

Loveridge Ray (2009) "Developmentalism", *Le Libellio d'Aegis*, volume 5, n° 3, automne, pp. 1-14.

Sommaire

1

Developmentalism

R. Loveridge

14

La désagrégation du couple :
une analyse sociologique de la fin d'une relation

M. Ayache

22

La terre en-vie ou la Gaia scienza

A. Jeunemaitre

34

Qu'est-ce qu'un dispositif ?
-Agamben, Foucault et Irénée de Lyon dans leurs rapports avec la gestion-

H. Dumez

39

La soutenance de thèse ailleurs

H. Dumez

43

Vient de paraître

45

Prochain séminaire AEGIS

Les autres articles de ce numéro & des numéros antérieurs sont téléchargeables à l'adresse :

<http://crg.polytechnique.fr/v2/aegis.html#libellio>

Developmentalism

In a recently published biography of Charles Darwin its author Adam Gopnik brackets his publication of *On the Origins of the Species* in 1859 with the contemporary effect of Abraham Lincoln's Gettysburg Address in 1863. Both are seen to mark a defining moment in the establishment of a 'horizontal' narrative of human self-development as the prevailing world-view of Modernism over that of the 'verticality' of divine authority. If this is so then its origins lie in a much longer narrative dating back in European history to the Ancient Greeks and its late flowering in the 'communities of discourse' that emerged during epochs now labelled as those of the Reformation and the Enlightenment (Wuthnow, 1989). At the collective level the Enlightenment view of social development is seen to take place over a teleologically staged movement. This is particularly well expressed by Condorcet (1794, 1955 trans) but becomes part of most subsequent paradigms in social theory most notably those of Spencer, Marx, Weber and Parsons (Giddens, 1987).

As Gellner (1964) and Badham (1986) suggest, this historical account can be seen to have two distinctive themes. The first is that of progress towards an ideal of a harmonious, reason-based system of governance. The second is that of transition or transformation from irrational to rational forms of socio-economic organization. This distinction was later translated by 19th century European anthropologists into contemporaneous cross-societal comparisons between savagery, barbarism and civilization (Morgan 1877). It also became part of the legitimating ideology of European and American colonialists in laying claim to an overseas empire as part of a "civilising mission", often associated with Christian evangelism (Worsley, 1957). In the emergent claims of social science disciplines the great transformation of societies was usually seen to stem from a historical conjunction between attempts to establish modern forms of state governance over a particular territorial population with a movement towards the industrialization of the economic and social life within that population. In this short essay I attempt to map the course of post-World War 2 scholarly debates within developmental studies. The diffusion of theoretical ideas is seen as most often related to the immediacy of their perceived value within historically concrete conjunctions of events from which they have emerged. They tend to have been framed by enduring debates contained in discourses on human 'progress' even after the rejection of such premises by Post-Modernists.

The Cold War and Developmental Studies

Within Europe itself the goal of national self-determination became both a liberating and unifying ideology in the creation of new states upon the break-up of the old Austro-Hungarian and Ottoman empires and in the emergence of new attempts at imperial expansion by these late-developers. In the closing years of the two 20th century World Wars that followed, the aspiration to national self-determination spread to emergent elites in overseas colonial territories. The issue was pressed on the ultimately victorious Allied nations by Lincoln's successors, US Presidents Woodrow Wilson in 1918 to 1919 and Franklin Roosevelt in 1944 (Manuela, 2007). For almost

all of the remaining half of the 20th century the USA and the Soviet Union became major protagonists in a Cold War in which their attempts to dominate the shaping of socioeconomic development within the so-called Third World became a major contested terrain. Border states such as those of Federal Germany, Finland, Japan, South Korea, Taiwan and Singapore were to become showcases of successful national capitalisms. Meanwhile, agencies of the United Nations Organisation together with those of the World Bank, IMF and of a hugely proliferating array of NGO's provided policy arenas for contesting schools of burgeoning bodies of developmental theory in which transition from an agrarian to an industrial and thence to a service-based economy was taken to be the ideal of staged development.

For the most part then, these paradigms went back to the basic premises established in earlier debates surrounding the 17th century shaping of the French economy by Colbert (Reich, 1991). The creation of a stable political state was seen to depend upon the formation of a productive base of economic and human capital. The transformation was generally seen by Third World politicians themselves to be best achieved through the protection of infant industries and by the encouragement of economic self-sufficiency in the manner prescribed by Alexander Hamilton (1787, 1966 edn) for the nascent US government and by Frederick List (1841, 1904 trans) for an emulative Prussian elite. Economists thus provided much of the early expertise in the establishment of both academic and policy fields of developmental studies. The frame adopted by both Neo-Classical and Marxian theorists was often on a relatively narrow production- function view of economic growth. A key social factor was, and remains, an emphasis on the level of full-time education within any given population as an indicator of the contribution of 'human capital' (Romer 1994). Hirschman (1958) and other institutional economists were more innovative in advancing notions of backward and forward linkages within the economy and of creating imbalances that would induce individual entrepreneurs to provide solutions. Overall, the approach lent itself most easily to the problems of development as seen by central planners trained in Stockholm, Moscow, Paris, the LSE or in one of the 'two Cambridges'. All this was seen as mercifully remote from the irrational passion of ethnic strife and of the kleptocratic 'corruption' of bureaucracy that represented a different kind of reality for aspirant citizens of many post-colonial societies.

