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The Rise and Fall of Complementarity and National Institutional Orders

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Abstract: This paper seeks to explore the changing nature of institutional arrangements and complementarity within the contemporary world. The paper highlights and explores the underlying reasons as to why national complementarities appear to be eroding or becoming less common than in preceding decades. It argues that these developments reflect the extent to which institutional arrangements are less closely coupled – and indeed may be partially disarticulated – making for uneven systemic change, with transformations in one area not necessarily leading to an unwinding in others. It is concluded the nature and extent of institutional coupling reflects not only national, but also supra-national relations and ties, highlighting the need for a more comprehensive theory of institutional space and scale across national boundaries.

Keywords: systemic change, comparative capitalism, institutions, theories of space and scale

JEL Classification Numbers: B5, G3, J8, L5, O4

1. Introduction

The revival of interest in comparative institutional analysis that took place from the 1990s represented a very diverse body of work even if each strand had, as a common theme, a concern with the persistence of difference between national settings, and an association between this and relative economic performance.

A very influential school inspired by neo classical economics see institutions as distorting the smooth operation of markets. Neo-institutional rational choice accounts were concerned that inappropriate institutions may prompt “wrong” or sub-optimal choices. However, they also hold that institutions can be efficient, reflect rationality and provide the sort of incentives necessary to make optimal choices; in other words, rationality combines with setting, making for outcomes that are dependent on the context (Djelic 2010, p2529).

Rational choice approaches see institutions as providing rules and inducements, informing the choices of the utility maximizing individual (Peters 2005). It is suggested that a single institutional feature, which determined relative property rights, would over-ride all others (La

Porta et. al. 1999 and 2000; c.f. North 1990). Moreover they believe that systems associated with superior property rights would necessarily perform very much better than those with weaker ones and, hence, over time, it could be argued that the latter would ultimately be forced to emulate the former (Hansmann and Kraakman 2000). This would suggest that the rights of property owners should be paramount, and an increase in the relative power of other stakeholders would be detrimental to growth, ultimately leaving all worse off (see La Porta et. al. 2008).

This approach stresses strong path dependence, and the existence of institutional ideal types worth emulating; more specifically, the liberal market framework, centering on the common law legal tradition (La Porta et. al. 1998, 2000). Such work assumes that institutions "work"; in other words, that compliance and adaption of behaviour is more common than outright evasion (Wilkinson and Wood 2013,Wood and Wilkinson 2014).

What does this mean for employment relations and worker rights? As this school developed its ideas there was more direct commentary on worker rights, which were seen as incompatible with, and inherently damaging, owner rights. As has been noted nations tend to be distinguished by relative variations of both, but with strength in one area being associated with a weakness in the other (Botero et al 2004). It was argued that workers would ultimately benefit from stronger owner rights, as firms would prosper, and those most productive and effective workers would gain their due rewards, or reap benefits elsewhere through the efficient operation of deregulated external labour markets (Botero et. al. 2004). This view would be dismissed as a version of trickle down economics by mainstream industrial relations scholars, who would point to the fact that many firms found their competitiveness on sustained labour control (Gall et al 2011). Moreover, the assumptions of sustained systemic functionality, would be criticized as ignoring the volatility of the most lightly regulated markets, and the conflict associated with major changes in advanced capitalism (see Kelly 1998). But there is no doubt that the approach has had considerable policy and practical influence through organisations such as the World Bank whose Doing Business Project which has promoted the view that limited worker rights provide for a better context in which to do business (Cooney et al 2011) (see Wilkinson et. al. 2014 p24-25).

In contrast, socio-economic accounts held that very different sets of institutional arrangements might prove highly beneficial according to time and locale in a manner that might reconcile the interests of different stakeholders. In their highly influential edited collection, Hall and Soskice (2001) argued, that at the time of writing, two alternative sets of institutional arrangements, those associated with Liberal Market Economies (LMEs) and Coordinated Markets (CMEs) were equally viable (c.f. Dore 2000). The former would include the developed Anglo-Saxon world, and the latter the continental European social democracies and Japan. Other countries, whether the post-socialist or developing, would be forced to converge to one or other of these models (Hall and Soskice 2000).

