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CONJURING THE SPIRIT OF MULTILATERALISM

Histories of crisis management during the ‘great credit crash’

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ABSTRACT

In recent years critical scholars have emphasised how the recollection of past events as traumas can both constrain and widen the political possibilities of a present. This article builds on such research by suggesting that the management of contemporary financial crises is reliant on a ritual work of repetition, wherein prior ‘crisis’ episodes are called upon to identify and authorise specific sites and modes of crisis management. In order to develop this argument, I focus on how past crises figure within the public pronouncements of four key policymaking organisations during the financial instability of 2007-2009. I find that while the Great Depression does enable these organisations to reaffirm old ways of managing crises, both it and the more recent Asian crisis are also made to disclose new truths about the evolution of multilateralism as a form of governance. In so doing, I argue, these historical narratives reveal how the management of global financial crisis depends upon a kind of ‘magic trick’. Rather than a strictly rational, historical process of problem solving, contemporary crises are instead negotiated through a contingent and self-referential conjuring of crisis-histories.

KEYWORDS

Crisis; finance; memory; history; trauma; narrative

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A scramble to the past

We are all, together, writing the history of crisis management as we speak.

Jean-Claude Trichet¹

It was on Tuesday the 7th of October 2008, at the inaugural World Policy Conference in Evian, that Jean-Claude Trichet issued these words to an audience of finance ministers, heads of state, policy experts, and senior officials from international organisations. Only a day before, Angela Merkel had announced the rescue of one of Germany's biggest banks, and a mere day later, Gordon Brown would announce his plan for the recapitalisation of British and UK-based financial institutions. Trichet therefore spoke amidst a frantic search for policy solutions, and his words underscore the novelty of these efforts at crisis management. However, in his commentary on such initiatives, Trichet – along with his opposite numbers at various other organisations – found recourse to a range of prior crisis episodes.

Rather than ask what is at stake in such a scramble to the past, realist and liberal scholars have tended to instead write their own crisis-histories through similar means. Thomas Oatley, for example, has characterised the collapse of 2008 as the latest in a series of global crises generated by the expansion of American military and financial power.² In contrast, Daniel Drezner has used a counter-analogy between 2008 and the 1930s to highlight the success of international organisations in preventing the world from sliding into another Great Depression.³ These opposing views form part of a broader trend within political economy thinking on crisis, which is to oscillate between optimism and pessimism about the likely recurrence of prior crises.⁴ But if figures such as Trichet underscore the novelty of the present at the same

¹ President of the European Central Bank (2003–2011) quoted in Quentin Peel, 'Europe writes a history of crisis management', *The Financial Times*, 9 October 2008.

² Thomas Oatley, *A Political Economy of American Hegemony: Buildups, Booms, and Busts* (Cambridge: Cambridge University Press, 2015).

³ Daniel Drezner, *The System Worked: How the World Stopped Another Great Depression* (Oxford: Oxford University Press, 2014).

⁴ See Hyman P. Minsky, *Can 'It' Happen Again? Essays on Instability and Finance* (New York, NY: M.E. Sharpe, 1982); J. Bradford Delong, 'Financial Crises in the 1890s and the 1990s: Must

time as they call upon the familiarities of the past, then their appeal to history must amount to more than the simple threat that it might repeat itself.

In this article I argue that statements such as Trichet's provide a window onto the scrambled nature of historical time and the strange loops through which our efforts to govern or manage it take shape. More specifically, I suggest that the diagnosis and management of contemporary financial crisis hinges on the recollection of prior crisis episodes, whose imputed affiliations enable the present to assume a place within both cyclical *and* linear narratives of historical development. In so doing I draw on the recent turn to trauma theory within international studies. This new literature has made great strides in demonstrating how an awareness or presence of the past can give shape to contemporary understandings of blame, victimhood, contingency, and necessity in world politics.⁵ Here I seek to further develop the specifically historical dimensions of trauma by positing history itself as both wound and salve under contemporary global capitalism. The return *of* or *to* past crises, I argue, provides a ritual defense against what Mircea Eliade once called the "terror of history".⁶

In the same way that the peoples of ancient religious societies would periodically return to mythical events in order to generate or reaffirm their place in the cosmos, the managers of global finance have returned to the 'crises' of recent financial history, using these to invest an otherwise senseless present with meaning. But rather than a revolt against the chaos of historical time, this ritual repetition of past crises instead provides a means of developing new ways to manage or govern it. I develop this argument through an analysis of elites' appeals to the Great Depression and the Asian crisis during the 2007-2009 period. In these appeals I uncover evidence of history being used not simply to reiterate familiar diagnoses and treatments for

History Repeat?' *Brookings Papers on Economic Activity*, 2:(1999), pp. 253-94; Carmen M. Reinhart and Kenneth S. Rogoff, *This Time Is Different: Eight Centuries of Financial Folly* (Princeton, NJ: Princeton University Press, 2009).

⁵ Duncan Bell provides an invaluable overview of this literature in his edited collection, *Memory, Trauma and World Politics: Reflections on the Relationship Between Past and Present* (Basingstoke: Palgrave Macmillan, 2006). See also Jenny Edkins, *Trauma and the Memory of Politics* (Cambridge: Cambridge University Press, 2003); and Maja Zehfuss, *Wounds of Memory: The Politics of War in Germany* (Cambridge: Cambridge University Press, 2007). In relation to global finance and financial crisis in particular see James Brassett and Chris Clarke, 'Performing the Sub-Prime Crisis: Trauma and the Financial Event', *International Political Sociology*, 6:1 (2012), pp. 4-20, and James Brassett and Nick Vaughan-Williams, 'Crisis is Governance: Sub-prime, the Traumatic Event, and Bare Life', *Global Society*, 26:1 (2012), pp. 19-42.

⁶ Mircea Eliade, *The Myth of the Eternal Return: Or, Cosmos and History*, trans. Willard Trask (Princeton: Princeton University Press, 1991/1954), p. 149.

financial crisis, but also to identify and authorise new sites and modes of crisis management. This latter process amounts to a form of ‘historiophany’, wherein the narrative operation enables agents to retroactively perceive past crises in ways that reveal new apparent truths about the shape of political and economic history.⁷ In this instance, I argue that such revelatory narratives work to reconfigure the relation between prior episodes of crisis management and the emergence or on-going evolution of the multilateral spirit. By delivering both past and present over to this spirit, these narratives provide global projects of crisis management with a practical anchor. At the same time, though, they also reveal how such projects have themselves come to depend on a kind of ‘magic trick’. Simply put, while efforts at crisis management appear to have the truth of history on their side, this truth can only ever emerge through a contingent and self-referential conjuring of crisis-histories.

I develop this argument over four sections. In the first I provide a brief theoretical discussion of the relation between history, crisis, memory, and trauma. I then use Eliade’s ideas about repetition and return to underline the therapeutic functions of repeatedly returning to past crises. With these functions in mind, I undertake an empirical analysis of how the Great Depression and the Asian crisis have formed the basis for narratives about the birth and evolution of multilateralism, focusing on elite discourse during the 2007-2009 period. Finally, I conclude by offering some brief reflections on the critical potential of continuing to speak about contemporary global finance in terms of crisis.

History, crisis, memory, trauma

Modern crisis theory is concerned with identifying the critical junctures or turning points that punctuate human history. This reflects the etymology of crisis, whose meaning in Ancient Greek carries through into various strands of social, political, and economic thought.⁸ Yet in order for ‘crisis’ to name a decisive turning point, history must be given a particular shape or figure; that is, both its logic and patterns of development must assume a determinate form. Take Marx’s concept of epochal crisis,

⁷ ‘Historiophany’ is a neologism intended to specify an epiphany brought on through the apparent manifestation of History to humankind. It is a play on ‘theophany’, where of course it is God that appears.

⁸ See Reinhart Koselleck, ‘Crisis’, *Journal of the History of Ideas*, 67:2 (2006), pp. 357-400, especially at 358-61 and 368-97.

which denotes a point of transition between different modes of production.⁹ This concept only makes sense if one first pits productive forces against relations of production, and then divides history into a succession of phases or stages. The same goes for other modern theories of crisis, which are equally dependent on specific renderings of historical process and change. This is my first key point: the concept of ‘crisis’ relies on an idea of ‘history’.

But at the same time, the concept of crisis is also a means of giving shape and figure to history. That is, history itself can be understood as an idea whose contours emerge through deployments of the crisis concept. Here the thought of Hayden White is instructive. For White, who follows Schiller and Nietzsche, ‘history’ is the sublime and formless chaos of pure occurrence.¹⁰ Events always proliferate, but they themselves never possess any specific meaning in relation to one another. Consequently, it is only by someone imposing a story-order on them that events can ever appear as part of a developmental process. White terms such an imposition a ‘narrativisation’, and drawing on Louis Mink, he disaggregates this operation into a selection, sequencing, and configuration of past events.¹¹ But if history only attains order through narrativisation, then the concept of crisis – which provides so many stories about the pressure for a different future – is also a means of investing history with meaning. This is my second key point: ‘history’ and ‘crisis’ are entwined through their reliance on the narrative form.