A much greater role for socio- cultural factors in precipitating industrialization was provided by Rostow's (1960) 'non-communist manifesto' that postulated a universal model of staged sequences of economic growth and by Kerr et al's (1960) categorisation of five varieties of elite-driven trajectories of institutional development. They were widely attacked from both Neo-Classical and Marxian theoretical positions as lacking a basis in their prevailing theoretical paradigms and for predicting an eventual convergence of national capitalisms on a form of managerial capitalism. (Their source of funding by the Ford Foundation was also called into question in a way that seems wonderfully idealistic in today's climate of academic sponsorship!) Cross national comparisons between institutional preconditions for growth were also being made by political and economic historians such as Bendix (1956, 1963 edn) and Landes (1969) and, increasingly, in the work of management and organizational scholars. Shonfield (1965) criticized the lack of effectiveness of indicative planning in Britain, at a time when 40% of the GDP came from the public sector. He used comparisons with the greater interventionism of French and German governments to explore underlying differences in national business institutions.

Marxian theorists provided equally, if not more, influential contributions to post-War debates around the effects of institutional structure on economic performance. The likely permanency of Third World dependency on trade with a core of developed states was put forward in a number of formulations. The position of post-colonial territories as commodity producers was seen as enabling more advanced manufacturing economies to extract surpluses in a way they were unlikely to relinquish (Baran, 1975). The longevity of this peripheral status for less advanced societies dependent upon metropolitan centres was seen as invariably repeated in history (Wallerstein, 1974). The inability of Third World countries to develop the internal conditions favourable to growth was largely attributable to their lack of a strong middle class. This was an opinion shared by many Western theorists. (See Rostow 1960 above). But Marxian theorists in Latin America saw this lacuna as largely attributable to the recognition accorded to former colonial compradores or traditional land owners by foreign direct investors, particularly American corporations (Frank, 1967). In much of their analysis of power in and between developing countries neo-Marxian analysts could be seen to move away from a narrow focus on the extraction of surplus value from labour services and towards a more neo-Weberian treatment of the production of power through the social closure of class relationships (Preston, 2002 edn). Thus, for instance, in the analysis of Lewis (1954) the existence of 'an industrial reserve army of labour' was an opportunity for an interventionist government to promote economic take-off rather than bourgeois exploitation. Myrdal (1957) also saw a need for political elites to engage with both internal and international interests in order to break through a reinforcing cycle of trading conditions that was leading to increasing rather than diminishing global inequality.

Post-Modernism and the Cultural Turn

Over the 1970's discontent with both Marxian structuralism and the apparent failure and 'un-governability' of the corporate state in both the West and East was accompanied by widespread revisionism in the underlying assumptions of developmental theory (Toye, 1993 edn). Short-lived attempts by primary producing states to form cartels brought about a global 'price shock' early in the decade that provided the stimulus for a more permanent institutionalization of interests among oil producers (OPEC) led by newly conscious Arab nationalists. Elsewhere the decade ended with widespread defaults on overseas financial loans among developing countries and the attempted assertion of a new regulatory regime by the IMF and World Bank. In 1975 the adoption of Friedman's monetary analysis by his former post-graduates in the creation of an economic strategy for General Pinochet's military government in Chile had an impact far beyond that country (Valdés, 1995). The later adoption of 'supply-side economics' as a guide to their Neo-Liberal policies by the Thatcher and Reagan administrations was to become amplified many times over in the so-called 'Washington Consensus' between international agencies. This was to last until the end of the century and, perversely, to be accompanied by the diffusion of a range of regulatory attempts to impose neo-Liberal programmes through the setting and monitoring of bureaucratic standards (Schmidt, 2002). At the beginning of the 1980's there was a revival of political interest in Schumpeterian approaches to technological innovation and in interpreting early applications of computers through the frame of a 5th Kondratieff wave in capitalist development. This movement was already well served by scholarship in the science policy field that had developed in the 1960's (Freeman & Soete, 1997 edn). Stimulated by the promise

of an industrial renaissance the lone entrepreneur of early Schumpeterian theory joined Hayekian individualist vision in the creation of a partnership of inventor genius and high-risk capitalism in the Silicon Valley (SV) phenomenon. Over the ensuing period of the 1980's a confluence of theory and practice brought about a paradoxical alliance of Right and Left towards a condemnation of the supposedly 'iron cage of bureaucracy' (Clegg & Lounsbury, 2009) and in denial of the liberating or redistributive capacities of constitutional and juridical procedure.

