The Interdisciplinary Journal of International Studies
IJIS Volume 8 Number 1 2012

The Reproduction of Neoliberalism and the Global Capitalist Crisis*

Bonn Juego
PhD Candidate, Development and International Relations, Aalborg University
Email: bonn@cgs.aau.dk

ABSTRACT. The paper attempts to contribute to a critical reading of contemporary global political economy. It provides an analysis through an empirical exposition of the latent and manifest ways neoliberalism is being reproduced institutionally and relationally despite and because of the ongoing global capitalist crisis. To this end, three interrelated themes are highlighted here: first, the constitutive role and functional character of crises in the evolution of capitalism and the reproduction of its current neoliberal configuration; second, the continuity of long-held ideas of groups ranging from multilateral organizations to global justice movements – hence, the absence of relatively new perspectives – as evident in their respective policy prescriptions and crisis responses that effectively perpetuate the hegemony of neoliberal capitalism; and third, the emergence of the political-economic regime of authoritarian liberalism in East and Southeast Asia as a perceptible consequence of the intensifying crisis.

The world capitalist system is under the conglomeration of interdependent and interrelated crises. It has become palpably evident that the recent catastrophe is a culmination of the cumulative effects of the simultaneous crises in finance, production, food, environment, energy, and governance that have been plaguing the world in the nearly four decades of neoliberalism. While crisis moments in capitalism have been viewed traditionally and conventionally as a conjunctural phase, rather than a fundamental structural contradiction, today actors from various ideological positions perceive the situation as an opportune moment to advance their respective interests.

Crisis connotes 'the turning point of a disease when an important change takes place, indicating either recovery or death' (definition from: *Oxford American Dictionaries*). As to whether the multiple crises would lead to recovery or death to the hegemonic neoliberal system is a question to be determined by the dynamics of the 'double movement' or the unfolding struggle between those who have vested interests in maintaining the status quo and the forces for change.

The aim of this paper is to contribute to a critical reading of contemporary global political economy by highlighting the reproduction of the institutions, policies, and relations associated with neoliberalism within the dynamics of the global capitalist crisis. The focus is on three interrelated themes. The first part situates the global crisis against the background of the relationship between crises and neoliberalism. It

ISSN: 1602-9097 (print)
ISSN: 1604-7095 (online)

AALBORG UNIVERSITY

examines the constitutive role of crises in the evolution of neoliberalism and argues that crises have been functional to capitalist reproduction. The second part provides an overview of the most important responses to the crisis from International Financial Institutions (IFIs) to regional organizations to states to civil society. This section puts forward the thesis that the global crisis has not ushered in new perspectives, either from pro- or anti-neoliberal forces, but it provided an opportunity to re-articulate their *respective* immemorial analyses and programs. And finally, a reflection is given on the implications of the global crisis for the emergent authoritarian liberalism in East and Southeast Asia. Drawing lessons from the 1997 Asia crisis and 9/11 terror attacks and analyzing the current political-economic project of the Association of Southeast Asian Nations (ASEAN), it is observable that the region is accelerating towards a strengthening of 'authoritarian liberalism' (i.e., a social regime embedding a neoliberal market economy in an authoritarian political framework) despite and because of the global crisis.

The Constitutive Role and Functional Character of Crises

Crises have played a constitutive role in the history of capitalist development. As the development paradigm that replaced the postwar 'national developmentalism' phase in the beginning of the 1980s, neoliberalism has also survived by capitalism's cycle of crises and booms (see Kindleberger and Laffargue 1982; Kindleberger and Aliber 2005; Krugman 2000). Neoliberalism understood here refers to that specific configuration of capitalism (economic liberalism plus new institutional forms), that specific ideology (market fundamentalism), that specific phase of capitalist development with the ascendancy of financial over productive capital (post-Fordism), those specific sets of 10 economic reform policies enshrined in the structural adjustment programs (SAPs or the Washington Consensus), the specific class relation (real subsumption of labor to capital), and the specific process of capital accumulation (using money to make more money). Neoliberalism basically constitutes the fundamental exploitative social-productive relations in capitalism and perceived as a renewed articulation of 'economic liberalism' at this latest phase of capitalist development.

The relationship between crises and neoliberalism can be said to be either dysfunctional or functional, or both. Every time neoliberalism comes into crisis, its critics, mostly coming from the Left, get excited about its imminent collapse and the dawning of an alternative system. They view crises as having a dysfunctional effect to the system. However, the almost 40 year history of neoliberalism suggests that crises have been more functional, rather than dysfunctional, to its perpetuation in terms of capitalist social relations, market-led development strategies, and neoliberal state restructuring. The constitutive role of crises in the life cycle of neoliberalism refers to the fact that it: [a] was born out of the crises of the 1970s; [b] has evolved through a series of crises over the last 40 years; and [c] dying of the multiple crises culminating in the present global crisis.

Born out of the crises of the 1970s

Monocausal explanations about the emergence of neoliberalism fail to capture the complex processes involved. Like neoclassical economics, they are also unable to provide sufficient explanatory value about the dynamism of actors at play and the origin and evolution of this phase of capitalism. Essentially, neoliberal globalization was a product of the complex interaction of forces, events, and phenomena and their mutually reinforcing tendencies that became more conspicuous during the crisis of the mid-1970s.

The 1973 recession was punctuated by stagflation that first hit the developed capitalist economies and thereafter the developing countries. The OPEC oil crisis coinciding with the US defeat in the Vietnam War and the collapse of the Bretton Woods system shook the world. This led to a situation where the dollar became delinked from the gold standard. The internationalization of financial markets set in as a result of the gradual widespread abandonment of foreign exchange controls. Third World countries resorted to massive foreign bank borrowings, were subjected to IMF and World Bank conditionalities, and were thus required to cut state expenditure, devalue their currencies, and remove barriers to the free movement of capital. They also had to abandon their aspirations to be active catching-up economies in a supposedly new international economic order as they had to shift from import-substitution to export promotion development strategies. The alternative and challenge posed by command economies led by the Soviet Union proved to be empty as they too faced growing stagnation. Global production was restructured towards post-Fordism and the number of multinational corporations grew. International finance capital gained an important role and threatened to supplant the importance of productive capital. 'Sound' macroeconomic policies through privatization, deregulation, and liberalization became the norm that resulted in, among others, the weakening of trade unions, the cutting of state budgets for social welfare and other entitlements, and the destruction of the developing countries' manufacturing and agricultural bases. Information and communications technology, which grew out of the military industrial complex, was induced into the private sector in 1971 with the introduction of Intel's microchip. It was advancing and became the new 'techno-economic paradigm' shaping production patterns, financial investments, as well as social relations.