The content of this narrative form is its figurative referent: ‘crisis/history’. However, this figurative referent cannot produce or reveal itself; something must be

⁹ Marx’s writings on crisis are notoriously fragmented, spawning an entire cottage industry in critical exegesis. My comments here relate to his discussion of over-accumulation in *Capital: Volume III* (Moscow: Progress Publishers, 1977/1894), pp. 247-59. For more on the role of ‘crisis’ in Marxian economics see Paul Mattick, *Economic Crisis and Crisis Theory* (London: Merlin Press, 1981), pp. 43-77.

¹⁰ On history and the sublime see White’s 1982 article, ‘The Politics of Historical Interpretation: Discipline and De-Sublimation’, reprinted in *The Content of the Form: Narrative Discourse and Historical Representation* (Baltimore: Johns Hopkins University Press, 1987), pp. 58-82, at 69ff. See also Nietzsche’s ‘On the Uses and Disadvantages of History for Life’, in Daniel Breazeale (ed.), *Friedrich Nietzsche: Untimely Meditations* (Cambridge: Cambridge University Press, 1997/1874), pp. 57-124.

¹¹ White, *Content of the Form*, pp. 23-5, 44-6, and 66-8; cf. Louis O. Mink, ‘Narrative Form as Cognitive Instrument’, in Robert Canary and Henry Kozicki (ed.), *The Writing of History: Literary Form and Historical Understanding* (Madison: University of Wisconsin Press, 1978), pp. 129-49, especially at 143-44. Paul Ricoeur also appropriates and builds on Mink’s concept of configuration. For example, see his essay on ‘The Narrative Function’, in John Thompson (ed.), *Hermeneutics and the Human Sciences: Essays on Language, Action and Interpretation* (Cambridge: Cambridge University Press, 1981), pp. 274-96.

narrativised, and someone must do the narrativising. More specifically, a series of past events must be recalled before they can be narrativised, and this can only ever occur through institutions that are specific to a present conjuncture. Enter ‘memory’. As a relatively new “counter-concept” to history, memory has produced a remarkable boom in scholarly work.¹² In his final book, entitled *Memory, History, Forgetting*, Paul Ricoeur issues two important reminders regarding the ‘history/memory’ nexus. The first is that there are both cognitive and pragmatic dimensions to memory.¹³ The former consists in a capacity to recall, whereas the latter entails an active searching and finding – a mnemonic operation that elevates memory beyond pure recall. His second point is that anything beyond individual memory – such as social, cultural, or collective memory – cannot be understood without reference to the conventions and practices of historians.¹⁴ It is through such conventions and practices that a repertoire of ‘historical’ events is produced, and it is precisely these kinds of events that must be recalled and narrativised in order to transform pure occurrence into either history or crisis. Taken together these form my third key point: conjuring ‘crisis/history’ entails sifting through a past that is produced and preserved by historiography.

From this it follows that naming crises and giving shape to history are neither objective nor politically neutral processes. To announce a ‘crisis’, one must remember or recall past events; for this crisis to be properly ‘historical’, one must route their recollections through those events already enshrined in the historical record; and to do this, one must submit – if not entirely then at least in part – to the writing practices that enabled prior events to be recorded as historical in the first place. This, according to Michel de Certeau, is how the machinery of historical discourse “produces a sense of reliability”.¹⁵ Yet because agents occupy different positions in relation to this machinery, the power to make ‘crisis/history’ is not evenly distributed. There are history-makers and there are history-takers. This is my fourth key point: the crises of ‘history’, its histories of ‘crisis’, and the pragmatics of ‘memory’ are *all* implicated in the reproduction of contemporary social relations.

¹² Kerwin Lee Klein, ‘On the Emergence of Memory in Historical Discourse’, *Representations*, 69: Winter (2000), pp. 127-50, at 128. With ‘counter-concept’ Klein means to highlight the ability of ‘memory’ to reorient the focus and conduct of historical studies. For Klein and others there are signs not only that this reorientation has taken place, but also that a reversal may be underway. See Gavriel Rosenfeld, ‘A Looming Crash or a Soft Landing? Forecasting the Future of the Memory Industry’, *The Journal of Modern History*, 81:1 (2009), pp. 122-58.

¹³ Ricoeur, *Memory, History, Forgetting*, pp. 5-55.

¹⁴ *Ibid.*, pp. 56-92 and 234-92.

¹⁵ de Certeau, *Writing of History*, p. 94.

Since 2008 this nexus has emerged as point of focus for critical studies of global finance. In particular, James Brassett has written a number of articles that explore the role that discourses of trauma and crisis might perform during times of financial instability. I will take up the question of trauma in the next section. The point I wish to make here is that Brassett's concern with trauma and crisis opens out onto issues relating to the politics of historical memory. For example, in a recent article with Christopher Clarke, he argues that the financial instability of 2008 was both given meaning and governed through a discourse of trauma.¹⁶ The two authors use a range of empirical materials to substantiate this claim, but one of their points is that appeals to the horror of the Great Depression – along with suggestions that a similar event might recur – exercised a disciplining force over the present. By serving as “the historical mirror point for the sub-prime crisis”, they argue, the Great Depression worked to radically curtail the ways in which that later present was experienced and responded to.¹⁷ On this view, trauma discourse works to relay ‘crisis’ events as extrinsic, as natural, and above all, as demanding the same kind of therapeutic response that they did the last time.

Brassett develops this line of argument in another article on the so-called sub-prime crisis, this time written with Nick Vaughan-Williams. For Brassett and Vaughan-Williams, crisis *is* governance.¹⁸ This formulation is meant to underline how experiencing the present as ‘crisis’ can reproduce the subject-positions upon which an existing set of power relations depend. Here again a discourse of trauma is central to their argument. Yet in analysing its production, they place more explicit emphasis on the work of narrativisation. The present becomes a moment of trauma, they argue, through “a stringing together of multiple occurrences”, and it is only with this work that particular diagnoses and responses can ever appear as self-evident.¹⁹ Hence, for Brassett and his co-authors, trauma narratives can work to constrain the political possibilities of a present, and this was clearly the case during the subprime-cum-global ‘crisis’ of 2008.

¹⁶ Brassett and Clarke, ‘Performing Sub-Prime’.

¹⁷ Ibid., p. 14. See also James Brassett, Lena Rethel and Matthew Watson, ‘The Political Economy of the Subprime Crisis: The Economics, Politics and Ethics of Response’, *New Political Economy*, 15:1 (2010), pp. 1-7.

¹⁸ Brassett and Vaughan-Williams, ‘Crisis *is* Governance’.

¹⁹ Ibid., p. 28.

In the present context, what is crucial is that such analyses highlight how the experience of a financial event as traumatic hinges on the narration of that event as a recurrent form of crisis. They do not suggest that all crisis-histories need be histories of traumatic recurrence, yet neither do they provide an indication of how narrativisation might otherwise relay financial events as crises.²⁰ In what follows I argue that the conjuring of crisis-histories can relay events as traumatic through narratives of revelation as well as recurrence. I also suggest that the retroactive structure of revelation enables such narratives to furnish new apparent truths about the logics of political and economic history. With this comes the possibility for crisis-histories to reinvent rather than simply reproduce old modes of managing crises.

Trauma and terror: on the therapeutic function of repeating history

Like memory, the concept of trauma has become increasingly prominent within academic historical discourse. Memory and trauma are also closely related, for the rise of trauma studies in the humanities and social sciences has taken shape through questions about how past events resonate with or find echoes in later presents.²¹ ‘Trauma’ is thus typically imagined as possessing a non-linear temporality – it names a shock or wound that refuses to go away, a rip in the fabric of experiential time. This, however, is a formulation that leaves open both the nature of the shock and the ways in which it later returns or is repeated. Here I join Susannah Radstone and others in stressing the distinctly historical dimensions of trauma.

For Radstone the traumatic or traumatising event is not simply one that resists representation, as paradigmatic studies of the Holocaust have suggested.²² Instead, it is an invasive occurrence that disrupts or throws into question prevailing modes of representation. These modes of representation can and do include the “interpretive

²⁰ See Brassett and Clarke, ‘Performing Sub-Prime’, p. 18.

