1. Introduction

Present across official, popular, and critical academic imaginations, a consensus prevails in understandings of the governance of the contemporary global financial crisis. While debates rage over the causes and consequences of the crisis that began in the summer of 2007, the means and ends of the initiatives which sought to manage the crisis have been consistently explained in essentially the same terms. The governance of the global financial crisis appears to be a set of emergency and historically unprecedented actions undertaken by sovereign state institutions, especially the central banks, treasuries, and regulatory institutions in the United States of America (US) and United Kingdom (UK). The purpose of these interventions would also seem apparent: to rescue the markets, the banks, and finance capital. In short, the consensus holds that the governance of the contemporary global financial crisis was a matter of the state saving capitalist markets from themselves, and of the public socialization of private losses.

This book provides an alternative account of the how the global financial crisis was governed from 2007 through to 2011. It shares with the prevailing perception a focus upon the management of the crisis in the US and the UK: not only was the crisis 'made in America', but the global dominance of the US dollar and the global reach of Wall Street and the City of London is such that, in effect and in the first instance, Anglo-American crisis governance was global crisis governance. The book's remit thus does not extend to the ways in which the crisis was governed as the eye of the storm travelled latterly to the Euro currency area. It also does not look elsewhere -- to interstate groupings (e.g. Group of 20, G-20), international organizations (e.g. Bank for International Settlements, BIS), and private transnational associations (e.g. Group of 30, G-30) -- in order to explore the principal mechanisms through

which the crisis was managed (Germain 2010; Helleiner, Pagliari, and Zimmermann 2010; McKeen-Edwards and Porter 2013; Porter 2014). Rather, the book offers an analysis that will make Anglo-American global crisis management intelligible in a different way. It will show that the consensus, which casts sovereign state institutions as salvaging markets, serves to conceal a great deal more than it reveals about how the global financial crisis was governed. And, although one of the results of crisis management has indeed been that its costs are now being unequally and unevenly socialized on both sides of the Atlantic, the book will show that to understand crisis governance in these terms is to confuse its consequences with the contingent processes and practices through which it was enacted.

The book's challenge to the consensus over the governance of the crisis of global finance is also a challenge to the deeply engrained frameworks of thought upon which that consensus is founded. Economics and political economy feature fundamental disagreements over whether stabilizing actions in times of crisis can and should be avoided, or whether they are indeed inherent to capitalist finance. Yet, these otherwise sharply contending fields contain significant shared assumptions about financial crisis management that, whether explicitly acknowledged or not, lead to startlingly similar accounts of the governance of the contemporary crisis. As Chapter 2 will outline, for both economics and political economy, it is the sovereign institutions of the state which are the agents that engineer crisis management, and the perennial aim in moments of rupture is to restore the circulations of the markets, banking, and finance capital. As will be encountered across Chapters 3 to 8, moreover, this consensus tends to frame explanations of the specific interventions that were made in an attempt to control the contemporary crisis, from the so-called 'liquidity injections' of central banks as monetary sovereigns, to the austerity programmes of treasuries as fiscal sovereigns.

The book's analysis of the governance of the global financial crisis is grounded not in economics and political economy, then, but in the field of cultural economy. Cultural economy is an interdisciplinary academic venture which primarily covers sociology, human geography, anthropology, and business and organizational studies (Amin and Thrift 2004; Bennett, McFall and Pryke 2008; du Gay and Pryke 2002). Gaining momentum over the last decade or so, it is the outcome of diverse responses to the implications of the 'cultural turn' in social theory for understandings of economy. It features, but is certainly not limited to, an interest in the efficacy of the theories and methods of science and technology studies (STS) for the study of economy (e.g. Callon 1998; Pinch and Swedberg 2008; Woolgar, Coopmans, and Neyland 2009). Cultural economy has also achieved particular traction through research into financial markets that, reflecting the strong imprint of STS, is often labelled as 'the social studies of finance' (SSF) (Kalthoff 2005; Knorr Cetina and Preda 2005, 2012; MacKenzie 2009). Cultural economy and SSF do not provide, however, a ready-made and established set of conceptual tools for thinking anew about the governance of the global financial crisis. The book's analytical motivations are thus intertwined with a further purpose: to develop the conceptual means by which the management of financial crises can be understood in the terms of SSF and cultural economy.

