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# Financial and Technological Centralisation:

A Tentative Interpretation through the *Régulation*

The History of Regulation Theory and its Contributions to the Analysis of Global Capitalism and its Recent Crises

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# Changing landscape of comparative capitalism

- *Régulation* approach has found many applications, often hybridized with Post-keynesian economics or centre-periphery perspectives → dependent models
- Streek (2010) → international dependence
- Soskice (2022) → single form of capitalism
- Here deal with the idea of **centralisation**: capitalism finds a structuring that goes beyond national boundaries, determining a multi-layered landscape of accumulation and regulation.
- Two trends in centralisation: 1. M&A; 2. Technological centralisation (platforms).

# Centralisation

## From Marx and Hilferding to Schumpeter → private planning

- Tendency for companies to increase in size and reduce competition.  
**Hilferding** (1910) underlined the role of investment banks to determine a leveraged control over resources allocation. Finance needs control, not anarchy. **Schumpeter** (1940) highlights the natural tendency to bureaucratisation of innovation. **Galbraith** (1967) points at demand control.
- → Literature arguing we go towards **private planning**, relevant even beyond Fordism.
- Hayek (1937; 1945) understands the crucial role of knowledge and information, but under-evaluates the problem of large scale private planning.

# Present trends and dangers

- M&A accelerate in times of crisis and loose monetary policy. But the problem is **qualitative**: architecture of control.
- Brancaccio et al. (2018) have measured centrality in the network of corporate control: 2% of actors holds the control of 80% of capital of large listed companies. They are mostly investment banks and investment funds.
- Impact on the regulation of finance and corporate laws.
- Difficulties for family-capitalism or for social-democratic arrangements (that have been uninvited to the big party of FED's easy-money and stock-exchange bull markets).

# Platform capitalism

## Consequences of technological centralisation

- Platforms are capturing and increasing share of value.
- They are based on a centralised technology and social and economic interactions take place in an **a-national space**.
- They present many criticalities. They have the **control on a commons** that is the **interaction space** and **rules of interaction**.
- Differently from other markets, clients have no anonymity. Platforms can get, elaborate and sell relevant information on clients → feedback on marketing, **social control** and opportunities for **price discrimination** (← power in Ordoliberal terms).
- In the Western model → a form of private planning.



# The state and polycentric governance

## Tentative of empire and the bricolage of power

- On-going huge geopolitical transformations. US losing hegemony but increasing hold on closer satellites (dismantling EU?).
- The state has lost sovereignty in favour to superior or to competing institutions. It is recovering interventionism, but with little ordering effect due to loss of coherence of the model of growth.
- ➔ Polycentric governance. More difficult to contribute to the autonomy of the model of capitalism.
- ➔ All models are, with different intensity, becoming **dependent capitalisms**.

# Comparative capitalism in imperial setting

## Consequence for the *Régulation* approach

- Centralisation taking the form of **trans-national private planning**.
- It constitutes a problem for the study of comparative capitalism as the latter is not self-contained any more.
- Need to take into account the different layers of capitalism: the global and the underwood. So international relations tend to give shape to the model.
- Need to take into account polycentric governance, isolating the different jurisdictions and their architecture.
- Difficult task of finding data and empirical evidence.

# The end

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