The Importance of Space in Comparative Capitalism Analyses: A Comparison of Varieties of Capitalism and Variegated Capitalism Approaches

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ABSTRACT
In comparative capitalism (CC) discussions, the main research focus of different approaches (varieties of capitalism [VoC], post-VoC, variegated capitalism) is formed along the axis of state-capital relations. When considering world market integration, interrelations and tensions between different scales, and state spatial restructuring, the exploration of the diverse patterns of accumulation also requires a focus on the spatial dimension of state-capital relations. In this respect, this study aims to examine how space is handled in capitalist diversity approaches by comparing them in terms of their limitations and the possibilities they offer in their spatial analysis. The variegated capitalism approach is argued to provide a more complex analytical framework due to how it involves the spatial dimension at multiple scales to deal with the analysis of state spatial interventions by focusing on contradictions related to the production of space and also by considering the uneven spatial development in the analysis of capitalist variation.

Keywords: Varieties of capitalism approach, Variegated capitalism approach, Spatial restructuring, Geographical variability

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Introduction

The heterogeneity of capitalism has so far been discussed in various approaches in order to understand the diverse patterns of capital accumulation in different economies using a number of concepts such as variety, diversity, and variegation. Questions arise in these comparative political economy debates based on the conceptualization of institutions in the context of the state’s capacities for economic challenges, institutional change, differences in firms’ structures, strategies, and technological progress in the institutional approach, while the critical approach has these issues take place around the contradictions and power relations of capitalism. Although the main tendency of these discussions occurs along the axis of state-capital relations, the spatial dimension of this relation and spatial restructuring play a significant role in understanding capitalist variations. In this respect, this study aims to examine how space is handled in capitalist diversity approaches by comparing them in terms of their limitations and the possibilities they offer in their spatial analyses. The variegated capitalism approach has been argued to provide a more complex analytical framework due to how it involves the spatial dimension at multiple scales, how it deals with the analysis of state spatial interventions, its focus on contradictions related to the production of space, and also how it takes into consideration uneven spatial development in the analysis of capitalist variation.

The importance of involving space in discussions of capitalist diversity can be explained twofold. First, the national economy has been considered as an analytical unit, and type-by-type analyses have been made in the literature on comparative capitalism. When considering world market integration, coevolution, and dependency relations, however, case-by-case or type-by-type analyses are insufficient. Exploring the diverse patterns of accumulation requires considering different spatial scopes such as territory, place, scale, the world economy, and most importantly the analysis of interrelations and tensions among different scales. Second, the peculiarities of accumulation can be understood regarding not only institutional but also geographical variability. Because the state intervenes in the economy through spatial arrangements as well as institutional arrangements
for maintaining capitalist accumulation, state spatial restructuring leads to a spatially varied character in capitalist formations.

In this respect, in addition to the state-capital relations, the interrelationships between the state, space and capital should be added to capitalist variety discussions. The production of more variegated spaces through state spatial configurations under capitalism relies upon a contradictory nature. Hence, for a comprehensive survey, a theory of capitalist variation should involve the production of space with its contradictory nature. The production of space, as pointed out by Lefebvre (1991), is arranged by the state's intervention according to the interests of capital, with contradictions between “the capacity to conceive of and treat space on a global (or worldwide) scale on the one hand, and its fragmentation by a multiplicity of procedures or processes” (p. 375), or in other words, a binary relationship between the fragmented character of space and the global space (the homogeneous character of space) (p. 355), and “the clash between a consumption of space which produces surplus value and one which produces only enjoyment” (p. 359), namely between capitalist utilizers and community users. With regard to Hudson (2001), the emphasis of such a contradiction is as such: there is a tension between the space that is defined "as a product of stretched out social relationships" and the place that is defined "as the condensation of intersecting social relationships in a specific time-space context" (p. 282). While the production of space is related to the imperative of keeping the commodity production process driven by profit-seeking capital in a capitalist society, people look for meaningful places that go beyond the profit-making concern in production spaces. In this process, profit-seeking activities create devalorized and destructed places. However, these places still retain their meaning for people in terms of social relations and living environment. Thusly, tension emerges between the people's search for meaningful places and capital's search for profitable places. As a result, Lefebvre (2009, p. 227) denoted that spatial restructuring occurs alongside collaboration or amid conflict between the activities of public authorities and private interests, resulting in the emergence of both a fragmented and homogenous space, a paradoxical space. The homogeneous character of space comes from considering space as exchangeable
and equivalent units to buy and sell it. The fragmented character of space arises from its sale in the form of parcels. These features are formed “both within the realm of the commodity, in which everything is equivalent, and within the realm of the State, in which everything is controlled” (p. 233). These two irreconcilable features of space, homogeneous and broken-up, come together through the governance of the state. The state both produces and controls the fragmentation (segregation, dispersion, localization) with interventions of varying intensity (Lefebvre, 1991). The state identifies the chains of equivalence for the sale of space as a commodity.

