Title: Both Sides, Now: Paradigms, Power, Psychology, and Pragmatism at the Midpoint of Crisis

Abstract: In the conclusion of his masterwork, *The General Theory of Employment, Interest and Money*, John Maynard Keynes famously cast ideas as the foundations of state and societal interests. Keynes held that “the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood… the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas.” In short, ideas tell us “who we are” and “what we want.” More formally, in economic policy terms, ideas reduce uncertainty, stabilize institutions, and shape interests in economic governance. From this Structural Keynesian (or Structural Constructivist) perspective, one might expect path dependent stability to persist in self-reinforcing fashion.

However, Keynes did not view such ideas as self-reinforcing. Neither at moments of crisis, nor over the long run, did Keynes expect stability to last. Even ideas that had initially reduced uncertainty might subsequently fuel misplaced certainty. Overconfidence might obscure the need for policy and market adjustments. Given such hubris, Keynesian “animal spirits” might fuel policy and market risk taking. In such settings crises may result, as Keynes argued “the practice of calmness and immobility, of certainty and security, suddenly breaks down.” However, even as such crises might shape subsequent debate, it would not necessarily lead to immediate change. Instead, as Keynes’ contemporary John Kenneth Galbraith noted, crises may initially lead agents to cling even more fiercely to their ideas. “Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof.” The onset of crisis might initiate debate – which could take years or decades to resolve. From this Social Psychological Keynesian (or Social Psychological Constructivist) perspective, one might expect path dependent stability to cause path-disruptive instability.

Building on these insights, this talk will offer an overview of IR and IPE debates, concluding with a call for a more pragmatic approach to scholarly and policy debates.

(With reference to John Maynard Keynes, Joan Robinson, John Kenneth Galbraith, Robert Cox, John Dewey and Joni Mitchell)

Wesley Widmaier – a Brief Bio:
Wes is an Australian Research Council Future Fellow in the Centre for Governance and Public Policy and at the Griffith Asia Institute at Griffith University in Brisbane Australia. His research interests include International Political Economy, International Relations Theory, in particular constructivist thought, and the specific role of wars and crises as mechanisms of large-scale change. He recently published *Economic Ideas in Political Time*, a book which traces these debates over the past century - from the Progressive to the Neoliberal eras - and is currently completing a manuscript on the interplay of economic consensus, crisis and change from the Great Crash to the Global Financial Crisis. Wes is also the editor-in-chief of the *Review of International Political Economy*. 