Framing the Crisis: private capital to the rescue

Steve Tombs

Introduction

In September 2008, in contrast to any other social catastrophe – global warming, widespread hunger, poverty and the routine deaths of millions of children, AIDS, TB and malaria epidemics, about which "there always seemed to be time to reflect, to postpone decisions" (Zizek 2009b: 80) – one issue presented itself as "an unconditional imperative which must be met with immediate action": the "banks", for which read finance capital in particular and the global neo-liberal order in general, had to be saved (ibid.). In the UK, 'golden parachutes' (Žižek, 2009a: 12) were handed out to the UK banking system: in December 2009 the National Audit Office (2009) produced an "overview of the government's response to the crisis" which showed that "the purchases of shares by the public sector together with offers of guarantees, insurance and loans made to banks reached £850 billion, an unprecedented level of support". The financial commitments made by Governments since September 2008 have included purchasing shares in banks to enable re-capitalization, indemnifying the Bank of England against losses incurred in providing liquidity support, underwriting borrowing by banks to strengthen liquidity, and providing insurance cover for assets. The Government "cash outlay" is said to have peaked "at £133 billion, equivalent to more than £2,000 for every person in the UK". (House of Lords and House of Commons, 2013: 14).

In the US, the Troubled Asset Relief Program (TARP), developed on the back of the "Paulson Plan", effectively bailed out the US financial services sector, representing what has been labelled a "financial coup" (Harvey, 2009, Johnson, 2009). Under TARP, the US Treasury committed up to $700billion to promote stability in financial markets through the purchase and guarantee of "troubled assets." (Congressional Budget Office, 2012: 1), and by February 2012, $431billion of this had been disbursed (ibid).

These "financial coup[s]" (ibid) marked the beginning of a new "age of austerity" characterized by sovereign debt, where the already most vulnerable within, and across, societies are targeted as the price worth paying for capitalist recovery. Moreover, these financial packages in both the US and the UK were accompanied by unprecedented levels of state 'intervention' in parts of the corporate sector. Notably, for example, numerous Governments, including the UK, provided various forms of assistance to the automobile industry, "including subsidies to firms and direct involvement in industry restructuring plans", as well as varieties of car scrapping schemes to increase sales (OECD, nd: 2). During this period, many governments allowed the banks to ignore competition law – the supposed bedrock of neo-liberal markets; in the UK, for example, a merger between HBOS and Lloyds, two of the country's largest banks, was supported by Government.

However, despite states rescuing capital from the crisis, there has emerged – not least in the UK - a dominant set of *consensual* responses which provide the basis for the further march of neo-liberal ways of organising and seeing the world. It is with the some of the ways in which this remarkable outcome could be achieved that this Chapter is primarily concerned.

Indeed, in the following pages I argue that it was through a series of (quite often contradictory) blaming and framing techniques - in turn resting upon the use of analogy, motivated myopia, ignorance and deceit - that the construction, use and fact of economic, legal, political and social ignorance transformed the financial crisis into one of the public and the social, so that, as one commentator has put it:

> Everywhere the crisis of the private financial system has been transformed into a tale of slovenly and overweening government that perpetuates and is perpetuated by a dependent and demanding population. This is an amazing transformation of the terms in which our circumstance is to be understood. For about 10 days the crisis was interpreted as a consequence of the ineptitude of the highly paid, and then it transmogrified into a grudge against the populace at large, whose lassitude was bearing the society down to ruin. (Robinson, 2012)

Specifically, the chapter considers, with reference to the UK, how the financial then economic crises which erupted across much of the world from 2007 onwards have been politically and popularly framed – in ways which have allowed business-more-or-less-as-usual to proceed in their aftermath. The focus is upon various discursive initiatives and narratives which were constructed and utilised as and since, the crisis unfolded. My starting point is with the claim that, "Narratives are important instruments … because they co-construct and legitimize regimes by framing the way we see the world. Narratives are not author-less discourses, but represent specific, powerful interests" (Hansen, 2014: 636).

Crisis, Whose Crisis? Blames, frames and morality plays

The crisis was framed in a variety of ways, which varied across nation-states, in ways which had more or less 'success', and which took a variety of forms. However, paying particular attention to the UK, many of these framings contained an implicit or explicit moral element – and moral narratives were *necessary*, since they had to counter a moral outrage which had, even if relatively briefly, borne down on 'the banks'; indeed, hard as it may seem now to remember, for some twelve months or so, from late 2007, academics and public intellectuals, senior economists and the global financial press lined up at least to pose the question, 'is this the end of capitalism?', at the very least in its neo-liberal variants.

