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It's a mess, and that's (mostly) a good thing: Global financial governance in the current Hirschmanian conjuncture

*The presentation draws on the arguments advanced in the recently published book, *When Things Don't Fall Apart: Global Financial Governance and Developmental Finance in an Age of Productive Incoherence* (Ilene Grabel, The MIT Press, 2017).*

The global financial, trade, and political environment of the contemporary “post-neoliberal era” is marked by disorder, conflict, aperture, and incoherence. I focus on one dimension of this incoherence—that which surrounds developmental finance and global financial governance. The chief positive claim is that the East Asian financial crisis of the late 1990s and especially the global financial crisis of 2008 occasioned meaningful though ad hoc, partial, experimental, and uneven discontinuities in the financial landscape. Non-trivial continuities are also readily apparent. Unfolding incoherence in the overall political and policy environment, not least due to the Trump administration, promises to deepen incoherence in the financial realm. I advance the controversial normative claim that emergent incoherence holds significant, promising, and frequently overlooked opportunities for emerging market and developing economies (EMDEs) that were not available in the coherent environment of the neoliberal era. Emergent incoherence is thus (at least partly) productive for EMDEs rather than strictly debilitating. In the age of what I term ‘productive incoherence,’ a more fragmented, complex, dense, and pluripolar form of global financial governance is expanding possibilities for policy and institutional experimentation, policy space for economic and human development, financial stability and resilience in the face of disturbances, and financial inclusion. The institutional density and “productive redundancy” that mark the emerging environment may yield increased robustness and anti-fragility. Incoherence also poses grave risks. Among the most important of these are “innocent” spillovers, beggar-thy-neighbor strategies, and systemic risk. I argue that the opportunities presented by incoherence and redundancy can be best understood within a “Hirschmanian mindset,” by which I mean an understanding of social and regime change informed by Albert O. Hirschman’s theoretical and epistemic commitments.