The severe turbulence of the contemporary crisis caught the social studies of finance somewhat off-guard. SSF consolidated during a period of financialized economic growth. Intensifying across three decades or so, and propelled by compounding asset bubbles which centred on stock markets and latterly on real-estate and debt markets, these processes came to an abrupt halt in the crisis. While finance was booming, there was little to question the preoccupation of SSF with the socio-technical processes through which markets are made, and with what Çalişkan and Callon (2009, 2010) define as the research agenda of

'economization' and 'marketization'. Government programmes and regulatory authorities did occasionally feature in SSF accounts of these processes in new markets, but tended to remain an unopened 'black box' while the seemingly self-regulating financial markets being studied were forging ahead (MacKenzie 2005). Explanations of regulatory change, and the politics therein, were largely left to political economists, although not all in that field were satisfied with such a division of labour (e.g. Konings 2010). As a consequence, and despite being in a position to provide insightful and distinctive accounts of the unravelling of markets once the crisis hit (e.g. Langley 2008a; MacKenzie 2011; Poon 2009), SSF developed something of an analytical blind-spot to the kinds of governance interventions which held finance together as boom turned to bust.

The actions of crisis management can be conceived of, however, in the terms favoured by the social studies of finance. There was, for example, no blueprint for controlling the crisis; governance was typically tentative and incremental, and often featured the kind of *in vivo* experiments that are also present in processes of marketization (Beuneza, Hardie, and MacKenzie 2006; Muniesa and Callon 2007). Crisis management also brought together fragments of old and new ideas, techniques from the past, and long forgotten and freshly minted institutional and legislative provisions; in other words, like marketized actions, governance actions had to be assembled (Hardie and MacKenzie 2007), and were put together in a process akin to the *bricolage* of financial market innovation (Engelen *et al.* 2011). Attempts to control the crisis were also marked by the materiality and power of 'market devices' (Muniesa, Millo, and Callon, 2007) - such as, for instance, bank balance sheets - that actively calculated and literally figured the crisis; again, similar to marketization processes, governance was thoroughly socio-technical (MacKenzie 2009; Preda 2009). Therefore, it is by broadening the vision of the social studies of finance, and by reaching out

to what Michael Pryke and Paul du Gay (2007) call a 'cultural economy of finance' to enable this task, that the book develops an alternative account of the management of the global financial crisis.

As it targets the consensus view on crisis governance, the book's analytical and conceptual motivations also fold into a political purpose. For the philosopher Jacques Rancière (2010), 'the essence of consensus … does not consist in peaceful discussion and reasonable disagreement, as opposed to conflict and violence' (p. 42). Instead, as he continues, at the core of consensus is 'the distribution of the sensible' and 'the annulment of dissensus'; that is, limits are placed on what is thinkable, sayable, and doable by dominant perceptions which serve to close down political space for dissent. Thus, the consensus on crisis governance certainly did not prevent debate in the course of the crisis, and neither does it prevent ongoing deliberations. As will be shown throughout Chapters 3 to 8, how best to govern the problems of the crisis was the subject of considerable uncertainty and dispute amongst economists, media analysts, bureaucrats, and politicians. And, at the time of writing at the end of 2013, the consensus continues to create scope for disagreement: on either side of the Atlantic, politics now centres on how the state can best be configured in response to a vast array of post-crisis problems, whether monetary, fiscal, or regulatory. Consider, for example, present debates over curtailing the so-called 'quantitative easing' (QE) of 'unconventional' monetary policy, the effectiveness and consequences of fiscal austerity, and achieving the right balance between regulatory capital requirements and the supply of credit in banking.

Nonetheless, by separating out hierarchical domains of practice and functions in such a way that crisis governance is taken to be, by definition, the sovereign institutions of the state acting upon malfunctioning markets, the consensus produced (and continues to produce) a

closure of the space for political dissent. What this boiled down to was 'the assertion that there is a specific place for politics' that 'can be nothing but the place of the state' (Rancière 2010: 43). 'Conflicts' over how the crisis should be governed were reduced to technical and liberal pluralist questions over the 'problems to be resolved by learned expertise and the negotiated adjustment of interests' (p. 71). Revealing, in this respect, is the bewilderment and frustration that was typically provoked by the most significant expression of dissent that emerged to contest Anglo-American global crisis governance: the Occupy Wall Street (OWS) movement.

