GEOGRAPHY OF ECONOMIC GOVERNANCE: INDUSTRIAL DIMENSIONS OF STATE-MARKET RELATIONS

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1. INTRODUCTION

There is an urgent need for economic geographers to make their work relevant to debates on governance. I believe there are important ways we can contribute insights in the transition of capitalism we are experiencing today. What I will attempt to do in this presentation is to try and develop one possible avenue of engagement. I am in search of a framework that contributes a reconceptualization of the tools and decision mechanisms that effectively engages in an otherwise highly multi-disciplinary debate of economic governance. My focus is on the economic-social, and on industry’s responses to the changing modes of governance. This is my initial attempt, and there are still a lot of work to be done, so I would much look forward to your comments and feedback. Thus, my presentation today is simultaneously a proposal to economic geographers with a framework of analysis, and my own thinking about one potential avenue that offers an opportunity to engage with broader debates on economic governance.

As we all know, industries do not just respond to the changes in the external world. They demonstrate, for one, that an important redefinition is emerging with respect to how the society conceptualizes the distinction and the boundaries between the public and the private. For another, that redefinition is leading to re-identification of new problems that are planetary in scale, and a greater co-dependence, or co-mingling, of the public and the private spheres of the economy in how we go about developing solutions to these global challenges. Finally, they show that new organizational innovations are being attempted on the ground level that replaces the previous boundaries between the public and private spheres, which in turn, may generate new ideas and frameworks for governance in the future.

In light of these recent industrial transformations, how can economic geographers today contribute to contemporary debates on governance? I will first present the debates on
governance, then I will offer three brief examples as cases in point – environmental challenge, public health challenge, and emerging market challenge. They are all recognized as newly rescaled problems in the past one or two decades, and all have varying industry engagements in various forms and I will discuss how co-mingling is happening in these three areas. These examples simultaneously reflect increasing significance of collaboration in otherwise competitive market economy, and the emerging recognition of globalizing public goods.

2. FROM GOVERNANCE TO GLOBAL PUBLIC GOODS

The debate over governance is a long standing debate, with a variety of previous literatures, and has evolved over the course of the history of social sciences with broad and wide ranging trajectories, due to its inherent multidimensional complexities. Notwithstanding its long history and complexities, it is fair to say that issue of governance has entered a political, economic, and intellectual crisis. The modus operandi of the 20th Century may have reached an end of its institutional life is increasingly and widely shared by the public and academics alike.

From the perspective of the United States, the circumstances around the crisis have resulted in a considerable dent on the confidence of its mode of economic governance as well as its global influence that have prevailed since the end of the World War II. Granted, this is by no means the first time that the U.S. confidence has been eroded; the 1970s was a torturous decade that first posed challenges to the American hegemony of the immediate post-war era. The onset of Reaganomics, the fall of the Soviet Union, along with progressive trade liberalizations in emerging economies cumulatively reinforced the single global economic governance characterized by the revival of neo-classical economic paradigm. What the post-crisis economy of the early 21st Century is doing is that it is once again offering an opportunity to question whether the rebirth of Keynesianism against alleged Hayekian neoliberalism is appropriate, or even possible, as a form of governance, and whether alternative exists that better balances between private interests and public goals. In reflection of this reality, the mention of governance has increased exponentially in economics literature, and particularly so since the crisis of 2008.
Moreover, as evidenced by Arab Spring and Occupy movements around the world, social movements have questioned a variety of norms, institutions, and practices that have come to be viewed to benefit only the small minority of the population. Contemporary interests on governance involve multi-disciplinary origins and apply to multi-scaler issues. The rise of institutional economics (Olson, 1965; Williamson, 1979), historical and sociological institutionalism (Aglietta, 1976; Boyer, 2004) as well as critical philosophy (Foucault, 1978) in part contributed to the debates over governance, whereas globalization challenged effectiveness of governance primarily at the scale of the nation-state, both in the Global North and the South.

