Toward a Political Economy of Public Values, Ethics and Institutions in a Context of Globalization and Hypermodernity

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If history is a nightmare, it is because there is so much cruelty in it. In peace as in war members of our species are cruel to one another, and human progress seems to consist not so much in diminishing that cruelty as in finding more impersonal and efficient ways of crushing and grinding one another.

—Philip Hallie, 1969 (xv)

Globalization and hypermodernity have accelerated changes in governance arrangements worldwide, such that networks, contracting, and cross-sector partnerships have become ubiquitous across all sectors. These, and other boundary-blurring phenomena, have radically changed the context for public values, ethics and institutions. The market state in its various manifestations has arguably been inimical to all three. Within a radically changed and evolving context, the questions for governance regimes that might foster public values, ethics and institutions are now more complex and problematic. The global cultural context seems centrally important in imagining a way forward for governance. The “new world order” appears to be hurtling toward a fully Hobbesian future, limiting the prospects for governance and the fostering of public values, ethics and institutions.

In this paper, we discuss public values, ethics and institutions as they were manifested in the nation state during the twentieth century. We turn then to the more recent ascendancy of the market state, and its consequences for public values, ethics and institutions. Next, three types of market states—entrepreneurial, managerial and mercantile—are outlined, along with their primary ethical basis and associated public values. We then turn to a discussion of globalization and hypermodernity, which we
argue characterize the current global cultural context. As difficult as it may be to imagine, we suggest that a global response is likely the only way to address worldwide governance challenges, and offer three trajectories that—even if vigorously pursued—seem likely only to ameliorate our global challenges at best. Finally, we put forward the notion of governance enclaves, which might be local, subnational or regional, as an inevitably limited context for fostering public values, ethics and institutions. First, however, we turn to a discussion of the nation state, which now seems wholly inadequate to address today’s global challenges.

Social and Public Institutions and the Nation State

American social and public institutions, and associated public values and ethics took a clear shape in the era of the nation state, a mode of governance that dominated the 20th century and derived its legitimacy from the expectation that the state would promote and provide for the welfare of the nation (Bobbitt, 2002; Reich, 2007). Three competing versions of the nation state – liberal democracy, communism, and fascism – largely defined the political economy of the 20th century (at least among the developed nations). In the U.S., public institutions generally advanced the interests of the people by providing a social and economic safety net through the application of technical rationality and public policies to social, economic, and political problems, while other institutions, including major corporations, governmental organizations, and other businesses provided jobs, health care benefits, and retirement pensions.

Public service in the U.S. in the 20th century conceived of the public bureaucracy largely as an instrument of democratic rule, which sought to balance process (deontological) and outcome (utilitarian) values (Adams and Balfour, 2009). The
trajectories of the nation were formulated within the democratic process, but the efficient and effective achievement of those goals depended upon a bureaucratic command structure rooted in technical rationality and professionalism (Waldo, 1948). The always uneasy partnership of democracy and bureaucracy produced unprecedented innovations, organizations, and programs: reformed city governments, the New Deal, a reorganized and expanded federal government, a “military-industrial complex,” the Great Society, the war on poverty, the social and economic “safety net”-- the very infrastructure of 20th century industrial society. Large and powerful bureaucracies, both public and private, provided a critical part of the institutional structure of the nation state and the means for achieving its goals (Judt, 2008).

Despite many accomplishments, public ethics and public values in the nation state offered a mixed picture at best. On the one hand, there were many successes. From a utilitarian or outcome perspective, in the post-WWII era the nation state enjoyed nearly a half-century of success in promoting the welfare of most of its citizens through a partnership of government, corporations, and labor unions. From a deontological or process point of view, the insulation of administration from (corrupt) politics and the proliferation of bureaucratic and professional norms and procedures reduced corruption and established reliable and responsive organizations at all levels of government and industry. Professions and their standards for performance and conduct became the norm for ethical behavior and for translating scientific discoveries into practical means for solving societal problems and producing wealth (Schon, 1983). On the other hand, these same organizations and professions were blinded by their power and success, masking their limitations and the destructive consequences of their actions, even as they pursued
lofty goals and ambitious programs in the name of the public interest and economic prosperity (Adams and Balfour, 2009).

