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Nothing new under the sun: the so-called 'growth model perspective'

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Abstract
Recent contributions in comparative political economy have made much of the 'growth model perspective', presenting it as a way to 'rethink political economy'. This paper argues that the origins of the growth model approach can be found in contributions by Michel Freyssenet made in the framework of GERPISA (Groupe d'étude et de recherche permanent sur l'industrie et les salariés de l'automobile) in the 1990s/2000. By presenting the contributions and limitations of Freyssenet's approach, it is possible to establish how contemporary growth model approaches fail to establish a solid link between political economy and heterodox macroeconomics. It appears that an approach that starts from the differentiation of interests of social groups and takes into account the autonomy of politics has more potential to achieve this task, allowing to recover the inspiration of Kalecki's 1943 article on the political limits to economic policy.

Key words: French Theory of *Régulation*, growth models, accumulation regimes, political economy

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1. Introduction

The term 'growth model' has appeared with increasing frequency in the comparative political economy literature over the past few years, following Baccaro and Pontusson (2016), who provided no definition for this term, suggesting that there was no conceptual innovation there and that they were dealing with a well-known notion. Baccaro et al. (2022:25) are not much more explicit and provide a rather circular 'clarification': 'we use the term "growth model" in a descriptive sense in order to distinguish among different growth models based on the decomposition of GDP growth'. Accordingly, Germany is an export-led economy 'because the lion's share of German GDP growth over the last three decades is attributable to export growth'. They add that '"growth models" reflect how economies are organized'.

In spite of this vagueness, the promoters of the 'growth model perspective' (GMP) proclaim that it is 'rethinking comparative political economy' (Baccaro & Pontusson 2016) and 'has the ambition to change the way we do political economy' (Baccaro et al. 2022: 72), and replace the varieties of capitalism (VoC) approach of Hall & Soskice (2001) as the main reference in comparative political economy (CPE).[1] Yet, in some ways, GMP started with a more limited ambition: to introduce demand-side macroeconomics into CPE instead of the supply-side influence present in VoC.[2]

The fact is that the ideas conveyed by GMP are not new, far from it. For instance, most of the notions mobilised by the recent GMP literature can be found in contributions to French *Régulation* theory (FRT) since at least the 1980s. This fact was not lost on David Hope and David Soskice in a comment on Baccaro & Pontusson (2016): 'This [Carlin and Soskice's version of the three-equation model] model was developed by the Regulation School and associated with Robert Boyer. A sophisticated aspect of the Boyer model, which gave it considerable power, was *that it integrated both demand- and supply-side considerations* through labor productivity growth' (Hope & Soskice 2016:223, *my emphasis*). FRT had therefore a more comprehensive conceptual framework than GMP.

Notions such as 'growth model' (Blyth 1966), 'growth or development strategy' (Hirschman 1958), 'wage- or profit-led' regimes (Bowles & Boyer 1988), 'consumption-led' (Kaldor 1971) or 'export-led' (Chichilnisky 1981) growth have been widely used in the economic literature for several decades. However, the clearest explanations of what a growth model is can be found in FRT contributions that have been largely ignored by the recent GMP literature, at least in terms of the list of references cited. The concepts related to the notion of 'growth model' have been presented most extensively and rigorously by Michel Freyssenet, based on work written alone or jointly with Robert Boyer for GERPISA (Groupe d'étude et de recherche permanent sur l'industrie et les salariés de l'automobile), a research network focused on the automotive industry. There is a series of contributions which are theoretically much richer than the recent GMP literature, which appears indeed to propose a simplistic version of what Freyssenet elaborated in the 1990s/2000s. In addition to 'growth models',

[1] For an alternative to VoC in comparative political economy, see Amable (2003).
[2] For an empirical data-based critique of VoC's integration of macroeconomic policy in comparative political economy, see Amable & Azizi (2014).

there is the notion of 'growth strategy', which one can find in some contemporary contributions, Hassel & Palier (2021) for example. It is therefore useful to turn to what the GERPISA literature says about growth models to understand better what the recent GMP is about.

In the following, I propose a critical examination of the notion of 'growth model' and related notions such as 'growth strategy'. I start with the central concepts of the FRT and their relation with the notion of growth model. I then examine how Freyssenet's work presented the concepts of growth model and growth strategy. Finally, a series of limitations and problems associated with the use of these concepts are highlighted.

