

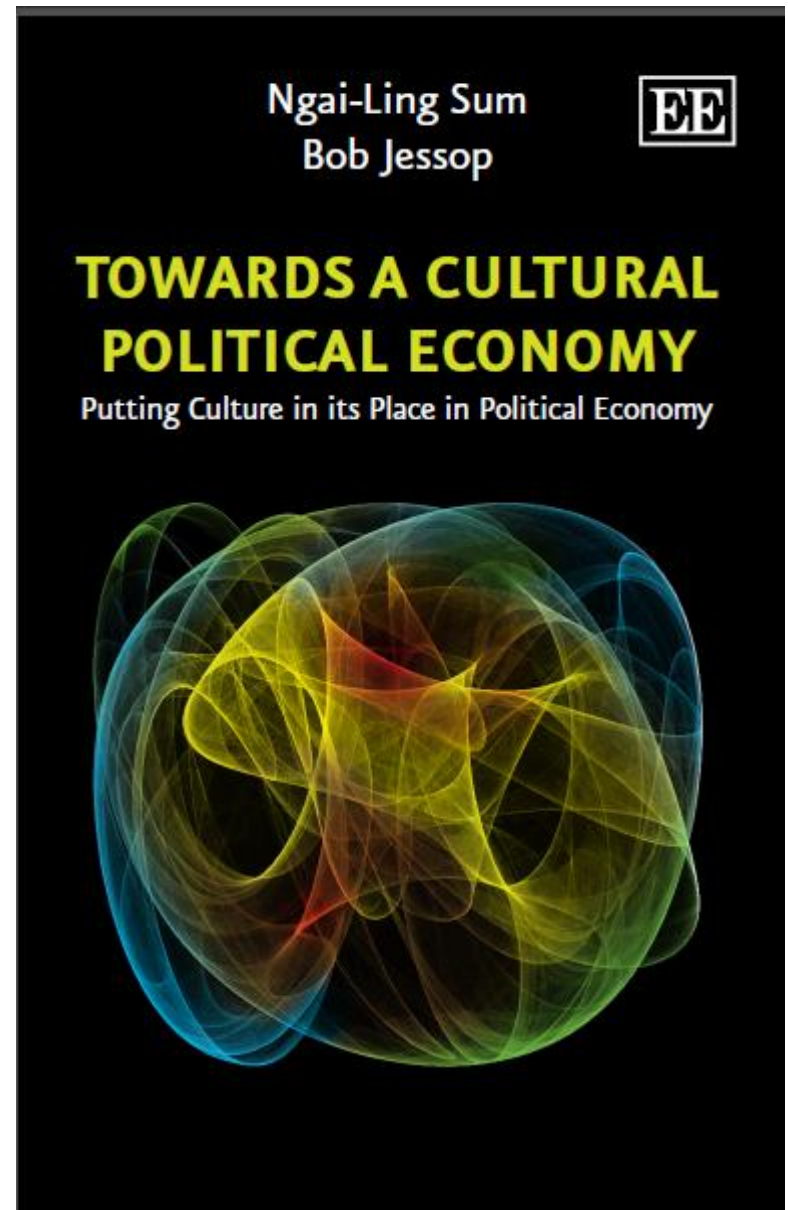
A Cultural **e**al Political Economy Perspective on Crises of Crisis Management: The Limits of Governance

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Outline

- Culture^eal political economy
- Complexity reduction
- Social imaginaries
- Governance/metagovernance
- Crisis, what crisis?
- Crisis construals
- North Atlantic Financial Crisis
- Crisis responses
- Crises of crisis-management
- Crises and fast policy
- The limits of governance
- Conclusions



Cultureal Political Economy

- CPE makes a 'cultural turn' in economic and political analysis to boost its interpretive and explanatory power without refusing the lessons of critical political economy
- CPE starts from the complexity of the real world and the need to reduce this as a basis for 'going on': it studies semiosis (sense- and meaning-making) and structuration as complementary forms of complexity reduction
- Connects semiosis to interlinked dynamics of economics and politics and puts them in their wider social settings
- Based on dialectic of path-dependency and path-shaping of *semiosis* and *structures* that is mediated through specific forms of selection, variation, and retention

Putting 'Culture' into CPE

- All construals are *equal* (semiotically); but some are *more equal* than others in their constitutive, constructive effects
- The key question is how construals are mediated: how do they vary, why are some selected as basis for action, why are some retained and institutionalized as bases for attempts to construct (transform) natural and social worlds?
- Given their often marked variation in construals, selection and retention is rarely depends on scientific validity but on discursive, structural, technological and agential selectivities
- Construals may be more or less adequate as a basis for going on in the face of the (deep) complexity of the real world

Complexity and Meaning-Making

REP. WAXMAN: Do you feel that your ideology pushed you to make decisions that you wish you had not made?

MR. GREENSPAN: remember what an ideology is: a conceptual framework for people to deal with reality. Everyone has one. You have to - to exist, you need an ideology. The question is whether it is accurate or not. ... I've found a flaw. I don't know how significant or permanent it is. But I've been very distressed by that fact ... A flaw in the model that I perceived as the critical functioning structure that defines how the world works, so to speak (Congressional Hearing, 23 Oct 2008)



Chair, Federal Reserve, 1987-2006

Complexity and Social Imaginaries

- What Waxman and Greenspan call 'ideologies' are personal frameworks shaping 'lived experience' and, for Greenspan, are instituted 'social imaginaries' (broadly defined) for dealing in a simplified way with reality
- Imaginaries have key role in struggle not only for 'hearts and minds' but also over exploitation and domination
- Social forces try to make one or another imaginary the hegemonic or dominant 'frame' in given contexts and/or to promote complementary or opposed imaginaries
- Complexity is also reduced via social structuration, i.e., limiting *compossible* sets of social relations in time-space