The events leading to the 1973 recession and its aftermath fast-tracked the institutionalization of neoliberalism and the revival of the ideological hegemony of neoclassical economics (see Toye 1987). The neoliberal era as a particular phase in the historical development of global capitalism marked the return to liberalism with new configurations attuned to the circumstances of capital's interests of the time. Due to the combined and uneven process of capitalist development, the world crisis of the 1970s and its resultant impact on the emergence of neoliberalism have had shaped to a large extent the political, economic, and cultural relations at the level of states. They have taken varying forms and effects from state to state within the spatio-temporal landscape of neoliberalism.

Evolving through crises: from crisis to crisis in the last 40 years

According to some estimates, there have been over 100 financial crises in the world in the last 40 years (NBER 2008, as cited in Isidore 2008; see also Giovanoli 2000). Yet, notwithstanding these statistics, it is palpably evident that the majority of the peoples and societies in the world have long been in crisis. Crises have been inherent from the very birth of neoliberalism to a series of transformations it has undertaken over the decades.

The global political economy of development since the 1960s could generally be characterized into three successive political-economic phases: national developmentalism from the postwar to the 1970s; the Washington Consensus from the 1980s to the mid-1990s; and the post-Washington Consensus from the mid-1990s to present. Each of these phases with concomitant development models came into serious restrategizing to cope with the major crises that confronted their legitimacy and very existence. Every crisis impels and compels the capitalist mode of production to innovate and to transform itself to secure its hegemony either through 'creative destruction' or instituting new political layers and interventions.

The national developmentalism phase of capitalist development or the so-called 'Golden Age' took the forms of Fordist régime of accumulation in the US and Western Europe, 'populist' import-substituting development in Latin America, and developmental states in East and Southeast Asia. By the early 1970s, the more than a decade 'stability' that the Golden Age brought to the capitalist world came to a severe jolt and the mass production – mass consumption techno-economic paradigm in the industrialized economies had been structurally exhausted (Jessop and Sum 2005; Perez 2002). As stagflation reached unbearable heights by the mid-1970s, national developmentalism's Keynesian approach of active state role in economic development through demand-side, fluctuations-mitigating monetary policies failed to realize the target of full employment and price stability and, more importantly, to sustain the harmony between productivity and real wage. The crises of the mid-1970s thus gave way to transform capitalism into a new development paradigm referred to as global neoliberalism while at the same time allowing Listian state-led approaches in East and Southeast Asia as frontline states to communism.

Neoliberalism has been often divided into two distinct yet successive phases: the Washington Consensus (the first generation neoliberal reforms) and the post-Washington Consensus (the second generation reforms). The difference between the two phases cannot be simply reduced into a hollow state-versus-market debate. Neoliberalism, just as capitalism has always been, is a political project—that is, it requires active state intervention (Polanyi 1944; Bugra and Agartan 2007). For instance, the dismantling of the welfare state could not have taken place without the weakening of labor through policies carried out by the state. By merely taking the transformation of capitalism at face value, it misses the historical reality that active state interventions to make markets work have been present from the very beginning of capitalist development. The difference between the two development paradigms lies not in form, but in the substantial agenda on goals and strategies. The Washington Consensus aimed to realize an open global market economy through SAPs and sound macroeconomic policies of privatization, deregulation, liberalization, and financial reforms. The post-Washington Consensus, on the other hand, is a comprehensive project towards the realization of 'universal convergence on competitiveness' through deep institutional and behavioral reforms and policies on labor market flexibility, human capital, and social capital (Cammack 2009a).

Aside from its dismal performance not only in the developed industrial countries of the North but especially in poor countries of Latin America, Africa, and Asia, marked by declining growth rates, rising unemployment and the informalization of labor, and race-to-the-bottom wage policies and labor standards (Weeks 2001; Harvey 2005), the Washington Consensus got into a major ideological crisis (see Fine 2001; Fine and Van Waeyenberge 2005). In particular, its market fundamentalism ideology came to blows with Keynesian economists like Joseph Stiglitz. By the late 1980s, the ten neoliberal policy reforms were introduced, namely: fiscal discipline, reordering of public expenditure priorities, tax reform, liberalization of interest rates, competitive exchange rate, trade liberalization, inward FDI liberalization, privatization, deregulation, and protection of property rights. But it only took a few years later for these reforms to be ideologically challenged, if not dismantled, with the Stiglitz-led and Japanese-financed policy report on the *East Asian Miracle*, which provided empirical evidence of eight high performing Asian economies (Hong Kong, Indonesia, Japan, Malaysia, the Republic of Korea, Singapore, Taiwan, and Thailand) showing their respective successes between 1965 and 1990 in realizing high growth and human development through limited state intervention (World Bank 1993).

Stiglitz advocated the post-Washington Consensus project during his stint as senior vice president for development economics and chief economist of the World Bank from 1997 to 2000. With the aim of employing more policy instruments and broadening development goals, which is unlike the rather narrow macroeconomic policies and goals of the Washington Consensus, the post-Washington Consensus has promoted the use of 'social variables' to make 'markets work better' (Stiglitz 1998). Both in policy and discourse, 'social capital' has been peddled as the 'missing link in development'. The use of social capital as a policy and ideological tool allows IFIs to enlarge the circuit of capital, incorporating social variables that are traditionally left out in mainstream economics such as states, institutions, policy coordination, civil society, workers, culture, community, and family (Fine 2001; Cammack 2003). It likewise provided the Bank the framework to promote an agenda for sustainable development, egalitarian development, and democratic development. However, this begs the question: More policy instruments and broader development goals *for whom*? The answer is straightforward: as the 2002 *World Development Report* title goes 'institutions *for* markets'.

Multiple Crises: RIP Neoliberalism (1980s-2008)

As the post-Washington Consensus promotes more policy instruments and broader development goals, the current global crisis has revealed more crises and broader poverty curse. The world has been in crisis for longer than anyone would care to remember. It is currently under a multiplicity of crises, among others, in: finance, food price (the Great Hunger of 2008), overaccumulation, overproduction, over- and/or under-consumption, climate change, ecological degradation, political legitimacy, global governance, oil and energy, and water. The recent global crisis is nothing but a culmination of the neoliberal bust, of the multifarious structural crises in the past now simultaneously wreaking havoc to economies, societies, families, and human life itself.

