

THE INEXORABLE RISE OF THE NEW INTERVENTIONISM

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DOI: 10.24193/subbeuropaea.2017.3.01

Published Online: 2017-09-30

Published Print: 2017-09-30

Abstract

The present research follows two different movements: what happens and the way we think about what actually happens in terms of global political and economic governance. The first is a realistic approach considering the recent developments throughout the world, the second is an idealistic approach of ideologies attempting to change reality - but nevertheless influenced by the very reality they aspire to model. Towards the end we try to articulate these two tracks: 1. In terms of ideology, we believe we are witnessing today a sharp decline in ideological rigor. Contrasted to the Second World War fanatical clash of ideologies, or with the rigid dogmatism of the Cold War, we cannot help noticing that we live somehow phlegmatic times. Ideologies do exist, but there is a hegemonic "centrist", "gray" tendency, put between the clearly understandable black and white. 2. In terms of politics and economics, "the real world" is heading on different ways. Both Russia and China have enforced heterodox interventionist policies. But even US acted ad hoc during the financial crisis. And the same might be said about EU during the migration crisis. Our point is that the rise of the new interventionism goes hand in hand with the recent softening of ideological constraints. In our closing chapter we argue that the ideological „vacuum" behind the new interventionism has been filled mostly by either technocratic or/and ad hoc-ratic attitudes.

Keywords: post-ideology, interventionism, pragmatism, technocracy, ad hoc-racy, fairness

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Prolegomena

Ideology is a concept that is more and more often observed today from the angle of its abandonment. An intellectual product of the eighteenth century Illuminist view, both ideology and doctrine as a complex framework of ideas, values, conceptions and consequent practices, as well as the way these are publicly reflected and taught, came under strong pressure during the age of post-industrialist pragmatism. While most of the nineteenth and the first half of the twentieth century witnessed conflicting ideologies, in most cases with significant utopian peculiarities, starting with the mid twentieth century the process of deconstructing ideology could be observed, let's say only for the sake of thinkers' benchmarking, starting with Raymond Aron or John Kenneth Galbraith and entering world-wide debates with Francis Fukuyama. Probably the most prominent name illustrating this view in the field of economics (actually within a comprehensive approach on economic and social forecasting) would somehow puzzling, be a sociologist, namely Daniel Bell.¹

Three main reasons are relevant for the gradual or even sudden disappearance of ideology and its plethora of interpretations from the public discourse, in Bell's vision: the ambiguities embedded from the start in each major ideology, the exhaustion of utopias and last but not least the complexities of contemporary life that unavoidably drive any less rigidly structured ideology toward a dead end. Thus, due to the fact that, historically speaking, the political and economic ideologies of the moment were constantly mirrored in the process of governing; therefore establishing a true unbiased balance between the evolutionary frameworks of economics and politics, under the *present day aegis of pure pragmatism*, seems difficult indeed. Non-ideological interventionism following the gradual vanishing of classical core ideologies could be easily considered as a major challenge of present day government and governance.² It is also a

¹ Daniel Bell, *The End of Ideology*, Harvard: Harvard University Press, 2000.

² Terence Ball, Richard Dagger, Daniel O'Neill, *Political Ideologies and the Democratic Ideal*, Boston, Columbus, Indianapolis: Pearson, 2014, pp. 329-331, available at [<https://www.politicalavenue.com/PDF/Political%20Avenue%20-%20Political%20Ideologies%20and%20the%20Democratic%20Ideal,%209th%20Edition.pdf>], accessed July 2017.

hard task to reflect the various social perspectives, as politics should do, using a pattern that is basically grounded on a single parameter, namely efficiency.

We must acknowledge that the last two centuries were decidedly ideologically infused in all respects. The Second World War and the Cold War were true *ideological wars* - that is, wars between different political systems, not only conflicts of all sorts between different opposing countries. The main combatant forces during WWII were Fascism and Communism and Fascism and Liberalism. The Cold War witnessed opposing Capitalism and Communism. These communities of ideas and territories were without doubt clear cut *ideological blocks*.³ This meant that public policy, no matter if of purely political or of political and economic consistence, needed to conform to a specific ideology first, rather than to reality. Today we live very different times. There are not two opposing ideological camps fighting on the world stage, though we can witness of course plenty of competing geo-political and geo-economic interests and an open as well as a hidden confrontation over natural resources.

Our main aim within this research would be to better understand this new kind of interventionism. We believe that such a task could be performed if we pursue at least the following three steps. The inception will be a short overview of the main modern schools of economic thought and doctrines, as well as their positioning concerning capitalism's trends of today. We do not undertake any comprehensive approach here, just point out what seems to be contextually relevant for us. Secondly, we will analyze some current challenges and atypical solutions reflecting the spirit of this new interventionism. Though the contemporary economic jargon uses more and more the *out of the box* phrase to describe the situation, we believe that actually we are talking just *another kind of box*. Last but not least, we will try to connect *technocracy* and the relatively new concept of *ad hoc-racy* with the non-ideological nature of the new interventionism. If the ideological constraints are more relaxed, then pragmatic approaches can be easily taken mostly based on contextual rather than abstract evaluations.

