

Beware of Hybrids: Power Devolution in Globalisation

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Abstract

In the much-debated domain of globalisation, most critical approaches in political economy deny *a priori* assumptions about the relative importance of state and markets, the public and the private spheres, the domestic and the transnational arenas. By considering their relationship as closely integrated, they explore social and historical practices that contribute to define these relationship, as well as structural constraints framing the capabilities of social change in contemporary capitalism. Recent scholarship has sought to broaden the scope of enquiry to include new patterns and agents of structural change beyond states, firms, and institutions traditionally involved in regulatory practices on a transnational basis. Hybrid is often used as a default attribute reflecting lack of clear understanding of the breadth of this new type of influence and the opacity of the means involved. The paper explains why the notion of hybrid is relevant in elucidating what is at stake in the devolution of power taking place in a wide array of practices related to global governance. Drawing on the insights of philology and mythology, it argues that the use of the word hybrid explicates the ontological ambiguity between imaginary and real aspects of globalisation. Furthermore, it specifies the categories involved in the analysis of emerging forms of hybrid regulatory practices. Recent scholarship on globalisation tends to focus on the private/public nexus of the subjects involved in new forms of institutional arrangements and authority. Here, subjects, objects and space are analysed as joint issues of regulatory practices.

Introduction

This article aims to contribute to the debate on new forms of regulatory practices in the context of globalisation. Recent scholarship in international and comparative political economy has investigated new patterns and agents of regulatory practices beyond states and markets embedded in the institutional forms studied in regulation theory (Cutler, 2003; Cutler, et al., 1999; Hall and Bierstecker, 2002; Hollingsworth, 1998). The role of non-state actors is a key issue; they co-operate across borders to establish rules and standards widely accepted as legitimate by agents not involved in their definition (Higgott, et al., 1999; Josselin and Wallace, 2001). Despite a fast growing body scholarship on non-state actors in the global context, there is no clear definition of the relationship between those defining, implementing, recognising and monitoring these rules and those complying with them - global firms, capital markets, states, various non-state actors and, more generally, citizens (Graz and Nölke, 2005). Similarly, little attention has been paid to the theoretical underpinning of the concept of regulation in international political economy approaches focused on such issues (Assassi, et al., 2004; Graz and Palan, 2004).

Hybrid governance, authority or power have become almost idiomatic utterances in recent attempts to understand the hiatus between the scope of this new type of influence and the opacity of the means involved. For instance, in a comprehensive account of the regulatory strategies and institutional arrangements adopted by the European Union in promoting the Single Market, Egan highlights a “distinctive model of regulation that is a hybrid of state and non-state actors” (2001, p. 264). In a report of the French *Conseil d’analyse économique* (under the aegis of the Prime Minister), “hybrid governance” was considered as the most appropriate way to frame the reform of world order (Jacquet, et al., 2002, p. 74-92). Similarly, the eminent development economist Gerald K. Helleiner (Helleiner, 2001, p. 245) has predicted that “hybrid private-public arrangements” will probably count among key institutions to supply public goods and the pursuit of social objectives at the global level.

What does the term hybrid bring to the debate on globalisation? Why has it become ubiquitous in descriptions of current developments in many issues related to globalisation? At first sight, the notion of hybrid says more about its constitutive elements than its undefined outcome. There might, however, be a more specific relevance of the notion of hybrid in elucidating blurred distinctions between analytical categories of regulatory practices in contemporary capitalism. Drawing upon the insights of philology and mythology emphasising

the importance of creatures such as half-gods half-human-beings in symbolic representation, I argue that in the current context the notion of hybrid is particularly valuable in explicating the ambiguity between imaginary and real aspects of globalisation. This said, one must still specify the categories that remain ambiguous in the idea of hybridity. To this end, the paper sketches out three defining issues: the private/public nexus of the *subjects* involved in new forms of institutional arrangements and authority, the scope of *objects* to be regulated, and the *space* in which regulatory practices are deployed. It is in this perspective that the concept of *global hybrids* reflects an outstanding shift in the patterns of authority mediating between the political and the economic spheres across the globe. The paper argues that the ambiguity at the core of global hybrids confers authority on subjects previously deprived of such attributes, includes a new class of objects closely related to the political implication of science and technology, and spreads out in a space where the endogenous logic of territorial sovereignty gives way to an exogenous logic reinforcing the transnational underpinning of capitalism.

The paper begins with a brief account of the potential relevance of international political economy scholarship for engaging some shortcomings of the French regulation theory with regard to hybrid forms of regulation. Section 2 explores the lessons to be drawn from the mythological tradition for the current use of the notion of hybrid. Section 3 introduces the concept of global hybrid in its relation to the regulatory practices of non-state actors across borders. The three final sections detail the core categories underpinning the authority of global hybrids. The conclusion returns to implications for heterodox institutional economic scholarship.

