

## Review - Scandalous Economics: Gender and the Politics of Financial Crises

Written by Randall Germain

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RANDALL GERMAIN, SEP 13 2016

*Scandalous Economics: Gender and the Politics of Financial Crises*

Edited by: Aida A. Hozic and Jacqui True

Oxford: Oxford University Press, 2016

For nearly fifteen years now I have taught a combined 4<sup>th</sup> year/graduate seminar titled the 'Political Economy of Global Finance'. It is a popular course—always full—that covers a little bit of theory about how to understand global finance, a little bit of its history, but which reserves the bulk of the classes to explore significant themes and issues which animate the organization and structure of the global financial system. Included here are the role of states and international financial institutions, the adequacy of global rules for banks and other financial institutions, the organization of capital and credit markets, the challenge of development, the question of global currencies, and the problem of preventing or responding to financial crises. I have always enjoyed teaching this course, and I have received very positive student feedback on it. But, if I am to be honest, I have always been troubled by my inability to find a suitable text using a gender or feminist analysis to include among the mix of readings I assign to students. I know this problem says more about how I think about gender and political economy than about the availability of material; nevertheless, outside of the work of Marieke de Goede and Mary Poovey on historical modes of representation of finance and credit, or Suzanne Soederberg on financing development, I have found few gender or feminist analyses that intersect directly with the thematic concerns around which I organize this course. Until now, that is.

In *Scandalous Economics*, Aida Hozic and Jacqui True have put together a collection of chapters that speak directly to a key theme of the literature on the political economy global finance, namely the occurrence of financial crises. They ask established and emerging scholars to outline and explore the gendered dimensions of financial crises (mostly but not solely the 2008 global crisis), and the result is a wide-ranging set of chapters that considers both the way in which gender appears in narratives about the crisis as well as how gender has been written out of its origins and aftermath. The result is not only a volume that can be used alongside more mainstream accounts as a valuable teaching tool for courses like my own; it is also a signpost to a more expansive and complete appreciation of how we can engage with critical and feminist political economy in our own work, even if, like me, one does not explicitly embrace and use this form of scholarship.

The volume is set up to pursue a number of hidden and or barely visible connections: between finance, security and gender; between financialization, austerity and women; and between language, power and feminist-inspired knowledge. Some chapters are more abstract or reflective, while others plunge deeply into a thicket of empirical detail. Some present new work, while others are more synopses of existing research in relation to these themes. While I cannot touch on all 16 chapters in a short review, I can consider a few representative chapters in order to convey the flavor of the volume as a whole. I will close with a reflection on how a volume like this can make my course a stronger exploration of the political economy of global finance.

The theme of the opening set of chapters concerns representations of gender in financial crises, and Jacqui True's contribution considers how women were initially seen after 2008 to be potential saviors of a distorted political-

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economic order. She considers three landmark interventions by women in business and politics – Anne-Marie Slaughter, Sheryl Sandberg and Deborah Spar – in terms of the solutions they offer to reform a dysfunctional political and economic system. The backdrop to their interventions was the post-crisis recognition that male role models and male preferences played an important role in leading the economy and its financial system astray. However, through a detailed textual analysis of their publications, True details how the solutions offered by these accomplished women in fact obfuscate the structures of inequality which made possible their rise to positions of prominence. If applied more broadly, however, their leadership principles would leave intact the deep norms and preferences of capitalist economies. As role models, True contends, they reinforce rather than undermine the foundations of the existing global order. She argues that global finance will not be reformed from within by following the lead of women who have successfully negotiated the rigors of capitalist organizations.

The volume's second section focuses on the responses of states (in Europe, Latin America and Asia) to financial crisis, especially the turn to austerity as a way of coping with budgetary imbalances. The chapter by Daniela Tepe-Belfrage and Johnna Montgomery focuses on how austerity has impacted families and households in Britain since the 2010 election of a Conservative/Liberal-Democrat government. They delineate a simple but powerful argument: the costs of the crisis in Britain were off-loaded onto the most vulnerable and marginalized population groups in society, while those who made the decisions that helped to generate the crisis in effect paid little or none of these costs. This asymmetry is partly explained by the differing power resources these populations are able to mobilize, but one new dimension in the British case is the deployment of a skewed moral sentiment to bolster the attack on low income families. Tepe-Belfrage and Montgomery use the 'Troubled Families Program' as their case study of how morality and power were combined in this assault on women-headed families and select racialized groups, which of course have further widened social inequality in Britain. Financial crises thus become occasions to reinforce structural inequality rather than opportunities to reform society; they help to solidify capitalist norms by displacing the need to address a dysfunctional set of financial incentives (in this case animating bankers and other wealthy elite).

