

Sidney Rothstein (Williams College) [sar5@williams.edu]. *The Tech-Finance Bloc: Digital Transformation in the US and Europe*.

Abstract: This presentation draws on recent research on the role of discourse in growth models to examine the politics surrounding digital transformation in the US and Europe. The growth models perspective analyzes the role of social blocs in crafting countries' economic policies, but its treatment of business power as purely structural prevents it from addressing an important question in the politics of digital transformation: How have new sectors with miniscule economic footprints been able to influence economic policy? I explore how tech and venture capital successfully lobbied for financial liberalization at the beginning of digital transformation in the United States. I argue that explaining the role of social blocs in digital transformation requires incorporating discourse analysis and develop a conceptual framework around three causal mechanisms in the dynamics of social blocs: formation, influence, and endurance. This framework contributes to theory development in the growth models perspective and improves our understanding of the character of business power in digital transformation. To demonstrate the usefulness of this framework, I use it to trace how the tech-finance bloc continues to evolve as a new growth model for digital transformation has emerged that focuses on "scale-up" above all else. I show how the European Union has embraced the scale-up model, and explore the case of Portugal in order to investigate the role of social blocs in explaining variation in member states' adoption of the scale-up model.