ROUNDTABLE

The global financial crisis and its history

Adam Tooze's Crashed: How a Decade of Financial Crises Changed the World *(2018) is a hugely significant retrospective on the politics and economics of the past decade. Although written from a perspective sympathetic to the left, it centres on two areas –the daily operations of international finance, and the shifting configurations of global geopolitics – that still confuse and alienate socialist thinkers and movements.* Crashed *will already be familiar to many readers, and it has already attracted a huge range of reviews. Here, we gather three perspectives on the book's central arguments, and how they differ from other dominant analyses of our current moment.*

The politics of 'macro-financial' economics

Sahil Jai Dutta

'The Economy' is the central object of politics. Indicators of its performance make headlines, promises of its renewal make social movements, and threats to its health are gravely feared. Governments may survive prolonged social crises, but crises of the economy are usually terminal.

'The Economy' is, of course, a modern entity: the product of technical innovations made by specialist statisticians and political economists working closely with state administrators in the nineteenth and twentieth centuries. Though traces of 'the national economy' – interrelated (samples of) transactions aggregated into a coherent whole – existed before, it wasn't until the interwar period that the modern concept of 'The Economy' was 'fixed' in place. Macroeconomics was the apparatus through which government economic policy was conceptualised and implemented. Peculiar proxies of social life became everyday numbers: 'balance of payments'; 'inflation'; and most of all 'economic growth'.[1]

This was an imaginary that turned state administrators into heroic CEOs responsible for national economic wellbeing. Private citizens and businesses could command their narrow interests, but it was only technocrats at the centre who were able see the whole picture. The necessity for – and, crucially, ability of – elite liberals 'to govern' from above owes deeply to this understanding of 'The Economy'. All of which makes Tooze's depiction of the financial crisis as, in part, 'a crisis of macroeconomics' so significant.

When the banking crisis hit, policy-makers and commentators found they had been led astray by a seemingly antiquated interest in trade balances, inflation, exchange rates and economic growth. Macroeconomics forewarned a crisis of 'global imbalances': the US's highly valued currency would eventually run up against its vast trade and government deficits. A dollar crash would follow and take the US and world economy down with it.

This is not what happened, partly because the US-led developments in banking and finance that had taken place throughout the post-war years had dramatically shifted the terrain upon which political economy played out. Where once banks accessed liquidity by raising deposits, now they relied on wholesale 'market-based banking'. The twin developments of liability management and securitisation unleashed a tidal wave of liquidity that swept away the Bretton Woods era of 'embedded liberalism'. Textbook macroeconomics could not speak as clearly to this new world.

Market-based banking demands that we turn common-sense assumptions about finance on their head. As Samuel Knafo has written, there is a long history of thinking about finance in terms of its functional role in economic growth and capitalist accumulation.[2] Finance is supposed to be the passive intermediary, transferring savings to investment and managing risk in the service of the macroeconomy.

But this theoretical ideal could not endure in the face of the substantive practice of real-world financial actors. The credit created by private banks could be financed in the absence of the 'loanable funds' provided by depositors, and the financial sector grew to a size that bore little meaningful relation to underlying 'fundamentals'. As Tooze puts it, 'credit is not a fixed sum constrained by the "fundamentals" of the "real economy". It is an elastic quantity, which in an asset price boom can easily become self-expanding on a transnational scale.' In these conditions fluctuations in liquidity are a defining force in social life.

Despite all of this, the pull to 'real economy' explanations remained strong. And this is part of what makes *Crashed* an important intervention. While so many accounts of the financial crisis focused on the loans banks made to consumers – hence the 'subprime' moniker – Tooze examined how banks financed these loans. It is bank liabilities, not their assets, that *Crashed* brings to the fore.

In centring this story, *Crashed* drew less from academic macroeconomists, and more from the heterodox field of 'macro-finance'. This stems from a lineage of practitioner monetary economists, notably at the Bank of International Settlements, and from dissident political economy departments.

The difference from macroeconomics, Tooze says, is the 'need to analyse the global economy not in terms of an "island model" of international economic interaction – national economy to national economy – but through the "interlocking matrix" of corporate balance sheets – bank to bank'.[3]

This stems from a fundamentally different reading of money from that found in textbook macroeconomics. Money is not neutral. It does not grease the wheels of real-economy exchange. It is instead generated by the credit system, a system of profit-driven financial behemoths where money is to be made by creating credit. In this system traditional public institutions – be it central banks or national treasuries – can guide credit creation and allocation only indirectly.

