MAKING FINANCIAL HISTORY

The crisis of 2008 and the return of the past

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ABSTRACT

The past does not simply provide conditions of possibility for capitalist finance; it also serves as a vital resource for those who might seek to understand or negotiate it in a particular present. However, scholars of finance and crisis have overlooked this point at precisely the same time that they themselves have sought to find clues or lessons in financial history. This article provides a reading of how and why the past has come to acquire such a strange presence within contemporary capitalism. Following Michel de Certeau, it approaches historiography as an operation, focusing on how the past has figured within three distinct but related fields of social science – namely, financial economics, economic history, and constructivist political economy. It demonstrates how each of these fields has been structured around an exclusion of the recollected past as an input into historical process, and argues that this has been revealed by the discursive response to the crisis of 2008, which in turn should be understood as a breakdown in the machinery of capitalist historiography. It concludes by suggesting that in order to grasp the potential productivity of such a breakdown, scholars of the global economy should begin to make a place for 'the practical past' within both their visions of history and methods of historical research.

KEYWORDS

Crisis; fiction; finance; historiography; history

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INTRODUCTION

The financial turmoil that erupted in 2008 prompted countless appeals to the past. Even when the problem in subprime markets was only beginning to become apparent, those on Wall Street were already gripped by a "violent thirst for historical knowledge", leading them to seek out clues or lessons in capitalism's long history of crises.[1] And as the turmoil spread so too did this thirst, with policymakers, technocrats and journalists alike all finding recourse to previous episodes of financial disorder. The Great Depression in particular acquired a strange omnipresence, constantly appearing within debates over the on-going crisis.[2] As this latter episode now enters into the storehouse of history, it is becoming clear that its attendant appeals to the past are themselves a kind of historical phenomenon. Simply put, the crisis of 2008 brought with it a *return of the past* to the financial imaginary.

This 'return' raises new and important questions about the place of the past within contemporary capitalism. If "the Great Depression analogy refuses to go away", as the historians Michael Bordo and Harold James have recently observed, then what is its *function* and why has it occurred in *this* present?[3] What is it that past events *do* when they circulate within another present, and why did the crisis of 2008 bring with it so many appeals to prior crises? Moreover, if a presence of the past is part of financial history, then what might a methodology attuned to this kind of anachronism entail? That is, how would one actually begin to go about locating the past within the workings of global finance? In order to grapple with these questions, this article departs from existing debates over the status of history within international studies. Such debates typically begin with the issue of historical truth and then use this to develop competing roadmaps for the conduct of inquiry.[4] Yet to do this is to overlook what is at stake in a return of the past, for while representations of the past do have their own histories, the force of these in another present hinges on a later process that

[1] Gillian Tett, 'Wall Street's Crash Course', *The Financial Times,* 26 August 2007.

[2] See Amin Samman, 'The 1930s as Black Mirror: Visions of Historical Repetition in the Global Financial Press, 2007-2009', *Journal of Cultural Economy* 5, no. 2 (2012): 213-29.

[3] Michael Bordo and Harold James, 'The Great Depression Analogy', *Financial History Review* 17, no. 2 (2010): 127-40, 127.

[4] See John Gaddis, 'History, Science, and the Study of International Relations', in *Explaining International Relations Since 1945*, eds. N. Woods (Oxford: Oxford University Press, 1996), 32-48; Colin Elman and Miriam Elman, eds., *Bridges and Boundaries: Historians, Political Scientists, and the Study of International Relations* (Cambridge: MIT Press, 2001); Stephen Hobden and John Hobson, eds., *Historical Sociology of International Relations* (Cambridge: Cambridge University Press, 2002); Nick Vaughan-Williams, 'International Relations and the 'Problem of History'', *Millennium* 34, no. 1 (2005): 115-36; and George Lawson, 'The Eternal Divide? History and International Relations', *European Journal of International Relations* 18, no. 2 (2012): 203-26.

precedes all questions of historical truth. Coming to terms with this latter process requires a shift in focus from the truth of the past or the genealogies of history to what Eileen Joy calls the 'entanglements' of the present.[5]

