

**A CPE of Crisis Recovery:  
The Role of States in Re-Imagining  
Post-Crisis, Post-Neoliberal Futures**

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# Outline

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**Crisis**

- Cultural Political Economy
- Cultural Turns
- Crises as Research Opportunities
- Interpreting Crises
- Crisis of Crisis-Management
- The Role of States
- Spaces of Flows
- Logics of Territoriality
- Conclusions

# Cultural Political Economy

- A broad 'post-disciplinary' current in institutional and evolutionary political economy
- Studies semiosis (*Sinnmachung*) and structuration as complementary forms of complexity reduction
- Makes 'cultural turn' in economic & political studies to enhance their interpretive and explanatory power
- Studies relation of culture (=semiosis) to materialities of economics and politics in wider social settings
- Examples: Fordism, knowledge-based economy, neo-liberalism, Green New Deal

# Varieties of Cultural Turn

- **Thematic:** intuition, hypothesis, or discovery that cultural phenomena (e.g. events, practices, processes, institutions, objects, policies) rightly belong to key themes of enquiry
- **Methodological:** its cultural aspects offer good or even best entry point for exploring and explaining social world even if research later includes other themes or causes
- **Ontological:** culture is (co-)constitutive of social existence and must therefore be foundational aspect of any enquiry
- **Reflexive:** one or more types of cultural turn in social sciences themselves, making them object of analysis

# Thematic Turns

- Culture and subculture
  - Culture is ordinary
  - Everyday culture
  - Professional culture
  - Epistemic communities
  - Consumption & Leisure
  - **Financialization**
  - Mass media
  - Cultural industries
  - Cultural policy
  - ....
- Cyberculture
  - Body
  - Haptics (or touch)
  - Identities
  - Desire
  - Memory
  - Landscape
  - Nature-Culture
  - Material culture
  - Ethics
  - ....

# Methodological Turns

- Ideational turn
- Interpretive turn
- Narrative turn
- Rhetorical turn
- Argumentative turn
- Literary turn
- Translational turn
- Post-colonial turn
- Post-structural turn
- Identitarian turn
- ....
- Linguistic turn
- Discursive turn
- Visual turn
- Haptic turn
- Iconic turn
- Reflexive turn
- Constructivist turn
- Deconstructive turn
- Performative turn
- Practice turn
- ....

# Permutations

## Methodological

- Narrative turn
- Rhetorical turn
- Argumentative turn
- Identitarian turn
- Linguistic turn
- Translational turn
- Discursive turn
- Visual turn
- Haptic turn
- Iconic turn
- Performative turn

## Thematic

- Everyday culture
- Professional culture
- Financial markets
- Consumption & Leisure
- Mass media
- Nature-Culture
- Embodiment
- Identities
- Desire
- Memory
- Cultural industries

Illustrates how different methodological turns can be applied to cultural themes

# 'Taking turns' in CPE

- Cultural turn is not just *thematic* – don't limit CPE to mass media, 'culture/creative industries', consumption
- Nor just *methodological* – a 'soft economic sociology' that starts *and ends* with economy's cultural aspects, reducing 'economic' to content of semiosis, construal
- Cultural turn is also *ontological* – avoid 'hard political economy' by noting inherently cultural (or semiotic) nature of economic categories, reject reification and naturalization of economic facts of life and dynamics
- Cultural turn is *reflexive* too – applies cultural turn to the history of political economy itself (including CPE)

# Social and/or Cultural?

Relation of the two principal moments of a full CPE study:

- Social vs cultural is *analytical* distinction that identifies different 'moments' of a complex social world as entrypoints for analysis
- While 'social' denotes emergent properties of social interaction (e.g. social cohesion, institutional complementarity, structural contradiction), 'cultural' denotes emergent properties of discursive formations (e.g., style, genre chains, intertextuality)
- Insofar as social and cultural have different emergent properties, they are ontologically as well as analytically distinct
- Insofar as social relations are discursively constituted and meaningful, they are cultural; insofar as cultural phenomena are realized in/through social relations, they are social

# Political Economy

- ‘Broad church’: classical political economy, German Historical School, Weberian economic sociology, Schumpeterian economics, Polanyian economic anthropology, other institutional or evolutionary accounts
- ‘Lancaster School’ draws on Marx’s *critique* of political economy (i.e., the economic and political ‘categories’ – conceptual-material forms – and imaginaries that shape historically specific economic and social formations)
- Excludes (except as objects of inquiry) vulgar political economy, neo-classical economics, public choice theory, constitutional political economy, modelling, etc