By narrating stories of 'The Economy' in the language of macro-finance, *Crashed* identifies the actors and practices that are often occluded by broader structural critiques of 'financial markets'. Drawing on the research of regulators, for example, Tooze notes how we can name the twenty-nine financial houses at the centre of systemic stability. At a time when globalisation and digitisation can make finance feel like an abstract, almost metaphysical force, reminders of concrete actors and institutions are important.

There are infinite stories to tell about the crisis. Matthew Desmond's *Evicted* (2016) focused on foreclosures in post-crisis America to narrate one of the most devastating working-class perspectives on the crisis.[4] In laying bare the 'plumbing' of global wholesale finance, Tooze's story is obviously different: a necessarily unabashed elite history.

It is a story of the elite governors of liberal capitalist democracy flailing for control as the world they thought they commanded spiralled to disaster. This narrow social perspective allows for a detailed examination of the politics of contemporary capitalism. There can be a tendency to privilege the 'public realm' as the space of political contestation. As Tooze's fellow historian David Edgerton has written, this is a liberal political economic ideal.[5] In the brute empirical materiality of financial capitalism, much of the public realm is invisible, and, frankly, irrelevant. The public were not on the side of the banks during the crisis and are not on their side today. It is just that we lacked the levers to force change.

That sense of disempowerment has led many to turn to national governments as a solution. This 'state versus market' analysis argues that financial markets constrain the political economic options democratic governments can take. Without domestic pools of capital, governments and home companies are reliant on winning the approval of international creditors. The concern is that while global capital flows freely, these markets will punish a progressive government policy mix.

The political programmes that follow from this analysis are about establishing a political constituency to back a programme for capital controls and a 'Developmental Statist' dash for growth. Tooze has explicitly positioned himself against this 'statist' turn. In telling a macro-financial story the analysis – if not the book itself – may open alternative options.

The reality of deeply interlinked global financial markets can't be wished away. Constructing an internationalist, or at least European, demos might be Tooze's utopian ideal, but until then the current governing infrastructure is still capable of asserting itself. One of the key claims Tooze makes is that globalised finance has been a crisis for the left, but not strictly a crisis of democracy.

It is not that global financial markets exist externally and in opposition to democratic states, imposing regressive economic policies. Rather, it is that the forces of conservatism occupy the key institutions of political power.

Central banks are the primary example. More than ever before, central banks have been imbued with enormous capacity to shape global financial markets. The great shift that took place through the rise of market-based banking established new links between central banks and the financial sector. And with central banks now happily buying up vast government debt issues, the bond-market vigilantes can be kept at bay. As Tooze told *Jacobin* magazine: 'If you have an activist central bank, you can do whatever the fuck you like in terms of fiscal policy. There's really no shit you can't pull. You can double your bet, you can run up debt like you did in World War II.'[6]

Moreover, the shadow banking sector is dependent on the generation of safe assets to serve as collateral for its lending. As Daniella Gabor has laid out, in the post-crisis era a key safe asset is government debt.[7] This is part of the reason, for example, for UK bond yields remaining so persistently low, despite a towering government and trade deficit, political instability and a decrepit domestic economy.

In the US, the implicit state underwriting of mortgage-backed securities fundamentally altered the tenets of the US mortgage market. When these securities were taken onto Federal Reserve balance sheets ($1.7 trillion of mortgage-backed securities by 2018), it effectively meant that US public institutions had mediated claims on private homes of Americans.[8]

Similarly, the Bank of England can use unconventional monetary policy for much more than monetary stability. As Gabor put it, 'when the Bank of England purchases assets (QE) or accepts them as collateral, their yields are lowered compared to other comparable ineligible assets'.[9] That means the central bank can shift financial market prices and credit allocation simply on the basis of a legislative rulebook.

Alongside capital controls, challenging central bank independence and instilling an ambitious political mandate should be a primary progressive economic demand.

More broadly, we need to understand that money and finance are technologies of power more than they are facilitators – even elastic and unreliable ones – of strictly 'economic' activity. It might be that even heterodox economic analysis will struggle to fully grasp the politics of relentlessly leveraged financialised capitalism. This is in part because macro-finance still maintains a liberal tradition of separating 'the economic' from 'the political', consigning the latter to the fixed preferences of voters as expressed through the electoral system.

Yet the capacity to sustain great leverage and enrol others in the circulation of your debt is one of the great sources of contemporary power. This stems not from a failure of public 'politics' to adequately regulate 'economics', but from the private political authority these banks have developed to shape society in their favour.