The demise of the Soviet Union indirectly favored the spread of neoliberalism to the extent that the 'socialist' alternative was removed from the equation of state-society relation. It ought to be recalled that regardless of what may have been said about state-socialism, it is a fact that the Keynesian macro-economic model and the social-democratic project of the Welfare State were meant to counter the influence of socialism in the advanced capitalist nations of Western Europe and North America. The existence and presence on the world scene of the USSR as well as China also contributed to the decolonization process in the former colonial empires and the emergence of the bourgeois-nationalist regimes. The question today is whether the crisis of hegemony in the world system as epitomized by the relative decline of the United States and the rise of the emerging countries like China, India and Brazil opens a new phase in the history of capitalism as it is transforming the international division of labor and increasing potential resource-conflicts (Klare 2002). In this connection it is important to realize the shift from geo-economics to geo-politics in command, or their contemporary enmeshment, and understand the significance of war in the history of capitalism and especially of militarism in this stage of history (Klein 2008) and particularly ask whether this spells the end of the present unstable epoch of capitalism. This also raises the question as to whether neoliberalism has died; and the answer to this depends on what one means by it. As has been defined above, it is only the neoliberal ideological form of market fundamentalism that has died but not the substance of capitalism as a *process* of capital accumulation and *relations* in which labor is subordinated to capital.

The proponents of neoliberalism representing the dominance of private capital are aware of the crisis-prone and conflict-ridden nature of the capitalist system. In the words of the former Chief Economist of the World Bank, Michael Bruno (1996: 4): 'There is a growing consensus about the idea that a large enough crisis may shock otherwise reluctant policymakers into instituting productivity-enhancing reforms is by no means new' (see also Klein 2008). In pursuit of capital accumulation and new profits they always look at crisis moments as perfect moments to further entrench, and never retreat from, neoliberal institutions and practices. Hence, neoliberalism has always been promoted as a strategy for continued market-led development and at the same time a blueprint for crisis management.

The upbeat attitude of the apologists for further neoliberalization does not necessarily come from 'faith' in the invisible hand or in the supposed harmony-creating mechanisms of the market but rather to promote the interests and power of private capital over labor. The seeming complacency may have come from the historical fact that recessions are always temporary and do not result in a collapse of the system. A recent study showed that incidents of recessions in post-World War II, from 1948 to 2001, lasted only from six to 18 months (NBER 2008, as cited in Isidore 2008). A UN (2009) report also observes that the short and easy recovery from previous recessions—i.e., short and easy enough as to take the needed reforms to be enforced—might be a crucial reason for understanding the recurrence of crises.

Take, for example, the neoliberal responses to successive crises since the 1980s. During the 1982 debt crisis in Latin America, the IMF imposed stabilization programs for rolling over debts. The consequence was massive deindustrialization and rise in unemployment, poverty and uneven development all over the region. In addition, the responses to several financial crises in the last 20 years—namely, Scandinavia (early 1990s), Mexico (1994), East and Southeast Asia (1997), Russia (1998), Argentina (2001), Turkey (2001-2002), US subprime mortgage (2007), the Great Recession (2008)—have had as their overarching theme an open 'international financial architecture' through regulatory institutions that guarantee the domestic and global rights of private capital. Despite acknowledgement of the usefulness of some capital controls (like in the cases of Chile and Malaysia), the IMF further promoted policies toward effective neoliberal regulation to smoothen adjustment to the supposed openness of the international financial system (e.g., IMF's surveillance mechanism) (Duménil and Lévy 2001; Soederberg 2002).

Further, the 2007 US subprime crisis was met by government bailouts and stimulus packages. David Harvey (2005) sees post-WWII neoliberalism as an attempt at consolidating and restoring capitalist class power. The Reagan-Thatcher configuration of capitalism promoted a new phase of ideological assault on the working class. The Bush-Paulson-Bernanke-Obama bailouts program, for instance, is therefore reminiscent of the birth of neoliberalism. It is an attempt to consolidate and restore the power of corporations, assure the ascendancy of finance capital, and hence save capitalism from its own destruction. As Robert Wade and Frank Veneroso (1998) put it, citing the Asia crisis as a case in point, but still very apt today: 'Financial crises have always caused transfers of ownership and power to those who keep their own assets intact and who are in a position to create credit'. They went on to recall the memorable lines attributed to Andrew Mellon, an American banker and former

Secretary of Treasury during the Great Depression: 'In a depression assets return to their rightful owners'.

New Crisis, Old Perspectives

Given the cataclysmic effect and extensive scope of the global crisis, does it signal a retreat from neoliberalism? Have there been significant changes in perspectives about capitalist development?

The various responses to the global crisis from individuals, states, and international institutions could be broadly categorized into four schools of thought: neoclassical, Schumpeterian, Keynesian, and Marxist. The neoclassical advice is to 'correct market failures' through correcting fiscal and monetary policies (Bresser-Pereira 2010). The Schumpeterian responses are proposals coming from evolutionary economists who, together with neoclassical market fundamentalists, argue to 'let the system burn out alone' because the logic of creative destruction and innovation in the business cycle suggests that during recessions 'much dead wood disappears' (cf. Schumpeter 1939). The Keynesian responses, which have paradoxically received support even among 'free market' ideologues, come from international organizations and individual governments trying to 'repair the system' through policy coordination and institutional reforms (cf. Keynes 1933 [1972]). And the Marxist responses are from progressive intellectuals, civil society, and global justice movements—who have long been criticizing the current mode of production linked with the destruction of the environment—pushing to 'replace the system' (cf. Marx 1848, 1858).

A survey of the responses to the crisis coming from global governance institutions (the World Bank, IMF and the G-20), regional organizations (Asian Development Bank [ADB] and the ASEAN), and states (in East and Southeast Asia) manifests the unapologetic project for the perpetuation of neoliberal globalization. But while the multilateral and regional institutions have shown consistency in the preservation of the neoliberal regime, the Keynesian-inspired, Stiglitz-led UN Commission of Experts and the progressive global justice movements have reasserted their respective analyses about the capitalist system's susceptibility to recurrent crises and their respective calls for reforms and alternatives. In effect, despite its global magnitude and its differential impacts across sectors, the current crisis has not ushered in substantially new political-economic perspectives. They have simply factored in the exigencies of the global crisis as the context in their respective analyses, strategies, and visions within similar frameworks of their respective ideologies.

The World Bank, IMF, and their G-20 Allies

Over the last decade, the IFIs—the World Bank, the IMF, and the WTO—have been facing severe crisis of legitimacy and credibility. The disillusionment with these institutions come from the series of social crises they themselves have inflicted on countries that they were supposed to manage, restructure, and develop. In addition to the not so well-publicized budgetary crisis, failed projects and prescriptions of the World Bank (Woods 2006; Bello 2006), the dramas and revelations during the successive resignations of Joseph Stiglitz and Ravi Kanbur in the early 2000s demonstrated the Bank's strong neoclassical and neoliberal stance. The IMF received crushing blows from heavily indebted countries in Latin America, Africa, and Asia promising to never again be subjected to structural adjustment packages and conditionalities. The WTO has been struggling for survival as the almost five-year long Doha Development Trade Round collapsed in mid-2006. But with the current global crisis, predictions about the IFIs' imminent demise appear premature, if not unfounded. In a concerted effort, they have risen up to the challenge of the crisis, not to admit and rectify errors in the past, but to reassert their presumed legitimacy and *raison d'être*.

