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Multiple Paths through the Complexities of Globalization:

The next three years of *Competition & Change*

Hulya Dagdeviren, Peter Lund-Thomsen and Leo McCann

In the first article published in volume one of *Competition and Change*, Appelbaum and Henderson (1995: 1) argued that 'the world economy is in a time of acute and probably unprecedented flux and transformation.' They used a rather grandiose metaphor of 'the hinge of history' - 'a critical turning point around which history is turning.' Just over twenty years on we would certainly agree with the notion that flux and uncertainty remain central features of a global age. But the metaphor of a 'hinge of history' has perhaps turned out to be less helpful. 'Hinge' seems to imply a mechanism that unfolds in two opposite directions with perhaps obvious, dramatic or definite results either way. Yet globalization seems to have opened out into an infinite array of indeterminate directions, as noted by the rise of the use of the word 'globalizations' in the plural rather than the singular (Gills, 2004).

The concepts and imaginaries of globalization and financialization are so commonplace to be almost taken-for-granted. Yet the meanings and manifestations of globalization and financialization are increasingly confused, contradictory and ambivalent (Steger, 2013). Academic, media, and political discourses discuss global business in terms of both the expansion of free trade and efficiency and the resurgence of tariffs and protectionism. Nearly twenty years on from George H.W. Bush's 'New World Order' the worlds of politics, diplomacy and security resemble a confusing and bloody mess of long drawn-out insurgencies, intractable great-power rivalries and a cacophony of non-state actors, from civil society groups to private military contractors and criminal gangs (Kaldor, 2012; Nordstrom, 2004; Porch, 2013). Projects of transnational governance such as the EU or the World Trade Organization face scepticism and criticism like never before. Regulation of the global economy is partial and limited due to its reliance on 'back channels' such as offshore tax loopholes and the inabilities of governments to understand and contain systemic financial risk (Fichtner, 2014). Workers' lives become increasingly insecure amid downsizing, work intensification, outsourcing, zero-hours contracts and bogus self-employment. The rise of trendy 'just be yourself' forms of corporate culture clashes with the ever-tighter straightjacket of digital performance metrics (Fleming, 2009; Srnicek and Williams, 2016). Technological, economic, and political connectivity enables ever-smoother transportation and transaction of certain forms of financial and human capital. But for others, globalization implies regulations, walls and borders; the attempted management and policing of human, physical, and financial traffic.

Competition and Change is a journal of globalisation, financialization and political economy. The pages of the journal have long contained debates on these issues (Bruff and Horn, 2012) which are examined, understood and theorized about across infinite directions and perspectives. The empirical exploration and conceptual deconstruction and theorization of these complications and contradictions will remain at the heart of the debates in this journal. In what follows of this short editorial we, as the incoming new editors of *Competition & Change*, consider how this journal has reflected on them in the past and how it may continue to do so.

Financialization has occupied a central part of the debates in *Competition and Change*. Some landmark contributions in this area signalled the forthcoming turbulence. Boyer (2005), for example, discussed the explosion in CEO remuneration as a result of an alliance between financiers and the CEOs. He argued that financial incentives (especially stock options), rather than disciplining the management class and forcing them to deliver performance, enabled them to increase their wealth and power. Erturk et al (2005) highlighted the disparity between performance and CEO pay and conceptualised this as 'value shifting', long before Bivens and Mishel (2013) in their celebrated article argued for 'rent shifting' to describe similar developments in the process of financialization. Langley (2006) highlighted the growing role of mortgage-backed securities in the U.S. in an article entitled 'Securitising Suburbia'. Post crisis, these views are now widely accepted as central explanatory factors giving rise to the financial collapse in 2008.

Competition and Change continued to publish a series of papers unpacking the dynamics of financial fragility after the crisis. For example, Stockhammer (2008) linked the 2008 crisis to what he called a 'finance dominated accumulation regime' which returned insignificant growth but significant fragility. Crotty (2008) questioned the rhetoric of 'competition for efficiency' which was used to justify financial deregulation, pointing to the ever rising rents/profits in the financial markets since the 1980s. Toporowski (2009) re-examined the process of financialization and reframed it as an inflation in capital markets. Finance and financialization remain a core interest to *Competition and Change* and the journal will continue to publish high quality contributions in this area.