If such moral framings were to have effect, they had to both relate to and at the same time seek to shape, aspects of popular consciousness. Thus these framings are about securing consent, about addressing, and negotiating with, publics - and these are processes requiring "intensive ideological work" (Clarke and Newman, 2012: 300), always fraught with difficulty (Clarke, 2010: 391, Clarke and Newman, 2010). Neo-liberalism "and its cultural political economy" is always partly about "sociocultural dynamics, conflicts and struggles" (Wiegratz and Cesnulyte, 2015: 5), and these are particularly intense in times of crisis. Moreover, attempts to emerge from crisis on the basis of new politico-economic settlements always involve utilizing elements of existent and past, albeit still somewhere resonant, discourses – hence the significance of the increased valorisation of private capital which had extended beyond a quarter of a century prior to the crisis. (Tombs, 2001)

Exploring this valorisation of private capital, Snider has demonstrated (2000) how the phraseology of 'burdens on business' and 'red tape' to refer to laws designed to regulate economic activity became common currency, the unquestioned implication being that such burdens should be reduced as far as possible – since they no longer express any public good. The renewed moral status of private capital was partly a function of it *not* being the 'other', that is, wasteful, inefficient, and intrusive public sector bodies. Thus a key triumph of neo-liberalism was to connect with many peoples' experiences of state monopolies in the provision of goods and services and at the same time to equate such experiences with the values which had helped create those forms of public provision – notably a moral collectivism. Further, for neo-liberal discourse, it is not simply that state and public provision is inefficient –through their very existence they thwart individual and institutional innovation and competitiveness. Private enterprise, entrepreneurship, risk-taking, the pursuit of wealth, and the 'market' all became valorised not just as the most effective means to certain ends - profits, taxation, wages, or various socially necessary and (perhaps) socially useful goods and services - but *as ends in themselves*. Thus, neo-liberalism was and remains more than an economic or political project: it also has a moral core (Amable, 2011), albeit one beset by what are tensions and contradictions (Shorthose, 2011).

Identifying Blameworthy Subjects

One consistent set of discursive responses was a series of morality plays which had their origins in regarding individual bankers as "villains that brought down the world" (Whittle and Mueller, 2012: 119). Whittle and Mueller's (2012) analysis of the UK Treasury Select Committee hearings of 2009 into the banking crisis and in particular the questioning of four senior bankers therein demonstrates clearly that these were processes of moral condemnation. The conduct and substance of the Select Committee is instructive: within these morality plays, senior individual figures at the head of financial services companies – prime examples being Fred Goodwin, Stephen Hester, Andy Hornby and Tom McKillop[1] - were identified and vilified, often over very long periods of time. Moreover, such processes took place on both sides of the Atlantic (Froud et al, 2012: 44-5). Indeed, these were effectively quasi 'degradation ceremonies' (Garfinkel, 1956, Goffman, 1963) - *quasi* because although they were clearly ceremonial, and certainly involved formal denunciation, not least in moral terms of blame and shame, lacking was any formal calling to account even if, for some who had been vilified, their lives *were* changed, albeit resulting in a lower profile rather than any significant diminution in their material standard of living (Harris, 2012). Moreover, such ceremonial denunciation of specific, named individuals cohered with intermittent, less focused, much broader swipes at the guilty men of the City or Wall Street, which in turn drew upon distinct, but not entirely unrelated and hence utilisable, discourses of *rogue* traders (Pludwin, 2011: 470-2). Such 'rogue traders' - a common discursive mechanism for isolating corporate harms and crimes – were rarely concretised into identifying specific individuals whose legal responsibility was ever to be tested in court.

In any case, what emerges from this generalised framing of specific or a 'class' of individuals is that, if there were 'lessons to be learned', they were about eliminating bad apples, or 'tricksters' (Kelsey, 2014) – and not, therefore, about the necessity of the external restructuring of markets, sectors or fundamental practices within them through re-regulation. Thus, for example, reflecting upon the causes of the global credit crisis and the international recession, Lord Myners, the then Financial Services Secretary in Gordon Brown's Labour Government was able to state,

> The failures have not been failures of the market economy. They have been failures of men and women who forgot that market discipline meant that they had to be disciplined in order to get results out of the marketplace. Too many people got complacent and lazy – and the market responded as we should have predicted ... (Myners 2010).

Here, then, the superior morality of the abstract 'market' is lauded for its ability to discipline aberrant individuals who had not worked hard or creatively enough, and who had been taught a Randian-type lesson.