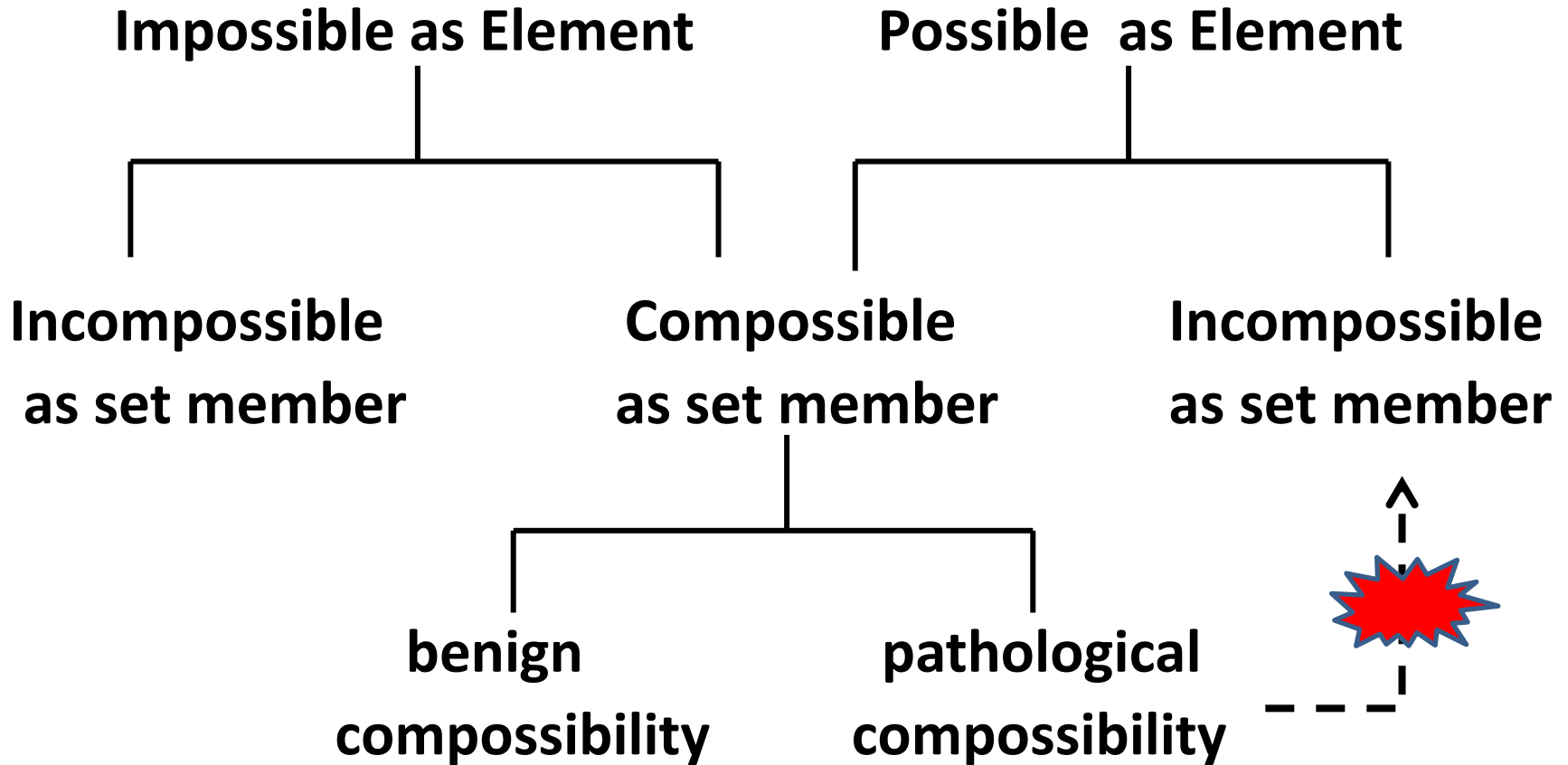
Complexity and Social Imaginaries

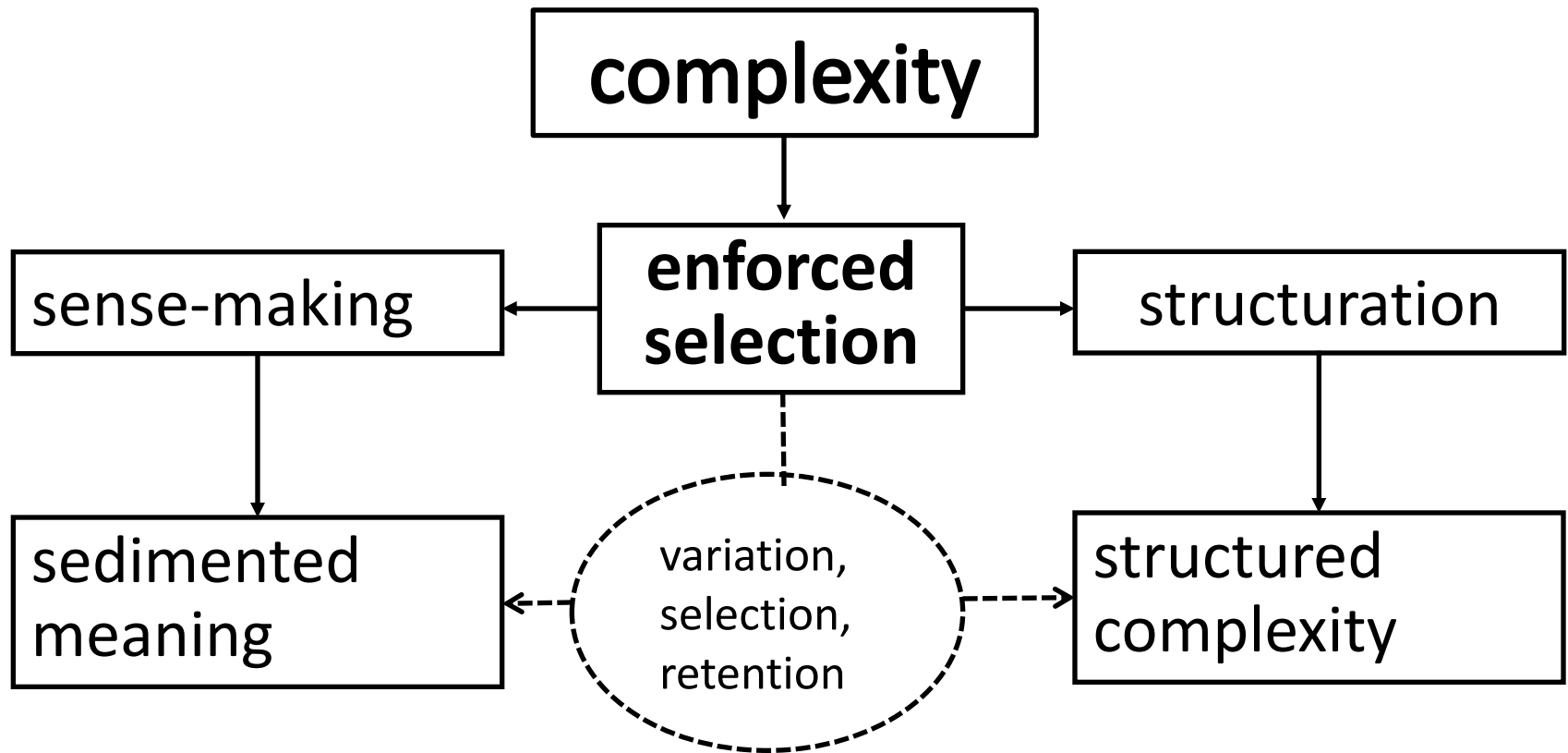
- ‘Everyone’ has to have an imaginary to simplify the real (natural and social world) so as to ‘go on’: this involves
 - selective observation of real world,
 - relies on everyday ‘common sense’ and ‘good sense’
 - reliance on specific codes and programmes,
 - use of certain categories and forms of calculation,
 - sensitivity to specific structures of feeling,
 - reference to particular identities,
 - justification in terms of particular vocabularies of motives
 - efforts to calculate short- to long-term interests,
 - and so on
- Not all imaginaries are selected or retained for ‘going on’