In his policy advice to the Quebec Government the philosopher Lyotard (1979 trans) condemned the meta-narrative of developmentalism whilst proclaiming the beginning of a new era of 'Post-Modernism'. This was seen to be heralded and enabled by the introduction of communications and information technology (CIT). Universal access to CIT would drive knowledge-creation to a micro-level of performativity and conversational paralogy allowed along open-access networks. Foucault (1970 trans) and other French phenomenologists contributed significantly to an analytical frame that saw power as being created in a capillary fashion along networks of micro-relationships and in the processural reproduction of symbols in language and aesthetics. In California Meyer and Rowan (1987) pronounced formal organization to be a 'rational myth' adopted only through mimetic isomorphism. The analytical focus of managerial control was shifted by both critics such as Latour (2005) and by more functionalist writers such as Powell (1990) towards the generation of power within relationships formed in actant networks. This movement towards micro-level analysis of relationships was endorsed by Williamson's (1985) focus on the manner in which networks achieved greater efficiency through a reduction in transaction costs. These latter were seen, somewhat tautologically, to translate individualistic opportunism into trustful partnership allowing greater information symmetry in the creation of contracts. Networks were thus translated from being synonymous with a pre-industrial relational particularism into the basis for new modes of collaboration within formal modes of capitalist governance. As such the network was to become an omnibus analytical concept underlying an amazing number of apparently incongruent forms of transactions between organizations and individuals. For many social analysts these were to be seen as liberating and democratic (Powell 1990 *op cit*) for others as a more pernicious extension of capitalistic domination and exploitation (Boltanski & Chiapello, 1999, 2007 trans).

After Japan, Post-Fordism and Globalization

The neo- Marxian meta-narrative provided by Palloix (1976) and Aglietta (1976, trans 1979) had already presciently forecast a movement from Fordism to Neo-Fordism in prevailing regimes of market 'regulation'. This was a theme later taken up and developed by Piore and Sabel (1984) in the concept of Post-Fordist modes of 'flexible specialization' in workplace production systems. Their suggested policy recommendations rested on their discovery of the existence of market-induced clusters of specialised 'industrial districts' in Europe. These became the model for state sponsored 'regional clusters', while similarly sponsored science parks or technopoles gained symbolic credibility from the so-called SV phenomenon. Another curtain might also be seen to have risen on a new era in management thought at the opening of the Honda assembly plant in Ohio in 1982. The appearance of Japanese assembly plants in the USA, to serve an already well-established export market, brought home to corporate executives the concrete reality of this alternative model

of capitalism. The Japanese mode of *kieretsu* corporate networks was seen to be complemented by internal modes of work-place control through the delegation of responsibility to semi-autonomous work groups. The Ford Corporation was among the first to send its managers to Japan to be re-educated under its 'After Japan' programme (Starkey & McKinlay, 1993).

The existence of this model was already well known to regional specialist writers like Dore (1973) and indeed was claimed by American engineers Juran and Deming as their own. As a mode of culling and codifying operational praxis it was developed by Japanese engineers as an important vehicle for corporate learning (Nonaka & Takeuchi, 1995). In its translation to the West it was seen by many critical scholars to have provided a means by which employers and neo-Liberal politicians could diminish the market basis for occupational closure and enact a form of a dual market structure similar to the one that had grown up in post-war Japan. Thus new forms of corporate HRM could promote a polyvalent core of long term employees supplemented by a numerically flexible fringe of workers and sub-contractors, some specialist professionals, others less skilled supernumeraries. In many diverse forms this duality became an essential element in the framing of the new networked economy. Needless to say, neither bureaucratic authority nor coercive necessity were absent in the establishment of these networked relationships. Nevertheless the SV model of the entrepreneurial firm complemented by high risk venture capital was to become merged with that of the 'de-layered' bureaucracy in the creation of the 'ambidextrous firm' (Teece, 2000).

Across the Northern Pacific region of Asia the emulative impact of Japan's success on its former colonies in South Korea and Taiwan was enhanced by the latter's access to America's consumer markets by way of Japanese off-shore traders or *sogo shosha* (Hamilton & Feenstra, 2006). By the beginning of the 1990's the Pacific Asian Rim had joined Europe and North America in a Triad, or global core of developed regions. But, the effect of Japan as an exemplar extended to its establishment of external supply chains stretching through the newly industrializing nations of South East Asia. This could also be seen as significant in triggering a huge US expansion of FDI within ASEAN over the 1990's. While the region had a long history of supplying Europe with more exotic commodities, its new availability as both a consumer market and as a branch plant economy, enabled a new alignment of national development strategies by host governments around the promotion and control of FDI. The new global conditions of greater ease, speed and volume in the movement of finance, materials and knowledge capital, of automated calculation and communication and of the emergence of semi-conductor assembly employing an overwhelmingly female labour force, enabled a new East Asian Miracle to take place (Dicken, 1992 edn).