# CPE Approach to Semiosis

- Start from complexity reduction
  - complexity enforces *Sinn* (meaning-making) as way to organize lived experience and 'go on' in world
  - complexity enforces spatio-temporal selection, location, and sequencing of actions a way to turn radical contingency into organized complexity
- Explore variation, selection, and retention of meaningful reductions of complexity and compossible sets of actions
- Expand this into investigation of four types of selectivity: discursive, structural, technological (cf. Foucault), agential

# Semiosis and its Limits

- “All construals are equal, but some are more equal than others”, i.e., only some constitute and transform social and natural world
- Semiosis mediates variation, selection, and retention of diverse construals and attempts to construct (transform) natural and social worlds (semiotic analysis of semiosis)
- Semiosis mediates contingent *emergence*, provisional *consolidation*, and ongoing *realization* of extra-semiotic properties and tendential social logics (semiotic analysis of extra-semiotic)
- Construals that grasp emergent extra-semiotic features of social world and mind-independent features of natural world are more likely to be selected and retained in transformation of extra-semiotic properties and logics of social world (extra-semiotic aspects of semiotic evolution)

# Semiosis and the Imaginary

- Semiosis and the imaginary are closely related but not identical:
  - semiosis is a generic term for social production of intersubjective meaning and can be studied productively with tools of semiotic analysis (especially, for CPE, those of critical discourse analysis),
  - ‘imaginary’ (l’imaginaire, lived experience) not only refers to semiosis but also to its *material supports* and this requires a broader toolkit.
- Whereas semiosis can be studied without asking how some *construals* come to *construct* the real world, a key issue for imaginaries is their differential performance in durably shaping that world.
- Thus CPE explores selection and retention in terms of discursive selectivity (semiotic mechanisms) *and* in terms of structural, technological, and agential selectivities.

# Imaginaries

- Actors can only 'go on' in world because they adopt, wittingly or not, specific entrypoints and standpoints to reduce complexity and make it calculable.
- 'Imaginary' designates these simplifications and specific entrypoints and standpoints. It involves selective observation of the real world, reliance on specific codes and programmes, deployment of particular categories and forms of calculation, sensitivity to specific structures of feeling, reference to particular identities, justification in terms of particular vocabularies of motives, efforts to calculate short- to long-term interests, and so forth.
- Imaginaries are not pre-given mental categories but creative products of semiotic and material practices with more or less performative power. Central role in struggle not only for 'hearts and minds' but also to reproduce or transform prevailing structures of exploitation and domination.
- Different social forces seek to establish one or another imaginary as the hegemonic or dominant 'frame' in particular contexts and/or to develop complementary sub-hegemonic imaginaries.

# “Economic Imaginaries”

- Selection and retention of imaginaries are shaped by at least four forms of selectivity: discursive, social structural, technical, and agential
- Discursive selectivity (genre chains, styles, identities) and inter-discursive resonance
- Social structural selectivity (some sites of enunciation are more dominant than others)
- Technical selectivity (some means of advancing discourses are more effective than others)
- Agential (some agents are more skilled in arts of rhetoric, argumentation, articulation, etc.)

# Complexity and Economic Imaginaries

REP. WAXMAN: Do you feel that your ideology pushed you to make decisions that you wish you had not made?

MR. GREENSPAN: remember what an ideology is: a conceptual framework for people to deal with reality. Everyone has one. You have to - to exist, you need an ideology. The question is whether it is accurate or not. ... I've found a flaw. I don't know how significant or permanent it is. But I've been very distressed by that fact ... A flaw in the model that I perceived as the critical functioning structure that defines how the world works, so to speak (Congressional Hearing, 23 October 2008)

# The Work of Crises

- Crises tend to disrupt accepted views of the world and how to 'go on' in it, calling into question theoretical and policy paradigms as well as people's everyday routines
- Crises are threat *and* opportunity:
  - threaten established views , practices, institutions, social relations
  - opportunity for reflexion, learning *in* and *from* crisis, and theoretical, policy, and practical innovation
  - may also lead to re-assertion of old ideas and values, policy paradigms, and routines (restoration, reaction)
- In short, they are complex, objectively overdetermined moments of indeterminacy, where “decisive” action can make a major difference to future