Structuration

- **Structuration** sets limits to covariation of diverse sets of social relations (assemblages, etc), so that not everything that is **possible** in principle, disregarding spatio-temporal and other constraints, is **compossible** in practice
- Structuration is an emergent process, involving variation, selection and retention, based on structural coupling and co-evolution, and culminating, temporarily, in structures
- Not attributable in last instance to free-willed action but subject to discursive, technological, agential selectivities
- It is secured via structuring practices: metagovernance, governmentality, institutional design, and governance

Modalities of Relational Compossibility





Depiction of contribution of sense- and meaning-making and structuration (setting limits to compossible sets of social relations) to the relative stability of specific socio-institutional formations

Complexity and Economic Imaginaries

- ‘Actually existing economy’ is chaotic sum of all economic activities and cannot be grasped in all its complexity.
- So the economy as object of observation, calculation, management, or governance never comprises all economic activities but is an ‘enforced selection’ of a more or less coherent subset of all economic activities
- Simplifications may aid successful economic governance if an imaginary has requisite variety and is reflexive – but it may lead to policy failure due to ‘bad’ simplifications
- Greenspan is admitting there were flaws in his simplified economic imaginary: the efficient market hypothesis

Putting the 'PE' into CPE

- CPE insists on ontological specificities of at least some *emergent* aspects of the form, content, logics and dynamic of 'political economy' relations and effects
- *As enforced selection*, economic imaginaries ignore key features of actually existing economies, which continue to have real effects, including:
 - contradictions, dilemmas, and paradoxes
 - extra-economic conditions of existence and effects
 - spatio-temporal depth, breadth, rhythms, sequencing , etc
- So CPE studies structuration and dynamic of economic (and economically-relevant or conditioned) activities.

Some Foundational Contradictions

| Form | Value Aspect | Material Aspect |
|---------------------------|--|--|
| Commodity | Exchange-value | Use-value |
| Labour-power | Abstract labour | Concrete skills |
| Wage | Cost of production | Source of demand |
| Money | Interest-bearing capital International currency | Measure of value National money |
| Productive capital | Abstract value in motion | Stock of specific assets |
| Knowledge | Intellectual property | Intellectual commons |
| “Nature” | Absolute + differential rent | Spaceship earth |
| State | “Ideal collective capitalist” | Factor of social cohesion |

What is Governance?

- Governance coordinates social relations characterized by complex reciprocal interdependence
- Governance theory identifies four main forms:
 - *anarchy* of exchange (invisible hand),
 - *hierarchy* of command (iron fist)
 - '*heterarchy*' of reflexive self-organization (visible handshake),
 - '*solidarity*' of unconditional loyalty-trust (tacit handshake)
- In more Foucauldian terms, this typology can be seen as a set of 'diagrams' of power – with multiple instantiations
- If so, it can be studied in terms of 'critical discourse and dispositive analysis' as well as state and governance theory

Governance and Governmentality

- Governmentality covers discourses and practices of state formation, statecraft, state's role in strategic codification of micro-powers, and overall projection of state power
- Governmentality covers problem of macro-intelligibilities as well as of micro-powers: so how do we understand strategic codification of different disciplinary techniques and other forms of governmentality?
- State power (broadly interpreted) is a key emergent field of strategic action that Foucault links to capitalist political economy and the interests of a rising bourgeoisie

Performativity of Governance

- Governance is often analysed in superficial taxonomic, typological or descriptive terms but durable forms of governance have performative, constitutive effects
- Modes of governance partly co-constitute objects of governance, initially as imagined problems and practices, later through instantiation as actual objects & practices
- Successful governance requires suitable governing subjects and governable subjects:
- Would other modes of governance be more appropriate – provide better formal and substantive match?

Conditions for Effective Governance - I

- Simplifying models and practices that reduce complexity of the world and are congruent with real world processes as well as relevant to the objectives of the actors concerned;
- Developing capacity for dynamic social learning about causal processes and forms of interdependence and possibilities of coordination in a complex, turbulent environment;
- Establishing common world view for individual action and system of metagovernance to stabilize key players' orientations, expectations, and rules of conduct.

Conditions for Effective Governance - II

- Build methods for coordinating actions across different social forces over different spatio-temporal horizons, and over different domains of action. This involves:
 - An institutional fix that offers provisional, partial, and relatively stable solution (in given parametric limits) to coordination problems
 - A spatio-temporal fix that delimits the spatial and temporal boundaries in which structural coherence (and, so, institutional complementarities) of a given order (here, an accumulation regime) are secured
 - These fixes externalize material and social costs of securing coherence beyond spatial, temporal, and social boundaries

