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A step towards rapprochement

Andrew Gamble

Robert Shiller, *Narrative economics: how stories go viral and drive major economic events*, Princeton University Press 2019

For a long time economics has been growing apart from the other social sciences. Economists have become steadily less and less interested in history, sociology, anthropology and political science, regarding them as lacking rigour in their methods and unable to generate reliable knowledge about the social world. Many economists became uninterested in any problem that could not be modelled mathematically, which ruled out most of the economic events which interested students, policy-makers and the general public. Some economics courses in the United States even refused to admit that the near-collapse of the financial system in 2007-8 required any attention from economists. As Robert Shiller points out, this was in sharp contrast to many earlier economists, including John Maynard Keynes and Joseph Schumpeter, who used narratives and knowledge from other disciplines as part of their toolkit to explain complex economic events.

Shiller's aim in this book is to rehabilitate and extend the tradition of narrative economics. He wants economists to take narratives seriously again. As he puts it, 'to understand a complex economy we have to take into account many conflicting popular narratives and ideas relevant to economic decisions, whether the ideas are valid or fallacious' (p xv). He takes narratives to be a story or representation used to give an explanation or justification of a society or an event. What he is most interested in is the idea of 'narrative contagion', the way in which the trajectory of the economy and the stock market - and also the trajectory of major economic

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events such as the Great Depression in the 1930s - can be shaped by the stories, the misconceptions and the broader narratives which are in circulation. He constantly uses an analogy between the spread of economic narratives and the spread of viruses among the population. The book was published in 2019 but it has a new relevance in the age of Covid.

What Shiller never quite resolves is whether the theories of economists should be treated as narratives in the same way that popular economic narratives are. At times he seems to suggest they should be. He talks about the contagion of particular economic models and explanations, which go viral through their adoption as paradigms by economists through the sacred rituals of seminars, conferences and peer review. He cites as examples, among others, the Laffer curve, cost-push theories of inflation, and the wage lag hypothesis. At other times he draws a distinction between the 'true' narratives of economists and the 'false' narratives which govern public thinking and popular discourse. There is a tension here. Shiller is not willing to give up the epistemological claim of modern economics that it bears within it a higher rationality which can guide policy-makers and save them from error. He does believe, however, that policy advice will be ineffective unless economists can find a way of understanding the role which popular narratives play in influencing economic events. Economists too often in the past, he argues, have incorporated perfect rationality into their models and treated all behaviour that deviates from rationality as irrational, to be explained by exogenous factors. Shiller wants economic narratives to be made endogenous to explanations of economic events, to account for the irrationality which is inseparable from them.

Economic narratives are powerful because they offer an explanation of how things work in the economy, and affect how people justify economic action and policy responses. But only some economic narratives go viral. Most fail to do so. Much of Shiller's book is devoted to exploring examples of narratives and phrases which did go viral, and which have frequently been resurrected. Once released into a population they are always capable, like real viruses, of being revived and starting another cycle. Shiller identifies nine 'perennial' economic narratives, which he treats as constellations of different ideas, stories and jokes. They range from binary narratives such as panic versus confidence or the Gold standard versus bimetallism to stock market bubbles and automation. Shiller describes how these narratives arose, who first articulated some of their themes, and whose interventions helped

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them to go viral. He notes how narratives often feed off previous historical examples. The Great Depression was initially interpreted in relation to the depression of 1920-21, and the narratives explaining it became strongly interlinked with the narrative of the Roaring Twenties. The excess of the Twenties was purged by the great crash in 1929 and the depression which followed. Shiller argues that the economic narratives which became dominant in popular perceptions of the crash helped deepen the depression and made it much harder for the economy to recover. Roosevelt tried to reframe the narrative and inject some hope that there were better times ahead by warning that the only thing we had to fear was fear itself. This quotation, as Shiller shows, was already much in use earlier, but now had even greater resonance in the bid to get consumers spending again and the economy moving.

Shiller thinks that one of the biggest problems of all human societies is fake news. It is ubiquitous he argues, because it is inseparable from the human condition, and narratives are at the heart of it. People spread stories they suspect are not true either because the stories are amusing and they would like them to be true, or because they are morally and emotionally satisfying. Fake news on this definition existed long before the internet and social media, although these have greatly increased the possibilities for spreading stories, rumours and disinformation of all kinds. This can be countered by such devices as trusted news sources and fact-checking websites, but Shiller thinks that such defences are often overwhelmed by the popularity of some of the dominant economic narratives. He quotes many examples in the book, particularly the recurring fears about the destruction of jobs by technological progress. This has been present since the early stages of industrialisation and has assumed new salience with the arrival of automation and AI. Shiller detects successive waves in the popularity of the economic narratives around automation - peaking in the 1960s, the 1980s, the 1990s and then the 2010s. A future edition of the book will no doubt have a chapter on the economic narratives around the pandemic and its effects on future employment and prosperity.