# ... and their political economy

- Capital's death throes? Structural crisis of capitalism? Crisis of neo-liberalism (followed by another capitalism)? A crisis in neo-liberalism (with its possible regeneration)? And so on.
- Four crises are crucial (in order of importance)
  - Global environmental crisis
  - Structural crises in leading branches (e.g., automobiles)
  - Crisis in global neo-liberalism
  - Crisis in finance-led growth regimes
- These are linked to failure in global environmental governance, crisis in global economic order, crisis in neo-liberal regulatory order
- Also interact with more local, regional, national crises and other forms of crisis (fiscal, crisis-management, legitimacy, organic, etc.)

# Crises, What Crises?

- Crises as ‘accidental’ products of natural or ‘external’ forces rather than antagonistic internal relations (e.g., invasion, tsunami, crop failure, SARS)
- Crises as form-determined: inherent crisis potentials and tendencies of specific social forms with matching forms of crisis-management (e.g., capital relation)
- Crises ‘in’ are normal and *may* be resolved through established crisis-management routines and/or through innovations that restore previous patterns
- Crises ‘of’ are less common and involve a crisis of crisis-management, indicating inability to “go on in the old way” and demanding more radical innovation

# The Semiosis of Crises

- Interpretations multiply as actors seek to:
  - make sense of the “crisis” as it unfolds in space-time
  - attribute (rightly or wrongly) ideological, institutional, technical, and personal (or organizational) blame
  - assert claims ranging from “business as usual” through “turning point” to “revolutionary rupture”
  - matters whether this is crisis “in” or “of” relevant system(s),
  - chart alternative futures to prevent or guide them, and
  - recommend specific lines of action for particular forces over different time frames and spatial horizons
- Some crises occur so often that they prompt crisis-management routines: they correspond to crises ‘in’ a system interpreted in terms of known routines that can recreate business as usual

# Interpreting Crisis, Governing Crisis

- Getting consensus on interpretation about which of many crises matters is to have framed the problem
- To successfully blame one set of factors and/or actors distracts blame from oneself and sets stage for various efforts to resolve crisis
- This consensus must be translated into coherent, coordinated policy approach and solutions that match objective dimensions of the crisis
- Effective policies need to be consolidated as basis of new forms of meta-governance and institutionalized compromise

# Policy Matters

- When crisis-management is reduced to issues of the best *policies*, defined through “governing parties”, then opportunities for more radical solutions are marginalized
- Limiting crisis-management to search for correct policies implies that crisis is due to incorrect policy rather than being rooted in deeper structural causes, linked to patterns of economic, political, and social domination
- This may be reinforced by “urgency” of crisis: contrast crisis of Fordism with crisis of finance-led accumulation. Policies will be shaped differently depending on time factor .