2. The basic regulation concepts

An important point for understanding FRT is perfectly summarised by Frédéric Lordon (2021: 3, my translation):

> 'We never observe the fundamental social relations of capitalism as they are, so to speak, in their "fundamentality". We only observe them historically defined, in a certain way. For example, one does not observe in historical reality 'the wage-labour nexus' in the purity of its concept. What is observed is the historical succession (or geographical distribution) of the competitive wage-labour nexus, the Fordist wage-labour nexus, the Toyotian wage-labour nexus, the neoliberal wage-labour nexus, etc. This was the main contribution of the theory of *Régulation*, which constantly stressed that what historical analysis gave us access to was not "capitalism", but the particular, successive configurations through which its fundamental social relations are defined - configurations called "modes of regulation" or "regimes of accumulation".'

The **accumulation regime**, 'a concept elaborated […] in order to describe the lineaments of a *growth model* over a long period' is defined by Boyer (2015, 2022:57, my emphasis)[3] as all the regularities ensuring the general, relatively coherent, progression of the accumulation of capital, allowing the distortions and imbalances that arise permanently from the process itself to be absorbed or spread over time. As imbalance is at the heart of accumulation, regulation mechanisms are necessary to make a more or less stable growth pattern feasible. The regularities concern the type of evolution from productive structure and the relationship of workers to the means of production, the temporal horizon of capital on the basis of which management principles can be derived, an income distribution enabling the dynamic reproduction of different social groups or classes, a composition of the social demand validating the evolution in the production capacities, and a modality of articulation with non-capitalist forms, when the latter play an important role in the economic configuration under study (Boyer 2022:59).

[3] Boyer (2015, 2022) is taken as a source for the definitions of the basic concepts because it is a textbook. The concepts themselves were defined in the early contributions to FRT in the 1970s: Aglietta (1976), CEPREMAP (1977), Boyer & Mistral (1978), Lipietz (1979).

This regime is supported by five **institutional forms**, i.e. codifications of one or more fundamental social relationships:

(i) The monetary form regime: a configuration that enables the adjustment of deficits and surpluses;
(ii) the wage-labour nexus: a configuration of the capital/labour relation, composed of the relations between the organisation of work, the way of life and the modalities of reproduction of wage earners,
(iii) the forms of competition, which indicate how relations are organised between a set of fractional accumulation centres whose decisions are a priori independent of each other (competitive, monopolistic, etc.);
(iv) the international regime: the conjunction of rules which organise relations between the nation-state and the rest of the world, both in terms of the exchange of goods and the location of production, via direct investment or the financing of external flows and balances, or in terms of migration;
(v) the forms of the State: a set of institutionalised compromises which, once established, create rules and regularities in the evolution of public expenditure and revenue.

The **mode of *régulation*** consists of procedures and individual and collective behaviours, which have the property of

(i) reproducing fundamental social relations through the conjunction of historically determined institutional forms,
(ii) supporting and 'steering' the accumulation regime, and
(iii) ensuring the dynamic compatibility of a set of decentralised decisions, *without the need for economic actors to internalise the principles of adjustment of the system as a whole*.

The mode of regulation will specify wages and productivity dynamics, price formation, credit, interest rate, taxation, public expenditure, external balance, exchange rate etc.

These concepts have been integrated, at least in part, into a simple (formal) growth model which exists in several versions (Boyer 1987, Boyer & Petit 1981, 1988). The model has a post-Keynesian inspiration for some of its elements: Kaldorian for technical change (Kaldor 1966, 1975; Cornwall 1976), Kaldor (1971), Beckerman et al. (1965, 1975) or Dixon & Thirlwall (1975) for the driving role of exports, etc. There is an inspiration in the *régulationnistes* writings of the early 1980s from a literature on the relative decline of the British economy after the Second World War, mixed with a certain tradition of macroeconomic modelling within the French administration. The five-equation model in Boyer & Petit (1981, 1988) is the simplest version: employment, investment, demand (exports and domestic demand), exports, and productivity. Wage formation depends on productivity gains sharing. Various factors influencing technical progress enter the productivity growth equation. Investment includes a demand accelerator-type mechanism as well as a profit share effect, etc.

This model can be extended to include other structural aspects (money, finance…); Boyer (2000) proposed a more complex 13-equation model to analyse a finance-led growth regime. These elements make it possible to define a ‘growth model’ in the broader sense (as in Boyer 2018): *the interactions between a productivity regime and a demand regime*. The productivity regime reflects the effects of factors that shape the long run evolution of economic efficiency (capital deepening, learning by doing, increasing return to scale, technical and organizational innovations). The demand regime includes the various components of the demand-side: household consumption; public and private investment, and net exports.