Restructuring has been an ongoing theme. A wealth of research exists in papers published in *Competition and Change* on industrial restructuring in automotives, pharmaceuticals, textile and clothing, telecommunications, services and food manufacturing. Some of the notable contributions in this area account for industrial restructuring in the following ways: as a response to competitive risks and pressure or a quest for market power (Simonet 2007) or a lack of response due to structural constraints preventing restructuring and upgrading in developing economies (Videla 2005). Other studies viewed it as a contest or cooperation between un/changing politics and private interests, a capitalist transformation based on market orientation (Soulsby and Clark 2013) or reconfiguration of global industrial concentration (Franko 2003).

An important element of research on restructuring is related to the change in the role of the state from an investor, provider, planner, coordinator and regulator to an agent facilitating the operation of markets and the private firms. Several contributions to *Competition and Change* framed these developments as the rise of the 'competition state'. Soederberg (2001) discussed the competition state against the developmental state in the context of developing countries.

Later, in a powerful paper, Palan (2006) associated the post-Fordist period with the competition state and its pro-business politics, lacking social mechanisms such as the New Deal or the antitrust legislation that characterised the previous Fordist regime. A number of other papers provided sector-specific developments in the case of health (Harrison and Smith 2003), waste management (Davies 2007) and social care in the voluntary sector (Cunningham and James 2014). These discussions retain validity in the current times and are likely to do so in the near future as reflected by the controversial politics around the Transatlantic Trade and Investment Partnership (TTIP), Trans Pacific Partnership (TPP), the Trade in Services Agreement (TiSA) and the Comprehensive Economic and Trade Agreement (CETA) that contain serious implications for a host of services and especially public services. Hence, *Competition and Change* will continue to be the home for research papers on various forms of restructuring at micro, meso and macro levels, within and across borders.

Global value chain analysis has also been a traditional strength of *Competition and Change*. Since the journal's founding in 1995 scholarly interest in global value chain analysis has increased manifold. A large literature now evaluates in detail the governance of such value chains and the possibilities and constraints that global value chain participation brings for supplier upgrading in developing countries (Schmitz, 2006). Moreover, global value chain analysis has contributed to our understanding of the challenges faced by industrial clusters that are increasingly integrating into the global economy (Humphrey and Schmitz, 2002). The understanding of "global-local" linkages in the world economy is thus a central concern for the journal. In recent years, global value chain research has widened its focus to investigate the implications of global value chain participation for workers in addition to firms in developing countries and countries in transition (Barrientos, Gereffi, and Rossi, 2011). Hence, there is now a growing literature on social upgrading and labor agency in these chains and production networks (Coe and Hess, 2013). Clearly, there is scope for further work in this area along with more traditional global value chain themes such as upgrading and innovation. However, there are also possibilities for relating global value chain analysis to issues such as climate change, environmental upgrading, gender relations and human rights. *Competition and Change* wishes to take the lead in the development of an international research agenda on these "GVC+" issues.

Over the coming years we would hope to see submissions to the journal continue to reflect these long-running matters of concern, but also to reflect on the ongoing, highly-uncertain and multidirectional transformations of global economy.

Of particular significance today is the rise of global and local forms of inequality as a major debate across many regions. High-profile works (see for example, Piketty, 2014; Stiglitz, 2013) have helped bring the issue of rising inequality back into public consciousness, with politicians of almost all persuasions at least paying rhetorical lip-service to the need to address it. All the while, the much-vaunted policies of promoting markets, competition, and consumer 'choice' seem to have had no effect in reducing the costs of vital services such as housing, education, and health (Baines and Cunningham, 2015); a problem anticipated since the early 1960s in 'Baumol's cost disease' (Baumol, 1993).

Closely related to economic inequality is the sense of profound unease surrounding work and employment. Unemployment, under-employment and wage stagnation have become entrenched. Those fortunate enough to be employed face increasing work intensity and a collapse of workplace democracy. For many employees the value, meaning and dignity of work has drastically declined (Srnicek and Williams, 2016). Management philosophies and artefacts such as lean production and quantitative performance management have spread into almost all workplace domains (Stewart et al, 2016). Unions and professions are in steep decline as managerialism dominates the conceptual space for thinking about work and organization.