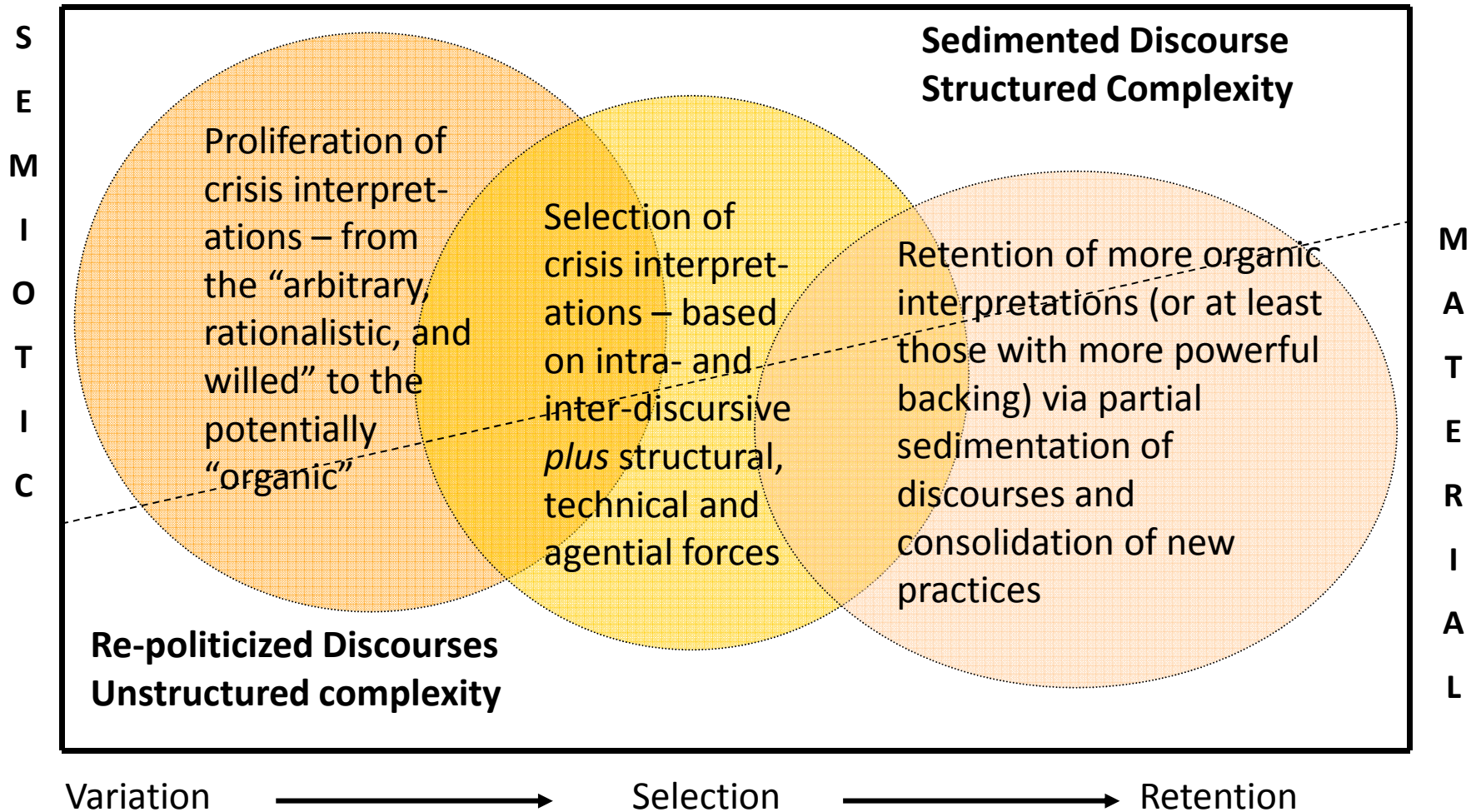
# Forums also Matter

- Powerful narratives without powerful bases from which to implement them are less effective than more “arbitrary, rationalistic and willed” accounts pursued by the powerful
- Even if insufficient access to leading global forums, there is scope for counter-hegemonic narratives and, notably, sub-hegemonic narratives, i.e., accounts that are widely accepted in regional forums and subaltern organizations
- This also requires concern with the architecture of global, regional, and national organizations and with opportunities to jump scales in order to pursue solutions at the most effective scale (or scales) of action and intervention

# And don't forget Power!

- Power can be defined, inter alia, as the ability not to have to learn from one's mistakes (Deutsch 1963)
- Such power is very evident in crises as powerful interests displace costs of *their* mistakes onto others, to other places, and into the future
- Crisis sometimes concentrates power in established hands, leading to *exceptional* measures aimed at restoring *business* as usual; where there is a crisis in established institutions, however, then the scope for radical transformation is larger

# Variation-Selection-Retention



# How to interpret this figure

- Dotted diagonal line indicates:
  - all social relations are simultaneously semiotic and material;
  - ‘semiosis’ gets less important in movement from V through S to R
    - in part because semiosis becomes less contested , more sedimented;
  - ‘materiality’ gets more important in movement from V through S to R as unstructured complexity is reduced through limits on compossible combinations of social relations
    - in part because governmental technologies normalize identities and conduct
- Positioning of balloons indicates:
  - overlap of successive stages of variation, selection, and retention
  - increased importance of materiality in this movement (understood as sedimentation of semiosis, structuration of social relations)
- Figure starts with moment of crisis (maximum variation) rather than with period of relative stability; it is heuristic, schematic

# A Personal Interpretation for Testing

- The crisis is a typical *form-determined* crisis rooted in the inherent contradictions of the capital relation
- But it has specific form due to *hyper-financialization* of advanced neo-liberal economies within a world market re-organized in the shadow of neo-liberalism
- It occurs in a specific geo-political context: a crisis of post-1975 international order reinforced by decline in US technical, economic, political, and ‘soft’ power
- Its immediate roots are a crisis in neo-liberal, finance-led accumulation regimes but it has since spread to weaker real economies elsewhere in world market