**The Emergence of Market States**

By the closing decades of the 20th century a new world order emerged in the wake of the collapse of the Soviet Union (for discussions, see Reich, 2007; Harvey, 2005; Bobbitt, 2002; Friedman, 1999; Bauman, 1999; Sassen, 1998; Huntington, 1996; Fukuyama, 1992) that transformed states and institutions within the dynamics of a globalizing political economy. In the place of a few great nation-states that defined the parameters of the world’s political and economic systems, a constantly shifting balance of powers between states, super-markets (such as NAFTA and the European Union), and super-empowered corporations and individuals (Friedman, 2007; Reich, 2007) emerged. Traditional boundaries between organizations, regions, and nations – mattered less as the world moved towards greater “rationalization” of markets, labor, and states. These developments, legitimated by the political ideology of neoliberalism (Harvey, 2005), created phenomenal opportunities to generate wealth and prosperity, but also opened the doors to new conflicts and to deepening poverty and deprivation among the multitudes who lacked access to these new opportunities, or whose fortunes remained tied to the “old” economy and boundaries.

While the welfare of the people remains a concern for government and the stated aim of public policies, it takes a less prominent role in the market state than efforts to maximize economic opportunities for citizens and business. Whereas nation states primarily used rules and regulations to achieve desired behaviors and results, market states in a new governance context have relied more upon incentives and penalties, not to
achieve specific results, but to create a stable market place and favorable economic conditions conducive to maximizing opportunities. As Don Kettl put it (1993: 22): “Instead of a chain of authority from policy to product, there is a negotiated document that separates policy makers from policy output. Top officials cannot give orders to contractors. They can only shape the incentives to which the contractors respond.” The market state de-emphasized the programmatic and legal/Constitutional aspects of governance in favor of mechanisms for enhancing opportunities (Rosenbloom and Piotrowski, 2005; Bobbitt, 2002) while increasing the risk of ethical and value failure, inequality, and social fracturing.

The market state and market-based government, along with globalization and economic rationalism, have led to new requirements for success in organizations and made adherence to the grounds for ethical behavior even more uncertain (Barley, 2007). While bureaucracy and stable lines of authority and routine were valued in a nation state environment, market state organizations emphasize flexibility and autonomous action. Corporations and governments prefer employees who can think on their feet and adjust to rapid change, but also insist on the right (in the name of adaptability to market imperatives) to fire or lay off their employees at any time for the “good of the organization.” Thus more flexibility does not necessarily mean more freedom for employees (Barker, 1993). The threat of expendability and fear of social breakdown make people more prone to protect their self-interest rather than collective values and the well being of others.

The dynamics within organizations have changed in many instances under these pressures. Some of these changes have had great impact on workers (Sennett, 1998,
Workers, and even successful entrepreneurs, who achieve success in this new global environment, may also suffer from deep anxieties about the future and the quality of their lives—anxieties which have turned all too real for many thousands of people like them in the successive waves of market “rationalization.” One result of this dramatic alteration of the “psychological contract” between workers and organizations is declining levels of trust and commitment (Rousseau, 1995). For managers and policy makers, workers are increasingly considered expendable. The notion that organizations should care for their employees, or make long-term commitments to them, is seen as an anachronism. The entrepreneurial market state tends to undermine those qualities that bind people to each other and allow the individual to build a stable sense of self.

Similarly, these conditions (Bobbitt, 2002: 670),

Tend to loosen the identification that citizens feel with the larger polity: autonomy and individual achievement are so prized and the consumption of particular goods so meaningful an act of self-definition that the citizens… “invent” their citizenships by identifying with themselves with those subgroups within the state with whom they share a consumption pattern.

Callahan (2004: 107) noted three trends in the early 21st century in the U.S. that, taken together, undermine the possibilities for ethical action: individualism has shifted towards a hard-edged selfishness, money has become more important as the primary measure of well-being, and harsher norms of competition have emerged. All three are consistent with globalization and the rise of the market state, but are not inevitable.