Organizing Spatio-Temporal Fixes

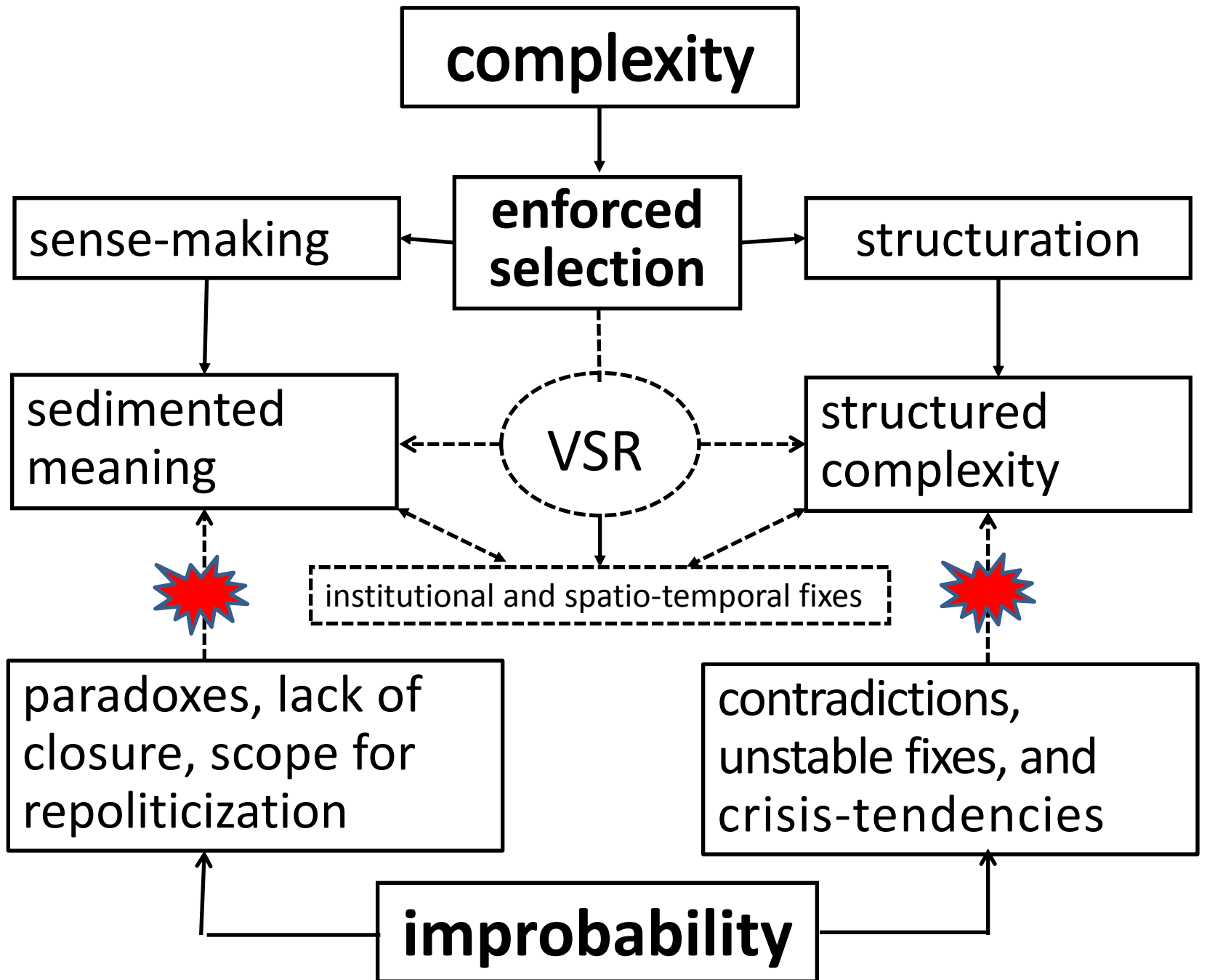
- *Hierarchization*: some contradictions “more important”
- *Prioritization*: priority to one aspect of a contradiction or dilemma over the other aspect
- *Spatialization*: rely on different scales and sites of action to address one contradiction or aspect and/or displace problems linked to neglected aspect to marginal or liminal territories, spaces, places, scales
- *Temporalization*: alternate between treatment of different aspects or focus one-sidedly on a subset of contradictions, dilemmas, or aspects until it becomes urgent to address what had hitherto been neglected

Institutional Analysis of Governance

- Ignores fundamental social relations and roots of crisis-tendencies in incompressible contradictions of capitalism
- The how-why question (Foucault, Marsden, Lemke)
- These contradictions explain the necessity of institutional and spatio-temporal fixes *and* the always temporary, partial, and provisional nature of their effects
- However well institutionalized given institutions or sets of institutional complementarities may be, they cannot stop conflicts from overflowing them (primacy of agency)
- Continuing – but failure-prone – efforts are needed to reproduce the institutions, institutional separations, and institutional complementarities that enable accumulation

Governance Failure

- *Mainstream studies*: failure is due to complexity, cognitive limitations, flawed definition of problem, poor choice of instruments, failure to cooperate, bad faith, etc
- They pose question of governability without relating it to specific qualities of specific objects of governance, their structural contradictions, strategic dilemmas, etc.
- *Critical governance studies*: integrate critiques of power, domination and ideology into study of governance
- Ungovernability is not reducible to limited knowledge or uncertainty; it also involves inherent features of specific objects that render them hard to govern



Responses to Governance Failure

- First order meta-governance is redesign of each mode of governance to improve its operation in light of its specific criterion of success in immediate sites of failure
- Second order meta-governance aims to re-balance role of each mode within a given set of *meso-level* relations
- Third order meta-governance is *macro-collibration* and is usually conducted in shadow of hierarchy, i.e., under guidance of the 'state' as addressee of demands 'when all else fails'
- Globally, macro-collibration is promoted by hegemonic state(s) in inter-state system and/or is contested on basis of international, transnational, and global social relations

Third-Order Meta-Governance

- “Collibration”, i.e., re-ordering the relative weight of alternative modes of governance
- Third-order governance based on observation of how each mode of governance performs
- Reflexive governance of articulation of social conditions and modes of governance
- NB: no master meta-governor, no single summit from which meta-governance is performed: meta-governance is highly contested, reflects equilibrium of compromise
- Meta-governance is also prone to failure

Modes of Collibration

- Provide ground rules for governance
- Create forums and/or organize dialogue among partners
- Ensure coherence of regimes across scales and over time
- Re-balance power differentials and regime strategic bias
- Modify self-understandings on interests, identities, etc
- Subsidize production of public goods, organize side-payments for those making sacrifices
- Exercise "super-vision" (seeing more, supervising), permitting expansion, shrinkage, or adjustment
- Identify final responsibility when governance fails

On the Nature of Crises

- Crises are moments of *danger* and *opportunity*: as such, they have both objective and subjective aspects
- Objectively, they occur when a set of social relations (including their ties to the natural world) cannot be reproduced ('go on') in the old way
- Subjectively, they are moments of indeterminacy, where decisive action can repair these relations, lead to change via piecemeal adaptation, or to radical innovation
- When repair work or piecemeal adaptation fails, perhaps because the crisis is deeply rooted in system logic, the system will also fail, perhaps replaced by a new kind

Crises, what Crisis?

- Crises as ‘accidental’ products of natural or ‘external’ forces rather than antagonistic internal relations (e.g., invasion, tsunami, crop failure, SARS)
- Crises as ‘structurally-determined’: inherent crisis potentials and tendencies of specific social forms with corresponding patterns of crisis-management (e.g., capitalism, democracy)
- Crises ‘in’ are normal and *may* be resolved through established crisis-management routines and/or through innovations that largely restore previous patterns
- Crises ‘of’ are less common and involve a crisis of crisis-management, indicating inability to ‘go on in the old way’ and demanding more radical innovation.