Writing in July 2007, which is barely a month before the US subprime mortgage crisis became apparent, in commemoration of the 10^{th} anniversary of the 1997 Asia crisis, the scholar-activist Walden Bello (2007) remarked about the 'demise of the IMF'. He argues that IMF has actually been a victim of the 1997 Asia crisis as Southeast Asia vowed 'never again' to IMF subjections. In addition, the IMF has suffered from severe and deepened crisis of legitimacy and credibility following 'the bankruptcy of its star pupil Argentina in 2002'. This also resulted in a serious budget crisis for the IMF since its big Latin American borrower states of Brazil, Argentina, and Venezuela boycotted it (Bello 2007).

But in less than two years, the 2008 global crisis has turned the tide towards the revival of the IMF. Dominique Strauss-Kahn, Managing Director of the IMF, triumphantly expressed during the G-20 Press Conference on 2 April 2009 that the: 'IMF is back. Today you get the proof when you read the communiqué, each paragraph, or almost each paragraph—let's say the important ones—are in one way or another related to IMF work' (IMF 2009b).

Ironically, the very same countries that suffered from decades of IMF conditionalities—specifically, Argentina, Brazil, and Indonesia which are now part of the G-20 following the G-7's expansion in 1999 to include emerging economies—were the ones who breathed new life to the Fund and thereby affirmed its legitimacy and relevance. The G-20 Summits in London (April 2009) and Pittsburgh (September 2009) have affirmed IFIs' 'important role in supporting (G-20's) work to secure sustainable growth, stability, job creation, development and poverty reduction. It is therefore critical that (they) continue to increase their relevance, responsiveness, effectiveness and legitimacy' (G-20 2009d: para 5). Furthermore, the new project for economic cooperation enshrined in the *G20 Framework for Strong, Sustainable and Balanced Growth* will be assisted and 'supported by IMF and World Bank analyses' (G-20 2009d: para 3; see also G-20 2009a, 2009b, 2009c). This in effect makes the G-20 another strategic institution, notwithstanding what they proclaim as an 'informal forum', through which the World Bank and IMF agenda are expressed and, more importantly, legitimized. However, despite the G-20's claim that they enjoy legitimacy, credibility, and economic weight, the hundreds of vulnerable and marginalized poor countries outside the Group are not represented and hence neglected. The crisis that could have killed the IMF and World Bank is also the one that has resurrected it. And the countries that were supposed to disdain them were also the ones who retain them.

While the world awaited the G-20 Summit in London in April 2009 and some hoped for a possibility of change in the global economic architecture, one could easily predict the crisis responses of the G-20 member countries, especially those of the IFIs. A close reading of the policy prescriptions of the World Bank and IMF re the global crisis documented prior to the G-20 London Summit could already give the idea of their agenda for the Summit: that is, the crisis offers an opportunity not to retreat from the global neoliberal project but to further advance a truly open international financial architecture and competitive markets that are coordinated, regulated, and enforced by them at the global scale.

The World Bank's *Global Monitoring Report 2009: A Development Emergency* echoes exactly the same neoliberal program and project that it has been pursuing from the early 1990s to present (see Cammack 2003, 2009a, 2009b). In particular, the Bank's six priority areas are: [1] fiscal response to ensure macroeconomic stability; [2] prominent role of the private sector in investment, enterprises, finance, trade, and business to improve stability of the financial system; [3] 'leveraging the private sector's role in the financing and delivery of services'; [4] prescribing national governments to 'hold firm against rising protectionist pressures and maintain an open international trade and finance system'; [5] expediting the completion of the Doha negotiations; and [6] assertion of the 'key role' of the World Bank and the IMF 'in bridging the large financing gap for developing countries resulting from the slump in private capital flows, including using their leverage ability to help revive private flows' and thereby calling for the necessity for them to 'have the mandate, resources, and instruments to support an effective global response to the global crisis' (World Bank 2009: xii). A couple of days before the G-20 London Summit, World Bank President Robert Zoellick (2009) proposed to revitalize the multilaterals, namely: 'a WTO monitoring system' to complete the Doha negotiations; a monitoring role for the IMF to assess stimulus packages; and 'an overhaul of the financial regulatory and supervisory system' in which authority over regulation rests on national governments under an expanded Financial Stability Forum, which works 'with the IMF and the World Bank group on implementation'.

IMF's *Initial Lessons of the Crisis for the Global Architecture and the IMF* (2009) sees the crisis as 'a unique opportunity … to make progress on seemingly intractable issues'. Here the IMF has resolved not to miss the moment. While the IMF acknowledges that '(t)he crisis has revealed flaws in key dimensions of the current global architecture', the bottom line is that they uphold long held principles and propose to impose same policies again and again such as: [1] surveillance mechanisms that were first articulated after the 1997 Asia crisis and the dot-com bust in 2001 to allow them to detect vulnerabilities and risks at an early stage for their timely intervention; [2] that they be strengthened and mandated 'to take leadership in responding to systemic concerns about the international economy'; [3] rules governing cross-border finance; and [4] that they be given 'readily available resources' 'for liquidity support and easing external adjustment' (IMF 2009a: 13).

ADB and ASEAN

The ADB proactively responded to the fiscal needs of its developing member countries affected by the global crisis through 'lending assistance' amounting to USD 32 billion for the period 2009-2010 (ADB 2009). As expected, it is banking-as-usual—these are 'loans' extended to needy Asian countries to be paid from five to 15 years whose interest rates are determined by the London Interbank Offered Rate (LIBOR) either on a floating-rate or fixed-rate basis (ADB 2008). Typical of ADB's agenda and priorities *for* the private sector, 44% of the loan are for programs to stimulate growth and restore private sector confidence; 35% for countercyclical support facility (a new short-term loan extended to middle-income member countries) for structural reforms toward an attractive investment climate; 12% for trade facilitation to support private sector development; but only 6% for infrastructure and a measly 3% for social protection (ADB 2009). Of course, the debtor governments (read: the people and the taxpayers) guarantee these loans, absorb all the risks, and are accountable even when the private sector fails and is responsible for the crisis.