1. Regulation theory and international political economy

In accordance with its original perspective, regulation theory has provided insightful discussion on how the increasing importance of markets in the development of post-fordism remains embedded and deeply institutionalised in broader social structures. Yet, there is a lack of clear understanding of the relationship and the shift of hierarchies that have occurred between institutional forms. Jessop has, for instance, focused on the transformation of the state in the shift from the Keynesian welfare national state (KWNS) to nationally specific versions of a so-called Schumpeterian workfare post-national regime (SWPR) (Jessop, 2000). The discussion launched by Aglietta and others on a potential new patrimonial regime has focused on the significance of the rising importance of global finance. Petit has stressed the centrality of the forms of competition in institutional changes in the post-fordist area (Petit,

1999). Other studies tend to identify the key features of the new growth regime in a flexible mix of institutional forms (Amable, 2003). A similar assumption is made in analyses of the disruption of post-fordism in the spatial distribution of regulatory modes. The shift away from national economic institutions towards a multilevel system has prompted what Boyer identifies as a “spatial nestedness” of institutional arrangements, where “subnational regimes, sectoral, national, and international logics are closely intertwined, – with none being dominant” (Boyer, 2003, p. 129; Hollingsworth and Boyer, 1997).

These divergent accounts reflect the difficulty of getting away from the distinct status and relationship ascribed to the five “canonical” institutional forms of the fordist growth regime. This may be one reason why regulationist scholarship is unlikely to identify a core concept to replace fordism in the context of globalisation. In the context of internationalisation of contemporary capitalism, recent regulation theory has made little effort to theorise as such the international level of economic coordination, in particular its political dimension. The argument that regulation theory tends to neglect the distinct nature of issues across national borders has been made by several “friendly critics” for more than a decade. Robles, for instance, has pointed out the constraints that structural forms of international regulation impose on states (Robles, 1994). Fourquet (2004/5) has been even more straightforward in claiming that what is at stake is not as much the inscription of national economies in an international regime as the fact that the international prevails at the core of society itself. Moreover, Chavagneux (1998) and Palan (1998) have shown how regulationist analyses focused on the international have increasingly drawn on American mainstream theories of international relations hinged on neo-classical methodological tools at odds with initial theoretical, philosophical, and epistemological assumptions of regulation theory. While both scholars underline how the initial premises of regulation theory still provide a convincing alternative basis to mainstream international relations analyses of economic issues, they also stress that regulation theory would have much to gain if it paid more attention to the implications of recent critical approaches in international political economy.

International political economy scholarship emerged as a field of study centred in political science and international relations departments. While most mainstream approaches are primarily concerned with variations in national levels of coordination, inter-national comparisons, and policy-making implications, critical approaches tend to privilege the global arena over inter-national relationships and stress the transnational dynamic in which regulatory practices and structural constraints of contemporary capitalism are situated

(Chavagneux, 2004; O'Brien and Williams, 2004). Critical approaches share with regulation theory a strong claim to interdisciplinary cross-fertilisation, theoretical and methodological pluralism, and macro-level analyses. The international is not treated separately, but as one among other key components of a holistic understanding of global social relations. Such global political economy — as it usually defines itself — has moved beyond an exploration of the relationship between states and markets. Following Palan, it rather “seeks to develop a theory of the nature of transnational economy operating within a system of fragmented political authority” (Palan, 2000, p. 17).

Recent studies that seek to broaden the scope of enquiry on a transnational basis focus on new patterns and agents of change beyond states, firms, and institutions traditionally involved in regulatory practices. Not surprisingly, the notion of hybrid often arises as a sort of “second-best” defining criteria for institutions involved in such regulatory practices (Chavagneux, 2002). As the examples given in the introductory section of this article have shown, there is no shortage of sources to quote an explicit use of the word. Suffice here to add two additional examples illustrating how increasingly frequent the notion of hybrid has become in describing the core features of contemporary capitalism. Following Sassen (2003, p. 10), “the mix of processes we describe as globalization is indeed producing, deep inside the national state, a very partial but significant form of authority, a hybrid that is neither fully private nor fully public, neither fully national nor fully global”. Likewise, it is worth noting that Palan concludes his regulationist-inspired interpretation of globalisation in his essay on the potential synergies between regulation theory and international political economy by emphasising the rising importance of “political hybrids” understood as “experiments in states-markets relations” (Palan, 1998, p. 83).

