



The University of Sydney

Department of Government and International Relations

School of Social & Political Sciences

Faculty of Arts

Merewether Building HO4

Camperdown NSW 2006

T: 02 9351 2054

F: 02 9351 3624

**Report for ASSA Workshop
'Hybridisation of the State: Past, Present, Future'**

The Workshop was held at the University of Sydney on 13-14 July 2010, as outlined in the attached flier prepared for the event (Attachment 1). ASSA Fellow Professor Linda Weiss opened the workshop, and welcomed the overseas visitors as well as local participants.

The Workshop brought together an international group of scholars of the state, global civil society, and international political economy, including early career and senior scholars from Australia, North America, and Europe, to examine the logics underlying the process of 'public-private hybridisation' of state-provided functions, businesses and services. This phenomenon has been attributed to the neoliberal turn in politics and economics. The workshop probed the idea that hybridisation represents a reorganised form of governmental rule and authority, both within and between states, that serves to maintain and even reassert state power in new ways that extends also to the international arena.

Previous workshops had been held in Paris and New York, with support from the France-Berkeley Fund and the International Studies Association (New York). The Sydney workshop thus formed part of an ongoing program of study strongly supported internationally. This ASSA workshop in Sydney was the third and final event, with primary support from the Academy of Social Sciences in Australia, and supplementary support from the School of Social and Political Sciences, and the Institute for Social Sciences, at the University of Sydney, together with travel support from the ISA. The international leaders of the project ('The Public-Private Hybridization of the 21st Century State') are Professor Ronnie D. Lipschutz (Politics, UC-Santa Cruz); Dr Beatrice Hibou (CNRS, Sciences Po-CERI, Paris) and Dr Shelley Hurt (Political Science, Cal Poly-San Luis Obispo).

The event included a significant level of local participation, together with doctoral students and early career researchers, several of whom acted as discussants for papers presented. The participants in the Sydney event were as follows:

Caner Bakir, Assistant Professor, Koc University, Turkey, visiting scholar University of Sydney (Discussant)

Ulrich Brand, Professor, University of Vienna (paper discussed *in absentia*)

Phil Cerny, Professor, Rutgers University

* Will Clegg, PhD candidate, Oxford University, formerly University of Sydney (Discussant)

* Rebecca Hester, Postdoctoral Research Associate, University of Illinois

Beatrice Hibou, Senior Research Fellow & Director of Research, CNRS, Sciences Po (paper discussed *in absentia*)

* Shelley Hurt, Assistant Professor, Cal Poly-San Luis Obispo

* Sung-young Kim, Lecturer, University of Sydney (Discussant)

Anna Leander, Associate Professor, Copenhagen Business School

Ronnie Lipschutz, Professor, University of California, Santa Cruz

* John Mikler, Senior Lecturer, University of Sydney (Discussant)

Susan Park, Senior Lecturer, University of Sydney (Discussant)

Herman Schwartz, Professor, University of Virginia

Elizabeth Thurbon, Senior Lecturer, UNSW (Discussant)

Ole Jacob Sending, Senior Researcher, Norwegian Institute of International Affairs (paper discussed *in absentia*)

Iver Neumann, Professor, Oslo University (paper discussed *in absentia*)

Linda Weiss, Professor Emeritus, University of Sydney

* *Early Career Researchers*

The Workshop's full program, with topics of presentations, is attached (Attachment 2).

Rationale

It is often assumed in discussions of neoliberal policies that the boundaries between the public and the private sectors have been not only redrawn but also reinforced by a number of processes, such as privatization and outsourcing. However, instead of producing clear delineations between the activities of state agencies and private economic actors, the era of neoliberalism has witnessed increasing fluidity of state-market boundaries, complex partnerships between public and private actors, and the widespread creation of new hybrid forms that belie the state-market dichotomy at the conceptual core of (neo)liberalism.

Key issues for discussion included:

How generalized?

It was noted that many examples of hybrid entities (as opposed to processes) come from the U.S. Is there a worldwide trend towards hybridisation in the spheres examined? Or is the pattern more context-specific – for example in those contexts where the legitimacy of the public sector's involvement is more likely to be questioned?

What drivers?

Do the sources of hybridisation vary according to issue area? Is there nonetheless a common underlying driver? If sources of hybridisation are overlapping, how do we establish which of these are more or less important (ie can we advance beyond the listing of 'multiple logics')?

What consequences?

Theoretical and policy dimensions: What is the significance of hybridisation for state power, both conceptually and empirically?

Ethical and political dimensions: implications for civil rights, democratic politics, and so forth.

Highlights from the proceedings

The Workshop's framing paper was delivered by the program organisers, Professor Ronnie Lipschutz and Dr Shelley Hurt, in a presentation entitled '**The Chimerical State: Public-Private Hybridization in the 21st Century**'. This arresting title refers to the mythological 'Chimera' – half one creature and half another, that has special powers attributed to it in mythological accounts. The authors made the point that a range of public-private hybrids have emerged over the course of the past decade, which seem to be neither traditional public agencies nor traditional private sector organisations, but hybrids – 'chimeras'.

Examples range from government co-owned venture capital funds (like Australia's Innovation Investment Fund, or the CIA's In-Q-Tel venture fund), to military services companies (like Blackwater and Armorgroup), to international regulatory bodies (like the International Organisation for Standardisation). In their mix of ownership, funding, and goal-setting, these are neither strictly public nor privatised agencies, but a distinctive blend of each – in short, hybrids. Understanding their drivers, rationale, and consequences, as well as the extent of their diffusion – not just in the U.S. but internationally -- were key questions for the workshop.

