of public sector, since large public sectors produce higher levels of demand by stimulating the economy with the multiplier effect (Martin, 2016). Public sector performs an outstanding role in infrastructural investments, either through public investments alone or through public-private partnerships. Emerging markets pose additional challenges, both theoretical and methodological, for the GMP. The latter is methodologically more challenging than CC research. Its reliance on selected macroeconomic data and the existence of competing macro-economic models make it more open to interpretation than the dense qualitative work on microeconomic institutions provided by VoC.

Yet, an application of GMP to emerging markets can be more challenging than for European economies that have comparable macroeconomic data readily available from Eurostat and on other Northern economies from OECD data. Comparable data reservoirs for emerging markets are often lacking, not to mention the ambiguous quality of data in emerging economies. Moreover, western scholars contest the reliability of data on economic growth and its components provided by the Chinese authorities (Owyang & Shell, 2017). Recently, in India, the calculation of GDP growth figures became a significant issue in the 2019 election campaign, and the integrity of the National Statistical Office was cast into doubt. Also, large informal sectors in emerging markets affect common indicators utilized in CC studies (Hammer, 2019).

In contrast to advanced economies, both labor unions and industry associations are less representative, more fragmented, and thus can play a much more circumscribed role. Informal relations between industrialists and bureaucrats may at times be far more critical (May et al., 2019).

4 Available at https://scroll.in/article/917424/narendra-modis-economic-record-is-abysmal-no-statistical-jugglery-can-hide-that. Access on March 6, 2021.
Moreover, highly fragmented parliaments such as the Brazilian one makes it quite challenging to identify a stable social bloc and even more so to analyze rapidly shifting coalitions and business-government relations.

The GMP is more challenging than traditional CC perspectives to combine structural macroeconomics with more emphasis on agency. CC has already a huge volume of tried and tested qualitative and quantitative data concerning institutions such as financial systems, and corporate governance. Even in emerging countries, these institutions are more stable than social blocs and less methodologically demanding.

Growth model foundations and capitalist development

By incorporating growth models in comparative political economy there is a relaunch of macroeconomics, distribution conflicts, and the dynamics of social and political struggles between and within classes and a myriad of new social groups. From a long-term theoretical perspective, GMP traces back to major macroeconomic contributions from heterodox economists and the political economy of growth. Therefore, to properly expand this debate to emerging countries and foster empirical research, we need to review the foundations of growth models.

The nature and dynamics of capitalism, growth, and its determinants were a significant concern of classical economists who related growth to income distribution (Panico, 2003). They argued that income distribution affects the saving decisions of the different classes as well as their investment decisions. The sustained but irregular and unbalanced distribution of growth in output is a defining feature of capitalism (Keen, 2003).

The Kaldorian vision of growth is based on that of Adam Smith (2007), to whom the expansion of demand induces changes in the potential supply of goods (Setterfield, 2013). Kaldor (1996) also reminds us that Smith was aware of the interrelationship between productivity, “division of labor” and market size. The process of expansion is self-generating. The rising demand becomes difficult to disentangle from changes in technology which induce increasing demand by making things cheaper (Kaldor, 1996).

The GMP is akin to Kalecki’s (2003) contribution, whose central idea is that aggregate demand determines economic activity, and the latter is
strongly influenced by investment decisions (Sawyer, 2018). He claims that the rate of investment decisions is an increasing function of the change in consumption, while consumption itself depends on the rate of actual investment. So, if such decisions include investments on technological development, there can be a rearrangement of profits with an accruing rate of profit to more innovative firms and types of industry. Kalecki claims that the outcomes of innovation account for an additional stimulus to investment and they depend on past economic, social, and technological developments (Kalecki, 1991). At the same time, extraordinary profits may solely derive from a particular oligopolistic market structure where profits become rents associated with political power leveraged out to stifle competition.

For latecomer countries, Kalecki (1990) saw unemployment as derived from a shortage of capital stock instead of insufficient effective demand. According to him, stimulus to private investment is required here not to produce effective demand for full employment, but to prevent the shortage of productive capacity. The Kaleckian approach on income distribution struggles between workers and capitalists can be extended to other social groups such as the rentier agrarian elites, the modern financial speculators with government bonds, and other privileged rent-seeking social groups benefiting from the status quo. When interest rates rise too much, it ensues lower profits in the investment projects with reduction in the existing output of capital goods (Kalecki, 1990).