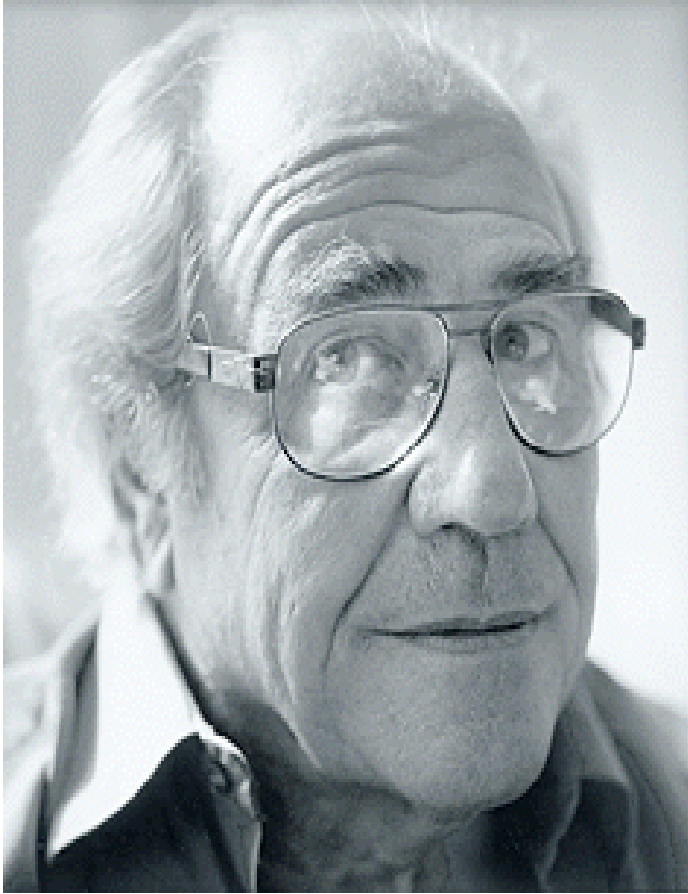
The Semiosis of Crises

- Subjective indeterminacy of crises may produce profound disorientation as those affected seek to:
 - make sense of the “crisis” as it unfolds in space-time
 - attribute (rightly or wrongly) ideological, institutional, technical, and personal (or organizational) blame
 - assert claims ranging from “business as usual” through “turning point” to “revolutionary rupture”
 - work out whether this is crisis “in” or “of” relevant system(s),
 - chart alternative futures to prevent or guide them, and
 - recommend agent- and context-specific lines of action
- Some crises occur so often that they prompt crisis-management routines: if these fail to restore ‘business as usual’, then we have crises of crisis-management.

Mediatization

- Lived experience of crisis is necessarily partial, limited to particular social segments of time-space
- Sense of overall dynamics of crisis is therefore heavily mediatized, i.e., its construal and responses depend on specific forms of visualization and media representations
- Different actors have different access to representations and narratives of crisis: the mass media often present very different accounts from those of specialized media
- Crisis responses and learning reflect articulation of personal narratives, organizational narratives, media representations, and meta-narratives

“The crisis did not take place” - I



Jean Baudrillard, *The Gulf War did not take Place* (1991)

- **The crisis will not take place**
 - because markets are efficient!
- **The crisis is not really taking place**
 - a blip, due to volatility, not a crisis
 - markets will soon return to normal
- **The crisis did not take place**
 - blame consumer greed, past policies
 - Central bank and government action successfully avoided Great Depression
 - too big to fail banks, too big to fail bankers escaped, grew bigger, richer
 - ‘little people’, middle classes did get hurt but little news in *business* media

Policy Matters

- When crisis-management is reduced to issues of the best *policies*, defined through “governing parties”, then opportunities for more radical solutions are marginalized
- Limiting crisis-management to search for correct policies implies that crisis is due to incorrect policy rather than being rooted in deeper structural causes, linked to patterns of economic, political, and social domination
- This may be reinforced by “urgency” of crisis: contrast crisis of Fordism with crisis of finance-led accumulation. Policies will be develop differently with time factors.

Forums also Matter

- Powerful narratives without powerful bases to implement them are less effective than more “arbitrary, rationalistic and willed” accounts pursued by the powerful
- Distinguish interpretive power from interpretive authority – the hegemonic appeal of a construal from authority to translate a given construal into policy
- Also recognize multiplicity of forums and opportunities to jump scales: some forums offer more scope for counter-hegemonic and/or sub-hegemonic narratives and policies that are widely accepted in regional forums and subaltern organizations

But Power Matters too!

**“Errors have been made.
Others will be blamed”**



CHUMS, an Edwardian paper for English boys, published 1906

- Power is the ability *not* to have to learn from one's mistakes (Deutsch 1963: 111).
- Elites may try to impose costs of their mistakes onto others
- Entrenched blocs, durable alliances, and/or temporary coalitions of the powerful may seek to allocate costs of crisis management/ adjustment and also shape learning processes

Interpreting Crisis, Governing Crisis

- Getting consensus on which of many crises or which aspects of crisis matter is to have framed the problem (**variation**)
- Nonetheless this consensus must be translated into coherent, coordinated policy approach and solutions that match objective dimensions of the crisis (**selection**)
- Effective policies are those that adapt crisis-management routines and/or discover new routines through trial-and-error experimentation and that can be consolidated as the basis of new forms of governance, meta-governance and institutionalized compromise (**retention**)
- Effective construals therefore also have constructive force

“The Crisis did not take place” - II

Whoever wants to give one sole definition of these events, or what is the same thing, find a single cause or origin, must be rebutted. We are addressing a process that shows itself in many ways, and in which causes and effects become intertwined and mutually entangled. To simplify means to misrepresent and falsify. ...



Gramsci, 'The Crisis', *Prison Notebooks*, Q15, §5

Signa Data, Signa Naturalia

- Distinguish conventional signs from natural signs, i.e., symptoms (St Augustine 389 AD)
- For symptoms, there is an objective relationship between invisible entity and visible sign – this relationship is not a one-to-one relationship but is underdetermined
- Crises become visible through their symptoms but these need construing – a contested process – to establish their deeper causes as a basis for decisive interventions
- ‘Symptomatology’ is based on trial-and-error observation and construal that draws on past experience but may also require forgetting as basis for ‘correct’ intervention