A month prior to the G-20 London Summit, the ASEAN Heads of States/Governments had its 14th Summit in Cha-am Hua Hin, Thailand and had a caucus on 1 March 2009 to discuss the global economic and financial crisis and come up with their agenda which Indonesia, the only ASEAN member country of the G-20, is ought to convey to the G-20 leaders. What the caucus' final statement declares are exactly of the same theme—even using the same words—that the World Bank, IMF, and ADB spelt out in their respective responses to the global crisis. The ASEAN leaders: [a] concurred 'to restore market confidence and ensure continued financial stability'; [b] 'welcomed expansionary macroeconomic policies, including fiscal stimulus' and 'measures to support private sector, particularly SMEs'; [c] 'stressed the importance of coordinating policies'; [d] 'reaffirmed their determination to ensure the free flow of goods, services and investment, and facilitate movement of business persons, professionals, talents and labor, and freer flow of capital'; [d] 'agreed to stand firm against protectionism and to refrain from introducing and raising new barriers'; [e] 'agreed to intensify efforts to ensure a strong Doha Development Agenda outcome'; [f] 'develop a more robust and effective surveillance mechanism'; [g] 'welcomed the new Asian Bond Markets Initiative Roadmap'; [h] called for 'more coordinated action by both developed and developing countries … to restore financial stability and ensure the continued functioning of financial markets to provide support to growth'; and [i] 'called for a bold and urgent reform of the international financial system' (ASEAN 2009c). This declaration is coherent with ASEAN's commitment towards the ideals of free trade, competitiveness, and an open market economy being institutionalized over the last decade and will be pursued in the years to come. With the adoption of the ASEAN Charter at the end of 2008, ASEAN member countries have expressed their commitment to deepen Asian integration, patterned after the rules-based EU, towards the creation of a single market and productive space by 2015 (see ASEAN 2009a, 2009b). Rather than being cautious of the promises of free market under conditions of the current crisis, ASEAN has had sealed investment and trade agreements with countries in the Asia Pacific (Australia and New Zealand), East Asia (South Korea and China), and South Asia (India) almost every month from February to August 2009.

UN Commission of Experts

On November 2008, the President of the UN General Assembly convened a Commission of Experts to study the global crisis and propose reforms on the international monetary and financial systems. The experts include a school of heterodox economists and activists. The final report can be read as a summary of the essentials of the Commission members' lifelong experiences and writings as policy-makers, scholars, and activists. They articulated in the deliberations and put in the final report their long held heterodox economic ideas (Keynesian and post-Keynesian) and critique against neoliberal globalization formulated in words that meet the circumstances of the current global crisis.

The Commission of Experts started their conclusion with a remark that 'the crisis is man-made: it was the result of mistakes by the private sector and misguided and failed policies of the public' (UN 2009: 132). Eight common themes have been laid out in the analysis: [1] growing inequalities in most countries in the world; [2] the global scope of the crisis that requires responses from a global perspective; [3] existence of large global asymmetries, specifically asymmetric responses between the developed and developing countries that perpetuates the unjust transfer of funds from the poor to the rich countries that have caused the conflagration in the first place; [4] inadequate financial regulation; [5] the mismatch between the pace of economic globalization and the development of political institutions both at the national and international levels; [6] the pervasiveness of externalities, an instance of market failure that renders the 'efficient market hypothesis' meaningless—this in turn calls for coordination of global financial regulation and the availability of resources especially for the developing economies to conduct countercyclical fiscal policies; [7] financial 'innovations' that failed to manage risks and enhanced problems of information asymmetries, and the problems of too-big-to-fail, too-big-to-be-resolved banks as results of inadequate competition laws and enforcement deficiency; and [8] crisis as both opportunity (to engage in reforms) and danger (power structures reinforcing inequalities and inequities).

The Commission then went on to propose a large number of recommendations taking their heterodox economics perspective as point of departure including: [a] creation of institutions to coordinate global economic policy such as Global Economic Coordination Council and International Panel of Experts; [b] the need for a New Credit Facility with governance structure responsive to the needs of both lenders and borrowers; [c] reform in the systems of risk management, including the sharing and transferring of risks from those less able to bear them to those more able to do; and [d] addressing the problem of insufficient aggregate demand even after the crisis which makes it imperative for fundamental reforms such as a new global reserve system and for a careful 'exit strategy' from existing stimulus policies.

Global Justice Movements

'We told you so' has become a prominent slogan of the critics of neoliberal globalization as the multiple crises exploded and shook the world. The analysis of the global civil society expressed in various people's forums and channels since the 1990s have been vindicated by the global crisis. They are therefore proposing alternative futures that they have long been articulating, hoping that the global crisis would usher in a much more caring and just world. For instance, the World Social Forum (WSF) and the Asia-Europe People's Forum (AEPF), which are broad networks of civil society and social movements across the globe, have looked at the global crisis as 'an opportunity for another world' and 'an historic opportunity for transformation', respectively. The WSF is said to have been 'revitalized by the global crisis' as renewed interests in their call for 'Another World Is Possible' arise (Osava 2008). The AEPF likewise continues to critique neoliberal globalization and reiterates the policy reforms and programs in the areas of politics, economics, and culture constantly formulated in their biennial Forums since 1996 in accordance with their founding principles for a people-centered peaceful, developed, and democratic world (see AEPF 2009).

Yet, the global justice movements are confronted with a paradox at this moment of crisis when they are simultaneously weakened and activated. While these movements have been vindicated, at least in their analysis and call for change, the pro-neoliberal forces have been in concert in recovering the system and the maintenance of the status quo (Bienefeld 2007; Schmidt 2009). If there is an increasing need for change to the crisis-prone global capitalist system, the forces of alternative futures are faced with a Gramscian and a Marxist realpolitik which render them incapable to eliminate the recurrent social and economic disasters endemic to the capitalist system.

Antonio Gramsci and Karl Marx still provide a classic reading of the besetting problems of social change and the great challenges to progressive forces. Gramsci's (1971) famous line applies today: 'The crisis consists precisely in the fact that *the old is dying and the new cannot be born*; in this interregnum a great variety of morbid symptoms appear'. Marx also spoke of an all-time contradiction in the struggle for social change that people make their own history but under conditions of imposed structural limitations and historical fetters. Giving a timely analysis of today's struggle, Marx (1852) aptly observes that:

> The tradition of all dead generations weighs like a nightmare on the brains of the living. And just as (the people) seem to be occupied with revolutionizing themselves and things, creating something that did not exist before, precisely in such epochs of revolutionary crisis they anxiously conjure up the spirits of the past to their service, borrowing from them names, battle slogans, and costumes in order to present this new scene in world history in time-honored disguise and borrowed language.

In a word, while the global crisis reveals the weak link in neoliberalism, the forces of change continue to be weaker. The old capitalist structure confronted with new problems has not evoked new perspectives. In this situation in which the configuration of political-economic power remains to the overwhelming advantage of the hegemonic structure and agents, the 'spatio-temporal fix' of contemporary global capitalist crisis becomes conducive to neoliberal reproduction.