As the transition from the nation state to the market state unfolded in an era of new governance, it is important to note that what has remained unchanged in the U.S. is the primacy of the core values of classical liberalism: individualism, the notion of rights (particularly to property), the sanctity of contracts, and the rule of law. Classical
liberalism set the ideational foundation for American society, which allows for and encourages differential achievement by individuals. Democracy's chief value—equality—has often been outweighed within this framework (MacPherson, 1977). The transition to the market state dramatically accentuated the core assumptions of classical liberalism even as it diminished the capacity of governments to achieve advances in democratic practices. Indeed in public discourse today, a “free market” is thought by many to constitute democracy (see Edsall, 2012, for example).

**The Market State: Ethics and Public Values**

Bobbitt (2002) identified three types of market states comprising national and regional systems that roughly parallel the three variants of the nation state of the political economy of the 20th century: entrepreneurial, mercantile, and managerial. No nation perfectly conforms to any of these three ideal types of the market state and each has its own dynamic combination of the characteristics of each type. The three types of market state are distinguished not just by their economic and strategic approaches to dealing with global competition, but also by distinctive value orientations and relationships between the individual and society. They afford the opportunity to reflect upon the relative merits of emphasizing libertarianism (entrepreneurial state), utilitarianism (managerial state), or virtue ethics/national solidarity (mercantile state), although all three are subject to the rising tides of globalization and economic rationalization. Table 1 summarizes these three variants of the market state, their ethical bases, and main public values.
Table 1: Market state, ethics, and public values.

<table>
<thead>
<tr>
<th>Type of Market State</th>
<th>Primary Ethical Basis</th>
<th>Primary Public Values</th>
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<tbody>
<tr>
<td>ENTREPRENEURIAL</td>
<td>Libertarian</td>
<td>Protection of individual rights, innovation, risk-readiness, accountability, self-reliance</td>
</tr>
<tr>
<td>MANAGERIAL</td>
<td>Utilitarian</td>
<td>Sustainability, public interest, balancing of interests, stakeholder/shareholder value, professionalism</td>
</tr>
<tr>
<td>MERCANTILE</td>
<td>Virtue</td>
<td>Common good, social cohesion, regime stability, sustainability, loyalty</td>
</tr>
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The entrepreneurial market state, the direction taken by the United States and the one that has structured much of our understanding of the market state, emphasizes a libertarian ethic and values; that individuals and businesses should be free to make their own decisions with limited government intervention in the economy, which often translates to hostility towards and distrust of government (Sandel, 2009). Under such conditions, government is pressured to devolve much of service delivery to private organizations via contracts, networks, and privatization (Cooper, 2003). Most agree on what happened: in the U.S. and, to varying degrees in other countries, government became less and less responsible (and trusted to provide) for the delivery of what had been thought of as public services, including social services, health care, corrections, and basic municipal services. A new mode of governance emerged that relies upon networks of public, nonprofit, and for-profit organizations and market-based management, with less commitment to public values and far lower expectations for providing for the welfare of the nation (ideally, to perform better in a more limited role), and a greater emphasis on
expanding individual and business opportunities in the global political economy (see Van der Wal, de Graaf and Lasthuizen, 2008). At the same time, cutbacks in government budgets and personnel have made it more difficult for regulatory and other agencies to monitor the ethical practices of contracting organizations and protect the public interest (Frederickson, 2005; Frederickson and Frederickson, 2006).

Some states, however, have tacked in a different direction. The “mercantile state” elevates the welfare and identity of the collective over individual choice. These societies are generally more centrally controlled, hierarchical, and traditional, and seek to maintain social cohesion and stability by suppressing income disparities and assuring full employment (at some cost to economic efficiency). A strong central government protects national industries, subsidizes research and development, and guides certain industries towards success (in the entrepreneurial state such policies are derided as ‘picking winners and losers’). Mercantile states such as South Korea, Singapore, and Taiwan have been very successful by mobilizing their entire labor force and achieving high levels of capital accumulation (Bobbitt, 2002:672). But they do so at the external risk of creating trade wars with their protective policies and subsidies, and the internal risk associated with the tendency towards monopoly, inefficiency, corruption and cronyism. These societies embrace the market system but reject the political and social fragmentation of the entrepreneurial state in favor of a form of virtue ethics (MacIntyre, 1984) by defining good citizenship and enforcing expectations of social solidarity, often based on the metaphor/institution of family.