Hall and Soskice (2001) suggested that no system was intrinsically superior to the other but that specific sets of national configurations made for specific sets of complementarities in both rules and practices, favouring certain types of economic activity over others. Thus, for example, within liberal markets, good generic tertiary education and weak tenure enabled skills and knowledge to be diffused across organisations than would otherwise be possible in a situation of adversarial competition (Thelen 2001); highly mobile investor capital enables innovative startups. Again, within Coordinated Markets (CMEs) many firms found their competitiveness from regulations that underpin co-specific assets shared with workers, such as industry specific skills bases and knowledge (Hall and Soskice 2001). Hall and Soskice (2001) held that firms will seek to hang on to or restore the institutional basis of their competitive advantage after external shocks; in most cases, coordination can be restored (ibid, p65). The Hall and Soskice (2001) collection or VOC school emphasised the relative durability and viability of the CME model in the face of neo-liberal attacks.

However VOC was criticsed for not taking account of the internal diversity encountered in many contexts. For example, in the US, an archetypical LME, one can identify at least two archetypical work and employment paradigms. The first, encountered in the hi-tech sector would be about contingent working, but also about high levels of generic knowledge, the linking of individual fortunes to organisational fortunes through share offerings, individual bargaining where the employee has meaningful skills and knowledge to bargain, and relatively good wages (see Wright and Dwyer 2006). The second, encountered in the low-end sector, would be characterised by poor wages, contingent working interposed with periods of unemployment or sub-employment, wages being set at the legal minimum or substance level, and highly unequal individual bargaining (ibid). Other countries would see similar diversity.

The Varieties of Capitalism approach assumed that both LMEs and CMEs were intrinsically viable, owing to the strong nature of the complementarities encountered in each context. In more mixed or diluted systems, such complementarities were likely to work less well, and hence, other systems will be impelled to one or other archetype (Hancke et al. 2007). However, it is evident that each of the two main models has performed better than the other at specific times (Allen 2012); this would suggest that neither model is neither intrinsically effective or immune from pressures to change. Thirdly, these approaches assume a strong path dependence; countries generally progress on incremental and linear lines. However, in reality, the evolution of national systems is an uneven process, with periods of orderly progression readily being broken through ruptures, which represent significant departures from previous models (Hollingsworth 2006 Wood and Wilkinson 2014 pp26-27).

According to Hall and Soskice what made each of these systems viable was complementarity between different institutions, in other words, that when working together, different complementary institutions yielded superior outcomes than would have been the case had each been encountered on its own (ibid.). Such superiority in outcomes may generate sufficient new resources to accommodate different interest groupings both in terms of resources and power; in other words, it is possible to envisage scenarios where property owners might economically prosper whilst sharing power with other stakeholder interests. Hence, they believed that a key complementarity was between institutions governing labour relations and those governing corporations (Hancke et al. 2007: 5). Such systems would persist owing to positive feedback loops (Hall and Gingrich 2004). Although critics suggested that the literature on comparative capitalism assumed a strong path dependence, developments and extensions soon devoted more attention to the consequences of systemic change.

Drawing on Hirschmann"s classic work on voice and exit, Hancke et al. (2007) suggested that key social actors coped with such shocks through broadly adopting one of two strategies. Those actors with more mobile assets may exit in search of better returns in another context, but those with less mobile ones would be seek to reinforce existing proven institutional arrangements, exercising their voice in doing so (Hancke et al. 2007;). Even if international capital flows undermine existing relations between banks and firms, firms may still seek to prop up and secure any advantages remaining with existing institutions (Hancke et al. 2007). What such an argument discounts is that actors may in fact partially disengage from a particular system, without fully exiting, representing something of a state of internal exile, complying with the bare minimum of rules without actively supporting them (and, through such choices, indirectly undermining them), until, when buttressed by similar numbers of internal dissenters, they might mount a more full fledged assault on the broader order, and/or construct parallel informal or regional or local institutional arrangements more to their liking (Streeck 2009).

A second issue is the relative alignment of national systems. Again, critics charged that the early literature on comparative capitalism was overly functionalist, in that it tended to assume that institutional arrangements were closely aligned and mutually supportive (Streeck 2005; Boyer and Hollingsworth 1997). This would make for a greater degree of coherence than would seem likely given that institutional design often represents more a result of historical accident and fortuitous discovery than conscious design and careful construction (ibid.; Boyer 2006).