Another foundation for the GMP is the Keynesian effective demand, with the post-Keynesian approach for which output and employment are demand-constrained rather than supply-constrained (King, 2018), which also introduced the socio-political analysis of distributional conflict. As longer or shorter business cycles depend on investment decisions and actual investment expenditures, the uneven distribution of the rate of profit among different industries and sectors of the economy is a source of conflicts around economic interests within the capitalist class itself (Bhaduri & Marglin, 1990). Some fractions of the capitalist class go through a profit squeeze. Although such squeeze results from increases in real wage rates, it also stems from insufficient investment related to higher productivity rates, particularly in emerging countries.
Revealing growth coalitions in Brazil

Since the inception of its industrialization in the mid-twentieth century, during the Vargas era, Brazilian capitalism experienced continuity and change, moving between state-led and liberalization processes, better grasped by the combination of institutional configurations and growth models. It can be argued that, since the launch of the developmentalism in the Vargas era, there has been periodic shifts in the role of the state as well as in underlying business preferences (Culpepper, 2016; Martin, 2016; Leopoldi, 2000) between liberalization and state-led development, which shaped contrasting growth models (Behringer & Van Treek, 2019; Baccaro & Benassi, 2017; Baccaro & Pontusson, 2016; Hope & Soskice, 2016).

As growth models are inherently less stable than institutional varieties, they require a fine-grained analytic approach of institutional configuration. In Brazil, the Dutra government (1946-1951), which followed immediately after the end of the Vargas era, drastically shifted state orientation regarding monetary policy and pursued free markets with the economic opening towards multinationals and foreign direct investment (Ferreira, 2019). However, soon thereafter, the economic ideas changed with Vargas 1950 election. Even during the continuous Brazilian military dictatorship (1964-1983), there were swings from liberalization in the first military government to statist-led development in the ensuing ones. Between 1965-1968 and 1969-1978, there were conflicting attitudes towards the role of the state. Further, after re-democratization, between the 1990s and the first decade of the 21st century, government and business gradually and partly shifted their preferences towards liberalization and state-led economic growth model.

The study of coalitions in Latin America is a storied long and winding road. In an illuminating review of coalition research in the context of the 1990s’ market reforms that shaped the region’s future political economy, Schneider (2004) established a useful typology and raised questions about where it should go. For him, the term “coalition” is often casually employed, poorly defined or its causality model on politics and policy outcomes is missing. The initial lesson he draws from studies of key social groups and their participation

---

5 Although some authors like Bresser-Pereira (2020) claim the developmentalism project has been abandoned since 1980.

6 For economic reform politics, the types of coalitions are electoral, legislative, distributional and policy. See Table 1.
in reform politics is the low analytic payoff of attempts to deduce groups’ political behavior based exclusively on their economic interests, given their ambiguity and malleability, what calls for greater attention to other political and organizational factors (Schneider, 2004, p. 457).

Schneider’s discussion on the empirical ambiguity of fundamental economic interests in reform politics has a positive bearing on the construction of analytic foundations for understanding formation and stability of social blocs in growth models in emerging countries. A potential heuristic for the study of these growth models is disaggregation of economic reform types to assess what coalitional perspective fits political analysis. For a first group of reforms that includes macroeconomic stabilization, privatization, trade liberalization, and tax and pension reforms, with multiple, uncertain, and uneven distributional effects, distinct political dynamics are observed by comparison with administrative, education, and social welfare reforms, which have more uniform and predictable impacts. Thus, as Schneider (2004, p. 475) states: “In cases in which there are unambiguous distributional costs and benefits, analyses based on policy or distributional coalitions might be the most appropriate approach, especially in examining policies that affect small numbers of stakeholders already familiar with one another.”

Schneider (2004, p. 465) also argues that distributional coalitions tend to weaken and that the contextual elements shape interest calculations and firm characteristics influence business preferences. Another relevant point he makes to understand the short life of growth models, such as the demand growth model advanced by the left Workers Party governments in Brazil (2003-2015), is that the building of pro-reform coalitions occurs to anticipate the impact of antireform backlash. Further, reform maintenance literature pointed to the need to incorporate various non-coalitional factors that contribute to the durability of the reform. Yet, Weyland (2003) argues that if post-reform economic performance improves, building coalitions loses importance.

On the one hand, coalitional analysis provides greater returns for policies that directly affect a defined political group, policies with narrower consequences such as privatization, deregulation and trade, which are less
influenced by shifts in voting behavior. On the other hand, macroeconomic stabilization affects the disadvantaged majority and, thus, electoral coalitions could provide a better analytic service. Further, political analysis ought to separate reforms with different implementation processes. And some reform politics vary according to the general economic context, such as periods of economic normality when gains can be exploited by political elites. Coalition building, here, is a proactive political process, not an interest and rents driven bottom-up societal process (Schneider, 2004, p. 475).