The experience stimulated corporate executives to discover ever increasing opportunities for locating outsourced services off-shore and to develop overseas markets around newly enriched consumers. The advantages provided by newly extended supply chains for corporate growth had a significant consequential impact on national economic strategies across the world in the form of a 'locational tournament' to attract FDI. Its early emphasis was on the creation of local employment opportunities but in the new aspirational climate of economic nationalism FDI quickly became perceived as a means of obtaining access to new technologies and to new management learning particularly through mandatory partnerships with local providers (Dunning & Boyd, 2003). This has created a world

league table in which the Tryad regions evidently remain near the top in their ability to attract and to absorb high-value-added science-based knowledge. But, it also enables the discussion of national chances of promotion in a language free of post-colonial metaphors and tropes.

Set against this, the manner in which IMF, World Bank and other agencies have modified their own standards to stress the importance of 'transparency' in national juridical-political regulatory regimes can be seen to acknowledge the new dominance of TNC's in shaping a global market place (World Bank, 2000). The stance taken by TNC's themselves in the allocation of their income to different national subsidiaries, in locating tax liabilities, in claiming intellectual property rights and in creating exposure to international monetary transfers can shape the relative trading positions of host countries. Ohmae (1995) warns against what he sees as the inability of individual national governments to negotiate effectively with the diffuse power of globally networked TNC's. The numerical and procedural status of Third World countries within these transnational rule-setting arenas also remains unequal. Their authority is seen to be migrating on one hand to the servicing facilities offered by 'global cities' and on the other to 'regional clubs' better able to bargain trans-nationally from a collective strength greater than that of a single nation state. The question left hanging is whether Ohmae is right in forecasting the 'End of the Nation State'?

The Institutional Turn

In the 1990's the language of developmentalism was seen by Evans (1995) to have taken an 'institutional turn'. The capacities of nation states to compete became seen as constituted by the manner in which key systemic functions of capitalism are being met within their prevailing structural configurations of social 'institutions'. Whilst not always directly functionalist in tone there is a more or less specific notion of an inimitable 'national competitive advantage' (Porter, 1990) to be read into most cross-national comparisons of business institutions. The most prescriptive of institutional analyses are those used by the World Bank and IMF and derived from neo-liberal frames. As suggested above, these largely focus on the strength and 'transparency' of market regulation and in maintenance of the legal rights of property and contract through the autonomous operation of juridical courts and regulating agencies (North, 2005). A second institutionalist strand has been that of comparative historical analysis providing a largely Euro-American perspective on the development of capitalism in mature economies. With their roots in the 1960's debate around the convergence of economies on a single mode of managerial capitalism authors have developed a number of alternative trajectories seen to be taken in the creation of a 'variety of capitalisms'. While many categorical schema cluster around the dichotomy drawn by Hall and Soskice (2001) between the ideal type of the Liberal Coordinated Economy and that of the Coordinated Market Economy, earlier typologies such as those of Whitley (1992, 1999) begin by defining background and proximate mechanisms for transmitting organisational forms in a way that produces five or more dominant modes of capitalism seen to exist within the Triad regions. Amable (2003) also creates a five part categorization of trajectories which incorporate both measures of dominant political policies and of scientific and technological specialization within sectors. His analytical frame reflects that of his previous research on National Systems of Innovation (NSI) with other colleagues (Amable, Barré & Boyer, 1997). Like the work of other science policy specialists in

the Schumpeterian tradition the NSI framework represents a third and much more focussed analysis on the significance of universities, training and R&D institutions in the creation and maintenance of economic sectors in which particular states can be 'globally competitive' specialists (Freeman & Soete, 1997 *op cit*).

The success of Japan as 'a developmental state' (Johnson 1982) has been emulated by industrializing elites in Asia and South America but in a way that has generally been modified to include strategies designed to attract selected forms of FDI through the use of export-processing-zones and mandatory local joint-ventures (Best, 1990). In this regard Frederick List's 1841 model of the National Economy continues to inspire new developmental models. Indeed, as has already been indicated earlier, most European and American states adopted protectionist strategies of trade at different points of their history – and still do. Perhaps more importantly List's vision was of a state driven by what has become known as 'techno-nationalism' (Ostry & Nelson, 1995). The Prussian state was not alone in history in attaching a paramount national interest on the appropriation of scientific and technological knowledge. Throughout the 19th and early 20th century international exhibitions were held to show off the technical prowess of modernizing nations, not simply to potential foreign customers, but also to the millions of patriotic citizens that flocked to such events (Edgington, 2007). The Eiffel Tower and the NASA rocket launchers continue to evoke feelings beyond those of day-to-day habitus in the respect paid by visitors.