The production of space may create a vicious circle that feeds both the tax revenues of the state and the surplus value of capitalists, and in doing so produces another space, called ‘productive consumption’ by Lefebvre (1991, p. 374). However, Lefebvre (2009, p. 244) underlines that the state cannot ascribe a spatial cohesion to the different phases of capital accumulation (from the production of surplus value to its realization) due to the conflictual character of this process in relation to the divergent interests of industrial capital, commercial capital and financial capital. It only manages space to hinder the effects of the fragmented space that may entail a broken society. Eventually, Lefebvre remarks that the shape of capitalistic space is formed within the realm of commodity and the realm of the state, with the contradictions emerging from goals of the investors, speculators and the state.

David Harvey (2001, p. 25), another prominent name in discussions of spatial configuration, also focuses on the production of space and its contradictory nature. Capital builds a fixed space with physical infrastructures, houses, built environments consisting of factories and so on to eliminate spatial barriers and create liberty of movement; however, at a later point it then destroys this space in order to create new opportunities for accumulation in new spaces. The destruction of geographical landscapes for the creation of the new, the creative destruction of whole landscapes, and increased fragmentation become a major concern for the survival of capitalism (1996, p. 245). This creates a dilemma that arises from the fixity of spatial organization with the production of immovable
and expensive infrastructure projects. If capitalists seek more profitable locations, there can be place-specific devaluation of assets (1978, pp. 123–124; 1992, p. 232; 1994, p. 150). According to Harvey, this process leads to the production of more variegated spaces in which a new resource market forms and territorial division of labor develops under the logic of uneven capital investment.

As another important contributor to this discussion, Neil Brenner (2004, pp. 74–81) illuminates the relationship between the state and space by focusing on scale problem. He regards state spatial process not as a territorial container or platform, but as an arena that relies on constantly changing political strategies and socio-spatial interaction. State spatiality is seen through sociopolitical struggles and regulatory projects as a socially produced and changing process. Thusly, the spatial form of the state space is based on a polymorphic geographical form that cannot be reduced to fixed, unchanging territoriality. This means that state space in the narrow sense relies on internal territorial differentiation and internally diversified institutional forms. In the integral sense, it rests on spatial targeting - such as the acceleration of the circulation of capital, the maintenance of territorial cohesion, or the enhancement of particular locational assets - carried out through state institutions and geographically changing state interventions. In the context of all these discussions, it can be said that state spatial arrangements for the maintenance of the capitalist accumulation process create a variegated geographical space. Therefore, the analysis of capitalist variation requires the consideration not only of state-capital relations but also of the spatial restructuring and spatial dimension of state-capital relations.

In light of these considerations, this paper discusses the analysis of geographical scope in the varieties of capitalism approach (VoC) and the post-VoC approach and compares them with variegated capitalism approach’s discussion of capitalist variety. The paper is organized as follows: firstly, it gives a short review of spatial analysis of the VoC approach and then demonstrates its weakness in the elaboration of spatial dimensions. Secondly, in the face of criticism of the VoC approach, it discusses how the post-VoC generation has made advances in its analysis of geographical scope and presents deficiencies of this approach. It then
deals with the variegated capitalism approach in the last section and depicts how this approach reveals the shortcomings of the institutional approach by developing a multiscalar perspective, placing the space with its contradictory nature in variety debates, and involving uneven spatial development in the analysis of variation.

**Spatial Dimension in the Varieties of Capitalism Approach**

Comparative capitalism (CC) literature challenged the convergence thesis of globalization theorists based on the development of a single model of capitalism (liberal Anglo-American model) with theoretical and empirical evidence (Hay & Bailey, 2019, p. 2; Crouch, 2005, p. 26; Bruff & Ebenau, 2014, p. 5; Jackson & Deeg, 2006, p. 5). CC scholars questioned capitalist diversity by highlighting the national institutional configurations. Accordingly, CC research has dealt with the differences in the organization of national economies (Hall & Gingerich, 2009, p. 449), the comparative institutional advantage that shapes the strengths and weaknesses of economic activities, the impact of institutional variables on the collective supply of inputs (e.g., skills, capital) (Jackson & Deeg, 2006, p. 6), the modes of state intervention in organizing production, distribution and trade (Jessop, 2015, p. 73), and institutional complementarities among different spheres of the economy (Hall & Soskice, 2001, p. 18). Behind such inquiries lies the claim that the distinct institutional configurations of national economies determine their economic performances and advantages, and accordingly that ‘capitalism varies’ (Hay, 2020, p. 302). According to CC scholars, the divergences among national economies are tied to differences in their development paths.

The VoC approach developed by Peter Hall and David Soskice (2009, p. 27; 2001, p. 8) contributes to the discussion of comparative capitalisms through the consideration of the spatially varied character of advanced countries. In the analysis of geographical variability, VoC scholars deal with the national level as a fundamental analysis unit. In order to understand the national competitive strength of economies, they focus on institutional complementarities in two types of coordination mechanism, defined as market coordination (competitive
relations, competitive markets) and strategic coordination (cooperative relations, regulated markets; Hall & Gingerich, 2009, p. 452). According to VoC scholars, institutional complementarities in these coordination mechanisms generate diverse firm behaviors and investment patterns in the whole economy (Amable, 2003, p. 60; Hall & Gingerich, 2009, p. 453). On this basis, a particular combination of institutional forms (among labor markets, corporate governance, education and training) is explored, with the aim of finding key differences among national varieties of capitalism (Hall & Soskice, 2009, p. 24). Furthermore, in the VoC framework, the geographical scope of variation analysis only involves advanced capitalist countries, such as the United Kingdom, the United States, Germany, Japan and so on. They are grouped into liberal market economies (LMEs) and coordinated market economies (CMEs). As models of capitalism, it is assumed that these two ideal types can be adopted by other capitalist countries.