Media coverage struggled to explain the OWS encampment at Zuccotti Park from mid-September to mid-November 2011, largely because it did not articulate a clear set of demands and interests that could be translated into specific policy actions, or reconciled through the political processes of the state (see Catapano 2011). Some academic supporters of the claims that OWS made on behalf of 'the people' and 'the ninety-nine percent' also cast doubt on the efficacy of the movement because it spurned leadership hierarchies and a strategic agenda for future action (e.g. Žižek 2011). However, in the terms of Rancière (2011: 13), 'the framing of a future happens in the wake of political invention rather than being its condition of possibility'. Emancipatory politics is a matter of opening up new possibilities and the prospects for the creation of political subjectivities, and not the designing of a new order to come. Indeed, as a range of academic analyses suggest, what was radical and significant about OWS was precisely that it interrupted and disturbed the precepts and practices of crisis governance (e.g. Douzinas 2013; Harcourt 2013). As a contribution to this dissensus, the book is clearly modest. Yet, when offering a creative, analytical, and conceptual contribution that unsettles how the governance of the global financial crisis might be understood, the book

also seeks to be an inventive, political contribution towards the redistribution of the sensible in the post-crisis organization of global finance.

By way of an overview of what follows, Chapter 2 begins by elaborating upon the methodological and conceptual tools that are employed throughout. Underpinning the book's research and analysis is Michel Foucault's (2003a) method of problems and problematization. Emerging in his later work, this is a method that extends the archaeological and genealogical approaches that Foucault (1972) previously developed, after Nietzsche, in order to interrogate power-knowledge relations and discursive formations. It is a method that explicitly directs inquiry to consider the ways in which problem-objects are abstracted, such that they can be acted on through apparent solutions. Putting the method to work here, crisis governance is not explored as a set of institutional interventions taken in the face of materially evident crisis circumstances. Rather, researching how the crisis was rendered governable requires careful attention to the contingent manner in which it was made-up and managed, as a number of relatively discrete technical problems that each required their own dedicated response and which delimited and depoliticized crisis governance.

Chapter 2 also begins to develop the conceptual anchor point for the book's analysis of financial crisis governance; that is, the concern with agency and action which intersects a variety of approaches to cultural economy (McFall 2008; Pryke and du Gay 2007). For cultural economists, what is typically thought of as 'agency', 'as the capacity to act and to give meaning to action' (Callon 2005: 4), is not centred upon and possessed by institutions and persons, such as firms, managers, banks, financial market traders, and consumers. Instead, cultural economy research employs a variety of categories that are broadly united in conceiving of agency as decentred and distributed, relational and compounded. Agency is

thus a processual hybrid that requires connections between 'human beings (bodies) as well as material, technical and textual devices', all of which are 'mobilized' and 'take part in the action' (Çalişkan and Callon 2010: 9). As extant research in the social studies of finance attests, cultural economy conceptions of agency have significant implications for the analysis of marketized actions. As the book will show, these implications extend to understanding crisis governance actions which apparently centre on the agency of sovereign state officials and institutions.

Across Chapters 3 to 8, the book is structured to make visible an overarching argument: the global financial crisis was not governed as a given development, as a crisis of markets, banking, or finance capital. Rather, the crisis was abstracted as a range of provisionally figured and relatively discrete problems; namely, and primarily, as technical problems of liquidity, toxicity, solvency, risk, regulation, and debt. As Table I summarizes, the book's main chapters will analyse how, from summer 2007, the crisis of global finance was turned into six specific problems, each with dedicated solutions to be ostensibly enacted by the state. Chapter 3 begins at the beginning, so to speak, by analysing how the crisis was rendered and governed as a seizure of liquidity in money and capital markets. Financial crises are typically understood -- by definition, and by economists of various hues -- as liquidity crises. That the crisis could not be controlled as a liquidity problem, even when it was acted on in ways that broke the mould of the established last resort lending practices of central banks, was thus especially telling as to its depth and magnitude. The loss of liquidity was not merely an abrupt halt in the circulations of global finance that authorities sought to repair. It was also a moment when that which made those circulations possible -- narratives, confidences, calculations, business models, monetary policies, regulatory policies, and so on -- also unravelled and ruptured.