While classified as a 'regulatory' or 'liberal market' state by Johnson (1982 *op cit*) and others, the USA can also be seen as having the globally dominant NSI throughout the post-War period (Mowery & Rosenberg, 1993). Moreover in recent years Federal agencies have sponsored the vast majority of award winning technologies in that country (Block & Keller, 2008). Such is the developmental importance attached to joining this elite group of technonationalists that the Indian government presently allocates a significant part of its annual budget to sponsoring R&D projects such as putting a satellite in orbit around the Moon. At the same time it receives considerable external welfare aid for the 320 millions of its citizens that continue to live below the UNDP-set subsistence level. The immediate incentive for creating this apparent imbalance in resource allocation might be seen as that of attracting the 'unbundled' R&D and professional services presently off-shored by major MNC's. It is therefore seen to be necessary for Indian professionals to operate along global circuits of intellectual capital (Dossani & Kenney, 2009). In so doing the mother-land attracts increasing numbers of returning engineers and scientists that Indian schools have previously been producing for employment in Western economies. But, there is also some evidence that, like the rural crowds that flocked to the 1851 Great Exhibition in London, for some of India's millions of illiterate Outcasts a sense of collective identity may have moved beyond a religious fatalism to find inspiration in more modern myths.

For both Fukuyama (2004) on the right of political scholarship and Evans (1995) on the left, the effective capacity of the state to sponsor economic development is seen to rest with a capable civil service motivated to the attainment of national goals without participating in a disabling amount of rent-seeking. The latter author has stressed the importance of creating a state bureaucracy that is socially embedded in networks of business elites without being captured by them. This is seen to distinguish the success of South Korea relative to that of India, Brazil and Tanzania, the latter country being described as a 'predatory' state. The role of the Korean administration is seen to have been that of midwife in assisting the large chaebol or

family-owned conglomerate (FOC) in establishing new sectors and that of 'demiurge' in providing public sector facilities not available through these private providers. Critics suggest that Evans plays down the authoritarian style of Korean presidents and in particular the impact of military rule under Rhee Syngman in shaping long term industrial relations. Certainly the relationship being described is that of an elite coalition memorably described by President Eisenhower in his valedictory speech in 1961 as the 'military-industrial-complex' of the USA. In the recent analysis of developing and transitional states the role of political-business elite coalitions in initiating and shaping economic growth has returned to the analytical significance accorded it by Kerr et al in 1960. Though not emphasised in the analytical frame deployed by recent neo-institutionalists, elite coalitions appear as scene-shifters at every stage of their accounts of national development (eg Whitley, 1992 *op cit*). One focus of much recent research by political scientists has been on the composition, cohesion and stability of such coalitions in setting early directions for national development (Kohli 2004). This must be placed against the context of an often frail and only partially embedded concept of civil democracy and of shared systemic trust in the operations of a 'rationalising' state (Badie, 1992, 2000 trans).

The role of the FOC as a bridging mechanism or institutional entrepreneur was stressed by Chandler (1990) in his description of the contribution of German family-owned business to the professionalization of management and science when compared with that of the British personal capitalists. Khanna and Palepu (1998 *op cit*) see the role of large FOC's in India as compensating for what they describe as an 'institutional void' of supportive juridical and professional services. In Korea, as in pre-War Japan, the FOC is itself embedded within a strongly cohesive societal culture. The problems facing the largely post-colonial states of ASEAN and South Asia are of a very different order. Relationships between elites across business and politics are often shaped by the variety of ethnic identities that lie between the territorial borders imposed by former colonialists. This is seen by political analysts such as Doner, Hicken and Ritchie (2009) to increase the number of so-called 'veto-players' in the formation of stable political- corporate-military elites. The nature of compromises within coalitions between those claiming to represent a majority 'indigenous' ethnic group and minority representatives, often labelled as immigrant diaspora, are seen to be of a kind that discriminate against these more entrepreneurially successful minorities. Thus indigenous family connections with government prevail over capable performance within joint-ventures with FDI partners and constitute a major brake on national learning. (Gomez & Jomo, 1999). The recent importance attributed to so-called Emergent TNC's or internationalizing firms from within emergent, largely BRIC, economies might also raise the question of the extent to which these enterprises are embedded within the parent states of the FOC. Their method of expansion has usually been through overseas acquisition rather than home expansion through export or domestic markets. It remains to be seen whether this leapfrogging of domestic development will provide solutions for or distractions from this problematic socio-political base.

Increasingly neo-institutional analysis has also turned to an analysis of the manner in which a growth in the number of transnational agencies may be producing a new social class (Skair, 2001), a transnational community (Morgan, 2001) or 'de-territorialized culture' based within global cities (Featherstone, 1995) These contain several emergent overlapping and interacting fields and their constituent networks. First among these are the transnational regulatory and developmental agencies which reached an unprecedented number in the immediate aftermath of World War

