

INFORMATION REQUIRED FOR PROJECT PROGRESS REPORTS

Overview (Case Officers to complete – and award holders to update where necessary)	
Project title:	Great Transformation: A Cultural Political Economy of Crisis Management
Award No:	RES-051-27-0303
Award Holder(s):	Professor Bob Jessop
Institution (s):	Lancaster University
Award start date:	1 April 2010
Award end date:	31 March 2013
Period of Report:	1 April 2011 – 31 March 2012
Total amount of award from ESRC:	£455,443.76
Total co-funding from outside ESRC:	£5500 (contribution to research student stipend – Rosa Luxemburg Stiftung research studentship; will continue at £11,500 per annum for 3 yrs) £2850 (contribution from EU-COST Action)

AIMS AND METHODS

The overall aim is to refine, operationalize and test cultural political economy as a theoretical and methodological approach and assess its strengths/weaknesses. It will contribute to economic, political, and social research theoretically and methodologically and, by studying a “big issue”, establish its policy relevance. We focus on the global financial crisis, its repercussions across different sites and scales, and crises of crisis-management. Four aims are: (1) identify the mechanisms of variation, selection, and retention that shape which of many accounts are selected in crisis-management; (2) evaluate ‘variegated capitalism’ as a perspective on the global economy ; (3) assess arguments about governance and governance failure via the idea of meta-governance in the shadow of post-national statehood; and (4) explore the links between theoretical and policy paradigms and the problems facing researchers and policy-makers in turning the former into practical policy solutions. We use mixed methods: ranging from (meta)theoretical critique through institutional and governmentality studies to critical discourse analysis and corpus linguistics.

CONFIRMATION STATEMENT

The research follows the principal aims and objectives in the initial bid but has been altered in the light of theoretical and methodological challenges (and changing facts!) but there is no change in the central focus and the criteria for evaluating research progress and outcomes. The research has been re-oriented in the light of the banking crisis, sovereign debt crisis, and competitiveness crisis in the EU, the risks of a double dip recession in the UK consequent to the current government’s austerity policies.

CHANGES TO THE ORIGINAL AWARD

As an EU student, Mathis Heinrich is ineligible for an ESRC stipend. From Oct 2012, Mr Heinrich gets a research stipend from the Rosa Luxemburg Stiftung (Germany), which has approved his topic. This requires no change to the overall design of the project but does provide a substantial benefit by enabling Mr Heinrich to contribute effectively to the research and it also benefits the ESRC in the sum of the research stipend that would have been paid to a home-based research student.

DETAILED PROGRESS

This is the second report. The main areas for report, distributed across this and the next two sections, are: (1) close involvement with the four-year EU-COST Action on Financial Crisis; (2) continued cooperation with the Pufendorf Institute at Lund University, (3) continuing cooperation with the United Nations Research Institute in Social Development [UNRISD], including further publications, contribution to a video for Rio+20, and a research briefing note; (4) enhanced cooperation with the Rosa Luxemburg Stiftung [in Berlin and Brussels], including the award of a 3-month senior research fellowship, enabling me to devote additional time to the project, and the award of a research stipend to the project research student; (5) new cooperation with the Institut für die Gesamtanalyse der Wirtschaft – Institute for the Integral Study of the Economy – at the Johannes Kepler University, Linz (Austria), leading to academic exchanges and a publication on the crisis and democracy and; (6) reorientation of the research in the light of the continuing development of the banking, sovereign debt, and competitiveness crises in the Eurozone and the likely development of a double dip recession in the UK due to the austerity policies of the current government and the broader North Atlantic and European economies; and (7) development of a new, integrated theory of money forms, money functions, and the currency pyramid that can be used to interpret the transformation of a private credit crisis into a crisis of public and sovereign debt. Further aspects of progress are included in the rest of this section.

The broad hypotheses in the original bid in 2010 are amply confirmed and this leads to regular invitations to conferences on the crisis and its wider repercussions. The periodization and the hypothesis about ‘variegated capitalism in the world market organized in the shadow of neo-liberalism’ are both supported. This latter is especially illuminating for the Eurozone crisis, where the German state is the key player and is pursuing a paradoxical mix of neo-mercantilist policies at home and neo-liberal policies for the Eurozone. The corpus analysis confirms this and Dr Amelie Kutter (the RA) has demonstrated this in several conferences and two forthcoming publications.