However, it is worth noting that such was the level of this outrage directed at a broad sweep of leading financiers that this discourse was never easily nor wholly contained simply at the level of specific bad apples; as indicated, popular sentiment extended to

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[1] The appearance of bankers before the Select Committee prompted a stream of vitriolic press headlines, most infamously in *The Sun* which ran the front-page headline 'Scumbag Millionaires' alongside images of Sir Tom McKillop, former Chairman, and Sir Fred Goodwin, former Chief Executive of RBS Group. (Hawkes, S. and Pascoe-Watson, G., 2009; see Stanley, 2012)

‘the bankers’, bankers’ pay and bonuses, sporadically if briefly widening out to both executive pay and, possibly more significantly, to ‘crony capitalism’ – to which I return, below.

That this was a protracted process of blaming is indicated by the fact that ‘banker bashing’ entered the popular lexicon. Indeed, some sought to call it to a halt. In January 2011, within days of taking over as CEO of Barclays, Bob Diamond told a parliamentary committee that he thought “There was a period of remorse and apology for banks and I think that period needs to be over" (Treanor, 2011). As Werdigier put it, he argued that it was time “to move on from criticizing and to let banks and the private sector create jobs and economic growth” (Werdigier, 2011). For Diamond, the question was “how do we put some of the blame game behind” (cited in Werdigier, 2011). This has become a common refrain by the sector and its apologists. Fraser Nelson, editor of *The Spectator*, lamented in 2013 that "It has been almost five years since the crash and still the guilty men are being tracked down and subjected to what seems like a never-ending trial for financial war crimes."” (cited in Cohen, 2013), while Anthony Browne, chief executive of the British Bankers' Association, pleaded, "We need to put banker bashing behind us” (ibid). The message here is simple: if individual men and women had erred, this should not prevent the key engines of neo-liberal capitalism from doing what they do best: finance the only means of recovery from recession, private capitalist investment and wealth creation, already established as the one best way for economic and social progress for over thirty years. This lay upon foundations built from the 1970s onwards, during which the achievements of the neoliberal shift were exaggerated and its costs minimised. Neoliberal failure to deliver the miracle of ‘trickle down’ wealth and the developing crises of the tax starved ‘debt state’ (Streeck, 2016) had themselves required the dynamic and pervasive manufacture of ignorance over the decades that preceded the financial crisis of 2007.

As intimated, this generalised opprobrium took some dangerous turns – dangerous, at least, from the point of view of capital. At a most general level, there was a long term popular and political outrage at ‘executive pay’ – an issue that has certainly erupted from time to time in the UK, not least under conditions of neo-liberalism in which the UK has experienced widening levels of income and wealth inequalities, trends exacerbated under conditions of post-crisis austerity which the Government was attempting to impose under the rubric ‘we’re all in this together’. Government responses to such outrage both sought to acknowledge, even to claim at times to share, the popular discomfort but to represent such levels of remuneration as unavoidable in a globalised market – Britain Plc had to attract and retain the best people at the head of their largest companies in order to continue to compete effectively in globalised market-places, and thus to facilitate recovery from recession. This latter claim appears to hold considerable sway – perhaps through repetition and a simplistic understanding of labour markets – despite there being absolutely no evidence for it (Bolchover, 2013, Gigliotti, 2013, High Pay Commission, 2011a, 2011b). Were this actually to be the case, then it might be noted that, compared to its European counterparts, the City of London must have some exceptionally talented people: a 2015 report by the European Banking Authority showed that 80% of financial services' workers across the EU receiving more than €1m a year were based in the UK, that is, "Across the EU, 5,124 financiers – bankers, fund managers and compliance experts – received €1m, of which 4,133 were based in the UK" (Treanor, 2017). Such facts need not, of course, get in the way of the individualistic self-serving justifications at the heart of a neo-liberal moral economy, justifications woven into a peculiarly powerful morality, constructed over several decades.

A second general way in which blame has been apportioned is via the construction and use of a series of moralistic dichotomies. One such dichotomy which circulated in the UK was that between retail (good) versus investment (bad) forms of banking, a discourse which gained such power that it is the basis for the one 'major' reform to the sector which has resulted from the crisis, the so-called ring fence to be erected within banks to protect the former from the risks of the latter. This rather conveniently obscures the fact that the three major waves of consumer victimisation that have occurred in the sector in the past three decades – private pensions, endowment mortgages, and payment protection insurance 'mis-selling' – all occurred within the retail sector (Tombs, 2015a).

Further moral dichotomies have distinguished between 'good' and 'bad' borrowers (the latter being the sub-prime borrowers in particular) and predatory as opposed to responsible lenders (Brasset and Vaughan-Williams, 2012: 35). Such divisions have class-based and, in the US, racialised and gendered dimensions – and, while pernicious, these also have resonance as they bear an (albeit distorted) relationship to reality, since saturated markets for mortgages saw less financially able groups exploited as a new, untapped source of super-profit for business (see, for example, on the distribution by ethnicity of sub-prime lending in the US, Sassen, 2013: 31-2, and Dymski et al., 2013).