Discussion engaged with the idea that hybridisation represents a reorganised form of governmental rule and authority, both within and between states, that serves to maintain and even reassert state power in new ways that extend also to the international arena. Lipschutz and Hurt adopted a very broad view of hybridisation that included the outsourcing of social welfare tasks to non-governmental organisations; the phenomenon of 'corporate social responsibility' through which companies, rather than states, propose to protect the environment; and the transfer of public property rights to private parties, notably patenting.

Taking a different tack, Beatrice Hibou's paper on '**Neoliberal Bureaucratisation**' argued that public private hybridisation of the 21st century state creates new (neoliberal) forms of bureaucratisation in both public and private arenas. These 'new' forms find expression in the proliferation of standards (the ISO being one of her cases), procedures, bureaucratic practices, routinised rules, and so on (rather than in administration in the institutional sense). Analytically, they range from new public management, modes of regulation of the private sector and development of technical, management, accounting and social standardization to development aid, justice and security, borders management, and the fight against economic crime. In highlighting consequences, she noted that neoliberal bureaucratisation, as an expression of public-private hybridisation, produces control and surveillance, questions the independence of intermediate bodies, and undermines public liberties.

The scope and diversity of public-private hybrids defies easy generalisation. Linda Weiss emphasised this point in choosing to focus on the post-1980s emergence and growth of 'developmental hybrids' in the U.S. setting. Specifically, these involve government owned and government-funded venture capital firms and technology commercialization ventures that blend public and private elements in new ways to achieve national security objectives. In her presentation '**U.S. Developmental Hybrids: Side-stepping the antistatist constraint?**', Weiss argued that (developmental) hybridisation challenges the liberal perspective precisely because it involves integrating the state in economic-entrepreneurial endeavours rather than effecting its removal. She also proposed that hybrids have become a favoured policy response in the United States because they resolve the tensions inherent in a system that not only requires technological supremacy (in order to maintain global preeminence), but also at the same time demands a relatively weak or small state.

Like Hibou, workshop co-convenor Shelley Hurt also discussed the implications for democratic politics, proposing that the emergence of public-private partnerships within the United States reduces government transparency and diminishes democratic accountability. The consequences of these partnerships are evident in several well-known cases in the post-9/11 era, such as the CIA's extraordinary rendition program, the outsourcing of intelligence gathering to the telecommunications industry, and Halliburton and Blackhawk's participation in Iraq. However, it was noted that the American government began outsourcing and privatising public functions in many other areas well before 9/11. One of the most prominent areas is federal science policy. Based on her analysis of U.S. bio-defence policies from the 1970s up to the present day, Hurt proposed that the U.S. government has increasingly relied on public-private partnerships to avoid public oversight of weapons research. Arguably, this process transforms the basis of governmental authority by expanding a regime of hybrid rule that encloses the public domain.

The emergence of Sovereign Wealth Funds (SWFs) in both developing and developed countries offers another example of hybridisation that formed the basis of Herman Schwartz's presentation (**'Revenge of the SWF? Hybridization and the expansion of political capitalism'**). While their recent rise has been portrayed either as the return of state power or as portending a diminution of U.S. global economic power, neither notion is well grounded. Schwarz used Weber's concept of 'political capitalism' and an understanding of commodity chains to argue that rather than 'returning', state power in markets has shifted its location and form. In the 'neo-liberal' period, the U.S. state exercised power in both financial and goods markets in order to assure its own growth and to capture growth elsewhere for U.S. headquartered firms. The U.S. sought liberalisation of developmental states' banking systems in order to capture a piece of the action for US banks and to open markets for goods firms closely connected to the U.S. state (e.g. agriculture, pharmaceuticals, aircraft). This exercise succeeded on its own terms but provoked a shift in developmental states' strategies. Their effort at control shifted from targeted industrial finance to exchange rate targeting and the accumulation of trade surpluses in central banks and other state organisations. SWFs are the visible manifestation of this strategy. They permit developmental states to continue suppressing domestic demand while targeting strategic nodes in value chains. In this sense, global capitalism remains a 'political' rather than a 'competitive' capitalism.

Subsequent discussion probed the productive idea that a common thread tying these diverse developments together was an effort on the part of national governments to address legitimacy concerns. This led to a discussion of the governance of hybrids, in particular their ethical and political dimensions. The extent to which hybrid developments address legitimacy concerns, yet in turn create negative implications for democratic politics and public accountability is a core issue that deserves close attention by policymakers and researchers alike.

Outcomes

The papers from the workshop – now under final revision -- will be published in a book, edited by R. Lipschutz and S. Hurt entitled *The Hybridised State: Past, Present, Future*. Discussions have been held so far with Cambridge University Press and Routledge; it is also intended to approach Oxford University Press as soon as the framing chapter is finalised. A special journal issue is under consideration (e.g., in *International Organization* or a comparable journal), for which revised versions of the papers presented will be sought. It is anticipated that working versions of the contributions will be posted on a project web site sometime later this year. It is also anticipated that project participants will present their final chapters on a set of two panels at the annual conference of the International Studies Association (ISA), to be held in Montreal next

March 2011. Given publication schedules for special issues and publishers, we do not anticipate published appearance much before 2012.

The organisers and participants would like to thank the Academy for their financial support.

Linda Weiss
Professor Emeritus
Department of Government and International Relations
School of Social and Political Sciences
University of Sydney