This argument is developed in three stages. The first of these focuses on how our psychic relation to the past is differentially charged through specific ways of writing history. It begins by outlining Michel de Certeau's critique of historiography, going on to illustrate the kinds of relation to the past provided for by historical discourse. It then joins Hayden White in identifying 'the practical past' as a more fluid and pliable way of relating to the past that has been obscured by the entrance of history into science. The second stage then extends White's account by locating the practical past within the contemporary operations of capitalist historiography. In order to do this it focuses on how the past has figured within the fields of financial economics, economic history, and constructivist political economy. It is argued that in the run-up to 2008, each of these fields were structured around an exclusion of the idea that the practical past can serve as an input into historical process. A more or less explicit dependence on the practical past is then located within their respective responses to the crisis of 2008, enabling the return of the past to be grasped as a reappearance of that which was previously repressed within capitalist historiography. Finally, the third stage goes beyond both White and de Certeau by asking what all this might mean for the future conduct of historical research. Here it is argued that the return of the past warrants and provides the grounds for an approach that would situate the practical past within both the crises of capitalist finance and the very process of financialised accumulation.

[5] Quoted in Jane Bennett and William Connolly, 'The Crumpled Handkerchief', in *Time and History in Deleuze and Serres*, ed. Bernd Herzogenrath (London: Continuum, 2012), 153-71, 166.

HISTORY, HISTORICAL WRITING, AND THE PRACTICAL PAST

In the opening of Rainer Maria Rilke's great modernist novel, *The Notebooks of Malte Laurids Brigge*, the eponymous protagonist passes a series of hospitals and is struck by the strangeness of death. Different deaths are there for the dying, he states, recalling that of his grandfather, but die we all will. In the face of this realisation Malte finds himself impelled to act: "I have done something against the fear. I have sat up all night and written".[6] Rilke too felt this impulsion, and in the novel that resulted, both he and his character find recourse to a range of childhood memories and historical sources, all of which figure as a part of their attempts to learn how to live in a new and uncertain age. In so doing, Rilke and Malte write a relation between past and present that is lacking in much of the debate over history in international studies.[7] Specifically, they indicate a 'now' that cannot be divorced from the 'then', a recollection that cannot be reduced to the mere recovery of facts, and a discourse whose form must somehow mediate between the registers of fiction and history. By routing Rilke through de Certeau and White, this section finds in Malte's notebooks a starting point for approaching the return of the past.

Meaning and function in the writing of history

For Michel de Certeau, much as Rilke's Malte, our relation to the past is born of an obsession with death. Quite simply, because everyone knows they are going to die, they are forced to remember how life goes on in order to continue living. But because the past is forever gone, our attempts to recall and represent it are charged with an undercurrent of impossibility that ceaselessly threatens to throw us into meaninglessness.[8] Historical discourse must therefore be understood in terms of its function – namely, its ability to produce "a society capable of managing the space it provides for itself".[9] Meanwhile, historical writing is best characterised

[6] Rainer Maria Rilke, *The Notebooks of Malte Laurids Brigge* (London: Dalkey, 2008/1910), 11.

[7] Despite their theoretical diversity, these debates continue to overlook the question of how and why different pasts might be conjured within another present. This is even the case when critical attention turns to the status of so-called 'benchmark dates'. See Barry Buzan and George Lawson, 'Rethinking Benchmark Dates in International Relations', *European Journal of International Relations* (OnlineFirst, 16 October 2012).

[8] Michel de Certeau, *The Writing of History*, trans. Tom Conley (New York: Columbia University Press, 1988), 2-5.

[9] Ibid., 6.

as an 'operation' that somehow negotiates a relation with its constitutive outside – *i.e.* the ungraspable Real of history – while at the same time appearing to do nothing of the sort.[10] And finally, history itself can be read as the product of precisely this kind of interplay between a representation and its non-representational 'underside'. De Certeau's basic critique of historiography therefore consists in an attempt to reveal not just the production of histories by historians, but also the production of history by historiography.

In methodological terms, this approach suggests a focus on three distinct but related dimensions of the historiographic operation. First, there are the institutional arrangements that enable historical writing to occur, as schematised in de Certeau's "combinatoire" of place, labour and discourse.[11] Second, there are the situated acts of selection and exclusion, which, by determining the accepted "postulates of analysis", enable the production of one kind of historical work rather than another.[12] And third, there are the ruptures – or encounters with the Real – which provide the discontinuities needed for forming chains of events through narrative.[13] When taken together, these three dimensions enable 'history' to be understood in more precise terms as an *institutionally-determinate* and *necessarily productive* kind of recording process, wherein specific modes of historiography endeavour to shore up their functional value, and historicity figures as both subject and object in this process.

