

The Future of Research after the Current Crisis

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Where does the future of the social sciences lie, and what is its connection to the real world? In the 20 years before the current economic, financial and social crisis erupted, the social sciences had acquired a technocratic quality that emphasised constraints on democracy and empowerment of market actors, particularly in financial markets, for the greater good. Free markets and liberal democracy were assumed to be mutually supporting and historically superior to socialism or dictatorship. The purpose of scientific experts in universities and policy experts in think tanks and government bodies in the developed world was to engineer economic, political and social institutions to serve open markets, both nationally and globally. Yes, those with precarious employment would find it painful to give up social and economic security, but the great consensus during that period was that There Is No Alternative (TINA) to adjusting democracy and the welfare state to live within the confines of market discipline. Doing so would perpetuate the prosperity of OECD countries, prevent their decline against emerging markets and developing countries, and provide an ideological and policy role model for emerging market and developing countries to emulate rather than oppose. In a way, that made for fascinating work in the social sciences and in applied public policy. Our job was to engineer institutions and policies that made economic renewal and innovation as frictionless and fruitful as possible. The social costs would be compensated by new, untapped sources of innovation and growth trickled down from the chief beneficiaries to the broader population.

At the same time, however, the TINA consensus bracketed many of the fundamental questions, choices and challenges that have characterised the social sciences and public policy since at least the 1940s, and which we can no longer ignore in the context of the current crisis. First: to what extent can you engineer human beings to be something they're not? The European Union is currently embarking on a new phase of public policy in Greece, Portugal, and likely other countries in the future, to shove aside local democracy and public administration for what the advocates maintain is the greater public good, both for the locals and for Europe and the euro zone as a whole. This exercise in suspending democracy can only achieve its goals (changing the performance of public budgets) if it changes the values and nature of the locals themselves on a lasting basis. Can that be done? (Maybe—look at the transformation of Germans from fascists to democrats after 1945, but the failure of George W. Bush's attempt at democratising the middle east). Under what conditions? (Long-term external pressure and occupation, but above all acceptance of the local population). Should we? (Is it right for the EU to terminate democracy, and impose such large social costs against the will of the population?) Are there alternatives? (Yes—a European fiscal union, an Economic and Monetary Union that is not just about price stability but also economic growth). What are the other consequences of choosing this path over others? (An entire generation of young people in Europe unemployed, underemployed, and underpaid).

Second: what are the consequences of the current path? The current path in Europe will extend the current crisis, with all of its attendant social costs, for an entire generation or longer. No democracy has ever survived such a contraction before, so the research questions are: are there democratic limits to liberal economic policy that impose themselves sooner or later, that will change the course of European public policy and undermine the euro zone? (Probably) Does it generate improved material welfare? (Usually). The challenge for policy specialists is making democracy and capitalism

compatible, not ensuring one at the cost of the other. Until that happens, public budgets and local economies will spiral downward in Europe, without any natural barrier to stop the decline. Some social scientists and policy experts will focus on engineer new policy solutions to this low-growth and low-employment environment (competitiveness and innovation policy). Others will, and should, focus on how more growth-friendly policies might be made the core of economic and social policy rather than the periphery.

Finally: will the EU matter more or less in another generation? The euro zone crisis has demonstrated how devastating it is to lack a federal government and a federal budget in Europe, but also how determined the member states are to prevent those things from ever happening, for the moment at least. What is the role of national governments in the Union today? Can we detach them from national banks without destroying whole countries? Under what conditions might they be led to change their thinking on European integration? If they do change, will it be in time to avert long-term damage to Europe's place in the world, or will it be too little too late?

There is a lot riding on the answers.