The third section of the volume contains a set of chapters that explore the intersection of sex and crisis. The chapter by Celeste Montoya examines the spectacular 2011 fall from grace of Dominique Strauss-Kahn, then Director of the IMF, in a sex scandal at a New York hotel. Montoya interrogates the experience of 'DSK' alongside the story of Nafissatou Diallo, a recent immigrant from Guinea who was the chambermaid he assaulted. The chapter assembles the 'DSK Affair' through two perspectives, one focused on DSK and Diallo, and the other arranged around the relationship between the IMF and Guinea. This micro-macro structure brings to light the pervasive way in which power asymmetries work at different levels, and how we might deploy what Montoya calls 'rape scripts' to unpack both personal relations and broader societal relations, including globalization. As in many other chapters, the link between globalization and neoliberalism assumes here a violent form, structured by the demands of the IMF on Guinea to liberalize its economy as a condition of receiving aid, the consequences of which generated significant migration out of the country (including Nafissatou Diallo). For Montoya, disrupting and exposing the rape scripts at both levels (the personal and the social) is necessary in order to properly understand the power relations at work across society. In this sense the personal is not only political, but it is social and global as well.

The final section of the volume steps back to ask how we can re-imagine alternatives to capitalism after the crisis. Wanda Vradi in her contribution returns to the writings of materialist feminists from the 1970s to consider how some of their more 'utopian' insights might guide our response to the crisis of reproduction that is part and parcel of a critical gendered analysis of the most recent global financial crisis. Demands for housework to be waged and for domestic chores – which keep society moving from day to day – to be transformed into art resonate today primarily because housework remains the private prison of so many women, and because in times of crisis (as Tepe-Belfrage and Montomerie point out) the household becomes a prime target of austerity. Fictional dystopias are also used by Vradi to signal the heavy moral price paid by many marginalized and vulnerable populations should they stand up and contest unfair and compromised choices in their lives. She sees such a price being paid by the Occupy movement, whose effort to construct a public alternative community in opposition to the hierarchy of capitalist and mass consumer society was ultimately unsustainable. Nevertheless, for Vradi as for others in this volume, the example provided by Occupy is but one indication that the alienation and isolation inherent to modern capitalist society has not robbed the moral imaginary entirely of alternatives to capitalism.

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The volume closes with a set of reflections by Marieke de Goede on how financial crises and sexual excesses are represented, both in popular discourse (such as film) and in those intriguing moments where elites sometimes step outside of their tailored suits to mock themselves in ways that reinforce their own self-beliefs and powerful circumstances. The point de Goede pushes here is to ask how we might conceive of an authentic and ambitious anti-capitalist critique without lapsing into nostalgia for a simpler time. Her answer is that, however we conceive of this possibility, it must involve a reformulation of our own subjectivity at a personal as well as a societal level. She suggests that a performative ethics is a good place to start, but however we do this it must embrace a broader imaginative schema than we have so far utilized. Bringing a critical gendered analysis to financial crises necessarily involves re-imagining the moral basis of finance, and on this score there remains much to be done to convince mainstream accounts of global finance to engage with feminist scholars such as those found in this volume.

As the above sample chapters in *Scandalous Economics* suggests, this is a rich and illuminating volume. What can it add to my course on the political economy of global finance? Most of the readings I use are drawn from the standard literature on global finance: Susan Strange, Eric Helleiner, Benjamin Cohen, Barry Eichengreen, Kathleen McNamara, etc. This volume would deepen their scholarship by adding another dimension to the theme of how the contemporary organization of global finance entrenches and solidifies the inequality and power asymmetry between the groups that direct global finance—the usual subjects of scholarship—and the groups that pay the costs when global financial governance goes wrong. It is not that the standard literature does not hold inequality and social power imbalances to account; it is just that the chapters in this volume lay this bare in a deeply empirical way. Inequality and its structural foundations animate each of its chapters, and the sum total of the volume adds up to a profound and damning criticism of the inability of global finance and capitalism to learn from its mistakes. This is a valuable corrective and a necessary addition to any critical assessment of financial crises that a course such as mine should offer students.

Adding a volume like this to the reading list might also set up an intriguing discussion among students about the possibility of transformation within global finance, or finance capitalism more broadly construed. A key theme of *Scandalous Economics* is what might be identified as the 'anti-capitalist' alternative, namely, how far will a financial crisis and its aftershocks take the system toward transformation? The collective answer in this volume is: not very far. But is this a justifiable conclusion, given how much energy and effort has been directed at reforming the organs of state directly connected to finance since 2008? There have been legislative efforts in the US, Britain, the EU and China since the financial crisis that have curtailed the activities of big banks, depressed their profits, and significantly reduced some types of financial activities considered to be particularly risky or problematic. How do we assess the import of these kinds of initiatives in comparison to the austerity measures and modes of representation that are the subject of this volume? This I think is a trickier assessment, for it necessitates a direct engagement between mainstream and critical gender analyses that has not yet really been undertaken, partly because the focus of these very different traditions of thought do not coincide easily or often. Nevertheless, this reviewer hopes that there are groups of enterprising and generous scholars will someday soon undertake such an initiative, for the rewards will surely be worth the effort expended.

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### About the author:

Randall Germain is Professor of Political Science at Carleton University, Canada. He is the author of *The International Organization of Credit* (CUP, 1997) and *Global Politics and Financial Governance* (Palgrave, 2010). Most recently he edited *Susan Strange and the Future of Global Political Economy* (Routledge 2016). His current research projects explore the use of the idea of history in IPE and the future of world money.