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EXPORTING THE AMERICAN MODEL –

HISTORICAL ROOTS OF GLOBALIZATION

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The late 1990s was a period of Panglossian optimism. The world, we were told, was getting smaller, increasingly seamless and it all had to do with 'globalization' (Ohmae 1994, Held et al. 1999, Giddens 1999, Friedman1999). From this perspective, the movement seemed to lead inexorably to the worldwide convergence of economic, technological and institutional conditions, fostering in the process a homogenization of organizational recipes and national systems of economic organization. This process was seen to be significantly accelerated, if not driven, by the internet revolution.

There was evidence, however, already during those years of high growth, that this was an overly optimistic vision rather than a reality in march. Whole regions or continents were entirely excluded from the global world economy (Sachs 2000). In those countries that were part of it, the divide was increasing between institutions, organizations and social groups that welcomed and benefited from a global economy and those that dreaded, resented and resisted it. Furthermore, there were clear signs that important differences persisted between national systems of economic organization, including within the small circle of countries that were at the core of the global economic game. In spite of global pressures, national recipes for organizing the economy were apparently quite resilient (Hollingsworth and Boyer 1997, Whitley 1999, European Business Forum 2000a, European Business Forum 2000b).

There has been little overlap between the prophets of a global world economy and those who point to the long-term persistence of 'national variants' of capitalism (Albert 1993). The tendency has been to either account for convergence beyond national boundaries or document significant and resilient differences across countries. While those two approaches differ on many grounds, their common weakness is that each provides only a partial picture of our economic world and its evolution after 1945. In contrast, this paper starts from the observation that both trends characterize at the very same time the post Second World War period. A key puzzle is the fact that differences between national systems of economic organization have persisted while similarities were undeniably increasing. The challenge is to propose an account that can make sense of the coexistence of these two apparently contradictory trends and of their lasting interplay throughout the second part of the twentieth century. This requires, on the one hand, a deconstruction of globalization – both in terms of historical origins and mechanisms. It also calls for a systematic focus at the point of articulation between 'global pressures' and national legacies.

After briefly reviewing the existing literature and its shortcomings, we define 'national systems of economic organization' and operationalize our dependent variable, documenting the coexistence, after 1945, of the double trend identified above. Building on detailed historical studies of three countries – France, Germany and Italy – and on their systematic comparison (Djelic 1998), we then put forward the following story. The current episode of globalization finds its historical roots in the attempted process of Americanization that marked the years following the end of the Second World War. Starting in those years, the American system of economic organization – which had itself emerged earlier in peculiar and unique conditions – was constructed as a universal model for the Western world. The large-scale and systematic attempt to transfer this one and single model accounts in the end for the increasing similarities that can be documented across national systems of economic organization in the second half of the twentieth century. A key driving force behind the attempt at cross-national transfer was, at least throughout the early period, a multinational network of ‘modernizers’ working with or around the Marshall Plan administration. The attempted transfer did not take place in a vacuum, though, and it turned out as a consequence to be more or less successful in each country. To a significant extent, differences in the degree to which national peculiarities have persisted reflect the strength of incumbent rules and institutional legacies in a particular country, the effectiveness of channels of transfer and the level of resistance nationally.

Beyond global convergence and national paths – theorizing the interplay

The literature on national systems of economic organization is by now rich and varied. There have been two major preoccupations, each in practice often exclusive of the other. The first has been with convergence and increasing similarities across national borders, particularly throughout the twentieth century. The other has been with the unique character and long-term resilience of national models.

Pointing to economic and technological drivers, evolutionary arguments emphasize convergence (Chandler 1962, 1977, 1990, Williamson 1975, 1985). The logic of change, in those arguments, is neutral and universal. It has to do with the ‘laws of the market’, with ‘technological progress’ or with ‘transaction costs’. The defining claim of evolutionary arguments is that under those unavoidable pressures, national systems of economic organization are bound to evolve quite significantly. They move ultimately towards a common – most efficient – set of institutional and organizational arrangements.

Another research tradition also focuses on convergence, explaining it, though, from quite a different perspective. For neo-institutionalists in the ‘phenomenological tradition’ (Djelic 1999) structural convergence is driven by increasingly homogeneous institutional environments the world over (Scott, Meyer et al. 1994). Human life is structured by sets of cultural rules and norms. The latter have had a tendency, particularly throughout the second part of the twentieth century, to become more and more similar across national boundaries – rationalization describing the overall evolution. In this research tradition, national economies and their constituent parts are defined as emergent social constructions embedded in larger institutional environments understood as sets of cultural rules and norms. Homogenization of institutional environments across national boundaries logically drives worldwide isomorphism in structural arrangements and behavioral scripts, including – but not only – in the economic and business realm.

While there are important differences between evolutionary arguments and 'phenomenological' neo-institutionalism, some of the conclusions are shared. In both cases, systems of economic organization evolve in response to inescapable demands stemming from the environment – whether understood in its economic and technological dimension or as a set of cultural rules. Transformations at the national level are understood to take place along a predetermined trend or continuum, implying parallel convergence towards a unique – and in the case of evolutionary arguments, superior – set of structural arrangements. Both evolutionary arguments and 'phenomenological' neo-institutionalism tend to see differences across countries as temporary. They tend to explain away remaining national specificities by the particular stage of evolution of a given country or by unduly strong obstacles on the evolutionary path. Ultimately, those are likely to fade. Altogether, evolutionary arguments and 'phenomenological' neo-institutionalism can help us account for increasing similarities between national systems of economic organization. However, their common determinist and quasi-functionalist nature means that they have a tendency to remain blind to timing, historical embeddedness, actors and resistance. They do not allow us to understand the long-term resilience of differences and the stubborn multiplicity of national systems of economic organization.

In striking contrast to the preoccupation with convergence and isomorphism, research on national variants of capitalism highlights resilient differences. The double objective in that research tradition has been to account for the peculiarities of any given national system of economic organization and to explain the long-term persistence of structural differences across national boundaries. A common argument emerges where systems of economic organization are described as embedded in unique institutional environments, historically structured, at least in their modern form, at the national level. Overall, and as a consequence, we propose to label that tradition ‘historical neo-institutionalism’ (Djelic 1999). There are two slightly different understandings, though, of the nature of institutional environments that coexist under this broad label. One is cultural (Dobbin 1994, D’Iribarne 1989). The other is more structural (Fligstein 1990, Campbell, Hollingsworth and Lindberg eds. 1991, Hollingsworth and Boyer 1997, Whitley 1999).

The proponents of a cultural understanding point to national cultures as socially constructed belief and rule systems embodied in a set of basic practices. Historically, the argument goes, different sets of beliefs have been stabilized and institutionalized at the level of each nation, creating the context for different logics of action and multiple ‘rationalities’. Ultimately, national systems of economic organization are shaped by those stable and long-standing rules (Dobbin 1994, D’Iribarne 1989). The structural perspective underscores on the other hand the importance of states and political institutions as key elements of the constraining institutional framework (Evans, Rueschmeyer and Skocpol 1985, Fligstein 1990, Campbell *et al*. 1991, Hollingsworth and Boyer 1997, Whitley 1999). Early patterns of state building and political choices at key turning points become structural constraints that channel individual action and significantly limit the possibility for change. Those structural institutional legacies create path dependencies at the national level, which national systems of economic organization tend to reflect.

Beyond differences between the cultural and structural perspectives, all arguments in the ‘historical neo-institutionalist’ tradition tend to share a common weakness. By restricting the embedding environment to its national dimension, they forget or disregard cross-national isomorphic pressures, which as a matter of fact are working their way in the real world despite or around local peculiarities. Tracing differences across national borders to country specific constraints, those accounts fail to consider the geopolitical environment as a potential source and engine of change and transformation.