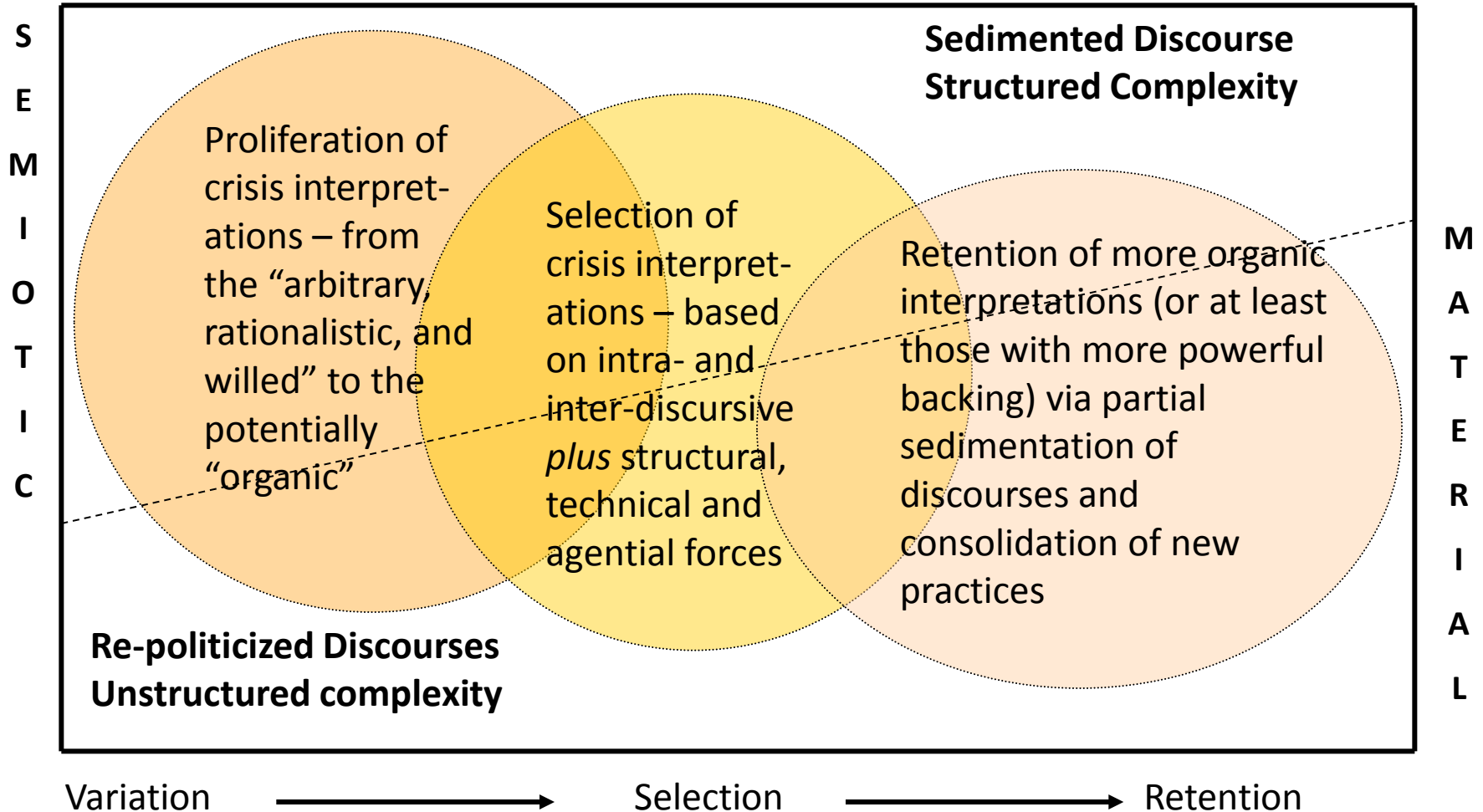
Crisis Construals: True or Correct?

- Construals can be assessed in terms of **scientific validity**:
 - note risk that scientific inquiries are distorted by scientists' own ideological assumptions (economics is one of many examples)
 - note that theoretical paradigms differ from policy paradigms
- Construals can also be assessed in terms of **correctness**, i.e., capacity to transform conjunctural potentials (crisis as opportunity) into reality by guiding action (construal leads to construction). This depends on:
 - limits set by objectively overdetermined form of crisis
 - interpretive and mobilizing power of strategic perspectives
 - balance of forces associated with different construals

“Correct Construals”

- Initial *variation* of construals does not imply free choice among many interpretations that may be equally correct
- ‘Arbitrary, rationalistic, and willed’ construals versus ‘organic’ or ‘correct’ construals, i.e., adequate to crisis conjuncture , readily communicated to relevant audience
- What is ‘correct’ logically (construal) and chronologically (being first in terms of resonance and/or imposition of reading) matters more in *selection* than what is ‘true’.
- A ‘correct’ reading creates ‘truth-effects’ and may then be *retained* through its capacity to shape reality.
- This is a recursive process: know when to re-construe!

Variation-Selection-Retention



How to interpret this figure

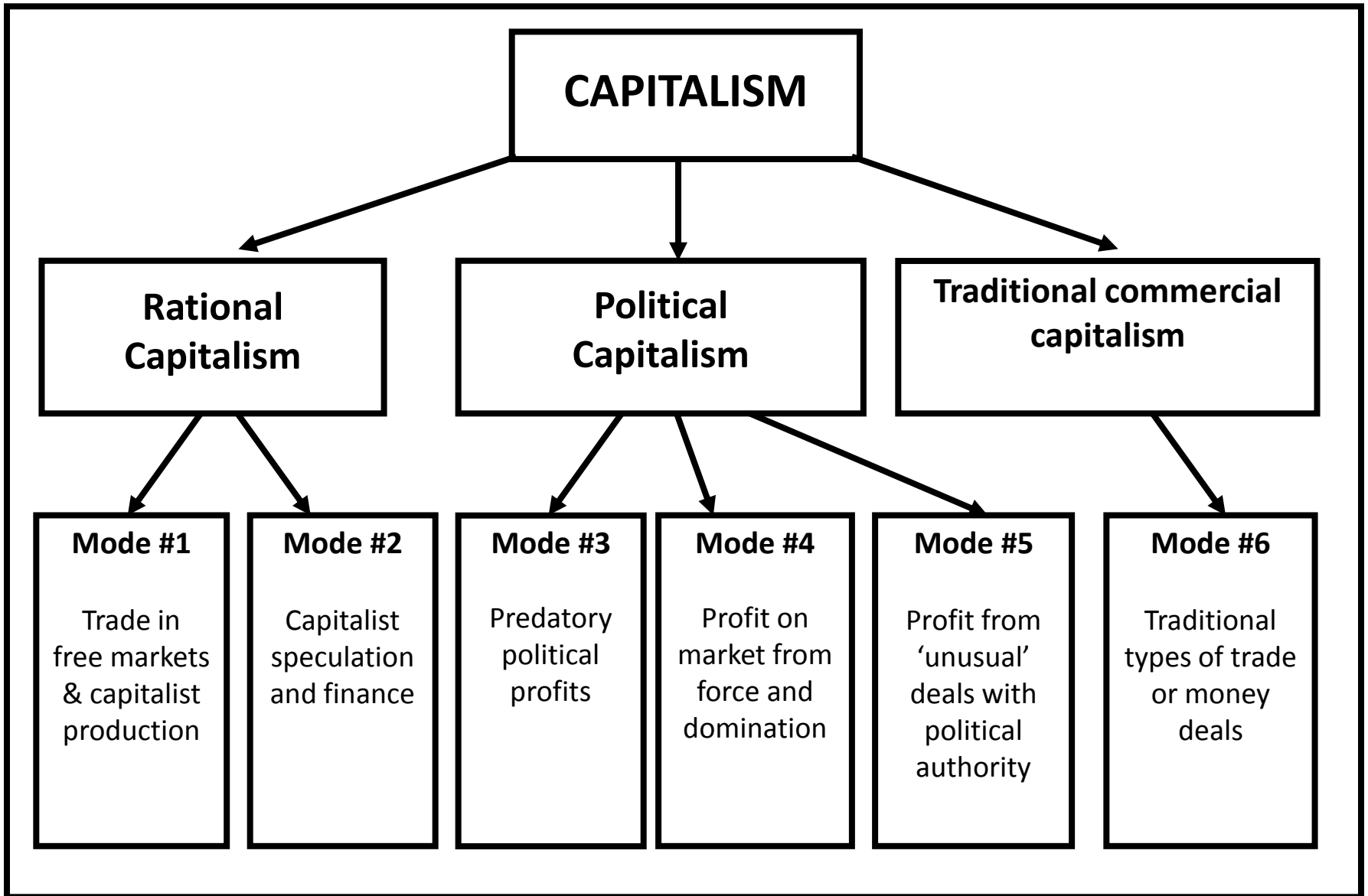
- Dotted diagonal line indicates:
 - all social relations are simultaneously semiotic and material;
 - ‘semiosis’ gets less important in movement from V through S to R
 - in part because semiosis becomes less contested , more sedimented;
 - ‘materiality’ gets more important in movement from V through S to R as unstructured complexity is reduced through limits on compossible combinations of social relations
 - in part because governmental technologies normalize identities and conduct
- Positioning of balloons indicates:
 - overlap of successive stages of variation, selection, and retention
 - increased importance of materiality in this movement (understood as sedimentation of semiosis, structuration of social relations)
- Figure starts with moment of crisis (maximum variation) rather than with period of relative stability; it is heuristic, schematic