While the mercantile state maximizes citizens’ opportunities by emphasizing social solidarity, and the entrepreneurial state by minimizing state interference with the
individual and businesses, the managerial state (found mainly in the European Union but emerging in India and the Middle East) does so by ensuring greater social equality in a regional market economy with more aggressive regulation and stringent monetary policy, and a broad social safety net. As Bobbitt puts it (2002: 673), “The class divisions that wracked the state-nations of Europe and gave birth to fascism and communism… are suppressed by every legal instrument that can be brought to bear by this form of the market state.” Social and economic divisions are minimized not by guaranteeing jobs (with a minimal safety net) as in the mercantile state, but by providing good jobs for the most productive workers and generous welfare programs for the rest (who often find it difficult to enter the job market). The managerial market state relies much more on a rationalized bureaucracy to regulate the economy and provide social programs, taking a utilitarian approach to maximizing citizens’ opportunities and social welfare. Transparency is enforced for companies in a stakeholder model that takes into account the interests of workers, managers, communities, and the environment.

The market state in its various incarnations is a relatively weaker form of government compared to the power of the nation state at its peak. As one player among many in the global political economy, the market state’s effectiveness producing or protecting public values has been quite uneven. Indeed, it was the emergence of the market state, globalization and economic rationalism that gave rise to the public values movement, a form of push back against the “new world order” and its radical private sector orientation (see Moore, 1995, Denhardt, 2000, and Bozeman, 1987, for example). The renewed emphasis on “creating public values” is at least in part an effort sustain a domain of collective action and public policies in a hostile environment.
Thus the prospect that the market state in its current form can revitalize public values and ethics remains quite uncertain. The reason for this can be found in large part in the *ethical* basis of each of the three forms of the market state. As noted in Table 1, the entrepreneurial market state has at its core an ethic that combines market values, individualism, and libertarianism (Bobbitt, 2002; Reich, 2007; Sandel, 2009). The primary purpose of public policy in the entrepreneurial state has been to empower the marketplace, or more precisely, to privatize the functions of government, dismantle the regulations of the nation state, and give as free a rein as possible to business interests – “make the world available” (Adams and Balfour, 2010). Ideally, government will perform better in its more limited role, but the reality has been that all countervailing interests to unfettered markets, including regulations, labor unions and consumer protections, are progressively delegitimized as threats to job creation, wealth, and individual initiative. And, after just 30 years of the market state, public policy is virtually paralyzed not only by the influence of a growing, pervasive “new corruption” (which we have referred to elsewhere as “Praetorian times,” Adams and Balfour, 2012) within both private and public institutions, but also by a greatly diminished sense of collective identity and national purpose (Hacker and Pierson, 2010).

The “progressive” pushback against these trends, whether national health care, fiscal stimulus, tax breaks, or job training, has had little impact against a tsunami of global forces and entrenched interests. In fact, this pushback itself can be seen as conservative, a rear guard effort to retain some vestige of the nation state and its collective values, adding to the apparent futility of such public policies when they can even be enacted. Bobbitt (2002: 234) argued that the market state would not cease to
govern or regulate but failed to foresee the political consequences of concentrated wealth, income inequality, and national fragmentation, as well as the dissolution of public values, collective goods, and effective governance.

The managerial market state does not appear to be faring any better than the entrepreneurial state. Its underlying ethic is based in utilitarianism, achieving the greatest good for the greatest number through rational policy making in a regional market framework. Its fundamental problem stems from an underlying contradiction between its commitments to social equality (vestiges of the nation state) and the demands of a managing a large regional economy in a global financial marketplace. Under a utilitarian framework, policies deemed to maximize the public interest may be enacted with little attention to minority or individual rights (Sandel, 2009). In the most prominent example of the managerial state - the EU - when push has come to shove, market values have taken precedence in the form of austerity measures aimed at bring fiscal discipline to countries (Greece, Ireland, Portugal, Spain, and Italy for example) that, under the common currency and structure of the EU, lack the means to manage their own economies. Once again, the primary casualties are public values and democratic governance as bureaucratic power is invoked to impose “market discipline” on countries that cannot sustain their social and economic policies as members of the regional framework. As Meyerson (2011) put it:

Over the past year, in fact, capitalism has fairly rolled over democracy. Nowhere is this more apparent than in Europe, where financial institutions and large investors have gone to war under the banner of austerity, and governments of nations with not-very-productive or overextended economies have found that they could not satisfy those demands and still cling to power. The elected governments of Greece and Italy have been deposed; financial technocrats are now at the helm of both nations. With interest rates on Spanish bonds rising sharply in recent weeks, Spain’s socialist government was unseated last weekend by a center-right
party that has offered no solutions to that country’s growing crisis. Now the Sarkozy government in France is threatened by rising interest rates on its bonds. It’s as though the markets throughout Europe have had enough with this democratic sovereignty nonsense.

Perhaps not surprisingly, as citizens lose confidence and feel disenfranchised by their leaders and institutions, extremist (nondemocratic) political parties on both the right and left are gaining traction in almost every European country.

Meanwhile, several mercantile market states (South Korea, Taiwan, Singapore, the Hong Kong SAR, and earlier, Japan) have achieved impressive growth rates with minimal social strife by mobilizing the labor of the entire society and encouraging high accumulations of capital (Bobbitt, 2002: 672). Mercantile market states differ from the entrepreneurial and managerial states in their emphasis on social solidarity and protection of national interests and products, a form of virtue ethics that cultivates values of social cohesion and national self-sufficiency, and that seeks to maximize the relative position (market share) of the nation in the global marketplace by investing in national achievement and competitiveness. They also tend to discourage immigration and imported goods, and focus on finding their niche in the world economy. Economic power tends to concentrate in this model, and it requires an ethic of followership and communal loyalty that some societies (such as the U.S.) find stifling and counter to values of individualism, risk-taking and initiative. Further, there is often little room for minority rights or citizen involvement in policy making. While the economic success and social solidarity of these nations make the mercantile model an attractive one, a global system of such states would be driven by protectionism, tariffs, and subsidies, and the inevitable conflict such policies engender. Thus, finding a new direction for creating public value may lie less in the changing the form of governance than in understanding
and influencing the cultural and political context within which all three types of state
must function. The market state is both the progenitor and creature of this global political
and economic system that has overwhelmed the nation state and created a fundamental
challenge to the very possibility of robust public values, ethics and institutions.

**A Challenging Context for Public Service Values, Ethics, and Institutions**

As both Heclo (2008) and Stiglitz (2010) have argued, the ascendancy of the
market state over the past thirty years at least has undermined the trustworthiness of
social, political, and economic (cultural) institutions and organizations. Discussing the
financial meltdown of 2007-2008, Stiglitz points out the damage not only to the
economy, but also to society more broadly as a result of pervasive breaches of trust
(2010, 275-276):

> We have gone too far down an alternative path—creating a society in which
materialism dominates moral commitment, in which the rapid growth that we
have achieved is not sustainable environmentally or socially, in which we do not
act together as a community to address our common needs, partly because rugged
individualism and market fundamentalism have eroded any sense of community
and have led to rampant exploitation of unwary and unprotected individuals and
to an increasing social divide. There has been an erosion of trust—and not just in
our financial institutions.

Indeed, we appear to be entrenched in a vicious, self-sealing cycle: As institutions and
organizations become increasingly corrupt and venal, the more people mistrust and
expect the worst from them. Organizations and institutions become the last place that
individuals look to for the nurturing of values; individuals instead see them as settings in
which only the foolish or stubborn act with high ethical standards (Callahan, 2004).
Consider the list—only partial-- of individual corporate scandals provided by Heclo
(2008, 15): Adelphia, AIG, Cendant, Global Crossings, Tyco, Phar-More, HealthSouth,
Waste Management, WorldCom, and leading the way, Enron. Heclo goes on to list
categories of corporate misconduct (2008, 15): Savings and Loan; Junk Bond; BCCI
Money Laundering; Mutual Funds; Public Accounting Firms; Investment Banks. For the public sector, Heclo (2008, 17-21) presents a long table of 39 scandals in the U.S. stretching from 1958 (Sherman Adams’- President Eisenhower’s chief of staff—acceptance of bribes in the form of gifts) to 1999 (President Clinton’s impeachment after lying to cover up an affair with a White House intern). A longer list could be constructed just for the years since. And of course, the nonprofit sector has hardly been immune to such scandals. Heclo characterizes the situation as a “double bind” (2008, 167):