Given the indeterminacy and malleability of interests, our understanding ought to be based on politics and the political construction of preferences and coalitions. People’s notions of self-interests are shaped and formed by ideas, political entrepreneurs, and organizations. Ideology, according to Kingstone (1999), assists people more in making sense and orienting contradictory and amorphous views than in shaping their worldviews. Organizations, dynamic and malleable, strongly contribute to shaping types of expressed preferences of a group and the type of coalitions they join. Then, dynamic factors, especially political entrepreneurship, change the organization of interests throughout reform implementation and consolidation.

Following the above analytical leads from coalitional analyses of economic reforms in Latin American context, in its own, an important variable to be considered (Luna et al., 2014) is the study of the formation and consolidation of social blocs in the growth models in LA. This ought to look beyond the strict issue of class ideology – a thorny concept to grasp in a context of rapid social and economic changes, new labor roles and definitions, a huge heterogeneous informal labour market and rising role of issue politics – to the role of institutions in the organization of interests.

From investment- to consumption-led and back: Growth models in Brazil’s postwar development

When expanding the growth model and the VoC approach to Brazil, Schedelik and colleagues (2020) mention the difficulty to characterize the Brazilian growth model over the last decade. The authors stress the strong
increase of minimum wages and the expansion of public investments under the Workers’ Party governments between 2003 and 2014 and mention the rise and collapse of a wage-driven model. Though the minimum wage had a real growth during this period, this is not enough to be considered a wage-led growth, because changes in investment, consumption, and exports were not positively correlated to income distribution. In fact, between 2003 and 2018, both the gross capital formation and the share of exports in the GDP were negatively correlated to the Gini coefficient as a proxy for income distribution.

Baccaro and Pontusson (2016) consider three main post-Fordist growth models: consumption-led growth financed by credit, investment-led growth, and export-led growth. The authors also mention a “state-led” growth where government consumption and public investment would be the main economic growth drivers. Such a growth model does not seem to prevail in any country today (Baccaro & Pontusson, 2016). Moreover, this is not Brazil’s case in the more recent period from 2003 and 2019, where GDP growth rate and government consumption are uncorrelated. This can partly be attributed to the political reality due to party fragmentation and polarization, where the effective number of legislative parties grew from three in 1985 to nine in 1992 before dropping to seven in the late 1990s and then mushroomed to around 35 in the 2000s.

Taking a long-term view, the concept of a growth model for countries like Brazil, which went through import substitution industrialization (ISI), is more intricate to unravel because the model’s concept implies relative stability. Although Brazil followed similar patterns of those countries going through import substitution periods, the main differences in relation to other latecomers and emerging countries such as India, Indonesia and China become clearer from the 1980s on. The trajectory of the Brazilian growth model since 1980 has high volatility as if “stop and go” became permanent.

In 1980, Brazil’s GDP per capita was two thousand dollars, virtually equal to the South Korean GDP of 1.7 thousand dollars. The growth rates were similar, but also the rate of investment with an average of 20% of the GDP. Both Brazil and South Korea were remarkably similar in the GDP components share between 1950 and 1980, as shown in Table 2.
The Brazilian average GDP growth between 1961 and 1980 was 7.3%, and the South Korean was 10%. Although this was a statistically significant difference,* it was far from the average difference between 1981 and 2002, when the Brazilian GDP growth showed an average of 2.2%, while the South Korean was 8.4%. Furthermore, it was precisely between the 1980s and 1990s that South Korea managed to escape the middle-income trap. By examining the GDP components in the different periods between 1950 and 2019 (Table 2), the major difference is the share of gross capital formation or the investment rate. Rather than consumption-led demand, the weak link lies in the corporate and the government demands (Behringer & Van Treeck, 2019). The mean differences between the ISI period (1961-1980) and the subsequent periods are significant in comparison to the crisis of the ISI and the subsequent period of liberalization. Between 2003 and 2014, the average growth rate was larger than the more liberalized period (1990-2002), reaching 3.11 against 2.45 in the more liberal period.

To grasp the growth rate’s behavior from a longer-term perspective and its relation to real consumption as a proxy for the domestic market’s weight, Figures 1, 2, and 3 illustrate how real consumption explains the growth rate in three different periods. As in Figure 1, for the period between 1950 and 1980, the real consumption explains 35% of the variance in GDP growth rate. In Figure 1, a quadratic curve expresses this

---

* Differences between averages were significant at p<0.05 for 1960-1980 and 1981-2002.
** significant at p<0.05 for 1950-1980.
*** The means difference of the components was significant at p<.05.
Source: Penn Table 10 and World Bank.