Such resort to endless victim-blaming discourses (Weissman and Donahue, 2009: 9) in turn creates the basis for a wider encompassing of "suspect citizens" and their "culture of debt" (Pludwin, 2011: 472). In some ways this used the suspect lending practices of financial services firms and turned responsibility on its head. As Dymski et al have noted of the post-2007 exposes of sub-prime lending in the US, "The defining aspect of the crisis was not that subprime loans and other forms of predatory lending disproportionately victimized minorities and women, but that borrowers were myopic, overly greedy, or bot." (2013: 125). This also created the basis for a further, useful slippage, one that then allowed moral blame to be attached to many of us, logically related to the more audacious claim that 'we' were all somehow responsible for borrowing too much, enjoying easy credit, living beyond our means, and so on (Brasset and Vaughan-Williams, 2012). Thus, in general,

> The relationship between individuals, their houses/homes and their investment and saving habits was suddenly produced as a category of moral analysis in the public sphere. Fear, guilt, shame and anger were mobilised and sovereign responses, typically couched in the humanitarian vocabularies of salvation and helping victims … were not only justified but seen to be necessitated. (Brasset and Vaughan-Williams, 2012: 41)

There is a double moral-movement at work here. First, the feverishly constructed yet wholly fallacious claim that we are all somehow to blame in effect neutralises attempts to target blame more specifically; second, this generally ascribed moral lassitude opens up a space for extraordinary measures – a state of emergency – to be justified on the grounds that we need rescuing from a situation which we have all helped to create – and, further, that our legitimate opposition to the nature of any such measures is thereby also under-mined. In such ways, the politics and economics of austerity, grounded in 'common-sense' falsehoods and fallacies,appear as a necessary, albeit bitter, pill which we all have to swallow.

Thus the emphasis upon bad borrow*ing* as opposed merely to bad borrow*ers* also opened up discursive space to invoke the credit card analogy (Broome et al, 2012: 5). This analogy was to prove crucial in the institution of the idea that nation-states had overspent. In 2008, whilst in opposition, Cameron used the *News of the World* to claim that the Labour Government "has maxed out our nation's credit card—and they want to keep on spending by getting another. We believe we need to get a grip, be responsible and help families now in a way that doesn't cost us our future." (Conservative Home, 2008) Thus, although such an analogy is empirically (Reed, 2012) and conceptually (Pettifor, 2012) ludicrous, it had power since it resonated with the relatively successful balanced household budget analogy deployed over thirty-five years ago by both Thatcher and Reagan as they ideologically softened up their respective populations for monetarist experiments. Indeed, Konzelmann charts 300 years of key themes within narratives designed to justify austerity—within which "appeals to ethics and morality", which in turn are "reinforced by misleading analogies drawn between government budgets and the accounts of … households", have been central (Konzelmann, 2014: 701). In fact, such claims proved pivotal in the very quick shift from the construction of the crisis as one of private, capitalist institutions to one of national debt, especially debt incurred through public sector and welfare spending, and thus a more general, public lassitude (Robinson, 2012). More generally, then, this renewed attention to a diet of good monetary and fiscal governance via belt tightening on behalf of a gorged population helped to make austerity not just palatable but necessary, both economically and indeed morally (Blyth, 2013b: 1-15).

Such discourses support the claim that everyone and everything was to blame for the crisis (McLean and Nocera, 2011). Thus, "Who's not to blame? The mortgage brokers were out of control. Regulators were asleep. Home buyers thought they were entitled to Corian counters and a two story great room … This was an episode of mass idiocy."" (Pludwin, 2011: 472). If there was idiocy, claiming that this was ubiquitous is important: *if* we were all to blame, then no-one or nothing in particular was to blame; and *if* we were all to blame, then it follows we should all share the pain of 'recovery' – hence, again, the UK Government's easy refrain that we are all in this together, albeit a claim always somewhat vulnerable in the context of clear empirical evidence as to the distribution and effects of austerity measures. The false but relentlessly repeated ubiquity of blame, coupled with the facile credit card analogy, are double movements under-pinning the representation of private as public debt and ideologically fuelling the legitimation of austerity.