In this respect, it should be noted that VoC scholars deal with state-capital relations at the national scale with a presumption of a unified national-economic space. As a result of its analytical focus on methodological nationalism, the VoC framework has faced sharp criticism for not developing a deep understanding of the spatial dimension beyond the national scale, and for restricting the geographical scope to advanced capitalist countries. These criticisms will be discussed in the next section.

**Criticism of the VoC Approach in Spatial Analysis**

Although the VoC approach has contributed to the comparative capitalism discussions by analyzing the diversity of development patterns across capitalist countries contrary to the argument of globalization theorists of convergence upon a neoliberal Anglo-American model of capitalism, the spatial dimension of variation analysis has not been handled deeply in this framework. The weakness of this approach in spatial analysis can be examined in terms of four aspects: first, the neglect of internal diversity and multiscalar analysis (Peck & Theodore, 2007, p. 759; Ebner, 2015, p. 2; Peck, 2002); second, the adaptability of LME as a model of capitalism to other countries with the same results (Jessop, 2012, p. 231), third,
limitations in theorizing the geographies of neoliberalization and the neglect of uneven spatial development (Brenner et al., 2010, p. 191; Peck & Theodore, 2007, p. 762); and fourth, the neglect of emerging market economies (Feldmann, 2018, p. 29; Ebenau, 2015, p. 48; Nölke & Vliegenthart, 2009, p. 671; Gould et al., 2015, pp. 593–94; Peck & Theodore, 2007, p. 750).

In contemporary political-economic relations, firstly, the emergence of new complex connections among the local, regional and cross-boundary levels has revealed the inadequacy of the analysis of scalar spatial configurations at the national level in the VoC approach. Accordingly, the exploration of subnational diversity alongside national diversity and a multiscalar analysis are required to understand capitalist varieties (Ebner, 2015, p. 2; Peck & Theodore, 2007, pp. 758–759). A relational view of scale underlines that no “theoretically pregiven or historically fixed” (Peck, 2002, p. 337) scale exists for social and regulatory processes. For example, although the national scale in the Keynesian welfare state is presented for economic management and political struggles, this is not a historically determined scale. In this regard, one can say that particular scale fixes arise as a result of political constructions, social processes, and power relations. Thusly, a relational analysis of scale refers to considering the geographic, historical, and institutional contingencies such as the transformation of the national welfare state through rescaling, which leads to interscalar relations between local programs and transnational policies, or in other words, the simultaneous articulation of the global and local. Such a relational analysis of scale avoids “an absolutist and categorical approach in which political-economic functions are rigidly, exclusively, and unambiguously fixed at particular scales” (p. 332). Specifically, when considering the emphasis of economic geography as it relates to constructing spaces and scales with circuits of value (Peck & Theodore, 2007, p. 759), a multiscalar approach to changes becomes important for understanding spatial configurations under capitalism.

A second noteworthy criticism of the VoC approach’s spatial analysis is provided by Jessop (2012, p. 231): Liberal market economies (LMEs) cannot be analyzed as just one model of capitalism among others that might be extended across territories and scales with the same positive or negative results. Jessop underlined:
For example, not all economies can establish their national money as the world currency and run massive and growing trade deficits, not all national states can be military masters in a unipolar world, and so on. The dominant model cannot become universal. This is not just a matter of logical composibility. It also concerns discursive-material, spatio-temporal composibility, i.e., the substantive fit (or otherwise) among varieties of capitalism. This involves not only the economic competitiveness of a given form of capitalist organization but also the capacity of its political regime(s) to promote this form in and beyond its frontiers in relations among places, interscalar relations, and networks. (Jessop, 2012, p. 231)

Therefore, regarding market-disciplinary regulatory prototypes as being transferable, the extension of these prototypes “as a replication of Anglo-American models’ among other countries, displays this approach’s lack of critical attention to spatial configurations in variation analysis” (Brenner et al., 2010, pp. 188–189). This criticism of the VoC framework adopting LME as a model of capitalism elsewhere without considering the spatiotemporal composibility, hierarchy of states, and interscalar relations has brought the third criticism, which is based on its disregard of uneven spatial development and the effect of neoliberalization on the expansion of market relations.