---

### Table 2. Average of GDP components and growth rates in Brazil and South Korea between 1961 and 2019 (%)

| GDP Component                  | 1950-1980 Brazil | 1950-1980 South Korea | 1981-2002 Brazil | 1981-2002 South Korea | 2003-2019 Brazil | 2003-2019 South Korea |
|-------------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
| Share of household consumption| 67              | 68.4                  | 64              | 49.3                  | 61.5            | 47                    |
| Share of Government Consumption** | 11              | 15.2                  | 16.6            | 11.6                  | 17.7            | 14                    |
| Share of Gross Capital Formation | 21              | 22                    | 18.8            | 38                    | 21              | 35.2                  |
| Share of exports               | 6.2             | 8                     | 7               | 25.3                  | 12.9            | 44.4                  |
| Share of imports**             | -8              | -17                   | -6.6            | -23.8                 | -13             | -40.5                 |
| GDP growth rate*               | 6.8             | 9.5                   | 2.5             | 8.4                   | 2.3             | 3.6                   |

* Differences between averages were significant at p<0.05 for 1960-1980 and 1981-2002.
** significant at p<0.05 for 1950-1980.
*** The means difference of the components was significant at p<.05.
Source: Penn Table 10 and World Bank.

---

*p< 0.05.
relation, not a linear one; that is, real consumption increases even when growth rates are lower.  

Figure 1. GDP growth rate and real consumption (1960-1980)

However, when the growth rate is plotted with real consumption for the period 1981-2002, there is no meaningful relationship between the two variables. As shown in Figure 2, there is a large dispersion of data points. The curve shows how uncorrelated are the variables of growth rate and real consumption. Also, the variation of the growth rate is higher than in the previous period.  

The more recent period is indeed related to higher consumption levels considering a higher minimum wage. However, a higher consumption level does not imply higher growth rates, differently from what took place in the period 1960-1980. In the more recent period of progressive governments, real consumption explains 37.8% of the GDP growth rate variance. However, the standardized coefficient is negative (-.646), establishing a negative association between the expansion of real consumption and the GDP growth rate (Figure 3). Since the exhaustion of the ISI at the end of the 1970s, the major difference between Brazil and developing countries with

---

9 Adjusted R Squared of .35 significant at p< .05. The real consumption coefficient is positive (3.827) and significant at p< .01.

10 Coefficient of variation is 1.2 and 0.65 between 1980 and 1980.
more robust and stable growth is the rate of investment measured by the Gross Capital Formation (GCF). The strikingly divergent paths at the income level started in 1981 and became especially steep in the 1990s and 2000s. By looking at the GDP components, Brazil’s investment rate had an average of 18.8% between 1981-2002 and a slight increase to 21% in 2003-2019, with investment rates much lower than other countries escaping the middle-income trap (Table 2).

Figure 2. GDP growth rate and real consumption (1981-2002)

![GDP growth rate and real consumption (1981-2002)](image1)

Source: PennTrade Table 10, World Development Indicators, and IBGE.

Figure 3. GDP growth rate and real consumption (2003-2019)

![GDP growth rate and real consumption (2003-2019)](image2)

Source: PennTrade Table 10, World Development Indicators, and IBGE.
These investment rates contrast with the share of gross capital formation of South Korea, whose average share is 38% of the GDP between 1981 and 2002 and 35.2% between 2003 and 2019. From a comparative capitalism perspective, this is a less closed economy with much less protectionism. Between 1981 and 2002, Brazil’s trade openness went from 19% of the GDP to 27.6%. In the period between 1960 and 1980, the gross capital formation’s investment rate in constant US dollars explains 55.6% of the GDP growth variance. The standardized coefficient for gross capital formation is positive (1.7) so that a larger amount of investment is positively associated with a larger growth rate (Figure 4).

![Figure 4. GDP growth rate and Gross Capital Formation (1960-1980)](source: PennTrade Table 10, World Development Indicators, and IBGE.)

However, as shown in Figure 5, from 1981 to 2002, the investment rate explains only 8% of the growth rate variance, and the model is not significant. This period has the lowest investment rate reaching an average of 18.8% of the GDP. As Figure 5 shows, there is a high dispersion of data points concerning the GDP growth rate. During this period, Brazil went through the external debt crisis of the 1980s and entered the liberalization process in the 1990s with an overvalued currency since 1994 and very steep interest rates. Between 1994 and 2002, average interest rates reached more than two digits.
Between 2003 and 2019, the growth rate becomes positively associated with the rate of investment. However, the explained variance is 24%, less than half of that explained between 1960 and 1980. The average share of gross capital formation during this period was 21%. For comparison, in India the investment rate was 30% of the GDP between 2003 and 2019, 10% higher than in Brazil.

---

11 Adjusted R-Squared of .238 and significant at p < .05.
Conclusions

Following on the footsteps of the pathbreaking contributions by Nölke and colleagues (Schedelik et al., 2020; Nölke, 2019b; 2019c; Nölke et al., 2015) towards the development of a research agenda on growth models in emerging markets, this article sought to make a threefold contribution to its advancement.