The complexities of the fisco-financial crisis have led to major theoretical developments, not matched elsewhere, in rethinking money forms, money functions, and the global currency pyramid to provide a coherent explanation of the changing forms of financial crisis and, especially, the displacement of the financial crisis to a sovereign debt crisis. Money as a social relation is often absent from neo-classical economic analysis and is not always well understood in heterodox analyses. The peculiar dynamics of the global financial crisis, its uneven contagion effects, and, in particular, the continuing crisis in crisis-management of the still unresolved Eurozone crisis prompted my return to money as money, money as capital, and capital as functioning capital and as property. On this basis I have developed a comprehensive account of the monetary dynamics of the crisis at different scales from the world market to national impacts within the European Union. This new also helps explain the apparent recovery in the USA in the context of the role of the USD as “top currency”.

The PI has also reworked the initial framework studying variegated capitalism (VC) at the level of the world market to enable its application at different scales – see the two papers on the EU as a case of VC organized in the shadow of (German) neomerc-antilism with the crisis managed primarily through neoliberal policies of austerity. The initial theoretical framework predicts that such policies in the current crisis will lead to worsening economic performance (double dip recession, etc) and this is seen in the European periphery and shrinking EU core. The same results are observable in the UK.

The corpus linguistic analysis is proceeding smoothly and the RA has shown the usefulness of this method in several presentations and two forthcoming publications. We have vired some of the research grant award to subcontract some of the work of preparing and cleansing the corpus data base so that Dr Kutter can focus on the primary data analysis. This will bring us back on timetable for this part of the research and enable us to proceed with critical discourse analysis more or less on timetable.

10. Timetable: it is always difficult to study a complex crisis as it unfolds in real time – new developments require a continual readjustment to the research focus and this has been the case in this project, thanks to the magnitude of the Eurozone crisis and its political as well as economic repercussions. This has nonetheless enabled us to confirm the basic soundness and fruitfulness of the original theoretical approach.

HIGHLIGHTS OF THE RESEARCH/IMPORTANT FINDINGS/IMPACTS

The research has progressed well since the start of the award, thanks in part to the financial support of other research institutes (see above) and to cooperation with a wide range of scholars from different disciplines and countries in Europe. This has provided numerous opportunities for interaction in conferences and workshops on the Continent; in addition, I have benefitted from invitations to present my research in Australia and Canada. The programme of conference presentations has been more extensive than planned but this has provided important feedback on the research as well as opportunities to learn from colleagues working on the same or similar topics from competing perspectives.

I have already noted two main research highlights since the last report: (1) refinement of the analysis of variegated capitalism relative to varieties of capitalism and world system theory and, in particular, the analysis of the fractal character of variegated capitalism; (2) the development of a theory of money forms, money functions, and the currency pyramid as an important explanation for the translation of a financial crisis rooted in private credit creation through fractional reserve banking – reinforced by new forms of capital as property (i.e., securitization, etc.) into a crisis of public and sovereign debt (based on state fiat money and the taxing capacity of sovereign states).

In addition, three further research highlights are: (3) building on the initial concept of the crisis of crisis-management, the PI and RA have refined the analysis of the forms of crisis of crisis-management and their repercussions within the state; (4) the RA has used the corpus linguistic analysis to explore the role of financial journalists as public intellectuals and linked this to conceptual history, the role of public intellectuals in mediating between technical economic analysis and lay publics, and the continuing re-contextualization and negotiation of meaning as crisis phenomena and dynamics unfold; (4) based on cooperation with a Korean scholar (Dr Joo-Hyoung Ji), we have elaborated ideas on policy learning and, indeed, its absence in the face of crisis and produced conference presentations and submitted journal contributions (under review) on policy learning – the RA has also been able to demonstrate the discourses of policy learning from the corpus that we have developed; and (5) we have been able to refine the preliminary reflections on the semiotic and extra-semiotic mechanisms of variation, selection, and retention of crisis interpretations and shown the heuristic power of Karl Deutsch's aphorism that power consists in the ability not to have to learn from one's mistakes. This last point is very important in explaining the limits of policy learning in crisis, the continuation of the crisis in new forms, and the surprising (to many) revival of finance-dominated accumulation.

I now turn impact:

On the basis of the close fit between the ESRC professorial fellowship and a four-year EU-COST action on financial crisis, I was invited to join the action in its second year and have attended, at EU expense, all subsequent workshops. This has brought me into contact with some of the top European researchers from several countries and also enabled me to meet researchers and policy advisors from the Austrian Central Bank, the European Commission, the German Enquête Kommission on the crisis, and MEPs with interest in economic policy. Two of the PI's papers to these workshops are selected for inclusion in two EU-COST book-length publications (to be published by Routledge).