Hybrids and mythology

The idea of a hybrid world which transcends our dichotomised analytical categories has been explored by post-structuralist scholars interested in the fate of the recent erosion of the modern divide between science and society (Callon, et al., 2001). As Beck points out, however, “the notion of a ‘hybrid’ world is necessary, but insufficient [... since it] says what it is not - not nature and not society etc. - but it does not really say what it is” (Beck, 2000, p. 221). While Beck focuses on the notion of risk to understand how our contemporary society “watches, describes, values and criticizes its own hybridity”(ibid.), I would argue that hybrid also epitomizes a more fundamental symbolic representation of societies.

Hybrid echoes an ancestral and key figure of human imaginary representation, which is central to most mythologies across time and space. Contrary to the ideal of unity and simplicity found in classicism, the word gains its persuasive power through fabulous and multifaceted dimensions. Hybrid creatures form legendary wholes; yet each of the parts they are made of comes from real and well-defined origins. The aggregate can include two elements or many more. For instance, the Egyptian Sphinx is made up of a woman's head and a winged lion's body; the Greek she-monster Chimera has a lion's head, a goat's body and a serpent's tail; in India, when the god Shiva takes the name of Sharaba, he combines the features of a human being, a mammal, and a bird; in China, a phoenix is a complex amalgam of a coq, a swallow, a snake, a dragon, and a fish (Godin, 1996; Graves, 1957).

In Ancient Greece and Rome couplings between humans and animals generally gave birth to malign monsters. Philologically, the graph of the word hybrid was quickly twisted to express more fully the awe conveyed by such creatures. In Latin, *ibrida* was used by the Roman naturalist Pliny to describe the crossbreeding of a sow with a wild boar. Yet, it soon became *hybridia*, with a *y* calling more directly to mind the Greek word *hybris*, which connotes all sorts of excess and transgression which can lead to waves of violence. The fire-breathing Chimera was an awe-inspiring creature able to melt, devour and vomit anybody and anything she met; for centuries, she personified evil in early Christian art. The Minotaur, the monster with a bull's head and a human body, probably remains the most famous of those malign creatures; he lived in the centre of the Cretan Labyrinth and, every ninth year, devoured seven youths and seven maiden sent from Athens as tribute. When the coupling is between humans and gods, however, hybrids usually take a much more benign shape. In these cases, "the contribution of divine blood is like a regeneration of the human race" (Brémond, 1996). Two figures may illustrate this. Helen, daughter of the mortal Leda, wife of King Tyndareus of Sparta, and fathered by Zeus, is remembered not only for having been the most beautiful mortal on earth, but also for prompting the Trojan War, the founding moment of Greek civilisation (Bonnard, 1980). In turn, the greatness and power of Athens owes much to Theseus, the hero who defeated the Minotaur; according to mythology, he was the son of the mortal Aethra, but his paternity was disputed between the ageing mortal King of Athens Aegeus and the god Poseidon.

Contemporary hybrids descend from such a long and rich mythological tradition. There is of course a pervasive sense that hybrids can be dismissed as picturesque characters of naïve stories of the old time. On the contrary, they remain figures rich in meaning, disclosing

something fundamental to the organisation of collective life. An inquiry into the relationship between the philology and mythology of hybrids and emerging forms of authority in contemporary global political economy forces us to point out which distinct feature of this tradition might be relevant for a proper understanding of mutations taking place today. Godin provides a powerful explanation of such a peculiar juncture. He considers that one of the two basic forces of hybrids at work is their *ontological ambiguity*, wavering between reality and the imaginary (Godin, 1996, p. 40). Whilst it might appear self evident today that hybrid creatures belong to an unreal world, such was not the case in ancient times, when there was a shared belief in ontological ambiguity, emanating from the infinite creative power of nature to give birth to all sorts of creatures. Similarly, contemporary hybrids sanction new objects and agents fully real, yet aggregated in such a way that they entail much ambiguity with regard to their defining criteria.

Hybrids and non-state authority

If the distinct relevance of the notion of hybrid lies in its attributes of ambiguity, does that not reinforce the misunderstanding and difficulties of definitions surrounding much literature on globalisation and complex forms of regulation? Why claim that ambiguity should be considered as a distinct feature of contemporary transnational arrangements for organising the global economy? A first answer, not entirely satisfactory, is that it is precisely such ambiguity that gives licence to a host of undefined non-state bodies to mediate between capitalism and democracy, global markets and national politics. The extent and the intensity of the influence of non-state actors has now been extensively documented in studies emphasising this feature of globalisation (Charnovitz, 1997; Jacobson, 2000). Yet, it remains unsatisfactory to emphasise that some 6500 out of 7000 international organisations are nongovernmental and claim, from empirical case studies, that their influence has become a key part of the institutional environment of globalisation (Union of International Associations, 2003-2004, Annexe 3, Tableau 1, p. 2738). An empirical approach of this sort would preclude an enquiry, not into a cumulative change, but into a shift in the very nature of the regulatory practices upon which contemporary global political economy is predicated. On a long-term historical basis, the influence of non-state actors is not necessarily new. The state as we know it now, related to a given territory, controlling a closely defined population whose sovereignty is allegedly embodied in it, centralising monetary emission in conjunction with private agents - all this is a creation of the last third of the nineteenth century in the western world (Helleiner