In the end it seems that there is room for theoretical cross-breeding. If we are going to account for the paradoxical interplay between increasing worldwide isomorphism and national path dependencies – and not merely for one trend or the other

– then we need a framework that allows us to focus on both trends at the same time. We will show below how a combination of phenomenological neo-institutionalism with historical neo-institutionalism of the structural kind make it possible to go quite a way in that direction.

National systems of economic organization – definitions and methods

A system of economic organization is defined here as a particular constellation of rules and structures that shapes economic activity. Historically, and in the age of the nation-state, these constellations have tended to be defined by national states (Weiss 1988, Dobbin 1994, Whitley 1999). Since those national states have been characterized by varying levels of autonomy and infrastructural power (Mann 1986), there is bound to be, in some cases, a degree of decoupling between the dominant national system of economic organization and the particular functioning of any given region or industry. The discussion that follows will tend to neglect decoupling and internal variation, remaining for the sake of simplicity at the national aggregate or ideal type level. Our question can thus be reformulated in the following way. How can we explain that quite distinct national ideal types have persisted throughout the second part of the twentieth century in spite of increasing similarities between national systems of economic organization?

Although exact definitions differ slightly, the concept of 'national system of economic organization' proposed here is compatible with Chandler's 'forms of capitalism', Whitley's 'business systems' and Piore and Sabel's 'industrial divides' (Chandler 1990, Whitley 1999, Piore and Sabel 1984). We picture a national system of economic organization as having six constitutive dimensions. As illustrated in figure 1, the productive entity dimension represents the central one into which the other five feed.

- Figure 1 about here -

This paper focuses on the productive entity dimension, reducing in a somewhat schematic but nevertheless expedient way, national systems of economic organization to their centrally constitutive dimension.

The productive entity dimension covers both the nature of firms and the nature of their interactions. As shown in table 1, the nature of firms is operationalized through size, ownership and internal (or organizational) structure. The dominant structure and logic of markets is used as a proxy for firm interaction.

- Table 1 about here –

The productive entity dimension varies in some or all four elements from country to country. Regular patterns can be identified throughout history, though, pointing to a typology of systems of economic organization or forms of capitalism. In this typology, presented in table 2, family and organized capitalisms are two variants of the same type, dominant in Western Europe until the Second World War. Corporate capitalism, on the other hand, is a radically different type, emerging in the United States at the turn of the twentieth century.

- Table 2 about here –

In the post Second World War period, the transformation – when it took place – of national systems of economic organization was generally towards the structural model originally pioneered by the United States and labeled here corporate capitalism. This is documented below for productive entities, by looking at evolution on all four elements – size, ownership, organizational structure and logic of markets – in three Western European countries, France, West Germany and Italy. The choice of countries was oriented by methodological requirements. Considering the nature of the research question, comparative historical analysis appeared to be the most appropriate methodological framework (Skocpol 1979, Djelic 1998). Combining detailed case studies with systematic comparison, it could handle at the same time both regularities across cases and national specificities. The choice of cases, though, is key for this methodological framework to work. Comparison becomes a real tool of analysis if selected cases allow for both the 'method of agreement' – positive comparison – and the 'method of difference' – negative comparison (Mill 1843, Skocpol 1979, Djelic 1998). France and Germany were selected here as positive cases, where outcomes proved sufficiently similar and systems of economic organization have tended to evolve towards the American model, although in a somewhat different context. Italy was included as a negative case, where the national system of industrial production appeared comparatively much less affected by isomorphic trends.

Size

In a number of Western European countries, the number and role of large firms increased quite significantly during the two decades that followed the end of the war (Cassis 1997). As shown in figure 2, the twenty years following the end of the Second World War have been characterized in West Germany or in France by rapid and radical changes in the size structure of productive entities. Over those twenty years, West German and French firms became increasingly similar to their American counterparts at least as far as size and physical boundaries were concerned. The relative stability of Italian productive entities with respect to their size, also documented in figure 2, appears in contrast all the more striking. Small units retained in that country a predominant role throughout the period.

- Figure 2 about here –

Ownership structures

Together with variation in the size of productive entities and in the physical boundaries of firms came an evolution of their legal identities and of ownership structures. From 1950 to 1970, ownership structures characterized by a dispersion of ownership and limited liability – defining elements of the corporate structure – became increasingly popular in France and in West Germany as figure 3 underscores. In both countries, the widespread adoption of corporate ownership structures came with a sharp decrease in the total number of sole proprietorships. In the meantime, in Italy, the number of firms adopting corporate structures also increased but to a less significant extent while the overall number of sole proprietorships remained relatively stable.[1] There were, on the other hand, national specificities with respect to the types of corporate ownership structures adopted in each country. In France and in Italy, the preference went to joint stock companies. In West Germany, limited liability companies and limited partnerships were clearly favored over the public joint stock corporation.[2]

- figure 3 about here –

Organizational Structures

The postwar period also witnessed the adoption of new modes of internal organization in Western European firms. The multidivisional firm, in particular, pioneered in the 1920s by a couple of American corporations, spread at a quick pace amongst large French and West German firms, starting in the 1950s. The multidivisional structure, or M-form, was characterized by decentralization and a rational reorganization of the firm's activities along product lines. A general office was in charge of coordination and long-range planning (Drucker 1946, Chandler 1962, Sloan 1963). Figure 4 below shows that the multidivisional structure was unknown in Europe in 1950. Twenty years later, around 40% of the largest French and German-owned manufacturing concerns had adopted the M-form. Large Italian firms, on the other hand, were clearly more reluctant and by 1970 a mere 25% of the largest Italian firms had settled for the M-form. Still, over half of this same sample had already chosen diversification as a strategy by 1950. The slow adoption of the M-form in Italy thus cannot be accounted for, as traditional arguments would have it, only by a failure to diversify.[3]

- Figure 4 about here –

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[1] In fact, amongst Italian manufacturing firms employing over 50 people, 1,249 were sole proprietorships in 1951 and 1,781 in 1971. In France, this number had gone down from 1,408 in 1954 to 901 in 1966.

[2] INSEE (1956,1974), Istituto Centrale di Statistica (1955, 1976), Statistisches Bundesamt (1953, 1973).

[3] Chandler (1962). Neither could Italian reluctance to the M-form be explained by peculiarities of the environment. Indeed, most foreign-owned subsidiaries in Italy (33 out of 39) had adopted the form by 1970.

Logic of markets

While the nature of interfirm relations did also undergo changes in the postwar period, particularly in France and in West Germany, measuring precisely such an evolution is more difficult. The size of West German and French industrial legal entities increased significantly over the period, which can be taken as a fairly good indication that ‘hierarchies’ were in the process of being created on a large scale in those two countries. Those new large firms, or ‘hierarchies’, often the product of mergers and acquisitions, internalized a number of formerly interunit relationships thus redefining in the process the market logic in some sectors of the economy. This was not so much the case in Italy, naturally, where small or medium-sized family-owned firms remained predominant.[4]

While industrial concentration was increasing both in France and in West Germany, legislative bodies were in the meantime crafting and adopting acts outlawing cartels and most forms of loose agreements. Organized markets thus became illegal in most industrial sectors. Due in part to American pressure, the American antitrust tradition was being transferred and ‘translated’ in France, West Germany and in the emerging European economic space (Djelic 1998, Djelic and Bensedrine 2000). While exact figures on cartels and loose agreements are not available for the period, the new legislation undeniably deterred informal organization of markets. It also stimulated the redefinition of many French and West German industrial sectors into competitive oligopolies, following the model pioneered by American industry (Dyas and Thanheiser 1976, Berghahn 1986, Djelic 1998).