On the one hand, all things institutional carry the stigma associated with the bureaucratic-rationalized-organizational way of living through which the whole system operates. We experience “the institutional” as personally stultifying. On the other hand, the same economic system caters to and constantly teaches a short-term, self-centered ethic of personal gratification. This view is incessantly marketed as the standard by which to judge what is personally fulfilling, thus working against institutional thinking from the other end.

This ongoing, progressive erosion of trust in institutions and organizations has sent a different and unfortunate signal around the globe according to Stiglitz (2010, 225-226):

Faith in democracy is another victim. In the developing world people look at Washington and see a system of government that allowed Wall Street to write self-serving rules, which put at risk the entire global economy, and then when the day of reckoning came, Washington turned to those from Wall Street and their cronies to manage the recovery—in ways that gave Wall Street amounts of money that are beyond the wildest dreams of the most corrupt in the developing world. They see corruption American-style as perhaps more sophisticated—bags of money don’t change hands in dark corners—but just as nefarious… They see, in short, a fundamental problem of political accountability in the American system of democracy.

While we might prefer a political economic (cultural) context that would foster and sustain public values and ethics, instead it appears to undermine in a rather thorough going way the foundations of institutional life, including public values and ethics. A closer examination of the cultural context is a fruitful next step for this discussion.
The Missing Dimension of the Cultural Context

The cultural context in the U.S. (and increasingly globally) during the modern age can be characterized in part as one of technical rationality--that is, a way of thinking and a way of living that exalted the scientific-analytical mindset and a belief in technological progress (Vanderburg, 2005). Donald Schon (1983: 21) and others have argued that technical rationality has been the most powerful influence on how we have thought about both the professions and the institutional relations of society, government, and business. Technical rationality emerged in full form in the twentieth century, and continues in the twenty-first as a central pillar within the mental map of globalization. Technical rationality underpins globalization and economic rationalism, which in turn have energized and sustained various versions of the market state. One author has described technical rationality as the first universal human culture (Vanderburg, 1985; see also Barrett, 1979; Bauman, 1989; Ellul, 1954; Ritzer, 2004; and Vanderburg, 2005).

How has technical rationality’s combination of the scientific-analytic mindset and the concomitant belief in technological progress shaped the cultural context? The scientific-analytic mindset has come to characterize—and ultimately define—rationality, resulting in a narrowing of the concept of human reason, and the devaluing of other sources and processes previously thought to develop knowledge. The closely connected belief in technological progress is essentially both a fascination and a faith in each successive technological advance—and the typically unquestioned assumption that each new technology is in fact an advance. Both individual and social problems are thought to be fixable by a (new) technique or technology. These twin assumptions are reinforced
within a self-sealing way of thinking and way of living that simultaneously produces the outcomes that are made inevitable by the prior assumptions.

For a time, many thought that modernity had been superceded by the postmodern condition. More recently, however, astute theorists have noted the persistence of modernity and technical rationality, but with a vengeance. Various authors have termed these latest developments as hypermodernity (Charles, 2009), supermodernity (Auge, 2008), and liquid modernity (Bauman, 2005), all of which share in common what Portillo and Costa (2010: 482) call “technical fundamentalism.” Charles offers this characterization of hypermodernity (2009: 392):

Hypermodernity thus amounts to a radical modernity characterized by the exacerbation and intensification of that modern logic by which human rights and democracy have been made into mandatory values, by the market having become a global economic reference system reaching into the remotest places on the planet and invading every sphere of our existence, and by science as an only partly controllable instrument that now throws even the notion of humanity itself into question by opening the possibility of human cloning.