Shiller writes that it is the job of leaders to 'lean against' false or misleading narratives and establish a moral authority against them. That presumes they have access to true narratives, which allows them to distinguish between what is true and what is false. There are some understandings of the way the economy works on which most economists agree. But even then some people will dispute the claim to truth, just as some people refuse to accept the scientific consensus that the earth

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orbits the sun, that human-made climate change is real, or that Covid-19 should be treated as a pandemic. Perhaps a bigger problem is that it is often hard within economic narratives to separate questions of how the economy works from how the economy should work. Shiller quotes Ronald Reagan who often used humour to put across a narrative about the economy which was simultaneously a deeply political narrative. Reagan summed up the government's view of the economy as 'if it moves tax it, if it keeps moving, regulate it. And if it stops moving, subsidise it' (p51). That is both an account of how the economy works which resonated with his supporters and an indication of a clear policy direction to create a successful economy - lower taxes, less regulation, fewer subsidies. That narrative has always been contested by other narratives that have different descriptions as to how the economy works, which lead to very different policy prescriptions. These contending narratives give rise to different versions of popular economic commonsense, which may be informed by economists, but which also have a life of their own and are used by politicians to frame choices and win political arguments.

Shiller is right to see the importance of economic narratives in understanding major economic events, but he needs to embrace some of the insights which other social scientists have long offered about the importance of narratives in the construction of political and economic realities. At the end of his book he retreats back to economics, setting out a research programme which economists might pursue into the analysis of economic narratives. The emphasis is highly quantitative, using advanced forms of content analysis to scan data bases and construct hypotheses which can feed into economic models. Quantitative methods have their place in understanding narratives, but there is little mention of the role of qualitative research. Yet this book consists almost entirely of qualitative research, using methods long familiar to historians and to cultural studies.

One of the strengths of the book is that Shiller offers his readers a rich account of how economic narratives are formed and how they persist. This is often because they draw on different narrative forms. He notes, for example, how the Wizard of Oz was probably intended by its author, Frank Baum, as an allegory about the controversy between supporters of bimetallism and the gold standard in the 1890s: Dorothy and her silver slippers represented an idealised Mid-West, the tin man the industrial workers, the scarecrow agricultural labourers, the Lion the Democratic presidential candidate, William Jennings Bryan, the yellow brick road the gold

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standard, and the Wizard of Oz - who promised much but was found to have no solutions to the problems of Dorothy and her friends - President William McKinley. Shiller suggests that William Jennings Bryan and his populists have much in common with Donald Trump and his supporters, in their contempt for elites and experts and their championing of the heartlands of America against the financial power of the cosmopolitan East. But Donald Trump's extraordinary political success also lay in his ability to weave together several different economic narratives. Shiller notes that Trump's mantra that it pays to let people know how rich and successful you are is a contemporary version of one particular narrative of the American Dream. A contrasting narrative of the American Dream emphasises frugality and modesty rather than conspicuous consumption. This tension is also currently being played out in contending narratives on the environmental crisis. Shiller also has many insights on the narratives around real estate booms and busts, bitcoin, stock market bubbles, the emergence of houses as speculative investments, and the angry narratives and the moral narratives which during the Great Depression blamed profiteers and advocated boycotts to address popular grievances. (Boycotts were named after Charles Boycott, an English land agent in Ireland who, because of his high-handed behaviour towards his tenants, was subjected to the first organised boycott in 1880.)

The material Shiller is dealing with is too rich to be captured by the kind of algorithms which might be employed in conventional economic models. If narrative economics is to realise the potential which this book sees for it, and rekindle the spirit of Keynes, Marx, Schumpeter and Hayek, then it needs to look back at its own history as a discipline and be much more open to approaches elsewhere in the social sciences. The 'Methodenstreit' between economics and history has run its course. The field of cultural political economy would be greatly enriched by collaborations between economists and other social scientists interested in studying discourse and narrative. This book is a welcome sign from a leading economist of a step towards this, but it needs to go further.