In this regard, although the VoC approach regards neoliberalization as a national regime type that extends across places as a mimetic replication, neoliberalization transforms institutional structures. Contrary to the generalizations of neoliberal politics with a more-market and less-state conceptualization, these are related to variegated and uneven outcomes that do not entail a simple convergence among countries (Peck, 2004, p. 396). When evaluated in terms of criteria such things as labor market regulation, scale and scope of state intervention, and patterns of political resistance, neoliberalism indicates a variegated character (Peck & Tickell, 2002, p. 387). Brenner et al. (2010) emphasized that, contrary to the assumption of the VoC approach based on the preservation of institutional stability through regulatory restructuring, neoliberalization distorts national and subnational regulatory spaces by creating crisis, conflict, and resistance tempted by political movements and oppositional social forces and accordingly reshapes institutional order by leaving different impacts at different spatial scales (pp. 196–197). Therefore, as Brenner et al. have
stated, the neoliberal regulatory system is an interactional process between the inherited institutional landscapes and alien institutions that results in the creation of hybrid and spatially heterogeneous forms. Such a hybridized institutional landscape is reconfigured under a conflictual, contradictory, and spatially uneven process (pp. 188–191). Thusly, the equalization of neoliberalization processes worldwide is opposed, as “on a systemic level, neoliberalization processes are temporally discontinuous and spatially heterogeneous; and they produce (always mutating) macro-institutional frameworks that simultaneously intensify and exploit this constitutive spatiotemporal unevenness” (p. 208). In this respect, Brenner et al. emphasized that geoinstitutional differentiations are not interruptions or exceptions in the neoliberal process of deferring crisis tendencies. Entrepreneurial urban policies and regional policies are used to displace crisis pressures by attracting investments, but undermine territorial cohesion and fail to provide stable economic development. In short, under the “dynamics of institutional creative destruction,” neoliberal strategies lead to uneven development (p. 210).

At this point, one should note that not only the analysis of the institutional reconfiguration in all spatial scales but also its uneven development are also flaws in the VoC approach. Geoeconomic restructuring (i.e., the uneven reconstruction of regulatory formations in contrast to the homogenization or convergence of them across places, territories, and scales) lies at the center of variegation analysis (Brenner et al., 2010, p. 184). The capitalist system produces not only social class inequalities but also spatial inequalities in different places and at different scales. This is explained as uneven geographical development that alludes to “the circumstance that social, political, and economic processes under capitalism are not distributed uniformly or homogenously across the earth’s surface, but are always organized within distinct sociospatial configurations—such as urban agglomerations, regional clusters, rural zones, national territories, supra-national economic blocs, and so forth” (Brenner, 2004, pp. 12–13). Capitalist relations of production cause geographical differences and sociospatial polarization. Hence, neither LME as just one model of capitalism nor neoliberalism as just a national regime type can be extended with the same effects, because while investments
and socioeconomic assets concentrate within particular zones on one hand, other places and regions can be excluded or marginalized on the other (Brenner, 2019, p. 177). This polarization may facilitate the finding of new profit opportunities that arise from scale economies and other externalities for some individual capitalists. However, it may also destabilize national economies, because “peripheralized regional economies are constrained to adopt cost-based, defensive strategies of adjustment, leading to a premature downgrading of local infrastructures and to worsening life conditions for many local inhabitants” (p. 178). Therefore, as Jessop (2012, p. 231) has pointed out, although formal equality is present among national states, the reality behind this is the informal hierarchy of states based on the hierarchical structure of accumulation. The existence of a hierarchical structure and the uneven geo-economic restructuring under capitalism bring uneven spatial development analysis to the core of the discussions on capitalist varieties, in contrast to disregarding it.

A fourth major criticism of the VoC approach is how it neglects to involve emerging market economies in variation analysis. The VoC framework concentrates on Western market economies within a dichotomy between the LMEs and coordinated market economies (CMEs), which concerns its inadequate conceptualization of East-Central European, Asian (except Japan), Latin American, and Mediterranean countries (Feldmann, 2018, p. 7; Nölke & Vliegenthart, 2009, p. 671; Ebenau, 2015, p. 48; Gould et al., 2015, pp. 593–594). Regarding this kind of criticism, Feldmann has argued that considering the “many challenges, such as managing capital flows, attracting foreign investment, and finding a niche in the global division of labor that harnesses domestic capacities and institutions” in a global economy, the theorization of the diversity of capitalist systems requires studying interdependencies and interconnections between developed countries and developing countries beyond the analysis of the tradeoff between OECD countries (Feldmann, 2018, p. 29). In parallel to this approach, Nölke (2011, p. 2) has submitted that, when considering the interaction among transnational economic order (e.g., foreign direct investments, the changes between public and private governance) and national capitalist orders, as well as the influence of emerging national capitalist economies (e.g., China, India) regarding transnational
economic governance, the perception of this interaction cannot be restricted to the analysis of the Triad economies (i.e., USA, Japan, Western Europe). Hence, to surpass the VoC approach's narrow focus on the Triad economies and its strict dualism, the analysis should be broadened by including global production networks, transnational companies, and the interactions of the domestic bourgeoisie and unions with multinational corporations, as well as the relationship between domestic class struggles and transnational politics (Nölke & Vliegenthart, 2009, p. 673).

In light of these criticisms, the struggles to extend the geographical scope of application beyond the world of the Triad and develop new models of capitalism that consider dependency and hierarchical relations have emerged as second-generation comparative capitalism research (i.e., the post-VoC approach; Nölke, 2019, p. 2). Criticisms of the VoC framework have led to the development of new directions in comparative capitalism research that consider these interdependencies and broaden the geographical scope of variation analysis. The next section will focus on these debates under the heading of the post-VoC approach.