The Pufendorf Institute ran a parallel research project (*Efter Krisen – After the Crisis*) and involved me in their conferences and final publication, to which I contributed a report on my research and its similarities/differences with the Swedish research.

UNRISD invited me to a conference in Geneva on Sustainable Development, which served as a preparatory workshop for Rio+20. I gave a keynote, contributed to a video for circulation prior to the Rio+20 conference, wrote a research briefing, and contributed on the Green New Deal to a special issue of *Development* on alternative economic policies. My paper to an UNRISD conference in 2010 (reported for period I) has been published in the current period (see publications list). This demonstrates impact in non-academic circles and the potential policy relevance of the research.

I was invited to participate in the crisis research of the Rosa Luxemburg Stiftung (a political education foundation funded by the German government): this led to the funding of my ESRC research student's stipend for 2011-2013 (with possible extension), a funded research collaboration on EU policies towards the financial crisis between my research student and Prof. Bieling (Marburg University), leading to a long research report, and my participation in conferences on the Eurozone crisis. I will spend 10 weeks at the RLS, enabling me to meet policy-makers and advisers and MEPs involved in its work as well as gather research material in Berlin, a centre of Eurozone crisis decision-making. These contacts, plus those from the previous period (e.g., links to the Euromemorandum group, Transform (a European trade union network), and to a member of the Polish Monetary Policy Committee) will enable me to ensure the potential policy relevance of the research as it continues.

ENGAGEMENT WITH ACTUAL AND POTENTIAL RESEARCH USERS

The preceding sections demonstrate my engagement with actual and potential research users both within and beyond the academic community.

In total, during this reporting period, the PI has made presentations at 24 conferences in the UK, Continental Europe, Canada, and Japan to audiences that sometimes comprise academics and sometimes a mix of users. Examples of dissemination and or contributions to training events include: lecturer at the European Association of Evolutionary Political Economy Summer School (Rome), guest lecturer at Sunningdale to an international summer school of public and social policy administrators from Europe, two events organized by the Rosa Luxemburg Foundation on governance failure (Brussels) and the Eurozone crisis (Berlin), the UNRISD conference on sustainable development (Geneva), the Kraków Circle (a public policy forum) in Poland, and the Centre for Socio-Legal Studies (Oxford) with an audience included practising as well as academic lawyers.

The RA has made presentations at 8 international conferences and workshops, presenting her corpus linguistic and discourse analytical research on financial journalism, lesson drawing, discourses about market and state relations, and about the methods required for downsizing and analysing large corpora.

The research student has won awards to participate in a graduate training workshop (COST-EU in Paris) and the European Association for Evolutionary Political Economy (EAEPE) Summer School (Rome) and also receives research training through the RLS in Berlin that is additional to that provided in Lancaster. He has presented his research five times in 2011-12 in Europe and once in the UK and received a Project Grant (September – December 2011) on EU policies towards the Eurozone crisis from the Rosa Luxemburg foundation leading to a long, published research paper on the "Transformation of the European Financial System" (co-authored with Hans-Jürgen Bieling). This research feeds directly into his work for the ESRC project.

Cooperations established through EU-COST, UNRISD, and the Rosa Luxemburg Stiftung have brought us into direct contact with non-academic users of the research (the potential impact of the cooperation with UNRISD is already illustrated above).

We are now planning a conference to disseminate research results in November 2012 so that we can get feedback from potential research users that will be beneficial in the write-up stage of the research. This conference may be held at The Work Foundation (Westminster), in which Lancaster University has proprietary as well as research interests; if this does not materialise, we will nonetheless seek a venue in London or Manchester so that we can reach a wider audience than would be possible were the event to be held in Lancaster. The budget for this event is included in the ESRC grant.