British Cultural Studies thrives in Germany

Michael Rustin

Juergen Kramer and Berndt Lenz (eds), *How to do Cultural Studies: Ideas, Approaches, Scenarios*, Königshausen and Neumann 2020

How to do Cultural Studies is a remarkable book, which has been written in the context of the establishment of Cultural Studies as a major field of study in German universities today. This development has taken place in the broader context of English studies (*Anglistik*) in the German university system: British Cultural Studies is now the subject of teaching and research in around twenty-five universities.¹ The largest number of students studying courses in English are in teacher education, but there are many others too. It is because of this educational commitment that so many citizens of Germany are fluent in English. Cultural Studies, modelled very closely on the field as it was created at the Centre for Contemporary Cultural Studies at Birmingham between 1964 and 2002, has been adopted as an influential paradigm through which German students of English learn about society and culture in Britain.

This book consists of an introduction by Juergen Kramer and Berndt Lenz which sets out the history and purposes of this programme, giving credit to Stuart Hall's work, followed by chapters from eleven widely-published authors, from eight different universities in Germany, most of whom are Professors of British Cultural Studies. Each of these explores in a substantial essay an aspect of British society, deploying the concepts and methods of Cultural Studies to do so. Kramer and Lenz argue that Cultural Studies has avoided becoming defined by a canon of established writing, instead choosing to develop new case studies for use in the university classroom. Such case studies provide the substance of this book, and include such

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topics as 'British Political Rhetoric from World War II to Brexit (Görhrmann and Tönnies), 'Myths of the British Monarchy' (Pankratz), and 'Scandals in British Culture' (Karschay). Each of the topics is designed to be the subject of a single term's course, and students are expected to deepen their knowledge of the area being studied by reference to first-hand English language sources. The World Wide Web has, of course, greatly enhanced the feasibility of such cross-cultural study.

The chapter by Gerold Sedlmayr on 'Ethnicity, race and representation in Britain' provides an introduction to the complex definitions of ethnicity and race set out in Stuart Hall's seminal 'New Ethnicities essay', including a documented history of the politics of race relations in post-war and post-colonial Britain. Wolfgang Hallet's 'Surveillance cultures: theory, ethnographic research and discourse competence in the Foreign Language' introduces students to a new sub-field of sociology, in order to understanding the widening extent of surveillance. Many different forms of representation are presented in Gabriele Linke's 'Cultural memory of the class struggle: the 1984-5 Miners' Strike'. On the whole the authors refrain from providing a specifically Germany-oriented perspective on their topics, although comparisons with the students' experience of their own society are frequent issues for classroom discussion. For example, ethnicity and migration, and surveillance, are now of great significance in both Britain and Germany, and there must be many connections to consider. British documentary films remembering coalmining in north-east England (Morrison and Johansson's *The Miners' Hymns*) and showing the effects of harsh British welfare policies (Ken Loach's *I, Daniel Blake*) may have similar echoes in German experience. But what, one wonders, do students in the Federal Republic make of the British monarchy and its representations in such media artefacts as *The Crown*? One would be glad to witness such classes.

What is impressive about the work described in this book is how much its students and indeed its teachers are expected to learn to study their subject successfully. First, they must become competent users of the English language. Second, they must learn to use the perspectives and methods of analysis of Cultural Studies, which provides the frame for their studies of English life. Then, third, they are asked to 'apply' these learned abilities to the study of different aspects of British history and culture. I wonder if any studies of foreign languages in contemporary English universities are supported by an approach such as this one, making central use of a theoretical and methodological perspective from the country whose

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language and culture is being studied, as both its topic and resource.

This book is published in English (I found it word-perfect, and largely, in relation to its English subject-matter, pitch-perfect too), although I believe it is mainly intended to be read by students and their teachers in Germany. It is a book intended to support educational work - an analogy might be with Open University course books, which have combined original content with a mainly pedagogic purpose. The OU books have been able to achieve high intellectual and production values in part because of the scale of the programmes for which they are designed. The accessibility of this book prompts one to ask about what dialogue there might be between German and Anglophone practitioners of Cultural Studies? I understand that this large field of study in Germany has until now been largely unnoticed in Britain, although its quality and scale is so impressive. Perhaps something additional to what is explored in this volume is needed to bring such dialogue about. That might take the form of a presentation of a distinctive and, one hopes, critical perspective on Anglophone Cultural Studies, from a Germanic perspective. Such transnational discussion might provide some stimulus for the further development of Cultural Studies here, where the field has been weakened by the broad governmental attack on the arts and humanities in British education.

How to do Cultural Studies is a fine example of trans-European work in the humanities, just at the time when the British state is severing most of Britain's connections with the European continent. *Vorsprung Durch Technik* (progress through technology), the famous slogan of the Audi car-manufacturers proclaimed. Yes indeed. In this field, the progressive techniques are those of Cultural Studies.

This review arose from presentations by Juergen Kramer and Gerold Sedlmayr to an on-line seminar of the Stuart Hall Foundation on 9 December 2020.

Notes

1. <https://www.britcult.de/>.

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