The Development of Geographical Analysis in the Post-VoC Approach

Contrary to the disregard for emerging market economies in VoC theory, the post-VoC approach provides a more comprehensive analysis of geographical scope. Recent advances in the theoretical framework have led to the inclusion of Latin America and East Asia in the capitalist variety debates (Ebner, 2015). The extension of the typology beyond the USA, Western European, and Japanese economies has been made in terms of different concerns. For example, Schneider’s (2013) approach, which is close to the insights from the VoC literature, submitted two new varieties of capitalism known as hierarchical market economies (HME) and networked market economies (NME) by focusing on the mechanisms of allocation that are markets, networks, hierarchy, and negotiation. Beyond LMEs and CMEs, he has labeled Latin American economies as hierarchical market economies in which economic decisions are maintained by multinational enterprises and business
groups through hierarchical relationships. For Schneider (pp. 5–7), this model can also be adapted to Turkey, South Africa, and Thailand. Schneider (p. 24) defined another typology as the networked market economy that relies on informal relations, such as "long-term, noncontractual, face-to-face interactions" in economic relations, with Japan being classified as a representative case of this typology.

As another example, emerging market economies are labeled under the dependent market economy (DME) type of capitalism in Nölke and Vliegenthart’s (2009) analysis of capitalist variegation. They argued that DMEs as a third basic variety rely on a hierarchical coordination mechanism in which institutional complementarities revolve around transnational enterprises. Accordingly, their dependency is revealed as a result of transnational corporations’ control over investment decisions. On the other hand, comparative advantages emerge from the combination of low labor costs and a skilled population: the transfer of technological innovations within transnational enterprises and the attraction of foreign direct investment. Due to the transfer of innovations from abroad, neither a CME-style system of vocational training nor an LME-type system of research and development expenditures exist in emerging market economies. On this basis, Nölke's and Vliegenthart asserted that, while these economies transfer innovations without the risk of intellectual property rights and thusly compete in global markets by specializing in the assembly of semi-standardized industrial goods (i.e., relatively complex and durable consumer goods), they remain under the dominion of transnational enterprises. Taken together, these authors argued that DMEs do not fit into CME or LME models due to the interdependence of national capitalism with global production networks (pp. 672–679).

Post-VoC approaches have also extended their analysis to the subnational diversity beyond national types (Ebner, 2015; Ebenau, 2015, p. 54). Such an analysis of regional varieties can be seen in Crouch’s (2005) work on local production systems, in the studies of Italy’s regional capitalism, and in the regionally differentiated pattern of development in Sweden. For example, Crouch (pp. 141–142) has contributed to the analysis of the subnational level in the exploration of governance mechanisms in California. Governance mechanisms are
defined as arrangements that create behavioral regularities for the maintenance of institutions and consist of formal and informal, public and private, and regulatory and normative mechanisms. Crouch pointed out how the changes in governance mechanisms can transform institutions due to the establishment of different regulations. In this regard, Crouch remarked that California depicts a hybrid form of governance in which markets are central and share governance with networks on one hand while the state provides the finances and knowledge base that makes it institutionally diverse on the other. Thus, the Californian example presents a regionally differentiated character. In short, the post-VoC approach offers a more in-depth analysis than the VoC theory in terms of the geographical scope of national diversity as well as its inclusion of regional diversity in the comparative capitalism debates.

Deficiencies of the Post-VoC Approach

The post-VoC line has deepened discussions on the types of capitalism through a more geographically inclusive approach to capitalist varieties. However, this approach has been criticized due to under-theorizing the variegation of capitalism on a global scale, especially in non-core regions where “class conflicts are much more open and produce frequent and deep-reaching institutional reconfigurations, and the processes ‘within’ any given social formation are often more or less openly overdetermined by ‘external’ structures” (Ebenau, 2015, p. 53). In this respect, the post-VoC approach has the same drawbacks as the VoC approach. In the post-VoC framework, the analysis of the national level in isolation has led to disregarding the inequalities in different territories that have emerged from dominant forces’ ability to shift the cost and crisis tendencies of capitalist accumulation to other regions on a global scale (Ebenau, 2015, p. 54). Hence, these critiques underline that inequalities on a global scale should be elaborated upon to reveal deeper causes, such as the reasons behind the inferior capacity of production of institutional fixes in non-core spaces.

Additionally, the analysis of regional varieties in the post-VoC approach has also been criticized. Ebner (2015) explained the limitations of this tradition in
relation to its lack of emphasis regarding the role of the state in the shaping and scalar production of regional varieties. He also underlined how a multiscalar perspective should also be inserted into regional variety analysis:

*The empirical observation of regional patterns of production, distribution and social integration should not result in a misled understanding of regional varieties of capitalism as relatively autonomous units of operation. Rather, it is analytically useful to keep in mind that regional varieties are components of a multilevel and multi-scalar structure of co-evolving actor constellations and strategic relationships. This implies that economic and other social processes of regional development feed back into other regional as well as national, transnational and supranational arenas of interaction. (Ebner, 2015, pp. 2–3)*

In this regard, Ebner drew attention to the variegated capitalism approach whose concern is scalar complexity as an analytical unit for overcoming methodological nationalism. The next section will examine this approach.