# Made in America

- From its translation into policy in 1970s (Chile 1973), US has promoted neo-liberalism through global, multi-and bi-lateral measures, backed by major international financial, trade, regulatory regimes and military might
- Neo-liberalism has created conditions for specific form of the current global crisis, from its initial financial character to the great speed, uneven incidence, and ways in which it has spread within the world economy
- Hyper-financialization developed most strongly in the USA because of the specific economic and political conjuncture of stagnation in the real economy and the capture of key state apparatuses by financial capital.

# Broke in America

- This is first global crisis of post-war capitalism that was not only “made in America” but also largely broke out there
- This makes it harder to pin blame on other causes and puts global neo-liberalism, its specific US instantiation, and, above all, finance-led accumulation in firing line
- A possible “Atlantic rift” in mainstream views:
  - In US everyone is to blame (greed), all institutions played a part, China is to blame, &c. Market fundamentalism remains strong and ‘usual suspects’ are still in charge
  - Elsewhere blame is put on the [neo-liberal] global order and failings of US system and US leadership – a chance to re-assert of other varieties/ models of capitalism

# Crises of Crisis-Management

- Policy failures can occur because of:
  - Arbitrariness of crisis interpretations
  - Inadequacy of instruments and institutions
  - Crisis in or of the broader policy context
- Economic crisis and political crisis
  - Crisis-management often involves state as addressee in last instances of calls for intervention
  - But state may lack state capacities to intervene, whether in material and/or semiotic terms
- Some dimensions of state crisis:
  - representational                      -- rationality
  - legitimacy crisis                      -- institutional

# Spaces of Flows

- Private financial solutions
  - Buck-passing
  - Flight to safety
  - Centralization and concentration of capital
  - Exploit free money
- Capital switching to exploit uneven development (e.g. the turn to the BRIC economies)
- More world market integration, more competition
- Increased accumulation by dispossession

# Territorial Logics

- State as crisis-manager in last resort
- National solutions (at cost of local/regional)
  - Keynesianism
  - Quantitative easing
  - Protectionism
  - Infrastructure spending
  - Spending cuts
- International cooperation
  - G8 to G20
  - Dollar Politics
  - China play

# Crisis of Crisis-Management - I

- Pro-cyclical market mechanisms
  - Ponzi crisis
  - Debt deflation
  - Mark to market
  - Raw materials and commodities
  - Liquidity crisis
- Don't panic, but if you do panic, panic first!
  - September-November 2008
  - Exceptional measures

# Crisis of Crisis-Management - II

- From weakened state capacities ...
  - Dissolution of expertise and crisis-management units → dependence on financial expertise from private sector
  - Deregulation and liberalization → loss of steering ability
  - Quantitative easing and problem of exit strategy
  - Accumulated deficits and low interest rate policy
- To exceptional state triggered by economic crisis
  - loss of temporal sovereignty
  - loss of territorial sovereignty
  - concentration of economic policy-making power
  - problems of political paralysis

# Six Emerging Policy Conclusions

- Early interpretations of crisis crystallized around a small set of “readings” in neo-liberal USA and UK with policy implications:
  - A “revival” or “return” of Keynesianism
  - Recapitalization and re-regulation
  - Search for a new international financial architecture,
  - A remoralization of capitalism in the name of corporate responsibility and responsible competitiveness; and
  - A “Green New Deal” (this has become more important)
  - Exit to BRIC economies and other emerging markets (more a private strategy than state-led but has statal aspects)
- Many other accounts exist but lack backing of economic and political actors with enough economic, administrative, fiscal, or legislative resources to offer “necessary” institutional and policy solutions on the most relevant scales of action

# Green New Deal

- A potentially hegemonic strategy to exit the crisis that can be translated into strategies on many sites and scales and that has been inflected in different ways
- Combines logic of flows and territorial logics
- GND: floating signifier, narrated as capitalism's best hope to create jobs, restore growth, limit climate change
- GND can be seen in some ways as an imaginative extension of the KBE paradigm that was consolidated in the mid-1980s to mid-1990s – a paradigm that was sidelined but not negated by the rise of a finance-led accumulation that reflected the interests of financial rather than industrial capital.