First, it presented a brief review of the origins of the growth models perspective, identified key issues in contemporary debates and, more importantly, identified challenges to the use of the existing concepts and analytical framework to make sense of emerging markets growth paths. Second, as stated in its title, it sought to build bridges between the GMP and the political economy of development by exploring the former foundations in theoretical underpinnings of the latter. Third, it made an exploratory assessment of the role of growth model contributions to Brazil’s postwar development.

The analysis of the empirical evidence points out to the difficulty in establishing clear cut growth models such as export-led, consumption-led, and demand-led models. Brazil’s growth rate becomes particularly volatile since the 1980s, with a variation coefficient of 1.2 between 1981 and 2002, and 1.3 between 2003 and 2019. This volatility may be due, as preliminary results of an ongoing research (Balestro & Botelho, 2020) seem to indicate, to a GDP growth decoupling between productivity and human capital. Further, these results also observe a falling share of manufacturing and productivity.

Since the 1980s there has been enormous volatility in the growth rate, with lower investment rates and a negative association between economic growth and real consumption expansion. A tentative hypothesis is that the economic and political instability of the social blocs since the 1980s undermined the stability of a growth model. The unstable social blocs are due not only to party fragmentation, but also to divergences among economic elites as well as within organized labor unable to galvanize support from middle classes and swarms of informal and unorganized workers. This speaks to a limitation of this paper: relate the empirical results to changing social blocs. Considering the methodological constraints signaled above and the current state of the analytical framework for the study of social blocs in emerging countries, this is an important task for future research.
Development is a protracted and risky process of continuous growth that requires timely staggered institutional reforms in both state and capitalist institutions. As emerging countries become middle-income countries (MICs), a key renewed challenge to reach high-income, next to seizing the opportunities of the external environment – financial markets, information technology and international trade, including the development of global value chains (Alonso & Ocampo, 2020) – is institutional reform. In this regard, growth models as provisional growth drivers, and its constituent social blocs existing within national institutional arrangements, are pivotal to change the impact of the capitalism type negative to positive complementarities fine-tuned to address hidden gaps from middle income trap (Doner, 2021).

The adoption of a growth model by a temporary social bloc may generate a growth spurt and produce a significant social impact, but such outcomes may not be sufficient to generate sustainable growth and trigger effective institutional reform. In light of this, based on the analysis presented above, we suggest that alternatives facing emerging markets capitalism transformation lie between switching from one growth model to another and merging one growth model with another to engender forward-looking institutional reform. Further, based on the above brief presentation about coalitions and economic reforms in Brazil and Latin America in the 1990s, we suggest that the resulting conceptual toolbox and analytic framework issued from that discussion can be employed to identify and analyze coalitions among social blocs that are dominant in different growth models over time. And to understand under what political conditions and economic constraints these coalitions hold or break and the issues that bind and fray their contrasting and shifting interests in reform coalitions (Nölke, 2019a; Doner & Schneider, 2019).

Overall, the results presented seem to indicate that, over the long term in Brazil, interest shifts of economic elites between liberal and non-liberal economic regimes suggest a fragility of repeated attempts to form a durable developmental coalition. Moreover, this process dynamics frays state-permeated capitalism positive externalities. Without the aggiornamento of globalization, the developmental institutions inherited from the ISI period hinder change, amplify growth instability and limit the possibilities of designing institutional reforms out of the middle-income trap.

An incorporation of the growth model perspective into Comparative Capitalism research on emerging markets produced mixed contributions to
construct a political economy of development explanation in answer to the twin questions of how some countries can grow faster than others and why they differ in their rate of growth over time. Correspondingly, studies of CC in emerging markets must lay more emphasis on the demand side of the economy, incorporate the international embeddedness of these economies and study the social blocs that support stable growth models.

However, there are also some limitations to this perspective. First, it would not make sense to dispose of the firms centered analysis of classical first- and second-generation comparative capitalism research altogether. The supply side still is particularly important to explain why certain economies can compete successfully and others not. Capitalism is based on companies, not on microeconomic policy decisions by governments and central banks. Second, it is important to note that growth model applications to emerging markets must be extremely sensitive to the use of appropriate data. In particular, the existence of a large informal sector makes it more challenging to produce sound studies on growth models in these economies. Third, the identification of social blocs in emerging countries, and even more so a mapping of their patterns and dynamics, is a tall order, as the above brief discussion on the analytical difficulties of making sense of coalitions in Latin America showed. This situation is considerably different from that in industrial advanced economies such as Germany, where historically stable political and social coalitions change growth models on the margins (Baccaro & Benassi, 2017). Fourth, we should avoid getting bogged down in school typology exercises on several types but rather focus on the core program of equitable economic growth as the main basis for economic development. Finally, in light of the provisional results which point out the methodological and analytic limitations of the growth model perspective to advance a contribution of the comparative capitalism framework to our understanding of development in emerging countries, one ought also to explore the alternative emerging analytic perspectives such as that of growth regimes and strategies (Hall, 2020a; 2002b; Hassel & Palier, 2020), which aims to provide an answer to the important question put forth by Hall (2016, p. 385) in regard to explanations of growth in comparative capitalism: “Relative to each other, what are the roles played by electoral politics and producer group politics in socioeconomic policy-making and the development of the political economy?".
References

Alonso, José A., & Ocampo, José A. (Eds.). (2020). Trapped in the middle? Developmental challenges for middle-income countries (Initiative for Policy Dialogue). Oxford University Press.