As Ian Buchanan points out, the corollary of this insight is not only that a culture is best understood through its response to an epistemological crisis, but also that the very nature of this response will set the parameters for its subsequent struggle against the Real of history.[14] Within the context of the present article, this is significant in that it provides the starting point for a meta-history of historiography. Specifically, if we invert Buchanan's formulation, then de Certeau's wager becomes that each mode of historiography will possess an underside, and that the precise form of this 'other' will reflect an epistemological movement that was undertaken in response to an earlier crisis. Moreover, if we follow this logic through another step, then crises of epistemology provide an opening through which we might glimpse the mode of relation between a discourse and its own historicity. Finally, if we complete the loop,

[10] Ibid., 45-9.
[11] Ibid., 57.
[12] Ibid., 68.
[13] Ibid., 3-4.
[14] Ian Buchanan, *Michel de Certeau* (London: Sage, 2000), 81-2.

then it is to the disavowals and displacements of these crises that we must turn in order to account for the changing appearance of historical discourse over time.

Modes of historiography and their historicity

One such crisis that de Certeau identifies is the undoing of God's Word, which he sees as providing a place for the initial emergence of historical discourse.[15] With the transition from an oral to a scriptural economy, de Certeau argues, the sacred text is no longer heard as voice, but is instead produced through the work of writing. Yet in their subsequent attempts to "redefine themselves without that voice", modern societies become unmoored and are left to float in the "vast sea of a progressively disseminated language".[16] This new situation drives the subject to "set himself up as a producer of writing", transforming the subject of writing into a master, and the mastery of language into a new power: "that of making history and fabricating languages".[17] The discipline of history therefore emerges at a time when the fiction of Truth is revealed, and this is precisely why it establishes the idea of 'facticity', which enables it to substitute for religion. However, in order to continue performing this function, modern historians must bury the story of how they came to do so in the first place. The art of fiction is in this way the repressed other of history; it is the underside against which "Western historiography struggles".[18]

Within modern historical study, this underside resurfaces via the panics over objectivity that emerge during the 1960s, and which evolve into what is widely construed as crisis of the discipline during the 1980s.[19] De Certeau's emphasis on the narrative dimension of historiography contributes to this sense of crisis, but for the present purposes what is more significant is how he interprets this 'crisis' as an abreaction to the discipline's entry into science.[20] Specifically, de Certeau contends that the panic over objectivity emerges within historical science due to its inaugural denial of the Letters. This earlier move relegates fiction

[15] Michel de Certeau, *The Practice of Everyday Life,* trans. Steven Rendall (Berkeley: University of California Press, 1984), 131-53.
[16] Ibid., 137 and 138.
[17] Ibid., 138 and 139.
[18] Michel de Certeau, *Heterologies*, trans. Brian Massumi (Minneapolis: University of Minnesota Press, 1986), 200.
[19] Compare Peter Novick, *That Noble Dream: The "Objectivity Question" and the American Historical Profession* (Cambridge: Cambridge University Press, 1988); and Joan Scott, 'History in Crisis: The Others' Side of the Story', *American Historical Review* 94, no. 3 (1989): 680-92.
[20] de Certeau, *Heterologies*, 199-224.

to the status of a "shameful and illegitimate" component in the writing of history, but it is eventually undone by a later and seemingly affiliated controversy over the centrality of narrative to historical writing.[21] De Certeau therefore sees in the story of fiction a privileged means for understanding the evolution of modern historical discourse.

In keeping with this basic premise, Hayden White has recently sought to use the emergence of literary modernism in order to better understand the history of historiography.[22] From the perspective of literary history, modernist novels are typically presented as an attempt to escape from the constraints of genre in order to better explore the vicissitudes of life amidst intellectual and industrial change.[23] Their emergence is therefore usually taken to signify a crisis of form and its possible content, rather than a full-blown crisis of epistemology. However, for White both the birth and the legacy of the novel should not merely be read through reference to the events of history or the history of literature. Instead, he argues, they bear a crucial relation to the professionalisation of historical study that so intrigues de Certeau.