³ Eric Hobsbawm, *The Age of Extremes 1914-1991*, London: Abacus, 1995, pp. 5-7.

1. Interpreting capitalism in the utilitarian manner. Orthodox and heterodox views

Present day capitalism has a plethora of facets. It could be the classical *free-market* capitalism or *laissez-faire* capitalism. Or it could take the shape of *social-market* economy (*Sozialmarktwirtschaft*), or that illustrated by the various inflexions of socialism - from genuinely democratic to communist – or a mixture of these, the most common pattern that could be retrieved today around the world. It is not uncommon that such a patched landscape would be even more patched from the ideological and doctrinarian perspectives. Plain liberalism, libertarianism, Neo-liberalism on the one hand, Keynesianism, neo-Keynesianism, institutionalism, post-Keynesianism, *public choice* on the other. Or, and out of the main track today, Marxism and radicalism of various consistence. Which one would be the most appropriate for the present stage of evolution of the global economy and consequent business environment, is still debatable. But we have to acknowledge that capitalism of all textures and consistencies is heavily predominant throughout the world today.⁴ According to Kiely, liberalism and even Neo-liberalism ceased to represent the global convergence engine. Are we heading towards a sort of capitalism, far away from the industrial revolution capitalism, that is illustrated above all not by the huge technological leap forward but by the lack of ideology?⁵

Much of the answer in this respect depends on the methodological standpoint of the analysis. While for the most time during modern history, the orthodox, mainstream economics approach prevailed, generating neoclassical, Keynesian, Austrian or Chicago schools views, more recently institutionalism, environmentalism, evolutionary or thermo-economics, to add this niche only in order to invoke the name of one of the few Romanian economists that distinguished themselves on the world stage, namely Georgescu-Roegen.⁶ So, if the classical approach of pioneers such as Smith, Ricardo, Say or Mill expressed mostly an empirically generated view

⁴ Paul Bowles, *Capitalism*, Harlow: Pearson Longman, 2007, pp. 133-164.

⁵ Ray Kiely, "Poverty Reduction through Liberalisation? Neo-liberalism and the Myth of Global Convergence", in *Review of International Studies*, vol. 33, no. 3, July, 2007, pp. 415-434.

⁶ Nicholas Georgescu-Roegen, *The Entropy Law and the Economic Process*, Cambridge: Harvard University Press, 1971.

concerning the evolution of the economic life, one should observe that the classical liberal framework is much more *utilitarian* when compared both to the preceding *laissez-faire*, or the succeeding *neo-classics*. There is no better example of economic orthodoxy in this respect than the views of Malthus, considered appropriate and evidently pragmatic for that time. While the very grounds of this kind of orthodoxy could be retrieved in the individualism that was glorified in Hobbes' *Leviathan*, we should also remember the fact that the very idea of a *social contract* as a fair ground for the balanced evolution of the economy and society is also present in this capital work.

And this paves the way for the utilitarian view, as expressed by Jeremy Bentham and John Stuart Mill. They consider that *freedom* should be both a private and a public model and in this public model they see the potential for progress in all respects, potential that is denied by all conservative thinkers, as Friedrich Hayek will point in his crucial *Road to Serfdom*.⁷ The utilitarian approach, as retrieved by both orthodox and heterodox schools, would be a set of values that are affecting the whole society while maintaining the main motif of maximizing the net utility of all the players of the economic game. There is no better reflection of this utilitarian mix than Max Weber's approach as expressed in his many dealings with economic sociology. Weber⁸ was extremely strict in placing the public domain on the coordinates of *rationality* - a concept retrieved and developed later by many, Jürgen Habermas⁹ for instance, but was much more flexible when dealing with the private one. In this respect it could be said that beyond the fact that the whole Weberian discourse is a *de facto* capitalist (bourgeois in some opinions) response to Marxian economics, it brings to surface the issue of legitimacy of the capitalist system in connection with its ethics. Thus the moral theory of capitalism is further deepened by *The Protestant Ethic and the Spirit of Capitalism*.

⁷ Friedrich A. Hayek, *Drumul către servitute* (Romanian edition of the *Road to Serfdom*), București: Editura Humanitas, 1994.

⁸ Max Weber, *The Theory of Social and Economic Organization*, Glencoe, Illinois: The Free Press, 1947, available at [https://archive.org/stream/in.ernet.dli.2015.276724/2015.276724.Max-Weber_djvu.txt], accessed July 2017.

⁹ Jürgen Habermas, *Knowledge and Human Interests*, Boston: Beacon Press, 1971.