Authoritarian Liberalism in Asia

The reaffirmation of neoliberalism despite its own crisis by international institutions, regional organizations, and states is well received in the Asian region. Contrary to the popular characterization of 'developmental states' in East and Southeast Asia, a distinctive state form has long been in the process of being institutionalized ever since the region got locked-in the circuit of neoliberal globalization. This distinctive state form is referred to as 'authoritarian liberalism', where a liberal market economy is embedded in an authoritarian polity. It is within this framework that these parts of Asia are responding and progressing during the global crisis. Drawing on experiences in the 1997 Asia crisis and the 9/11 terror attacks and on the ASEAN 2015 project, the case of authoritarian liberalism in the region provides important lessons toward understanding the eventual and most probable outcome of the present crisis.

There are two mainstream theses that cannot explain contemporary political economy of East and Southeast Asia: first is 'modernization theory' of the hyperglobalist that says that globalization necessarily creates a world of liberal democracies; and second is the 'democratic peace' that claims that democracies do not go to wars against each other. The restructuring of states in the region towards authoritarian liberalism—i.e., liberal economies in the framework of authoritarian polities—offers a much more appropriate reading than that of the mainstream. A look at two major crises that struck capitalism in Asia, namely the 1997 crisis and the 9/11 terror attacks, suggests how crises have become functional to the institutionalization of authoritarian liberalism.

The toppling of two military regimes—Ferdinand Marcos' in the Philippines in 1986 and Suharto's in Indonesia in 1998—were regarded as 'democratic moments', signaling the process of democratization in the broader region. This comes at a time when the dominant discourse from mainstream scholars and policy-makers prophesies that economic liberalization encourages the development of liberal and democratic modes of governance. The mainstream assumes that the liberation of a self-reliant and progressive middle class from authoritarian rule was a functional requirement of well-managed markets. Today, such a claim appears hollow. Theoretically, the model of liberal democracy generally proposed in the transitions literature was always thin. It alienated the idea of democracy from its social connotation as popular power in favor of 'formal' and procedural criteria, symbolized above all by the holding of regular multi-party elections and the 'effectiveness' of political institutions. The principles and associated practices of people's sovereignty, including the accountability and responsiveness of governments, and political expression and participation by voters and citizens, are hardly featured at all. Empirically, East and Southeast Asia appear to demonstrate a quite different prospectus from this dominant discourse—characterized by limited accountable government, relatively unfree and unfair competitive elections, partially curtailed substantial civil and political rights, and compromised associational autonomy. In fact, neoliberal globalization and its crisis prone economics may mean the end of liberal democracy rather than its triumphant ascendancy. Historically, if there is any cogent lesson that the past two decades have shown about the relationship between democracy and political-economic regime, it is that a market economy can thrive and survive even without democracy. Asian elites do not necessarily become forces for political liberalism and democracy; they can be downright illiberal and anti-democratic so long as it serves their vested interests (Rodan, Hewison, and Robison 2006).

1997 Asia Crisis and 9/11 Terror Attacks

The 1997 Asia crisis accelerated the reorganization of state authority and regulatory frameworks that were already in train long before the crisis in East and Southeast Asia. Central to these political-economic forms is 'the emergence of the new regulatory state, which is directed towards the production of economic and social order within a globalized economy' (Jayasuriya 2005; see also Jayasuriya 2000, 2001). The rationale behind this attempted transformation of political authority is clear. Through the provision of new regulatory frameworks, the state seeks to insulate a range of key economic institutions from the influence of democratic politics and thereby safeguard the market order. The outcome is an explicit linkage between authoritarian politics and a rules-based mode of governance in a range of economic policy areas.

Looking back on the 1997 Asia crisis experience, the political strategies and social policies carried out in response to it had been detrimental to democratization, human rights, and the poor. Firstly, the crisis provided the political, economic, and intellectual justification for authoritarian rule—couched in the language of 'Asian values'—especially among Asian elites (notably in Malaysia, Singapore, China, and Thailand). These elites also came out to explicitly preach the inappropriateness of North and West European welfare state system. Secondly, the crisis had sidelined human rights obligations on civil and political rights in the name of surveillance and internal security (such as in Malaysia and Singapore) and on social and economic rights in the name of belt-tightening measures (resulting in the reduction of social spending in many countries like Indonesia, the Philippines, and Thailand). And thirdly, the policy responses to the crisis from governments and international institutions were designed to save and protect the market, businesses, and corporations. For instance, the Second Asia-Europe Meeting (ASEM-2) held in London in 1998 created the 'ASEM Trust Fund' which eventually proved to be lacking in political will and institutional mechanisms to ensure that the fund targets the poor and the workers who were the most vulnerable and adversely affected groups during the crisis. In short, in times of crisis democratization may be stalled, human rights compromised, and the poor severely neglected.

Even the 9/11 terror attack has not jolted Asia out of the institutionalization of authoritarian liberalism. In fact, the US-led war on terror has provided 'exceptional' powers to Asian governments through the expansion of their discretionary powers of detention and surveillance. Asian (semi-)authoritarian regimes have become strategic sites of opposing terrorism. The human rights situation in the region after the events of 9/11 has been alarmingly dismal, hitting the headlines which range from numerous cases of outright killing of human rights defenders and journalists in the Philippines to the killing and harassment of monks and their sympathizers in Burma.

Post-9/11 Asia is by far a region of authoritarianisms—a security complex of authoritarianisms. Regional stability appears to come from a 'peaceful coexistence among authoritarianisms', rather than among democracies, following the policy of non-interference which every government in the region normatively proclaims. The region is progressing towards the resurgence or deepening of variations of authoritarianisms: semi-authoritarian regimes in Malaysia and Singapore; the military government in Myanmar; the influence and prominent role of the military and monarchy in Thailand; one-party rule in China, Laos, Cambodia, and Vietnam; culture of impunity and continued militarization in Aceh and Papua in Indonesia; and an administration predisposed to authoritarianism in the Philippines. Time and again, numerous researches conclude that it is under conditions of authoritarianism, alongside war and poverty, in which governments and people are most likely to commit large scale murder, torture, and arbitrary imprisonment.

