

Explaining post-Financial Crisis Political Economy: The Left and Discourses of the Banking Crisis

The failure of liberal capitalism to predict and prevent the biggest global financial crash since the [1930s] in theory appeared to have produced ideal conditions for a resurgence of left-wing parties with traditional left-wing agendas. Whilst the left had in western countries seen more years in opposition than in power from the 1970s to the mid 90s, the last fifteen years have seen a resurgence in social democratic politics, and moreover the financial crisis appeared to give a gift-wrapped opportunity to win voters over to the need for a larger, more 'interfering' state (Ryner, 2010). Indeed the conditions appeared to be in place for a new discourse to be created about the whole relation between the state and the economy in the west, with the consensus that the state was becoming more of an impediment than a social facilitator being shattered. This becomes even more pertinent when seen in relation to those that came out better from the crisis; developing countries where the state has always traditionally played a greater role in managing the economy. Whilst China is here the most obvious example, others abound.

I am therefore proposing to undertake a study to try and shed some light on the way in which the left reacted to the global financial crisis, its subsequent electoral success (or lack thereof), and its success in agenda-creation. An important aspect of this study is the emphasis on discourse creation, in particular the role of the mass media in shaping political opinions. However, there is also an important historical aspect to the proposal. Given the contemporary nature of this study it is perhaps still quite difficult to fully measure the consequences of the global financial crisis on the left; many longer-term consequences may not yet have surfaced or developed fully. Therefore I propose to study two other financial crises of the modern era to assess their impacts on left-wing politics; that of the Great Depression of the 1930's and the Oil Crisis of the 1970's. By undertaking such a study I will be able to assess the impacts of those crises on domestic politics to allow comparative analysis with the current era. In such a way firmer conclusions can be made about whether or not the current crisis represents a unique circumstance in which the left has failed to prosper, or whether there is a historical trend in the way parties have responded to economic rapid change which will explain the current situation and suggest future potential trends. In essence therefore this is a study with two broad themes that inter-relate: Why has the left so far failed to create successful agendas from the current financial crisis; and how does this fit in to the historical trends of the way in which crises shape the contours of domestic political economy discourses?

Research Questions:

- How are policy discourses created in relation to economic conditions?
- How have left-wing parties responded to economic crises historically?
- What discourses and policy agendas have they developed? How does this differ from right-wing parties?
- How has public opinion been affected by these agendas and economic crises?
- How have left wing responses and their resultant popularity differed in the current financial crisis to earlier ones?

Methodology

This study will be largely interpretivist, and therefore the majority of the methods will be qualitative. These will be numerous and varied however, as is necessary for such a wide-ranging analysis. However, a quantitative aspect will also be necessary.

In order to better understand the economic crises of the 1930's and 1970's, an in-depth reading of the relevant historiographical literature will be required. This will range from general political history tomes and economic history texts to the reading of specialist works on left-wing history and party manifestos. Where possible I will aim to contact several experts on the political history of the time to ask them more detailed questions about specific issues that arise. Some simple quantitative analyses will also need to be performed, charting the popularity of left wing parties, so that these can be analysed against their particular strategies and their public aims in the aftermath of crises.

Quantitative comparisons will also need to be made comparing different levels of government debt, unemployment, net borrowing and spending rates and other important statistical data in order to gauge what different economic conditions produce different political effects. The use of methodological triangulation here will prevent the work from slipping purely into a work of behaviourist 'political science'. The use of quantitative methods will also make it more than simply an interpretivist study. Whilst a large degree of the resources for this aspect of the study will therefore necessarily be secondary literature, it will still involve an explorative element in which primary sources will be vital.

In order to understand the current political impacts of the recession on the left, a variety of methods will also be used. In particular, I intend to focus on the use of elite interviews to gain an inside knowledge of the thinking of left but also right-wing parties in response to the economic climate. Interviews will also be necessary in regards to the media, to try and glean some information on how they interpreted the situation. This will be done in correlation to the use of their publications to analyse their public response to the economic situation at different points in time. Public polls will also be a vital tool to understand the impact this had on the public at large.

The study will also require a great deal of documentary research. As well as the publications of the media mentioned above, the statements, manifestos and speeches of political parties in the countries involved will be important to highlight their understanding of the situation, how they want people to think about economic crises, and how they understand the thinking of the same people.

Operationalising the understanding and analysis of discourses will be a notable methodological challenge of this study. Documentary evidence from various public sources will be required for this aspect, analysed for trends, and coded for analysis purposes through the use of the Nvivo computer programme. In this way a wide range of complex data can be simplified, without being trivialised, into an analysable format.

Documents and analysis will not entirely focus on Britain however, with publications from other western countries being necessary to provide a comparative element.

I feel this project is of great contemporary academic significance, and one that would be of value both to York University and to the wider academic community.