France, Germany and Italy – learning from history and comparison

Until the end of the Second World War, French, German and Italian capitalisms all ranged somewhere between family and organized types (Chandler 1990, Cassis 1997, Djelic 1998). Altogether, they were much more similar to each other than to the corporate

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[4] Both in France and in West Germany, the total number of industrial units was stable over the period at around 600,000. Some very small firms (less than 10 employees) disappeared but they were replaced, for the most part, by

and managerial model that was then being institutionalized in the United States. On the whole, structural features proved quite stable during that period in Europe and if there was at all an evolution, it was undeniably towards increasingly organized markets and structured forms of interfirm cooperation (Djelic, Koza and Lewin 2000). During those years, Europeans tended to observe with disbelief and concern rather than enthusiasm the corporate and managerial revolution that was transforming the economy and the society in the United States (Duhamel 1930, Siegfried 1927, Djelic 1998).

The figures presented above show two things, however. First that this apparently started to change after 1945. From that point on, the evidence is there of an evolution in Western Europe of national systems of economic organization. And the common direction of that evolution was clearly towards the corporate and managerial model pioneered by the United States. Second, the figures also show that the extent of the transformation and its impact were clearly not the same in all Western European countries. The challenge is thus two-pronged. We need to understand what happened in the post Second World War period to bring about the disruption of a long-standing relative equilibrium. We also need to understand what explains national differences. We rely for that on historical case studies, a summary of which is presented below.[5]

France

Formally, France was one of the winners of the Second World War and as such was granted a seat on the United Nations Security Council. In reality, France emerged from the war a weak, divided and humiliated nation.

The men who came to power in 1945 had been the leaders, during the war, of the French *Resistance*. This partly underground, partly exiled movement had fought not only the Germans but also the official French regime, the Vichy government of Marshall Petain. The sense of national crisis was particularly acute in this group. The dominant

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small or medium-sized entities (between 10 and 500). Statistisches Bundesamt (1953, 1954, 1973, 1974), INSEE (1956, 1974), Istituto Centrale di Statistica (1955, 1976).

[5] For the full and detailed versions of these national case studies, see Djelic (1996) and Djelic (1998).

analysis was that both the military defeat and political shame of the war period could be traced to prewar political, social but also economic arrangements (Michel and Mirkine-Guetzevitch 1954). Members of the resistance coalition argued that the French economy had not been equal, before the war, to the historical prestige of the nation and had not served its ambitions. They claimed that it had been characterized by backwardness and *malthusianism* – a systematic and organized policy of limiting productive capacities in order to keep the balance in favor of producers. Both backwardness and *malthusianism* were themselves seen as the consequences of rigid structures and of a conservative attitude on the part of business communities. Despite ideological differences, members of the resistance coalition agreed on one thing. There was a need for a radical break away from this past (Michel and Mirkine-Guetzevitch 1954, de Gaulle 1964, Monnet 1976, Bloch-Laine and Bouvier 1986).

A clean slate entailed a radical questioning of prewar economic structures and their 'modernization' – if only as a means to regaining 'Great Power' status (de Gaulle 1964). There was disagreement, though, on what 'economic modernization' should mean. In a world that emerged as bi-polar, there were two models of 'Great Power' – the Soviet and the American. Since the French coalition brought together communists, socialists and more conservative Gaullists, debates were heated. French hesitation only lasted, though, until the geopolitical show-down of 1947. Truman's Cold War speech in March and General Marshall's generous June plan both significantly contributed to bringing about a watertight division of the world. In that context, France chose its side and communist ministers were expelled from the government. By the end of 1947, France had been thrust into and solidly anchored within the Western camp. Its economic and geopolitical dependence on the USA had increased significantly and it had lost most of its bargaining power. All these conditions combined, in the end, to make the American economy and system of economic organization the only available and acceptable model for the modernization of French structures.

It would take a small group of men to turn availability and likelihood into process. In France, a 'modernizing' network took over or created in those early postwar years key institutions at the border between state and economy and at the point of articulation of

Franco-American relationships. For the most part those men originated from the public sphere if they were not civil servants. Planning and preparing the large-scale transformation of national economic, industrial and even social structures, French modernizers looked towards the United States for models they could borrow. They worked in close synergy with a small group of Americans, soon spinning a dense cross-national web. The group of progressive American businessmen, civil servants and economists with whom they collaborated had been closely involved in the American war effort. Losing some leverage on the national scene after the end of the war, this group turned to foreign affairs and took over in particular the Marshall plan machinery – the Economic Cooperation Administration (ECA). Members of this cross-national network had compatible objectives and they shared a common ideology, a mixture of Keynesianism, productivism and fordism. They also came to be institutionally contiguous, in particular through the French planning council and the ECA Mission in Paris, thus increasing the likelihood of collaboration. Jean Monnet was the cornerstone of this Franco-American network.

While American support proved significant and instrumental, French initiative was ultimately the main driver. The French modernizing group spontaneously took upon itself the task of transfering the American structural model to the national economic scene. Working from key positions of institutional power, this small group elaborated and operated, on its own initiative, a set of mechanisms that were to bring about radical transformations within the French economy. The infrastructural power of the French state after World War II made it possible for this small group to have a significant impact over the national economy (Cohen 1969, Kuisel 1981). French modernizers had the necessary means and tools to implement their ambitious project – from nationalized industries, a central but flexible planning system, a centralized system of credit and relays in all key decision making centers. In the end, though, theirs was not an easy task and they sometimes encountered significant resistance. In some cases, they had to turn to their American friends, who helped them by playing ‘bad cop’. The French planning council more than once pushed its own projects for France – generally highly compatible with American objectives – by asking the ECA to threaten to block or delay the release of Marshall funds (Djelic 1998).

At the same time that the French modernizing network was a key transmission belt for American models in that period, it was also an intervening variable. It played a part as such in the reinterpretation and translation of the foreign model, while privileging some dimensions over others. Thus, together with transfer came editing and diffraction. French modernizers reinterpreted the American corporation as the state-owned 'national champion'. In the 'American model', they picked and chose mergers, large-size and mass-production techniques. Highly distrusful of French business communities, they rejected – for the time being – private or public ownership, favoring instead the control of a new breed of civil servants (Kuisel 1981, Kesler 1985). Other elements of the original model were also paid scant attention, at least in relative terms – smooth industrial relations for example or strict antitrust legislation.

While involved in reshaping national structures, the French team also turned out to be a driving force in the process of construction of a West European economic space. Defining new rules of competition and market regulation at the European level, this economic space was to have an impact ultimately, through trickle down types of processes, on national systems of economic organization. Once again, the models were American and the vision was that of a peaceful and united, mass-producing and mass-consuming European continent – the 'United States' of Europe (Djelic 2000). In the medium to long term, the European economic space was expected to work through an in-depth redefinition of the rules of the economic game, bringing the latter much closer in line with the rules dominant in the American economic space. Rather than constraining economic actors into certain types of behaviors or hoping that they could be brought to mimic them, the rationale was that to be long-lasting, changes should become deeply embedded. This could take time, naturally, and the impact was not likely to be felt in the short term. It would take new generations that would come to be socialized under those new rules of the game. In the process, those generations would come to appropriate them as their own rather than seeing them as foreign. This implied not only structural change but also a radical shift in mentalities, values, economic and industrial ideologies, which would only foster and ground further the structural changes already in progress. The logic behind the European project was thus quite similar to that which led to the emergence and development of management and business education in Europe and European countries (Engwall and Zamagni 1998) or to the spread to the region, in time, of American antitrust principles (Djelic and Bensedrine 2000). Unsurprisingly, there was a common base to the groups and individuals involved in those different projects and the early group of American and French modernizers proved particularly crucial.