As the previously invoked Hayek considered that in the very manner freedom of market operates, social justice cannot be achieved but in utopian minds and efficiency should be pursued by whatever tactical means, a wealthy society having ultimately the strategic resorts to put at work the so called *checks and balances* that would avoid the alienation of some segments of the society due to inequality. His view could somehow be considered a follow-up of the extension of liberalism named *Fabians* that advocated a gradual collective organization of the society, organization that should be performed by the state, but only if certain wealth benchmarks are fulfilled. We will add here a methodological angle, namely the *instrumentalist approach*, sometimes branded as a version of *pragmatism* and so well illustrated by John Dewey,¹⁰ angle that allows us to conclude the fact that liberalism and even libertarianism, the most prominent bearers of individualism do not reject the idea of social justice. Though Dewey was a fierce opponent of the *New Deal* and whatever it meant from a Keynesian perspective, his economic perspective would be nearer to the classical social justice concept, seen as the *utilitarian methodology* already introduced by Mill as early as 1861.¹¹

2. Contemporary Neo-liberalism. The Washington Consensus

Neo-liberalism is a concept belonging to both the realm of political economy as well as to a social and philosophical one. The present day embodiment of it would be the Washington Consensus, a *free-market* regime that was globally reinforced as a cure to the stagnation of economies that were common among the highly developed countries in the eighties of the last century. Since its inception and up to this day, it remains a rather controversial set of economic policies, particularly due to the proven impossibility of efficient implementation throughout the world. It is still used as a label for *The neo-liberal Manifesto*, emerging during the same period and describing among other things: a) widespread capital

¹⁰ John Dewey, *The Essential Dewey*, Larry Hickman and Thomas Alexander (eds.), Bloomington: Indiana University Press, 1999.

¹¹ John Stuart Mill, *Utilitarismul*, București: Alternative, 1994, available at [<https://polifilosofie.files.wordpress.com/2013/10/j-s-mill-utilitarismul.pdf>], accessed July 2017.

investment and trade liberalization; b) massive privatizations of inefficient state companies; c) tight if not restrictive monetary policies; d) fiscal policy discipline; e) deregulation. It epitomizes the years of beginning of ICT market domination, but also and differently mirrored, the peak years of the Cold War, with whatever that implied for the economic evolution of the two conflicting systems. Not to mention the view that considers an overall evolution towards a libertarian world with American inflexions, implied by the Washington Consensus, as retrieval of the long forgotten *laissez-faire*.¹²

The fall of the Berlin Wall signaled the end of state-dominated type of planned economies. They crumbled down due to multiple causes that synchronized over the last years of the communist regimes. The most visible symptoms were widespread shortages of food and commodities and the break-down of many public services. This has raised social and political backlash on the part of the people. It was obvious that the state alone could not provide a functional prosperous economy under the political constraints in place. The apparent victory of the free, liberal capitalist world, symbolically led by the United States and its main allies over the system that was patronized by the Soviet Union for almost half a century was resounding and overwhelming. This triumphant spirit was famously captured by Fukuyama's thesis of *the end of the history*, thesis that would soon show its unfortunate limits. But for the early nineties it has definitely reinforced the spirit of The Washington Consensus, inaugurating a decade of wild capitalism, simple mimetic changes, throughout the ex-communist world but not only. The main concept in place was *transition*, as so eloquently Aligică points to.¹³ Transition from authoritarian regimes to democracy and from inefficient planned economies, to free market open economies.

Though extremely relevant for the realm of the former communist countries, the principles of transition, which are actually those of the Washington Consensus, were applied also to other type of economic and social movements, such as the switch from military led regimes of South America or South Korea to democracies, or to a lesser extent as a remedy

¹² Murray Rothbart, *For a New Liberty. The Libertarian Manifesto*, Auburn: Ludwig von Mises Institute, 2006, available at [https://mises.org/system/tdf/For%20a%20New%20Liberty%20The%20Libertarian%20Manifesto_3.pdf?file=1&type=document], accessed July 2017.

¹³ Paul Aligică, *Tranziții economice. Convorbiri cu Nicholas Spulber*, București: Humanitas, 2004.

for the state of backwardness of some African and Asian countries. Conceivable in the early nineties, in a global world without most of the previous political barriers, the economy will flourish grounded on openness, comparative and competitive advantages. As the post-Cold War dichotomy East-West vanished, the only gap to fill was the developmental one, the traditional dichotomy North-South. But in a manner that could be called *Huntington-ian* the world became soon much more entropic than any political guru would have expected. We are not investigating here the political consequences of the new dialectic, or maybe metaphysic of the present day world, but only the economic ones. And in terms of economics, the world became even more polarized.

Apparently, the systematic removal of the trade barriers, mild in the case of the World Trade Organization, abrupt in the case of the European Union, or in some other custom unions around the world, did not bear the expected fruit. International trade, though significantly increased, failed to become the main engine of development and fairness of economic relations among nations. No matter if we are considering developed countries, new emerging economies or underdeveloped ones, the expectations of the early nineties were never met during the next two decades. Moreover, the crisis that hit the world in the late 2000s' was of a peculiar consistence due precisely to the openness that was considered one of the main assets of the new liberalism, so popular around the world. Therefore, it seems only natural that starting with the mid 2010s', we witnessed a slash back in the liberal policies of the early XXIst century. A new Keynesian wave of policies, more precisely of post-Keynesian consistence emerged. The role of the state re-emerged as savior, but this time in a non-ideological, purely pragmatic way. Post-transition was the term that reflects the present day situation, when neither the targets, nor the benchmarks of the process of evolution of the present day economy are clear. Many blame for this state of fuzziness the political establishment, but in all honesty, the economic environment played its own (false) tune.