The literature on governance today includes ones that emphasize political dimension on the one hand and economic dimension on the other. The former is dominated by the work of political scientists whose primary objective is to analyze forms of institutions that protects and furthers contemporary philosophical underpinnings of democracy, while the latter is a multi-dimensional debate that involves designing, implementing and/or alternatively, critiquing political institutions that govern economic regimes. Both are deeply affected by political and economic agenda being increasingly and progressively globalized from the realm of the nation-state. All this literature in the end pertains to political governance and its institutional form (Chandler 2009; Foucault, 1978; Olson, 1965).

2.1 Rescaling the governance debate

There is an increasing pressure to recognize that democracy as a political institution must “transcend the borders of single states and assert itself on a global level” (Archibugi 2000:144 – quoted in Chandler, 2009, p.54). Yet, rescaling the governance debate to the global poses multiple challenges. As a mechanism of global political governance, the notion of the world (or global) government has been discussed for decades, while many may agree that leaving the nation-state as a mode of governance may increasingly be obsolete, and a number of works attempt innovating on new forms of political community. Yunker (2011) observes that, although there is a recent resurgence of interests in global government, the support among international relations scholars are far in between, and that support expressed lacks necessary institutional specificities (p.92). A few scholars, like Wendt (2003), claimed that the recent resurgence makes the world government “inevitable”, but such claim represents more an anomaly than the norm. As argued by Slaughter (2004), world government is “both infeasible
and undesirable” in spite of the fact that “people and their governments around the world need 
global institutions to solve collective problems that can only be addressed on a global scale.”
(p.8). Furthermore, aside from arising out of ‘uncritical and unreflective’ understanding of 
submissive and uncritical subjects, debate on political community has a tendency to be ‘narrow, 
self-interested and divisive’ (Chandler, 2009, p.53). Finally, discussions over political 
communities and their role in governance have always been inherently territorial (see Ansell, 
2011).

Economic governance, in contrast, is increasingly viewed to have already emerged at the 
global level, and as a consequence debates have progressively departed ones characterized in the 
previous era of inter-state competition to one of globally inter-connected system. The financial 
and trade integration of the world economy, however, goes beyond the 20th century governance 
model (until the 1970s) of the mixed-economy, which involved states and markets reaching a 
compromise (e.g., Bretton Woods Accord). And the current Euro crisis is testing our governance 
system we conceived in the latter 20th Century. As a result, some argue that globalization on the 
realm of the politics lags far behind that of economic globalization, as evidenced by the absence of appropriate political institutions. This prompts Stiglitz (2002) to argue that a ‘democratic 
deficit’ exists in global political governance. As pointed out by Rodrik (2011), representation 
and accountability can only be assured when individuals can reasonably feel strongly about their 
membership to the society as ‘global citizens,’ and a strong sense of global citizenship is still confined to the minority. Under such circumstances, the global political community becomes a 
project of the elites to satisfy their needs. For the overwhelming majority of the population, 
“political identities and attachments still revolve around nation states” (Rodrik, 2011; 232). To 
Rodrik, an assumption that we are witnessing the birth of a global political community is a farce particularly when the role of the nation state is ignored (232).

While debates over political governance today rest largely on contemporary social objectives which seeks representation and justice through promotion of democracy, debates over 
economic governance remain highly inconclusive, and without a clear consensus over their 
objectives. Existing literature on economic governance in fact resort to political solutions to 
economic governance rather than reconceptualizing economic governance itself. For example, 
some calls for reforms of political institutions and decision mechanisms – such as the transfer of 
global economic governance from G7 to G20 (Beeson and Bell, 2009). Similarly, Stiglitz (2007)
blame the absence of political solutions to economic issues. Thus, on the one hand, the market economy as the most effective mechanism of exchange today is virtually uncontested, even if we observe a trend toward an increasingly unequal distribution of wealth. As noted by Ostrom (2010), “the market was seen as the optimal institution for the production and exchange of private goods.” On the other hand, market interventions by the state are increasingly viewed as ineffective. First, it is being increasingly viewed as powerless in the global economy, and second, it is being viewed increasingly ineffective in its ability to develop consensus over its redistributive role.