# Scope of the GND

- Fields include
  - technology (eco-technologies, energy efficiency),
  - productive economy (green collar jobs, sustainable development, ecological modernization, low carbon economy),
  - financial system (cap and trade, carbon trading, green bonds, sustainable investing),
  - law (environmental rights, new legal regimes),
  - politics (the green movement, climate change),
  - religion (environmental stewardship), and
  - self-identities (homo virens, green lifestyle).

# Strategic Flexibility

- The Green New Deal has also been translated into many different visions and strategies and can be inflected in neo-liberal, neo-corporatist, neo-statist, and neo-communitarian ways by prioritizing, respectively, market incentives, social partnership, societal steering, and solidarity respectively. Indeed, the very fuzziness of the ‘Green New Deal’ has helped to build alliances and compromises and it is currently being heralded in many quarters as a ‘magic bullet’

# Risks of GND

- Risk that GND gets re-contextualized and re-appropriated on neo-liberal lines(e.g., cap and trade) rather than challenging economic logic that has created environmental, energy, food, water crises
- Risk that it also becomes part of new imperial strategy through which North maintains its living standards by paying for slower growth in ‘dependent south’
- Risk that not even a neo-liberal version is attempted (the “Nopenhagen” response)

# Selection, Variation

- Global environmental crisis was removed from global agenda by crisis in global neo-liberalism; latter was reduced to regulatory crisis for which all are to blame
- Neo-liberalism will be harder to reverse in societies that underwent significant neo-liberal regime shift
- Global environmental crisis re-emerging in Green New Deal
- Latter is shaping global agenda as neo-liberal 'business as usual' is restored in those parts of variegated capitalism where neo-liberal regime shift dominated and other 'varieties' adopt own solutions
- Green New Deal is capitalism's best hope but issues of governance and meta-governance as well as problems of continued ecological dominance (and its path-dependent effects) remain

# Governance Responses

## Markets

- redesign and re-regulate them to reduce risks of market failure (neo-liberal option) confirms neo-liberal emergency powers

## State

- Sovereign powers of money, state ownership, planning, taxes to restore stability, stimulate growth, and restore public finances

## Re-invigorated Third Way

- remoralize capitalism, more flanking and supporting measures to tame neo-liberalism, more compensation for its losers

## Metagovernance

- reweighting markets, states, networks, solidarity to re-balance relation among environment, economic and social dimensions

# Structuralist Scylla, Constructivist Charybdis

## Hard political economy:

- Grasp *distinctiveness* of specific economic categories and their structured/structuring nature
- But reifies these categories, fetishizes structures, agents being seen simply as *Träger* of economic logics
- Risk of economic determinism

## Soft economic sociology

- Focus on semiotic-material construction of social relations, revealing their social embedding and
- But how to understand specificity of economic relations compared to other types of relation – what makes them economic?
- Risk that all social relations are equally discursive, differentiated only in terms of *content* of semiosis

# Conclusions - I

- Hubristic thoughts of “uninformed outsider” who has worked with *results* of *Begriffsgeschichte* and Cambridge School, with *techniques* and *results* of CDA, and with arguments of DHA.
- CPE combines study of complexity reduction through meaning-making (with its semiotic structuring and emergent properties) with study of complexity reduction through social structuration (limits on compossibility and their emergent properties)
- Introduce variation, selection, retention into both dimensions of analysis and the explore co-variation, co-selection, and co-retention (insofar as they exist) with focus on the differential contribution of semiosis and structuration to these processes
- On this basis move from analysis of discursive *construals* to discursive and social *construction*

# Conclusions - II

- My analysis has given *elements* of a CPE of the financial crisis but the story is much more than the sum of its parts. A more elaborate CPE would explore:
  - the gradual spread and consolidation of neo-liberal world views,
  - their gradual translation into economic strategies, state projects, and hegemonic visions
  - their condensation into more durable, complementary structural patterns (with help from innovative governmental technologies),
  - the role of key players at decisive moments in reinforcing the conditions that created and precipitated the crisis,
  - the continuing struggle to interpret and manage the crisis, and
  - the intended and unintended effects of crisis-management

The ideas presented today are provisional and form the basis of a three-year research project that begins on 1st April 2010 and that is financed by the Economic and Social Research Council in the United Kingdom.

Progress can be monitored at  
<http://www.lancs.ac.uk/cperc>