3. The ethical quest. Efficiency vs. fairness

Originally, economics was a philosophical approach born out of ethics and politics. Among the first contributions to the field, we could

mention Aristotle's reflections on exchange, division of labor, money or interest within the framework of his ethical and political analysis. Closer to us, we should never forget that Adam Smith was himself a professor of morals who wrote in 1759 *A Theory of Moral Sentiments*. His meditations on human happiness, inclinations, needs and obligations resulted, many years later, in his masterpiece *The Wealth of Nations*. All ideological clashes – mostly concerning capitalism *vs.* socialism are deeply rooted in perennial ethical concerns. And consequently the contemporary arrangement within our so called *mixed-economies* (neither capitalist, nor socialist or better capitalist and socialist in different degrees) was justly called *social market economy*. This hybrid notion describes the mutual accommodation of social concerns with market conditions, or vice versa. The situation can be regarded, on the one hand as the result of an ideological compromise, on the other hand it can be seen as a pragmatic setting aside of ideological orthodoxy in the name of satisfactory results – a trend we set to analyze as a key to better understand contemporary interventionism.

Religious approaches always tended to conceive the economic act within the broader form or ethical concerns. Of course, this must not eliminate altogether the economic science as such. But it can nevertheless enrich it: "The general idea is to promote a humane economic order that benefits from market activity but does not reduce the human person to just another element in economic phenomena (...) Orthodox inspired economic personal-ism could be better positioned to achieve the desired transfiguration of the individual-based economic analysis into a person-based one".¹⁴ As opposed to the Austrian or Chicago School, also understanding people as rational actors, always in search of maximizing results, a religious perspective on economics will try to understand concrete poverty in the light of *God's Kingdom* as moral commandment. This was named as the "preferential option for the poor". In light of this, scientific facts remain the same, but the ethical urgency in reading the facts is quite a different one: "The principle operates as hermeneutics for the interpretation of the Holy Scriptures; as a principle for the solidarity with the poor people (...) through which marginalized members of the society become active participants in social life. It is aimed that, by enabling the

¹⁴ Petre Comșa; Costea Munteanu, "Economics and Religion – A Personalist Perspective", in *The Journal of Philosophical Economics*, vol. II, issue 2, 2009, pp. 5-8.

poor and marginalized people to take part in the politic and economic life, the preferential option for the poor could help society to contribute to the benefit of *all* and not only for the *individual*.”¹⁵

Most of the concern with fairness comes from different sources than pure economic science. It comes from a vision of man that is more encompassing than the view of the rational calculating actor used in classical economic theory. This idea was given a very clear formulation: *Economic Personalism* tries “to provide a *holistic account of personal existence* and thus supplement genuine economic science with a science of morality for the marketplace”.¹⁶ An encouraging development is that similar concerns spring out not only from religious attitudes but also from non-conventional business formats. The very recent development described as *sharing economy*¹⁷ exhibits the same concern with combining fairness and efficiency within the very economic process. Or, to put it in the European Union’s framework: the three pillars of the so called *social Europe* would consist in truly making operational the freedom of movement of persons, the double convergence of social standards and social performances and making investment in human capital the core of the European action.¹⁸

A quite different experience could be mentioned in this respect, the Israeli *Kibbutz*. This is not directly religious, nor again directly political. But neither it is entrepreneurial in the classical economy style. It is actually a *voluntary communal association* in order to form a moral as well as economic community. What characterizes the Kibbutz spirit is a tenacious mentality or as we can put it – a very significant *social capital*: “The group would be founded on the individual consciousness of every settler, and the whole framework would be entirely voluntary, lacking any form of external coercion (...) and they would undertake every type of work, including the

¹⁵ *Ibidem*, p. 12.

¹⁶ *Ibidem*, pp. 12-14.

¹⁷ Oana Albescu; Mircea Maniu, “Sharing Economy: Evaluating its Structural Dimensions for Policy Design Purposes”, in *Journal Modelling the New Europe*, 22 June 2017, pp. 85-103.

¹⁸ Sofia Fernandes; Frank Vandenbroucke, “Faire de l’Europe sociale une realite pour les europeens”, in *Le Mot*, 31 Mai, 2017, available at [<http://www.institutdelors.eu/media/europesociale-fernandesvandenbroucke-lemot-mai2017.pdf?pdf=ok>], accessed June 2017.

guarding of their own security".¹⁹ "It puts into practice those values of self-labor, productive work, equality and mutual aid."²⁰

And to mention just one more move from pure efficiency to fairness, multinational corporations themselves acknowledged that long-term fairness is more efficient. We use the notion of corporate social responsibility (CSR) to describe responsibilities that the corporations take charge of beyond what they are legally bound. The CSR movement emerged as a reflection of wider and long-term concern with the impact of business for the community. There are multiple approaches on how to think of this responsibility, between purely instrumental or purely ethical approaches. But, in line with the softening of rigid ideological views, we believe a middle way tends to forge consensus: "The hybrid approach describes the congruence of the company interests with the general interests of society and has the purpose to offer a solution to the choice dilemma between economic and ethical consideration facing the executives of multinational corporations".²¹ Many companies have already a record of CSR achievements, proving they have managed to reconcile efficiency with fairness, directly contributing to local communities and gaining a new trust.