This matters for the way we consider the efficacy of post-crisis governance. In contrast to the Europeans, Tooze finds the Obama administration to have been 'successful' in stabilising the banking system and macroeconomic growth. Yet the top one per cent captured ninety-one per cent of all real income growth during the 2009-2012 recovery.[10] This demonstrated the limits of what even capable technocratic liberalism could achieve.

A fuller political response may demand a more significant break from the intellectual assemblage that makes up 'The Economy'. This may mean moving beyond both macroeconomics and macro-finance, and their key metric of success, GDP. 'The

Economy' is not fit for purpose, and any progressive political project forged on the basis of its increase is bound to its ultimate failure.

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A structural crisis of financialised capitalism

Grace Blakeley

Crashed rejects the separation between politics and economics that has impoverished academic economics for decades. This is what allows Tooze to sketch a coherent economic history of the last decade, all the way from the 'great moderation', to the European sovereign debt crisis, to the conflict in Ukraine. His analysis of the links between the crash and European politics is masterful. He shows how policy-makers developing the EU's architecture in the pre-crisis period blithely stored up problems that came to a head after 2008 – the most obvious being the institutionalisation of Germany's opposition to debt mutualisation and inflationary macroeconomic policy. His exhaustive analysis of the Chinese stimulus package is perhaps the best popular account to date. By combining an analysis of the fiscal and monetary aspects of the stimulus, he shows how the Chinese state was able to marshal resources on an unimaginable scale to combat the impact of the crisis on demand, leaving the legacy of incredible technological and infrastructural development together with a massive debt bubble ready to burst at any moment.

The most valuable political insight to come from the book is Tooze's description of how the US – ostensibly the economy worst hit by the crash – used the post-crisis period to consolidate its hegemony. Many economists have commented upon the 'exorbitant privilege' experienced by the US due to the dollar's status as the global reserve currency.[11] The consistent demand for dollars, and therefore for investment opportunities denominated in dollars, has allowed the US to run a huge current account deficit for many decades now without experiencing a correction. Tooze highlights how this demand contributed to the crisis, as China accumulated massive dollar reserves that it invested in US Treasuries and the debt-based securities created off the back of American mortgages. Many expected the ultimate source of the crisis to lie in the emergence of these global imbalances. But whilst global imbalances were an important factor in the lead up to the crisis, Tooze points out that its immediate catalyst was a liquidity crisis in the international banking system – effectively a giant bank run, but with other banks instead of depositors running scared.

It was at this point that the imperial role of the dollar really came into its own, as the Federal Reserve made use of currency swap lines to provide liquidity to friendly central banks. Tooze is one of the first observers to point out the centrality of these swap lines in propping up the global economy after 2008. The Fed used the swap lines that had been created in the 1960s to provide the British, Japanese and European central banks with dollar loans that could be used to pump liquidity into their financial systems. This was imperative given the famous adage that banks are international in life and national in death: many global banks had amassed huge dollar-denominated liabilities, but their rescues were coordinated by their national central banks. $10 trillion worth of dollar loans was provided to the world's central banks during the post-crisis period. Today, these loans have been repaid, but for a brief moment the stability of the world's banking system hinged on the Federal Reserve as the global economy's lender of last resort. This exorbitant US responsibility for the maintenance of global capitalism is the other side of its exorbitant privilege.

The combination of Tooze's acute historical analysis and his understanding of wider macroeconomic trends allows him to situate the behaviour of the main economic actors in the context of a wider set of pressures and incentives. Whilst certain individuals undoubtedly come out of the book better than others (particular scorn is reserved for Angela Merkel), *Crashed* is not a story of heroes and villains. It is a story of powerful people driven by both ideology and their material incentives, first to turn a blind eye to the emergence of the biggest debt bubble the world had ever seen, and then to rescue the banks that caused the inevitable crisis that followed whilst heaping the costs on ordinary people. In other words, it is the story of modern financial capitalism.

The strengths of the book are, however, also its weaknesses. Several commentators have expressed disappointment that so many of the most powerful actors in the story emerge from the book unscathed.[12] It is clear that Tooze's sympathies lie with Main Street, not Wall Street, but at no point does he let his professional historian's objectivity slip. Perhaps this is one reason why *Crashed* has proven so popular – its style makes it palatable to both sides of the political spectrum. On the left, however, there has been some disappointment that the book cannot be easily be employed as a stick with which to beat the neoliberals.

