

Panel 11: Combatting the crisis: credibility, compliance and the role of ICTs

'Sovereign states today act in an environment so transformed by market forces that no institution — not even the largest transnational corporation or sovereign state — can master it. In this environment the most unmanageable forces spring from a torrent of technological innovations. It is the combination of this unceasing stream of new technologies, unfettered competition and weak or fractured social institutions that produces the global economy of our times'

John Gray (1998: 76) False Dawn: the delusions of global capitalism London

Organizers:

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Panel theme

ICTs have been pivotal drivers for globalization. The complex financial products at the heart of the current economic crisis and their worldwide dissemination would hardly have been possible without modern ICTs. The quotation above by the British political theorist Gray doesn't instill much confidence in the ultimate ability of (non)governmental actors to intervene successfully in the joined up, wired and globalized economy that ICTs have helped to create.

Indeed, despite massive governmental efforts to support the financial system and mitigate the wider effects of the economic downturn, it remains to be seen if those efforts will be successful. Furthermore, both financial institutions — many of which are now partly nationalized — and (non)governmental bodies responsible for their oversight are under scrutiny in the debate about the causes of the crisis.

What is at stake is trust in financial institutions and regulatory bodies as well as the credibility of governmental action. Both are important to economic recovery since the economy is part perception: "If frightened people decide not to spend, their nervousness can translate into a depressed economy" (Paul Krugman, New York Times, september 30th 2001). Combatting the crisis is therefore highly dependent on the extent to which government efforts are deemed credible by the wider public. Renewed trust in financial institutions will benefit from adequate oversight and subsequent institutional compliance.

Although ICTs have helped to create the runaway economy, they might also be helpful in combatting the crisis. How and to what extent, is something we explored in this panel by raising the following questions:

- How and to what extent do ICTs hamper or contribute to the credibility of government action and the trust we place in financial institutions or regulatory bodies in an economy that seems increasingly ungovernable?
- How and to what extent can ICTs help promote innovative and effective means of oversight?
- How and to what extent can ICTs help to promote institutional compliance?

To give but one example, the initiative www.recovery.gov put forward by the Obama administration not only aims to further transparency of government spending, it also tries to boost credibility by communicating the message that The American Recovery and Reinvestment Act is taxpayers money well spent.

The chairs propose to explore the topics mentioned above. We invited scholars to submit papers concerned with these topics for further discussion at the 2009 meeting. Nonetheless, the chairs stressed that the 2009 panel was an open forum for generating ideas and issues for research concerning the broader way ICTs are changing citizen - state or state - state relationships. We were therefore happily considering other contributions outside the immediate framework of the proposed topics as well.

Linkage with the NIG research program

This panel proposal is linked to themes 1 (citizens and governance) and 3 (public management in a joined-up world) of the NIG research programme. The proposal directly addresses citizen – state relationships by examining the role ICTs play in the building of public trust and credibility in governmental actors and institutions. The proposal furthermore addresses issues about public management in a joined up world. By inquiring, for instance,

the extent to which ICTs can help establish forms of oversight, public scrutiny and institutional compliance, in a globally wired and runaway economy.