Two but have again proliferated since the end of the Cold War. A second field has grown up around the market for the executive management of TNCs which can be seen to have become increasingly open to the movement of footloose cosmopolitans employed on closed-term contracts which usually incorporate high performance-based incentives. TNC's have also contributed the widening of the much older field of scientific and academic endeavour particularly in the diffusion of the US model of business schools and the status of the MBA. A third field can be found in the transnationalisation of professional services in what the Alberta School describe as multi-functional 'global business advisory firms' (Rose & Hinings, 1999). In many ways these professionals can be seen as being intermediaries in translating the meaning of both differentiated national regulatory regimes as well as those of transnational agencies to TNC executives. Increasingly they have been able to offer strategic advice on their implementation to both executives and to national governments. In this way they have become not only trusted go-betweens but also the designers of new transnational norms. For the most part Anglo-American professions remain prominent in this field, aided by the self-regulatory universality of their institutional origins as well as the current hegemony of neoliberal ideals. Quite clearly the growing interconnectedness of financial markets and the manner in which regulatory boundaries can be seen to have been arbitrated in the creation of new opportunities for rent-taking by intermediaries provide further challenges to the sovereignty of the individual nation state by these 'silent oligarchies' (Johnson, 2009).

Epilogue or Prologue?

The remarkable spread of neoliberal models of regulation has stimulated the use of the term Market State to describe its function as that of an intermediary in enabling the provision of privatized services for its citizens while leaving its transformative and redistributive roles to the hidden hand of the marketplace (Bobbitt, 2002). The resonance of this description with that of Karl Polyani's (1944, 1957 edn) 'self-regulating market' has been such as to provoke much recent attention to his thesis. In particular the focus of contemporary interest is in the 'double movement' that he discovers in the industrializing strategy of, first the British government in the early 19th century and then in the later global market strategy adopted by developed nations after World War One. The first movement is towards clearing away the remnants of the communally or kinship based markets that still exist in early stages of industrialization. This requires not only the exercise of despotic power but also an ideational movement towards the abstraction of the concepts of land, labour and capital so that each can be seen as necessarily disposal in pursuit of a greater strategic goal of economic efficiency. These ideals become codified in the writings of early political economists. However the crises in social disorder that follow arise from the dysfunctional effects of market processes being not adequately embedded in the ongoing structure of social relationships. The state has then to modify its approach to match a counter movement arising from all parts of society including capitalist employers. This movement, or movements, lead to the emergence of a form of state regulated capitalism. However the appeal of the self-regulating market remains and, after World War One is seen to have inspired a return to the Gold Standard of monetary exchange with disastrous results for world order.

Whatever the disputes over the historical accuracy of Polyani's analysis it has become a morality parable for many contemporary analysts in approaching the present crises in capitalism. The principal focus of this criticism has, of course, been

the neoliberal approach to development and, more particularly, to its effects on the de-regulating of financial markets over the last quarter century. But, as Whitley (2009) demonstrates in his recent critique of the US model of capitalism and as is shown in the survey of French management thought by Boltanski and Chiapello (1999 *op cit*) the new spirit of networked entrepreneurialism has not been confined to the USA or to the teaching of only American business schools. Indeed there appears to be a widespread disillusionment in many Northern countries with the ineffectivity of the state in relieving impoverishment and in providing solutions for broader problems of the social commons, most terminally the threat of climate change. This can be seen to have led to a much broader libertarian movement. The twin concepts of 'social entrepreneurship' and 'social enterprise' have served to frame the mobilization of a global coalition of interests in tackling communal problems in a way typified by its largest Silicon Valley sponsors and by the 'self-help' individualism of Benjamin Franklin (Loveridge, 2007).

But, I would argue that the rhetoric of 'national competitive advantage' has been equally efficacious in producing a perverse Polanyian counter-movement in the responses of Northern governments. This has not been towards relieving the social inequities produced by unregulated markets but has rather reinforced a revival of economic and even 'naturalized' forms of imagined community – to use Brubaker's euphemism for ethnic nationalism (1990). Social democratic governments have, across Europe, generally been challenged by movements which attempt to personify economic threat in ethnic terms. It may be as well to reflect that the fascist counter-movement to self-regulating markets postulated by Polanyi to have taken place in the decades following World War One was not led by the 'barbarians' of 19th century anthropology but by the social products of several centuries of 'civilising progress'.

Bibliography

- Aglietta Michel (1976, 1979 trans) *A Theory of Capitalist Regulation: the US experience*, London UK, Verso.
- Amable Bruno (2003) *The Diversity of Modern Capitalism*, Oxford UK, Oxford University Press.
- Amable Bruno, Barré Rémi and Boyer Robert (1997) *Les Systèmes d'innovation à l'ère de la Globalisation*, Paris, Economica.
- Badie Bertrand (1992, 2000 trans), *The Imported State: the Westernization of the Political Order*, Stanford CA, Stanford University Press.
- Badham Richard J. (1986) *Theories of Industrial Society*, London UK, Croom Helm.
- Baran Paul (1957) *The Political Economy of Growth*, New York NY, Monthly Review Press.
- Bendix Reinhard (1956, 1963 edn) *Work and Authority in Industry: ideologies of management in the course of industrialization*, New York NY, Harper and Row.
- Best Michael H. (1990) *The New Competition*, Oxford UK, Polity.
- Block Fred and Keller Matthew R. (2008) "Where do Innovations come from? Transformations in the US National Innovation System 1970-2000", *The Information Technology and Innovation Foundation*, July, 1-22.
- Boltanski Luc and Chiapello Eve (1999, 2007 trans edn) *The New Spirit of Capitalism*, London UK, Verso.
- Bobbit Philip (2002), *The Shield of Achilles: war, peace and the course of history*, London UK, Allen Lane.
- Brubaker William Rogers (1990) "Immigration, Citizenship and the Nation-State in France

