

Goodwill Hunting: Ideas and processes in the international organization of production and finance*.

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Abstract

A substantial paradigm shift is currently taking place in the ideas system that separates economics from politics. This article explains why. Examining the interaction between economic ideas and international relations, it provides new insight into the way power is accumulating in the present world order. I show how the twin dynamics of financialization and the international re-organization of production have led to an arrangement of institutional power that can no longer be rationalized as something technical and economic. Instead, such power remains explicitly positional and political. My analysis traces this to a blockage in the routine conversion of immaterial values into material values and, in doing so, demonstrates why the established separation of economics from politics now requires a paradigm shift in the attribution of value to social processes. This shift presents itself empirically in the form of controversial accounting standards today being applied worldwide by international and US regulators. From a problem-solving perspective, the new paradigm formalizes a functional move from property to position, cost to price, and objective to subjective logic. However, because of the way it unravels legal and physical definition from the focus of pecuniary value, I argue that the new paradigm is eroding the very foundations upon which power relations in the international political economy have historically been constructed.

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