It is the absence of theory, however, that is the book's most significant flaw. Whilst the series of events surrounding the crisis make for a fascinating history, simply chronicling events does not leave the reader any better informed as to why the crash happened where, when and how it did. What happened in 2007 has to be situated in the context of the long boom that preceded it, which in turn must be understood as an outgrowth of the financialisation of the global economy. Given its length, *Crashed* might have delved deeper into its subject matter by analysing the financial crisis as a crisis resulting from the inherent contradictions associated with a particular form of capitalism: finance-led growth. As he has himself stated, Tooze is not a Marxist, so perhaps there is no reason to have expected him to approach the book in this way. But whilst the book was never going to be structured solely around theory, *Crashed* does miss several opportunities to discuss financialisation in greater depth.

The best-known definition of financialisation is that it involves the 'increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies'.[13] In other words, financialisation means more and bigger financial institutions – from banks, to hedge funds, to pension funds – wielding much greater influence over other economic actors – from consumers to businesses and the state. In this sense, financialisation cannot be reduced to the increasing importance of big banks in the functioning of the economy. It's not that capitalism has been 'taken over' by finance. It's more that every aspect of economic activity has been subtly, and sometimes dramatically, transformed by the rising importance of finance in the economy as a whole.

Whereas economic life for the individual was once centred around wages and wage bargaining, wages are now often taken as given, and people have taken to managing their finances by managing the mortgage, the credit cards, the private pension plan and the student loan. Businesses once focused primarily on producing the goods and services for which they had a competitive advantage, but today they are likely to place just as much, if not more, focus on their share price, their dividends regime, their borrowing and the bets they've made on exchange rates and interest rates. There was a time when states were able to make economic policy more or less independently; today they are not only more concerned than ever before about the impact policy has on the markets; they are also increasingly likely to rely on private investors to undertake spending on their behalf. Financial markets themselves have become increasingly global as the liberalisation of capital flows has triggered a new wave of financial globalisation.

These structural factors clearly shaped the way the crisis played out, even if they didn't determine the specifics. The financialisation of Anglo-American corporations since the liberalisation of financial markets in the 1980s triggered a massive internal redistribution within the firm from workers to shareholders.[14] Profits and corporate debt skyrocketed, whilst workers saw their wages steadily fall away from productivity. The financialisation 'fix' pursued by neoliberal states such as the US and the UK saw the emergence of a regime of 'privatised Keynesianism', characterised by rising levels of private debt and the retreat of the state from the direct provision of public services. Escalating levels of private debt increased house prices, eventually inflating a Minskian bubble, which saw the British and American housing markets turned into a giant Ponzi scheme. Banks took this mortgage debt, packaged it up and sold it on international financial markets, disguising the amounts of risk they were taking in the process. Capital flooded into the US and the UK to take advantage of the boom that both were experiencing in asset prices, and repressed activity in the rest of the economy. The financialisation of the household, the firm and the state provided the 'raw material' for the financial crisis. While 2007-8 may look like a transatlantic banking crisis, it was more than this: it was the structural crisis of financialised capitalism.

Crashed, then, is a brilliant history of the *events* surrounding the financial crisis – but it doesn't give us the whole story. Tooze's elucidation of the transformations that took place in the international financial system up to 2008 is particularly insightful, and should provide lessons to policy-makers designing macroprudential regulation today. But the missing piece of the puzzle is a discussion of the role played by debt-fuelled asset price inflation in sustaining an economic system marked by deep-seated and ultimately irresolvable contradictions. As those on the left look to use this moment of extended crisis as an opportunity to fundamentally redesign the workings of the British economy, they should bear in mind that taming the banks is just the beginning of such a mission. Over the longer term, the only way to resolve the contradictions of a model based on private asset ownership is to radically limit private ownership altogether.

System and agency

Anahi Wiedenbrug

'We are the collateral damage in a crisis that is not our doing. We live in an unfair world', states a professor at Korea University, quoted in *Crashed* (p256). In the ten-year aftermath of the 2008 financial meltdown, positions of advantage and disadvantage, of power and vulnerability, were reproduced along lines of both class and statehood. While US and European taxpayers bailed out their under-capitalised banks, their CEOs continued to enjoy scandalous bonuses. Though emerging markets were expected to contribute to Euro-American crisis-fighting efforts, they were dropped like hot potatoes once the crisis reached their own shores. And as EU leaders failed disastrously to overcome the EUs internal power struggle, Greek, Irish, Spanish and Italian youth were robbed of their dreams for a better future.