Amable, Bruno. (2003). The diversity of modern capitalism. Oxford University Press.

Amable, Bruno, Regan, Aidan, Avdagic, Sabina, Baccaro, Lucio, Pontusson, Jonas, & Van der Zwan, Natascha. (2019). New approaches to political economy. Socio-Economic Review, 17(2), 433-459. https://doi.org/10.1093/ser/mwz002

Baccaro, Lucio, & Benassi, Chiara. (2017). Throwing out the ballast: growth models and the liberalization of German industrial relations. Socio-Economic Review, 15(1), 85-115. https://doi.org/10.1093/ser/mww036

Baccaro, Lucio, & Pontusson, Harry J. (2016). Rethinking comparative political economy: the growth model perspective. Politics & Society, 44(2), 175-207. https://doi.org/10.1177/0032329216638053

Balestro, Moises, & Botelho, Antonio J. (2020, July 2-5). The politics of economic nationalism and growth strategy change in emerging economies: Brazil’s long-term development, faltering statism and the elusive growth strategy for the knowledge economy era. [Paper submitted]. SASE 2021 Annual Conference “After Covid? Critical Conjunctures and Contingent Pathways of Contemporary Capitalism”, online, KHK/Centre for Global Cooperation Research.

Behringer, Jan, & Van Treeck, Till. (2019). Income distribution and growth models: a sectoral balances approach. Politics & Society, 47(3), 303-332. https://doi.org/10.1177/0032329219861237

Bhaduri, Amit, & Marglin, Stephen. (1990). Unemployment and the real wage: the economic basis for contesting political ideologies. Cambridge Journal of Economics, 14, 375-93. https://doi.org/10.1093/oxfordjournals.cje.a035141

Bizberg, Ilan. (2018). Diversity of capitalisms in Latin America. Palgrave Macmillan.

Bohle, Dorothee, & Greskovits, Béla. (2012). Capitalist diversity on Europe’s periphery. Cornell University Press.

Bresser-Pereira, Luis C. (2020). New developmentalism: development macroeconomics for middle-income countries. Cambridge Journal of Economics, 44(3), 629-646. https://doi.org/10.1093/cje/bez063
Culpepper, Pepper D. (2016). Capitalism, institutions, and power in the study of business. In Orfeo Fioretos, T. G. Falleti, & A. Sheingate (Orgs.). The Oxford handbook of historical institutionalism (pp. 453-466). Oxford University Press.

Cusack, Thomas R., Iversen, Torben, & Soskice, David. (2007). Economic interests and the origins of electoral systems. *American Political Science Review, 101*(3), 373-391. [https://doi:10.1017/S0003055407070384](https://doi:10.1017/S0003055407070384)

Doner, Richard. (2021, Jan. 11). Gaps in the trap: neglected politics in middle-income trap analysis [Blog post]. Retrieved from [https://oecd-development-matters.org/2021/01/11/gaps-in-the-trap-neglected-politics-in-middle-income-trap-analysis/](https://oecd-development-matters.org/2021/01/11/gaps-in-the-trap-neglected-politics-in-middle-income-trap-analysis/)

Doner, Richard, & Schneider, Ben R. (2019). Technical education in the middle-income trap: building coalitions for skill formation. *The Journal of Development Studies, 56*(4), 680-697. [https://doi:10.1080/00222038.2019.1595597](https://doi:10.1080/00222038.2019.1595597)

Ferreira, Clausinei. (2019). Governo Dutra: arrocho salarial e os trabalhadores. (1946-1950). (Masters’s thesis, Universidade de São Paulo). Retrieved from [https://www.teses.usp.br/teses/disponiveis/8/8137/tde-04092019-121705/pt-br.php](https://www.teses.usp.br/teses/disponiveis/8/8137/tde-04092019-121705/pt-br.php)

Jackson, Gregory, & Deeg, Richard. (2006). *How many varieties of capitalism? Comparing the comparative institutional analyses of capitalist diversity.* MPIfG Discussion Paper No. 06/2. [https://doi.org/10.2139/ssrn.896384](https://doi.org/10.2139/ssrn.896384)

Hall, Peter A. (2020a). How growth strategies evolve in the developed democracies. In A. Hassel & B. Palier (Eds.), *Growth and welfare in the global economy: how growth regimes evolve* (pp. 57-97). Oxford University Press.