Although Chapters 4 to 8 address the ensuing struggle to forge and manage the crisis in other ways and once liquidity had been lost, this series is only chronological in broad terms. It is certainly not the intention of the book, as is the case in some official and academic accounts (e.g. BIS 2008, 2009, 2010; Thompson 2012), to present the crisis as a number of identifiable phases to which authorities marshalled their corresponding responses. The diagnosis and treatment of the crisis as problems of liquidity and toxic assets did indeed largely precede the puzzle of bank solvency, for instance, and the crisis has settled-out most recently as a problem of sovereign debt which apparently requires fiscal austerity measures by way of obligatory solution. However, and alongside the problems of liquidity, toxicity, and solvency, the attempts to govern the crisis as problems of both risk and regulation that eventually gained traction during 2009 had been largely ongoing from the end of 2007.

Table 1: The Problems and Solutions of Crisis Governance

Problem	**Solution**	**Principal Actions**
Liquidity (money and capital markets)	Liquidity from central banks ('liquidity injections' and 'liquidity facilities')	Open market operations (OMOs) and discount window lending; programmatic interventions in money and capital markets; and quantitative easing (QE) (Federal Reserve and Bank of England, from 08/07)
Toxicity (sub-prime	Temporarily remove toxic assets from	Maiden Lane LLC I, II, III (Federal Reserve, 03/08 and 11/08); and Troubled Assets Relief

assets)	circulation ('bad banks')	Program (TARP) (US Treasury, 10/08)
Solvency (banking)	Recapitalization of banks ('bank bailouts')	Bank Recapitalization Fund and allied actions (HM Treasury and Bank of England, 10/08); Capital Purchase Program and allied actions (US Treasury and Federal Reserve, 10/08); and ad-hoc bailouts of individual institutions in both US and UK.
Risk (probabilistic risk management)	Anticipatory techniques ('stress testing')	Supervisory Capital Assessment Program (Federal Reserve, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, 02/09)
Regulation (banks and depository institutions)	Structural regulatory reform ('Glass-Steagall lite' and separation of retail from 'casino banking')	'Volcker rule' (President's Economic Recovery Advisory Board (01/10), Dodd-Frank Wall Street Reform and Consumer Protection Act, 07/10); and 'Vickers' ring-fence' (Independent Commission on Banking, 09/11, Banking Reform Act, 12/13).
Debt (sovereign debt)	Fiscal deficit reductions ('austerity')	'Emergency budget' (HM Treasury, 06/10); 2011 Budget and National Commission on Fiscal Responsibility and Reform (02/10); and

Budget Control Act (08/11).

To underline the contribution of the book in another way, it does not seek to be an exhaustive empirical survey of financial crisis management, as enacted in its Anglo-American heartland between 2007 and 2011. Not only would this arguably be beyond the scope of any single book, it is also not my motivation here. Neither does the book offer technical assessments of the success, or otherwise, of this or that intervention in achieving a resolution to the crisis. This is not a book that is concerned with making an academic contribution to lesson learning about how future crises might be managed more effectively (cf. Davies and Green 2010; Goodhart 2009; Griffith-Jones, Ocampo and Stiglitz 2010; Turner, Haldane and Wooley 2010; Wolf 2008). Instead, as it works towards a cultural economy account of how the crisis was governed as a series of problems, the book develops a line of inquiry set out by Peter Miller and Nikolas Rose (1990) in their agenda for the study of 'governing economic life'. As they understand it, given the tendencies for the liberal governing of economic life to be 'eternally optimistic' and 'a congenitally failing operation', 'The "will to govern" needs to be understood less in terms of its success than in terms of the difficulties of operationalizing it' (pp. 10-11). Thus, and as Chapter 9 underscores by way of conclusion, what is of interest here is how crisis governance emerged as an achievement in and of itself, and not whether it can be said to have functioned successfully or to have achieved its stated ends.