**The Variegated Capitalism Approach: Placing the Spatial Dimension with Its Contradictory Nature in Capitalist Variety Debates**

Comparative capitalism discussions have been deepened by involving the variegated capitalism approach from a critical perspective. Institutions that take place at the heart of VoC studies for analyzing capitalist diversity have been studied by placing them in a wider social relation with respect to the contradictions and power relations of capitalism in this approach.

Albo (2005, pp. 75–76) argued that, in order to analyze the variations of capitalism, the following issues should be considered. Firstly, new stratifications should be considered within the international division of labor that have emerged from the intensification of capital through the use of the new technologies that have changed the control strategies of the workplace and the length and intensity of the work day. Secondly, the spatial restructuring of capitalism should be considered, such as the expansion of international production networks into new zones and the movement of financial and retail services in core city regions. Thirdly, financial activities with the aspects of expansion of speculative capital and
of disciplining productive capital in the pursuit of profits should be considered. Fourthly, the internationalization of capital should be considered. Fifthly, the restructuring of the state in relation to political changes of deregulation, marketization, and privatization should be considered, as well as the structural changes in the role of agencies for economic matters (e.g., the increasing operational autonomy of central banks and regulatory institutions).

In addition, the institutional context of national capitalisms, the hierarchical relations in the world market, and the contradictory nature of capitalism are also important for understanding the differences in capitalism. In this regard, Gough (2014) remarked on the capitalist variety in terms of contradictions and provided an example in terms of the fixity and mobility of productive capital and money capital. While fixity can create productivity and innovation due to the development of trust and mutual knowledge for capital, mobility on the other hand enables movement from the territories with low profitability for capital. The flows of money capital and productive capital create uneven and combined development, as well as contradictions due to the different results arising from mobility and fixity. Another example is the contradiction that emerges from the interaction of production and reproduction within a place. Tension appears in the different roles of women as unpaid labor within the home and exploited labor within waged production. These gender relations lead to changes within spaces. As another example of contradictions in capitalism, the difference in industrial relations, which is the best-known example in the VoC literature for analyzing capitalist variations, is “founded on a contradiction in capital-labour relations in all times and places between the need for capitalist discipline to ensure surplus value extraction and the need for a certain degree of cooperation and initiative by labour” (pp. 199–200). This was and is implemented with different emphases in Britain and Germany. Thusly, as underlined by Gough, contradictions bring about empirical differences in capitalism specific to place and time.

In the light of these considerations, the term variegated capitalism that Jessop (2015, p. 77) developed refers to “the coexistence and composibility of ‘varieties of capitalism’ within a tendentially singular (but not necessarily unified, let alone
harmonious) world market." For Jessop, as the contradictions of capital become intensified at a global scale, examining capitalist development within national economies in isolation from their integration in the world market through the ideal types becomes more difficult.

Thus, the variegated capitalism approach focuses on the world market integrations, hierarchical ordering, dependency relations, and patterns of adhesion and exclusion, in contrast to comparative capitalism research’s focus on the international competitiveness or ability to reap benefits from global value chains (Jessop, 2015, p. 80). Jessop underlined how the changing complexities and interactions in the world market arising from the “changes in the organization of the space of flows” and “the internalization of economic spaces through the growing penetration (inward flows) and extraversion (outward flows),” as well as the emergence of the multinational companies and transnational banks, generate new forms of uneven development among different territories, scales, and networks, and also cross-border alliances “sometimes based on intergovernmental cooperation, sometimes on the pooling of sovereignty and sometimes on more or less hidden forms of imperial or neo-imperial domination” (p. 76). Accordingly, Jessop emphasized “an integrated and dynamic analysis of uneven development on a world scale” (2012, p. 227) by focusing on antagonisms, coevolution, complementarities, and interdependencies instead of analyzing each variety in isolation or clustering them separately (2014, p. 46).

This means that they cannot be accorded equal analytical weight as so many theoretically possible, empirically observable and more or less internally coherent, harmoniously functioning individual instances of capitalism. Rather, varieties of capitalism should be studied in terms of their asymmetrical, differential integration into an evolving world market that sets limits to compossible combinations and implies that some ‘varieties’ are more equal than others, that is, cause more problems (or create more ‘disharmonies’) for other varieties than they can cause for it. (Jessop, 2015, pp. 76–77)

In this regard, the term compossibility emerges as an important issue of variegated capitalism. Jessop examined the compossibility among different varieties of capitalism and questioned the extent to which coexistence among them occurs in the same economic space, as well as the influence their coexistence...
has on their individual and collective economic performance (Jessop, 2012, p. 227; 2014, p. 54). Jessop defined the Eurozone as a latent incompossibility and the relationship between China and the United States as a dysfunctional interdependence (2015, p. 77). He stressed the tensions in these relations and the tendency toward structural crisis and viewed the coexistence of these economies as a pathological compossible system.