These indications are enough to highlight the prevalence of blaming strategies, albeit this discussion is not exhaustive - blame also extended at specific times to specific institutions (such as ratings agencies; Sinclair, 2010), or to some of their specific practices (such as 'short-selling', limited forms of which were banned in the UK for six months from September 2008; see BBC, 2009). But enough has been said to emphasise that what ties these discursive responses together is that such processes of actively naming and producing blameworthy subjects served,

> a political and ideological function by focusing attention on individuals and groups and away from a confrontation with the normative and systemic violence of capitalism itself. In a moment of economic crisis one cannot merely say, "This is simply the natural force of the market at work," since such a statement would certainly raise questions as to the soundness of the broader system. The restaging of responsibility to the active "discovery" of guilty parties helps maintain the integrity of capital and sustain the mythology that the market is rational, objective, and natural, but had been undermined and polluted by a few bad apples (Pludwin, 2011: 475).

Silencing Blame Discourses

Pludwin correctly states, in the above quotation, that a response to the effect simply that the crisis was a *natural* effect of "the market at work" would have called into question the market system itself. However, there were some discursive responses which did in fact invoke forces of nature to 'explain' the crisis.

Thus, a further discursive response to the crisis transcends the paradigm of blaming – albeit whilst retaining systemic-insulating effects. This entailed the generalised use of the language of the *tsunami*, a force of nature which in fact made victims of individual bankers just as much as financial institutions, governments and taxpayers (Brasset and Vaughan-Williams, 2012, Broome at el., 2012, Whittle and Mueller, 2012). This invoking of the tsunami was so strong and generalised that it became metaphorical – the financial crisis *was* a tsunami. Thus, giving evidence to a Congressional Committee in 2008, Alan Greenspan, Chairman of the US Federal Reserve until 2006, while acknowledging a long list of "regulatory mistakes and misjudgements", referred to the crisis as a "once in a century credit tsunami" (BBC 2008). As Greenspan spoke, fears were expressed that the tsunami which had started in the US and "rolled across the UK" would then move on to "the Continent" (Priest, 2008). Within a year, political leaders of developing countries were telling the G20 that "All the warning signs suggest that the financial crisis has produced a tsunami heading directly towards some of the most vulnerable parts of the world." (Woods, 2009). Months later, within the Eurozone, the crisis in Greece, formally defined as one of national debt, was generating fears of a "Lehman-style tsunami" as the crisis was seen to threaten Spain and Portugal (Evans-Prichard, 2010). More latterly, within the UK, the Coalition Government has sought consistently to represent the UK as a safe haven from the after-shocks of the tsunami affecting Eurozone states – after-shocks now represented as storms, presumably because of their longevity and creating the idea that *some* protection could be offered by nation-states. At the same time, of course, demonstrating that ideological frames need not be consistently drawn upon, the failures of the UK economy to 'recover' were consistently explained, at least partially, by the Coalition Government via references to external, uncontrollable shocks *upon* the UK economy *as a result of* 'the crisis in the Eurozone'.

This metaphor has several related effects and elements, albeit not necessarily, at least on face value, consistent with each other. First, it renders us all as victims – and this status as victims in the face of uncontrollable external events was one of the moral appeals made by UK bankers to evade responsibility (Whittle and Mueller, 2012: 126-129). Second, it depicts that which has victimised us as somehow both natural but also unnatural – it was a force of nature but also somehow aberrant in the normal workings of the world of finance. Third, it is plausible since it is entirely consistent with the ways in which markets, market forces, economic outcomes and so on are and have long been represented, as if natural, literally a product of nature, which of course at the same time "severs the economy from political life" (Pludwin, 2011: 467) and thus any form of human agency – representations which dominant forms of academic economics have been crucial to upholding. (Jackson, 2013; see also Blyth, 2013a). Fourth, the analogy with the tsunami also provides the basis for a 'state of exception' since, as is the case following any natural or other, specific 'disasters' (such as 9/11), these justify, in fact necessitate, states instituting emergency measures – albeit ones for which we would all have to pay, both now and in the future, in exchange for some future state-promised if not state-delivered protection (see Broome et al, 2012, Brassett and Vaughan Williams, 2012). Thus, the financial tsunami allows

> the government to justify incredibly large interventions to recapitalise the banks on behalf of such anxious citizens; the trick of course being that it was actually the citizens who were to subsidise the protection of the very banks that created the excessive lending in the first place (Brassett and Vaughan Williams, 2012: 27).

In general, across nation-states, bailouts, bail-ins, emergency budgets, state nationalisation of banks, have all taken place as executive acts - which in effect have liquidated democracy and exist in a space beyond the rule of law (Agamben, 2005).