The mechanisms of the market economy, including logics, incentives, and terms of exchanges are far more naturalized than how we view institutional design for political governance. While naturalization of the market has been acknowledged for a while, few calls for a re-examination of the functioning of the market itself, or attempts a modification to the logic of the market. Politics is based on the logic of leadership, and it involves multiple interpretations for an appropriate and most suitable form. Currently, leadership is viewed as legitimate when representation is assured, and in that sense the logic of representation is the dominant vehicle of the political value systems. In contrast, the economy is based on the logic of exchange. If globalization is indeed “the worldwide extension of capitalism” (Rodrik, 2011: p.233), designing for globalization inevitably involves redesigning capitalism itself. Alternative approaches have been advocated (Graham-Gibson, 1996; Giddens, 2000), however, they are either limited in scope or vague in proposing avenues of reform. We have been postponing developing new frameworks and solutions, rather prolonging the current economic regime to its bitter end.

2.2 Shifting the axis of the debate: Rescaling public goods

Allow me to begin with the following observation. When it comes to economic governance, what has changed, both subtly but definitely, and yet quite gradually, is norms and expectations for public acceptance and social legitimation. This, in turn, influences problem identification, problem definition, and objectives and standards for solutions. Combined with rescaling of issues that originates from the local but have global implications, the shift in public acceptance has been subtly yet fundamentally altering the logic of actions of the market economy, acceptance and legitimacy of state actions, as well as the gradual empowerment of civil society organizations such as the NGOs in various domains. Yet, I would contend, how
these bottom-up processes of change to contemporary logics of an economy works to shape global governance has not been analyzed to depth. In fact, few considers the impacts and implications of industry practices as institutional experiments that influence and transform economic governance. What do industries contribute in form of ideas and practices that serve as a new avenue of economic governance? What challenges do industries experience as modes and regimes of economic governance change over time?

My proposal therefore is to shift the axis of the debate. There are missed opportunities in better integrating the discussion to further theorizing of governance. In debates over public goods, discussions typically dwell on defining the publicness, which often boils down to ‘who decides, who pays’ question, and building a system of institutions that facilitate decision-making by voters, consumers, state, and civil society organizations. The public however is by no means monolithic, it is as multidimensional and segmented and as it is elusive.

As noted earlier, surprisingly few studies explore alternative logics of governance to the market economy. Ostrom is one of the few exceptions, and she does so by reconceptualizing the management of common properties. By examining behavioral (game theoric) assumptions of rational actors, she proposed polycentric governance of complex economic systems over commonly pooled resources. There are several opportunities to extend the scope of such polycentric governance of complex economic systems as proposed by Ostrom. First, the concept is limited by its own assumptions, which involve self-maximizing individuals acting rationally, and invokes free-rider problems as the major source of contest, rather than other pertinent issues as unequal power politics among stakeholders. Second, the model typically refers to consumption of commonly pooled resources. When it comes to production of common property resources, or production of economic opportunities, collective action framework does not adequately address the evolving system of economic governance. Finally and most importantly, assumptions for commonly pooled resources involve clear boundaries that define and determine the limits of the resources as well as the populations who have access to the resources. The primary objective of the behavioral model of common property resources is to find solutions at the micro level.

With rescaling public goods, this aspect has so far escaped much scrutiny, particularly with respect to how it crosses international borders, and what impacts they may have on the future of the global economy (Kaul, et al, 2003). Global public goods are formerly public goods whose
geographic impacts were largely limited to the local and the regional levels. From concrete (infrastructural) examples (e.g., street lights) to intangible ones (e.g., law and order), public goods have been defined, implicitly and explicitly, at the level of the national economy. The literature on global public goods has emerged out of the combination of interests in international relations and public finance, with a primary objective of ‘managing globalization’ (Sandler, 1997; Kaul, et al, 2003). According to Kaul and Mendoza (2002), goods are globally public when “it benefits more than one group of countries and does not discriminate against any population group or generation.” (p.95). Castells (2008) calls the emergence of global public sphere in which national boundaries no longer define relationships between government and civil society. Such emergence of ‘de facto global governance without a global government’ poses a number of conceptual issues.