Such a framework has been used or taken as a reference in various contributions to the literature since the 1980s. Mazier et al. (1984, 1999) for instance already analysed the different ‘growth models’ and distinguished between those that were domestic consumption-led (France, USA, etc.) and those that were export-led (Germany, etc.), even mentioning the case of countries that made the transition from one regime to another.

> ‘During this period, Sweden remained the example of an orderly Social-Democratic regulation that sought to arrive at new social compromises at home in order to play on a national strategy of export-led growth and replace the mainspring of domestic demand with foreign trade. The success was moderate but noteworthy until the late 1980s; afterward, increasing world competition became more aggressive for domestic norms and fixed wages, seemingly leaving Sweden's economic and social structure in need of in-depth adaptation.’ (Mazier et al. 1999: 431).

Thus the notion of growth model is not distinct from the central notions of FRT and one can just as easily speak of a ‘*growth regime’*, as in Aglietta & Boyer (1982), or Aglietta et al. (1995) and Aglietta (1999) for the patrimonial accumulation/growth regime.[4] The ‘growth regime’ expression was probably introduced to make it more acceptable than ‘accumulation regime’ to economists reticent to more or less Marxist-inspired concepts. The term ‘growth model’, however, was to be adopted more systematically in the work of Michel Freyssenet and GERPISA.

3. From profit strategies to growth models

Michel Freyssenet's work was carried out within the framework of GERPISA, an international and interdisciplinary network, the Permanent Study and Research Group on the Automotive Industry and Employees, which he co-founded with Patrick Fridenson. The contributions specific to the automotive sector and those derived from it on productive models (Boyer & Freyssenet 2000) have been fairly widely distributed, but those on growth models have remained more confidential because they have not or poorly been translated into English.[5] In what follows, I will rely mainly on Freyssenet (2004, 2005, 2008) and Boyer & Freyssenet

[4] ‘It is a multi-dimensional transformation of capitalism that has arisen from the decrepitude of Fordism and is bringing about a new growth regime that I propose to call patrimonial.’ Aglietta (1999: 276, my translation).
‘The new growth regime can be referred to as such because of the preponderant influence of financial markets in the formation of macroeconomic equilibria and of corporate governance by shareholders in the behaviours that have restored and advanced the profitability of capital.’ Aglietta (1999: 279, my translation).
[5] They are available on Michel Freyssenet's website: https://freyssenet.com/

(2016), texts that set out an approach that was taken in earlier work (Boyer & Freyssenet 1995).

The central concept of GERPISA is that of 'productive models'. The analysis of the automotive sector led to the empirical finding that the strategies and trajectories differed from one firm to another. This raised the question of the reasons for these differences; there was not one model (e.g. lean production) but a diversity of firms' modes of organisation. How could this reality be understood? Did the observed heterogeneity reflect the different stages through which firms should pass? How was it possible for different firm strategies to coexist within the same national space? The concept of productive model and the notions of company governance compromise and profit strategies were designed to address such questions. These concepts and notions then drifted from a micro/meso level, an automobile firm, to the macro level.

Freyssenet's methodology defines the relevant agent on the basis of a common stake that binds the actors within the entity to which they belong: company, association, household, nation, etc. 'The hypothesis is that actors act and interact when they have to face a common stake from which they cannot escape as a collective actor' (Freyssenet 2005: 6). Assuming that the stake facing a firm is its presence in the market, the micro-level stake was identified as profitability, considered as necessary for the survival of a corporation. But the success of the corporation depends on the context in which it operates. Firms do not exploit the same sources of profit and the exploitation of these sources takes place in particular conditions and a given environment. One set of conditions revolves around the match between the automobiles produced by the firm and market demand, which raises the question of income distribution. Another set of conditions concerns the firm's products and the skills needed to produce them, which leads to the consideration of the employment relation and more generally the characteristics of labour supply. The notion of strategy stems from the stake: how do agents react to the stake? Under what conditions, in what environment, are these strategies feasible? It is at this level that the notion of compromise between the different agents within the firm appears. A strategy requires the establishment of a capital-labour compromise.