²¹ In this context the Holocaust still serves as the paradigmatic case study, but trauma thinking has also proved influential in the study of other genocides, as well as plagues, wars, famines, terrorist attacks, and even financial crises. For example, see Cathy Caruth, *Unclaimed Experience: Trauma, Narrative and History* (Baltimore: Johns Hopkins University Press, 1996); Dominick LaCapra, *History and Memory After Auschwitz* (Ithaca: Cornell University Press, 1998); Jenny Edkins, *Trauma and the Memory of Politics*; Maja Zehfuss, *Wounds of Memory*; and Paul Crosthwaite, ‘Is a Financial Crisis a Trauma?’ *Cultural Critique*, 82: Fall (2012), pp. 34-67.

²² Susannah Radstone, ‘Trauma Theory: Contexts, Politics, Ethics’, *Paragraph*, 30:1 (2007), pp. 9-29. In contrast, see Saul Friedlander, (ed.), *Probing the Limits of Representation: Nazism and the ‘Final Solution’* (Cambridge: Harvard University Press, 1992).

schemata” we use to make sense of history (such as narratives of cyclical or linear progression).²³ Furthermore, as Kate Lawless points out, the traumatic event cannot return all on its own, somehow unfolding itself in a way that “corresponds with the unfolding of history”.²⁴ Rather, it is *we* that must return to the past and interpret it as somehow affiliated with the present in order for a trauma to be constituted. This is how and why White reads Freud’s account of trauma as a window onto the nature of historical events such as crises. “There is no such thing as an inherently traumatic *event*”, White maintains, for just as crises must be narrated into existence, so too must traumas.²⁵ Trauma, then, “names only a particular response to crisis”, which entails a crisis being “apperceived rather than perceived” as the rupture that it will later be taken for.²⁶ It is in this apperception that the therapeutics of repeating history resides. Returning to the past – with all its potential for imputed echoes and affiliations – is a form of modern ritual that holds out the promise to rescue history from itself. Such a ritual is integral, I argue, to the diagnosis and treatment of contemporary events as traumatic crises.

In *The Myth of the Eternal Return*, Eliade provides a detailed analysis of the rites and rituals practiced in various archaic religious societies. Throughout, his focus is on how the repetition of such rituals provides the people of these societies with a defense against what he calls “the terror of history”.²⁷ By terror Eliade means the senseless onslaught of suffering and catastrophe, whose arbitrary appearance threatens to make life itself intolerable. In the face of this terror, he argues, ‘archaic man’ rejects or takes flight from history, finding solace instead in rituals that generate and reaffirm his place in the cosmos.²⁸ While such practices might seem a world away from ours, Eliade’s idea of ritual repetition in fact provides a useful lens through which to view recent

²³ Antoine Bousquet, ‘Time Zero: Hiroshima, September 11 and Apocalyptic Revelations in Historical Consciousness’, *Millennium: Journal of International Studies*, 34:3 (2006), pp. 739-64, at 739.

²⁴ Kate Lawless, ‘Unrecyclable Times: The Traumatic Topographies of Global Capitalism in W.G. Sebald’s *Austerlitz*’, *The Word Hoard*, 1:2 (2013): pp. 94-108, at 94.

²⁵ White, ‘The Historical Event’, p. 29, emphasis in original.

²⁶ *Ibid.*, p. 30, emphasis added.

²⁷ Eliade, *Eternal Return*, p. 149.

²⁸ Eliade’s terminology is unlikely to sit well with the contemporary reader, but what he means to designate with terms like ‘archaic’ are societies without historical discourse. In his study these “premodern or ‘traditional’ societies include both the world usually known as ‘primitive’, and the ancient cultures of Asia, Europe, and America” (in *Eternal Return*, p. 3). Moreover, for Eliade the ontologies of such societies need not give way to historicism. Indeed he anticipates the opposite: “as the terror of history grows worse ... the positions of historicism will increasingly lose in prestige” (*ibid.*, p. 153).

appeals to past crises. After and with Eliade, we can understand these appeals as part of a response to the terror of modern capitalist history – *i.e.*, the pervasive fear that there is neither rhyme nor reason to our terminal economies of blood, shit and malaise. But rather than providing an escape from history altogether, this quasi-historical ritual serves instead to supplement the defenses against history that economic and political science has proved able to provide. The ritual is thus a return to the historical record, and it is repeated in order to shore up the institution of historiography at the very same time as its limits are revealed through the chaos of pure occurrence. Here I want to indicate the rites of this return by drawing out its continuity with earlier, anti-historical imaginaries.

According to Eliade, one way that early religious societies dealt with the terror of history was through an archetype of *recurrence*. This mythical figure – which is transmitted between generations through various rituals and ceremonies – enables ancient civilisations to refuse history and identify instead with the eternal periodicity of the cosmos.²⁹ As I will go on to demonstrate, an avowedly modern, quasi-historical equivalent of this gesture can be found in the idea of another, ‘new’ Great Depression. In this cyclical narrativisation of crisis, the political and economic dynamics of 2008 appear as a recurrence of those that threw the world into turmoil during the 1930s. The archetype of recurrence thus serves to give recognisable shape and figure to history. But in so doing, history itself is invested with precisely the kind of regularity whose absence otherwise makes the cosmos an attractive refuge. Returns to the Great Depression thus enable an ongoing ‘crisis’ to affirm an *old* apparent truth about the logics of political and economic history.

A second archetype that Eliade uncovers, and which I want to stress here, is that of *revelation*. For Eliade this figure enables archaic man to escape the terror of history by turning his misfortunes into ‘theophanies’.³⁰ Once the sufferings and catastrophes of human existence are treated as divine interventions, they are no longer senseless. On one hand, they draw justice from God’s Providence; on the other, they reveal more of what to strive for in advance of history’s promised End.³¹ As I will show, a secular equivalent of this gesture can be found in contemporary appeals to

²⁹ Ibid., pp. 73-92 and 112-30.

³⁰ Ibid., pp. 102-12.

³¹ Speaking of later Hebrew and Christian theodicies, Hayden White terms this the ‘figure-fulfillment model’ of trauma, thus highlighting the retroactive structure of revelation. See White, ‘The Historical Event’, p. 28.

past crises as harbingers of present developments. For example, when the staff of the International Monetary Fund revisits the birth of their organisation in the wake of the Great Depression, they apperceive that episode as a point of origin for transformations now culminating in the renewed multilateralism of the present. Similarly, when representatives of the European Central Bank recall the Asian crisis, this too becomes a harbinger after-the-fact for the rise of new multilateral fora, such as the Group of 20 and the Financial Stability Board. In both cases a form of historiophany is at work, wherein the ongoing 'crisis' enables the past to produce a *new* apparent truth about the logics of political and economic history.

The productive power of these archetypes resides in the content of the narrative form. As White points out, narrative discourse always has both literal and figurative referents, and in the case of historical narrative, the figurative referent is history as such.³² Each of these referents here serves as an object of ritual repetition. On one hand, the financial instability of 2008 brings with it a literal return *of* or *to* the Great Depression and the Asian crisis. Yet on the other, portrayals of these episodes themselves entail a number of figurative returns, wherein the two crises reappear as either *coming recurrence* or *forgotten intimation*. In each instance, the past is made to reveal both the process of history and the present it has produced. Moreover, as I outline in the next section, it is precisely this process that then enables practical lessons to be drawn regarding how such a present might be governed, negotiated, or managed. Thus, while appearing to draw lessons from a self-evident history of political and economic change, the managers of global finance must in fact first conjure this history. In what follows I show in detail how the archetypes of recurrence and revelation have been mobilised in ways that work both to sustain and reinvent contemporary modes of crisis management.

Histories of crisis management, 2007-2009

In order to do this I closely examine the public discourse on financial crisis between 2007 and 2009. Rather than examining a wide range of different sources, I proceed instead by systematically analysing the public pronouncements made by a small group of policymaking organisations. More concretely, I focus on speeches and press

³² White, *Content of the Form*, pp. 169-84.

statements delivered by representatives from four different organisations: the European Central Bank (ECB), the International Monetary Fund (IMF), the United States Federal Reserve Bank (US FRB), and the United States Treasury (US Treasury). This combination of governmental ministries, independent technocratic bodies, and international organisations is intended to provide a way into the “tangle of local spaces and times” through which global finance is governed.³³ Moreover, by virtue of their direct involvement in recent crisis management efforts, these organisations also provide a way into the practical intertwinement of such efforts with a recollection of past crises during the specific period in question.

<i>Organisation</i>	<i>Type of representative/number of statements or speeches</i>	Σ
ECB	President/Vice-Presidents: 86 speeches; Board Members: 78 speeches	164
IMF	Management: 94 speeches	94
US FRB	Board of Governors: 138 speeches	138
US Treasury	Officials: 75 speeches; 66 statements	141

Table 1 *Overview of corpus for crisis discourse* (Source: Author’s own)

* This corpus consists of public statements or speeches that meet two criteria: (1) they address ongoing financial or economic turmoil; and (2) they are delivered between January 2007 and December 2009.