The ASEAN 2015 Project Towards a Single Market

The current responses of East and Southeast Asian states to the global crisis are bold and explicit that there is no backtracking on authoritarian liberalism. The multi-billion dollar economic stimulus packages carried out by these countries as well as the multi-million loans they have received from the ADB are all directed and oriented towards economic growth recovery, private sector assistance, and an open market economy, and less on social protection for the poor (see ASEAN Affairs 2008; ADB 2009). Still, in a highly volatile political-economic situation there are risks that these billions of dollars can generate sharper budget deficits and even lead to another debt crisis. In fact, it is in the context of the three successive major economic crises in the last decade—the 1997 Asia crisis, the 2001 dot-com bubble collapse, and the 2008 Great Recession—that a daring project for a rules-based ASEAN single market by 2015 has been launched following the ratification of the ASEAN Charter on December 2008. Add to this, as already mentioned above, is a series of trade and investment agreements in the region that have been signed and adopted in the first half of 2009, namely: ASEAN free trade agreements with Australia and New Zealand, investment and trade in goods and services within ASEAN itself, ASEAN investment agreements with South Korea and China, and ASEAN trade in goods agreement with India.

With the adoption of the ASEAN Charter and thereby the ASEAN Economic Community Blueprint, the 10 member countries have categorically committed themselves to the furtherance of free trade, competitiveness, and an open market economy; thus the perpetuation of a neoliberal order. All these commitments are expressed only on paper. The realpolitik is at the national level of individual member countries. The feasibility of this vision comes into conflict with the realpolitik of the nature of Asian elites—that is, it is their respective interests, not ideology, that matter at all times. Asian elites can be profoundly anti-market and counter-competitive so long as it serves their interests.

Concluding Remarks

This paper has addressed three interrelated themes with the hope of contributing to a critical understanding of the dynamics in contemporary political economy in which the project of neoliberal reproduction persists in the context of the global capitalist crisis: [a] the constitutive role of crises in the evolution of neoliberalism; [b] the unchanging perspectives in the respective responses of pro- and anti-neoliberal forces that in effect preserves the policy and discursive hegemony of neoliberalism; and [c] the probable strengthening and even acceleration of emergent authoritarian liberalism in East and Southeast Asia despite and because of the global crisis. The discussion also points to three conclusions.

First, crises play a constitutive role in the evolution of neoliberalism. That is to say, neoliberalism was born out of the crises of the mid-1970s, has evolved through a series of crises over the last 40 years, and is dying of, yet struggling to survive, the multiple crises culminating in the current global crisis. As indicated, neoliberalism as an ideological form of market fundamentalism has died, but not the substance of capitalism as a specific capital-labor relation and a process of capital accumulation. Crises have so far been functional, rather than dysfunctional, to neoliberalism in the following senses: (1) Crises reshape class and social relations but in ways that perpetuate the hegemony of capital over labor and the preservation of elite rule. (2) Crises restrategize development plans of institutions from international organizations to states to further advance, not retreat from, market-led development. (3) Crises restructure states and societies in which social institutions are oriented towards the logic, requirements, and imperatives of capitalism.

Second, the global capitalist crisis has not ushered in new perspectives in terms of analyses, strategies, and visions. Both proponents and critics of neoliberal globalization have simply rearticulated the fundamentals of their *respective* time-honoured political-economic ideologies. The pro-neoliberal forces are not retreating from unfettered market-led development, but are rather advancing their venerable pro-market projects and programs with stronger and better institutions. And the anti-neoliberal forces continue to critique attempts to recover neoliberalism and reassert their call for alternative futures. Meanwhile, there are differential catastrophic impacts across social classes, especially among the poor, marginalized, and vulnerable sectors. People and groups from all ideological positions look at the global crisis as both danger and opportunity. They particularly look at the crisis as an opportunity to advance their respective causes and interests. The danger is however manifest: the hegemonic neoliberal agents and structures are seizing hold of this moment of crisis, using it to their advantage, and hence reinforcing neoliberalism and its effects of deepening and widening miseries.

And finally, there is a movement towards the institutionalization of authoritarian liberalism in East and Southeast Asia. It is within this emergent political-economic regime (market economies in a framework of authoritarian polities) that countries in the region are responding to the crisis. The signs drawn from the 1997 Asia crisis and 9/11 experiences are clear and the ASEAN 2015 project towards a rules-based single market is telling about the further entrenchment of authoritarian liberalism as a state form in the process of neoliberal reproduction in the spaces of global capitalism at this time of multiple crises.

Note

* This paper is derived from a section drafted for the author's doctoral dissertation to be submitted later on to Aalborg University, Denmark. Initial ideas here were presented and discussed in the conferences in London (*Historical Materialism Conference 2009*) and Manila (*Fourth APISA Congress*). The author is grateful for the feedback received for the development of the paper and for the comments from the *IJIS* reviewers. The usual disclaimer applies.

References

ADB (2008) *ADB Financial Products*, Manila: Asian Development Bank.

ADB (2009) *ADB's Response to the Global Economic Crisis: An Update*, August, Manila: Asian Development Bank.

AEPF (2008) 'The global economic crisis: An historic opportunity for transformation', Asia-Europe People's Forum, Beijing, 15 October.

ASEAN (2009a) *Roadmap for an ASEAN Community 2009-2015*, April, Jakarta: Association of Southeast Asian Nations.

ASEAN (2009b) *Annual Report 2008-2009: Implementing the Roadmap for an ASEAN Community 2015*, Jakarta: Association of Southeast Asian Nations.

ASEAN (2009c) 'Press Statement on the Global Economic and Financial Crisis', 1 March, Jakarta: Association of Southeast Asian Nations.

ASEAN Affairs (2008) 'Economic Stimulus: Thailand, Malaysia spend billions to boost economy', 14 September, *ASEANAffairs.com*.

Bello, W. (2006) 'The Crisis of Multilateralism', in *Foreign Policy In Focus*, 13 September.

Bello, W. (2007) 'All Fall Down', in *Foreign Policy In Focus*, 30 July.

Bienefeld, M. (2007) 'Suppressing the Double-Movement to Secure the Dictatorship of Finance', in A. Bugra and K. Agartan (eds) *Market Economy as a Political Project: Reading Karl Polanyi for the 21st Century*, Basingstoke: Palgrave.

Bresser-Pereira, L.C. (2010) 'The 2008 financial crisis and neoclassical economics', in *Brazilian Journal of Political Economy*, Vol. 30, No. 1 (117), January-March, pp. 3-26.

Bruno, M. (1996) *Deep Crises and Reform: What Have We Learned? (Directions in Development)*, Washington: The World Bank.

Bugra A. and K. Agartan (eds) (2007) *Market Economy as a Political Project: Reading Karl Polanyi for the 21st Century*, Basingstoke: Palgrave.

Cammack, P. (2003) 'The Governance of Global Capitalism', in *Historical Materialism*, Vol. 11, No. 2, pp. 37-59.

Cammack, P. (2009a) 'The Evolving Agenda of "Poverty Reduction": from Structural Adjustment to Universal Competitiveness', Paper presented at the ISA Annual Convention 2009, New York.