The conditions of success at the micro/meso level led to take into account elements that belong to the macro level, if only to answer questions such as why Ford succeeded in the United States and failed elsewhere. The consideration of this macro environment was done by adopting the same approach as that which prevailed for the analysis of profit strategies.[6] First, the common stake had to be identified, and according to Freyssenet (2004: 7), 'everything urges yet to propose the reasonable hypothesis according to which the major stake for a nation in a world dominated by the capital-labour relation is the national income growth'. The echo of this postulate can be found in Baccaro et al. (2022: 11): '[w]e choose growth as a point of departure because we see capitalism as a social order whose stability depends on its capacity to satisfy expectations of material improvement'. By analogy with the situation of a firm, the common stake was defined on the basis of the survival condition of

[6] Six profit strategies were identified: volume, diversity, quality, innovation, flexibility, cost reduction at constant volume.

the entity considered: ‘In order to have the means necessary for its sustainability, [a country] needs more wealth, that is, its population must reproduce with the average standard of living it has achieved with less working time.’ (Freyssenet 2004: 8, my translation). Growth is regarded as necessary in order to satisfy a double objective: power vis-à-vis other similar entities (nations), and the stability of the internal (national) compromise. [7]

The internal compromise concerned in particular the distribution of income, which influenced the type of demand and thus directly the success or failure of firms’ profit strategies through the product/market match. It should be noted that a problem was identified by Freyssenet, even if it was not solved: there is more than one social relation at the macro level, not only the capital-labour relation (leading to the company governance compromise in the productive model), which was central in the definition of firms’ profit strategies. It should also be noted that this problem has gone completely unnoticed in the contemporary literature on growth models, and it is obviously even less resolved.

Since the stake is growth, the strategy at the macro level is therefore a growth strategy, which is simply favouring one of the components of GDP, with an explanation that articulates the national income side (demand) and the production side (supply): wage/profit sharing (greater or lesser income/wealth inequalities) and the relative importance of consumption (C), investment (I) and net exports (NX) in the formation of GDP, in dynamic, growth, terms. These latter elements (respectively C, I & NX) are the ‘sources of growth’ (Freyssenet 2004).

A typology called ‘growth modes’ was developed, based, for a given country, on the intersection of the source of growth and the consideration of income distribution. There were no less than eight such growth modes (competitive and consumer-oriented, co-ordinated and specialised export-oriented, etc.), as there could be several income distribution modes for a given growth source (Boyer & Freyssenet 2016). However, for Michel Freyssenet, the notion of growth mode proved unsatisfactory precisely because it mixed the source of growth and the forms of income distribution. The following conceptual step separated the source of growth from the growth strategy, to arrive at the notion of a ‘growth model’. In this respect, it is important to note that Freyssenet (2004) thought that a better name for the latter would be ‘societal model’, which recalls the earlier remark about the need to consider other social relations than the capital-labour relation and hints at the limitations that a strictly economic determinism would set.

The growth models identified in Freyssenet (2005) are not only those that one finds everywhere in the contributions of GMP, domestic consumption-based and export-led; one finds also an investment-led model and a predatory model. There is even a version of the ‘dependent market economy’ (Nölke & Vliegenhart 2009): the ‘external resources/dependent development’ model. The growth strategy boils down to the choice of an engine (source) of growth, i.e. a component of aggregate demand, and the necessary conditions associated with this choice in terms of production and income distribution. These conditions depend on a

[7] There is some relative vagueness about what is supposed to grow: production, consumption of goods or available time (productivity).

national compromise, because it is well recognised that while agents are assumed to have a common stake, they have different perspectives on how this stake is to be handled. Freyssenet's definition of a growth model is the following:

> 'a national configuration in which the actors, having been led by external conditions (international relations) and internal conditions (particular combination of social relations) to favour one of the sources of growth (investment, consumption, export) in order to drive the others, respond in a coherent manner to the requirements of this strategy, thanks to a political compromise on the types of production and productivity to be favoured, on the form of distribution of national income to be set up, and on the regulation to be ensured between the production and the distribution.' (Freyssenet 2005: 11).

There is a *régulationniste*, non-functionalist, aspect to the origin of these growth models: 'the appearance of a growth model is most often an unintentional process, at best reinforced a posteriori when the actors become aware of it, so considerable are the cognitive, political and social obstacles to thinking about it and making it work' (Freyssenet 2005: 14). This aspect is notably absent from most current GMP contributions.