The corpus as a whole consists of 537 texts. In analysing this material I employ the *NVivo* software package as a coding and sorting device. It is used differently at each stage in a three-step procedure. First, a preliminary reading of all texts is undertaken, enabling past crises to be manually coded no matter how those episodes appear in the text. The economic instability of the interwar years, for example, can appear as the ‘Great Crash’, ‘1929’, the ‘Great Depression’, the ‘1930s’, and so on. These codes then form the basis for a second round of reading, which focuses on those past crises that are revealed to be the most frequently invoked. Through this reading the first set of codes is supplemented with a second, which are used to sort references into emergent thematic categories. A reference to the ‘Great Depression’, for example, can

³³ Hanjo Berressem, ‘Crystal History: “You Pick Up the Pieces. You Connect the Dots”’, in Bernd Herzogenrath (ed.), *Time and History in Deleuze and Serres* (London: Continuum, 2012), pp. 203-228, at 215.

concern monetary policy, financial regulation, international trade, and so on. Finally, a third round of chronological reading organised through these code-sets is used to explore the ways in which different past crises figure within narratives concerning specific aspects of the ongoing ‘crisis’. The abridged results of the preliminary reading and coding exercise are presented in the table below.

	ECB	IMF	US FRB	US TREASURY	Σ
1930s Great Depression	26	25	16	13	80
1997-98 Asian crisis	29	20	11	7	67
1990s Japanese crisis	11	6	8	7	32
1970s OECD crises	19	2	2	--	23
2001 Dotcom crash	16	1	13	1	31

Table 2 *Overview of references to past crises* (Source: Author’s own)

* This table records the number of different texts in which the specified past crises are invoked. For example, between 2007 and 2009 the ECB refers to the Great Depression on a total of 26 separate occasions.

As the table indicates, the two most frequently invoked past crises are the Great Depression of the 1930s and the Asian crisis of 1997-98. In the next section I focus on how these two episodes figure within discussions that relate to the conduct of crisis management and global governance. I show that while the Great Depression does figure within narratives of traumatic recurrence, both it and the Asian crisis are also incorporated into stories about the emergence and evolution of multilateralism. Rather than simply reiterating the need for familiar modes of crisis management, these ‘revelatory’ narratives enable global elites to find new clues and lessons in prior episodes of financial crisis. In so doing, I argue, they themselves reveal an unacknowledged role for the past in the governance of global finance.

The ‘Great Depression’ and the birth of multilateralism

The 1930s are typically construed as a moment of crisis for the world economy. Whether it is the expiration of British hegemony and the undoing of laissez-faire, or the rise of Keynesianism and the emergence of a new ‘embedded liberalism’, most historians identify some kind of transformation that has had lasting structural

impact.³⁴ Between 2007 and 2009, these and other histories of the Great Depression reappear in the public pronouncements of all four policymaking organisations. At first references to the 1930s are only intermittent, but in late 2008 they become more frequent, reaching a peak in mid-2009. The IMF and the ECB account for just over half of these, while the remainder is spread more or less evenly between the US FRB and the US Treasury. The return of or to the Great Depression is therefore a widespread phenomenon, and this is especially so after the collapse of Lehman Brothers in September of 2008.

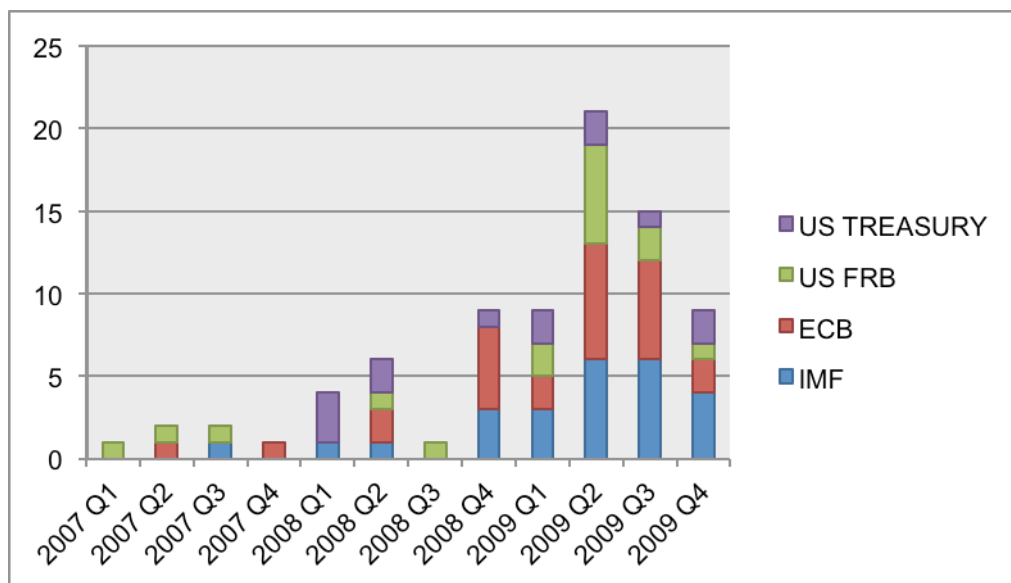


Figure 1 *References to the Great Depression* (Source: Author's own)

* The Great Depression appears in a total of 80 speeches or statements. Of these the ECB accounts for 26, the IMF for 25, the US FRB for 16, and the US Treasury for 13.

Among these various references to the Great Depression, a significant proportion take the form of analogies with the scope and scale of disruption wrought by that prior episode. These begin to appear in mid-2008, and are initially posed in tentative terms. For example, in June of 2008 the IMF characterises the preceding months as “one of the most trying times for financial markets in several decades,

³⁴ For example, compare Charles Kindleberger, *The World in Depression, 1929-1939* (London: Allen Lane, 1973); Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001/1944); Marc Trachtenberg, ‘Keynes Triumphant: A Study in the Social History of Economic Ideas’, *Knowledge and Society*, 4 (1983), pp. 17-86; and John Gerard Ruggie, ‘International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order’, *International Organization*, 36:2 (1982), pp. 379-415.

perhaps since the 1930's Great Depression".³⁵ A month later the US FRB describes the events of the past year as "one of the worst financial shocks that the United States has confronted since the Great Depression".³⁶ But once financial market dynamics begin to affect growth rates, the qualifying clauses are gone and officials from all four organisations are opening their speeches by alluding to "the most severe and synchronised economic downturn since the 1930s".³⁷ While these analogies of scope and scale might seem to serve as a mere preface to technical policy discussion, they do more than work to convey the magnitude of the challenge facing policymakers. By forming the basis for more or less implicit narratives of recurrence, such analogies deliver a radically uncertain present over to history; and in so doing they serve to frame and shape each organisation's pronouncements on crisis prevention, crisis management, and crisis resolution.

The narrative function of these analogies and the lessons they support is evident in a range of different policy areas, but here I focus on how the 1930s figure within discussions of international cooperation. The earliest representations of this sort appear in July of 2007, when the IMF cautions against a repeat of the "narrow nationalism that characterized the Depression era".³⁸ Some seven months later the US Treasury also invokes the "insular policies of the 1930s", describing these as "ill-fated efforts to gain an edge in world trade".³⁹ Given their timing, such warnings probably speak more to the stalled trade negotiations of the Doha Round than financial or economic instability per se. But by mid-2008, lessons of this sort are

³⁵ Saleh Nsouli, 'Lessons from the Recent Financial Crisis and the Role of the Fund', Paris (26 June 2008), Section I. Available at: <http://www.imf.org/external/np/speeches/2008/062608.htm>. Accessed 22 June 2009.

³⁶ Frederic Mishkin, 'Global Financial Turmoil and the World Economy', Eliat (2 July 2008), Section I. Available at: <http://www.federalreserve.gov/newsevents/speech/mishkin20080702a.htm>. Accessed 29 July 2009.

³⁷ Jürgen Stark, 'EMU: Weathering the Perfect Storm', London (25 June 2009), Section I. Available at: <http://www.ecb.int/press/key/date/2009/html/sp090625.en.html>. Accessed 30 June 2009. See also Michael Barr, 'Remarks on Regulatory Reform', Washington DC (15 July 2009), Section I. Available at: <http://www.treasury.gov/press-center/press-releases/Pages/tg213.aspx>. Accessed 18 September 2013.

³⁸ Rodrigo de Rato, 'Confronting the Future with Wisdom and Courage', Washington DC (19 July 2007), Point 7. Available at: <http://www.imf.org/external/np/speeches/2007/071907.htm>. Accessed 28 May 2009.

