

CONCLUSION

The Need to Rebuild the Public Domain

1. ONE SIZE DOES NOT FIT ALL

The contributors to this volume have attempted to demonstrate that the exercise of state power and the pattern of global governance that has developed during the era of the hegemony of neo-liberalism have not followed a single, 'one-size-fits-all' trajectory. On the contrary, far from institutional and policy convergence, in the face of an irresistible tide of neo-liberal globalization, there has been great diversity in the responses to the exigencies of the Washington Consensus. Michael Whittall and Simon Lee have demonstrated that in Germany, England and Canada, national capitalisms have responded in markedly different ways to the pressure exerted by global competition. In the realm of developing economies, Michael McNamara has shown how the divergent experience of Latin American economies has illustrated the continuing importance of institutional differences in explaining the capacity of countries to adapt to the pressures of neo-liberal globalization. This analysis has been reinforced by Linda Elmore's discovery that the degree of convergence in the legal reforms undertaken in emerging market economies has been overstated, and by Christina Gabriel's conclusion that state sovereignty is still to the fore in the global governance of international labour, not least because of the competing interests of countries in the North and the South. Such conflicts have also been widespread during the first decade of the operation of the WTO, as Ted Cohn's analysis has shown. At the same time, Habiba Zaman's study has shown the human cost of embracing neo-liberal prescriptions in the domestic labour market has been extremely high for immigrant female workers. However, as Peter Graefe has demonstrated, in the face of neo-liberal pressures to dismantle established models of economic development, welfare provision and social cohesion, there is the possibility that neo-liberalism will itself be outflanked by the growth of community based organizations.

In the realm of global governance, a similar pattern of diversity in institutional performance and widespread neo-liberal policy failure has emerged from our contributors. Stephen McBride, Kathleen McNutt and Russell Williams have

identified major flaws in the neo-liberal fixation with 'flexibility' that has underpinned the OECD's 'Jobs Strategy'. Such flaws have reflected wider failings in the OECD's operation which Richard Woodward has concluded can be remedied only major reforms, including an enlargement of the OECD's membership, and an improvement in the links forged with non member states and civil society groups. Moreover, in the field of the governance of global financial markets, Johnna Montgomerie has identified how the financial liberalization promoted by neo-liberalism has resulted in consumer-led debt and fiscal instability rather than fiscal prudence and macroeconomic stability. As a possible remedy for such instability, Duncan Cameron has outlined the case for a new world currency unit to alleviate the financial shortcomings bequeathed by neo-liberalism. In a similar vein, Marc Lee has explored the case for a multilateral approach to competition policy, to address the interests of developing countries that have been neglected by neo-liberalism. For his part, Colin Tyler has pointed towards the need for a wholesale reform of the international institutional architecture, an abandonment of the simplistic pursuit of specific universal neo-liberal goals, such as trade liberalization, in favour of the creation of regional forums within the architecture to enable conflict resolution, and the development and enforcement of broad procedural rules for the exercise of state power.

The pattern that has emerged from our volume is consistent with a broader context of growing recognition of the deficiencies of neo-liberalism. Even John Williamson, the creator of the term 'Washington Consensus', has acknowledged the shortcomings of the neo-liberal agenda for state power and global governance. He has conceded that it has become 'something of a damaged brand', in that 'It failed to warn countries about some of the risks that they encountered. It neglected institutional reforms. And it was too narrowly focused on growth' (Williamson, 2003a: 329). However, rather than departing from the neo-liberal basis of the Washington Consensus, Williamson has concluded that 'The way forward is to complete, correct, and complement the reforms of a decade ago, not to reverse them' (Williamson, 2003b: 18). Reflecting upon the failure during the 1990s of Latin American economies to achieve more than half the economic growth they had recorded between 1950 and 1980, Williamson has contended that this disappointing economic performance has not resulted from the pursuit of neo-liberal policies *per se*. On the contrary, he has asserted that it was caused by a failure to push through the ten reforms advocated by the Washington Consensus, allied to a series of exogenous shocks, including the 1997 East Asian crisis and the 1998 Russian crisis. Since the institutional basis for the implementation of an ambitious programme of policy reform was weak, and because 'civil services, judiciaries, and the teaching profession were ill adapted for the modern world', Williamson has advocated a new generation of 'second-stage reforms' agenda for state power. Rather than developing an industrial policy, the state should confine its role to 'the key functions that it alone can fulfil: providing security, the institutional infrastructure of a market economy, and public goods; internalizing externalities; and looking after those members of society least able to care for themselves' (Williamson, 2003c: 308–309).