PUBLICATIONS

Bob Jessop

- 2013a Imagined recoveries, recovered imaginaries: a cultural political economy perspective, *Economy & Society* (under review)
- 2013b The global financial crisis and varieties of capitalism: a Minsky moment and/or a Marx moment?, in P. Tridico, ed., *Financial Crisis, Labour Markets and Institutions*, London: Routledge (in press)
- 2013c Spielarten des Kapitalismus und variegierter Kapitalismus, in I. Bruff, M. Ebbenau, C. May, and A. Nolke, eds, *Kapitalismus, Kontinuität, Krise*, Münster: Westfälisches Dampfboot (in press).
- 2012a Beyond finance-dominated capitalism? Critical reflections on growth regimes, *Capital & Class* (in press)
- 2012b Economic and ecological crises: Green New Deals and no-growth economies, *Development*. 55 (1), 17-24.
- 2012c Obstacles to a world state in the shadow of the world market. *Cooperation and Conflict*, in press (publication June 2012)
- 2012d Conjunctural analysis, *Transform* (publication April 2012)
- 2012e Neo-Liberalism, in G. Ritzer, ed., *Encyclopedia of Globalization*, Oxford: Wiley-Blackwell
- 2012c A cultural political economy of competitiveness and its implications for higher education, in D. Livingstone and D. Guile, eds, *The Knowledge Economy and Lifelong Learning*, Rotterdam: Sense Publishers (in press)
- 2012f Interview mit Bob Jessop, *Rosalux 2, Europaheft* (in press)
- 2012g Cultural political economy, strategic essentialism, and neo-liberalism, (with N. Sum), in J. Künkel and M. Mayer, eds, *Neoliberal Urbanism: Crossing Theoretical Boundaries*, Basingstoke: Palgrave Macmillan, 80-96.
- 2012h Narratives of crisis and crisis response: perspectives from North and South, in P. Utting, S. Razavi, and R.V. Buchholz, eds, *The Global Crisis and Transformative Change*, Basingstoke: Palgrave Macmillan, 23-42.
- 2012i The world market, variegated capitalism, and the crisis of European integration, in P. Nousios, H. Overbeek, and A. Tsolakis, eds, *Globalisation and European Integration: Critical Approaches to Regional Order and International Relations*, London: Routledge, 91-111.
- 2012g Recovered imaginaries, imagined recoveries, in M. Benner and A. Lundqvist, eds, *Beyond the Global Economic Crisis: Economics and Politics for a Post-Crisis Settlement*, Cheltenham: Edward Elgar (in press)
- 2012h Ist Demokratie noch „die denkbar beste politische Hülle des Kapitalismus“?

- Bemerkungen zur Post-Demokratie These, in W. Oetsch, ed., *Post-Demokratie?* Bielefeld: Metropolis Verlag (publication June 2012)
- 2011a Ökonomische Determinismus, *Prokla*, No. 165, 579-596.
- 2011c Rethinking the diversity of capitalism: varieties of capitalism, variegated capitalism, and the world market, in G. Wood and C. Lane, eds, *Capitalist Diversity and Diversity within Capitalism*, London: Routledge, 209-237.
- 2011d Foreword, in E. Esposito, *The Future of Futures: the Time of Money in Financing and Society*, Cheltenham: Edward Elgar, xi-xii.
- 2011e Regieren + Governance im Schatten der Hierarchie: Der integrale Staat und die Herausforderungen der Metagovernance, in A. Demirović and H. Walk, eds, *Demokratie und Governance Kritische Perspektiven auf neue Formen politischer Herrschaft*, Münster: Westfälisches Dampfboot, 43-72.

Amelie Kutter

- 2013a 'Their death was prematurely reported: economic imaginaries in the German financial press', *Journal of Language and Politics* (forthcoming, English version of Kutter 2012b)
- 2013b 'State Redux? Crisis Narratives in the German Financial Press', (forthcoming)
- 2013c 'Investigating Paradigm Shift: Corpus Analysis as Explorative Social Science Technique', (forthcoming, co-authored with Bob Jessop and Michael Farrelly)
- 2012a 'Totgesagte leben länger: die Fortschreibung ökonomischer Ordnung in der deutschen Finanzpresse', in J. Maeße, ed., *Ökonomie, Diskurs, Regierung: Interdisziplinäre Zugänge*, Wiesbaden: VS Verlag (under review)
- 2012b 'Politischer Diskurs', in DiscourseNet, eds, *Wörterbuch interdisziplinäre Diskursforschung (WID)*, Frankfurt a.M.: Suhrkamp (in press, co-authored with Martin Nonhoff)
- 2012c 'Legitimation', in DiscourseNet, eds, *Wörterbuch interdisziplinäre Diskursforschung (WID)*, Frankfurt a.M.: Suhrkamp (in press, co-authored with Martin Nonhoff)
- 2012d 'Corpus-based content analysis: a method for investigating news coverage on military intervention', International Relations Working Paper 2012/1, Stuttgart: University Stuttgart (co-authored with Cathleen Kantner)

Mathis Heinrich

- 2012 "Die Transformation des Europäischen Finanzsystems" (co-authored with H.J. Bieling), Berlin: Rosa Luxemburg Stiftung.