What the book will show is that the governance of the global financial crisis was enacted with great difficulty through relatively distinct, problem-orientated apparatuses of governance. As provisional and multiple attempts to prevent the unravelling of global finance, these

apparatuses were strategic but distributed and relational forms of agency. They clearly featured sovereign state institutions, but were certainly not reducible to them. As they framed and acted upon the crisis, each governance apparatus mobilized and assembled a number of specific elements in relation. Chapters 3 to 8 will draw out these specificities: what did it take, for example, for an apparatus to come together which rendered the crisis governable as a technical problem of liquidity? Across these chapters, moreover, the book will also argue that the discrete apparatuses of crisis governance had certain tendencies which they shared to a greater or lesser degree. That which the consensus on sovereign states salvaging markets conceals is, therefore, not merely the contingent and fragmented ways in which the crisis was governed as a series of problems. It also obscures the very character and content of crisis governance; that is, the proclivities that were typically present as each apparatus of governance was assembled, and the ordering preferences that were largely common across them.

As state institutions were mobilized in crisis governance apparatuses, what was especially notable was how sovereign monetary, fiscal, and regulatory techniques were reconfigured. The prevailing perception of crisis management imagines dormant sovereign powers -- 'sent to the oblivion of history by the apologists of market fundamentalism' prior to the crisis, according to Castells, Caraça, and Cardosa (2012: 3) – being wielded on an unprecedented scale by state institutions. The crisis thus appears to usher in a 'return of the state' (Eppler 2009; Grewal 2010; Plender 2008), and to produce a welcome shift in the 'balance' between state and market, or public and private authority, in favour of the former (e.g. Germain 2012). As the then President of France, Nicolas Sarkozy, put it in a speech made at the height of the crisis in September 2008, 'Self-regulation is finished. *Laissez faire* is finished. The all-powerful market that is always right is finished' (in Thornhill 2008). What this dichotomous

thinking obscures, however, is not only the 'permanent activity, vigilance and intervention' of the state during the preceding boom years (Foucault 2008: 246), but how sovereign monetary, fiscal, and regulatory techniques were dynamically transformed in order that they could be put to work in the governance of the bust.

The apparatuses of crisis management also did not stand apart from and govern over the economy of markets and banks, but actually enrolled the discourses and devices of economy. The crisis was certainly a moment of disaster for economic science as a discipline that, over the last forty years in particular, perfected theories that made powerful explanatory claims about the financial markets (e.g. *Economist* 2009b; Fine and Milonakis 2011). But, the same cannot be said for economics that, in its original and ancient formulation of *oikonomia*, is a practical and managerial disposition for administering order (Agamben 2011; Mitchell 2008). The knowledges, terms, and techniques of economics were immanent to the administration of the crisis. This is not to argue, however, that crisis governance should be understood simply as the imposition of a consistent economic theory, ideology, and political programme. It is in these instrumental terms that, following a roughly twelve-month period of 'Keynesian schadenfreude' at the peak of the tumult (Elliott 2009; Stiglitz 2008a), the persistence of neo-liberal economic policies tends to be explained by much critical academic commentary on the crisis (e.g. Crouch 2011; Gamble 2009; Hall 2011; Harvey 2010; Mirowski 2013, Peck 2013a). Crisis management was broadly neo-liberal in orientation, to be sure: when extensively mustering sovereign techniques, it held firm ordering preferences not only for the market exchange of classical liberalism, but for the competitive and entrepreneurial market society of neo-liberalism (Foucault 2008: 145-7). But, crisis governance revealed more about the power of economics as a means of administration than it did about the grip of neo-liberalism as a coherent body of economic thought. The specific economic discourses that

were activated, as governmental apparatuses both framed problems and proffered solutions, were multiple, fragmented, and, at times, contradictory. And, significantly, crisis management also mobilized a diverse array of calculative devices of economy that were already at large within the financial markets when crisis came, not least because they provided quantitative, material indicators of the extent and nature of the problems at hand.