A further key feature of the idea of a tsunami is that it carries with it the connotation that what occurred across the international financial services sector *could not have been known in advance*. That is, it constructs the crisis as one of a lack of knowledge, or ignorance, albeit one that runs counter to "the common assumption that modern economies are knowledge societies", an ignorance which is at the same time an active silencing, a closing of the possibility of critical debate (see also Mathiesen, 2004) Thus Davies and McGoey examine "the double value of ignorance: the ways that social silence surrounding unsettling facts enabled profitable activities to endure despite unease about their implications and, second, the way earlier silences are then harnessed and mobilized in order to absolve earlier inaction." (Davies and McGoey, 2012: 66) More than this, "the ways that the fallibility of expert knowledge are alternately highlighted and downplayed are marshalled as a vital defence mechanism against unwanted governmental intervention" (Davies and McGoey, 2012: 73). This in turn chimes with the consistent narrative in "official accounts" of the financial crisis which invokes "'complexity' in the nature of the securities transacted and in the structure of the financial industry as a way to convey difficulty to understand or apprehend, and thus to predict financial dynamics and regulate financial institutions" (Datz, 2013: 459).

Of course, it would be erroneous to imply that such processes are secure – they are, in fact, subject to intense struggle, and silencing, pulverisation and the general attempts to insulate institutions from fundamental critique are only more or less successful. We can see the fragility involved in attempts to respond to a crisis of legitimacy through containment and attempts to "close the universe of discourse" (Shorthose, 2011: 108) by the fact that more system-threatening discourses about the crisis did intermittently and incoherently circulate.

Blaming Capitalism?

This is not to say that there were no discursive responses to the crisis which had greater potential for placing some of the more individualised accounts into a wider context. Thus the individualised moral critiques of personal greed have intermittently extended, or threatened to extend, beyond purely individual levels – through widespread vilification of 'the bankers' though to a general critique of the relationship between pay, bonuses and poor performance, and into wider critical considerations of banking culture and 'crony' capitalism.

One strain here has been to invoke critically a wider, albeit meso-level, immoral banking *culture*, with echoes of what Will – following others – has called, in the context of the US, a 'Ponzi culture' (Will, 2013), one characterised by the valorisation of "debt, speculation or gambling, and the belief in rapid 'investment' growth" (ibid.: 48), and "a product of the symbiotic relationship between government and financial institutions" (ibid.: 60). Problematic elements of "banking culture" revolved around greed, short termism, 'excessive' risk-taking; but all such 'accounts', if not specifically individualised, were abstracted from their structural and institutional contexts. This decontextualizing was further bolstered, in the UK, by the establishment of the 2013 Parliamentary Commission on Banking Standards, the terms of reference[2] of which were to

> consider and report on: professional standards and culture of the UK banking sector, taking account of regulatory and competition investigations into the LIBOR rate-setting process; lessons to be learned about corporate governance, transparency and conflicts of interest, and their implications for regulation and for Government policy; and to make recommendations for legislative and other action.

What is of interest here is how in the litany of offences in which the financial services sector has been clearly implicated in recent years – from waves of 'mis-selling' to consumers of across pensions, endowment mortgages and payment protection insurance, to money-laundering, LIBOR and FOREX manipulation, sanctions busting and tax evasion (Tombs, 2015a) – *one* specific issue, the 'problem' of culture, is addressed through only *one* of these offences, the fixing of LIBOR, the inter-bank lending rate. It is unsurprising, then, that the report of the Commission (House of Lords and House of Commons, 2013) did nothing to address the destructive, systemic features of the sector(The Economist, 2013).

In its formal, political treatment in the UK, then, this focus on culture provided a mechanism through which the crisis was reduced and confined at best to second order phenomena, via which it was also subjected to "de-democratisation" through "efforts to refuse social and political dimensions of the financial system, its purposes and its governance" (Clarke and Newman, 2010: 713).

A second, but this time *macro*-level, moral critique also surfaced and resurfaced periodically and briefly - one which has actually spoken the word capitalism, albeit in the context of a series of simplistic moral dichotomies, between 'good' and 'bad', 'moral' and 'immoral', and 'crony' and 'responsible' capitalism. Indeed, in invoking 'crony

[2] http://www.parliament.uk/bankingstandards

capitalism, we saw the resurrection of a term that last circulated widely in the context of an earlier financial crisis, which afflicted Japan and neighbouring Asian states at the end of the 1990s (Sinclair, 2010: 91). At times in the UK, the term 'crony capitalism' has been subject to high level, political rhetoric. Notably, in the space of a few weeks at the start of 2012, all three main party leaders made major political interventions on this issue (Tombs, 2015b). As one might expect, however, the level of political 'debate' was anodyne.

