The Case for an Everyday International Political Economy
© Leonard Seabrooke and John Hobson

Working paper no, 26, 2006
Editor: Lars Bo Kaspersen

International Center for Business and Politics
Copenhagen Business School
Steen Blichers Vej 22
DK-2000 Frederiksberg
Phone: +45 3815 3583
E-mail: cbp@cbp.cbs
www.cbs.dk/cbp

ISBN 87-91690-28-5
The Case for an Everyday International Political Economy

John M. Hobson and Leonard Seabrooke
University of Sheffield and Copenhagen Business School

[T]he period of relative calm in the world political economy in the second half of the 1980s was used by many scholars as an opportunity for strengthening the scholastic rigor of IPE without questioning its, often unstated, foundations. Many of us have not been particularly open to rearranging the hierarchy of the substantive issues that IPE studies, nor have we been happy to muck about with the hierarchy of values attached to those issues (Murphy and Tooze 1991b: 5).

While the general method of analysis is well-established and widely accepted, this hardly means that IPE has exhausted its potential. In fact, it is surprising how narrow is the range of analytical and empirical problems that existing scholarship has tackled in earnest… It may be that a great deal of theoretical, analytical, and methodological brush needs to be cleared (Frieden and Martin 2002: 146).

Our everyday actions have important consequences for the constitution and transformation of the local, national, regional and global contexts. How, what, and with whom we spend, save, invest, buy and produce in our ordinary lives shapes markets and how states choose to intervene in them. The political, economic, and social networks with which we associate ourselves provide us not only with meaning about how we think economic policy is made, but also constitute vehicles for how economic policy, both at home and abroad, should be made. And while elite actors in politics and economics obviously have more direct influence, this should not obscure the point that peripheral actors can challenge the legitimacy of how power is exercised. Nor should it obscure the point that such actors have a good deal more agency in terms of determining their own life experiences as well as those of others through their everyday actions than is commonly recognised.

But conventional studies and theories of international political economy have obscured all this. For their focus on hegemony, trade and financial flows and international economic regulatory institutions that exist at the international level (ie., ‘the small number of big and important things’) is conducted through reference only
to the elites who wield power in the world economy. And in focussing only on macro-level institutions and processes, so conventional IPE has become detached from the real lives of everyday people. This paper argues that the discipline of IPE has become fettered by an elitist discourse that obscures the role of everyday agents who operate not only at the international/global level but, no less importantly, at the regional, national and local levels. By ‘bringing everyday agents in’ we aim to open up new angles for ‘doing IPE’, all of which speak to the concerns of everyday people. Our task is to produce a sociological framework for IPE – what we call Everyday IPE (EIPE) – which provides an alternative to the mainstream, or what we call Regulatory IPE (RIPE). As shall be explained shortly, we characterise the mainstream as ‘Regulatory’ because the issue of order and the regulation of the world economy occupies centre-stage of the research focus. Instead, EIPE provides a focus that reveals how economic and political social actions by those who are not thought to be the dominant drivers of change have important consequences for the development and transformation of the world economy. This divide between Regulatory and EIPE has clear echoes of the pioneering distinction made some 15 years ago between mainstream ‘orthodox’ and critical ‘heterodox’ IPE (Murphy and Tooze 1991a).

In many ways the Murphy and Tooze ‘project’ was ahead of its time, in that it attempted to import insights from the Third Debate that was occurring in the discipline of IR. For paradoxically, while IPE is probably more open to critical theoretical insights than is IR, nevertheless constructivism and post-structuralism were less welcome at that time. Crucially Murphy and Tooze, as have subsequent ‘reflectivist’ scholars, took their cue from the standard orthodox claim made famous by Robert Keohane (1988: 392): that ‘reflectivism’ will fail to gain ground until it develops its own coherent research program. They replied by invoking the standard reflectivist claim, that ‘there is not a unitary reflectivist research program in IPE’ (Murphy and Tooze 1991c: 21), and that heterodox IPE is defined by its pluralism of research agendas. Accepting the diversity of research programs rather than trying to reduce them to one is a vital aspect of their thinking – something which subsequently became a mantra for heterodox IPE scholars (eg., Amin et al 1994; Gills 2001: 236).

The key issue here is that reflectivism needs to move beyond the deconstructionist problematique that heterodox scholars have embraced in diverse ways from the early-1990s until now. Moreover, to many conventional IPE scholars, heterodoxy has stood for a bewildering amount of seemingly exotic, if not
impenetrable, epistemological themes and sometimes equally impenetrable theories, with no easy avenue in to understand them, or a clear empirical pathway to tread in order to undergo IPE research and teaching (see eg., Krasner 1996). And even for those considering a jump from the grand ship of ‘orthodoxy’, the alternative might appear as akin to an all-too-distant dinghy rocking on the tempestuous, murky seas of heterodoxy. We, therefore, seek to avoid what William Connolly calls ‘theoretical postponism’, which refers to ‘the inability to establish secure epistemological grounds for a theory with an obligation to defer infinitely the construction of general theories of global politics’ (Connolly 1991: 55). We do require coherence in delineating (not delimiting) what heterodoxy stands for, as well as for generating a manageable empirical ‘research agenda’ and teaching framework. We seek to achieve this by identifying types of everyday action and key themes that speak to concerns at the heart of both orthodox and heterodox IPE. Nevertheless, our ‘research agenda’ is not to be conflated with a research program. Rather than a ‘research program’ that delimits how we should think about change by relying upon behavioural assumptions that abstract from a real world policy context, we argue that our types of everyday action and key themes provide a ‘puzzle-set’ that invites us to think comparatively and sociologically. Such ‘puzzle-sets’ are intellectually flexible and more able to capture real world changes. After all, the aim of the study of IPE is to find out how political and economic change occurs within the world economy, rather than engaging in the numerous intellectual acrobatics that are constantly required when working within a closed research program. Furthermore, increasing standards of social scientific rigour within the orthodox approaches have led to an ever increasing gap between academic scholarship and work with firm policy implications (Katzenstein, Keohane, and Krasner 1998: 684), while heterodox approaches often have little constructive to say about policy (see below the policy-implications of EIPE). This is a problem for academics who seek to influence policy, but also for students of IPE who need to relate their intellectual understanding of the discipline to way things work in their everyday lives.

Our emphasis on ‘puzzle-sets’, which we develop in detail below, allows us to respond to the orthodox calling from Frieden and Martin (cited at the beginning) for a more conceptual and methodologically diverse exploration of how politics and economic interact, particularly between the global, international, regional, national and local ‘realms’ (Frieden and Martin 2002; cf. Katzenstein 1978). In short, while heterodox scholars have produced a wide range of questions but few attempts at answers, orthodox scholars are dissatisfied with the narrowness of answers to their restricted range of questions.
For an alternative conception of IPE to gain firm ground, we believe that it should meet the orthodoxy’s own (constructed) terms of reference head on by cohering around a clear and central theme – everyday actor agency. It should also reveal a range of new empirical topics, even if all this requires various sociological theories and a range of conceptual shifts that emerge from heterodox IPE. And while it speaks directly to the ‘small number of big and important things’ that orthodox IPE is singularly concerned with, it simultaneously brings to light the ‘low-politics’ of the ‘many small but important things’. Speaking to the dominant language of mainstream IPE need not be seen as selling out alternative heterodox approaches as some might believe. Failure to do this simply perpetuates the notion that heterodox theory speaks past rather than to the concerns of orthodox IPE. Our central concern, therefore, is not simply to deconstruct IPE but also to reconstruct it through the lens of peripheral or everyday agency so as to create a fresh and clear thematic framework for investigation. Thus we want to push heterodoxy to follow through on its promise of producing an alternative framework for IPE. And we wish to push mainstream regulatory theorists to explore new sites of agency that play an important role in informing the agenda of great power political economy and international regimes.

This paper is divided into four sections. In the first section we examine the mainstream Regulatory approach and point to some of its limitations. In the second section we focus on our preferred approach, elucidating its politics and its conception of everyday agency and everyday-inspired change. In the third we put forward an argument for the use of ‘puzzle sets’ rather than research programs. In the fourth section we outline the policy relevance of Everyday IPE before concluding the discussion.

I The Organising Framework of Regulatory IPE: Who Governs and Who Benefits?