and Pickel, 2005). As Halliday points out, “‘non-state’ is in fact a continuation of something that prevailed until the modern state was formed” (Halliday, 2001, p. 27).

The complex of non-state actors and self-organised collective action involved in the pursuit of socio-economic and political change over centuries shows that what is new with contemporary hybrids is not so much the extent and intensity of their influence as their new relationship with the polity. This relationship is neither clandestine, nor strictly confrontational, but complementary and subsidiary to state functions. A growing body of literature acknowledges that the logic of action and, more structurally, the potential of change embodied by actors involved in this process are based on consent, implicit or explicit, instead of coercion and forceful compliance. A critical factor is therefore what Higgott et al. (1999, p. 6) call “sometimes conflicting but often symbiotic” relationships between states and non-state actors. Approaches in terms of private international authority provide useful conceptual tools to clarify how a new range of actors have gained authority in an international context that traditionally denied them such a privilege (Cutler, et al., 1999)¹. They include in-depth analyses of firms and inter-firm cooperation leading to political roles for actors traditionally associated with the private sphere of economic transactions. Moreover, they highlight the troubling normative implications of the emblematic ambiguity underpinning global hybrids. As Cutler (1999, p. 317) reminds us, private international authority “supports the private sphere of capital accumulation and neutralizes and renders invisible the instruments serving those ends”. Yet, as those studies are mostly focused on the cooperation of firms across borders, they remain primarily concerned with the actors involved in the process. Two aspects playing a key role in the way hybrid authority shape the reconfiguration of global capitalism are subsequently left behind: the scope of regulatory practices involved and the reconfiguration of the spatial structure in which those practices are implemented.

Thus, the concept of global hybrids seeks to cast the nature and the implications of the rise of private regulatory authority across borders in a broader context. To this end, it aggregates three distinct categories: the *subjects* defining authority, the *objects* concerned, and the *space* of their deployment. These three categories at best only capture some aspects of a complex and multifaceted process evolving extremely rapidly. Nonetheless, they try to point towards the significance of new forms of devolution of power in our societies. The concept refers to any form of non-state authority on any significant issue transcending national borders.

¹ Bayart (2004) and Hibou (1999) have also explored how these phenomena have reached the periphery of global capitalism.

However, here global hybrid can be defined more precisely as a form of authority that blurs the subjects legitimately involved in it, pertains to objects undermining the distinction between science and society, and pursues a fragmentation of the space where the endogenous logic of territorial sovereignty gives way to an exogenous logic reinforcing the transnational underpinning of capitalism. This entails numerous agents who play or claim to play a role in mediating the opposition between the exclusive dimension of private property, national sovereignty and capitalism on the one hand, and the inclusive potential of material progress, citizenship and democracy on the other. Global hybrids change the properties of these categories and alter the hierarchy of their relation. The remainder of the paper seeks to clarify our understanding of these three defining issues of global hybrids.

Subjects

In the concluding remarks of the *Retreat of the State*, Susan Strange — who was a pioneer in the field of international political economy — notoriously equated the advent of new political subjects in the arena of global politics to Pinocchio's problem, at loss when he eventually has no more strings to guide him. The lack of clear definition of the political subject has led, in her words, to “a ramshackle assembly of conflicting sources of authority”, making it particularly hard to decide “where do allegiance, loyalty, identity lie” (1996, p. 199). Cutler and her co-authors (1999) have further investigated how these conflicting sources of authority may nevertheless constitute a new form of private authority in international affairs. Moreover, Cutler has outlined the political significance of conventional legal doctrines governing and twisting the status of the subject of law. She reminds us, for instance, that “the implication of treating corporations and individuals as objects and not subjects are deeply troubling empirically and normatively. [...] While transnational corporations and private business associations may be objects of law (*de jure*), they are in fact, operating as subjects (*de facto*)” (Cutler, 2003, p. 249).