³⁹ David McCormick, 'Remarks at the Peter G. Peterson Institute for International Economics Conference on IMF Reform', Washington DC (25 February 2008), Section II. Available at: <http://www.treasury.gov/press-center/press-releases/Pages/hp838.aspx>. Accessed 18 September 2013.

drawn in explicit relation to destabilising financial market dynamics. The first to do this is the ECB, which uses the Smoot-Hawley Tariff Act of 1930 to illustrate the self-defeating effects of a protectionist response to financial crises. According to its then Executive Board Member Lorenzo Smaghi: “Experience shows that such measures damage economic growth and tend to worsen crises”, meaning that to even think about “curbing international trade would be a mistake in the same way as in 1929”.⁴⁰

In late 2008 the IMF makes or more less the same move when it argues that “an upsurge of nationalism” was not just “one of the worst consequences of the Great Depression”, but also “one of its causes”.⁴¹ Here again US tariff policy serves as a case in point. The US Treasury and the ECB soon follow suit,⁴² focusing on the role of exchange rate policy and trade protectionism more generally, and by mid-2009 appeals of this sort are commonplace. Crucially, though, while various dimensions of economic nationalism are highlighted, in each instance the Great Depression is put to work in the service of free-trade principles. This is in keeping with classic narrative accounts of the 1930s, where a slide into protectionism and a subsequent drying-up of world trade are cast as the primary drivers of economic collapse.⁴³ But here that narrative is transposed into the present as a narrated threat of recurrence, and because this threat brings with it the specter of unemployment, fascism, and war, the idea of the Depression works to ensure a liberal response to ongoing financial and economic uncertainties.⁴⁴ This is precisely the kind of disciplining effect that Brassett

⁴⁰ Lorenzo Smaghi, ‘From Tuscany’s 19th Century Currency, the Fiorino, to the Euro’, Florence (15 May 2008), Paragraphs 28-29. Available at: <http://www.ecb.int/press/key/date/2008/html/sp080515_2.en.html>. Accessed 27 October 2009.

⁴¹ Dominique Strauss-Kahn, ‘Remarks to the Board of Governors of the IMF’, Washington DC (13 October 2008), Paragraph 12. Available at: <<http://www.imf.org/external/np/speeches/2008/101308.htm>>. Accessed 22 June 2009.

⁴² Mark Sobel, ‘Remarks on the Global Financial Crisis and the IMF’s Response’ (2 December 2008), Section I. Available at: <<http://www.treasury.gov/press-center/press-releases/Pages/hp1307.aspx>>. Accessed 18 September 2013. Lorenzo Smaghi, ‘The Financial Crisis and Global Imbalances’, Beijing (9 December 2008), Section II. Available at: <<http://www.ecb.int/press/key/date/2008/html/sp081209.en.html>>. Accessed 5 October 2009.

⁴³ This, for example, is the narrative that underpins Kindleberger’s *The World in Depression*. Incidentally, Kindleberger’s narrative of the Great Depression was carried through into subsequent theories of hegemonic stability within international studies. On these theories and the debates they inspired see Isabelle Grunberg, ‘Exploring the “Myth” of Hegemonic Stability’, *International Organization*, 44:4 (1990), pp. 431-77.

⁴⁴ I discuss these and other narrated threats of recurrence at length in Amin Samman, ‘The 1930s as Black Mirror: Visions of Historical Repetition in the Global Financial Press, 2007-2009’, *Journal of Cultural Economy*, 5:2 (2012), pp. 213-29. For a similar analysis that focuses

and his co-authors foreground in their analysis of trauma narratives and the performance of crisis as governance.

Elsewhere though it is possible to observe other forms of historical imagination at work. At the same time as they speak of direct barriers to trade, both the ECB and the US Treasury also focus on the role of competitive currency devaluations during the 1930s.⁴⁵ These too are linked to conventional lessons about the errors of economic nationalism, but beyond this, they also feed into a different set of narratives and lessons about international cooperation and policy coordination. In December of 2008, for example, both the IMF and ECB interpret recent financial sector developments through the lens of the 1930s. For its part, the IMF depicts the rush to provide deposit guarantees for financial institutions as a 1930s-style ‘beggar-thy-neighbor’ policy,⁴⁶ while the ECB instead stresses “a lack of trust within and between financial systems”, and the damaging effect this is having on trade finance.⁴⁷ But what both end up doing is engineering a kind of short-circuit between the trade protectionism of the past and the financial protectionism of the present. If the former did not work, then why should the latter?

In one respect, this short-circuit reinforces and supplements the disciplining effects performed by narratives of traumatic recurrence. The image of the Great Depression as a recurrent or recurring form of crisis remains fundamentally unchallenged, and because its lessons for trade policy are transposed into the domain of finance, this same image now enables fundamentally novel developments – such as the uneven provision of deposit guarantees – to be apprehended through a pre-existing paradigm for crisis management. It is through this process that old lessons find new applications. But at the same time, this short-circuiting is also implicated in

specifically on trade discourse and policy, see Gabriel Siles-Brügge, ‘Explaining the Resilience of Free Trade: The “Smoot-Hawley” Myth and the Crisis’, *Review of International Political Economy*, 21:3 (2014), pp. 535-74.

⁴⁵ Lorenzo Smaghi, ‘The Euro Area's Exchange Rate Policy and the Experience with International Monetary Coordination during the Crisis’, Brussels (6 April 2009), Section I. Available at: <<http://www.ecb.int/press/key/date/2009/html/sp090406.en.html>>. Accessed 19 October 2009. Timothy Geithner, ‘The United States and China: Cooperating for Recovery and Growth’, Beijing (1 June 2009), Section II. Available at: <<http://www.treasury.gov/press-center/press-releases/Pages/tg152.aspx>>. Accessed 18 September 2013.

⁴⁶ John Lipsky, ‘Crisis Lessons For The IMF’, New York (17 December 2008), Section IV. Available at: <<http://www.imf.org/external/np/speeches/2008/121708.htm>>. Accessed 28 May 2009.

⁴⁷ Smaghi, ‘Financial Crisis and Global Imbalances’, Section II

another quite different process. Specifically, by enabling new emergency measures to be recruited as symptoms of a step-change in policy collaboration, it also works to augment and transform the very idea of multilateralism as a mode of governing global finance. Rather than simply a question of tariffs and exchange rates, collaboration now becomes more explicitly linked to the domains of monetary, fiscal and even financial sector policy; and rather than simply a task for the established clubs and Bretton Woods institutions, the coordination of these measures is now also entrusted to new fora such as the Group of 20 (G20). There are two key steps in this process.

The first involves incorporating novel policy responses into a counter-analogy with those enacted during the 1930s. This process begins in October of 2008, when the then IMF Managing Director Dominique Strauss-Kahn addresses the Board of Governors at the Annual Joint Meeting of the World Bank and the IMF. In his speech Strauss-Kahn reiterates the need to keep nationalist reflexes at bay, but here the “mistakes of the past” – and in particular, those of the 1930s – are contrasted with the sheer range of unorthodox measures being enacted by central banks and finance ministries in the Western world.⁴⁸ Yet in order for such measures to be truly effective, he argues, “action should be coordinated, at the global level, and at the regional level where appropriate”.⁴⁹ Strauss-Kahn and his colleagues at the IMF repeat this demand on a number of occasions over the following months,⁵⁰ and as crisis response efforts continue to evolve, more and more of their references to the 1930s contrast that period with the comprehensive cooperation of the present. Coordinated interest-rate cuts, central bank liquidity swaps, and simultaneous fiscal stimulus packages – all of which are unprecedented, we are reminded – are in this way taken to signify a important change in the form and content of international cooperation.

The second key step involves using these new cooperative measures to rewrite the story of multilateralism. The US Treasury is first to revisit this story, but its accounts remain more or less in keeping with pre-crisis orthodoxy – that is, while its narratives consistently portray the Great Depression as a motivating force behind the creation of the Bretton Woods system, these hinge only on lessons-learned regarding

⁴⁸ Strauss-Kahn, ‘Remarks to the Board of Governors’, Paragraphs 3, 7, and 10.

⁴⁹ Ibid., Paragraph 19.