While the management of the crisis was replete with all manner of measures and metrics, what also characterized the relatively discrete governance apparatuses was that they sought to elicit an affective atmosphere of confidence. The contemporary crisis certainly gave impetus to academic explanations that seek to bring emotions and collective affective energies to front and centre in the study of financial markets, typically as a corrective to orthodox economic assumptions about the rationality of market agents. For instance, behavioural economics, which stressed tendencies to 'irrational exuberance' in the 'new economy' stock market bubble at the turn of the millennium (Shiller 2001), again had ample grist for its mill when the crisis hit (Heukelom and Sent 2010; Shiller 2008). Longer standing Keynesian insights into the 'animal spirits' that move markets were also given a new lease of life and scientific sheen when combined with the psychological methods of behaviouralism (Akerlof and Shiller 2009). The crisis also rejuvenated the interests of sociologists in market emotions (Berezin 2009; Pixley 2012; Swedberg 2012). And, calls have been made for SSF to address the field's neglect of the affective forces that, in conjunction with the calculations of market devices, make market action possible (Callon 2012; Zaloom 2008). What this book will show, however, is that such calls for the study of financial markets to pay greater attention to emotional and/or affective dynamics largely miss the point: inciting an atmosphere of confidence in order to reanimate finance was a crucial concern in crisis governance. Without drawing on a clear body of economic thought to specify what 'confidence' is, or why

conditions of confidence are crucial for financial flows, governance apparatuses often attempted to work on and through its generative energies.

Moreover, apparatuses did not govern the crisis as a dislocation of market, banking, or financial capital circulations per se, but as posing a fundamental threat to the financialized security of the population in which those uncertain circulations are deeply implicated. The governance of the crisis as a security dilemma in Anglo-America was a matter of restarting, and keeping in motion, the vital and turbulent flows of global finance because of the opportunities that they apparently afford for the wealth and wellbeing of society. Crisis governance operated, in short, at the interstices of 'finance/security' (de Goede 2010, 2012; also Aitken 2007; Amoore 2011; Boy, Burgess, and Leander 2011; Lobo-Guerrero 2011; Martin 2007). What was to be secured was not merely the markets, the banks, and the financing of the productive economy that they are said to provide for, but the continuation of three decades or so of popular stock market investment and privatized pensions, on the one hand, and the expanded and widespread availability of mortgage loans and consumer credit, on the other (Langley 2008b). The governance of the crisis was, in short, a range of ordering interventions that attempted to ensure the persistence of the global circulations of a particular, valued form of Anglo-American, neo-liberal life.

Although the legacies of crisis management continue to play out, it is clear at present that new means of modulating the intensities of global financial circulations and of preparing for the eventualities of the next financial crisis did emerge from the apparatuses of crisis governance. Viewed in the round, the heat of crisis management did not produce a consistent vision of emboldened state institutions ruling out or reigning in the uncertain circulations of global finance, or an associated return to precautionary techniques for addressing the future

threats of another financial crisis. There has been no coherent or explicit attempt to crisis-proof finance. Instead, and alongside the consolidation of certain supposed crisis-relieving actions into longer-term agendas for monetary and fiscal policymaking (i.e. quantitative easing, austerity), crisis governance heralded change in the mechanisms designed to 'modulate' (Deleuze 1992) and to 'mitigate' (Collier 2008) the destructive forces of uncertain global financial circulations. Previously nascent or marginal techniques were brought to the fore and became mainstream in global finance, broadly paralleling developments witnessed across a range of other domains over the course of the last decade or so (Amoore 2013; Anderson 2010; Walters 2006). As Chapters 5, 6, and 7 will show, rendering the crisis governable as problems of solvency, risk, and regulation provided, in particular, a significant spur to the development of techniques that govern through, as opposed to against, uncertainty. These are the techniques which have been corralled into governmental programmes designed to advance the 'resilience' of banks and banking systems, and to offer a 'macro-prudential' approach to financial stability and regulation. To date, and in sum, the bequest of crisis governance has been a will to put in place new technical fixes capable of reconciling the vicissitudes of global financial circulations with the prospects that they seemingly hold for wealth creation and popular security.