First, Miliband followed up his Party Conference speech of 2011, where he focused upon "a system of irresponsible, predatory capitalism based on the short term, rather than productive, responsible behaviour which benefits business and most people in the long term" (Miliband, 2011). Therein, he mocked the seeming "passion" of Government to "take on 'crony capitalism'", which he noted was "an agenda for responsible business that our business leaders already champion" (Miliband, 2012). Then, within days, Clegg called for an end to crony capitalism and encouraged companies to follow the 'profit-sharing' model of the John Lewis department store group (Mason, 2012). Cameron himself urged 'reforms' for greater accountability to shareholders (Pratley, 2012). Such interventions only paved the way for Cameron to be able to emphasise the role of a socially responsible private capital forging an economic recovery whilst performing many of the functions the state had previously been charged with, under a 'Big Society' tent, so that:

> what I want to argue today is that those of us who believe in markets, business and enterprise need to come together and prove the sceptics wrong… we've got to take on certain snobbish attitudes. The snobbery that says business has no inherent moral worth like the state does … that it isn't really to be trusted … that it should stay out of social concerns and stick to making the money that pays the taxes (politics.co.uk, 2012).

Now, these latter discourses, regarding the 'need' for a renewed moral capitalism which by definition involve a critique of some form of immoral capitalism, are not insignificant. They create specific political risk, perhaps even crises of legitimacy, for governments, and these are typically political contexts in which albeit limited regulatory reform can be pushed through (Bittle 2012). That said, and at the very same time, they failed, at least in the UK, to assume discursive dominance, partly due to the contemporary balance of social forces, partly an effect of generalised political scepticism and demoralisation, and partly because they in fact have nowhere meaningful to go except that place which all state, institutional and organisational power will be deployed to prevent them going. The only place they can go is a place where they *cannot* go – that is, a more or less adequately conceived 'post'-capitalism. And one of the key effects of forty years of neo-liberalism, and indeed the elevated moral capital of capital during much of this period, is to render a world beyond capitalism and a world without the corporation each even less imaginable than had hitherto been the case. Herein we find a system-insulating coincidence of ignorance production on the one hand and dis-imagination on the other – not recognising the world which we inhabit at the same time prevents us conceiving of an alternative future.

Discussion

Within two years of the Global Financial Crisis, a political consensus had emerged in the UK[3]. The financial crisis had been transformed into a national debt crisis and the assault on protective state expenditures, under the name of austerity, which had begun in the last year of the Labour Government was significantly intensified by the Coalition Government from 2010 onwards. Moreover, all three major political parties which fought the General Election in 2010 were committed to *reducing* regulation of business: regulation in general was inherently burdensome and only to be an option of last resort, a minimalist necessary evil; and, in any case, regulation entailed costs for both the state and for business, costs that had to be restricted in the new 'Age of Austerity'. Thus regulatory costs had to be minimized on the one hand as part of the overall attempt to tackle the new fiscal crisis of the state, and on the other hand to reduce the costs for the private sector, which was seen as the only vehicle for economic recovery. Absent from this political discourse was any sustained, critical consideration of the forms of state regulation which had fuelled unsustainable levels of profit maximization on the part of financial services operating in the shadow-economy of derivatives and securities, a toxic process which created the very crisis to which more of the same poison was to prove the necessary cure.

When introducing his budget to the Commons shortly after the formation of the 2010 Coalition Government, Chancellor Osborne could quite confidently lay bare the shift from private to public debt, by then already a *fait accompli* which generated measures of urgent fiat, denoted by the naming of the budget as an 'Emergency' budget:

> Questions that were asked about the liquidity and solvency of banking systems are now being asked of the liquidity and solvency of some of the governments that stand behind those banks … This Budget is needed to deal with our country's debts. … This is the unavoidable Budget (Osborne, 2010a).

This itself was based upon the most duplicitous form of reasoning which was able to hook back into the credit card trick.

[3] Albeit generally if not ubiquitously replicated at international level, not least through the work of 'epistemic communities' (Deacon, 2011)

> Let me tell you what a structural deficit is. It's the borrowing that doesn't go away as the economy grows, and we have £109 billion of it. It's like with a credit card. The longer you leave it, the worse it gets. You pay more interest. You pay interest on the interest. You pay interest on the interest on the interest…Delay now means pay more later. Everyone knows it's the most basic rule of debt". (Osborne, 2010b)

Thus within what quickly became known as the "Age of Austerity", the price of 'recovery' was to reduce significantly the social wage across the western world. Government debt, re-cast as state over-spending rather than the socialisation of the effects of reckless, capitalist profit-taking, means that unemployment insurance, the deferred wages that are pensions, public services, and the often still minimal protections offered by regulation are luxuries that could now be barely afforded.