Approaches in terms of private international authority generally identify three distinct features in defining how public and private nonstate actors become subjects of law and can somehow equate with the state in collective actions leading to authoritative cooperative arrangements in the global realm (Cutler, et al., 1999, p. 19). Assuming that states and non-state actors are the expression of a joint configuration of power, private forms of authority need first to be explicitly or implicitly recognised by the state and/or intergovernmental organisations. Outsourcing contracts to NGOs or private firms exemplify clearly this first principle. A

second critical factor supposes the consent of actors subject to the rules, without having been involved in their making. For instance, most Internet users consent to a set of rules governing the web in spite of the fact that they never formally delegated their sovereign citizens' right to the private (American) bodies in charge of those regulations. Iann's authority over the attribution of domain names rests on a tripartite convention between itself, a private firm (Network Solutions Inc.) and the American government. Thirdly, an understanding of private international authority supposes a high degree of compliance to the rules so as to be able to clearly differentiate between private power or influence in general, and the more specific category of private authority.

The recognition of new categories of political subjects by the state with no formal consent of citizens across nations strengthens a core contradiction of liberalism. Following the classical liberal tradition, the autonomy of the subject and private property are considered to have a positive relationship in bringing about both material and social welfare. As state power, if not properly checked, is in this perspective viewed as a threat to individual rights, constitutional law establishes a clear distinction between territorial state sovereignty and individual political and property rights. In contrast, global hybrids tend to deny the distinction that classical liberalism invented between the private and the public sphere. It assumes that the power invested in private property and the autonomy of the subject should not necessarily be mediated by the public sphere in order to be socially recognised. Unlike the classical philosophy of liberalism, it can gain public authority without directing its resources towards the conventional institutions of the public sphere². Yet, contrary to what is often argued, this is not a fundamental shift away from the liberal understanding of the statute of the subject. It suggests rather an additional step in the contradictory treatment of liberal thought on authority, particularly on the representativeness of political institutions (i.e. the state) and its difficulty to take properly into account the consent of sovereign subjects.

The devolution of power in modern liberal democracies rests on the principle that legitimate authority derives from the consent of those on which it is exerted. This explains why we assume that governments are accountable to parliaments, which are in their turn accountable

² Global hybrids can thus be understood as not only contributing to the foundation of what Gill calls "global constitutionalism", but even a way to bypass the role political institutions keep in the process.. According to Gill, "what is being attempted is the creation of a political economy and social order where public policy is premised upon the dominance of the investor and reinforcing the protection of his or her property rights. The mobile investor becomes the sovereign political subject" (Gill, 1998, p. 25). In other words, global hybrids reflect how "mobile investors" are not only protected by public policy, but are entitled to become a political subject at the exclusion of others.

to electors. As Manin (1996, p. 116) reminds us, the principle that what is imposed on all should have been consented by all reinforces the legitimacy of the rulers by vesting in those who elected them a feeling of obligation and commitment. Major developments that ensued from the socio-economic background of the industrial revolution as well as from psychoanalytical insights in the knowledge of the self forced liberals to rethink the problematic of consent in new terms. The voluntarist understanding of freedom was blatantly rebuffed by disproportionate social inequalities and individual experiences. Early sociological writings inverted contractualist liberal arguments by emphasising that society cannot be understood as a mere aggregation of individuals. On their side, psychoanalysts have from the outset investigated the inability of subjects to get rid of their unconscious self in making choices and identified social institutions as an outcome of the repressed. Both arguments are fused in the dictum attributed to Lacan : *l'inconscient, c'est le social*.

Despite the importance ascribed to consent, liberal theories have neglected the restricting conditions impeding the ability of subjects to agree upon authority in full control of their freedom. Global hybrids reinforce the falsely assumed consensual dimension in the delegation of sovereign rights in contemporary politics. First, private authority - assuming consent to rules without having been associated to their elaboration - contradicts basic liberal assumptions, holding that what is valid for all should be consented by all, either on a deliberative basis, or by delegation. Second, private authority has no specific argument to address to the sociological and psychoanalytical critique of liberalism. For the dodgy semantic alteration from public to private authority narrows down even further the limited circle of individuals able to exercise their liberty in claiming such authority. By the same token, it broadens to a large extent the number of those unable to make their choice within the theoretical straightjacket of liberalism. As Stuurman (2003, p. 103) reminds us, "liberty is a fluid concept that tends to change according to the context in which individuals find themselves". Accordingly, advocates of new forms of authority on the global stage might be well advised to rework the idea of liberty in historical, contingent, and plural terms starting once again from an account of the power and structural constraints within which individuals live and claim their freedom.