Standard textbooks often present the triumvirate of traditional theories in table form in order to reveal the differences between the three. Distinguishing differences between the theories is merely of academic interest since the questions generated within paradigms directly inform policy choices (Katzenstein 1976: 13). In Table 1.1 we (re)present the theories of IPE, juxtaposing Regulatory theory from EIPE. We depict three approaches (given that regulatory theory can be sub-divided).
Table 1.1: Juxtaposing Aims and Approaches in Regulatory and Everyday IPE

<table>
<thead>
<tr>
<th></th>
<th>Regulatory IPE (Neorealism/neoliberal)</th>
<th>Regulatory IPE (Classical structuralism)</th>
<th>Everyday IPE (Sociological)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organising question</strong></td>
<td>Who governs?</td>
<td>Who rules/benefits?</td>
<td>Who acts and how do they enable change over time?</td>
</tr>
<tr>
<td><strong>Theories</strong></td>
<td>Neorealism and neoliberal institutionalism, Systemic Constructivism</td>
<td>Early Dependency/World-systems theory</td>
<td>Social constructivism, feminism, Post-structuralism, Post-colonialism/anti-Eurocentric theory, Gramscianism</td>
</tr>
<tr>
<td><strong>Unit of analysis</strong></td>
<td>Hegemons/Great Powers, States/International institutions and regimes, Ideational entrepreneurs</td>
<td>Capitalist world economy, structures of rule</td>
<td>Everyday actors</td>
</tr>
<tr>
<td><strong>Prime empirical focus</strong></td>
<td>Supply of order and welfare maximisation by elites (ie., regulatory processes)</td>
<td>Maintenance of the powerful and the unequal distribution of benefits (ie., regulatory processes)</td>
<td>Social transformative and regulatory processes enacted, or informed, by everyday actors</td>
</tr>
<tr>
<td><strong>Locus of agency</strong></td>
<td>Top-down</td>
<td>Top-down</td>
<td>Bottom-up</td>
</tr>
<tr>
<td><strong>Level of analysis</strong></td>
<td>Systemic</td>
<td>Systemic</td>
<td>Complex/holistic</td>
</tr>
<tr>
<td><strong>Ontology</strong></td>
<td>Structuralist</td>
<td>Structuralist</td>
<td>Agential or structurationist</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Rationalist/positivist or interpretivist</td>
<td>Rationalist/positivist</td>
<td>Interpretivist/post-positivist and Rationalist</td>
</tr>
<tr>
<td><strong>Conception of history</strong></td>
<td>Ahistorical Continuity: Evolutionary or cyclical</td>
<td>Ahistorical Continuity: Evolutionary or cyclical</td>
<td>Historical Discontinuity</td>
</tr>
<tr>
<td><strong>Selection bias</strong></td>
<td>Eurocentric</td>
<td>Eurocentric</td>
<td>Non-Eurocentric</td>
</tr>
<tr>
<td><strong>Selection bias</strong></td>
<td>Andocentric</td>
<td>Andocentric</td>
<td>Gender-sensitive</td>
</tr>
</tbody>
</table>
RIPE and EIPE are differentiated in terms of the initial organising questions that lie at their core. The standard regulatory approach – found especially within neoliberal institutionalism, neorealism, and, more recently, systemic constructivism – opens with the fundamental question: ‘who governs and how is order regulated?’ Certain structures or institutions or particular elites that supply order are then selected as the object of study. This creates a highly parsimonious framework that simplifies the study of the complex world economy into discrete, manageable chunks.

While most IPE scholars take this parsimonious framework for granted, it bears noting that the traditional focus on ‘order’ is to a large extent a function of the birth of the discipline at a particular time and place, which in turn imbued RIPE with a specific identity (Katzenstein, Keohane, and Krasner 1998: 655-7). RIPE was born in the USA during the early 1970s when the world economy was going into recession. Like IR, which was institutionally born after the First World War in order to find ways of alleviating or eradicating war, so IPE emerged during a global economic downturn in order to find ways to restore world order and economic growth. Moreover, in the process mainstream IPE and IR scholars implicitly draw on liberal political theory. So Hobbes finds his approximate manifestation in neorealist hegemonic stability theory (HST), where a dominant hegemonic power takes the form of a benign global leviathan that supplies order and all other states accept this as an unspoken social contract. Conversely, in the absence of a hegemon the world economy devolves into a war of all against all (Kindleberger 1973; Gilpin 1975, 1981, 1987). The Lockean equivalent is that of neoliberal institutionalism, wherein states in the international system, like individuals in society, come together and, through an informal social contract, set up a loose set of international institutions or regimes which enable cooperation and long-term welfare maximisation (Keohane 1984). These remain in place only so long as they continue to enhance the interests of states. Most recently – at least in mainstream International Politics – the emergence of ‘systemic constructivism’ has largely taken the form of a Kantian analogy, where international cooperation between states is envisaged as yet more deeply entrenched than that specified by neoliberalism (eg., Wendt 1999; Finnemore 1996). Indeed systemic constructivists are primarily interested in revealing the positive ways in which states are socialised into deep cooperation within an increasingly tight international society. Thus if the neorealist/neoliberal debate is a synonym for the ‘conflict versus cooperation debate’, then we envisage systemic constructivism as
located on the right-hand side of neoliberalism. It also represents a contemporary form of the neo-functionalist literature on the European Community developed by Ernst Haas and others (Haas 1959; see also Rosamond 2005).

Systemic constructivists have rightly questioned how states create their identities and their self-interests but they have not questioned the regulatory problematique. Their key focus has been on how elite actors – either within international organisations/institutions or within domestic society – provide the function of ideational entrepreneurs in building international cooperation by binding new ideas and/or norms across states. It is, therefore, no coincidence that studies on European monetary union are dominant here (see McNamara 1998; Parsons 2003). Here ideas are understood as weapons wielded by big and powerful actors, who are backed by their own political and material resources in helping to push them through (Parsons 2003: 178, 235). And moreover, the tendency has been to focus on key ideational entrepreneurs only in times of radical uncertainty – usually associated with periodic economic crises (see Seabrooke 2005).

In a complementary move, a second organising question has also guided the study of IPE: ‘Who benefits?’ This was initiated by what we call ‘classical structuralists’, who view the world economy’s central dynamic as governed by the structure of capitalism (Frank 1967; Emmanuel 1972; Amin 1973; Wallerstein 1974). By focussing on the capitalist world structure, they argue that the world economy operates in favour of the rich Northern core, which gains through unequal exchange at the expense of the poor Southern periphery. Again, it was no coincidence that dependency/world-systems theory entered IPE at the moment of the discipline’s birth in the early 1970s, given that the politics of North-South relations was rapidly becoming important at that time. Moreover, the OPEC oil shock and the calls for a New International Economic Order by the G77 (coupled with its ‘failure’) consolidated the approach’s place in the discipline.

Nevertheless, there are two qualifying points of note here. For while this approach has often been thought of as the Marxist theory of IPE it is, of course, striking that of all the critics that this approach has faced, orthodox Marxists have been probably the most vociferous (eg., Brenner 1977; Laclau 1977). This is noteworthy because more orthodox Marxist approaches such as Gramscianism provide a strong potential for contributing to an EIPE. Nevertheless, as Robert O’Brien (2000) has stressed, it is surprising how some of its chief spokespersons have
at times reified the power of a transnational ruling class at the expense of exploring
the agency of the dominated. But despite this, it remains the case that Gramscianism
undoubtedly offers a potential space for subaltern agents not least through its
emphasis on the importance of counter-hegemonic blocs.

Second, we have labelled traditional world-systems theory/dependency theory as ‘classical
structuralism’ in order to differentiate it from a more recent departure that can be
called ‘neo-classical world system theory’ (Hobson 2000: 141-2), or ‘world system
history’ (Denemark et al 2000). This is a new and exciting approach that extends its
classical predecessor in new directions, not least by arguing that a world system has
been around for several millennia. And one of its strengths is not only to reconsider
agency but above all to break with Eurocentrism (Chase-Dunn and Hall 1991; Frank
and Gills 1996; Denemark et al 2000). Notable too is that these authors have often
developed their approach and its variants in contradistinction to classical structuralism
– see Wallerstein (1996) and Amin (1996) for their replies. Accordingly, we do not
include this recent approach within the regulatory framework. Indeed, we see it as one
of the most promising approaches in the Social Sciences in general, and in IPE more
specifically, both because it enables a major rethink of the global economy in its long-
historical durée, and because it dovetails with so many of the themes that are central
to EIPE.

Finally, it might be assumed that rational choice and public choice approaches
provide an alternative approach and converge with EIPE insofar as they focus on
individual agents and bottom-up processes (eg., Frey 1986). But we argue that they fit
squarely within the regulatory framework insofar as they seek to provide a ‘better’
account of the sources of regulation and order. Furthermore, while a focus on
individual choice is certainly part of EIPE nevertheless, we envisage such choices as
being informed by historically and socially contingent identities and interests. By
contrast, rational choice theorists posit a self-maximising individual regardless of time
and place or social context. Even the more sensitive rational choice analyses that see
actors’ values as important, require them to be understood as ‘deep core beliefs’ that
are culturally fixed and path dependent (eg., North 1990; North 2004). Such a
depiction of social life masks many of the forms of transformation in and of the world
economy that we seek to reveal. It is also highly susceptible to the Eurocentric fallacy
(eg., Greif 2006; cf. North and Thomas 1973). And finally, perhaps the most
fundamental of differences between rational choice and EIPE is that for the former,
individuals often ‘bandwagon’ with the dominant or seek to dominate others. This leaves no space for everyday contestations to the exercise of power by elites (e.g., Greif 2006), which, of course, provides a point for departure.