Conditions in France were thus quite favorable to a large-scale, cross-national structural transfer. A deep sense of national crisis, the clear dependence in time on the American super power and the existence of a small but institutionally powerful cross-national network, the members of which worked in close synergy, all combined to make such transfer a reality. This never was, though, a laboratory experiment. The challenger set of structural features was being imported into a preexisting economic and institutional landscape. It threatened in the process an incumbent system of economic organization and run, unsurprisingly, into vested interests and a fair amount of resistance. As it turned out, the main source of resistance lay within civil society and more particularly within labor and business communities.

Business leaders, for one, had trouble accepting the radical questioning of their traditional ways of organizing and doing business – radical questioning that was explicit in the modernization project. They could not reconcile themselves with the transfer of a foreign model they generally considered unfit for European conditions and disruptive of their interests. In the period that immediately followed the end of the war, those business communities were particularly weak in France, lacking in resources and for a while even in the right to organize (Ehrmann 1957). This prevented reaction on their part at least for a few years. By the early 1950s, though, they had regained the right to organize and were rapidly reasserting their power and influence. The Conseil National du Patronat Francais was getting ready to fight. Amongst the resources that played a role were naturally the financial contributions of members. The control business groups exercized, directly or indirectly, over a number of press outlets was also an important tool for them, allowing them to orchestrate large-scale propaganda campaigns. The political route, finally, was also important and business communities in France nurtured their relationships with politicians and deputies, in particular through donations for campaign funds. Making use of these various resources, the French business communities launched a war against the large-scale transfer of what they denounced as an ‘American model’. The issues of size and ownership structure were at the heart of business resistance in France. In the end, though, French business communities achieved little and they were not able to prevent the structural transfer engineered by the cross-national network from taking place. A weak point for them was that they were targeting in their lobbying efforts deputies and politicians who, in the France of that time, had comparatively much less power and leverage than technocrats and civil servants, at least when it came to economic affairs. The pattern of resistance, though, turned out to have an impact on the transfer process itself. It undeniably contributed to the deep distrust of private capitalism characteristic of French technocrats in that period. In the end, it thus certainly had an impact on their editing of the American corporation into the French state-owned national champion.

Business communities were another powerful source of resistance in France. The communist CGT was by far the most powerful trade union (Dreyfus 1995). Its significant reach at the grassroot level together with its rigid centralization explained that it could rapidly mobilize a large share of the French working class. The strength of communist influence over the French labor movement meant that resistance and opposition to the modernizing project – generally symbolized by the close links between the French plan and the Marshall plan – took, within the working class, a political and geopolitical dimension. Starting in the summer of 1947, Soviet directives were calling for an all-out war on the part of Western European labor against what Moscow denounced as an American imperialist scheme and a declaration of war to the communist world. The French communist trade union as a consequence launched violent social movements bordering on insurrection and monitored, together with the French communist party, fierce propaganda campaigns. The strategy of the modernizing network with respect to such an obviously political opposition was to bypass communist groups and actors. Since the cooperation of labor still appeared necessary to the modernization project, the American element of the cross-national network worked together with the CIA and American labor federations to identify, co-opt and sponsor interlocutors in the French labor movement. The split of the CGT in April 1948 and the creation of the French CGT-FO, a more reformist trade union, owed a lot in fact to this American intervention (Carew 1987).

West Germany

On May 8, 1945, Germany surrendered unconditionally. In a matter of days, the end of the war brought along the collapse of the national order. The power vacuum that followed was unparalleled in its extent but did not last. Soon after surrender, the four victorious Allied powers, the USA, the UK, the USSR and France were exercising complete political and military control, each in its own zone of occupation. An Allied Control Council, made up of the four Allied Commanders-in-Chief acting jointly, was created to allow for coordinated policy making. It rapidly became clear, though, that this was a poor forum for collective decision making. Even before the Cold War split, the Soviets were doing what they wanted while the Western zones of Germany increasingly fell under American control. By the spring of 1948, Western powers had merged their three zones, which were to become the Federal Republic of Germany. For some time already, the USA had shouldered most of the financial burden for all three zones and their power had increased to the point where they had ‘the right of final decision in financial and economic matters’ (Clay 1950:178).

In an obvious way, West German territories were thus in a highly dependent relationship to the United States. This would still be the case after the creation of the Federal Republic of Germany in 1949. Although direct American presence and power seemed to fade somewhat, West German dependence was perpetuated through the launching of the Marshall Plan and following the onset of the Cold War. From occupying power, the United States turned into a generous and regular provider of economic and financial but also technical assistance. In a divided world, where the threat from the East seemed real, the western superpower also appeared to be the only potential protector of a weak and highly exposed West Germany.

In the early years that followed the end of the war, debates raged within the American military government in Germany, within the Washington administration, and between both, as to what the American policy in Germany should be (Clay 1950, Martin

1950, Djelic 1998). Altogether, though, there was widespread agreement within American ranks that prewar German political and economic institutions had in one way or another been tainted by the Nazi era. When the dust had settled, the American objective was to bring about a radical transformation of German economic and industrial structures. This was only reinforced by the onset of the Cold War, which turned western territories of Germany into a front bulwark against communism. The United States set out, as a consequence, to transform the Federal Republic of Germany into a wealthy and prosperous country. The West German economy was to become the engine of reconstruction in Western Europe and an outpost of American type capitalism. For that, a large-scale transfer of the American system of economic organization was in order.

Americans were convinced that a West German economy, revamped along the lines of the ‘free competitive economy, which has been so successful in the US’ was a prerequisite to political stability, peace and democracy in West Germany but also in Europe. They were also convinced that the ‘German people could be taught to understand and want such an economy’ (OMGUS, Bd18). By 1948, American officials in Germany meant by ‘free competitive economy’ the American form of corporate capitalism rather than the ‘free market’ of classical economists. The model they were intent on transferring was an economy dominated by large-scale, mass-producing firms, competing on oligopolistic markets and policed by antitrust legislation in the American tradition. From the perspective of OMGUS members, it seemed that two features of this model of reference were particularly important for the projected restructuring of the West German economy and industry. They pointed, first of all, to the large size of American production units and firms, allowing rationalization, economies of scale and scope, and mass production. They also pointed out the regulation of anti-competitive behavior through antitrust legislation, identifying such regulation as a necessary step towards a redefinition of the West German economy and industry.

Key to the project of large-scale transfer was the decartelization and deconcentration program. This program had initially been designed as a punitive one. Its object was to ‘destroy Germany’s economic potential to wage war’ and to break up German firms and cartels that had been the economic backbone of Nazi Germany. After much debate and internal in-fighting, this program was reinvented. By 1948, it had become the basis of antitrust legislation in the American tradition – nothing more, nothing less. The team in charge of the program was not striving for 'the ideal of perfect competition with hundred of firms competing in the production of each product'. Rather, following the model set by American industry, it was advocating 'an oligolistic structure policed by the vigorous enforcement of antitrust or anticartel laws'. The claim was that large corporations competing in oligopolistic markets were the surest way to combine, in West Germany, 'technical efficiency' and 'economies of scale' with competition (OMGUS, Bd18). Americans used the powers granted to them through the revamped decartelization and deconcentration program to foster the structural redefinition, along those lines, of firms and interfirm relations in many industries (Berghahn 1986, Djelic 1998). As OMGUS members acknowledged, they could do at the time 'anything they wanted, within some limits, to the German economy' (OMGUS Bd42).