In practical terms, this raises two key questions. The first is the relative number of viable capitalisms. If institution building is somewhat haphazard, then not only is extremely unlikely that there will be perfectly functional systems, but it is similarly likely that many systems may have at least some positive features and, hence, capabilities. Firstly, arguments based on relatively institutional superiority founded on the macro-economic evidence of a particular time period invariably raises the problem of selectivity (i.e. which years specifically), a particularly salient argument given the present volatility of global capitalism. Secondly, some quite successful developed economies - such as Switzerland - are hard to locate within either the CME or LME category (see Hall and Gingrich 2004). Indeed, it has been argued that both CMEs and LMEs are such diverse categories as to lack analytical rigour (Konzelmann and Fovargue-Davies

2012; Amable 2003; c.f. Whitley 1999).

Again, it could be argued that indeed, there are other types of capitalism which are likely to persist in distinct forms, without necessarily converging on one or other of the mature models in the interests of enhanced performance (Hancke et al. 2007; Wood et al. 2010; Schneider 2009; c.f. Lane 2007). Whilst such systems may be less effective in some areas, they may confer sufficient benefits on key players to support their persistence. In particular, given that it is over twenty years since the fall of state socialism in central and eastern Europe, it could be argued that the usage of the term "transitional economy" is particularly unhelpful, and that the types of capitalism encountered in such settings might be relatively durable, and/or that existing institutional arrangements may further erode or diminish without new or better ones emerging to replace them (Noelke and Vliegenhart 2011). Even visibly dysfunctional systems, such as on the European periphery encompassing criminal states such as Kosovar and Moldova (and the latter"s breakaway republics), as well as Belorus and Ukraine, may be surprisingly durable owing to the active support of elites that benefit from such arrangements. In other words, complementarity may work in the favour of small factions of society, rather than to the broader economic good. Indeed, whilst far removed from the criminal state category, it could be argued that elements of this latter phenomena are increasingly encountered in liberal markets.

2. Understanding complementarity

This leads to the issue as to whether complementarity should be seen purely in mutually supportive terms, or whether complementarity might be compensatory, with one type of institutional arrangements offsetting potentially negative features flowing from another, whilst at the same time allowing the latter"s positive dimensions to persist (Crouch 2005). In other words, complementarity allows for some of the deficiencies or limitations flowing from specific systemic components to persist (Crouch 2006: 168). Crouch"s argument suggests that systems may work quite well in broad terms through such compensation. As Boersch (2007 : 176-177) argues, complementarity is not the same as consistency, the latter being simply if similar types of behaviour are encountered in different areas. This would suggest that, rather than being perfectly aligned, complementarities may bring together mixed or seemingly contradictory features and practices, reflecting either a need to build some slack or flexibility into particular systems (Crouch 2005), and/or regional or sectoral dynamics (Lane and Wood 2009).

Wood and Lane (2012) argue that complementarities may also assume pathological dimensions within both national contexts, and in terms of the relations between national economic systems.

For example, mega-exporting and mega-importing nations are each heavily dependent on the shortcomings of the other. Within nations, the reallocation of financial resources away from many employees (both through reductions in real pay and the maladministration of their savings) may lead to a persistent crisis in consumer demand, but the flow of wealth to financial elites allows for the temporary "solving" of the problem through the extension of easy credit (Boyer 2010). Another example would be a regional one, with the core providing of capital and markets and peripheral regions supplying of natural resources and cheap labour, each being reliant on the other, but at the same time, reinforcing each other"s failings. Neoclassical economic theory suggests that such interaction between core and periphery should lead to convergence, in other words, development of the periphery and reduction of productive differences. In reality, we know that is often not the case. The challenge is to identify when or which "complementarities" may lead to convergence and when they lead to persistent divergence. From this follows the question of whether or how one changes from a path of pathological complementarities to more positive ones, and whether indeed, over time, pathological complementarities may overwhelm more functional ones.

Thus complementarity represents both the introduction and clustering of rules and practices both to build on systemic strengths and compensate for weaknesses (Crouch 2005). But it is important to note that this process of adjustment may assume a (sub-national) regional and / or sectoral dimension. This reflects not only formal regulation, but embedded ties. In countries where political power is devolved, local regulation may run counter to the dominant national discourse. So within Spain, Catalonia remains very much more committed to social democracy than within the national polity, and a similar trajectory is visible in Scotland. This will impact on the structure of the job market, and indeed, the relative extent to which pubic sector jobs are provided directly by the state. Equally at a sectoral level, some local production networks may be more durable in safeguarding good jobs than others. An example would be in northern Italy: the clothing and textile industry has proven more vulnerable and subject to outsourcing than, say, the production networks encountered within the motor and machine tool industries.