⁵⁰ Lipsky, ‘Crisis Lessons for the IMF’, Section IV. See also Dominique Strauss-Kahn, ‘Speech delivered at the 44th SEACEN Governors’ Conference’, Kuala Lumpur (7 February 2009), Section I. Available at: <<http://www.imf.org/external/np/speeches/2009/020709.htm>>. Accessed 22 June 2009.

tariff wars and competitive devaluations.⁵¹ By mid-2009, however, ‘green-shoots’ of recovery prompt a search for the origins of what is increasingly seen to be a novel and effective paradigm for crisis management. Here it is the IMF that takes the lead, finding new clues about the present in its own organisational history:

One of the key lessons of the Great Depression was that a lack of cooperation and a retreat to isolationism can make things dramatically worse ... The IMF was born in Bretton Woods, forged in the furnace of this multilateral idealism, and endowed with a mandate to oversee the global financial system and to act as a lender of last resort to members with balance of payments needs ... Over sixty years later, although the contours of the world financial system would be unrecognizable to the Bretton Woods delegates, the IMF remains as central as ever. *But it took the worst financial crisis since the Great Depression for this to be made manifest.*⁵²

In the above passage, Strauss-Kahn returns to the Bretton Woods conference and the creation of the IMF, presenting the latter as a direct response to the mistakes of the 1930s. But rather than faithfully reproducing this familiar narrative, Strauss-Kahn instead re-reads the 1930s as the moment in which the IMF’s present-day purpose first emerged. Although the world of finance has been transformed beyond recognition, its need for the IMF has been ‘made manifest’ through an echo between then and now. The Great Depression and the present therefore reveal something new not simply about each other, but also about the place of the IMF within the governance of global finance.

This self-celebrating narrative is repeated on numerous occasions, and it is typically accompanied by an emphasis on the unprecedented degree of policy collaboration that has been undertaken in the face of crisis. But beyond this, the IMF also goes on to link this process to the rise of the G20, which it now depicts as central to the success of global governance going forward:

In the face of crisis, countries came together to face common challenges with common solutions, focusing on the global common good ... This collaboration encompassed more countries than ever before in history –

⁵¹ See McCormick, ‘Remarks on IMF Reform’, Section II; and Sobel, ‘Global Financial Crisis and the IMF’, Section I.

⁵² Dominique Strauss-Kahn, ‘Multilateralism and the Role of the International Monetary Fund in the Global Financial Crisis’, Washington DC (23 April 2009), Section I, emphasis added. Available at: <<http://www.imf.org/external/np/speeches/2009/042309.htm>>. Accessed 28 May 2009.

showing us that in our modern globalized world, responsibility for the economic policy agenda can no longer rest with a small club of countries. The crisis heralded the ascent of the G20 – a group that includes the dynamic emerging economies – as the leading vehicle of multilateral cooperation.⁵³

Here Strauss-Kahn once again conjures the spirit of multilateralism. But where before it was to the birth of this spirit that he spoke, here he focuses instead on the ‘ascent of the G20’, which now appears as its latest and most comprehensive manifestation. Taken together, these two moves produce a kind of crisis-history that does not conform to the figure of recurrence. Neither the Great Depression nor the global downturn that began in 2008 make sense without the other, yet the relatedness of these events does not emerge through their apparent similarities alone. Instead, an echo between these two ‘crises’ enables the 1930s to appear as the birth of the multilateral spirit, and recent efforts at crisis management as nothing less than the ongoing evolution of that spirit. An extended version of this revelation narrative can be found in discussions of the Asian crisis.

The ‘Asian crisis’ and the transformation of multilateralism

The Asian crisis is usually identified as the first truly global financial crisis of the post-Cold War world. At the time of its outbreak, scholars tended to interpret it in one of two ways. In the first, it was an expression of the dangers that global capital flows could pose to developing nations, suggesting a need to rethink the rush towards financial integration.⁵⁴ In the second, it was taken instead as a sign that the developing world needed to be made safe for capital flows.⁵⁵ Both of these interpretations went on to shape policy debate in the years that followed, prompting broader arguments about the end of the ‘Washington consensus’ and cementing Asia’s place at the heart of a

⁵³ Dominique Strauss-Kahn, ‘Economic Stability, Economic Cooperation, and Peace’, Oslo (23 October 2009), Section II. Available at: <http://www.imf.org/external/np/speeches/2009/102309.htm>. Accessed 23 October 2009.

⁵⁴ An early and influential version of this critical response is outlined in Robert Wade and Frank Veneroso’s article, ‘The Asian Crisis: The High-Debt Model vs. the Wall Street-Treasury-IMF Complex’, *New Left Review*, March-April (1998), pp. 3-23.

⁵⁵ For example, see Stephan Haggard and Andrew MacIntyre, ‘The Political Economy of the Asian Economic Crisis’, *Review of International Political Economy*, 5:3 (1998), pp. 381-92.

story called neoliberalism.⁵⁶ But as Laura Kang has recently shown, the Asian crisis acquires a host of new meanings during the financial turmoil of 2008.⁵⁷ In the public pronouncements of the four organisations under study here, these new meanings emerge through a steady stream of references to the Asian crisis.

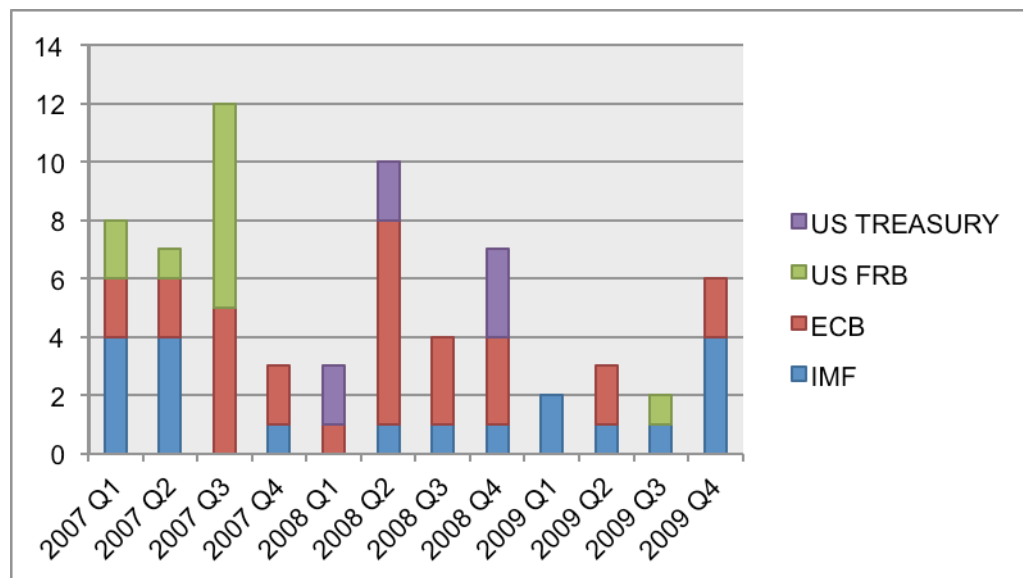


Figure 2 *References to the Asian crisis* (Source: Author's own)

* The Asian crisis is appears in a total of 67 speeches or statements. Of these ECB accounts for 29, the IMF for 20, the US FRB for 11, and the US Treasury for 7.

While these references are made with some frequency by all four organisations, there is no immediately obvious pattern in their timing. One might point to a concentration in late 2007 (which coincides with a ten-year anniversary), as well as to something of a cluster in the second half of 2008, but on the whole the return of the Asian crisis is a less acute phenomenon than the return of the Great Depression. The Asian crisis also exhibits a more radical polyvalence over the three years in question. The US FRB, for example, uses it in March of 2007 in order to

⁵⁶ On this compare Charles Gore, 'The Rise and the Fall of the Washington Consensus as a Paradigm for Developing Countries', *World Development*, 28:5 (2000), pp. 789-804; Yujiro Hayami, 'From the Washington Consensus to the Post-Washington Consensus: Retrospect and Prospect', *Asian Development Review*, 20:2 (2003), pp. 47-54; Eric Sheppard and Helga Leitner, 'Quo Vadis Neoliberalism? The Remaking of Global Capitalist Governance After the Washington Consensus', *Geoforum*, 41:2 (2010), pp. 185-94.

⁵⁷ Laura Hyun Yi Kang, 'The Uses of Asianization: Figuring Crises, 1997-98 and 2007-?', *American Quarterly*, 64:3 (2012), pp. 411-36.

illustrate how uncertainty can reduce market liquidity;⁵⁸ and then later on in that year, both the FRB and the IMF invoke it as an example of how banking sector crises can adversely affect real economic activity.⁵⁹ These kinds of passing analogies and lessons are supplemented by other more substantive re-narrativisations. For example, where initial discussions of the Asian crisis still focus on the interaction between domestic institutions and international capital flows, the US FRB pioneers an ‘over-saving’ narrative that is gradually taken up by all other three organisations. In this new narrative, the Asian crisis figures as a point of origin for global payments imbalances, which in turn are linked to the ongoing financial instability.⁶⁰ This is a significant transformation in that it overturns and reappraises the apparent ‘demolition’ of the Asian developmental state.⁶¹ Here however I again focus on the place of the Asian crisis within discussions about international cooperation.