Cammack, P. (2009b) 'All Power to Global Capital!', *Papers in the Politics of Global Competitiveness*, No. 10, Institute for Global Studies, Manchester Metropolitan University, e-space Open Access Repository.

Duménil, G. and D. Lévy (2001) 'The Nature and Contradictions of Neoliberalism', in L. Panitch and C. Leys (eds) *Socialist Register 2002: A World of Contradictions*, London: Merlin Press, pp. 43-72.

Fine, B. (2001) *Social Capital versus Social Theory: Political Economy and Social Sciences at the Turn of the Millennium,* London: Routledge.

Fine, B. and E. Van Waeyenberge (2005) 'Correcting Stiglitz: From Information to Power in the World of Development', in L. Panitch and C. Leys (eds) *Socialist Register 2006: Telling the Truth*, London: Merlin Press, pp. 146-168.

G-20 (2009a) *The Global Plan for Recovery and Reform*, Final Communiqué, London Summit, 2 April.

G-20 (2009b) *G-20 Working Group 3: Reform of the IMF (Final Report)*, 4 March.

G-20 (2009c) *G-20 Working Group 4: The World Bank and other Multilateral Development Banks (Final Report)*, 4 March.

G-20 (2009d) 'Communiqué', Meeting of Finance Ministers and Central Bank Governors, 7 November, United Kingdom.

Giovanoli, M. (ed.) (2000) *International Monetary Law: Issues for the New Millennium*, Oxford: Oxford University Press.

Gramsci, A. (1971) *Selections from the Prison Notebooks of Antonio Gramsci*, in Q. Hoare and G. Nowell Smith (eds), New York: International Publishers.

Harvey, D. (2005) *A Brief History of Neoliberalism*, Oxford: Oxford University Press.

IMF (2009a) *Initial Lessons of the Crisis for the Global Architecture and the IMF*, Washington, 18 February.

IMF (2009b) Transcript of a Press Conference by IMF Managing Director Dominique Strauss-Kahn at the G-20 Summit, 2 April.

Isidore, C. (2008) 'It's official: Recession since Dec. '07', Issue #1: America's Money Crisis, at *CNNMoney.Com Special Report*.

Jayasuriya, K. (2000) 'Authoritarian Liberalism, Governance and the Emergence of the Regulatory State in Post-Crisis East Asia', in R. Robison, M. Beeson, K. Jayasuriya and H-R. Kim (eds) *Politics and Markets in the Wake of the Asian Crisis*, London: Routledge, pp. 315-329.

Jayasuriya, K. (2001) 'Governance, Post Washington Consensus and the New Anti Politics', Working Papers Series No. 2, Southeast Asia Research Centre, City University of Hong Kong.

Jayasuriya, K. (2005) 'Beyond Institutional Fetishism: From the Developmental to the Regulatory State', in *New Political Economy,* Vol. 10, No. 3, pp. 381-387.

Jessop, B and N-L. Sum (2005) *Beyond the Regulation Approach: Putting the Capitalist Economy in its Place*, UK: Edward Elgar.

Keynes, J.M. (1933 [1972]) 'National Self-Sufficiency', in *The Collected Writings of John Maynard Keynes*, Vol. XXI, London: Macmillan.

Kindleberger, C.P. and J-P. Laffargue (eds) (1982) *Financial crises: Theory, history, and policy*, Cambridge: Cambridge University Press.

Kindleberger, C.P. and R.Z. Aliber (2005) *Manias, Panics and Crashes: A History of Financial Crises*, 5th edition, Basingstoke: Palgrave Macmillan.

Klare, M. (2002) *Resource Wars: The New Landscape of Global Conflict*, reprint edition, New York: Owl Books.

Krugman, P. (ed.) (2000) *Currency Crises*, Chicago: University of Chicago Press – National Bureau of Economic Research.

Klein, N. (2008) *The Shock Doctrine: The Rise of Disaster Capitalism*, Toronto: Knopf Canada.

Marx, K. (1852) *The 18th Brumaire of Louis Bonaparte*, UK: Electric Book Company.

Marx, K. (1858) *The Grundrisse*, New York: Penguin.

Marx, K. and F. Engels (1848) *The Communist Manifesto*, UK: Electric Book Company.

Osava, M. (2008) 'World Social Forum: Crisis as Opportunity for "Another World"', *Inter Press Service News*, 21 January, at http://ipsnews.net/news.asp?idnews=45494.

Perez, C. (2002) *Technological Revolutions and Financial Capital: The Dynamics of Bubbles and Golden Ages*, UK: Edward Elgar.

Polanyi, K. (1944) *The Great Transformation*, New York: Rhinehart & Company, Inc.

Rodan, G., K. Hewison and R. Robison (eds) (2006) *Political Economy of South-East Asia: Markets, Power and Contestation*, Third Edition, Oxford: Oxford University Press.

Schmidt, J. (2009) 'Social Compacts in Regional and Global Perspective', in *Revue Canadienne d'études du Développement (Canadian Journal of Development Studies)*, Vol. 28, Nos. 3-4, pp. 455-474.

Schumpeter, J. (1933) *Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process*, New York: McGraw-Hill.

Soederberg, S. (2002) 'The New International Financial Architecture: A Procrustean Bed for Emerging Markets?', in *Third World Quarterly*, Vol. 23, No. 4, pp. 607-620.

Stiglitz, J. (1998) 'More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus', The 1998 WIDER Annual Lecture, Helsinki, Finland, 7 January.

Toye, J. (1987) *Dilemmas of Development: Reflections on the Counter-Revolution in Development Economics*, Oxford: Blackwell Publishers.

UN (2009) *Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial Systems*, 21 September, New York: United Nations.

Wade, R. and F. Veneroso (1998) 'The Asian Crisis: The High Debt Model versus the Wall Street-Treasury-IMF Complex,' in *New Left Review*, I/228, March-April, pp. 3-23.

Weeks, J. (2001) 'Globalize, Globa-lize, Global Lies: Myths of the World Economy in the 1990s', in R. Albritton, M. Itoh, R. Westra and A. Zuege (eds) *Phases of Capitalist Development: Booms, Crises and Globalizations*, Basingstoke: Palgrave, pp. 263-282.

Woods, N. (2006) *The Globalizers: the IMF, the World Bank and their Borrowers*, New York: Cornell University Press.

World Bank (1993) *The East Asian Miracle: Economic Growth and Public Policy*, A World Bank Policy Research Report, Washington: The World Bank.

World Bank (2009) *Global Monitoring Report 2009: A Development Emergency*, Washington: The World Bank.

Zoellick, R. (2009) 'Seizing Opportunity from Crisis; Making Multilateralism Work', News & Broadcast, 31 March, The World Bank.