- and Germany: a comparative historical analysis", *International Sociology*, 5, 379-407.
- Castells Manuel (1996) *The Information Age: Economy, Society and Culture*, Oxford, Blackwell.
- Chandler Alfred D. (1990), *Scale and Scope*, Cambridge MA, Belknap Press.
- Clegg Stewart and Lounsbury Michael (2009) "Sintering the Iron Cage; translation, domination and rationality", in P. Adler (ed) *The Oxford Handbook of Sociology and Organizational Studies*, Oxford UK, Oxford University Press, 118-145.
- Condorcet Nicolas de (1794, trans M. Barraclough 1955), *Sketch for a Historical Picture of the Progress of the Human Mind*, London UK, Weidenfeld and Nicholson.
- Dicken Peter (1992 edn), *Global Shift: the internationalization of economic activity*, London UK, Paul Chapman.
- Doner Richard F., Hicken Allen and Ritchie Bryan K. (2009), "Political Challenges of Innovation in the Developing World", *Review of Policy Research*, 26,1-2, pp. 151-171.
- Dore Ronald P. (1973) *British Factory, Japanese Factory: the origins of National Diversity in Industrial Relations*, Berkeley CA, University of California Press.
- Dossani Rafiq and Kenney Martin (2009) "Service Provision for the Global Economy: the evolving Indian experience", *Review of Policy Research*, 26, 1-2, pp. 77-104.
- Dunning John H. and Boyd Gavin (2003) *Alliance Capitalism and Corporate Management: entrepreneurial cooperation in knowledge-based economics*, Cheltenham UK, Edward Elgar.
- Edgerton David E.H. (2007) "The Contradictions of Techno-Nationalism and Techno-Globalism: a historical perspective", *New Global Studies*, 1, 1, pp. 1-32.
- Evans Peter B. (1995), *Embedded Autonomy: States & Industrial Transformation*, Princeton NJ: Princeton University Press.
- Featherstone Mike (1995) *Undoing Culture: Globalization, Postmodernism and Identity*, London UK, Sage.
- Foucault Michel (trans 1970) *The Order of Things: an archaeology of Human Sciences*, New York NY, Pantheon.
- Frank Andre Gunder (1969) *Latin America: Underdevelopment or Revolution?*, New York NY, Monthly Review Press.
- Freeman Chris and Soete Luc (1974, 1997 edn) *The Economics of Industrial Innovation*, London UK, Pinter.
- Fukuyama Francis (2004) *State Building: Governance and World in the Twenty-First Century*, London UK, Profile Books.
- Gellner Ernest A. (1964) *Thought and Change*, London UK, Weidenfeld.
- Giddens Anthony (1987) *Social Theory and Modern Society*, Oxford UK, Polity Press.
- Gomez Edmund T. & Jomo Kwame S. (1999) *Malaysia's Political Economy: Politics, Patronage and Profits*, Cambridge UK, Cambridge University Press.
- Gopnick Adam (2009) *Angels and Ages: a short book about Darwin, Lincoln and Modern Life*, London UK, Quercus.
- Hamilton Alexander (1787, 1966 edn) *The Report on the Subject of Manufactures: Papers of Alexander Hamilton*, Vol 10, New NY, Columbia University Press.
- Hamilton Gary G & Feenstra Robert C. (2006) *Emergent Economies, Divergent Paths: economic organization and international trade*, New York NY, Cambridge University Press.
- Hirschman Albert O. (1958), *The Strategy of Economic Development*, New Haven CT, Yale University Press.
- Johnson Chalmers (1982), *MITI and the Japanese Miracle*, Stanford CA, Stanford University Press.