Selection and Retention

- Selection and retention of construals and efforts to re-structure relations in crisis are shaped by four forms of selectivity:
- **Discursive selectivity** (genre chains, styles, identities) and inter-discursive resonance; arbitrary vs organic discourses for specific objects of intervention and restructuring
- **Social structural selectivity** (some sites of enunciation are more dominant than others, i.e., structural power matters; some objects are more or less resistant to restructuring due to inherent properties and limits on compossibility)
- **Technical selectivity** (some means of advancing discourses and promoting structural change are more effective than others)
- **Agential** (some agents are more skilled in rhetoric, argument, wars of position/manoeuvre, redesign, re-structuring, etc.)

A Marxian View of 'Capitalism'

- **Wealth** appears as immense accumulation of **commodities**
- **Commodity form** is generalized to **labour-power** (which is a fictitious commodity but treated **as if** it were a commodity)
- **Commodity** as 'stem cell form' of capital relation, with different forms of **use- vs exchange-value contradiction for** each form
- A political economy of **time** and essential role of **competition** in dynamic of capitalism, leading to treadmill effects
- Key role of **money** as social relation in mediating **profit-oriented, market-mediated** accumulation process
- **Contradictions, social antagonisms, and crisis-tendencies** can be managed partially and provisionally through **unstable 'fixes'**



Weber's Modes of Capitalism (Based on Swedberg 1998)

The North Atlantic Financial Crisis

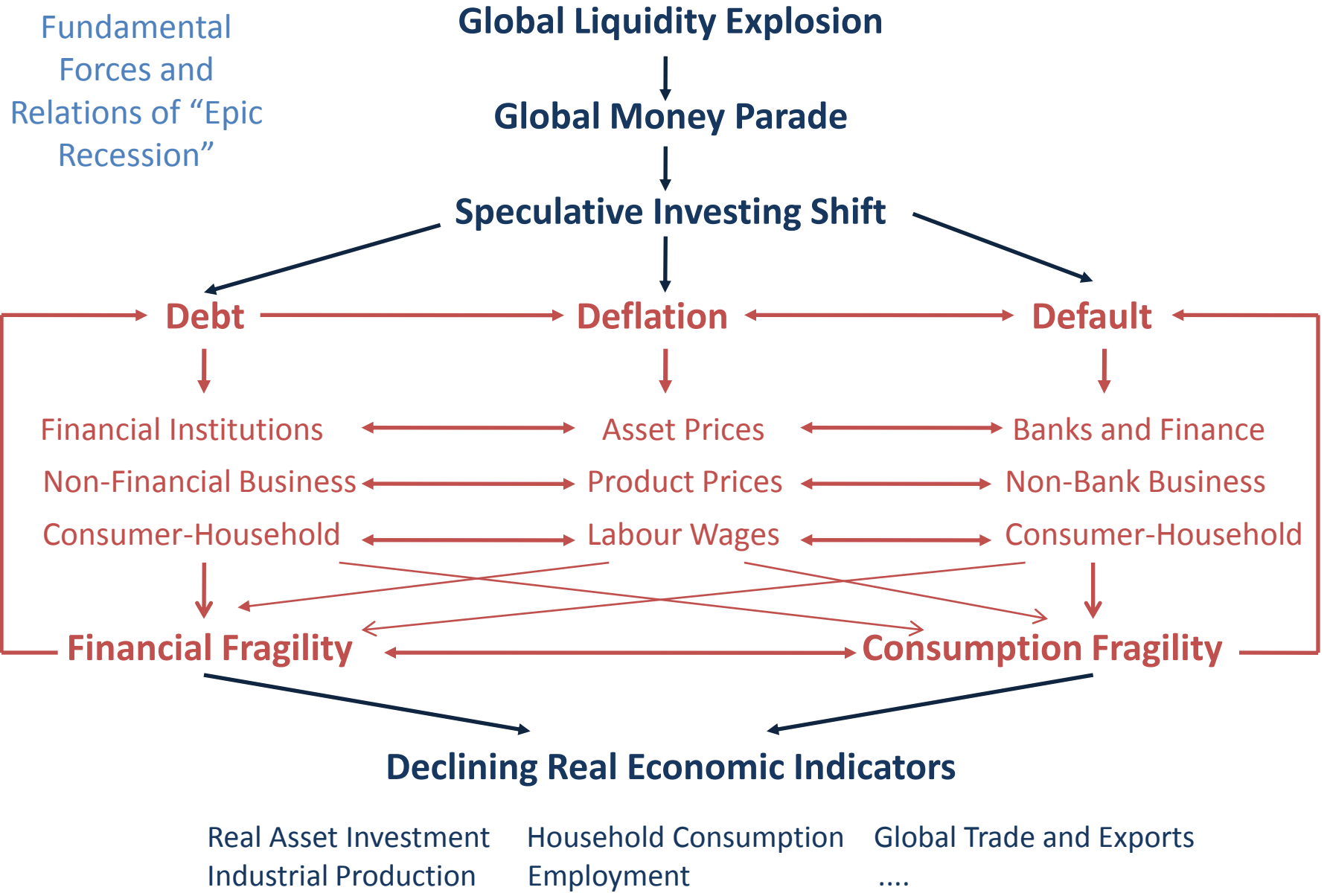
- This crisis (more commonly, and misleadingly, called the 'global financial crisis') has a specific aetiology:
 - NAFC must be situated in world market
 - Related to variegated capitalism – which is more than the sum of interacting varieties of capitalism in the world market
 - Finance is more than money, credit, or capital relations
 - Hierarchy of money and currency pyramid
 - Financialization is more than growth of financial activities relative to other sectors or financialization of everyday life
- Need to study new forms of money and their dynamics, especially derivatives as forms of interest bearing capital