The earliest such use of the Asian crisis appears in January of 2007, when the IMF invokes that episode in order to illustrate the need for an international lender of last resort.⁶² Given its timing, this intervention might have more to do with allegations about the Fund’s waning relevance than any debate about the immediate need for emergency financing.⁶³ The same could also be said of the US FRB’s intervention in late 2007, which uses the South Korean rescue package of 1998 to illustrate the

⁵⁸ Kevin Warsh, ‘Market Liquidity: Definitions and Implications’, Washington DC (5 March 2007), Section II. Available at: <<http://www.federalreserve.gov/newsevents/speech/warsh20070305a.htm>>. Accessed 6 October 2009.

⁵⁹ David Burton, ‘Asia: Ten Years On’, Singapore (5 June 2007), Section I. Available at: <<http://www.imf.org/external/np/speeches/2007/060507.htm>>. Accessed 28 May 2009. Randall Kroszner, ‘Analyzing and Assessing Banking Crises’, San Francisco (6 September 2007), Section II. Available at: <<http://www.federalreserve.gov/newsevents/speech/kroszner20070906a.htm>>. Accessed 6 October 2009.

⁶⁰ The then Chairman of the Federal Reserve Ben Bernanke first articulates this crisis history in a speech entitled ‘Global Imbalances: Recent Developments and Prospects’, Berlin (11 September 2007). Available at: <<http://www.federalreserve.gov/newsevents/speech/bernanke20070911a.htm>>. Accessed 6 October 2009.

⁶¹ On the global narration of state failure in South Korea after its crisis, see Rodney Bruce Hall, ‘The Discursive Demolition of the Asian Development Model’, *International Studies Quarterly*, 47:1 (2003), pp. 71-99.

⁶² Rodrigo de Rato, ‘Ten Years After the Asian Currency Crisis’, Tokyo (22 January 2007a), Point I. Available at: <<http://www.imf.org/external/np/speeches/2007/012207.htm>>. Accessed 28 May 2009.

⁶³ In late 2007 the IMF faced considerable budgetary pressures, prompting it to layoff 15% of its staff in order to reduce operating expenses. See André Broome, ‘The International Monetary Fund, Crisis Management and the Credit Crunch’, *Australian Journal of International Affairs*, 64:1 (2010), pp. 37-54, at 45-6.

Fund's relative expertise in providing and/or facilitating such financing.⁶⁴ By mid-2008, however, the Asian crisis is regularly incorporated into broader discussions about policy cooperation and structural reform at the international level.

The organisation at the forefront of this process is the ECB, which begins in late 2007 to craft a narrative about the evolution of international economic cooperation. The Asian crisis functions within this in two distinct but complementary ways. In the first, it is used – along with the crisis of the 1970s – in order to develop a general lesson about the relation between globalisation, crisis, and international reform:

It is obvious that the systemic changes we are observing in the world's economic and financial system require systematic changes in the policy framework. The rules of the game need to adapt in order to keep pace with developments. This recognition is not new. It was felt already in the 1970s with the breakdown of the Bretton Woods system. And it was felt very strongly in the aftermath of the Asian crisis ten years ago.⁶⁵

In the above passage, the then ECB President Jean-Claude Trichet alludes to a sequence of three crises, and through this he offers an implicit rendering of the logic behind political and economic history. Globalisation drives structural change, structural change creates new forms of global crisis, and new forms of global crisis reveal gaps in existing systems of governance. Global stability, in turn, hinges on the adaptability of international institutions, and crisis prevention – to the extent that such a thing is even possible – becomes “a constant task that requires continuous scrutiny and effort” on the part of the international community.⁶⁶ Crisis and international reform are in this way presented as two different sides of the same globalisation process.

⁶⁴ Frederic Mishkin, ‘Systemic Risk and the International Lender of Last Resort’, Chicago (28 September 2007), Section III. Available at: <http://www.federalreserve.gov/newsevents/speech/mishkin20070928a.htm>. Accessed 12 October 2009.

⁶⁵ Jean-Claude Trichet, ‘Reflections on the International Financial Architecture’, Salzburg (29 September 2007), Section III. Available at: <http://www.ecb.int/press/key/date/2007/html/sp070929.en.html>. Accessed 23 June 2009.

⁶⁶ Ibid., Section I. Paradoxically, in this schema the task of ‘crisis prevention’ is at once both never and always the same – never, because each new solution always has its particulars, and always, because these solutions never actually solve the problem which prompts them (namely, the emergent properties of globalisation itself).

The second key function performed by the Asian crisis is to retroactively mark a watershed in the globalisation of governance. As an expression of the possibility for crisis, the events of 1997-98 are far from unique. Trichet is explicit about this: “It is clear, this [Asian] crisis was not the first one ... And it certainly was not the last one”.⁶⁷ But as an expression of the possibility for governance, 1997-98 is for Trichet a singular and decisive turning point: “[I]t was the Asian crisis”, he reminds us, “that revealed a number of vulnerabilities in national and international financial systems”, and “that led to an enormous reform agenda at the international level”.⁶⁸ Of course, it is well known that 1997-98 prompted numerous calls for a ‘new international financial architecture’, but these calls are also widely seen to have produced little in the way of concrete reform.⁶⁹ Trichet’s move is therefore a kind of rediscovery or revelation, whereby post-1997 reforms are apperceived as a foretelling of those that emerge through the crisis of 2008. This re-narrativisation yields two distinct visions for the future of financial governance and its modes of managing crises.

The first of these concerns the issue of financial sector policy coordination. When looking back on the legacy of the Asian crisis, different organisations consistently emphasise the creation of the Financial Stability Forum (FSF) in 1999. Yet the way in which they do this changes over time. Initially, the ECB focuses on the Forum’s promotion of standards and codes.⁷⁰ In so doing, it draws an implicit link between the Asian crisis and the idea of voluntary micro-prudential reform. But then in mid-2008, after the FSF presents its Report on the ongoing financial turmoil, the ECB instead focuses on the membership and mandate of the Forum, pointing out that it was created in order to enable “a synthetic diagnosis of the state of global finance”.⁷¹ Here the Asian crisis is linked to a new *form* of coordination under the FSF

⁶⁷ Ibid., Section I.

⁶⁸ Ibid., Section I.

⁶⁹ For an indication of this shift from optimism to disappointment, compare Gregory Noble and John Ravenhill, (eds.), *The Asian Financial Crisis and the Architecture of Global Finance* (Cambridge: Cambridge University Press, 2000); and Jacqueline Best, ‘The Limits of Financial Risk Management: Or What we Didn’t Learn from the Asian Crisis’, *New Political Economy*, 15:1 (2010), pp. 29-49.

⁷⁰ See Trichet, ‘International Financial Architecture’, Section III; and ‘Reflections on the Global Financial System’, Washington DC (20 October 2007), Section II. Available at: <<http://www.ecb.int/press/key/date/2007/html/sp071020.en.html>>. Accessed 23 June 2009.

⁷¹ Jean-Claude Trichet, ‘Remarks on the Recent Turbulences in Global Financial Markets’, New York (14 April 2008), Section III. Available at: <http://www.ecb.int/press/key/date/2008/html/sp080414_1.en.html>. Accessed 23 June 2009.

rather than the substantive *content* of its early initiatives. At around the same time, the US Treasury makes similar remarks,⁷² and by late 2008, the FSF is identified by both organisations as being at the heart of ongoing efforts to understand the multilevel interface between micro and macro-prudential risk.⁷³ These efforts constitute a clear departure from the approach to financial regulation that the FSF pioneered in the aftermath of the Asian crisis, and yet they are nevertheless apperceived as a continuation of that earlier reform agenda.

In this way, the Asian crisis is effectively retrofitted with new historical meaning and significance. Its pre-existing legacy is not effaced in response to the ‘crisis’ of 2008, but is instead rewritten to incorporate subsequent shifts in the international agenda for regulatory reform. Indeed, after the FSF becomes the Financial Stability Board (FSB) and assumes a more central role within the global regulatory system, the US FRB even draws a link between this new body and the Asian crisis by explicitly portraying the latter as a precursor to the former.⁷⁴ Rather than simply marking the emergence of a global agenda for domestic reform, the Asian crisis is now also seen to underpin the creation of an institution capable of one day envisioning a much more extensive kind of international supervisory cooperation.