The escalation of instability, of velocity, of excess, of change in hypermodernity led Zygmunt Bauman (2005) to use the term “liquid modernity.” As Bauman (2005: 95) says:

Transience had replaced durability at the top of the value table. What is valued today (by choice as much as by unchosen necessity) is the ability to be on the move, to travel light and at short notice. Power is measured by the speed with which responsibilities can be escaped. Who accelerates wins; who stays put, loses.

Paul Virilio (2006, orig. 1977), the French cultural theorist, refers to these phenomena collectively as the “empire of speed.” Today’s institutions and organizations are largely creatures of hypermodernity and the acceleration of technical rationality. Yiannis Gabriel has characterized contemporary organizations as a “glass cage” (2005: 314):
Unlike an iron cage, which frustrates all attempts at escape with its brutish and inflexible force, a glass cage is discreet, unobtrusive, at times even invisible—it seeks to hide the reality of entrapment rather than display it, always inviting the idea or the fantasy that it may be breached, even if at the cost of serious potential injury. The image of such a cage suggests that it may not be a cage at all, but a wrapping box, a glass palace, a container aimed at highlighting the uniqueness of what it contains rather than constraining or oppressing it. Glass, then, is a medium perfectly suited to a society of spectacle, just as steel was perfectly suited to a society of mechanism.

This bears further elaboration.

**Blurred Boundaries, Ubiquitous Networks and Hypermodernity**

A key consequence of hypermodernity and the acceleration of technical rationality is that individuals are less and less tied to the traditional moorings of organization, community, and nation that once nurtured and protected them, although these moorings had already loosened considerably in the last century. For some, this has represented an opportunity to explore new horizons and possibilities. Many others, however, have found themselves adrift in a world that offers no safe haven in which to land and settle into a stable life. At the extreme end of this spectrum are millions of refugees—termed “surplus” populations by one author (Rubenstein, 1975). The dimensions of this problem are such that no nation or community remains untouched by it (Fritz, 1999, 5):

> An estimated 50 million people were either driven from their countries or uprooted within them by the mid-1990s, roughly one out of every hundred people on earth. Counting those who emigrated for what were viewed as dire economic reasons, the figure more than doubles. The impact of this great migration has been enormous. It has compelled U.S.-led armies to intervene in faraway wars. It has led to a reactionary wave of restrictive immigration laws around the world. And it has planted the seeds of countless future conflicts.

These trends have obviously only escalated in the years since Fritz originally wrote.

Each new refugee crisis challenges already over-stressed nation-states and non-
governmental organizations to find ways to absorb and care for these people with limited resources within an increasingly unsupportive political and social environment, as is evident more recently by the one million Iraqis internally displaced within their country, and the two million more Iraqis living outside of their country, driven from their homes first by the vicious dictator, Saddam Hussein, then by the subsequent American occupation, and now by a corrupt successor regime in Iraq (Brookings, 2008).

On another level, millions more individuals feel threatened by the sheer velocity of the forces of globalization, fearful that they too will be uprooted and left hanging without a safety net—the so-called anxious class (Reich, 2007). People feel threatened by the rapid changes and painful dislocations caused by unseen and poorly understood global forces. They fear that their jobs, communities, or workplace can be changed or even taken away at any moment by anonymous and fast moving economic, political, and technological forces. A new technology can transform an industry in a matter of months, making an individual’s skills obsolete, or one’s organization can disappear overnight in a new wave of mergers or relocation to another country. The mass of refugees and of the “anxious class” throughout the world serve as a constant reminder of how individuals, communities, regions and even nation states can be made superfluous by the sheer velocity of globalization and hypermodernity.