Immediate Origins of the Crisis

- NAFC arose from “capitalist speculation and finance”, not from “free trade in markets and capitalist production”
- Its was enabled by “unusual deals with political authority” (de-regulation of finance, rising income and wealth inequalities, etc) and “predatory political profits” (due to roll-out of neo-liberal regimes, “disaster capitalism”)
- Specific form due to *hyper-financialization* of advanced neo-liberal economies, especially de-regulated, opaque and sometimes fraudulent financial institutions
- NAFC has triggered crisis *in* neo-liberal, finance-dominated accumulation regimes in a world market that has been re-organized in the shadow of neo-liberalism

Broke in America (and 'clones')

- Whether via endogenous causes, specific vulnerabilities, or contagion, a crisis made in the USA has spread globally
- It is nonetheless concentrated in some economies, where it is taking a distinctive form (to be explored below)
 - liberal market economies with neo-liberal regime shifts (e.g., US, UK),
 - other varieties of capitalism that had de-regulated finance (e.g., Iceland, Ireland, Cyprus),
 - post-socialist states that embraced neo-liberalism and also de-regulated finance excessively (e.g., Baltic republics)
- It has spread via contagion through world market – but via distinct, not generic, economic and political mechanisms



Putting the NAFC in its place

- Five sets of crises are crucial contextually (in order of importance)
 - Global environmental crisis (plus energy, food, water)
 - Crisis of US hegemony within post-1975 global order
 - Crisis of neo-liberalism as economic and state project
 - Crisis of finance-dominated growth regimes
 - Crisis in particular strategic sectors (e.g., automobiles)
- These are superimposed on more local (regional, national, sub-national regional, local crises) and other types of crisis (fiscal, rationality, crisis in crisis-management, legitimacy, organic, etc.)
- A key question for crisis theories and crisis responses is their adequacy to 'objective' nature of the NAFC *in its wider context*

Economic and Political Crisis - I

- Financial and economic crises have more radical effects when there is a crisis in the state and political life and when crisis provokes challenges to state as well as economic forms
- Current crisis was not initially associated with a crisis in the state (i.e., dominant patterns of governance and government): instead, “market failure” led to “state rescue”
- Indeed, roll-out of free markets has been associated with extension of strong state at home and with new forms of transnational governance inaccessible to popular forces
- Both aspects limit scope for social movements to define the nature of the crisis and to shape responses

Economic and Political Crisis - II

- State facilitated superficial return to financial “business as usual” (elements of “extend and pretend”) but there was uncertain, limited, halting recovery in “real economy”
- State rescue has transformed crisis in private finance into crisis of public finance and sovereign debt: this is being solved through austerity politics (there *are* alternatives)
- Austerity is generating political/state crises at rural and urban, regional, national, EU, and international scales
- There are obvious signs of “crisis in crisis management”, *ad hoc* muddling through, and incoherent responses; and this is provoking popular discontent and mobilization

Crises of Crisis-Response

- Economic crises are not decisive: crises can be means through which the renewal of capital accumulation is secured
- Need to focus on political struggles and the reproduction of political [class] domination (where crises are resolved or not)
- Hence importance of crises in 'power bloc' (in the dominant social alliances that cross-cut society and state), its hegemony over the people, representational crises, crises of state integration, legitimacy crises, ideological crises, and so on
- No technocratic guarantees of successful crisis-management: depends on balance of forces, which can involve catastrophic equilibrium of forces → exceptional regimes (e.g., fascism)

Crises of Crisis-Management - I

- Policy failures can occur because of:
 - Arbitrariness of crisis interpretations
 - Inadequacy of instruments and institutions
 - **Ungovernability of objects of intervention**
 - Crisis in or of the broader policy context
- Economic crisis and political crisis
 - State as addressee *in last instance* of calls to intervene
 - It may lack capacities to intervene, materially and/or semiotically
- Some dimensions of state crisis:
 - representational
 - legitimacy crisis
 - rationality
 - institutional

Crisis of Crisis-Management - II

- From weakened state capacities ...
 - Dissolution of expertise and crisis-management units → dependence on financial expertise from private sector
 - Deregulation and liberalization lead to loss of steering ability
 - Quantitative easing and problem of exit strategy
 - Accumulated deficits and low interest rate policy
- To exceptional state triggered by economic crisis
 - loss of temporal sovereignty
 - loss of territorial sovereignty
 - concentration of economic policy-making power
 - problems of political paralysis

Crisis and Fast Policy - I

- Crises can be profoundly disorienting, throw learning into crisis and render past policy routines ineffective.
- Yet normal politics 'takes time', creating pressures to decide based on unreliable information, narrow or limited consultation and participation, etc., even as key actors think that policy is taking too long to negotiate, formulate, enact, adjudicate, determine, and implement.
- Call for quick action leads to shorter policy development cycles, fast-tracking decision-making, rapid programme rollout, continuing policy experimentation, institutional and policy Darwinism, constant revision of guidelines, etc

Crisis and Fast Policy - II

- Emphasis on speed affects choice of policies, initial policy targets, sites where policy is implemented, and criteria adopted for success.
- It also discourages proper evaluation of a policy's impact over various spatio-temporal horizons, including delayed and/or unintended consequences and feedback effects.
- Scheuerman (2000) notes trend to 'economic states of emergency' linked to decline in power of judiciary (which looks to past precedent) and legislature (which legislates for the future) and with enhanced power for the executive (which can take fast decisions).

Crisis and Fast Policy - III

- Crisis in crisis management can create conditions for fast policy transfer, i.e., willing or forced adoption of crisis-management policies elaborated elsewhere, whether appropriate or not
- This can also involve lesson teaching (e.g., Washington Consensus policies were imposed during Asian crisis)
- IMF later conceded (learning after crisis) that sequencing of neo-liberal measures, capital controls oriented to the absorptive capacity of real economy, and restrictions on hot money would all have been appropriate.
- USA does not apply Washington Consensus measures or policies in response to its own crises (power matters)

Conclusions - I

- Deep complexity + complexity reduction = governance failure + muddling through
- Deep complexity excludes coherent 'global' governance, i.e., there is no master meta-governing instance. We can observe a decentred series of decentred steering efforts
- These can be studied serially but consider many attempts at strategic codification, with state as 'collibrator in last instance'
- In a world of states (*Staatenwelt*) rather than under a world state (*Weltstaat*), this reproduces complexity on other scales.
- Attempts to simplify a hypercomplex world characterized by deep complexity and to slow it down are a way forward but this is more than likely to multiply complexity!

Conclusions - II

- ‘The market’ is *both* self-description for interactions among profit-oriented economic agents – a social construct – *and* the actual form of movement of a complex material-discursive substratum with diverse emergent effects
- It is impossible to regulate the ‘market’ or competition. At best social forces can identify subset of interactions, isolate them, and seek to govern them (all steps being contested)
- ‘Unmarked’ and ‘unobserved’ still take revenge, leading to regulatory (and other forms of governance) failure
- Ultimate horizon is the ‘world market’: best observed in terms of variegated capitalism in shadow of neo-liberalism

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