One of the central elements of managerialism as ideology and practice is its ability to establish itself as the sole authority in organizations across the commercial, public, and third sectors, placing the logics of markets and calculation at the heart of all operations. Managerialism is the 'operating system' of neoliberalism as applied to workplaces (Hanlon, 2015). This means that other countervailing forces or institutions (government, civil society, unions, professions) have little purchase in policy debates (Brown, 2015). Neoliberalism, financialization and managerialism thus remain seemingly impervious to critique (Crouch, 2011) even as transnational scandals erupt such as those around offshore tax havens (Fichtner, 2014). As recent papers in this journal have demonstrated, the logics of financialization have spread significantly into developing countries such as Russia (Viktorov and Abramov, 2016) and Pakistan (Settle, 2016) showing their high degree of integration into global capitalism and its shadier practices of shell companies, opaque ownership structures and aggressive tax avoidance.

The unsavoury, harmful and borderline criminal aspects of global business are a rich area for further exploration. One area rather hinted at so far in this journal but surely relevant to global business and political economy, is the global economy of militarism, violence and war (see Barkawi, 2005; Chamayou, 2015). Recent issues of *Competition and Change* have seen discussions of American empire (Panitch et al, 2015) as well as the rise of private security contractors (Ojiako et al, 2016) and there is plenty of scope for further exploration of these, and related, themes. Of course, socially controversial impacts of global capitalism such as financial crises, war, poverty, exploitation, unemployment and corruption date back, at least (?) several centuries. The journal is, therefore, also interested in manuscripts that address the importance and relevance of history and historiography in discussions of capitalism, financialization and business (see, for example Booth and Rowlinson, 2006).

There is also huge scope for discussion of the roles of new technologies and policies in reconfiguring capitalism, such as high-frequency trading, the rise of a cashless society, or even the utopian (or dystopian) notion of full automation and universal basic income (Srnicek and Williams, 2016). New ways of conceptualizing the essence of capitalism whether in terms of rethinking money (Dodd, 2014), or emotions (Konings, 2015), for example, will always be a major concern of this journal.

Competition and Change has issued a call for special issues for the years 2017, 2018, and 2019 ([LINK](#)). The journal is expecting to publish six special issues during this period. Special issue proposals need to focus on an area of research that falls within the broad scope of the journal and adds value in terms of addressing new or under-explored topics that reflect recent

theoretical and empirical developments with respect to the thematic focus of the journal. The list of topics mentioned above is not exhaustive and the editors are open to consider other relevant ideas with the broader fields of relevance to *Competition and Change*.

Throughout all submissions we receive, we envisage the journal as theoretically-informed but containing writings that are practical, politically-engaged and creative. Hence, *Competition and Change* is not only a journal that tries to “tear down” but also to “build up” in the sense that we welcome submissions that talk about policy alternatives or policy improvements. We would like to emphasize the importance of timeliness and relevance rather than the often stultifying drabness of the ivory tower offerings one so often finds in management journals, for example. We will also be inviting commissioned articles from time to time, such as review articles that explore and evaluate major pieces of work of relevance to the ongoing restructuring of global capitalism (see Hodgson, 2016; Davidson, 2016). For example in the summer of 2017 we plan to publish a special discussion forum on ‘Brexit: One Year On’, written by experts across the fields of economics, political theory and sociology.

Indeed, the journal is already highly interdisciplinary and this is something we and the associate editors want to build on. The journal’s core is probably critical political economy, but such is the complex and diffuse nature of capitalism that the journal will always be interested in publishing articles across the disciplines of sociology, anthropology, economics, politics, social policy, management, history and industrial relations.

Wherever possible, the board and reviewers will aim for quick review and turnover of papers, allowing the journal to be as timely and as relevant as possible. We’ll try to ignore the crazy journal metrics games as best we can, and simply publish papers that have interesting, provocative and detailed things to say about the contradictions and conflicts of globalization. What we want are articles that tell interesting stories about the ‘immense cosmos’ (Weber, 1930/2001: 19) of global capitalism. Lastly, we want to express our sincere thanks to Professor Jane Hardy for her many years of work as editor-in-chief of the journal before us. We hope that *Competition & Change* will continue to be a journal that understands the ongoing ‘turbulence and transformation’ of the world economy (Appelbaum and Henderson, 1995).

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