So with these qualifications in mind we note that the three traditional approaches – neorealism, neoliberalism and classical structuralism – have become unreflexively accepted as defining the core of IPE (though systemic constructivism is now emerging as a fourth candidate and perhaps rational choice as a fifth). Put simply, when setting up a typical course in IPE, lecturers unreflexively cover these approaches because ‘that’s what you do – it’s common sense of course!’ However, as Murphy and Tooze (1991b, 1991c) originally noted, these theories might appear as legitimate but they are informed by a hidden political bias. It is no coincidence that much of IPE has suffered not just from a Eurocentric bias but an, albeit complementary, ingrained ‘Americocentrism’. Again this is a function of the particular moment when RIPE was born. American theorists at that time believed that the world economic crisis was a function of the decline of US hegemony, given that the long post-war boom was thought to have been a function of strong, benign US hegemony (Kindleberger 1973; Gilpin 1975). All in all, it is the peculiar Americocentric nature of the discipline that has been responsible for manufacturing the hegemony of the regulatory approach both within IPE (Tooze 1988; Murphy and Tooze 1991a; Crawford and Jarvis 2001) and IR (Holsti 1985; Wæver 1998; Crawford and Jarvis 2001). And it does this precisely because Americocentrism, like Eurocentrism, is preoccupied with ‘selecting winners’ and ‘deselecting’ all others on the grounds that they are ‘losers’.

Standard IPE courses devote much time to analysing the actions of US hegemony-as-winner and whose interests are equated with the universal, the assumption being that we can learn most, if not all, of what we need to know through such a focus. Notwithstanding the bluntness of the formulation, nevertheless typical are the words of Stephen Krasner uttered at the 1990 American Political Science Association conference: ‘Sure people in Luxembourg have good ideas. But who gives a damn? Luxembourg ain’t hegemonic’ (cited in Higgott 1991: 99). This was echoed by Kenneth Waltz’s words: ‘It would be… ridiculous to construct a theory of international politics based on Malaysia and Costa Rica’ (cited in A.B. Tickner 2003: 301). Indeed this bias, both in terms of IPE teaching and research, becomes immediately obvious when one scans the standard North American IPE textbooks.
(e.g., Blake and Walters 1976; Gilpin 1987, 2001; Spero 1992; Lairson and Skidmore 1993; Balaam and Veseth 1996; Cohn 2000), though, of course, various critical theorists have avoided this bias (e.g., Gill and Law 1988; Schwartz 1994; Peterson 2003; O’Brien and Williams 2004).

Invariably the standard textbooks reel off an almost identical series of topics and issues, often in virtually the same order and all of which are situated within an Americocentric problematique. They typically begin in 1944 with the Bretton Woods agreement and the rise of US hegemony as the principal guarantors of world order and global welfare maximisation. The next chapter might look at international monetary management and the regulation of the fixed exchange rate system by the IMF. And the next chapter usually recounts the story of the IMF alongside the GATT to account for the spread of free trade and the concomitant growth of world trade. North-South issues are usually dealt with, though consistent with the privileged focus on the powerful North, the story is one of ‘southern failure’. Thus the calls for a NIEO in the 1970s on the back of the successful economic coup that was delivered by oil cartel power end with the failure of non-oil cartel power, thereby ensuring that prime focus should remain upon the North. We are then treated to a deepening of the story of ‘third world failure’ and ‘Northern hegemony’ with a strong focus on third world debt crisis and the various Northern ‘plans’ and IMF structural adjustment programs that were imposed on the failing economies of the Southern debtors. Finally, while there is often a chapter on Japan and the East NICs, this focus weakened with Japan’s recession after 1991 and was effectively terminated with the 1997 East Asian financial crisis, thereby returning the focus back on to the US-as-winner. None of this is to say that these topics are unworthy of consideration – merely that they have been framed through the myopic, ‘tunnel-lens’ of the regulatory problematique.

Not surprisingly the elite suppliers of order – viewed as power-makers – constitute only a very small minority of the world’s population. For neorealists it is the actions of the US hegemonic state that are focussed upon; for neoliberals it is the actions of state-created international regimes/institutions; for systemic constructivists it is the actions of ideational elites or individuals; and for classical structuralists it is often state elites and the transnational capitalist class. It is as if the study of the world economy can be gleaned by examining the actions of 10 per cent of the world at most, while the other 90 per cent are but power-takers whose actions are inconsequential for the making of the world economy. And it is to
assume that this ten per cent are responsible for ‘the big and important things’ (read ‘the only significant things worthy of study’) that go on in the world economy. That this top ten per cent should corner the market for scholarly attention is justified on the grounds that they devise the rules and distribute the benefits owing to the fact that they are the winners. Of course, understanding the processes of power and distribution is important and we in no way wish to dismiss this. But such an exclusive focus means that ‘doing IPE’ becomes a circular process of selecting ‘winners’ while deselecting the ‘insignificant’ majority, who are cast in the role of losers or passive beneficiaries/victims and, therefore, have no impact either in effecting change or making their own economic destinies. In a recent book this has been aptly characterised through an ‘iceberg metaphor’, where the top 10 per cent are likened to the iceberg’s exposed tip, while the other 90 per cent are invisible, being hidden below the waterline (Tétrault and Lipschutz 2005: 167). Moreover, Regulatory theory’s focus on the ‘big things’ means that IPE happens ‘out there’ at several steps removed from the lives of everyday people (George 1995).

It deserves noting that the insistence on picking or selecting elite winners is reminiscent of the conservative approach to history. In this view, historians tell the story of the past through recourse to the great battles between the great powers, frequently led by heroic individuals labelled ‘great men’. In the process, they reduce history to a story of the winners (typically the West or the North or the USA). RIPE theorists do much the same. The problem here is that such an exclusive focus on great powers or ‘great men in uncertain times’ marrs our analysis of the broader social world, reducing the world economy to the so-called cockpit or engine room of decision-making. Thus by defining ‘significance’ as lying only with the notion of governing or directing the world economy (a very political intellectual act), we necessarily obscure the many ways in which ‘peripheral’ everyday actors shape their own lives and those of others in the global economy. Indeed we ask: are we really to believe that the 90 per cent of the world’s population, who are conventionally ignored, have no input into shaping their own lives, if not others around and beyond them?

Thus while the mainstream regulatory approach has an inbuilt centrifugal thrust, where emphasis is placed squarely at the centre, EIPE has a centripetal thrust,
displacing focus away from the centre towards the margins. The problem with the centrifugal thrust of regulatory theory is that it imposes a circular framework, which ensures that peripheral actors remain marginalised and thus out of sight from the mainstream gaze. And because such actors allegedly fail to inform the ‘big and important things’, their marginalisation appears as legitimate or natural. Accordingly, as we noted earlier, it seems that IPE has reached an impasse – a view that others are increasingly sharing in. Indeed a range of scholars are now developing various approaches which rethink IPE so as to move out of the impasse, some of which overlap with our theme on everyday agency. Most prominent here is the work on extending IPE beyond the core economies, which in turn requires new conceptualisations beyond the assumptions held by the orthodoxy (Neuman 1998; Chan 1999; Dunn and Shaw 2001; A.B. Tickner 2002, 2003; Phillips 2005). And an emergent stream of scholars are seeking to bring small ‘everyday’ agents into IPE (Amoore 2002; A.B. Tickner 2003; Davies and Neimann 2002; Davies 2005; Tétreault and Lipschutz 2005; Watson 2005). In this paper we extend these analyses to show how everyday actors shape not only the ‘big and important things’ (ie., effecting the governance of the global economy) but also shape the ‘many small but important things’ (ie., effecting change in the local, national, regional, international and global contexts).

II: The Sociology of Everyday IPE: Who acts and with what consequences?

Instead of asking ‘who governs and how is order maintained?’, our approach begins with the sociological question: ‘who acts and how do their actions constitute and transform the world economy in its multiple spatial dimensions?’ In the process we necessarily bring back into focus the actions of the bottom 90 per cent. Reminiscent of the claims for a ‘New IPE’, we agree that regulatory theory is ‘not particularly fruitful because it derives from a political interest in the question “How to keep order?” at a time when the politically more salient question is “How to achieve change?”’ (Murphy and Tooze 1991c: 13; see also Cox 1986: 206).
Asking ‘who acts?’ rather than simply ‘who governs?’ enables us to reveal new sites of agency wherein the sources of change lie.

Asking ‘who acts?’ demands that we be open to how agency can be exercised by social actors conventionally considered as ‘power-takers’ rather than ‘power-makers’. This question also demands that when looking at the powerful actors, we problematise and elucidate the practices of their behaviour and the bottom-up social principles that guide and inform their actions. In particular we are not calling for a kind of intellectual division of labour in which regulatory theory monopolises the top 10 per cent while EIPE focuses on the bottom 90 per cent. Rather, we suggest that our approach can reveal the bottom-up processes and the everyday actors which both effect change in the local, national, regional or global structural contexts, and/or inform the actions of the top 10 per cent. Nevertheless, we emphasise here the point that it would be wrong to assume that we see all developments in the world economy as but the product of bottom-up processes. For dominant elites clearly play an important role. Rather, our claim here is simply that dominant elites do not play the exclusive role.