4. The Rise of the *New Interventionism*. Ideology does not matter anymore?

Given the fluctuating dynamic of the economy, we can observe a new concern with the economic role of the state. This concern virtually exploded during the most recent global economic and financial crisis. It is with the Obama mandate that the US government massively undertook the task to fix the economy, notably in the areas of banking and automotive industry, both flagships of American entrepreneurship. But all across the globe, out of different perspectives and interests a new anti-globalist movement called into question the free-trade consensus, the true meaning of liberalization and consequently the supposedly limited role of the

¹⁹ Dan Leon, *The Kibbutz. A New Way of Life*, Oxford, Edinburgh: Pergamon Press, 1969, pp. 7-8.

²⁰ *Ibidem*, p. 24.

²¹ Oana Albescu, *Etica în afacerile internaționale contemporane. Practicile multinaționalelor la începutul secolului XXI*, Cluj-Napoca: Argonaut, 2015, p. 35.

government in the economic process. It seems obvious that following the 2008 unprecedented *bailout scheme* amounting to USD 700bn nothing would be the same in the traditional balance between *interventionism and non-interventionism*. Actually, the very essence of the role of government in a capitalist world, as postulated by many Keynesian schools, has to be reinterpreted. And this should be done remembering the fact that Keynes vision and policies were initially meant to ease the burden of social aspects in the charge of the entrepreneur, transferring them to the government. In this process, Keynesianism *de facto* became the ground for modern day social-democrat regimes. Does the new type of interventionism, we observe today, fit the pattern?

4.1 Practice beats theory. Russia and China

During the few years of the twenty-first century, most if not all the states tend to conceive public policies, economic one included, in a much more *non-ideological* way. This new type of interventionism is obviously *technocratic*, not *ideological*. The empirical nexus of such an assessment could be the binomial case of the United States and China. Even though still representing opposing systems, capitalism and socialism, they are both running policies that do not conform to their old ideological reputation, instead following mostly pragmatic choices.²² Of course, technocracy itself could be labeled as an ideology, but it is very difficult to assign it a standard, historically built list of so called orthodox policies. This means that today, political and economic ideology is less reflected in the process of governing. Instead, interventionism is rather oriented *in a problem-solving, pragmatic manner* which is open to orthodox as well as heterodox policies – or a mix of both as long as they appear to solve a social, economic, technological or any problem of a given importance for a certain state at a certain moment.

A different opposition to Neo-liberalism from the standpoint of an interventionist perspective is to be observed in Russia. There are of course multiple ways to understand Russia's reaction to the liberal world epitomized by the Washington Consensus. The United States, as a global

²² Li Yining, *Chinese Economy in Disequilibrium*, Heidelberg: Springer, 2014, pp. 39-43.

political and trading empire, a *thalassocracy*, is naturally inclined to free trade, since the American economy is very diverse and very industrialized. Therefore, it is more likely to benefit from free trade agreements while Russia, by opposition, is mostly a continental power, a *geocracy*, and still has a relatively homogenous economy fundamentally based on the exploitation of giant natural resources. This naturally brings about different attitudes concerning the role of state policy and control of economy in basically the same system, capitalism, sometime considered to be in its postmodernist phase.²³ Russia has developed an early commitment to a state command of strategic resources. This has been associated with the advent of Vladimir Putin and the remaking of the Russian power after the post-soviet decline in a radical manner that has been even branded as *New Jacobinism*, just as the revolutionary America has been branded after separating from Britain. The confrontational approach of the last decade has led Russia to reject the neo-liberal hegemony and to build an economy centered on state command, mostly in strategic branches. It has designed its own view of a selective-trade as opposed to a generalized uncontrolled free-trade.

The Chinese example is even more striking because China never abandoned the communist party centered political system, while adopting a completely new policy (*China Model*) towards, economics, business and markets as early as the late seventies of the last century.²⁴ No wonder that theoretically the Chinese replaced the Washington Consensus by so-called and less known concept of Beijing Consensus. How does this change the approach towards free markets, which are so desirable for the Chinese economy? While the first would be a *Universalist* model, backed by the institutional frameworks such as IMF, IBRD or WTO, the second one addresses mostly developing countries, no matter of political orientation.²⁵ The peculiarity of the model is that accelerated growth is targeted, mostly

²³ Hall Thomas Wilson, *Capitalism after Postmodernism*, Leiden, Boston, Köln: Brill, 2002, p. 273-292.