So why do complementarities arise in the first place? As noted above, implicit in much of the early literature on comparative capitalism was that institutional arrangements were in some manner or other a product of conscious design by elites, although later work moved to the view that many complementarities represented serindipodous (Boyer 2006). Similarly, Crouch (2006: 168) argues the complementary institutions do not so much represent the product of an original master design, but rather represent the outcome of a process of adjustment. Similarly, Streeck and Yamamura (2003) suggest a process of co-evolution for features and associated practices. Nor do institutions exert a similar influence across an economy: creative actors may make usage of novel combinations of institutional resources (ibid.: 145).

Streeck (2005) argues that complementarities are linked to actor centred contingencies and specific historical circumstances; they are not fixed or immutable arrangements. In other words, systems are dynamic and historical, rather than functional (Streeck 2005: 107). In interacting with eachother, institutions produce mutual functionality and dysfunctionality. Rather than seeing the interaction of institutions in terms of some "positive" notion of complementarity, institutions should be seen as exhuding positive and negative externalities, which, in the same way they appear may also disappear (ibid.: 107). National institutional orders will persist for as long as internal tensions and contradictions are checked (ibid.: 108); this is, of course, a rather more minimalist view than assumptions that persistence is consistent on economic growth.

Hancke et al. (2007) suggest that national systems might change without undermining existing complementarities. This would suggest that players might be more willing to risk institutional tinkering, than if both were perfectly aligned. An alternative view would be that some systems are more susceptable to tinkering than others. In systems with denser or "thicker" institutional arrangements (Jackson and Deeg 2008), it is more difficult to amend one feature without others unwinding. In other words, the more coordinated the market, the more coupled institutional arrangements are, and, hence, whilst there may be resistance to change, when it takes place, it is is more likely to snowball (see Lane and Wood 2012). In contrast, systems characterized by weaker and more contingent relations - which would include both liberal markets and many emerging economies - it might be easier for institutional entrepreneurs to promote changes, but when implemented, such changes are less likely to recast the entire order.

Vallas and Kleinman (2008:306**) suggest that many institutional logics emerge and persist until structural conditions produce sufficient anomolies that discredit previous ways of doing things; this leads to crisis until actors produce a new cognitive map. This would suggest that there is some conscious process to institutional design, if one in the conceptions of key social actors. In contrast, Crouch (2014 126) argues that, as societies do not have clearly defined aims or goals, their relative success invariably is terms of some or other indicator set by external observers, such as growth or quality of life. This would suggest that the causes or nature of change is an uncertain and somewhat subjective business. Even if a system may be only partially functional, key players may both continue to accrue benefits, and be reluctant to depart from established ways of doing things for an uncertain future.

3. Alternatives to VOC: Multiarchetypical models

Whitley (1999) agree with VOC that contractual relations depend on embedded formal and informal rules. Business systems theory sets out to be an explicitly firm centred analysis, and hence, makes somewhat stronger predictions as to how firm level work and employment practices are likely to differ from context to context.

More specifically, Whitley (1999) argues that one of the defining features of distinct business systems is employer-employee interdependence and delegation. This involves variations in security of tenure, and in investments in skills and developments. Based on this approach a we can identify a wider range of national archetypes. As well as the continental West

European/liberal market distinction, the Italian industrial districts model is seen as an archetype in its own right, as are two different categories of far Eastern economy. But questions arise as to how the other defining features of capitalism are identified, and the empirical foundations of differentiation. Despite a firm level focus, there is little actual evidence supplied with much of this approach is centred on stylized ideal types (see Wood and Wilkinson 2004 p30).

Amable (2003) offers a social systems approach, which draws on both regulation theory and aspects of historical institutionalism. Amable (2003) bases his country categorization on empirical analysis of a range of different national characteristics, largely based on macro-economic indices external to the firm. These include fic features of the industrial relations environment, and social protection. He identifies y in addition to the normal liberal market and (coordinated) "continental European capitalism" include a developed Far Eastern paradigm, a Mediterranean model, and Scandinavian "social democracy". While there is data to show that the Scandinavian social democracies do indeed differ from their continental European counterparts (Goergen et al. 2012 there is a danger of glossing over differences). Thus , the Dutch "polder model" may have more in common with other "flexicurity economies", such as Denmark. And, northern Italy has little in common with more peripheral Mediterranean economies such as Portugal and Greece (see Wood and Wilkinson 2014).