Another *régulationniste* aspect of this conceptual scheme is that models can enter into crisis. Crises are determined by poor macroeconomic performance (low growth obviously), which gives those who were dissatisfied with the growth model the opportunity to question it and seek an alternative. However, little is said about the reasons for dissatisfaction (growth is a common stake after all) or about the identity of dissatisfied agents. Each model has its own crisis based on contradictions that end up becoming impossible to regulate: saturation of needs and productivity slowdown for the consumption-based model; over-investment for the model based on investment and internal resources; the increase in costs (loss of competitiveness) and the articulation with non-exporting sectors (rising costs) for the export-based model.

4. Limits of the notion of growth model

Although carefully thought out, the theory of growth models of Michel Freyssenet has some shortcomings, most of them also found in contemporary GMP contributions.

4.1 The missing public expenditure

The sources of growth are derived from the basic macroeconomic equation, with Y total income, C consumption, I investment and NX net exports, to which Freyssenet (2005) adds predation (D) in order to 'consider all historical situations'. One would then have the following equation:

$$Y = C + I + NX + D$$

But there is a missing element in the equation above, which is traditionally written as:

$Y = C + I + G + NX$

Public spending (and investment) G is totally ignored and therefore does not count as one of the sources of growth, neither as a component of demand[8] nor as a source of long term productivity gains. This oversight is a direct consequence of the origins of the notion of growth model in that of productive models, which, like VoC, is a firm-based approach and, as such, has difficulties in integrating the State.

This omission is partially remedied by Hassel & Palier (2021), who include another occasionally forgotten element in the literature on comparative capitalism: social protection. Social expenditure is conceived as an investment in the quality of labour. But Hassel & Palier remain with the simple version of growth models and the separation between domestic demand-led and export-led models: in the former, social expenditure is a component of household income, in the latter, it is an investment that increases the skills of individuals and contributes to external competitiveness. The positive, productivity-enhancing, role for public investment and infrastructure is often ignored[9] in the contemporary GMP literature, even though mainstream economics contributions to endogenous growth theory took these elements into account several decades ago (Barro 1990). Research and development expenditure, large (public) scientific and technical development projects (Mazzuccato 2013) are sources of long-term growth.

4.2 A growth strategy, which is not really a strategy

As we have seen, the notion of growth strategy for a nation derives from that of profit strategy for a firm. The choice of growth as a goal for a nation is justified by an argument that links economic prosperity and sovereignty, assuming that the two elements are collinear. However, this last point needs to be examined more closely. Milanovic (2000) points to the existence of a trade-off between income and sovereignty through international integration. The latter allows for an increase in prosperity, thanks to the benefits derived from the international division of labour, the exchange of ideas, access to resources not available nationally, etc. On the other hand, it implies a transfer of sovereignty in terms of exchange rate policy (IMF membership rules), trade policy (participation in the WTO), financial regulation, etc. It is therefore clear that the choice of growth as a national objective may conflict with sovereignty concerns and that some countries, or at least their rulers (i.e. North Korea), may prefer the latter to the former.[10]

The requirement for the implementation of a growth strategy is the coherence of the means employed and the compatibility of the means between them. In the logic of this approach, the requirements for the existence of the growth model condition the behaviour of agents. 'The "investment" strategy implies the *de facto* acceptance by the population of

[8] Although it may represent a sizeable contribution to growth, see for instance Labat & Summa (2022).
[9] But not always, see Erixon & Pontusson (2022) for instance.
[10] One could also question the definition of the stake for a corporation to be profitability. Following French economist Jean Marchal (1951), Galbraith (1975) has argued that power was the main objective of a firm, an objective taken to be collinear with growth. See Lavoie (2014, chapter 3).

the sacrifices required and the acceptance also by neighbouring countries of the military, political and economic “threats” that this strategy may entail’ (Freyssenet 2005: 10). But the conditions of this acceptance remain mysterious because the sacrifices will not be equally shared and some will escape them altogether (even in a war, there are war profiteers). This is a curious omission for an approach that is in principle based on the social conflict/institutionalised compromise couple (Aglietta 1982). Similarly, the ‘consumption’ strategy, like the model that goes with it, presupposes a national consensus on the distribution of the country's income between social groups and an international agreement on the political control of international trade according to the interests of each country, in order to preserve and develop the standard of living achieved and the autonomy acquired. This is referred to as ‘consensus’ rather than (institutionalised) compromise. The ‘export’ strategy, on the other hand, is based on a national ‘conviction’ that the country depends on trade integration. Freyssenet (2005) mentions that this occurs for ‘natural or historical reasons’. Again, the conditions for the establishment of this ‘conviction’ and the degree to which it is shared are neglected.