Hall, Peter A. (2020b). The electoral politics of growth regimes. *Perspectives on Politics, 18*(1), 185-199. [https://doi.org/10.1017/S1537592719001038](https://doi.org/10.1017/S1537592719001038)

Hall, Peter A. (2018). Varieties of capitalism in light of the euro crisis. *Journal of European Public Policy, 25*(1), 7-30. [https://doi.org/10.1080/13501763.2017.1310278](https://doi.org/10.1080/13501763.2017.1310278)

Hall, Peter A. (2016). Pablo Beramendi, Silja Häusermann, Herbert Kitschelt, and Hanspeter Kriesi (eds), 2015, The politics of advanced capitalism, Cambridge University Press. [Review] *Socio-Economic Review, 14*(2), 383-394. [https://doi.org/10.1093/ser/mww007](https://doi.org/10.1093/ser/mww007)

Hall, Peter A., & Soskice, David. (2001). An introduction to varieties of capitalism. In P. A. Hall & D. Soskice (Eds.), *Varieties of capitalism* (pp. 1-55). Oxford University Press.
Hammer, Anita. (2019). Comparative capitalism and emerging economies: formal-informal economy interlockages and implications for institutional analysis. Review of International Political Economy, 26(2), 337-360. https://doi.org/10.1080/09692290.2018.1554537

Hassel, Anke, & Palier, Bruno (2020). Tracking the transformation of growth regimes in advanced capitalist economies. In A. Hassel & B. Palier (Eds.), Growth and welfare in advanced capitalist economies: how have growth regimes evolved? (pp. 372-436). Oxford University Press.

Hope, David, & Soskice, David. (2016). Growth models, varieties of capitalism, and macroeconomics. Politics & Society, 44(2), 209-226. https://doi.org/10.1177/0032329216638054

Hundt, David, & Uttam, Jitendra. (2017). Varieties of capitalism in Asia beyond the developmental State. Palgrave Macmillan.

Kaldor, Nicholas. (1996). Causes of growth and stagnation in the world economy. Cambridge University Press.

Kalecki, Michal. (2003). Essays in the theory of economic fluctuations. Routledge.

Kalecki, Michal. (1991). Collected works of Michal Kalecki (Vol. II: Capitalism: economic dynamics). Clarendon Press.

Kalecki, Michal. (1990). Collected works of Michal Kalecki (Vol. I: Capitalism: business cycles and full employment). Clarendon Press.

Keen, Steve. (2003). Growth theory. In J. E. King (Eds.), The Elgar companion to post Keynesian Economics (pp. 175-180). Edward Elgar.

Kingstone, Peter R. (1999). Crafting coalitions for reform: business preferences, political institutions, and neoliberal reform in Brazil. Pennsylvania State University Press.

King, John E. (2018). Post Keynesian Economics. In S. N. Durlauf & L. E. Blume (Eds.), New Palgrave Dictionary of Economics (3rd ed., pp. 10520-10532). Palgrave Macmillan UK.

Lavoie, Marc, & Stockhammer, Engelbert. (2013). Wage-led growth: concept, theories and policies. In M. Lavoie & E. Stockhammer (Eds.). Wage-led growth: an equitable strategy for economic recovery (pp. 13-39). Palgrave Macmillan. https://doi.org/10.1057/9781137357939_2

Leopoldi, Maria A. (2000). Política e interesses na industrialização brasileira: as associações industriais, a política econômica e o Estado. Editora Paz e Terra.
Luna, Juan P., Murillo, María V., & Schrank, Andrew. (2014). Latin American political economy: making sense of a new reality. *Latin American Politics and Society, 56*(1), 6-10. [https://doi.org/10.1017/s1531426x0000368x](https://doi.org/10.1017/s1531426x0000368x)

May, Christian, Nölke, Andreas, & ten Brink, Tobias. (2019). Public-private coordination in large emerging economies: the case of Brazil, India, and China. *Contemporary Politics, 25*(3), 276-291. [https://doi.org/10.1080/1359775.2018.1555781](https://doi.org/10.1080/1359775.2018.1555781)

Martin, Cathie J. (2016). Economic prosperity is in high demand. *Politics & Society, 44*(2), 227-235. [https://doi.org/10.1177/0032329216638058](https://doi.org/10.1177/0032329216638058)

Moore, Joel D. (2018). *Varieties of capitalism in southeast Asia*. Palgrave Macmillan.