²⁴ Vinod K. Aggarwal, Sara A. Newland, *Responding to China's Rise. US and EU Strategies*, Heidelberg: Springer, 2015, pp. 27 – 50.

²⁵ Jiakun Jack Zhang, *Seeking the Beijing Consensus in Asia: An Empirical Test of Soft Power*, Duke, Department of Political Science, 2011, available at [<https://dukespace.lib.duke.edu/dspace/bitstream/handle/10161/5383/Duke%20Honors%20Thesis.pdf?sequence=1>], accessed July 2017.

through unlimited trade, but “defending” the national interests of those less fortunate countries. In other words, pure pragmatic interventionism, that has been (Western) labeled as no consensus at all except in those matters serving Chinese interests.²⁶ If one takes into consideration in the large spectrum of interests reflected in the present day policies pursued by China, its common interests with the main traders of the world, but also its evident divergences from any recorded pattern of the modern economic history, one cannot express but the feeling that the approach clearly fits the description of *non-ideological pragmatism*.

4.2 The Migratory Crisis and Neo-nationalism. Globalism vs. protectionism

World migration, especially migration towards EU, has been always a controversial issue, due to the fact that no decent procedure in order to separate *political refugees* from *economic migrants* could be made operational in time. EU policies in this area are either in the stage of conception, or too often fuzzy and even contradictory from country to country or domain. While most of the Western European countries benefited of the cheap labor cost associated with immigration from poorer countries throughout the twentieth century, nowadays this seems to be an obsolete move. Moreover, a very radical reaction against Neo-liberalism has been raised in migration-related issues during the last couple of years. While globalization operates on the free-trade idea and this implies the free-movement or free-circulation of capital, goods and people, this latter category objectively moves from country to country due to *income differential*. So, theoretically this comes as natural, but if we articulate this with economic, social, political or cultural differences between developed and less developed countries it is all too clear that free-movement becomes an incentive to massive immigration.²⁷ Neo-liberalism created not only investment abroad,

²⁶ Kenneth Pomeranz, *The Great Divergence. China, Europe and the Making of Modern World Economy*, Princeton: Princeton University Press, 2000, pp. 31 - 42.

²⁷ Stephen Castles, Hein de Haas, Mark J. Miller, *The Age of Migration. International Population Movements in the Modern World*, London: Palgrave MacMillan, 1993, pp. 13-16, available [<http://migrationmatters.me/wp-content/uploads/2016/11/AgeOfMigrationChapter1and.pdf>] accessed July 2017.

but also a permanent migration potential from poor countries to rich countries.

At its turn, this unfolding of events has naturally provoked a populist reaction against Neo-liberalism viewed as the ultimate root of chaotic migratory movements. Once again, the free-market was pointed to as chaos generator, rather than provider of natural order. The migratory crisis is presented by interested political parts as the triggering factor of the destruction of the social standards of Western European employees in favor of a new global (even) lower class proletariat (*Lumpenproletariat*). This has lately put immense pressure on already overloaded public services convincing many that socially inclusive policies are not infinitely elastic and new social conflicts are to come. Uncontrolled migratory processes resulted in immigrants either functioning as cheap labor supply against more qualified local workers, socially protected and trade unionized.²⁸ It is precisely here that socialist and nationalist angles of populism somehow joined forces and combined their different narratives into a rejection of the Neo-liberal free-circulation policy. So the social facets of migration overshadow the two main issues that actually are the economic core of the problem: remittances that leave a certain country and fuel another and the brain and workforce drain in so many countries. Therefore, an urgent need for pragmatic measures in this field, measures that definitely should not fall in the zero-sum category seems a must today.

4.3 Global crisis and the renewal of Keynesianism

Phelps, a Nobel Prize laureate in 2006 entitled one his articles “Keynes had no sure cure for slumps”.²⁹ But it is clear that more than a decade later both microeconomic and macroeconomic approaches of post-Keynesian inspiration make sense, since this particular economists and the followers conceived and deepened the issue of decision-making environments in conditions of uncertainty situation that is indicative for

²⁸ Timothy J. Hatton, Jeffrey G. Williamson, *What Fundamentals Drive World Migration?*, Cambridge: NBER Working Paper 9159, 2002, available at [<http://www.nber.org/papers/w9159.pdf>], accessed June 2017.

²⁹ Edmund Phelps, “Keynes Had no Sure Cure for Slumps”, in *Financial Times*, November 4, 2008, available at [<https://www.ft.com/content/00a01b2e-aa87-11dd-897c-000077b07658?mhq5j=e2>], accessed July 2017.

today's world economy.³⁰ Or, nowadays both a microeconomic stabilization plan makes sense from a pragmatic perspective and could lead to any macroeconomic conceived scheme that cannot avoid being biased by political factors, ideological ones first. Actually we believe this is the lesson of the 2008 bailout scheme and the success, proven in a couple of years, of this American experience induces the idea of world scale operations. But an objective observer could notice that in EU, the Greek debt crisis, the Euro crisis or even the *Brexit* case, situations obviously manageable on the micro-macro coordinates, failed to be successfully achieved.

