

## Book Review

**The American Political Economy: Politics, Markets, and Power**, by Hacker, J, Hertel-Fernandez, A, Pierson, P and Thelen, K (eds), Cambridge: Cambridge University Press, 2022. ISBN: 9781009014861

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With an all-star team of editors, “The American Political Economy: Politics, Markets, and Power” starts from a bold premise: the political-economic configuration of the United States has no contemporary parallel. Despite the uniqueness and importance of the country to the global economy, political economy studies on the USA find limitations in the approaches adopted by Americanists, which emphasise formal political institutions (especially Congress) and ignore entities, such as firms, banks, employers’ associations, and labour unions (Helme; Levtsky, 2004).

The title of this book echoes the editors’ attempt to launch a new field of study, called American Political Economy (APE) that, taking advantage of the contributions of Comparative Political Economy (CPE) and International Political Economy (IPE), overcomes these limitations.

Three questions guide the effort proposed by Hacker and colleagues. Firstly, why have organised corporate interests managed, in the last generation, to define goals that are more concise and increase their political power? Secondly, why did the Republican Party embrace far-right policies (ethno-nationalism, anti-democratic measures, anti-egalitarian priorities, and dismantling of the state) at a level unrivalled in

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other developed economies? Finally, why does American pioneering in the development of a post-industrial knowledge-based economy seem increasingly threatened?

To answer these questions, the editors propose that the new field of American Political Economy should focus on the study of how institutional configurations shape the political organisation in coalitions that produce long-term effects on the country's development. From the IPE field, APE must take advantage of considerations about the United States' distinctive position as a global hegemon and centre of the global economy (Dabat; Leal, 2019).

Regarding the CPE field, APE must overcome the approach based only on voters' preferences and the electoral process and focus on how institutions produce durable patterns of economic governance that privilege some agents over others.

Some characteristics of the American institutional configuration contribute to the current political and economic situation in the country. A governance landscape fragmented both horizontally (unique degree of separation of powers) and vertically (hyper-federalism) affects the distribution of public goods, deepening the gap between the haves and the have-nots.

This institutional framework also favours agents capable of acting in multiple locations, for long periods, and in a political environment that simultaneously hinders coordinated government action and favours the evasion of regulatory attempts.

These are characteristics of organised groups and not individual citizens, which further decrease the political system's sensitivity to voters' opinions. Moreover, enduring political and social organisation structures reflect and reinforce racial inequalities, which, despite not being exclusive to the United States, find there a level of intensity unparalleled among its developed peers.

The association between these elements allows for a curious coalition between the interests of corporate groups and white people (especially men) from rural regions. The authors affirm this segment of the population has been specially neglected by the state after the economic transition to a post-industrial economic model.

The resulting "plutocratic-populist" coalition is aware of the various veto points offered by the US political system and uses them to crystallise power imbalances into durable arrangements in the American political economy. The results of these actions

are presented as “natural”, as if they were the result of market dynamics or political inaction, when in fact both the market and political paralysis are carefully engineered.

These movements are possible since institutions, such as the Senate, the Electoral College, and the first-past-the-post electoral system for the House of Representatives guarantee disproportionately greater representation to rural areas to the detriment of urban areas (Diller, 2016).

The thirteen chapters are written by authors from various universities in the United States, England, and Germany and explore specific issues through the lens of the brand of historical neo-institutionalism the editors present in their introduction to the work.

The chapters are organised into four thematic parts. In part 1, denominated ‘Political Arenas and Actors’, the authors explore the institutional framework of the USA, not ignoring questions such as the labour movement and the influence of law in the political process.

Chapters of part 2, entitled ‘Race, Space, and Governance’, focus on racial relations and the geographical-spatial consequences of the social cleavages found in the American society. The book’s third part, ‘Corporate Power and Concentration’, deals with the particular form of capitalism developed in the country, exploring specific issues, such as intellectual property rules, corporate governance, and labour markets.

The final part is ‘The American Knowledge Economy’, where the authors discuss the future of the US post-industrial knowledge-based economy and the threats it faces in the present, i.e., the relative decline in role of the USA as a driver of innovation. The team of editors also sign an epilogue to the book focusing on the impact of the pandemic of COVID-19 on the US political-economic landscape.

However, the book edited by Hacker, Hertel-Fernandez, Pierson, and Thelen is not free from shortcomings. One of the most obvious is the absence of authors from countries outside of so-called “advanced democracies”. The editors also limit many analyses of the book, such as the argument that the American case is unique, to that category of countries without offering a plausible justification.

In view of the far-right populist wave that sweeps the world, insights from peripheric researchers could help elucidate what is specific to the USA and what is part

of a more widespread trend in global politics. One example that comes to mind, as a peripheric scholar, is the almost word-for-word reproduction of the populist-plutocratic coalition and ascension of a far-right populist leader in Brazil even in the absence of the unique institutional and socio-economical background of the United States.

The failure to explain other cases happens not by malice, but by an inherent bias found in the attempt to explain the idiosyncrasy of the American case. While limited and even tainted by a hint of exceptionalism, the reading remains essential for Americanists and recommended to social scientists in general, since it offers an elegant model that unifies institutional, social, and economic elements to explain the current context in the United States.

Special praise should be given for the inclusion of the racial issue not only as a side note, but also as an integral part of the theoretical framework and subsequent diagnosis of the US political-economic scenario. Although it is to be seen whether the editors will be successful in their ambition to create a new field of inquiry, valuable lessons may be learnt from the study of the American case.

“The American Political Economy” offers analytic tools that will be of great help to understand other cases and the larger picture of the right-wing populist wave that has shaken the world in recent years.

## **References**

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