Nölke, Andreas. (2019a). In search of institutional complementarities: comparative capitalism and economic policy reform. *Journal of Economic Policy Reform*. [https://doi.org/10.1080/17487870.2019.1637582](https://doi.org/10.1080/17487870.2019.1637582)

Nölke, Andreas. (2019b). Dependent versus state-permeated capitalism: two basic options for emerging markets. *International Journal of Management and Economics, 54*(4), 269-282. [https://doi.org/10.2478/ijme-2018-0026](https://doi.org/10.2478/ijme-2018-0026)

Nölke, Andreas. (2019c). Why are emerging market multinationals different? Challenges of a new version of state capitalism. In A. Breinbauer et al. (Eds.), *Emerging market multinationals and Europe* (pp. 37-48). Springer.

Nölke, Andreas. (2016). Economic causes of the Eurozone crisis: the analytical contribution of comparative capitalism. *Socio-Economic Review, 14* (1): 141–161. [https://doi.org/10.1093/ser/mwv031](https://doi.org/10.1093/ser/mwv031)

Nölke, Andreas, May, Christian, Mertens, Daniel, & Schedelik, Michael. (2021). Elephant limps, but jaguar stumbles: unpacking the divergence of state capitalism in Brazil and India through theories of capitalist diversity. *Competition & Change*. [https://doi.org/10.1177/10245294211015597](https://doi.org/10.1177/10245294211015597)

Nölke, Andreas, ten Brink, Tobias, Claar, Simone, & May, Christian. (2015). Domestic structures, foreign economic policies, and global economic order: implications from the rise of large emerging economies. *European Journal of International Relations, 21*(3), 538-567. [https://doi.org/10.1177/1354066114553682](https://doi.org/10.1177/1354066114553682)
Nölke, Andreas, & Vliegenthart, Arjan. (2009). Enlarging the varieties of capitalism: the emergence of dependent market economies in East Central Europe. *World Politics, 61*(4), 670-702. [https://doi.org/10.1017/S0043887109990098](https://doi.org/10.1017/S0043887109990098)

Owyang, Michael, & Shell, Hannah. (2017). China’s economic data: an accurate reflection or just smoke and mirrors? *The Regional Economist, 25*(2), 7-12. Retrieved from [https://EconPapers.repec.org/RePEc:fip:fedlre:00144](https://EconPapers.repec.org/RePEc:fip:fedlre:00144)

Panico, Carlo. (2003). Growth and income distribution. In J. E. King (Ed.), *The Elgar companion to post Keynesian economics* (pp. 170-174). Edward Elgar Publishing Ltd.

Piore, Michael J., & Sabel, Charles F. (1984). *The Second industrial divide: possibilities for prosperity*. Basic Books.

Rougier, Eric, & Combarnous, François. (2017). *The Diversity of emerging capitalisms in developing countries: globalization, institutional convergence and experimentation*. Palgrave Macmillan.

Sawyer, Malcolm C. (2018). Kalecki, Michal (1899–1970). In Macmillan Publishers Ltd. (Eds.), *The New Palgrave Dictionary of Economics* (pp. 7216-7221). Palgrave Macmillan.

Setterfield, Mark. (2013). Endogenous growth. In G. C. Harcourt & P. Kriesler (Eds.), *The Oxford Handbook of Post-Keynesian Economics* (Vol. 1: Theory and origins. pp. 1-27). Oxford University Press.

Schedelik, Michael, Nölke, Andreas, Mertens, Daniel, & May, Christian. (2020). Comparative capitalism, growth models and emerging markets: the development of the field. *New Political Economy, 26*, 1-13. [https://doi.org/10.1080/13563467.2020.1807487](https://doi.org/10.1080/13563467.2020.1807487)

Schneider, Ben R. (2013). *Hierarchical capitalism in Latin America: business, labor, and the challenges of equitable development*. Cambridge University Press.

Schneider, Ben R. (2009). Hierarchical market economies and varieties of capitalism in Latin America. *Journal of Latin American Studies, 41*(3), 553-575. [https://doi.org/10.1017/S0022216X09990186](https://doi.org/10.1017/S0022216X09990186)

Schneider, Ben R. (2004). Organizing interests and coalitions in the politics of market reform in Latin America. *World Politics, 56*(3), 456-479. [https://doi.org/10.1353/wp.2004.0019](https://doi.org/10.1353/wp.2004.0019)
Smith, Adam. (2007). *An Inquiry into the nature and causes of the wealth of nations*. Harriman House Ltd.

Stubbs, Richard. (2011). The East Asian developmental state and the great recession: evolving contesting coalitions. *Contemporary Politics, 17*(2), 151-166. [https://doi.org/10.1080/13569775.2011.565983](https://doi.org/10.1080/13569775.2011.565983)

Weyland, Kurt. (2003). *The politics of market reform in fragile democracies*. Princeton University Press.