Far from describing this status quo as an inevitable state of affairs that results from the self-perpetuating logic of a highly financialised global order, Tooze warns us against reifying the complex social systems we inhabit: ‘By dint of their massive weight, complex social systems such as the financial markets … create a sense of solidity. They make us doubt whether they could possibly be amenable to political agency, decision or debate’.

What we should be doing instead is analysing the role played by powerful actors who – by making concrete, political choices – reproduce the ‘outrageous’ and ‘scandalous’ global order we inhabit. As Tooze says, ‘there are ways of describing the operations of these systems that void the presence of politics. But if a history such as this has any purpose, it is to reveal the poverty of such accounts. Political choice, ideology and agency are everywhere across this narrative’ (p614).

At a time in which leading political figures invoke the alleged necessities of our highly financialised global order to justify concrete political choices, Tooze’s genre of history writing is invaluable. In identifying moments of rupture and paths not taken, it opens up spaces of emancipation from a system that is still – on all accounts – deeply unjust.

The emphasis on the political choices and tactics of the most powerful players, however, also comes at a price. By mostly looking at actors, Tooze misses what I call the ‘systemic’ level of analysis, and, more concretely, the way in which actors are shaped by the social order they inhabit. Tooze’s analysis focuses on political choices made by powerful actors. But it needs to be complemented by a systemic analysis that focuses on how these very actors are shaped by the system they inhabit.

I understand a ‘system’ as a social order that is composed by structures – networks of social practices which are sustained by the interplay between schemas and resources – and is characterised by a particular systemic logic.[15] The systemic logic, in turn, is what the system requires for its own self-preservation. The systemic logic imprints itself on the choices of actors either by making it materially rational to do what is required for the system’s preservation, or by making it seem rational.

Democracy vs. financial markets?

According to Tooze, one of the key take-aways of the last decade of financial turmoil is a questioning of what for many was a central tenet of liberalism, namely the smooth symbiosis between markets and democracy. If there ever was such a thing as a honeymoon phase between financial markets and democracy, there is much evidence in the book that testifies to its end. As US and European policy-makers have largely succeeded in what Merkel described as 'find[ing] ways of organizing parliamentary codetermination in such a way that it is nevertheless market conforming', it is democracy that has suffered. The mechanisms through which this has occurred have been various (quoted in *Crashed*, p396).

First, policy areas viewed as vital to market stability are systematically shielded from democratic processes. During the interrelated crises of 2008 and 2010, central banks intervened in ways that went far beyond their original mandates, using unconventional monetary policy to try to prevent their worst nightmares from materialising. As Jean Claude Juncker stated: 'Monetary policy is a serious issue … I am for secret, dark debates … I'm ready to be insulted as being insufficiently democratic, but I want to be serious … When it becomes serious, you have to lie' (quoted on p382). Similarly, Tooze documents how in the discussions surrounding the new Dodd Frank Act for banking regulation, 'many of the omissions [made in the Act] were strategic … What the Treasury and the Fed knew to be the main drivers of the crisis were kept off the legislative agenda' (p303).

Second, Tooze shows how throughout the last ten years political and financial elites have become ever more entangled – and the interests of the two ever more aligned. In the discussion of the US's programme to recapitalise their banks, for instance, Tooze explains how it explicitly became the policy objective of both the Treasury and the Fed to ensure that systemically important financial institutions increased their profits. The tensions between democratic processes and the necessities of financial markets were resolved, then, by making it the policy objective of the former to meet the latter.

Where the search for democracy's 'market-conforming mode of expression' did not succeed via these relatively subtle methods, more forceful means became available in order to 'hammer democracy into conformity' (p397). Nowhere was this clearer than in the 2011 G20 Summit in Cannes. Tooze narrates how Merkel and Sarkozy staged a coup, not only against the Greek prime minister Andreas Papandreou, but also against the Italian prime minister Silvio Berlusconi. 'In mid-November', Tooze comments, 'the governments of two Eurozone members were taken over by men [Mario Monti and Lucas Papademos] without democratic credentials, whose main qualification was that they were undeniably market conforming' (pp411–2).

Though deeply lamentable, the democratic deficit evident in these methods to ensure democracy's 'market-conformity' is not what concerns us here. Our main concern, instead, is Tooze's argument that it was the concrete choices of powerful actors that drove the course of affairs, and not the necessities of financial capitalism. Commenting upon the ECB's decision during the Greek debt debacle not to buy sovereign bonds, Tooze argues that 'if the ECB did not intervene it was a matter not of economics but of politics' (p334). Similarly, in the twin cases of Greece and Italy, Tooze sides with former Secretary of the Treasury Tim Geithner in stating that, though there had been many governments 'felled by market pressure', 'the driving force in the Eurozone in the fall of 2011 was political, not economic' (p412). In short, then, Tooze sustains that it was politics, not the dictates of financial capitalism, that shaped the course of events during the crisis-fighting efforts of the EU and US.