Production of global public goods is a major challenge for the current mode of economic governance, and therefore serves as a significant impediment to develop responses to combat global issues that range from global climate change to global pandemics. Global public goods require appropriate global governance or international coordination in response. What kind of organizing principles, structure of governance, incentive for participation, financing, and mechanism of decisions are appropriate for the delivery of global public goods? At the very least, this would require a significant conceptual institutional innovation and reframing. Yet, few engages with the question of what types of innovation is necessary in delivering public goods, and what mechanisms of incentives may be most effective to encourage such innovation.

Unlike common properties of the previous era, there is an increasing recognition that certain essential common properties, such as natural resources, are global in nature and therefore cannot be defined by clearly demarcated boundaries. Similarly, poverty has become a global issue, as an experience of poverty is made proximate through the combined effect of information coming through global information infrastructure, and, in addition, seeing poverty close at hand as national boundaries no longer successfully shield American working class the economic privileges afforded in the previous era. Furthermore, transmission of externalities (e.g., pollution, contagious diseases) has become almost instantaneous via hypermobility of people, which resulted in a marked increase in the frequencies of global pandemics and pollution levels to escalate into global climate change.
There is also another important added feature to the dynamics of global public goods production. The emergence of the shared value and extension of empathy across the globe has become unprecedented since predicted by Appadurai (1998) at the end of the last century. Information, yet another form of public good, and its instantaneous transmission, has also impacted our contemporary psyche in many intangible yet important ways. Technological change is most profound when it liberates the economy from resource dependence (fixed supply) and causes exponential scale breaking and scale jumping (e.g., steam engines, monetization, financialisation, the Internet). Whether economic crisis, nuclear disaster or movements for democracy, information is transmitted instantaneously around the globe not only through media outlets, but from an individual to an individual using multiple channels of social networking tools, aided by common platforms and language translation software. Most notably, what used to be distant experiences have become accessible, proximate and intimate, and it has changed the boundaries of our sympathies have expanded to cover the globe. Thus, the essence of globalness in contemporary 21st Century is the proximate-ness of experiences, as manifested in the rescaling and redefining of public goods.

Finally, perhaps it is no surprise that the rise of global public goods has been observed concurrently with the rise of civil society organizations. Civil society organizations, largely represented as non-governmental organizations (NGOs), are by no means new; but it is undeniable that they have become an insider rather than an outside critic, and have become well established and legitimate stakeholders in the structures and mechanisms of global governance. The boundaries between profit and non-profit entities are increasingly blurred as corporations, states, and civil society organizations develop common agenda in spite of the differences in their primary objectives. Redefining and rescaling of global public goods is prompting organizational innovation of sorts, one of which is the emergence of quasi-public entities, such as the NGOs. They are no longer simply the pressure groups engaged in advocacy, but rather, have become not only accepted but necessary participants of the production systems.

To summarize, just as issues arising out of globalization have been rescaled and redefined, it becomes necessary for our conceptual framework to be rescaled and redefined. Our contention is that we observe a series of rescaling and redefining in progress in multiple areas or the economy, and ones that pertain to the production of global public goods. In some areas, a redefinition through rescaling has identified new problems. In other areas, rescaling through
redefining has taken place. In fact, they feed off one another that the sequence is almost non-consequential. Here we focus on mostly on redefining and rescaling.

We use the notion of tipping points as a vehicle to consider the potential of the two intermingled processes. Sassen’s project is “to detect foundational shifts that may still be functioning at the edges or be minor, albeit strategic, components within each of several routinized institutional sectors.” (p. 21). With a long-durée historical survey, Sassen demonstrates how tipping points are observed whereby assemblages are reorganized to give prominence to the system’s capabilities at a certain scale of governance. Her analysis suggests that a galvanizing moment for institutional change is a gradual one. Thus our project is to demonstrate something we believe could be fundamental changes occurring around the edges. What is viewed as appropriately public and private is being redrawn while multi-scales involvements of multiple stakeholders.