A similar process can be observed in relation to multilateralism more generally. In late 2007, the ECB begins to portray the Asian crisis as part of a shift towards more inclusive forms of global governance. Initially this involves focusing on the creation of the G20 in 1999, which it suggests was motivated by a post-1997 revelation about the importance of emerging markets.⁷⁵ But as the G20 becomes a

⁷² Clay Lowery, ‘Remarks at the Annual Conference of the Institute of International Bankers’, New York (3 March 2008), Section IV. Available at: <<http://www.treasury.gov/press-center/press-releases/Pages/hp855.aspx>>. Accessed 18 September 2013. David McCormick, ‘The International Response to Financial Market Turmoil’, Chicago (16 April 2008), Section III. Available at: <<http://www.treasury.gov/press-center/press-releases/Pages/hp931.aspx>>. Accessed 18 September 2013.

⁷³ Trichet, ‘Turbulences in Global Financial Markets’, Section III. Sobel, ‘Global Financial Crisis and the IMF’, Section III.

⁷⁴ Daniel Tarullo, ‘International Cooperation to Modernize Financial Regulation’, Washington DC (30 September 2009), Section I. Available at: <<http://www.federalreserve.gov/newsevents/testimony/tarullo20090930a.htm>>. Accessed 15 October 2009. For a discussion of this transformation and its potential significance, see Eric Helleiner, ‘What Role for the New Financial Stability Board? The Politics of International Standards After the Crisis’, *Global Policy*, 1:3 (2010), pp. 282-90.

⁷⁵ Trichet, ‘International Financial Architecture’, Section III.

more central forum for discussing crisis-response measures in 2009, the ECB makes a second move, reading this new development back into the very inception of the G20:

While the G7 still have an important role to play, the financial crisis has confirmed the need to reinforce global governance at the level of a more inclusive international informal entity ... the creation of the G20 after the Asian crisis ... was an important step to involve the emerging economies more closely in the process of global economic governance. And I am therefore, in the present very demanding circumstances, in full accord with this strengthened role of the G20. The aspect that impresses me most about this emerging global forum is the virtually universal consensus on global economic issues that has been reached.⁷⁶

Once again, this move does not fundamentally alter the overarching structure of the ECB's cooperation narrative. Instead, what we see is the same basic narrative being extended forward in order to encompass the ongoing rise of the G20. But by depicting this development as an outgrowth of the post-1997 reform agenda, the Asian crisis is effectively recast as its harbinger: the unprecedented degree of policy coordination, the sustained dialogue on financial sector reform, even the attempts to address current account imbalances – all are taken to be signs of a new multilateralism, and all are traced back to 1997-98, for in revealing the scope of global interdependence then, it was the Asian crisis which gave the world economy the institution it would need to undertake these initiatives in 2008-2009.

It is difficult to say whether or not these re-narrativisations made a decisive contribution to the renewed or increased prominence of either the FSF/FSB or the G20. On one hand, they are chronologically posterior to some of the changes they seek to sequence and configure, such as the creation of the FSB in April of 2009. But on the other, they are also undertaken at the very same time as the future functions of these two fora are being debated and decided. Disentangling this kind of quasi-causality would require a different research design to the one presently employed. What we can and should say, however, is that the Asian crisis is apperceived as a key moment in the globalisation of governance, and that this bears a close resemblance to how the Great Depression was tied to the reinvention of the IMF and the rise of the G20. There it was the IMF that took the lead, tracing both of these changes back to the birth of the

⁷⁶ Jean-Claude Trichet, 'Lessons from the Financial Crisis', Frankfurt (15 October 2009), Section III. Available at: <http://www.ecb.int/press/key/date/2009/html/sp091015.en.html>. Accessed 23 October 2009.

multilateral spirit itself. Here it is the ECB, which instead presents the Asian crisis as a turning point within the broader process described by the IMF. In both cases what we see is a process whereby past crises are used to understand and justify new sites and modes of governing global finance.

Eternally returning to crisis

By way of conclusion I too would like to return to the Asian crisis. In its dying days, Paul Krugman published a book called *The Return of Depression Economics*.⁷⁷ His argument was that the financial crises of the 1990s were a replay of those that marked the 1930s, and that this in turn warranted a reprise of the policies that Keynes developed in response to the Great Depression. Some ten years later, Krugman would publish a revised and expanded edition of his book with new material on what he called 'The Great Recession'.⁷⁸ Here he again folds the latest crisis into a familiar story about what happens when technocrats and policymakers forget to remember the 1930s. But neither Krugman nor those elites of which he writes have seemed able to help themselves from recalling either the Great Depression or other more recent crises of global finance. Why? What work do they do in their seemingly endless returns to the historical record?

Here I have argued that such returns are a form of modern, quasi-historical ritual through which contemporary events are diagnosed and treated as particular forms of crisis. In so doing I build on and extend recent research into the role of traumatic imagery and narrative during times of crisis.⁷⁹ By drawing our attention to how financial events are relayed as both recurrent and traumatic, this research does the important critical work of denaturalising those modes of crisis management that trauma discourse may reinforce. However, narrativisation need not render all 'crisis' events as traumas through the archetype of recurrence. This in turn means that crisis-histories might govern crises in heretofore-unacknowledged ways. Here I have highlighted how crisis-histories can also produce 'historiophanies', wherein past crises are apperceived in ways that furnish new apparent truths about political and

⁷⁷ Paul Krugman, *The Return of Depression Economics* (New York: WW Norton, 1999).

⁷⁸ Paul Krugman, *The Return of Depression Economics and the Crisis of 2008* (New York: WW Norton, 2009).

⁷⁹ Brassett and Clarke, 'Performing Sub-Prime'; Brassett and Vaughan-Williams, 'Crisis is Governance'.

economic history. In such instances the past effectively becomes a means of reinventing rather than simply reproducing existing ways of governing crisis/history. This argument entails three distinct theoretical contributions to the new critical literature on trauma and crisis in international studies.

The first of these is to foreground the work of historical representation. While the new literature on crisis as trauma alludes to the importance of narrativity, it glosses over both the practice of narrativisation and its relation to historical discourse more broadly. By drawing on historical theory, I emphasise how crisis-histories are always dependent on a narrative operation, and how this operation entails returning to a repertoire of events already produced through historical discourse. The second contribution is to identify two different ways in which past events can be incorporated into new crisis-histories. When trauma discourse is charged with reinforcing an existing mode of crisis management, this is typically linked to visions of historical recurrence – narrative projections that announce history as either already or on-the-cusp of repeating itself. Here I have shown how crisis-histories can also take the form of revelation narratives, which work by retroactively investing past crises with entirely new meanings. In theory trauma narratives can take this form too, and when they do, their productive function within the present need no longer be limited to reinforcing existing modes of crisis management. Finally, the third contribution is to highlight how these ways of returning to the historical record and repeating its inventory of crises can be understood as a ritual through which ‘crisis’ and ‘history’ are both conjured and governed.

Taken together, these points have important implications for how we engage the contemporary discourse of financial crisis. In analytical terms, crisis management now appears as a kind of magic trick. This is because the very intelligibility of a crisis episode, let alone its susceptibility to practical techniques of intervention and management, depends on a contingent and self-referential conjuring of history. The managers of global finance quite simply stand up and recount to each other the names and dates of history until their world makes sense, and it is upon this sense that their concrete responses to ‘crisis’ are built. No one is supposed to see the trick behind the magic, but once we do the normative question becomes whether to abandon the discourse of crisis altogether. In my view this would be a mistake. The crisis event may well be a “metaphysical fiction”, but abandoning the worlds of fiction will do nothing

to strip them of their magic.⁸⁰ History too has a metaphysics that cannot be divorced from fiction, and ‘crisis’ remains deeply inscribed within the historical imagination of our times.

The task of critique must therefore be to somehow navigate this knotting-up of crisis, history, and fiction. The potential pitfalls are clear – as Janet Roitman points out, to talk and think with ‘crisis’ is to risk reproducing a host of “existing dichotomies and extant hierarchies: public-private, economy-society, morality-politics, material-ideal, and so forth”.⁸¹ Yet to do away with ‘crisis’ is to forgo what is still one of the most powerful ways in which conjured histories might be contested. Thus, rather than rejecting the magic it entails, I maintain that the discourse of crisis should be strategically embraced and deployed by anyone who refuses to wish away the terror of capitalist history; by anyone who resents our self-appointed crisis managers for subsuming it over and over again beneath triumphant narratives of multilateral progress. But if the trick that crisis managers employ is to conjure history while appearing to do nothing of the sort, then that of critique must be the opposite – namely, to cultivate an appearance of truth and objectivity, while knowing all the while that these are nothing more than the bootstraps on which we choose to tug. After all, the crises of the past might always one day serve to constitute another present and help drag us into a different, better future.

⁸⁰ Brassett and Clarke, ‘Performing Sub-Prime’, p. 18.

⁸¹ Janet Roitman, *Anti-Crisis* (Durham: Duke University Press, 2014), p. 90.