Our empirical and thematic focus selects and problematises the traditional issue areas that Regulatory theory is concerned with – namely great power political economy and international regimes. Indeed we accept the proposition that ‘ultimately, the relative success of [EIPE] will depend not only on our ability to explain and inform effective action around the private interests and supposedly less powerful people… we also will be judged by our ability to understand the [regulatory] issue agenda’ (Murphy and Tooze 1991b: 6). None of this is to say that everyday actors can behave entirely as they please or that they always succeed in getting what they want. Nor do we wish structures of power and repression out of existence. By definition agents who are peripheral act within structurally repressive ‘confines’. But while at certain times the subordinate are indeed victims, nevertheless at other times they attain agency. Indeed no agent is either entirely powerless or purely ‘confined’ within a structural straitjacket for there is always a space, however small, for the expression of agency. Thus we are not suggesting that everyday action is limitless in terms of what it can achieve. But we are saying that many of these small sites turn out to be far more significant than has been conventionally assumed.
When discussing everyday agency, the reader might well assume that this implies resistance on the part of the subordinate. But as we shall explain shortly, while resistance is indeed important, our approach must not be seen as one which simply reveals how ‘the weak get one over on the strong’. On this topic the literature on ‘contentious politics’ within sociology has made significant advances in analysing how everyday actors can act collectively through social movements with strategic objectives (McAdam, et al. 2001: Davis, et al. 2005). In this work organised resistance is the focus and is supported by a view that actors’ can employ a ‘tool kit’ to shape cultural meanings that mediate action. We seek to probe further into how everyday actors give their meanings significance beyond strategic action. Rather than abstracting everyday actors out of their social and cultural context, we seek to reveal how these contexts shape and inform the construction of strategic interests. Moreover, as we shall explain below in relation to ‘axiorationality’, some everyday forms of action do not imply resistance, let alone collectively organised resistance. For we are also interested in revealing the manifold ways in which everyday actors shape their own lives and others around and beyond them whether or not they are resisting power. Accordingly, we need to recognise that everyday actions are ultimately significant to the extent to which they constitute the global economy in its multiple spatial dimensions. And, of course, all this implies that everyday actors must not be viewed as passive beneficiaries of the actions of hegemons, international regimes, ideational entrepreneurs (neorealism, neoliberalism, and systemic constructivism respectively), or as passive victims of the capitalist world economy (classical structuralism). How then can we conceptualise everyday agency as well as everyday actor-inspired change?

Everyday actors are defined as those who are subordinate within a power relationship but, whether through resistance or non-resistance, either incrementally (ie., through the long-term) or suddenly (ie., through the short-term) shape, constitute, or transform their own political and economic environment as well as those of others’ around and beyond them. This broad definition of everyday actors allows us to include a range of agents from individuals to meso-level groupings (eg., peasants, migrant labourers, trade unions, small investors, low-income groups), and mega-scale aggregations (eg., peripheral states and peoples). And it is, of course, here where we encounter a contentious issue, since we acknowledge that a peripheral state
is not a typical everyday actor. Because we have stretched the term in this case, it is necessary to explain why we have done so.

First, our primary objective in this paper is to reveal how marginalised peripheral actors have agency to shape, constitute and transform not just the local context – as in traditional analyses of everyday politics – but also the regional, international and global contexts. In other words, as we shall explain below, when we shift the focus of everyday politics to the global context, we necessarily have to expand or stretch our definition of what constitutes an everyday actor. Second, we recognise that third world state elites are dominant actors vis-à-vis their respective populations (as the Subaltern Studies literature clarifies). But in the context of the world economy they are peripheral vis-à-vis the wealthy Northern states (even if there are times when they share linkages with dominant elites in the West). And third, we include peripheral states because they resort to the same strategies that are deployed by more traditional everyday actors. So, while recognising the various difficulties here, we prefer to label peripheral states as everyday actors and include them in our approach.

In the light of this, it is helpful to begin by briefly considering our approach in the light of the literature on ‘everyday politics’ that was pioneered by the likes of James C. Scott (1976, 1985, 1990), Michel de Certeau (1984), Henri Lefebvre (1991), and Benedict J. Tria Kerkvliet (1977, 1990, 2005). Here agency is generally expressed as resistance, which is conducted at the local level and is effected by everyday people in the form of verbal taunts, subversive stories, rumour, ‘sly civility’ and so on. As Kerkvliet’s work demonstrates, everyday politics is more subtle and more common than the more grandiose and dramatic forms of overt resistance that we often associate resistance with. For example, in his study of collectivised agriculture in Vietnam, Kerkvliet illustrates how everyday acts such as cheating on rice stocks, local stories, and ignoring national government policies developed in small incremental ways. But crucially, these aggregated into affecting national policy change with regard to collective agriculture, not because of a national ideological change but because the system had become so compromised that it could no longer be legitimately sustained. Thus while there were no overt protests or riots, economic policy was transformed nonetheless (Kerkvliet 2005).

More recently, work on everyday politics is broadening out across a variety of disciplines including: social psychology (Wagner and Hayes 2005); politics (Bang
and Sørensen 2000; Ginsborg 2005); and international relations (Amoore 2002; A.B. Tickner 2003; Tétreault and Lipschutz 2005). And not surprisingly, within IR everyday politics is moving beyond describing types of action that offer resistance at the local level to considering how such actions impact upon the international and global levels (see also Darby 2004). As noted above, this is necessary when constructing an EIPE. This then begs the question as to how we conceptualise the ways in which everyday actors promote change in the various spatial realms.

In Table 1.2 we juxtapose the three dominant forms of viewing change in RIPE with their counterparts in EIPE.

Table 1.2: Juxtaposing Types of Change in Regulatory and Everyday IPE

<table>
<thead>
<tr>
<th>Regulatory IPE (‘Top Down’ Change)</th>
<th>Everyday IPE (‘Bottom Up’ Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coercion</td>
<td>Overt Defiance (overt resistance)</td>
</tr>
<tr>
<td>Mimetic Conformity</td>
<td>Mimetic Challenge and Hybridised Mimicry (covert resistance)</td>
</tr>
<tr>
<td>Radical Uncertainty</td>
<td>Axiorational (non-resistance: unintended and incremental-cumulative impact)</td>
</tr>
</tbody>
</table>

In the left-side column we envisage that ‘coercion’, ‘mimetic conformity’ and ‘radical uncertainty/crisis’ are the typical ways of explaining change in RIPE. Coercion is often found as an explanation for change in neorealism – where ‘might makes right’ – and also in the exploitative North-South relationship highlighted by classical structuralism. What we have termed ‘mimetic conformity’ is a common neoliberal institutionalist explanation for why states play the game according to a bounded rationality. Through bounded rationality actors learn that conformity is in their long-term self-interest and therefore persist in embracing the dominant structures in question. Finally, radical uncertainty/crisis has been embraced by systemic
constructivists as an explanation and locale for the transformative power of ideas carried by elites. Most notably, all three types of change are ‘top-down’.

By contrast, in the right-hand column, we propose overt defiance, mimetic challenge/hybridised mimicry, and axiorationality as three conceptions of bottom-up change within EIPE. Overt defiance is commonly stressed by those who seek to understand how everyday actors repel elite coercion through their overt resistance activities. Mimetic challenge – or ‘symbolic ju-jitsu’ (Scott 1990) – is a common type of covert resistance strategy. Change here is generated when everyday actors adopt the discourse and/or characteristics of the dominant to cloak their resistance-challenges to the legitimacy of the dominant. Here agents appeal to the normative discourse of the dominant in order to push through their own subversive agenda (eg., the strategies of colonial resistance movements). And this in turn moves us beyond the coloniser/colonised or the elite/marginalised dichotomies, entailing a dialogic or negotiative relationship. A complementary concept here is that of ‘hybridised mimicry’ (cf. Bhabha 1994). This entails when agents appear to adopt dominant discourses, but filter them through their own cultural lenses so as to produce something new and hybridised. Again, this entails a series of negotiative strategies that are deployed by everyday actors. This is most clearly in operation when ‘non-Western’ agents filter Western ideas or practices through their own cultural lenses so as to produce a synthesis, while retaining the autonomy of indigenous cultural practices. This process has been aptly characterised as ‘vernacularization’ (Appadurai 1996: 110-12).

Finally, axiorationality provides a contrast with systemic constructivism’s emphasis on temporary moments of radical uncertainty/crisis. By contrast, it emphasises that actors are informed by their own conventions and norms to carry on everyday actions without perfect information, and that such actions go on for much of the time (Boudon 2001; Seabrooke 2006a). But as everyday actors go about their everyday activities, these aggregate over time into effecting change. And because such actions are not subsumed under the category of resistance, it is often the case that the actors concerned may not know that they are contributing to change in the local, national, regional or global contexts. Thus axiorational agency is something that goes on much of the time rather than in selected moments of uncertainty and periodic.