3. THREE ACCOUNTS OF GLOBAL PUBLIC GOODS

In the following I will briefly discuss three illustrative examples and explore how the notion of global public goods informs our understanding on the environmental challenge through carbon trading (i.e., creation of markets for common property resources), on the global health challenge via global pandemics and neglected diseases (i.e., involvement of for-profit entities in the production of global public goods), and on the global poverty challenge through innovation for the poor (i.e., non-profit involvement in for-profit activities). These three challenges do not point to success, nor have we found solutions to their dilemma. Rather, they are suggestive of potential changes in the future. Changes for all these industries are work in progress, and they have not shifted into a fundamentally new combination of competition and collaboration. It is worth considering the possibilities that these are emerging forms of industrial transformation that may eventually translate into a new mode of governance with comingled new objectives. They demonstrate varying forms of public-private involvement, shifting and blurring boundaries, altering previously existed problem identification, and introducing a potentially new arrangements or mechanism that integrate competition with collaboration.
3.1 The environmental challenge: formation of carbon trading

Bumpus and Liverman (2008) examined the carbon offset projects under Clean Development Mechanism (CDMs) and Voluntary Carbon Offsets (VCOs) as an intersection of commodification of nature and transnational institutional design that involves multiple stakeholders (consumers, environmental groups, corporations, transnational institutions). While CDMs was developed under Kyoto Protocol Framework to allow trading and credits for emission reduction activities, VCOs evolved through market environmentalist-oriented NGOs and large corporations outside the Kyoto Protocol framework voluntarily trading carbon offsets for philanthropic and marketing reasons. Since then, REDD (Reducing Emissions from Deforestation and forest Degradation) is has been added as yet another effort to combat global warming, which is being supported and financed by international organizations such as the UN and the World Bank.

In these carbon offsets schemes, the process of redefining involved transformation of previously uncommodified resources (carbon sink) and externalities (emissions) to a tradable entity with a price, facilitated by the development of an entirely new market of exchange. Such process of redefining emerged out of the rescaling of public goods from one of a locally-based to a global one, which led to a recognition of a global public good. Through commodification (creation of the global commons) and marketization (production of the global commons), the process of redefining and rescaling led to the creation of the global market by states to trade this newly designed commodity, as well as organizational innovation in which NGOs serve as emerging stakeholders.

3.2. Public Health Challenge: Global Pandemics and Neglected Diseases

Although it has been well recognized that today, “our livelihoods increasingly depend upon well-functioning global networks of health governance” (Ali and Keil, 2006), the field of health geography has seldom examined the industrial dimensions of the pharmaceutical industry, whereas economic geography exclusively focused on innovation and agglomerations without considering the significance of public health. Recently, high velocity of global flows and impact propensity exponentially increased the spread of communicable diseases (Chen et al. 1999; Held et al. 2002), resulting in a series of global pandemic scares, As noted by the outbreak
of the SARS virus in Toronto, originated in China in 2003 or the global influenza pandemic scare, 2009-2010, global connectivity spreads diseases before virus strains are identified, vaccines produced and distributed. Health experts note that the onset of global pandemics has become more frequent particularly since the latter 1990s, and some believe that it is only the matter of time that a powerful virus would spread to make global impacts.