While aware of their power and using it to further their project for Germany, Americans also understood that reforms would not last if they were merely being imposed on the Germans. After all, the period of acute German geopolitical dependence was bound to end at some point. What would be left then of the radical American project? The solution to that problem, OMGUS soon realized was to co-opt as early as possible a group of German decision makers that were sympathetic enough to the American project. As it turned out, they managed to identify such a group, around the then marginal German economist, Ludwig Erhard. The Freiburg school, as this group was known, had been before the war and still was small, powerless and a clear outsider in the German landscape. The 'social market economy' they envisioned had been defined in radical opposition to the tightly cartelized prewar and Nazi German economy. It centered around the 'principle of freedom and liberalism' (Peacock and Wilgerodt 1989). While Erhard's colleagues meant by that the 'free market' of classical economists, Erhard himself pleaded for a reconciliation of competition with efficiency and productivity. He thus advocated large-scale productive entities competing freely in oligopolistic markets as the most direct route to a mass-producing and mass-consuming society which he clearly championed (Erhard 1958). This program was music to American ears and the close fit between this program and the American project for West Germany explains that OMGUS did a lot to bring this group in the center of German political life.

Ludwig Erhard once called himself an ‘American invention’ (Berghahn 1984, Nicholls 1984). In political terms, this is indeed true. From virtual outcasts, intellectually and institutionally, in their own country, Ludwig Erhard and members of the Freiburg school were thrust in positions of power by American authorities (Wallich 1955, Nicholls 1984, Peacock and Willgerodt 1989). In 1946, the American military government appointed Ludwig Erhard Minister of Economic Affairs in his home state of Bavaria. After the merging of the British and American zones of occupation in 1947, a number of new German institutions were created. In particular a German economic council was granted some responsibility over Bizonal economic issues. The chairman, who was to act as a Minister of Economic Affairs with limited powers, was to be elected by his peers. This election had been planned by the occupying powers as a political process, a first step towards democracy and it was to reflect the balance of power between German parties. Johannes Semler, a member of the Bavarian christian democratic party (CSU) was elected in July 1947 and became the first chairman of the German economic council. His public speeches, highly critical of American military government, and some of his actions as chairman soon attracted a lot of attention. In January 1948, members of the American military government decided unilaterally to dismiss him. In a move that was not quite democratic this time, they imposed Ludwig Erhard in his place (Peterson 1977). This was the beginning, for Ludwig Erhard, of a long career, first as Minister of Economic Affairs until 1963 and, from 1963 to 1966, as Chancellor of the Federal Republic of Germany.

In the process, this meant the institutionalization of a cross-national network. Both the German and American elements of this network were to work, throughout the years, in close synergy and in the same direction. The Ministry of Economic Affairs around Ludwig Erhrard – and later on the West German government – appropriated most of the structural reforms that had initially been launched by American occupation authorities. Those reforms were thus lastingly embedded in the West German context, gaining legitimacy in time albeit painfully, together with their German proponents. Throughout his career, Ludwig Erhard consistently received the full support of the

American administration – the American Military Government in Germany or OMGUS and later the American High Commission / ECA Mission in Germany, but also the Washington administration.

With hindsight, it seems unlikely in fact that Ludwig Erhard and his team could have done without such support. Their program and the American project for West Germany were radical and the system of economic organization both were advocating was a clear challenge to German structural and ideological traditions. Civil society once again reacted to what was then perceived as large-scale attempt at grafting on the national soil a foreign economic logic. And reactions proved sometimes in the German case to be of an extreme violence, particularly within the national business community.

German business leaders fought fiercely on the issue of cartels and competition. Both the German and American elements in the cross-national network had declared a war on cartels, which they saw as essentially collusion schemes set up to control competition, preserve stability, and ensure high profits. Those systematic attacks against cartels and organized capitalism infuriated most German business leaders from the very beginning. In the early postwar period, though, reactions could at best be muted. In those times of 'denazification' when all form of official representation was prohibited, resistance was by necessity limited and unorganized. By the early months of 1950, when the Allied prohibition on the formation of trade associations was finally allowed to lapse, a federation of business associations – the Bundesverband der Deutschen Industrie (BDI) – was created in West Germany. Most members of the BDI had belonged, before and during the war, to the former German federation, the Reichsverband der Deutschen Industrie (RDI). A number had been involved in the corporatist institutions of Nazi Germany. Altogether, the BDI was therefore quite conservative and attached to prewar patterns of economic organization. In defense of cartels and collective agreements, West German business leaders initially used fairly traditional arguments, carried through from the prewar period. Free competition, they claimed, led to dangerous price wars, the consequence of which in turn was generally a series of failures, particularly amongst smaller and medium-sized concerns. They presented, on the other hand, cartels and collective agreements as essentially sound mechanisms to 'avoid ruinous competition and to prevent the waste of material and labor capacities' (OMGUS Bd42).

When they realized that such arguments did not carry, West German business leaders turned to much more aggressive and violent strategies and rhetorics. Feeling increasingly secure and powerful after the creation of the BDI, they launched a systematic and violent propaganda campaign against competition and its champions in the West German political and administrative elite. Ludwig Erhard and the West German Ministry of Economic Affairs were clearly the main targets of these attacks. Throughout the 1950s, the West German business community repeatedly accused the Ministry of Economic Affairs of being the instrument of American occupation authorities and of implementing an American policy that had originally been designed to weaken the German economy. Members of the BDI found it 'hard to understand why the Federal Minister of Economic Affairs wished to lead and force industry into economic freedom against its own will' (Erhard 1963: cha.16). There were two main fronts to the war of the BDI – nationally, the passing of a German anticartel act and in Europe, negotiations around the Schuman plan.

One of the first commitments of Erhard upon his nomination as chairman of the German Economic Council was to sponsor a German anticartel law that was to replace the Allied act of 1947. The confrontation with the German business community lasted for close to 10 years and the German parliament only voted such a law in July 1957. Throughout those years the fight was violent. The BDI used the media it controlled, such as the economic weekly *Der Volkswirt*, to orchestrate harsh attacks. It also turned to more direct means of pressure, through its political contacts within the Christian Democratic Party. Members of the BDI threatened to reduce their campaign contributions to the CDU for the 1953 elections if the bill was not modified (Braunthal 1965). Bypassing Ludwig Erhard, they also tried to appeal directly to Konrad Adenauer, German Chancellor and leader of the CDU. In the end, Ludwig Erhard and his collaborators held fast mostly thanks to American support and to the scarecrow of a tougher US-imposed legislation. The West German act prohibited cartels in principle, following in that the American Sherman Act (Djelic and Bensedrine 2000). The violent resistance of the German business communities had left its marks, though, and the exceptions that were included in the act were the result of compromise.

While confrontation was still in full swing on the national scene, the West German business community became involved in a parallel fight on the European level. The emerging coal and steel community (ECSC) was a source of significant concern for West German industries particularly with respect to the cartel issue. Although the confrontation was taking place in a different context, the pattern was fairly similar. On one side, a few European – and even more precisely French – technocrats and civil servants were working with members of the American administration to institutionalize a competitive logic in the emerging European market for coal and steel. On the other side, national representatives of heavy industries were apparently intent on fighting this project. There was no institutional framework, however, that could formally bring together all Western European coal and steel industries. Common objectives and interests, furthermore, were often offset by national rivalries. As a consequence, opposition to the coal and steel community remained structured nationally. The strategy of Jean Monnet and his team had been to exclude entirely from ECSC negotiations all national representatives of European heavy industries. However, they could not prevent – except in the French case – the weaving of informal links between industry members and members of national delegations. Private interests and corporatist claims were thus bound to influence, even if only partially and indirectly negotiation proceedings. This was illustrated when, under strong pressure from heavy industries' representatives, the West German delegation denounced the anticartel provisions of the ECSC treaty. Negotiations were consequently stalled for several months and if it had not been, once again, for American intervention, they may never have started again. Indeed the American administration and John McCloy in particular, then American High Commissioner in Germany, were instrumental in dragging the German delegation back to the negotiation table and in bringing Germans finally to accept and ratify the anticartel provisions of the ECSC treaty.