In order to reveal these multiple sites of everyday agency, our authors draw on a range of sociological theories. It is noteworthy that standard IPE textbooks and
courses always present a triumvirate of ‘alternative’ theories: realism/mercantilism, liberalism, and classical structuralism – though more recently, the latter is being replaced with systemic constructivism (eg., Gilpin 2001), at least in the United States. This is convenient not least because it makes teaching IPE manageable. But the immediate problem here is that from our vantage-point all three (or four) appear as but minor variations on the exact same theme – that of a unifying preference for the elites or structures of the world economy as the loci of focus. Here we seek to utilise not every type of sociological theory but only those which can provide a space for everyday agency. As noted in Table 1.1, our contributors draw mainly on ‘non-systemic’ social constructivism but also feminism, post-structuralism, post-colonialism/anti-Eurocentric theory and Gramscianism. This is not to exclude other social theories such as Polanyian theory (eg., Birchfield 2005); merely that these are the ones utilised by our contributors. Nevertheless, one possible mainstream objection here would be to resort to a gatekeeping strategy by dismissing sociological insight as but ‘extra-disciplinary contamination’.

We accept that it is reasonable to expect a particular Social Science discipline to have its ‘own’ theories that are able to shed light on the standard topics that ‘define’ the discipline’s empirical focus. And the traditional triumvirate of theories, of course, achieves this. But, arguably, RIPE theorists have defined the discipline according to their own narrow terms of reference which necessarily excludes others – especially from the wider social science disciplines – who might equally contribute to the pursuit of knowledge in IPE. Such a view has led to the streamlining of the development of tight and abstract ‘research programs’. The quotation at the beginning of the paper from Frieden and Martin reflects their own frustrations at the theoretical ‘involution’ of IPE that has been the consequence of restricting methodological and theoretical/empirical dynamism (Leaver 1994). Susan Strange originally took particular issue with this problem. As she noted in characteristically passionate fashion (quoting Lord Robbins), these gatekeepers were “one-eyed monsters” – one-eyed because they were oblivious to [extra-disciplinary insight]; monsters because they were so arrogant towards all outsiders’ (Strange 1991: 33). We ask, therefore, why this particular theoretical identity of the discipline – which has been described as ‘autistic’ (A.B. Tickner 2003: 301) – should be accepted as the only possible legitimate one? And we ask this not least because the present lining of the mainstream
theoretical goalposts works to privilege the dominant or powerful at the expense of the marginalised or the ‘weak’ within the world economy.

Clearly while many regulatory theorists are not explicitly seeking to defend the actions of the powerful, nevertheless their approaches often serve to achieve this outcome. Let us take the example of Eurocentric theory, which has been insufficiently explored as a key influence on IPE theory (see more on this in the next section). It was this racist discourse and its depiction of the Eastern peoples as passive, regressive and helpless, that at the very least partially informed the subsequent European imperial ‘civilising missions’, which in turn led on to all manner of human injustices including war, imperialism, genocide and social apartheid (Said 1978). Moreover, Eurocentrism continues to degrade Eastern peoples and societies as post-colonial scholars point out (eg, Said 1993; Guha and Spivak 1988; Smith 1999; Chakrabarty 2000; Ahluwalia 2001). In short, portraying the Eastern peoples as mere passive victims of Western power ultimately serves to highlight their oppression at the expense of revealing their agency. Accordingly it leads to a ‘politics of despair’ wherein structures of Western power become anthropomorphic and therefore appear as seemingly unchallengeable (cf. Gills 2000).

By conflating the interests of the elite minority with the universal good, so regulatory theorists camouflage (often from themselves) the ideological aspect of their approach. Here it is important to reiterate Robert Cox’s famous statement:

Theory is always for someone and for some purpose…. There is, accordingly, no such thing as theory in itself, divorced from a standpoint in time and space. When any theory so represents itself, it is [all] the more important to examine it as ideology, and to lay bare its concealed perspective (Cox 1986: 207).

This claim leads on to recognising that theory and research has an important ‘performative’ role. That is, theory and research is not simply a reflection of a ‘world out there’ but comes to constitute and shape it (Ashley 1987; Walker 1993). Accordingly, we accept that our approach is no less political than that of regulatory theory. But its politics focuses on recognising the agency of the marginalised rather than celebrating the power of the strong or dominant. Reinterpreting the world by recognising the agency of everyday actors is an inherently emancipatory act since it necessarily empowers them.
Sold as an antidote to this (hidden) politics of humiliation, critical theory has been highly effective in interrogating the twin claims of scientificity and value-neutrality and revealing the various political and epistemological biases that have lain at the heart of mainstream Regulatory IR/IPE theory. It is noteworthy here that an Anglo-Canadian critical IPE was born in the 1970s as an alternative to American RIPE (though this is not to ignore the important pioneering contributions made by various American critical theorists such as Craig Murphy, Spike Peterson and Ann Tickner, as well as continental Europeans such as Jan Nederveen Pieterse). The Anglo-Canadian school was pioneered by Susan Strange and Robert Cox, and was later developed further by inter alia Stephen Gill, David Law, Roger Tooze, and Robert Denemark, and yet later on by Robert O’Brien, Marc Williams, Ronen Palan and Barry Gills. But to return to the narrative. It is clear that in interrogating RIPE, feminists have performed an invaluable service in revealing its gender-bias (eg., J.A. Tickner 1992), no less than critical Marxists have revealed its conservative class bias (eg., Cox 1986, 1987), as much as revisionist theorists are revealing its Eurocentric bias (eg., Nederveen Pieterse 1990, 1991; Ahluwalia 2001; Ling 2002; Salter 2002; Chowdhry and Nair 2002; Darby 2004; Bowden 2004; Hobson 2004; Hobson 2006).

But there are two inter-related paradoxes that confront us here, both of which suggest that critical theory has sometimes failed to follow through on its claim to be emancipatory. First, while various strands of critical theory have revealed mainstream theory as permeated by all manner of political biases, they have sometimes stopped short of revealing how the marginalised have agency and transformative capacity. And second, some critical theorists have portrayed the marginalised as passive victims of various structures – of global capitalism, or patriarchy or Eurocentric/postcolonial discourse – thereby unwittingly joining hands with the very theories that they seek to displace. For example, despite the many brilliant insights that Edward Said’s *Orientalism* brought to the Social Sciences, it is nonetheless striking how little it taught us about the practices, let alone the agency, of the Eastern Other (Said 1978; but see Said 1993). Or again, despite the pioneering work of scholars such as E.P. Thompson, the fact remains that within critical Marxist IPE ‘the theory of [transnational] capital is much further developed than the theory of class struggle’ (Nederveen Pieterse 1990: x; cf. O’Brien 2000). Feminists have located the specificity of gender in IPE by showing, for example, that Third World women suffer more at the hands of IMF structural adjustment programs than do their male counterparts, or that
First World development aid to the Third World often reduces women’s status relative to men’s. But unintentionally, this reinforces a conception of female powerlessness that *inter alia* that must be redressed. All in all, it sometimes appears that critical theorists feel more at home when revealing the power of elites than they do in highlighting the agency of the peripheral or marginalised. Our key point here is that there are significant barriers, which have been erected on both sides of the orthodox/heterodox divide, to revealing everyday agency.

This is not simply to say that we need, for example, stories of women as ‘winners’ rather than ‘losers’. But it is to say that feminist approaches can be a powerful tool for locating sites of agency – not just repression – where the emphasis is on transformation rather than regulation or distribution (eg, Waylen 1999; A.B. Tickner 2003). Indeed feminist IPE analysis should reveal how women as agents interact with, and thereby impact upon, international structures while recognising that such structures react upon women (Waylen 2005). Or as one IR feminist scholar put it, ‘Women should… not be seen as [mere] “victims” of global economic and political processes, but [also] as active participants and potential agents of change in the global political economy and development’ (Steans 1998: 130-1). The same goes for the analysis of Eastern agents. Thus, for example, the significance of revealing the manifold Eastern contributions that enabled the rise and development of the global economy, as well as the world-historical breakthrough to modern capitalism, is that it restores the Eastern peoples to the status of pioneering agents or subjects of global history (Hobson 2004). In turn this re-empowers them as agents, thereby undermining the Eurocentric denigration of them as but passive and inert objects of the West.