One may even wonder whether it is relevant to speak of a strategy around a clearly shared and identified stake, as Freyssenet (2005) indicates that the choice of the engine of growth can be considered as a country’s growth strategy, whether it is the subject of a political compromise or a historical fact. It is therefore a strategy without a strategist or necessarily a clearly identified objective at the beginning. The reference to the ‘historical fact’ is itself an admission of impotence, since the historical legacy should, from a *régulationiste* or even a broad institutionalist perspective, be considered as the result of past institutionalised compromises, which should also give rise to an analysis of the conditions for establishing these compromises.

4.3 An exogenous compromise

The notion of compromise (essential in FRT) is central to Freyssenet’s theorisation, but it is not elaborated within it. It is both an indispensable element of the conceptualisation and a non-theorised element. The difficulties in integrating some institutionalised compromises (income distribution) have been at the origin of the abandonment of the notion of growth mode in favour of the growth model/strategy couple. Macro elements, such as growth and income distribution, influence the strategies of actors at the micro/meso level, but nothing is said about a common vision of the stake held to be central in the theoretical construction at the macro level, i.e. growth and the means of achieving it, nor of the institutions and policies that will result from the confrontation of the points of view and interests of the different agents: capitalists, workers, associations, political parties, etc. The only way out of the problem is to consider that if a growth model exists, then these questions have found a satisfactory, if temporary, answer, about which the growth model approach has little to say. However, Freyssenet (2005) is, again, aware of the difficulty: he notes that agents are members of professional or trade union organisations, that they are politically active, that they vote, enter into social movements, etc. Even the choice of a growth driver has distributional consequences in terms of economic resources and political power. But all that the growth model approach can conclude is that in one way or another, if a stable growth model exists, a compromise must have been found, under circumstances that remain unclear.

Freyssenet uses expressions such as ‘the compromise is made’ but the elements that determined the possibility of the compromise are absent, and these conditions may be different from the condition that ex post makes the growth model stable in the broad growth model framework/perspective, namely growth. From a non-functionalist perspective, which was that of the original FRT and which is that adopted by Amable & Palombarini (2005, 2009), for example, the conditions that presided over the emergence of institutional forms are not necessarily those that guarantee the durability of a mode of regulation. This also means that the crisis of an accumulation/growth regime does not automatically follow from the invalidation of the conditions that enabled the emergence of the institutional forms that support it.

Freyssenet’s position follows directly from the definition of the relevant agent based on a common stake. This simple definition itself assumes that some compromise has been found. The starting point is then a stage where the social conflict has already been partly neutralised and even institutionalised. The recognition of the existence of a theoretical problem linked to this starting point (‘A nation is not governed by a single social relation, as capitalist enterprises are by the capital-labour relation’, Freyssenet 2005: 7) does not provide a solution.

4.4 Economic determinism

The centrality of the stake and its very definition, growth, implies a rather simple economic determinism for political decisions. The growth requirements lead, in an unspecified way, the different agents to internalise the single economic constraint and to determine their strategies according to this constraint.

> *‘Whatever the aims stated or pursued in the end by the national actors*, the justifications they give and the compromises they make among themselves, *the growth strategies they are in fact led to choose impose a framework for action to achieve them*. This framework, which is specific to each strategy, is made up of a common rule, conditions of possibility and requirements for implementation.’ (Freyssenet 2005: 10, *my emphasis*)

The growth strategy is therefore the result of unspecified historical-political conditions and, once established, conditions the action of social agents and groups and then determines the type of socio-political compromises that it is possible to establish.

Hassell & Palier (2021) postulate that growth and employment are the main concerns of governments because they are the key variables for electoral success. Apart from the fact that this prediction might be contradicted by empirical evidence, both in terms of the link between growth and electoral success or the choice of growth as the sole objective of governments, this principled position reduces the conceptualisation of the relationship between the economy and politics to a simplified version of the mainstream, public choice/Nordhaus (1975), approach to political economy, where the incumbent government seeks to minimise a cost function with two variables: the unemployment and inflation rates. Models adopting this type of specification are still more complex than GMP because they incorporate a trade-off between inflation and unemployment, which potentially leaves room for social conflict or partisan politics (Hibbs 1977). In GMP, there is only one variable to be taken into account, the growth rate, from which all policy choices, agents' behaviour as well as all economic performance are supposed to follow.