4. Eroding and vanishing complementarity

Although there is much debate on what precisely constitutes institutional complementarity, it is evident from much of the contemporary socio-economic literature, that institutional arrangements that there has been a growing consensus around certain fundamentals. This would include a growing acceptance that institutional arrangements are contingent, and temporarily and spatially confined. Although the regulationist theorists always insisted that any form of institutional mediation under capitalism was fragile and contested (Boyer 2006; Jessop 2001), regulation theory initially assumed a certain spatial uniformity in the developed world around the ubiquities fordist production paradigm and associated social regulatory arrangements. Later developments and extensions emphasized spatial variance, contributing to the development of both the literature on variegated capitalism and on social systems of production, whilst retaining the view that there were certain uniform characteristics across capitalisms at a specific time, in line with technological and other contingencies. Meanwhile, whilst having a strong spatial dimension, the more recent literature on comparative capitalism has recognized the relative malleability of institutional forms, and the transitory nature of any institutional arrangement (Goyer 2011). Finally, historical institutionalists have taken increasing account of assumptions of contemporary capitalism associated with contemporary regulationist thinking, particularly surrounding the role of financial capital in the long interregnum away from fordist paradigms (Streeck 2009; Jessop

2012). At the same time, whilst the historical institutionalist notion of institutional exhaustion may be contested, there is at the same time growing recognition that class compromises forged at moments of great systemic crisis will inevitably be challenged as actors sense the balance of power shifting and as memories of past traumas fade.

But, why do complementarities erode and even vanish, or, alternatively, why do the beneficial features of particular systems become less pronounced? Firstly, it is worth noting that whilst institutions will tend to be less closely coupled and complementarities and beneficial features less pronounced in emerging markets, all economies have some strengths or advantages, even if tenuous and contingent. Developing economies are more reliant on formal than informal institutional arrangements (Wood et al. 2010). In turn, this makes for fluidity. However, the latter instability makes such systems particularly vulnerable to challenges by local interest groupings or external players.

Again, there is a general consensus that national institutional orders are presently undergoing a period of great structural crisis, in line with structural changes in global capitalism, and the aggressive promotion of radical liberalization by politically motivated actors. The latter may be seen in terms of social action and the interaction between malleable institutions and politically motivated actors (Amable 2003; Boyer 2006; Hoeppner 2005; Streeck 2005; Jacoby 2005; Morgan and Kubo 2005; Deeg and Jackson 2007). This does not, of course, explain the underlying causes of change, and why at specific historical times, pressures for systemic reordering may be more pronounced than others. It could be argued that, as noted above, there is simply a natural process of institutional decay, but this does not explain why there are common pressures across the global capitalist ecosystem, despite persistent differences in institutional arrangements, and why the resultant changes result in diverse outcomes. Again, certain institutional arrangements may embed harden to such an extent that they are taken for granted, even as others erode (Sorge 2003). There are two broad possible explanations for this commonality and diversity, the first around politics and elites and the second around material exigencies.

5. Elites and the failure of politics

In many developed nations, post-WW2 settlements were forged by those who had direct personal experience of ruinious social conflicts and wars. Priestland (2012) argues that elites encompass intellectuals, militarists, and merchants/capitalists. Whilst the former have an active interest in promoting cross class settlements, the latter two have less so. Hence, far reaching social compromises around institutional redesign are only possible when the latter two are discredited or exhausted. However, as Engelen et al (2011) note, a feature of the present condition is that a significant component of intellectuals and technocrats have failed to present or actively promote alternatives, and have rather been coopted by monied interests.

If the present crisis is about elite failure, then the question inevitably emerges as to why political processes have failed to hold elites to account. It is a common mistake to assume that if institutional arrangements fail to secure and support economic stability and growth then they will be subject to reconfiguration. However, such arrangements may be highly functional for insider interests, and, hence, persist for extended periods after they have proved to be objectively dysfunctional for the bulk of society; as highlighted by a range of writers from Luxembourg (2003) to Harvey (2004), the cannibalistic dimension of capitalism is not to be underestimated. It is such benefits that provide elites strong incentives to colonize political processes through a wide range of measures, ranging from media ownership and the outright purchase of key political figures, through to the threat of hostile speculative attacks (c.f. Crouch 2011). Inevitable economic crises open up opportunities for predatory elite factions to make gains at the expense of more altruistic ones and society at large; in turn, their accumulation of resources allows the former to strengthen their attacks on a self reinforcing basis (Crouch 2011).