Objects

It is often argued that a key feature of globalisation is the impact and pace of technological change in areas as diverse as nanotechnology, spatial discovery, biotechnology, or

information and communications. The scope of technological change not only generates potential limits of a science-based economy against an allegedly given natural environment. It also divulges a lack of democratic control on the proper use of technology in society. The distinct hybridity of the objects concerned by regulatory practices in this context suggests that technology remains an ambiguous process embedded in constellations of power and political struggles. Against an instrumental view of technology as a neutral tool, Feenberg (1991, p. 14) identifies technology as a “parliament of things on which civilizational alternatives are debated and decided”. Similarly, Callon and his co-authors (2001) suggest that expert knowledge mingle with lay knowledge in the various “hybrid fora” in charge of debating technical choices involving the wider public. Moreover, while technology makes use of science, it is depends on concrete work in laboratories and factories (Coriat, 1990).

Objects concerned by global hybrids lie on a continuum that stretches from physical to social requirements of a material civilization. The extent to which regulatory policies supposedly related to technological change and innovation reflect broader social concerns prompts agents involved in reshaping configurations of power to mingle natural, physical, and social dimensions of collective life . The hybrid dimensions of the objects concerned do not simply result from the breadth of the continuum between human beings and nature. They also stem from the ambiguity (as in classical mythology) that undermines the fictitious distinction between science and society. In contrast to the widely held belief that complex technology could justify keeping democratic principles at a distance, the hybrid premise highlights that technology remains deeply related to society as a whole, with a conflictual dynamic that impinges upon its eventual shaping. It is worth noting that the categories of objects that lie along this axis often mix natural and invariable physical measures involved in technologies with constructed and historically-bound societal values. For example, technical standards are as much related to physical constraints of industrial products (such as steel resistance), as to the expansionist nature of capitalism calling for practical interoperable by-products.

Political institutions often appear at a loss when facing the hybrid nature of such objects. Their complexity commonly justifies claims of experts to have a hold on it; their societal underpinning would, on the contrary, deny to independent regulatory agencies the right to reach any final decision. Yet, hardly any decision can be reached today without the views of scientists, their means, their actual or even expected results. It is therefore no accident that political institutions of modern democracies have invented new means of regulating scientific discoveries and their implementation through technology in capitalist industrial systems.

Global hybrids relate to objects that transpose on the international stage issues primarily related to the creation of technology assessment bodies, such as the US Office of Technology Assessment in 1972 and the European FAST program (Forecasting and Assessment in the field of Science and Technology) in 1978. As domestic regulatory policies have increasingly infringed on global economic diplomacy new agreements have attempted to preserve domestic regulatory environments by institutionalising mutual recognitions of rules. To overcome the risk of a run to the bottom, it has also prompted various initiatives at the transnational level. At stake are not only divergent values, risk assessments or democratic controls, but also returns on technical innovation. As Giesen reminds us with the case of the FAST program, “stabilization of demand of new technology evacuates conflictual spheres of resistance through socio-institutional ‘consensus-building’ mechanisms as an indispensable feature for a good functioning of the new postfordist productive paradigm and accumulation regime“ (Giesen, 1995, p. 488). In a context where product cycles are often shorter than 24 months and financial disintermediation increase pressures for short-term returns, such upstream mediation practices of the social sciences become vital to diminish risks of a technology to be rejected.

The resulting institutional environment of the objects falling within the scope of global hybrids challenge the Weberian legal-rational view of organising state bureaucracies along distinct functional tasks. An important aspect of this has been a process of *functional indetermination*, reflecting the blurred distinction between physico-technical aspects of collective life on the one hand, and, on the other, its sociological, economic and political dimension. As a result, significant changes in forms of the state have taken place. Tasks so far assigned to the polity can be transposed with increasing ease to a web of “authorities” created for the purpose of making decisions on technical and scientific issues. Scholars remain divided on the implication of the movement towards functional indetermination. According to Beck, for instance, there are “opportunities of the ‘bads’”, i.e. the “opening up to democratic scrutiny of previously depoliticised realms of decision-making” (Beck, 2000, p. 226). At the same time, Picciotto reminds us that “the growth of international regulatory or governance networks does not constitute the reduction of the scope of inter-state politics, but rather its pursuit by other means. Certainly, it may entail an attempt to ‘depoliticize’ issues, by deploying scientific, managerial, or professional techniques and basing their solution on universalizing discourses”(Picciotto, 2000, p. 162).