This position is a regression from the original FRT, which, as mentioned before, emphasised not only social conflict and institutionalised compromises, and the largely unintended nature of the arrangements that eventually emerge, but also the absence of a functional equivalent of a 'system engineer' in charge of the stability of the system. It is also a regression from the contribution of Kalecki (1943), who analysed how economic policy measures determined by political actors produced a politico-economic cycle as the result of shifting alliances between social groups pursuing their own interests and not a common goal.

4.5 Uncertain politics

There is an important difference between, on the one hand, the traditional FRT position, which is also that of Amable and Palombarini (2005, 2009), which starts from the social conflict and analyses the compromises that may or may not be possible and which will lead to economic characteristics that will result in stable reproduction or not, and, on the other hand, the position that posits that the compromise is established directly on the requirements of system reproduction. Freyssenet was aware of the difficulty and posited that the public debate on growth strategy remained mostly implicit or even out of reach of the actors' consciousness, which, again, leads to doubting the relevance of the notion of strategy. Freyssenet's prudence is not found in Baccaro et al (2022: 55) where the members of the 'growth coalition' are 'aware of the "requirements" of the growth model'.[11] But explicit or implicit, conscious or not, politics remains strictly determined by the requirements of the growth strategy. There is no specificity of the ends and not much of an autonomy of action for the political (Palombarini 2001).

In Freyssenet's view, the compromise is not the unanimous consensus; he mentions social forces which are not or no longer satisfied with the growth model and the strategy. The case of South Korea is thus evoked: the country adopted an investment-led and then an export-led strategy by keeping the population's standard of living at a low level, a population that ended up revolting at the end of the 1980s. The implicit representation of politics that emerges from this is that of a dichotomy between the elite and a more or less undifferentiated mass. There is no structuring into differentiated social groups, some of which could have benefited to varying extents from the strategy followed and therefore provided active or passive political support to the government, but rather a representation of a mass

[11] This awareness seems to be sometimes deficient, for instance in Italy where the decisions of the so-called 'growth coalition' have produced twenty years of stagnation of GDP per capita.

losing patience with the sacrifices imposed by a strategy developed by an elite within the framework of an undemocratic regime.

The contemporary GMP approach also struggles with the incorporation of politics. After attempting to imperfectly adopt the political economy approach of Amable & Palombarini (2009) with the concept of social bloc, Baccarro & Pontusson adopted the notion of a ‘growth coalition’ that includes ‘first and foremost firms and employer associations’ (Baccaro & Pontusson 2022: 205). Growth coalitions ‘ensure that government policies, especially macroeconomic policies, reflect […] the functional requirements of the growth model’ (Baccaro & Pontusson 2022: 204). The contours of the growth coalition are defined by the functionality of the economy: trade unions are included ‘if their interests are in tune with the sectoral profile of the growth model and can be accommodated without impairing the latter's functionality’ (Baccaro & Pontusson 2022: 205). The politics and policies of the growth coalition are insulated from electoral pressure through institutional arrangements constraining economic policy (e.g. an independent central bank), the ‘quiet politics’ of specialised agencies, and the convergence of various parties on policies that are key for the growth model. Baccaro & Pontusson add to this a Gramscian hegemony element that makes the interests of the growth coalition the dominant ideology. Rifts between the growth coalition and the electorate appear, as in Freyssenet, when growth peters out, pointing again to the economic determinism of the approach.

This is a rather awkward conceptual elaboration based on a crude elite vs. mass social differentiation reflected in a separation of the forms of political support: collusion or even osmosis between political and economic elites within the growth coalition, occasional electoral support for the masses. First, there is no theoretical justification[12] for the convergence of political parties on the policy preferences of the growth coalition. Baccaro & Pontusson (2022) justify this by an empirical observation for Germany (left- and right-leaning governments both implementing austerity) that could be justified by several alternative theories. The same observation regarding austerity policies could be made for France over the past few decades; yet, the analysis in terms of social bloc proposed in Amable (2017) differs substantially from the ‘growth coalition’ approach of Baccaro & Pontusson (2022). Second, the position of the electorate vis-à-vis the politics of the elite is far from clear. If the growth model is not contested, which is implied by the reference to the Gramscian hegemony, there is no need to insulate elite politics from electoral politics. If it is contested, even outside of crisis situations, it would be necessary to analyse the pattern of socio-political differentiation beyond a simple elite/mass dichotomy.