6. Material causes of crisis and change – Beyond long waves

A variation on the institutional exhaustion argument are theories of economic long waves; whilst their causes may be somewhat complex, a feature of capitalism and indeed, the preceding period, are long waves of economic growth, followed on by mediocre growth and recession (Kelly 1998). Regulation theory links the operation of such long waves to the temporary and contingent manner of any form of institutional mediation that makes economic growth possible. In his classic work on political economy, Polanyi (1944) argued the economies move between periods of lesser or greater state restraint on the operation of markets. The inherent tensions associated with either extreme lead to a countermovement, and then a drift away from or back towards less restrained markets. Although it is sometimes held that, when the current excesses of neo-liberalism exhaust themselves, there will be a move back towards the comforting familiarity of the era of the Keynseian welfare state. However, as Streeck (2005) notes, the movement between state and market is a sidereal one, with the nature of the operation of markets and the state assuming different forms. Again, Polanyi (1944) emphasized that statism was often not benign. Here it worth noting, that, in terms of a range of areas, from bank bailouts with weak conditions attached, to nurturing an ecosystem of firms dependent on government contracts or subsidies, through to large scale spending on security and defense, some of the most lightly regulated liberal markets are the most statist (Lane and Wood 2012).

Although the 2008- crisis has had very uneven effects it has also highlighted the interconnectedness of different national institutional orders. However, whilst most national institutional families may be unhappy, to paraphrase Tolstoy, they are each unhappy in their own manner. Significantly, most developed nations are locked in chronic balance of payments deficits, with eroding national competitiveness. Quite simply, historical areas of strength are, in many national settings, declining; in other words, the institutional complementarities that supported specific strengths are either less working well or have become dysfunctional.

A further feature of the present condition is relatively high prices for energy resources, reflecting the growing reliance on unconventional (and, in historical terms relatively costly) sources for hydrocarbons, and the slow take up of renewable energy sources. This places pressures on the relative competitiveness of nations, and those with capital tied up in specific processes and industries, whilst those with highly fungible assets are relatively empowered (Lane and Wood 2012).

Nor are the effects on producer nations necessarily benign as the literature on the resource curse alerts us (see Sachs and Warner 2011). Countries with rich natural resource endowments tend to underperform economically, with symptoms of domestic malaise including an overvalued currency (rendering other exports overly expensive, and making imports disproportionately cheap), the crowding out of other investment, gross regional imbalances, government complascency and corruption (ibid.).

An alternative view might suggest that crises and change are bound up with technological revolutions. There is little doubt that the relationship between technology and resource utilization is a close one, and that the present crisis is also market by a slowing of technological advance in many previous areas of progress: the exhaustion of an existing paradigm makes the adoption of new technologies more risky (Tylecote 2012: 190). In turn, technological progress may be hampered by the enclosure of the intellectual commons, reducing the possibility for advances through the sharing of ideas and dialogue (Jessop 2012), which, in turn, would reflect the increased power of specific segments of capital. But, this, of course, would bring us back to the question as to why rentiers and their allies have become so powerful at this particular historical moment.

7. Conclusions

Greater volatility and crises within individual national economies in recent years has led to increased interest in both internal variety and the nature of systemic change. There is an emerging common ground that institutions are more fluid and subject to both incremental change and rupture, indeed, there has been increasing recognition that, reflecting internal diversity within national contexts, not one but several dominant sets of firm level practices may be encountered within a particular setting. (Barry and Wilkinson 2011). Again, there is evidence that different institutional features impact on different sets of practices. This would suggest that institutional arrangements are not as closely coupled or tightly knit as commonly believed. In turn, this may mean that certain aspects of regulation and practices may radically change, even as other systemic fundamentals apparently stay the same. Although associated sets of institutional arrangements may unwind (Streeck 2009), it can be argued that such unwinding is not always coherent or general. The uneven nature of such processes may reflect not only nationally confined social ties, but transnational ones, which would suggest that institutional theories of space and scale might take closer account of regional and continental political geographies, as well as common developments in global capitalism.

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