Those provisions are much more than they seem. Articles 60 and 61 in the ECSC treaty, they were directly transferred in 1957 to the Treaty of Rome – that founded the

European Economic Community – where they became articles 85 and 86. In the words of Jean Monnet, those articles ‘represented a fundamental innovation in Europe’. Robert Bowie had drafted those two articles, building unmistakably on American antitrust tradition. A Harvard Law School antitrust specialist, Bowie was also General Counsel to the American High Commissioner in Germany and as such closely involved in the drafting of the national German legislation. For Jean Monnet, the ‘esssential antitrust (sic) legislation reigning over the common market today ha(d) its origins in those few sentences for which (he did) not regret to have fought during four months’ (Monnet 1976: 413). And indeed, articles 60 and 61 of the ECSC treaty laid the foundations of antitrust legislation for the common European market with a significant impact, over time, on national systems of economic organization as well as on transnational patterns of collaboration and competition.

Italy

Like many other countries in Europe at the time, Italy was after the Second World War in a state of utter destitution. The country had been highly dependent on the USA for emergency relief and other resources ever since September 1943 when the fascist government had surrendered. At the same time, though, that the USA were playing such a key role on the Italian scene, the strength of the communist party was the source of bargaining power for that country at least between 1945 and 1947 (Hughes 1965, Romano 1977, Miller 1986). The year of 1947 marked a turning point, though, as it did in France. Italians could not postpone taking sides in the Cold War anymore. During a trip to the USA, early in 1947, the Italian Premier Alcide de Gasperi tried to secure renewed American economic assistance. He was told in no uncertain terms that financial and economic aid would be much more forthcoming of communist ministers left the Italian government.

Clear advice of that sort combined with rumors that Washington was preparing a large-scale aid package for Europe to speed up action on the Italian national scene. In

May 1947, Alcide de Gasperi set up a new government without communist or left-wing socialist ministers. When Marshall dollars started to flow in, by 1948, Italy was well and truly anchored to the West and most of its bargaining power in the relationship with the USA had been lost. The American system of economic organization was therefore, and from that point on, available as a model for Italy as much as it was for France. Contacts between Italy and the USA became increasingly numerous throughout the Marshall Plan period, multiplying the opportunities for the Italian population to become familiar with American economic structures. Those structural arrangements characterized a Great Power that also happened to be, for Italy, the main provider and the sole protector. Conditions thus seemed to have been fulfilled for the American system of economic organization to become a model, both familiar and superior, for Italian reconstruction.

It was soon obvious, however, that the American model was much less likely to be considered in Italy than it was in France. The first reason for that was that the Italian power elite lacked, after the war, the sense of crisis and urgency that defined its French counterpart. The group controlling political and institutional positions of power in Italy did not define itself in radical opposition to the former regime and system, nor did it declare a state of national emergency and crisis that would call for radical structural transformations. In Italy, the rejection of fascism had taken place during the war and had been, as a consequence, relatively short-lived. After the surrender of the fascist government in 1943, a number of Italians had shared in the Allied war effort. When the war came to an end in 1945, Italy was in a relatively ambiguous situation. That special status, neither winner nor loser, clearly had to be preserved in order to prevent issues such as military occupation or reparations to surface. Italians were better off forgetting their fascist past than loudly rejecting it (Miller 1986).

A second reason explains that the American model never became in Italy the type of reference that it was in France or West Germany. In Italy, the cross-national network broke down. Members of the ECA failed to identify and co-opt on the Italian national scene, actors with whom they could collaborate to bring about a radical transformation of economic and industrial structures. After March 1947, the main objective of the USA in Italy was to weaken the communist movement (Hughes 1965, De Cecco 1972, Miller

1986). In that context, the American administration came to support the Christian Democratic Party as the only alternative it could identify in Italy to communism or fascism. This party was heir to the prewar Popolari, the people's party. By the end of the war, the people's party brought together all those Italians wary of extremism and fearful, in particular, of communism. It thus emerged as a patchwork of many different political trends, united essentially around a preference for the West in the geopolitical confrontation that was dividing the world. Middle classes were dominant in the electorate of the Christian Democratic Party, with a prominent group of craftsmen, shopkeepers, and small business entrepreneurs.

In the end, the Christian Democratic Party and the governments it sponsored in Italy proved somewhat disappointing to the American administration and in particular to the sponsors in that administration of a 'European neo-capitalism' (Hogan 1985). The christian democratic elite and the American group involved in Italian affairs turned out to have little in common, both with regard to ideology and objectives. There was clearly no equivalent, within the Italian public sphere, to the generation of French modernizing technocrats or to the group in Germany around Ludwig Erhard. This left Americans from the ECA with no valid interlocutor within the Italian government – nobody that talked the same language, nobody to rely on.

From 1948, the ECA country Mission in Italy was headed by James Zellerbach, former chairman of the board of the Crown Zellerbach Corporation. He had a project for Italy that was similar to ECA projects for the rest of Western Europe. The transformation of Italy towards a mass-producing, mass-consuming society would, according to him, quell political conflicts and rule out the possibility of communist takeover. This transformation, however, would require the creation of large firms in most industrial sectors and necessitate a significant increase in productivity levels (Miller 1986, Harper 1986). The ECA Mission in Italy was ready to elaborate and to help implement programs that would increase production capacities and bring about the modernization and restructuring of Italian industry. Members of the ECA Mission in Italy, in fact, pointed to what was being done in France. Marshall aid should be used to invest in a few key industries that would have, in turn, a multiplier effect on the rest of the economy. But

Keynesian productivists in the ECA did not find any collaborators sympathetic to their project on the Italian political and technocratic scene. Members of the ECA Mission in Rome and those men in positions of institutional power in Italy seemed separated by an abyss. Communication, most of the time, was impossible and both groups worked at counter purposes.

Retrospectively, things could have turned differently. There was, after all, a tradition of modernizing technocrats in Italy dating back to the period of national unification. Even after 1945, the tradition was perpetuated but Italian modernizers were to be found mostly amongst those businessmen and managers running the few large Italian firms, not in the public, technocratic or political sphere. Amongst those few large Italian firms, the state holdings inherited from the fascist years – the ENI or IRI – could have been used as powerful tools in a state-led strategy of economic and industrial modernization. Enrico Mattei at the head of ENI (the energy holding) or Oscar Sinigaglia, who was leading IRI’s Finsider (steel arm of IRI) were sympathetic to Keynesian and productivist values. As a matter of fact, they often developed and nurtured direct contacts with the ECA Mission in Rome and with American business leaders. Although they were quite powerful, their impact on the Italian economy as a whole was altogether quite limited. The gap was quite significant between them and the mass of Italian business owners, running small and medium-sized family firms tied together through dense, often local, networks mixing collaboration and competition.