The case for functional indetermination by enmeshing scientific judgement, technology assessment, material wealth and socio-political decisions frequently rests on such notions as best practices, multilevel governance, multi-stakeholder dialogue, output legitimacy and the like, now widely used in official regulatory discourse. The body of literature on the distinct pattern of European regulatory policies following the implementation of the Single Market gave additional purchase to the involvement of non-elected bodies and private actors (Jordana and Levi-Faur, 2005; Majone, 1996; Vogel and Kagan, 2004). This scholarship refutes the argument that such bodies capture the state; they would, on the contrary, represent the best means for implementing market efficiency, coping with market failures, and responding to the excessive bureaucratisation of the state. In many ways, these arrangements correspond to a reinvention of corporatism: private interest groups and other private organisations are gaining public status and direct access to the political system in order to supposedly secure a stronger consensus. As many critics have argued, corporatism, and its current offspring neoinstitutionalism, fail to capture the full nature of the framework of power in which these practices take place (Ottaway, 2001). Although institutional arrangements such as the new multilevel regulatory mechanisms set up in the European Union can be understood as providing innovative solutions for new problems, they also imply a significant transformation of welfare state structures responding to an asymmetrical relation between economic and monetary integration at the supranational level and social deregulation at the national level (Holman, 2004). As a result, inclusion and exclusion appear as the joint faces of an increasing functional indetermination in regulatory policies.

In conclusion, new forms of authority and power in the contemporary global political economy impinge on objects whose hybrid status brings us back to the fundamental question of the relationship of human beings with nature. The set of issues concerned tend to link societal stakes of collective life with its material, natural and, more generally, physical dimensions. This prompts a form of regulatory innovation supposedly better suited to responding to fears, fed by recent developments in science and technology, that threaten the acceptance of new commodities sustaining economic growth and profits. In turn, this brings about a significant broadening of functional indetermination between an authority founded on scientific knowledge and technical expertise, and an authority built upon a formal mandate setting procedures for delegating the sovereign power of political subjects. The technological innovation driving regulatory reform in the context of globalisation rests on a relationship between nature and society as ambiguous as is the hybrid nature of mythological creatures.

Space

The concept of global hybrids sheds light on the fragmented space in which the institutional framework of our societies evolves. The nineteenth and twentieth-century image of a well-defined territorial space is in many respects misleading. The territorial nation-state may have been a constitutive figure of political modernity by legitimating a gradual consolidation of a national economy and by providing its citizens with sovereign rights of self-determination in a given space. Yet, the idea of a permeability of the space in which modern nation-states are located has been a consistent theme among widely diverse studies criticising a conventional reading of globalisation as deterritorialisation of the nation-state. Critical approaches to space posit, on theoretical grounds, that space is more an output of social relations than of physical design (Cameron and Palan, 2003; Harvey, 1990; Lefebvre, 1974). As Anderson (1991) and many others have pointed out, the nation should therefore be understood as an “imagined community” socially and historically produced through a wide array of political practices across spaces; it can never be considered as either completed or unified. The assumed spatial correlation between the nation and the state has never existed, neither have distinct spaces separating discrete domestic national economies.

Global hybrids should thus be situated beyond a mere inside/outside dichotomy. The entwining of contractual relations, regulatory enactments, conventional liabilities and the like suggests a more nuanced topology. What is significant in the spatial implication of globalisation is not so much the deterritorialisation of state sovereignty as such. It is rather that the deterritorialisation process brings to light a reorganisation of the logic at work in the production of space that encroaches upon the conflicting sources of authority on a transnational basis. According to Palan (2003, p. 86), the space in which the exercise of sovereignty is projected reflects a dual nature, with at least two closely related functions. First, as the bedrock of the international state system, it is “the juridical expression of the principle that divides the planet into clearly demarcated lines of authority and responsibility”. Second, as a guarantor of the essential requirements of modern capitalism, “sovereignty also serves as the foundation of the national and international law of contract”. Palan regards, for instance, the offshore economy as a pragmatic legal response to this contradiction: “the ensuing conflict between the increasing insulation of state in law and the internationalization of capital forced a series of pragmatic solutions, one of which proved conducive to the development of the tax haven and the commercialization of sovereignty” (Palan, 2002, p. 153).