The Prospects for Public Ethics, Values and Institutions

If the considerable challenges to public ethics, values and institutions arise from a global cultural context, the aspirational response should likewise be global. Put simply, a global political regime is needed to provide a governance counterweight to unchecked economic rationalism. Hypermodernity, with all its associated trajectories, seems likely
to outrun the developmental progress of such a global political regime. Perhaps, then, an approach that seeks to ameliorate at least the worst results of globalization and hypermodernity might have more realistic prospects for the time being. At least three, interrelated trajectories can be identified. The first of these trajectories is to build on the modest progress made toward a global human rights regime (Ignatieff, 2012), including the U.N. Charter, the Universal Declaration of Human Rights, the Geneva Conventions, the Refugee Convention and the Convention against Torture and Other Forms of Cruel, Inhuman or Degrading Treatment or Punishment. The second trajectory may be captured under the broad rubric of sustainability. Sustainability includes the natural environment and the socially constructed environment, as well as the interaction between the two. Sustainability requires amelioration of climate change at a minimum, along with the development of “corporate” and social responsibility in both public and private organizations/institutions. The final trajectory involves some effective regime of restraint on capital. Unchecked economic rationalism globally seems likely to lead to planetary ruin. There may be more trajectories than these. Rather than imagining any rapid progress toward “solutions” to global problems, the approach should be simply doing no harm, and perhaps even just doing a bit less harm (what we have referred to, borrowing from Judith Shklar, as “putting cruelty first;” Adams and Balfour, 2012). Even so, this represents a daunting and formidable agenda.

In the meantime, there are other, albeit limited avenues for the advancement of public ethics, values and institutions. These avenues might collectively be termed “governance enclaves.” There are places where governance, along with public values, ethics and institutions, can be advanced, even within a market state context. More than a
decade ago, Bobbitt (2002: 290) recognized the challenges faced by societies governed by market states, “Whatever choice (type of market state) we make, we will have to find a way to compensate for the market state’s inherent weaknesses – its lack of community, its extreme meritocracy, its essential materialism and indifference to heroism, spirituality, and tradition.” Compared to the nation state, the market state, so far in its brief history, resembles more of a hollow shell, lacking above all a sense of national or collective purpose. During the past decade in the U.S., the market state has increasingly become the instrument of powerful private interests while public values and any sense of shared national identity and purpose have retreated into a withered state, at best (Adams and Balfour, 2012). The economic crisis that came to a head in 2008 is the product of a failure of public values, ethics and institutions, of a distorted market available only to a relatively small cadre of insiders that systematically exploited vulnerable populations for short-term profit with both the encouragement and willful ignorance of public policy and governance.

The strategic stance of governance – whatever its combination of entrepreneurial, managerial, and mercantile values - must be enacted on a foundation that seeks to advance in some way the three global trajectories discussed above. This perhaps can combat the further fracturing of communities, and inject a renewed sense of purpose within a governance enclave, whether it is local, subnational or regional. It is tempting to advocate balancing the entrepreneurial state with the social solidarity and virtue ethics of the mercantile state and the regulatory regime of the managerial state, but this “balancing act” must be approached with caution. Both the managerial and mercantile market states are weak on minority rights. In seeking the greatest good for the greatest number, the
managerial state’s utilitarianism can use technical rationality to impose policies that benefit the majority at the expense of one or more minorities. The mercantile state’s demand for social solidarity can invoke ethnic and nationalistic prejudices and punish nonconformity.

Establishing governance enclaves in a context of globalization and hypermodernity requires taking a direction quite different from what has been advocated and followed over the past 30 years, without trying to bring back the nation state. “Doing more with less” (austerity) and the general distrust and even vilification of government are not what society and the market need for governance in the 21st century. What the U.S. in particular needs is a highly competent government, focused on what it can do best with limited resources (doing less better with less) on a strong ethical foundation of expanding rights and opportunities. Government, at all levels, can be a strategic player (Moore, 1994) capable of creating public value where and how it is most needed. Strategically and functionally, government must be focused, competent, and selective in what it does. This means making strategic choices, not across the board budget cuts or empty promises.

Instead of a balancing act, governance enclaves, wherever they can be advanced, might build on the openness of the entrepreneurial state to extend rights and opportunities as broadly as possible together with a strong regime to curb wrongdoing and protect minority rights, all the while accepting the limitations of governmental power in the context of global markets and hypermodernity: a competent and focused governance enclave that can deliver what it promises but does not promise too much. Governance enclaves are inevitably partial and likely temporary—subject as they are to the vagaries
of globalization and hypermodernity.

REFERENCES