In the Italian case, Americans had thus failed in their strategy of co-optation. The lack of a national sense of crisis combined with the breakdown of the cross-national network to make it highly unlikely that a large-scale, cross-national transfer of structural arrangements would be considered let alone undertaken. Postwar Italian power holders did not engage in a radical and systematic questioning of prewar economic and social arrangements. Nor did they advocate a radical transformation of industry structure and the transfer, to their country, of the American system of economic organization. American modernizers, present in Italy through the Marshall Plan administration, nevertheless attempted to institutionalize in that country the same types of transfer mechanisms that were proving quite effective in France and in West Germany. For the most part, those attempts failed. The absence of sympathetic Italian interlocutors and institutional relays frustrated and curtailed the efforts of American modernizers in that country. In the longer term, the creation of a Western European economic community, of which Italy was an early member, would end up having an impact on the Italian economy. As documented earlier, though, the scale and scope of transformations that were to affect the Italian system of economic organization in the twenty years after the end of the war could clearly not compare with what was taking place at the same time in France or in West Germany.

Towards a deconstruction of globalization

Building on the historical case studies briefly summarized above and on their systematic comparison, we propose a new perspective on the contemporary episode of globalization. In contrast to the literature on national variants of capitalism, we believe that there are indeed pressures pushing for structural isomorphism and the homogenization of national systems of economic organization. But those pressures, we argue, are far from being neutral and a-historical. While the literature on globalization tends to emphasize economic and technological determinism or even a neutral but inescapable rationalization of the world, we have asked here about origins, defining moments and enabling contexts. We argue that the transformation of economic institutions over the second half of the twentieth century, in Western Europe but also in the rest of the world, cannot be understood without taking into account the peculiar nature of geopolitical relationships in the early postwar years. At that point, pressures for change had a lot to do with the clear imbalance of power between the United States as a dominant superpower and a more or less dependent set of countries. Unmistakably, the historical roots of our contemporary episode of globalization lay in the early attempt, following World War II, at large-scale 'Americanization' of economic institutions. In the end, however, convergence following the 'American model' was partial at best. The transfer of that model came together with its local reinterpretation, editing and thus with hybridization. This filtering process and the enduring nature of preexisting national legacies explain that local peculiarities persist to this day, allowing us to set apart national variants of capitalism.

The attempt at large-scale ‘Americanization’ of the post Second World War period took place, we have shown, in the context of a significant redefinition of the geopolitical environment. When the United States took on the leadership of the Western world, parallels were quickly drawn between, on the one hand, American geopolitical and economic power and, on the other, the peculiar and unique system of industrial production then dominant in that country. In the context of national crisis and radical questioning that characterized a number of Western European countries, the American system of industrial production unsurprisingly became a model to be transferred and adopted.

At the same time, the large-scale structural transfer was made possible and fostered by the emergence of a small cross-national network controlling key resources and positions of power. The transfer process was institutionalized through the systematic setting-up and operation of various cross-national transfer mechanisms, whether of mimetic, coercive or normative types. Such a transfer was naturally bound to disrupt preexisting economic and social arrangements. It did encounter obstacles and sometimes even triggered organized resistance and opposition within national units. As a direct consequence, the transfer was not equally successful in all Western European countries. The original model was adapted, 'translated', edited, leading quite often to hybrid forms of structural arrangements. This largely accounts for the persistence, in the long term, of significant differences not only across Western European national industries but also between European and American industries.

History tells us, therefore, that globalization is a process – not a state of things. It is historical and political – and not universal and neutral. It is about the cross-national transfer of dominant models rather than about the spontaneous and parallel emergence in many different countries of similar solutions. This historic and political cross-national transfer process we see as having three main moments. As underscored in figure 5, cross-national transfer will not take place in the absence of enabling conditions. It can be characterized by multiple combinations of mechanisms and it is bound to run into obstacles, although the nature and strength of these obstacles will vary.

- figure 5 about here –

Conditions

In order for a large-scale, cross-national transfer process to be possible, to be contemplated and eventually to be launched, it appears that a number of conditions should be met simultaneously. First of all, a traumatic disruption should bring, at the national level, an acute sense of crisis and a questioning of the legitimacy of preexisting institutional and structural arrangements. Then, a redefinition of the geopolitical environment and, in particular, the emergence of relationships of asymmetrical dependence should turn a foreign system of economic organization into an available model, in other words both familiar and perceived to be superior. Finally, a cross-national network of actors, sharing similar and compatible if not common objectives should bridge the gap between both countries. These 'modernizing' individuals may be only a small minority within their respective national environments. They should nevertheless hold and control key positions of power both within cross-national institutional channels and in those national institutions located at the articulation of state and economy in the receiving country, which are bound to play an essential role in the transfer process. This set of three conditions, it is proposed here, will significantly increase the likelihood that a large-scale, cross-national transfer process be considered and eventually launched in a given situation.

Mechanisms

The concrete implementation, however, of such a large-scale, cross-national transfer process will also require that a number of transfer mechanisms be not only elaborated but also operated. The comparative and historical study has made it possible to identify three main types of transfer mechanisms. Using DiMaggio and Powell's (1983) terminology, these mechanisms are labeled respectively 'mimetic', 'coercive' and 'normative'. Varying degrees of geopolitical dependence account for differences in the mix of transfer mechanisms. The nature of this mix, on the other hand, is bound to have an impact on the transfer process, for example on its speed and on the extent of the 'translation' or adaptation of the original model. It may also to some extent determine national reactions, and in particular the degree of local resistance and the violence of opposition movements. Table 3 proposes a summary description of the different paths a cross-national transfer process could take depending on the type of transfer mechanism predominant in each case.

- table 3 about here –

Obstacles

The concrete operating of those various transfer mechanisms is naturally not likely to run smoothly. Obstacles could emerge from the existence of powerful and organized groups with a significant capacity to mobilize and intent on resisting the transfer process. The porosity of state institutions could apparently increase further the ability of those groups to impose their own views and thus to successfully resist the transfer process, while limiting at the same time the autonomy of political or administrative actors. Furthermore, notwithstanding the degree of resistance and the impact of opposition groups, a large-scale cross-national transfer process may be considerably slowed down, if not brought to a halt, because of the limited infrastructural power (Mann 1986) of political institutions and state actors, and in particular because of their limited leverage over the national economy and industry.

Cross-national processes of transfer or diffusion thus cannot be uncoupled from a concomitant process of diffraction, partial reinterpretation, 'translation', editing or hybridization of the original model to be transferred. The combination of those two indissociable processes seems to require the theoretical cross-breeding of two variants of neo-institutionalism. On the one hand, the tradition of ‘phenomenological’ neo-institutionalism (Meyer and Rowan 1977, Scott and Meyer 1994) can be used to account for diffusion. On the other hand, the associated processes of reinterpretation or editing will be better explained using the variant of neo-institutionalism that was labeled earlier ‘historical’ (Fligstein 1990, Hollingsworth and Boyer 1997, Whitley 1999). The cross-fertilization between those two traditions has undeniable implications for the thriving but multi-faceted ‘neo-institutional’ school in economic sociology and point to potentially quite fruitful research directions.

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TABLES AND FIGURES

Table 1: Productive Entity – Operationalization

Nature of Firm			**Firm Interaction**
Size	**Ownership structure**	**Organizational structure**	**Logic of markets**

Table 2: National systems of economic organization – a typology.

	***Laissez Faire* Capitalism**	**Family Capitalism**	**Organized Capitalism**	**Corporate Capitalism**
Size	Small firms	**small** / medium-sized firms	Small / **medium-sized** firms	large firms
Ownership Structures	Personal ownership	Personal ownership or partnership	Partnership or mixed forms*	joint stock, dispersed public ownership
Organizational Structures	not mentioned ‘black box’	Not formalized nor rationalized	Not formalized or functional	functional or multidivisional
Logic of markets	free markets	Loosely organized markets	Formally organized markets	Antitrust - ‘hierarchies’ and oligopolies

* By 'mixed forms', we understand here those legal structures which are essentially crossbreeds of 'partnerships' and 'joint stock companies', such as for example the German GmbH, the French SARL or Société en commandite'. Those forms are located somewhere in between personal and public ownership.