Much the same could be said about the re-empowering of labour, or peasants, or women or any one of the other marginalised groups that our contributors focus on. All in all, then, our focus on everyday agency necessarily counters the politics of mainstream IPE theory. For highlighting the agency of the marginalised undermines the anthropomorphistic image of structures and elites and, therefore, replaces the politics of despair with a politics of possibility.
III Puzzle Sets Not Research Programs

EIPE seeks to pick up the fragments left by heterodox IPE through a focus on everyday actor agency, while also addressing the concerns of RIPE. As established earlier, orthodox IPE a range of prominent scholars have become dissatisfied with the narrowness of questions asked within the discipline and have lamented the growing gap between research driven by demonstrations of social scientific rigour within a research program and policy relevance (Katzenstein, Keohane, and Krasner 1998). The push for increasingly stringent social science methodological standards is not, in our view, necessarily tied to RIPE’s obsession with a ‘cockpit’ or ‘engine room’ model of change. Indeed, quantitative models are important to the development of EIPE in outlining political and economic trends among a broader population, rather than the ‘winners’ and ‘losers’ that RIPE tends to focus on. Indeed, in our view quantitative methods are suited to revealing how most people live, which can provide keen insights into broader changes in the international political economy.

The drive towards the increased use of social scientific methods in RIPE may be seen as an ongoing obsession with the creation of explicit research programs that target dominant actors, issues, and topics to the exclusion of others. In the late-1980s, Robert Keohane (1988) famously argued that ‘reflectivist’ IPE would not get off the ground without a coherent research program. Since then the development of research programs within RIPE, most prominently the neoliberal and neorealist institutionalist theories, has constricted the field of examination within extremely narrow parameters according to a defined set of rules for qualitative and quantitative research (King, Keohane, and Verba 1994; cf. Brady and Collier 2004). According to the criteria which most RIPE aims to comply with (see Biersteker 1993; Elman and Elman 2002), a rigorous Lakatosian research program requires that it:

(i) subsumes prior theories;
(ii) predicts novel facts that were not forthcoming from other theories;
(iii) requires less qualifications in meeting up to the empirics, and
(iv) deals with more important questions than previous theories.
Arguably, most RIPE research programs, as currently conceived, fail to meet most of these criteria (cf. Keohane and Martin 2003). While many orthodox scholars would argue that their theories do indeed subsume other theories within the discipline, the behavioural assumptions made to do so effectively negate the rest of the criteria. RIPE can indeed claim to produce novel facts that were not forthcoming from other theories. Layna Mosley’s (2003) important, *Global Capital and National Governments*, for example, uses orthodox means to establish the innovative finding that financial market actors are only really monitoring OECD governments’ inflation and current account deficits, while they scrutinise Emerging Market Economies with a fine tooth comb. Nevertheless, the frequency of such innovative research findings has considerably slowed. This is primarily because RIPE research programs carry a great deal of intellectual baggage, the effect of which is to narrow the new terrain to be explored on the one hand and has us looking inward rather than outward for innovation on the other. Much of RIPE concentrates on discovering new ‘micro’-findings within the current theory that is held to have subsumed all others, within the current assumptions of behaviour that are held to be the most dominant, focusing on the actors that are held to be the most important above all others, and on the questions that are prioritised above the rest. As a consequence research programs, rather than empirical enquiry, constitute the driver of research projects.

Take the latest developments in what we have termed systemic constructivism as a negative example. This literature puts forward the view that ideational or norm entrepreneurs can use ideas during periods of radical uncertainty to build a new consensus and establish a new path for institutional change and governance. In its most extreme form, this literature asserts that *certain* ideas can be powerful when the following assumptions hold true: first, that the situation is to a high degree uncertain. Second, the ideational entrepreneur views the intended policy change as rational self-interest, with this interest informed by the idea being proposed at the time. Third, the ideational entrepreneur has a strong personal bond with the other elites he or she is attempting to convince. Fourth, and most problematically, the ideational entrepreneur has the sufficient political and material resources to support his or her push for change (Parsons 2003). In this extreme form systemic constructivism fails all of the criteria for advance in a research program (not least because one must wonder how it has advanced on the earlier literature on epistemic communities (Haas 1992; Rosamond 2005). More importantly, if constructivism is meant to bring sociological analysis into
the study of the international political economy (Parsons 2003; Barnett and Finnemore 1999), one wonders where society is beyond the elites? As Colin Hay points out, constructivists require a prominent elite actor to provide an ‘ideational focus for the reconstruction of the perceived self-interest of the population at large’ (Hay 2004: 210; Blyth 2005; Seabrooke 2005).

Thus we confront a double-paradox: first, that recent orthodox developments in IPE fail because in seeking to live up to the extant research programs in RIPE, they nevertheless often fail to produce innovative research in the process. Second, and most paradoxically of all, they often simultaneously fail to live up to the criteria that constitute a research program in the first place. From this it might be supposed that we are suggesting that RIPE scholars should work to ensure that they conform more closely to the Lakatosian research program. But in fact we suggest quite the opposite: that research programs should be foregone altogether, and that we should instead focus on loose clusters of questions or ‘puzzle sets’ that invite interpretive analysis of how everyday actors affect change in the world economy. Here our EIPE puzzle sets invert the approach typified in RIPE research programs. While the latter uses the empirical world as a data site to mine in order to demonstrate the rigour of their theories and the relevance of their assumptions, EIPE begins with questions about the empirical world that then drive the research. Puzzle sets, therefore, produce question-driven research instead of theory-driven research. As such, the analytical tools required depend not on the theory to be tested but the questions to be answered, which inclines us toward analytical eclecticism and away from theoretical reification (Sil and Katzenstein 2005). The best means to start here is to begin by identifying the types of action associated with ‘everyday’ activity outlined above.

Earlier we outlined how RIPE commonly explains change in the international political economy through three types of action that are all elite-focused – specifically ‘coercion’, ‘mimetic conformity’, and ‘radical uncertainty/crisis’. By contrast we posited three kinds of action that everyday actors use to assert their agency within the political and economic constraints of their environment – ‘defiance’, ‘mimetic challenge’, and ‘axiorational’ behaviour. On a prima facie reading it might be thought that the third form of agential power – axiorationality – is the least effective form of agency. Typically defiance, which is certainly the most dramatic form of agency, is popularly imagined to be the most effective in achieving a certain ends (think of the recent French race riots for example, or the violence
deployed by Third World anti-colonial movements, or the Bolsheviks in Russia). But axiorationality, which is understood as incremental everyday actions, can have no less an important impact on effecting change in the world economy. And while these actions are clearly not dramatic and are often not ‘political’ in motive, their political impact can nonetheless be dramatic (Kerkvliet 2005).

These three types of action invite discussion of how they may be combined with empirical cases. To this end, we suggest the framing of a series of puzzle sets that encourage the reader to ‘mix and match’ with the hope of finding new empirical cases and pushing the conceptual boat of EIPE out much further. Such analytical eclecticism provides a fruitful means to discover how everyday actors have the capacity to transform the world economy, as well as to generate new sets of questions and topics that can reveal hitherto masked sites of agency and change (cf. Sil and Katzenstein 2005). The work in sociology on ‘social mechanisms’ encourages a similar spirit of investigation in seeking to reveal micro-processes to answer research driven questions, rather than to slavishly follow macro-level variables that privilege form and style over substance (Campbell 2005; Seabrooke 2006a: Ch. 2). The following puzzle set-combinations provide potential avenues for exploration.
### Table 1.3: Everyday IPE Puzzle Sets

<table>
<thead>
<tr>
<th>Great Power political economy</th>
<th>Defiance</th>
<th>Mimetic challenge</th>
<th>Axiorationality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3. OPEC oil shock</td>
<td>3. Eastward expansion of the European Union</td>
<td>3. Tax avoidance in Tsarist Russia</td>
</tr>
<tr>
<td>International Regimes</td>
<td>1. Informal networks among migrant workers</td>
<td>1. Tax havens and the OECD</td>
<td>1. Development of European credit fairs</td>
</tr>
<tr>
<td></td>
<td>2. Fair Trade movement</td>
<td>2. Developing states and the WTO</td>
<td>2. British work-hours norms pre-ILO</td>
</tr>
<tr>
<td>Economic globalisation from below</td>
<td>1. Peasant resistance to global neo-liberalism</td>
<td>1. Peripheral country credit rating agencies</td>
<td>1. Individual investments in pensions schemes</td>
</tr>
<tr>
<td></td>
<td>2. Labour challenges to global capital</td>
<td>2. Creation of tourists zones of comfort</td>
<td>2. Workforce casualisation and ‘homework’</td>
</tr>
<tr>
<td>Intercivilisational political economy</td>
<td>1. Informal migration from South to North</td>
<td>1. Rise of Japanese capitalism after 1868</td>
<td>1. Diffusion of Asian ‘resource portfolios’</td>
</tr>
<tr>
<td></td>
<td>2. Campaign for indigenous property rights</td>
<td>2. Indian development of a service economy</td>
<td>2. Spread of corporate and urban youth culture</td>
</tr>
</tbody>
</table>

The table above illustrates a variety of everyday IPE puzzle sets across different dimensions of political economy, international regimes, economic globalisation from below, and intercivilisational political economy. Each category is further divided into three subcategories, each representing a specific event or phenomenon. The table provides a comprehensive overview of how power dynamics and economic forces interplay in various contexts.
Importantly, everyday types of action do not have to be successful to merit our attention. Such a view would lead us back into the functionalist selection of material for investigation that plagues much of RIPE. Rather, we are interested in how some forms of action within an everyday strategy fail, such as the case of developing countries’ attempt to defy the GATT through the Group of 77. We note how RIPE is primarily concerned with selecting winners and ignoring losers. This is consistent with the research program predisposition of RIPE and is a function of the concomitant need to defend a theory. By contrast, our concern is to locate sites of agency across the global economy rather than to privilege winners. And, as we shall note below, analysing everyday actions that fail can tell us a great deal about the exercise of power by the elites.