What has emerged from the material and discursive responses to the crisis, then, is a crucial meta-narrative – that the conditions for, and nature of, recovery places governments and populations as even more dependent upon private capital. This in turn immediately and necessarily – *for all our sakes* - reduces the scope for reinvigorated regulatory regimes. *Increasing* 'freedom' for capital is prescribed as the solution to the problems created in the first place by the excessive freedoms of capital.

Thus it can now clearly be seen how the framings discussed above were *effective* and *neutralising*, as well as *reaffirming* of neo-liberalism. They were *effective*, had a social and cultural power with some momentum, because they reflected realities: bankers *had* demonstrated greed, recklessness and at best a moral indifference; economies *had* boomed on consumption based on ever-easy access to credit; access to risky credit *was* disproportionately distributed to class fractions and ethnic minorities who were sold lifestyles which could not be supported by low paying, under- or precarious employment; and the popularised myths of the end of boom and bust really *had* meant that, in some senses and for some, the crash did come unexpectedly, as if of no-one's making but also of everyone's making. But these discourses were also effective precisely because individually, and in their combination, they individualised, isolated and pulverised the crisis, thereby *neutralising* the systematic nature of the financial and broader economic system from the critical, perhaps fatal, popular scrutiny that the events from 2007 onwards merited. At the same time, key elements of the moral code of neo-liberalism - the social valorisation of private wealth-making and profit taking, of entrepreneurialism even where this necessitates evading 'red tape', of a seething mass of individualised, naked self-interest, all free from the intervention of state, law and regulation, as the necessary means for economic and social good – were all *reaffirmed*.

Thus, a series of post-crisis "mystifications", which shuttled "between a market-centered responsibility and an agentic-centered blame model of responsibility", served to "sustain the supposed sanctity of the market" (Pludwin, 2011: 476) and, crucially, the dominant actors within it. None of this was any simple trick nor straightforward process. There is no sense in which the narratives that were eventually to be more successfully attached to the crisis and its aftermath were *necessarily* to be successful, albeit at least two issues were crucial in determining which would be: first, what power and interests could be mobilised *around* which narratives – and, here, the long-term mobilisation and consolidation of interests around the claims of free market economics was crucial (Blyth, 2013a); and, second, to what extent did specific narratives *possess* power: which were authoritative (Stanley, 2012), plausible, and cohered with an already existing moral narrative (Whittle and Mueller, 2012).

The power of this common-sense served both to insulate private capital as a whole from any effective, thoroughgoing critique, but in fact served to restore rather more than business-as-usual. Thus the crisis did not produce and significant, nor serious investigations into aetiology of the crisis, nor indeed criminal investigation of senior banking figures and financial services institutions themselves, nor any meaningful regulatory reform. More specifically, we do not know, nor are we likely to know, to what extent criminal activity was implicated in the events leading up to the crisis,[4] nor the forms and extent of criminal activity which those companies in receipt of financial assistance continued to engage in even whilst receiving this. Nor do we *really* know the financial costs of the long term bailout of the sector. Further, it is also not unreasonable to ask what has happened to the bailouts (and indeed to the 'cash' injections provided by various rounds of Quantitative Easing in the UK, the US and, latterly, the EU), which on the face of it appear largely to have been hoarded by banks to prop up reserves and balance sheets – and thus shareholders (Konzelmann, 2014) - rather than engaging in the stimuli which most post-crisis economies desperately needed and which central banks at least claimed was their intention. On one estimate, virtually all of the £200 million created by the Bank of England in the first round of Quantitative Easing was used by banks to restore profitability, while lending actually declined. (Murphy, 2010)

In fact, the crisis of private risk and profit-taking became one of the public and the social, a crisis out of which 'we' could only be led by private capital, which in turn implied the need for further deregulation in order to further free capital to perform this role. As I have sought to show in this chapter, the generation and construction of ignorance in its various forms, that is through generating doubt, confusion and the not-quite-correct targets of blame, through the absence of knowledge and the creation of false knowledge, through the dissemination of lies, half-truths, banal simplifications, and through consistent *practices* of denial, have served in their combination, quite simply, to reinforce power. The 'post crisis' settlement, defined via the term 'austerity', a

[4] Certainly, most criminologists on either side of the Atlantic have barely bothered to give the crisis a second glance (Tombs, 2015), albeit that there have been some exceptions.

seemingly neutral term, is one which ten years after the Global Financial Crisis, is characterised by "life-shattering violence", a concerted "attempt to *permanently dissemble the protection state*." (Cooper and Whyte, 2017: 1, original emphases). Such harms will endure for generations.

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