Regarding this issue, another principle of variegated capitalism is the ecological dominance that concerns “the relative weights of different varieties” (e.g., global dominance of the liberal market model), and “the uneven impact of different circuits of capital” (e.g. the ecological dominance of financial capital; Jessop, 2014, p. 54). This principle deals with how each variety creates problems for the other as a result of “the clash of specific economic and political strategies” and the use of violence and market rigging, rather than explaining the causes as a result of mechanical outcomes of market forces (Jessop, 2015, p. 78; 2014, p. 54). Overall, Jessop viewed these terms (i.e., variegation, compossibility, ecological dominance) as fractal phenomena emerging and interacting at many scales and also regarded the world market as the ultimate scope of accumulation (Jessop, 2015, p. 55). The variegated capitalism approach considers the diverse pattern of capital accumulation in a differential scope (territory, network, place, and scale, with the world economy as the ultimate scope) and underlines the weakness of analyses made on a case-by-case or type-by-type basis when considering the world market integration, coevolution, and dependency relations.

A Comparison Between the Varieties of Capitalism Approach and the Variegated Capitalism Approach Regarding the Analysis of Space

How the variegated capitalism approach incorporates space into its analysis will be discussed further in comparison with the VoC approach. First of all, contrary to the capitalist varieties literature's emphasis on the national scale, the variegated capitalism approach focuses on multiple scales, explores the causes and consequences of spatial differentiation (Peck & Theodore, 2007, p. 759), and remarks how “the spaces and scales are constructed by circuits of value” (Brenner,
Taking the national scale as a predominant focal point for state policies and political-economic analyses has been questioned since the 1980s. These inquiries have entailed the development of new theoretical approaches for analyzing state space. In these analyses integrating spatial considerations into social theory, approaching space as a social construct rather than as a static platform, surveying the restructuring of state spatiality after the crisis of Keynesianism, and dealing with the revival of urban and regional scales, new types of strategies at subnational scales and multi-scalar networks have become the prominent research agendas (Brenner et al., 2003, pp. 3–4). Scholars contributing to the political economy of scale have called attention to the supranational and subnational level in addition to the national level and focused on state restructuring and struggles at the new scales.

However, the rescaling of the national state in the neoliberal era has aroused globalization and localization narratives in which “the global scale is naturalized as a domain effectively beyond regulation” on one hand and “local governance systems are overburdened with the risks, costs, responsibilities, and expectations of social welfare and economic competitiveness” (Peck, 2002, p. 335) on the other. In this respect, a bipolar rescaling of economic intervention into the entrepreneurialized cities and regions at the subnational level, and upward to the international agencies at the supranational level has occurred (p. 339). Rather than develop a bipolar perspective between global and local or give priority to a given spatial scale, Swyngedouw (1997, p. 144) argued:

*The role, importance, and position of each geographical scale results from the dynamics of sociospatial transformations. The role of particular geographical scales, their articulation and interpenetration, has to be theorized (and political mobilization has to proceed on this basis as well) and reconstructed as the result of the dynamics of sociospatial relations.*

Swyngedouw (1997, pp. 140–142) opposed starting the analysis with such pregiven scales as global or local, instead contending that geographical change should be understood as a sociospatial process in which social conflicts and struggles transform the role and importance of geographical scales and may create new scales. Accordingly, he comprehended scale as a product of the
conflictual and contested sociospatial process that involves power relations rather than their being socially and politically neutral and also viewed scale as a restructured geographical configuration regarding its content and interrelations rather than being fixed. Therefore, to avoid a binary analysis between the global (which is regarded as mobile) and the local (which is regarded as immobile) in orthodox analysis, the connections among them should be considered. In this regard and as explained previously, the variegated capitalism approach emphasizes a relational analysis of scale. This means that, rather than a separate examination of the local, national, and global scales, focusing on the hybridization of scale and the asymmetrical interscalar connectivity enables a more comprehensive analytical framework (Peck, 2002, p. 336).

In this context, the term state space is used to indicate the rescaling of state spatiality, the changing forms of state interventions, and the sociospatial regulations at different scales rather than the analysis of state spatiality as a static container. This is examined in terms of three dimensions: firstly, state space in the narrow sense denotes the “state's distinctive form of spatiality… [namely, the] juridico-political institutions and regulatory capacities grounded in the territorialization of political power” (Brenner et al., 2003, pp. 6–7). This dimension also underlines the changing structure of state territorial organization and the evolving aspect of territorial borders within the inter-state system of the modern period. Secondly, state space in the integral sense represents the changing aspect of state spatial strategies and regulations, namely place-specific and scale-specific state interventions for adapting to the changes in capital accumulation. Thirdly, state space in the representational sense signifies spatial imaginaries that are based on power-knowledge relations for the production and rearticulation of state space. Thus, besides the material-institutional practices of state spatial configurations, representational and discursive strategies that promote particular interests in the realm of sociopolitical struggle have key roles in the construction and transformation of state space (pp. 10–11). In this respect and as pointed out by Peck (2002, p. 332), rescaling involves a transformation in the institutional structure, power relations, and parameters of political agency.
Meanwhile, Gough (2004) remarked on how the relation of rescalings and changes in scalar strategies with the fundamental contradictions of spatial accumulation. At an abstract level, these contradictions can range from contradictory relations between the productive capital and labor power in certain territories to contradictions related to the scope of state intervention, contradictions between specialization of territories and equalization of factor costs and final prices, or tensions arising from a state’s response to the demands of individual capitals and capital as a whole. These contradictions entail a scalar instability of regulation and contested politics, which also brings about instabilities in class relations and accumulation. Therefore, economic actors tend to jump scales to overcome the accumulation problems these contradictions cause (pp. 203–204). For instance, labor organizers build territorial alliances or make alliances with lower-scale movements to enlarge a particular scale, or capitalists desire to control greater spaces for their operations and to struggle with other capitalists and labor. Thusly, scale is a geographical configuration in which a struggle exists for control, domination, competition, and cooperation (Swyngedouw, 1997, p. 145). In Neil Smith’s words, the production of geographical scales can be viewed as a political process in which cooperation and competition among social forces move towards spatial resolution:

*Geographical scale is socially produced as simultaneously a platform and container of certain kinds of social activity. Far from neutral and fixed, therefore, geographical scales are the product of economic, political and social activities and relationships; as such they are as changeable as those relationships themselves. At the very least, different kinds of society produce different kinds of geographical scale for containing and enabling particular forms of social interaction.* (Smith, 2003, p. 228)

The reorganization of social interaction leads to the discontinuation of the given scale and gives rise to the *jumping scale*. In this respect, shifts in scale should be considered shifts in class relations, because class agents intervene in territorial arrangements with different abilities to command different scales and territories (Gough, 2004, p. 189). Thusly, scale changes, class struggles, and contradictions should be grasped from an interrelated perspective to avoid a static analysis.

Overall, in contrast to the focus on a national scale in varieties school of thought, the variegated capitalism approach pays attention to multiscalarity,
explores the reconstruction of institutional landscapes at multiple spatial scales, and focuses on the social constitution and relativization of scale (Peck & Theodore, 2007, p.763). As Jessop (2014, p. 49; 2012, pp. 226–227) demonstrated, while VoC analyses local, regional, and national models as competitors on the same scale, variegated capitalism indicates their interrelations by examining the complementarities and tensions between models in a singular world market.

In addition, the lack of institutional theories regarding the uneven development of capitalism in the VoC approach is problematized in the variegated capitalism approach (Peck & Theodore, 2007, p. 764). Spatial inequalities as well as social inequalities are intrinsic to the capitalist economy, which creates uneven development in which divergent sociospatial configurations arise in the forms of different institutional, infrastructural regulation and developmental paths (Brenner, 2019, p. 177). The ongoing endeavor for a favorable position in the geographic division of labor based on the search for new markets, cheap labor, and new cheaper raw materials entail inequalities that result in geographically uneven development. As the division of labor is reconstituted, the tension between the local and global increases (Cox, 2002, pp. 260–261). Thus, the pattern of uneven geographical development is built on a contradictory process in which the forces of intercapitalist competition tend to equalize capitalist investments by following similar profit-making strategies across different spaces on one hand while tending to create geographical differentiation by seeking specific spatial features for competitive advantages on the other (Brenner, 2004, p. 13; 2019, pp. 177–178). As Brenner remarked, a variegated landscape of capitalism and sociospatial polarization arise both vertically at all scales (local, regional, national, global) and horizontally across places, territories, and regions under these conflictual tendencies between equalization and differentiation.

**Conclusion**

This paper has focused on the discussion of capitalist diversity approaches to understand the peculiarities of accumulation by drawing on the spatial dimension of capitalist variety discussions. By giving an overview of these alternative perspectives, attention has been paid to the variegated capitalism approach due to its coherent
analysis of spatial restructuring in capitalist development. This approach is an attempt to build an analysis that explains different patterns of capital relations through a multiscalar analysis by considering the contradictions and conflicts inherent in capitalism. The VoC approach examines geographical variability only by relying on a national scale, without considering the complex connections among scales. Because it ignores the world hierarchy in capitalist relations of production, uneven spatial development is also excluded from the variation analysis in the VoC framework. However, the development of spatially uneven and contradictory processes has been particularly accelerated during neoliberalization. This has created more variegated outcomes and spatially heterogeneous forms contrary to the ideal types of the VoC analysis. On the other hand, as neo-liberalization has remolded the institutional order, VoC scholars’ assumption of institutional stability has been undermined, with geoinstitutional variations having become clearer. In this context, the variegated capitalism approach provides a more analytic framework by focusing on a relational analysis of scale in which rescaling is investigated in relation to state spatiality, the different forms of state interventions, and the changes in institutional structure.

Overall, the variegated capitalism approach offers a significant departure from the VoC and post-VoC generation. Variegated capitalism analyzes variations in terms of the internationalization of capital, which has led to spatial restructuring, restructuring of the state, new hierarchical relations, and new stratifications within the international division of labor in the world market. Jessop, as discussed throughout the article, provided a particularly distinct contribution to this approach by including conceptual tools for analyzing capitalist variation. According to Jessop, the connections among the accumulation strategies, state projects, and strategic capacities of actors entail diverse forms of capital relations at various spatial scales, with importance being had in considering world market integrations through antagonisms, hierarchical relations, interdependencies, and complementarities conceptualized as *compossibility* when analyzing the variegated landscape of capitalism. To identify the problems created by each variety, Jessop also considered the relative weight of varieties and the uneven outcomes of different circuits of capital, which Jessop conceptualized as *ecological dominance*. Given the interactions among scales, networks and territories, he has concluded a type-by-type analysis to be impossible.
The Importance of Space in Comparative Capitalism Analyses: A Comparison of Varieties of Capitalism and...