Table 1.3 reveals a very wide expanse of topics that can be considered within an EIPE context, though it is in fact only a representative sample of what could be included. Ultimately, we see these topics as important for understanding not just some of the key processes of change that exist today, but because they enable us to explore the origins of the modern global system in novel ways. Indeed we are amazed that RIPE has failed to pay serious attention to many of these. Equally, even if some of this might be conceded as important, nevertheless, given the obsession with parsimony in mainstream IPE, the reply might well be that the result is unwieldy and is not conducive for the effective teaching of IPE. Accordingly, in the next section we set out a potential IPE course offering in order to reply to this potential criticism. But for the moment we need to provide a brief explanation of why we have included the topics situated in Table 1.3. We do not intend to cover all the topics in the table, but instead we focus on one from each box to illustrate our case. We shall consider the three forms of agency as they apply to each of the four topic areas that are germane to EIPE. Nevertheless, our most important point is that the puzzle set invites us to imagine new questions and new research problems that can reveal vital information on how the international political economy is transformed by everyday actors, from individuals to peripheral states and peripheral peoples.

i. Everyday IPE of Great Power Political Economy
In general this topic is of great importance as we ask the following questions: how does the agency, legitimacy, and identities of actors differ over time? To what extent does the character of an international economic system reflect the societies of the dominant polities or economies within it and to what extent does it reflect the societies of peripheral states and peoples?

a. defiance

Red Flag LINUX: It strikes us that one of the most important forms of resistance that will transform the East Asian political economy, and with it the world economy, is China’s development of ‘Reg Flag’ LINUX computing operating software. This is significant because it provides an alternative system to Microsoft. While we do not consider the Chinese government as a peripheral actor within the world system, the manner in which LINUX is developing in China is very much a bottom-up process. So while the government has pointed to LINUX as the new operating standard, the key principles that support LINUX such as ‘shareware’ and ‘freeware’ permit development of the software by everyday actors as they go about their everyday business. As such, the development of ‘Red Flag LINUX’ typifies a sharp form of resistance against individualised intellectual property rights and Microsoft’s hegemony within the global information technology marketplace (May 2004).

b. mimetic challenge

Eastward expansion of the European Union. The process of Europeanisation in RIPE is commonly seen as the expansion of northwestern Europe and its values on to new members (on integration see, in particular, Moravcsik 1998). However, this is not a one-way street. The peripheral countries that are slowly being included within the European Union, and the economic privileges it provides, have reformed their own economies and political systems in order to claim that northwestern European states fail to live up to their professed standards of equality and fairness. As a consequence, the legitimacy of Europeanisation requires that it also adapts to new practices of non-integrated states (Schimmelfennig and Sedelmeier 2005).

c. axiorational

Chinese consumerism and production. The development of Chinese consumerism and production is being built up in significant part through everyday incremental acts that involve the development of new economic, social, and political conventions. And the importance of this process
for the world economy cannot be overstated. We know that Chinese production is having a significant impact on Western societies (think for example, of the troubled fate of Italian textile companies), but we know less about how the voracious demand for various products such as steel, cotton, and oil, are inflating world prices for such goods. Accordingly, this is impacting on Western societies as they seek to deal with these new pressures. Understanding changes in axiational behaviour among Chinese consumers and producers is critical to the transformation of the world economy but to date has been neglected in IPE (though it is tackled by some anthropologists; see, Schein 2001).

**ii. Everyday IPE of International Regimes**

General questions here include: can everyday actors resist the diktat of international regimes? To whom must formal international regimes be responsible? Does the development of rigorous informal regimes by everyday actors precede formalisation of an international regime for it to be legitimated and sustained? When does mimetic challenge fail and succeed in everyday challenges to international regimes?

*a. defiance*

*Fair Trade.* The Fair Trade movement appeals directly to everyday consumption within Western states (buy Fair Trade coffee, for example), while using a discourse of justice and economic sustenance for the peripheral countries where the products for consumption are produced. As such, the Fair Trade regime’s key source of defiance is grounded in tapping into an everyday moral economy that leads to actions that defy a capitalist system based on exploitation (Watson 2006).

*b. mimetic challenge*

*The Asian Monetary Fund.* The failed AMF proposal deliberately mimicked the rhetoric and institutional design of the IMF to legitimate its claim that post-financial crisis East Asia required a more regionally sensitive fund (Leaver and Seabrooke 2000). The proposal provided more generous loan conditionality and financing provisions on the grounds that Western institutions (read the IMF) are insensitive to cultural traits and impede state sovereignty. While the AMF failed to evolve, the key point here is how peripheral actors can call for regimes that provide a challenge
to the governing structures of the day. Moreover, revealing the ‘pressure points’ on US hegemony can tell us a great deal about the exercise of American power in the world economy.

c. axiorational

*British work-hours norms pre-International Labour Organization* (ILO). During the 1920s the ILO received lukewarm support from the British government. Even the Labour government of 1930 opposed the idea of a 40-hour working week supported by the ILO. However, by 1935 the National Government coalition lent its support to the notion (Lowe 1982: 259). While scholars often point to the ‘Keynesian revolution’ in economy policy (Gourevitch 1986: 142-6), another explanation is that changing attitudes about work-time and leisure-time among British workers provided strong impulses for the government to reform not only nationally but internationally in order to claim legitimacy (Seabrooke 2005). Understanding historical changes in attitudes among the broader population provides a fruitful basis for learning of the constraints and opportunities for regimes and their legitimation (as recently recognised by Keohane among others; Keohane 2002: Ch. 10).

### iii. Everyday IPE of Economic Globalisation from Below

Key questions on ‘bottom-up’ processes of transformation in the world economy include: can everyday actors work collectively and intentionally to affect real change? Can global change occur in small incremental acts from agents who do not necessarily realise the aggregated consequences of their individual actions?

* a. defiance

*Small scale piracy of intellectual property*. From cases in the Western world, such as the case of Napster, to the development of street market sales of pirate CDs, DVDs, and software in developing countries, small scale acts of piracy represent a direct challenge to both corporations who have profited from monopoly or oligopoly arrangements to secure higher profits on intellectual property, or more broadly to the intellectual property rights regime. Such defiance is now so diffuse that it has created a black market economy that touches our everyday lives.

* b. mimetic challenge*
Peripheral credit rating agencies. The growing prominence of private credit rating agencies in the global financial order has been remarkable in the past twenty years (see Sinclair 2005). Agencies such as Standard and Poor’s and Moody’s are important for setting benchmarks for financial investors in Emerging Market Economies, including how much capital flees during times of uncertainty (Mosley 2003a). As such, many peripheral states have developed their own internal credit rating agencies to provide clear signals to the financial marketplace (Seabrooke 2006b). Such agencies, however, do not simply parrot the international agencies but provide a means to have greater control over information released to markets. The development of such agencies is an important development in how peripheral states may attract more stable investment and have a greater voice in an increasingly privatised global financial regulatory order.

c. axiorational

Workforce casualisation and homework. As Louise Amoore’s (2002) recent and important work tells us, there are important changes in work practices within Western states that are occurring incrementally. It is likely that those making the changes may not recognise the broader significance of their actions for the world economy. One important and understudied aspect here is the casualisation of jobs in Western economies, especially in the services sector. Such changes come from both top-down processes associated with a shift towards neoliberal flexibilisation among corporations, as well as through bottom-up processes in the form of the choice made by some workers to move away from a nine-to-five format. While there is much work in political economy on skills retraining and other employment concerns (Culpepper 2003; Thelen 2004), as well as the gendered aspects of work regimes (Peterson 2003), the impact of workforce casualisation on the national and world economies remains understudied.

iv. Everyday IPE and Intercivilizational Analysis

Important questions here include: how are we to consider the significance of cultural-ideational and technological exchanges for change in the world economy? Are discourses of race still important in informing change in the world economy? Are economic systems over time built in opposition to some cultural ideals and identities while holding others as superior? Or, is the global economic system shaped by the interaction of Eastern and Western agents? And finally, to what extent did the origins of the global economy originate in Eastern practices?
a. defiance

*Informal migration from South to North.* Informal migration has long been an important aspect of the world economy, and is especially significant in the contemporary setting where Western governments seek to stop the flow. While those migrating from the South may not consider their actions to be an explicit protest against the capitalist system, they may consider it an explicit act of defiance against the economic, political and social circumstance of their local environment. It is also an act in defiance of the legal authorities within the states to which they migrate. Such actions provide an everyday ‘clash of civilisations’ that has exacerbated the development of a strong racist discourse in many Western states. And this in turn has led to an everyday backlash by marginalised ethnic groups (again, think of the recent race riots in France). Informal migration also has important consequences for labour, production, and welfare markets, but is ignored within RIPE.