The systemic logic of the game being played

If one looks beneath the surface of the arguments given by Tooze's agents, however, one recognises that a certain understanding of how financial capitalism works affected each and every decision taken by the political leaders he rightly holds responsible. This understanding of what financial capitalism requires for its own preservation represents the systemic logic at work: it either was, or seemed, rational for the agents involved to do what was required to save the system. Of course, the understanding of what precisely the system required is not static – since there is ample evidence that key players changed their way of thinking about what was required throughout the crisis; and it is not homogenous – since different players hold somewhat different views – which, as Tooze shows, was a problem at the core of the disastrous crisis-fighting efforts of the Europeans. But it does reflect the dictates of the type of financial capitalism we inhabit today.

Think about a soccer game.[16] During a soccer game, players can make different moves. A sports commentator will analyse these moves and highlight the choices the respective players make. This is the type of situational analysis that Tooze offers.[17] Players, however, cannot kick the ball in whatever way they want to; their moves are conditioned by the game being played. Moreover, were one to exchange all the individual players occupying the respective positions, the new players would be likely to follow the same rules and employ similar tactics. To fully understand what is happening on the field, then, requires complementing the situational analysis with a systemic analysis. Paying attention to this systemic level does not mean falling back on the reification of complex social systems that Tooze rightly denounces: only actors can act and reproduce the logic of the system they inhabit. But it does entail paying closer attention to the question of how actors are shaped by the game they play and the system they inhabit.

Two, related, responses that express the systemic logic of financial capitalism come to the fore throughout *Crashed* – the fear of market panic, and the logic of 'There Is

No Alternative' (TINA). We can recognise this systemic logic in the rationale of all agents.

If the ECB opposed bond buying or private sector involvement, for instance, this was only partly because it wanted to push responsibility for adjustment where it thought it belonged, namely with fiscally irresponsible governments. It was also – and I would go so far to say that it was mainly – because Trichet, the Bank's president, feared market hysteria. According to several negotiators, he 'blew up' every time private-sector involvement was even mentioned.[18] His rationale was fear of losing the trust of the markets. Once faith in the creditworthiness of one Eurozone country was shattered, Trichet feared that confidence in the bonds issued by other European governments would also be destroyed, resulting in a Lehman-like event in which investors pulled money out of markets all over Europe.[19] In a similar vein, Geithner defended his preferred bail-out solution, not because he was politically positioning himself with Wall Street bankers, but because he feared that, were he not to do so, the whole system would coming tumbling down. 'First and foremost his [Geithner's] commitment was to upholding the stability of "the financial system", because without that, the entire economy was bound to fail. That was his key article of faith. The interests of America and the financial system were aligned' (*Crashed*, p297).

The IMF, as the junior partner in Europe's troika programmes, also seemed to have succumbed to a TINA logic. The minutes released from the IMF board meeting on 9 May 2010, in which the programme was approved, reveal that the IMF opposed the first Greek rescue package on the basis that it violated the 'No More Argentinas' rule – the rule, that is, that defined that further loans would only be granted if it was clear that a country's debt burden was sustainable.[20] Though Greece's debt burden was clearly unsustainable at that point, the IMF board determined that no plan B existed. As one commentator noted: 'as they entered, the directors and other IMF personnel attending the meeting knew how it would end. Given the combustible market environment, the board was certain to approve the program, based on the usual consensus or something very close to it.'[21]

All of this is not to say that politics do not matter and that political choices by key players are not important. Rather, agents are shaped by what I called the systemic logic of the game they play, namely financial capitalism. This does not relieve political actors from responsibility, but it does help us to better understand the origins of our current predicament. Without taking the systemic level into account, it is impossible to understand how the status quo is constantly reproduced, or how it can be effectively challenged.

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Notes

1. The idea of 'everyday numbers' with regard to governing 'The Economy' comes from Richard Lane. See R. Lane (forthcoming), 'The American anthropocene: Economic scarcity and growth during the great acceleration', *Geoforum*.
2. S. Knafo, 'Financial crises and the political economy of speculative bubbles', *Critical Sociology* Vol. 39, No. 6, 2013, pp851-67.
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