Table 3: Dominant mechanisms and different paths of transfer

	COERCIVE	MIMETIC	NORMATIVE
CONDITIONS	Asymmetrical Dependence	Dependence or asymmetrical dependence	Dependence or interdependence
AGENTS	Model country	Local	Foreign or local
PROCESS	Imposing	Imitating	Embedding
SPEED	Rapid	Medium	Slow
IMPACT	Short-lived and fragile	Stable and long lasting	Fairly permanent
RESULT	Similar to model	Partial adaptation	Partial adaptation
REACTIONS	Rejection, opposition	Resistance or support	Indifference to support

Figure 1: national systems of economic organization – six constitutive dimensions

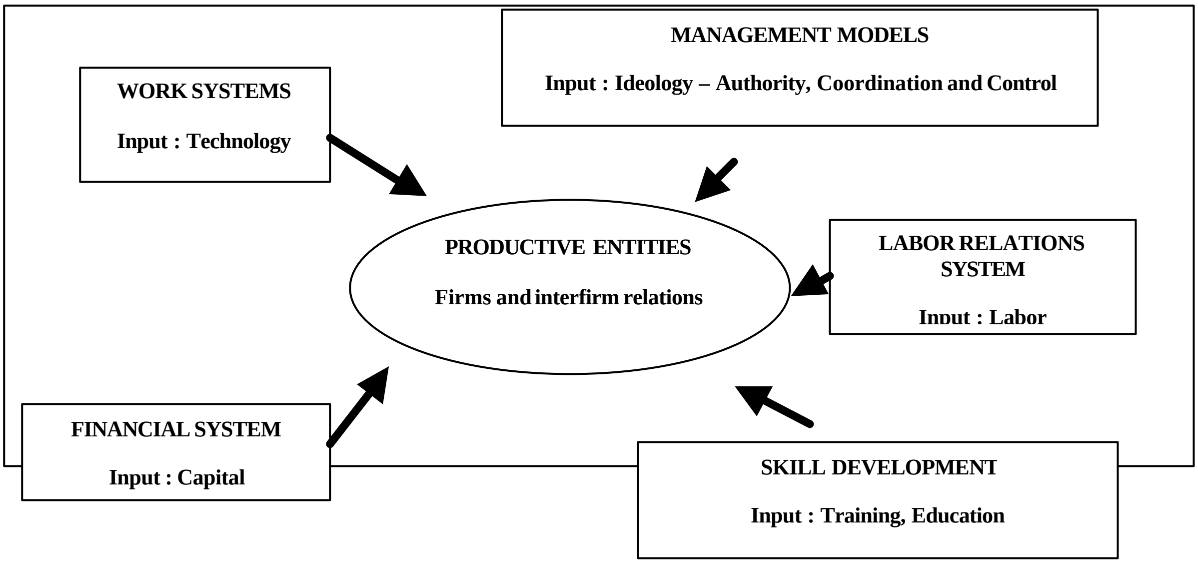
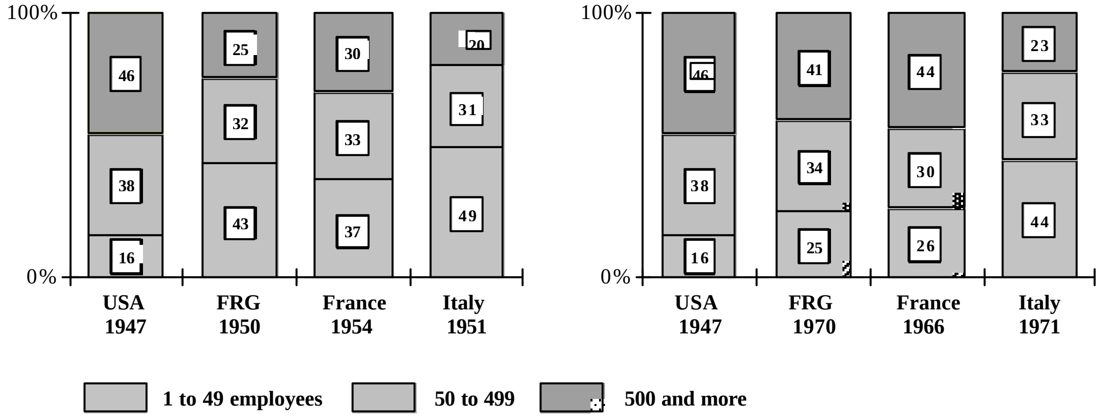


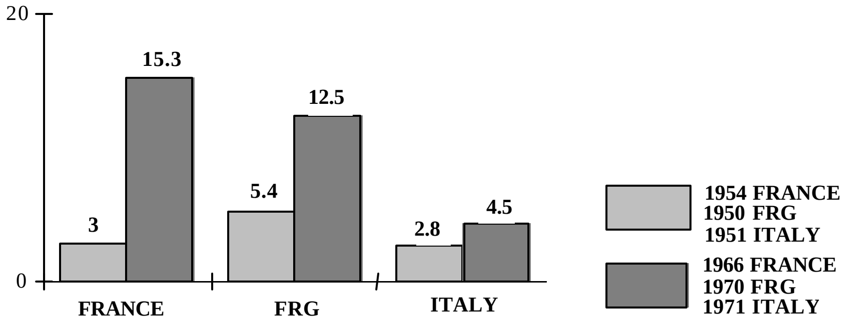
Figure 2: Distribution of industrial labor force by size of establishments



Note: Those figures are for manufacturing industry only. Utilities, energy and construction are not included.

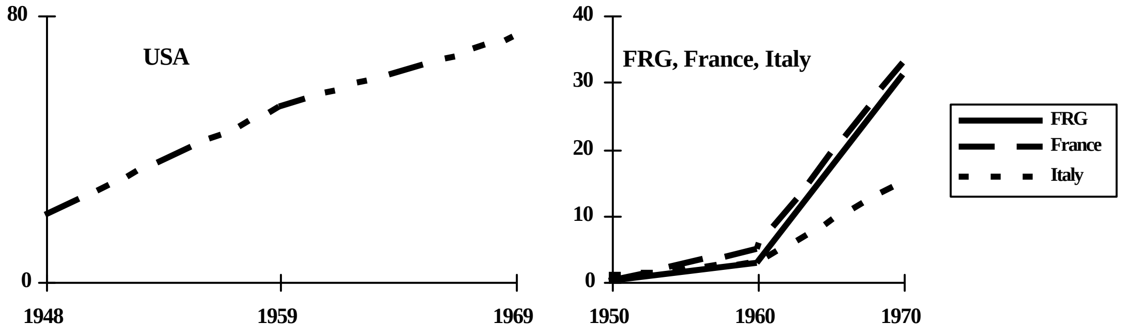
Sources: Bureau of the Census (1951,1971), Statistisches Bundesamt (1954,1974), INSEE (1956,1974), Istituto Centrale di Statistica (1955,1976).

Figure 3: Joint-stock companies, limited liability companies and limited partnerships. Percent of total industrial firms.



Note: Those figures are for manufacturing industries only. Utilities, energy and construction are not included. **Sources**: INSEE (1956,1974), Statistisches Bundesamt (1953,1973), Istituto Centrale di Statistica (1955,1976)

Figure 4: Multidivisional structure in large manufacturing firms.



Sources: Fligstein (1990), p.336, USA = 100 largest companies. Dyas and Thanheiser (1976), p.29, FRG = 78 largest German-owned companies; France = 79 French-owned companies; Italy = 61 Italian-owned companies.

Figure 5. Three moments in the cross-national transfer process