b. mimetic challenge

*Spread of corporate and urban youth culture.* This appears an odd topic for IPE. Yet, it strikes us that one major change in the world economy is both the creation of a CEO and CFO global corporate culture and the diffusion of American, overwhelmingly African-American, urban youth culture (think of the music and clothes sold today compared to just two decades earlier). Such cultures are intercivilisational in the sense that while identified as American they deeply affect patterns of financial and commercial regulation and production for CEO culture, and consumption and political voice for urban youth culture. In peripheral states, as well as in most Western states, these cultures have not been adopted passively but actively as a challenge to extant dominant practices within those states. As such, this intercivilisational cultural shift has the capacity to influence a state's ‘variety of capitalism’ and, in so doing, to issue change in the world economy (Hall and Soskice 2001).

c. axiorational

*Trust and contracts among Arab traders/investors.* The historical development of Arabic trading and financial networks has been a point of discussion within economic history as well as among scholars who dabble in international political economy concerns. A dominant view of Arab trading and investment networks in the medieval period is that they functioned inefficiently
due to an absence of contracts (therefore requiring more workers to man trading vessels to enforce payment). Two implications that stem from this are first, that there was a lack of trust among Arabs in comparison to their Genoese or Venetian counterparts, and second, that the Arabs were far less inventive and creative than their Italian counterparts (Greif 2006). But this does not square with the point that Arab trading and financial networks not only preceded those of Venice by several centuries but were far more extensive, thereby implying that trust was well-developed. And by further implication, this fails to square with the point that almost all the trading and financial institutions that were deployed in Venice were invented in Islamic West Asia and were later copied by the Italians (Hobson 2004: Chs. 2 and 6). Clearly, if we are to infer aspects of the contemporary world economy from micro-level changes in the past, it is important to abandon commonly-held Eurocentric views of ‘non-Western’ cultural traits and identities.

IV Policy Implications

We believe that EIPE has a greater capacity for policy relevance than RIPE. After all, what policymakers want to know is how policies and institutional change occur on the ground; how such implementation has occurred within different periods of time and in different social, political, and economic contexts; and how policy change has been legitimated to ensure that the changes are enduring rather than simply cosmetic. Much of RIPE does not provide such information because it often fails to check policy implementation subsequent to the moments of crisis or shocks that allowed policy and institutional change to occur. More importantly, RIPE’s obsession with viewing the past through the lens of the present, and with seeking to find policy solutions only within the confines of the present delimits the policy choice set (see the discussion of ahistoricism – tempocentrism and chronofetishism – in Hobson 2002). Thus we feel that EIPE provides not only an exciting intellectual enterprise in discovering hitherto unknown or ignored terrain, but also opens up the ‘policy imagination’ that provides detailed and practical information for policymakers (see Seabrooke 2006c).

The key to opening up this policy imagination, we believe, lies in abandoning RIPE’s search for superior ‘research programs’ that can subsume all other theories, and which simultaneously provides a view of the world that is deeply out of touch with the lives of everyday people. Instead we suggest that EIPE’s ‘puzzle set’ framework provides a coherent agenda for investigation that encourages the development of policy imagination in both an
intellectual and practical context. What policy implications may be drawn from EIPE? We suggest that EIPE is highly policy relevant because much of the impulse for policy change in the contemporary world economy comes from below rather than from above. We briefly elaborate upon this by taking three areas of IPE typically held to have high policy relevance; ‘policy diffusion’, ‘global governance’, and ‘US hegemony’.

First, the growing literature on ‘policy diffusion’ provides important information on how policies, such as capital account liberalization, have spread around the world in past decades. This entails the testing of different hypotheses on why this has been the case, such as geography, cultural similarity, external political pressure, domestic political pressure, communication networks among policymakers, and others (Simmons and Elkins 2004). Particularly insightful work in this area has sought to understand under what conditions elites learn that some policies are appropriate and not others (Chwieroth 2005). However, in tracing formal agreement on the international appropriateness of a policy, we learn little about how the policies are legitimated within the states that adopt it. If we only consider legitimacy as a form of ‘elite proclamation’ then we have trouble in comprehending how a process of policy diffusion can lead to effective policy implementation on the ground. For example, we might ask what the root is of Argentina’s ongoing financial problems. The Argentinean Treasurer may well agree with the international appropriateness of a policy such as capital account liberalisation as propagated by elite institutions. Nevertheless to place the government on a sure financial footing requires stronger fiscal foundations which, in turn, requires greater social legitimacy. EIPE can, therefore, provide important policy insight into how everyday actors and their practices assist or hinder policies already formally diffused.

Second, the literature on ‘global governance’, especially that on transparency and governance, focuses on getting the institutional structures right with the hope that better on the ground policies will follow. However, while this literature notes that reform programs regularly fail and seeks to engage ‘civil society’ to remedy this, its primarily aim is to suggest and design ‘world’s best practice’. As Robert O’Brien (2000) and others have asserted, the literature on global governance is ineffective unless it can tap into how it changes how people conduct their everyday lives while recognising the importance of new social movements on the environment, labour and gender issues (see also Neumann and Sending 2004). Moreover, while the global governance literature focuses on ‘getting it right’ within the institutions, it downplays the agency of peripheral states in rejecting rules dictated to them. Understanding
forms of defiance and mimetic challenges from peripheral states and everyday people can provide relevant information for both the international economic institutions and the peripheral states concerned, hopefully with mutual benefit to both.

Third, we know little of how ‘hegemony’ or Great Power works in practice, primarily because it is typically discussed in terms of the policies supplied. And more often than not, hegemony/great power political economy is viewed as a blanket structural constraint on those at the receiving end. While both aspects provide answers to the questions ‘who governs?’ or ‘who benefits?’ (as discussed above), nevertheless they provide scant insight into how the policies are received and implemented on the ground. Accordingly, we simply do not know how hegemony or international institutions, reshape everyday lives, or provoke different forms of defiance from everyday actors, or how it provides incentives for mimetic challenges.

The three above areas of RIPE are all informed by the regulatory questions – ‘who governs?’ and ‘who benefits?’ – in order to understand change in, and governance of, the world economy. However, by asking ‘who acts?’ – like Max Weber’s question ‘who do men obey?’ (1998: 5) – reveals how individuals and social groups do not blindly follow dictates supplied to them from above, but have their own capacity to resist and, in various ways, transform the world economy. In our view, as noted earlier, many real world policymakers are more interested in how policy has worked and has been sustained rather than whether it is simply accepted by elites. As such, the clever policymaker is interested in the social legitimacy of the institutional changes he or she is considering, rather than relying on powerful politicians or ideational elites to command or proclaim the legitimacy of a policy. Finally, the clever policymaker also wants someone who has policy imagination. That is, someone who can provide critical insight from combining analytic tools within an open interpretive framework, which can generate an understanding that expands, rather than restricts, policy choice. Our EIPE puzzle set seeks to foster just such policy imagination.

Conclusion

In sum, the development of EIPE is important for one reason above all others: that it can promote an understanding of how the bulk of societies – not simply the ten per cent at the top of the food chain or the 10 per cent at the bottom – can inform change in the international political economy. If we consider how we live our everyday lives we know that the governance structures at the national
and international influence our capacity to buy some goods and not others, to have access to credit in some situations and not others, and the extent to which states and people less fortunate than ourselves are exploited or ignored. This we have some idea about, and RIPE performs an important job in teaching us about the governing structures and institutions of the global economy. We do not, however, know so much about what capacity we have to change our own political and economic environment. Nor do we know much about the capacity of everyday actors outside of the core Western societies to transform their own environment. Understanding how such capacities have developed and how they are changing better informs us about the multiple social sources of change in the international political economy. And in so doing, we shall increase our capacity to shape our political and economic environment and to learn how those with power may be tempered or even displaced for the benefit of the majority.

References
Abdelal, Rawi, Mark Blyth and Craig Parsons (forthcoming) 2006: Constructivist Political Economy.


Blyth, Mark 2005: ‘Beyond the Usual Suspects: Ideas, Uncertainty, and Building Institutional Orders’, mimeo, Department of Political Science, Johns Hopkins University, October.


Haas, Ernst 1959: *The Uniting of Europe* (Berkeley: University of California).


May, Christopher 2004: ‘Side-stepping TRIPs: The Strategic Deployment of Free and Open Source Software in Developing Countries’, IPEG Papers in Global Political Economy, No. 9, May. See [www.bisa.ac.uk](http://www.bisa.ac.uk)


Murphy, Craig N. and Roger Tooze 1991: ‘Getting Beyond the “Common Sense” of the IPE Orthodoxy’, in Murphy and Tooze (eds.): 11-31.