5. Conclusion

This article has argued that the ‘growth model perspective’ takes up, consciously or unconsciously, in part and often in a simplified way, a conceptual scheme elaborated most thoroughly by Michel Freyssenet in the 1990s and 2000s. There is an unintentional irony when

[12] The cartel party thesis of Blyth and Katz (2005) provides ‘some inspiration’ (Baccaro & Pontusson 2022: 211).

Baccaro et al. (2022: 11) justify the value of their approach by writing that ‘existing theoretical frameworks in comparative political economy are ill equipped to tackle the politics of growth and stagnation because of their almost exclusive emphasis on institutions influencing firm competitiveness (“supply-side institutionalism”) and their neglect of the level and composition of aggregate demand’, when we know that their own analytical framework is quasi-identical to (and less comprehensive than) that of GERPISA, which introduced the composition of aggregate demand precisely in order to explain the profit strategies, and therefore the competitiveness, of firms in the automotive sector.

Considering the literature of the past few decades, it is highly doubtful that the current ‘growth model perspective’ could represent such a conceptual innovation that it could lead to ‘rethinking’ political economy. Pursuing on a path trodden by many authors over several decades is more likely to lead research into a zone of *diminishing returns*. In comparison with the general theoretical framework of the *Régulation* theory, GMP mostly limits itself to the accumulation regime by focusing on a few major regularities of economic activity (consumption-led, export-led, etc.) and neglects or relegates to the periphery most of the elements of the mode of regulation that previous contributions to comparative capitalism, which GMP aims to rethink, had taken into account: the wage-labour nexus, the forms of competition, the role of the State, etc.[13]

The rather fuzzy ‘politics of growth model’ (Baccaro & Pontusson 2022) does not avoid several pitfalls. The juxtaposition within the analytical framework of ‘elite politics’ with ‘electoral politics’, specifying that there is a ‘loose coupling between the two spheres’ (Baccaro et al. 2022: 57), is an admission of failure in proposing a genuine integrative analytical framework rather than a path towards overcoming a rather conventional opposition. It falls into a somewhat basic economic functionalism by subordinating politics to a single economic imperative, namely growth. The growth imperative has the status of a supreme goal that puts its stamp on all political decisions and actions (in the broad sense) that individual agents as well as social groups can take.[14] It denies politics both its autonomy of action, since political choices are fundamentally those of a ‘growth coalition’, which stems directly from the economic system, and, trivially, the specificity of its ends by promoting economic growth as a political objective.[15] The only (weak) degree of autonomy included in the analytical framework is electoral politics, conceived as a possible nuisance factor in the implementation of the policy chosen by the growth coalition. But the *demos* are merely playing extras in the normal growth regime, only expressing their dissatisfaction at the ballot box when growth wanes. In fact, the weakness of its theoretical foundations leads GMP to

[13] As mentioned before, Hassel & Palier (2021) are an exception by integrating the welfare state in their analytical framework as well as the institutions necessary to analyse different socio-economic models. Also, other authors have a definition of growth regimes similar to FRT’s: ‘[A] growth regime is constituted by the principal institutional practices that firms and governments use for securing and distributing economic output’ (Hall 2022:4).

[14] There is also a paradox in the focus on the growth rate as a national objective at a time when the consequences of growth on the environment and the climate lead to raise again the question of the limits to growth and even to envisage the possibility of degrowth (Latouche 2009). Even the content of growth, beyond characterisations such as export- or consumption-led, is neglected.

[15] See Palombarini (2001) on the autonomy of action and the specificity of ends.

take for a generic configuration what another political economy approach starting from the basic elements of social differentiation and conflict (Amable & Palombarini 2009) would consider as a special and not particularly interesting case.

Building bridges between political economy and heterodox macroeconomics is certainly a welcome move but the so-called 'growth model perspective' is not the way forward. Conceptual links between social differentiation and the conflict it breeds, strategies of political actors looking for support and devising structural and macroeconomic policies to that effect, and macroeconomic regimes can be established by going back to the fundamental elements present in FRT, including the neorealist political economy approach of Amable & Palombarini (2022), and by analysing the consequences for macroeconomic trajectories with the analytical tools of post-Keynesian theory. It is in fact a continuation of a theoretical programme whose main elements can to a large extent be found in Kalecki (1943).

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