Is there any economic significance of the active role of the government in the economy during a time of departure from the Washington Consensus and the instauration of a new Keynesianism following the demise of the old methodology of state interventionism?³¹ From now on, if a Government undertakes the main responsibilities of economic recovery, just as the Obama administration did, would that work for any other country, not to mention the capitalist system as a whole? Probably the right answer would lie in abandoning the traditional receipt including financial stimulus in the form of massive public investment and a monetary policy including quantitative easing and low-interest rate policy designed to stimulate consumption. This has been the dominant policy in the US, to a lesser extent and up to moment of the crisis as well as in the EU. But along with the gradual shift away from the Washington Consensus and the more recent consistent moves towards country and block protectionism, we could state that we witness the rise of a *new interventionism*.

Probably this will lead just as in the case of US, which was formalized by modern schools of thought into the concept of *mixed economy*, broadly defined as a mixture of capitalism and American flavored "socialism" as Buchanan labeled it during the late eighties. The involvement of the US Government and the long time established patterns

³⁰ Paul Davidson, "Is Probability Theory Relevant for Uncertainty? A Post-Keynesian Perspective", in *Journal of Economic Perspectives*, Vol. 5, No. 1, 1991, available at [<http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.5.1.129>], accessed June 2017.

³¹ Robert Leeson, *The Eclipse of Keynesianism*, Chippenham, Wiltshire: Palgrave MacMillan, 2000, pp. 16-22; 42-44.

of intervention are more or less embedded in the American culture, though not at all perceived by commoners or outside the country as the American way of doing business. Only during Trump administration this feature became notorious, though embedded in the interventionism of most if not all previous administrations. It is precisely the American history and the constraints the country had to face during most of the tense moments of its history that allowed that such a degree of interventionism appears but is not repudiated as economic distortion, as for instance the First Article of the Treaty of Rome regulates in the case of EU. It derives from the need to harmonize various interests in a *strong hand manner* rather than with the traditional *invisible hand*. Are we going to see this type of interventionism world scale if we consider that during the time of crisis a tough military like style of governing is indicated and even widely accepted?

5. Technocracy and Ad hoc-racy. Pragmatism as ideology

The present day tendency to categorize everything, or to label facts and actions according to various structured or non-structured groups of interests, inevitably leads to the conclusion that precisely the lack of ideological consistence could be interpreted as the core of a new ideology, namely the *pragmatic interventionism*, so often observed today throughout the world. There is no doubt that the lack of predictability of so many contemporary events, crises, evolutions or revolutions induces the idea that institutionalizing spontaneity and cultivating the culture of the so called *ad hoc-racy* makes more sense today that sticking to the traditional ideological dichotomies of the past. If this still controversial assessment stands, it is our opinion that there is not better stage to observe the non-ideological types of interventionism than throughout the world of economics and its business environments. After all *primum vivere deinde philosophari* acquired new and often unexpected, down-to-earth meanings in the process of globalization of our economies and societies.

One of the main reasons for the *switch from classical ideology to a new (pragmatic) ideology* seems to be – in all these cases - the pragmatic stance: a spontaneous and concrete way out of a challenging situation. We may of course label pragmatism, technocracy or ad hoc-racy as ideologies in themselves. But the ideological disposition and argument is by nature theoretical and some would argue it is a never-ending debate. This makes

ideology more the domain of academics or public intellectuals – by nature, vocation and profession dedicated to analysis, argumentation and theoretical consideration. Politicians or entrepreneurs are, on the contrary, exactly the opposite: practical natures, they are not so much *problem-oriented* as they are *solution-oriented*. While intellectuals are questioning, entrepreneurs or politicians are fixing things up. Hybrid notions such as „social market economy” are not originally a theoretical construction as they are a practical accommodation imposed by social challenges here and now. Is this good? Is this bad?

We suggest two patterns in order to better understand the move towards a non-ideological interventionism: technocracy and ad hoc-racy. We believe both terms capture something from the new vision dedicated to a practical and more immediate approach to public policies that is not predetermined by strong ideological commitments.

5.1. The non-ideological nature of Technocratic Interventionism

Technocracy is defined as that form of government where decision-makers are chosen in office based on their technical expertise rather than on purely political grounds. While this does not completely elude political affinities or loyalties, it is minimally designed to favor research-based and informed public policies which – at least in theory – are not defined by simple and rigid ideological configurations. We can, of course, identify the pervasive influence of ideology in all aspects of our life, but it is obvious that people possessing technical expertise and scientific reputation, professionals that are not directly and completely regimented, do tend to be more open-minded than full-time career politicians. We believe this makes technocrats less ideologically bound. The output of such governments is frequently more differentiated and it tends to allow unpopular but efficient solutions (in opposition to ideological solutions which tend to be popular but inefficient). We consider that in the above studied cases, technocratic interventionism explains better the unorthodox paths taken to confront challenges than clearly defined ideological interventionism. The most common objection to technocracy engages the unrepresentative nature of technocratic governments or decision. Technocratic elite can take good decisions precisely because they ground the policy on expertise, rather than vote. This is what makes democracy

difficult to tackle. Having democratic approval every step of the way is a process of infinite complexity and costs and at the end the road we cannot even be sure the best policy was voted. On the other side, people with technical expertise can themselves be eager to hold power even if they have no special ideology. Many of the „non-ideological“ political regimes can be describe as power-elites ready to do whatever it takes in order to hold the office. This can imply reasonable policies. This pragmatic interventionism we can observe in China, Russia or even sometimes in the United States can be understood in the following manner: efficient policies are good especially because they legitimate the government to stay in office.