The new challenge in protecting public health of citizens involves multiple axes of governance issues that are yet to be resolved. During the global influenza pandemic scare of 2009-2010, for example, initial acute shortage of vaccines caused political crises in a number of states with panicked parents who were unable to find vaccines for their children. Accusations were launched against the states, the major purchasers of vaccines, for their lack of planning and their ability to better direct pharmaceutical companies to produce vaccines more rapidly. The geography of vaccine production came under scrutiny as some states were seen to prioritize their citizens before allowing pharmaceutical firms to export vaccines abroad. By early 2010, however, it became clear that the virus was not as lethal as it was initially thought, and vaccine manufacturers were faced with massive cancelations. The governments initially planned to handle surpluses through resale to developing countries or donation to WHO. However, it was eventually determined that a cancelation is inevitable, even if they face paying cancelation fees to the manufacturers. Many states had settled with pharmaceutical firms for undisclosed sums. Even WHO came under scrutiny, prompting the Council of Europe to investigate whether the pharmaceutical industry unduly influenced their decision to place pandemic alerts to the public.

The episode of this global pandemic scare suggests, for one, how tightly linked the public and private sectors are in the delivery of public goods (i.e., public health), and for another, the difficulty of resolving competing demands between public health objectives and market incentives. The rescaling of the pandemic from the local to the global complicates the issues further; global pandemics demands quick-responses across industry, nation-states and global governance institutions to effectively manage coordination across borders.

Another example of public health challenge comes from the issue of neglected diseases. Neglected diseases is based on a distinctive problem, one of market incentives, in which “when the market returns are the sole guide to R&D of new drugs, diseases that are prevalent in markets with weaker buying power are neglected” (Stiglitz and Jayadev, 2010). The challenge is to devise an innovative institutional form, that resolves this incentive problem and meet the public
goods objective. Product Development Partnerships (PDPs) are perhaps the most notable organizational innovation in this regard. PDPs are public health driven, not-for-profit organizations who typically use private sector management practices such as portfolio management, industrial project management to drive product development in conjunction with external partners. Numerous PDPs exist today, including Program for Appropriate Technology in Health (PATH), International AIDS Vaccine Initiative (IAVI), and Aeras Global TB Vaccine Foundation.

While various state agencies, such as the United States National Institute of Health and the European Commission continue to provide the bulk of the funding to conduct R&D for neglected diseases, private, not-for-profit foundations are increasingly shouldering a greater share of the burden. Most notable is the role of Bill and Melinda Gates Foundation, which provided 18-21% percent of the total global R&D funding in neglected diseases in the 2007-09 period. Gates Foundation’s role is even more important in case of supporting PDPs – data shows that the foundation is responsible for more than half of the total global funding for PDPs in 2009 (Moran, et al., 2011).

In sum, the global public health challenges involves redefining through changes in public acceptance and social legitimacy for better access to medicine/vaccines, rescaling of the problem as a result of increasing risks of global communicable diseases, combined with the development of global empathy for neglected diseases, and the process of redefining and rescaling that led to the production of private goods to achieve global public goods, and NGO funding for collaborative innovation as one of the outcomes of organizational innovation.

3.3 The Developmental Challenge: Globalizing the concerns for the poor

Poverty in the Global South is no longer perceived to be a problem left for the states in the Global South. This rescaling of poverty as a global concern emerges out of a complex juxtaposition of global awareness driven by the consciousness of the connectedness via newly available transportation and communication technologies, and of the rising perception of poverty as real and credible threats to global stability of political, economic, as well as health concerns. An example of the developmental challenge I discuss in this paper refers to the case of India, where multinational enterprises (MNEs) are increasingly interested in conducting innovation for the poor, and occasionally through forming new R&D alliances with non-governmental
organizations (NGOs). Since R&D alliances has been understood traditionally as occurring between firms, or between firms and government or university laboratories (Sakakibara, 1997; Goolsbee, A. 1998; Bjerregaard, 2010), this new partnership warrants some attention.

The Base-of-the-Pyramid (BOP) market in the Global South, which involves 4 billion people, is previously neglected by the MNEs. MNEs are interested in expanding their markets but often lack an understanding as well as access to this particular population, while NGOs are interested in improving the quality of life for the poor but often lack technological solutions and capabilities. R&D alliances essentially function to reduce various constraints faced by the poor via technological innovation. MNEs provide technological investment while NGOs serves as a vehicle to ensure access to these newly emerging markets (Yaziji and Doh, 2009).