- Johnson Simon (2009) "The Quiet Coup" *The Atlantic Online*, May, 1-10. (www.theatlantic.com/) Downloaded 03.06.2009).
- Khanna Tarun & Palepu Krishna (1997) "Why focussed strategies may be wrong for Emerging Markets", *Harvard Business Review*, July-August, pp. 41-51.
- Kohli Atul (2004) *State Directed Development: political power and industrialization in the Global Periphery*, Cambridge UK, Cambridge University Press.
- Landes David S. (1969), *The Unbound Prometheus: technological and industrial development in Western Europe, 1750-1914*, Cambridge UK, Cambridge University Press.
- Lewis W. Arthur (1954) "Economic Development with Unlimited Supplies of Labour" *Manchester School of Economic and Social Studies*, 22, (May), pp. 139-191.
- List Friedrich (1841, 1904 trans) *The National System of Political Economy*, London UK, Longman.
- Loveridge Ray (2007) "Social Entrepreneurship as a Social Movement: an exploratory discussion", Scancor Seminar Paper, University of Stanford, October 12. (Available from ray.loveridge@sbs.ox.ac.uk)
- Lundvall Bengt Ake (ed) (1992) *National Systems of Innovation: towards a theory of innovation and interactive learning*, London, Pinter.
- Lytard Jean-François (trans 1979), *The Postmodern Condition*, Manchester UK, Manchester University Press.
- Manela Erez (2007) *The Wilsonian Moment: self determination and the international origins of Ant-Colonialism*, Oxford UK, Oxford University Press.
- Meyer John W. & Rowan Brian (1977) "Institutionalized Organizations: formal structure as Myth and Ceremony", *American Journal of Sociology*, 83, pp. 340-363.
- Morgan Glenn (2010) "Transnational communities and business systems", *Global Networks*, 1, 2, April, pp. 113-130.
- Morgan Lewis H. (1877) *Ancient Society*, London UK, Longmans.
- Mowery David C & Rosenberg Nathan (1993), "The US National Innovation System", in R.R. Nelson (ed), *National Innovation Systems*, New York NY, Oxford University Press 29-75.
- Myrdal Gunnar (1957) *Economic Theory and the Underdeveloped Regions*, London UK, Duckworth.
- Nonaka Ikujiro & Takeuchi Hirotaka (1995) *The Knowledge Creating Company*, Oxford UK, Oxford University Press.
- North Douglas (2005), *Understanding the process of Economic Change*, Princeton NJ, Princeton University Press.
- Ohmae Kenichi (1995), *The End of the Nation State: the rise of regional economies*, New York NY, Free Press.
- Ostry Silvia & Nelson Richard (1995) *Techno-nationalism and Techno-globalism: conflict and co-operation*, Washington DC, Brookings Institute.
- Palloix Christian (1976) "Le process de travail. Du fordisme au néofordisme", *La Pensée* n° 185, février, pp. 37-60.
- Piore Michael and Sabel Charles F. (1984) *The Second Industrial Divide: possibilities for prosperity*, New York NY, Basic Books.
- Polanyi Karl (1944, 1957 edn) *The Great Transformation: the political and economic origins of our time*, Boston MA, Beacon Press.
- Porter Michael E. (1990) *The Competitive Advantage of Nations*, New York NY, Free Press.
- Powell Walter W. (1990) "Neither Market nor Hierarchy: Network Forms of Organization", Staw B.M. and Cummings L.L. (eds) *Research in Organizational Behavior*, Vol. 12,

- pp. 295-336, Greenwich CT, JAI Press.
- Preston Peter W. (1982) *Theories of Development*, London UK, Routledge.
- Reich Robert (1991) *The Work of Nations: preparing ourselves for the 21st century Capitalism*, New York NY, Alfred K. Knopf.
- Romer Paul M. (1994) "The Origins of Endogenous Growth", *Journal of Economic Perspectives*, 8, (Winter), pp. 3-22.
- Rose Teresa and Hinings C.R. (1999) "Global client's demands driving change in global business advisory firms", Brock D.M., Powell M.J., Hinings C.R. (eds) *Restructuring the Professional Organization: Accounting, Health Care and Law*, London U.U., Routledge.
- Rostow Walt Whitman (1960) *The Stages of Economic Growth: a Non-Communist Manifesto*, Cambridge UK, Cambridge University Press.
- Schmidt Vivien A. (2002) *The Futures of European Capitalism*, New York NY, Oxford University Press.
- Starkey Ken and McKinlay Alan (1993) *After Japan*, Chichester UK, Wiley.
- Teece David (2000), *Managing Intellectual Capital*, Oxford UK, Oxford University Press.
- Toye John F.J. (1993 edn) *Dilemmas of Development: reflections on the Counter-Revolution in Developmental Economics*, Oxford UK, Blackwell
- Valdés Juan Gabriel (1995) *Pinochet's Economists*, Cambridge UK, Cambridge University Press.
- Whitley Richard (1992) *Business Systems in East Asia: firms, markets and societies*, London UK, Sage.
- Whitley Richard (1999) *Divergent Capitalisms*, Oxford UK, Oxford University Press.
- Whitley Richard (2009) "US Capitalism: A Tarnished Model?", *The Academy of Management Perspectives*, 23, 2, May, pp. 11-22.
- World Bank (2000), *Reforming Public Institutions and Strengthening Governance*, Washington DC, Washington Bank.
- Worsley Peter (1957) *The Trumpet shall Sound*, London UK, MacGibbon and Kee.
- Wuthnow Robert (1989) *Communities of Discourse: Ideology and Social Structure in the Reformation, the Enlightenment, and the European Socialism*, Cambridge MA, Harvard University Press ■

Ray Loveridge
Oxford Said Business School