Against this background, the spatial environment of global hybrids should be understood as subject to a tension between two opposing ways of structuring space: the principle of territorial sovereignty encapsulates an *exclusive* conception of space and, at the same time, the ongoing capitalist development is sustained by an *inclusive*, yet differentiated, process of socio-economic transnationalisation. Palan does not distinguish between the space on which sovereign power is projected and the space contributing to legitimize that power, i.e. acting as a source of authority across formal borders. However, the exclusive model of territorial power tends to rely on *endogenous* legitimacy for those core economies not subject to long-established dependency patterns and whose ruling elites remain the most fervent advocates of global hybrids; for developing countries, one should on the contrary assume that the exclusivity of territorial power relies more strongly on exogenous factors. At the same time, the inclusive transnational dynamic of market constraints is inclined to convey *exogenous* forces – and this, for those who control over and those under the process alike. For instance, expert knowledge on food security or systemic risk in global finance have long been identified as core aspects of regulatory practices impinging upon social cohesion. Both, however, are institutionalised in a whole range of hybrid bodies, whose ties with territorial sovereignty are either non-existent or extremely loose. Trade regulation also contributes to reconfigure spaces along shifting endogenous and exogenous dynamics. In addition to the transnationalised hierarchy of the market in intra-firm trade, the rules of the WTO partially hinge on exogenous sources, in particular in health, safety and environmental matters (Damian and Graz, 2001). For instance, international voluntary standards set by hybrid bodies like the International Organisation for Standardisation (ISO) or non-profit private entities like the American Society for Testing and Materials (ASTM) can become authoritative sources for the purposes of the WTO mechanism in the settlement of disputes (Graz, 2005).

Hence the dynamic of inclusion and exclusion reflecting the two sets of principles embedded in the notion of sovereignty finds itself disconnected from the distinction between endogenous and exogenous sources of authority central to the legitimation processes of nation-states. This has become a crucial debate in a context where political structures appear to be increasingly remote to many people. Cox (2002, p. 137) describes this as “a situation in which a significant portion of the public perceives existing political authorities and the *idées reçues* of social and economic order to be alien, in total opposition to their own sense of justice and well being”. In sum, whereas the contradictory logic of sovereignty is split between territorial power and transnational legal guarantees supporting capitalist expansion, the alleged process of

deterritorialisation of sovereignty can be specified as a shift away from an exclusive and endogenous logic of sovereign power towards a more inclusive, yet exogenous means of regulating capitalist expansion. The greater regulatory scope of private actors coincides with a more exogenous authority..

Conclusions

This paper has explored the hybrid nature of regulatory practices that take place in contemporary capitalism. Institutional economics has investigated hybrids as a distinct mode of economic organisation based on cooperation, not to be confused with markets or hierarchy. The focus is on micro-analytical foundations of economic transactions in their relations with broader parameters of contract law (Williamson, 1991). This paper emphasises a macro-understanding of hybrids, drawing upon global political economy scholarship, and marginally mythology. Whereas the shift of perspective may generate insights into the underpinnings of institutional innovations undertaken by the EU to define the rules of the Single Market, it also echoes theoretical concerns of regulation theory looking for fruitful interdisciplinary dialogue focused on the macro-level of institutional compromises stabilising capitalist economies.

Describing distinct features of the present world as hybrid represents more than a default attribute. Hybrid is a concept that explicates the ambiguity between imaginary and real aspects of economic and political transformation of contemporary capitalism. A first analytical implication is that this may explain ambivalent views held towards the constitutionalisation of Europe and more broadly globalisation, arousing both attractive and repulsive feelings. On more conceptual grounds, if ambiguity reflects a core aspect of recent developments, the difficulties faced by regulation theory in identifying a core concept to replace fordism seem almost commonsensical. This assumption was further explored by providing a more detailed account of how the shift in the organisation of the contemporary global political economy is predicated upon such ambiguity. The concept of global hybrids sheds light on the ambiguity of the private/public nexus of subjects defining authority, the physical/societal continuum of objects concerned by regulatory practices, and the endogenous/exogenous nature of the space in which such policies can take place in democratic states.

The argument made here calls for further conceptual, theoretical and empirical developments to build up a stronger dialogue with heterodox institutional economic scholarship. It remains unclear, in particular, how significant global hybrids can be as a core institutional form in the

post-fordist era. At least three avenues for future research are involved here. The first consists in examining the relationship between global hybrids and other attempts at defining prevailing modes of regulation, such as financial capitalism, global governance (Brand, 2005), or spatial nestedness (Boyer, 2003). The second complements this basic assessment by analysing more systematically how the core analytical categories of global hybrids relate to the institutional forms of the French regulation theory. This is all the more necessary if one considers that, while all three categories of subjects, objects and space of global hybrids lie on a transnational level, only one out of the five structural forms of regulation theory refer to the inscription of the domestic economy within international regimes, usually understood as inter-state formal agreements. Finally, the analysis requires further contextualisation. The ambiguity at the core of hybrids also reflects contradictions in strategies for global order, opposing a decentralised and soft model of regulation to a military-imperial form. This sets the agenda for examining how the imperial turn taken in global political economy on many issues since the advent of American neo-conservatives to power also rests on a wide range of hybrid forms of regulation.

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