So, the rise of the new interventionism can be understood as a common trend in post-industrial societies where the knowledge class has an increasing importance as the previously invoked Bell states in a famous book anticipating the post-industrial society.³² This makes people with knowledge particularly needed but also legitimized to provide efficient policies. On the other side, the spectrum of a technocratic oligarchy is definitely creating anxieties.

5.2. The non-ideological nature of Ad hoc-ratic interventionism

Ad hoc-racy is the second issue we believe characteristic for the new interventionism. Ad hoc-racy is defined as the very opposite of bureaucracy. It is a form of organizational management that is flexible and informal. Ad hoc-racy is centered on individual initiative, whereas bureaucracy is centered on top-to-bottom hierarchic transmission. The Ad hoc-ratic arrangement tends to be very dynamic, adaptive and efficient but runs the risk of becoming chaotic while bureaucratic management is reputed to be slow and stagnant. This new form of leadership helps explaining new forms of governance better suited to identify and take opportunities. The important thing for bureaucracy is to follow procedures. The important thing for ad hoc-racy is to get results. The ideological approach is similarly at odds with the Ad hoc-ratic initiative: “Ad hoc-racy is not just well suited to questioning assumptions. Taking ownership of a mission to deliver some form of significant change in human behavior and

³² Daniel Bell, *The Coming of the Post-industrial Society: a venture in social forecasting*, New York: Basic Books, 1976.

or relations is central to its very core (...) Ad hoc-racy works best when those designing and innovating also deliver".³³

In our view, the cases studied above do include an Ad hoc-ratic component. This is manifest in the voluntary attitude of decision-makers that did not follow an ideological path but face an urgency to identify an ad hoc solution. When Deng Xiaoping reformed the Chinese state-control of the economy and stimulated individual initiative, it didn't matter that it operated contrary to the official ideology. It was important to change something and to get results as at that peculiar time more important than saving an ideology was saving the economy and, of course, indirectly, the power elite. This Ad hoc-ratic interventionism saved the system at the cost of ideology. We suggest this type of choice is significant for many other similar trends in contemporary governance.

6. In lieu of a conclusion

We believe that the eclipse of ideology has been followed by a continuous concern with regard to balancing efficiency and fairness. However this equilibrium is not thought to be found in ideological "recipes" but rather in a pragmatic, considerate, situational approach.

In the realm of economics, it is a well-known prophecy of Schumpeter's that capitalism cannot survive on the long run. Its demise would be a consequence of its own success, not failures. His famous *theory of creative destruction* is somehow expanded into the universe of the world economy and eventually became in 1942, *Capitalism, Socialism, Democracy*.³⁴ We believe that the twenty first's century answer to such a dilemmatic question lies in the fact that Schumpeter's motivation of business cycles and generally speaking for the evolution of the economy lies in technological progress above all. But obviously removing our focus from the social aspects involved by ideology and concentrating on issues of new products, services, production, efficiency, investments, more and more

³³ Andrew Taylor, Bill Krouwel, *Taking Care of Business: Innovation, Ethics, Sustainability*, Cluj-Napoca: Risoprint Publishing House, 2013, p. 155.

³⁴ Joseph A. Schumpeter, *Capitalism, Socialism, Democracy*, Routledge, London and New York, 2004, available at [<http://cnqzu.com/library/Economics/marxian%20economics/Schumpeter,%20Joseph-Capitalism,%20Socialism%20and%20Democracy.pdf>], accessed June 2017.

often even without human input, seems to be the fall into the definition of *economic pragmatism*.³⁵ To what extent this move is unavoidable for the modern world economic system this is a quest of tactical consistence.

On the political side, the new governance tends to move along similar lines towards a *political pragmatism*. While technocratic interventionism grounds its success mostly on scientific-based solutions, the Ad hoc-ratic interventionism lies in the speed of providing solutions. Both are reputed for efficiency, but both face similar objections of democratic deficit. We have tried to model the new interventionism along the lines of *Technocratic and Ad hoc-ratic* practices. This does not make us at all advocates of the *New Interventionism*. But the point we make is that the old ideological framework does not help us understand the new trends in interventionism and that a future potential social conflict will rather oppose efficient Technocratic and Ad hoc-ratic regimes to the democratic expectations of the people, than any other combination of factors.

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³⁵ Valentin Cojanu, *Logica raționamentului economic*, Editura C.H. Beck, București, 2010, pp. 115-129.

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