The new partnership indicates, for one, that MNE-NGO relations have moved beyond corporate social responsibility initiatives (CSRs) to the terrain of business that affects the bottom line of firms. For another, MNE-NGOs relations have been conceptualized as largely antagonistic, with NGOs serving as watch-dogs, typically to ensure that MNEs abide by certain environmental or labor standards. Yet, it is worth noting that both MNEs and NGOs have undergone dramatic transformations in recent periods, in which the public increasingly demands MNEs to fulfill not only business but societal objectives, and NGOs are becoming increasingly similar to MNEs in their strategic and organizational characteristic (Smillie, 1995; Doh and Teegen, 2002; Lambell, et al, 2008). The nature of R&D alliances has arguably moved beyond localization of already existing products/services/technologies, beyond ‘frugal innovation’, beyond ‘defeaturing’, but use of sophisticated technologies to meet price points or demand, and beyond ‘reverse innovation.’ In some cases, innovation for the poor is resulting in new practices, such as new pedagogy at schools as a result of online learning.

Today, NGOs are simultaneously strategic partners, customers, and access to new markets for MNEs, and such multidimensional engagements between MNEs and NGOs point to a possibly new form of organizational innovation. The new organizational innovation in this particular case involves multiple processes of redefining, from non-consumers to consumers, from charity to sustainable livelihoods, as well as rescaling, via activated learning-by-doing in the global South. The process of redefining and rescaling has therefore led to a closer alignment of business and social objectives.
4. CONCLUSION: TIPPING POINTS FOR A NEW GOVERNANCE FORM

As demonstrated in this paper, the combined process of redefining and rescaling reveals how new challenges are being identified and new solutions are being devised. Whether they involve incremental institutional change as a result of emerging global sympathy, or product/service re-orientation to develop more sustainable systems (economically, socially, and environmentally), new configurations of economic governance are emerging from various sectors of the economy. While some of the processes remain ad-hoc, experimental, or are limited to the particular dynamics of an industrial sector, I believe that they warrant attention as they may signal a broader scale transformation that constitute aspects of a newly emerging governance form, that is, if and once they reach tipping points. After all, institutional changes do not occur overnight; they only reach a critical mass when undergoing currents in various fronts of the economy culminate and reveal itself as a recognizable shift from the older mode of governance.

I have argued in this paper that the emergence of global public goods is at the tipping point with industries in transition and organizational innovation in progress. My contention is that redefining and rescaling of public goods production may serve as one angle which helps us recognize newly altered realities that involve subtle yet distinctive shifts in logics and incentives that constitute a newly emerging mode of economic governance. It involves on a very fundamental level, for one, a redefinition and rescaling of tasks and responsibilities of citizenship at the individual, organizational, and societal levels which seek to set agenda for collective actions problems, and for another, a new reconfiguration of the role of the public and the private spheres of the economy, in which coordination and collaborations across the globe become prerequisites in resolving collective action problems. The scope and the boundary of collective action problems have been transformed and multiplied in complexities, which are in turn prompting new organizational innovations. Most importantly, these trends challenge the dichotomous views that have developed over the last two centuries with respect to the role of the states versus the markets, and the political versus the economic. Rescaling and redefining of public goods offer us an opportunity to reconceptualize the market economy not as a naturalized system of exchange, but a particular form of multi-stakeholder collaboration, which remain open and contingent upon our design.
I also believe that opportunities of engagements are abound for economic geographers over how we identify institutional change, propose a reconceptualization, and thereby engaging effectively in the debate on governance. Rescaling offers an opportunity to fill the perpetual missing link between macro-structure and micro-behavior in social sciences through a geographic perspective. On-the-ground industry practices and norms reflect persistently locally embedded forms of production and consumption on the one hand, and broader societal transformations and shifting perceptions that are shaped both endogenously and exogenously on the other. With their complexities notwithstanding, industrial transformations serve as strong signals for upcoming changes in the logics and incentives of collective actions.

REFERENCES