The historical past versus the practical past

According to White, the entry of history into science – and in particular, the "exclusion of rhetoric from historiology" – sends ripples through literary fiction because it robs historical study of its ability to speak to the present.[24] At the heart of White's argument is a distinction that Michael Oakeshott makes between two different kinds of past and their related uses or functions.[25] The first of these is the 'the historical past', which is a past authenticated through the truth-procedures of the historian. For Oakeshott this past is an end in itself, and its discovery is properly motivated by nothing more than a desire to provide as full and objective a portrait of the past as is possible. In contrast, the function of what Oakeshott calls 'the practical past' is to enable and inform the decisions of individuals as they confront the mystery of an ever-changing present. This past consists in the loose or unexamined memory that people carry around with them. It includes elements of the historical past, but these are

[21] Ibid., 219.
[22] Hayden White, 'The Practical Past', Unpublished Manuscript (2010): 1-30.
[23] For example see Peter Childs, *Modernism* (London: Routledge, 2008), 37-98.
[24] White, 'The Practical Past', 9. See also Hayden White, *The Content of the Form* (Baltimore: Johns Hopkins University Press, 1987), 58-82.
[25] Michael Oakeshott, *On History and Other Essays* (Indianapolis: Liberty Fund, 1999), 1-48.

filtered through idiosyncratic mnemonic practices, yielding potentially divergent experiences of history.

While Oakeshott originally draws this distinction in order to protect historical research from the degenerative effects of an instrumental attitude towards the past, for White it is this very attitude towards instrumentalism that is degenerative. Specifically, White suggests that a new quest to uncover the historical past, which promises to tell us of "what people in other times, places and circumstances have done", effectively prevents historians from sustaining an earlier concern with the practical past, which might tell us "what we, in our situation, in our time and our place, *should* do".[26] Historical study in turn becomes unable to see the present as history, and the question of how to negotiate new social realities is pushed beyond the boundaries of the discipline. It is for this reason, White argues, that radical new literary forms emerge; they are attempts to question or supplement "the kind of knowledge about the past produced by the new cadres of professional historians".[27] Hence, with the exclusion of an explicitly practical function for the past within historical discourse, we also find the genesis of a displaced crisis in literature, wherein a new generation of novelists set out to explore how the past might once again serve "as a resource for social and cultural renewal" in the present.[28]

At this point it is worth returning to the story of Rilke and Malte. Malte's fear of death drove him to write, and it was an appeal to the past that furnished him with much of his subject matter. But while Malte is usually seen to have failed in his attempt to become an artist, Rilke is not, and this is because he imagined a rich and gripping nexus of memory, facticity, and historicity. In what follows, I argue that precisely such a nexus – which Oakeshott and White designate as 'the practical past' – has been revealed through the crisis of 2008 as crucial to the appearance of global capitalism. This argument involves two distinct but related moves. The first of these uses de Certeau's method to identify and analyse a signal failure in the operation of capitalist historiography. The second then goes beyond de Certeau by suggesting that this very failure reveals a new possible future for historiographic practice.

[26] White, 'The Practical Past', 11 (emphasis in original).
[27] Ibid., 7.
[28] Ibid., 13.

THE EXCLUSION OF THE PRACTICAL PAST FROM THE OPERATION OF CAPITALIST HISTORIOGRAPHY

In this section I begin the first of these moves by arguing that the operation of capitalist historiography has been structured around an exclusion of the practical past. In order to do this I focus on three different fields of social science that are central to contemporary understandings of financial crisis, and are thus directly implicated in the operation of capitalist historiography. By undertaking an analysis of the practices that characterise each of these fields, I develop a set of three inter-related theses regarding their implicit relation to the past. These theses then form the basis for a meta-historical reading of the return of the past in our next section.

Thesis I: History is the repressed other of financial economics

> Neoclassical economics in general and modern finance theory in particular have sought to exclude historical time from their models. This has long been observed and criticised by heterodox scholars, who have sought instead to situate finance within history, but the linearity of chronological time continues to function as a limit to historical thought.

Modern economics has been indelibly shaped by the rise of formalism. This shift reflects a broader transformation in political economy that is usually traced back to the 'marginalist revolution' of the late nineteenth century. As William Jaffé points out, there are important differences between the pioneering marginalists, but both W. S. Jevons and Léon Walras help to establish mathematics as a preferred language for economic analysis.[29] In the wake of this change, modern physics becomes a model for economic science, and mechanical models of equilibrium – which entail a distinctly impoverished conception of historical time – become the basis for a neoclassical turn in economic theory.[30] For example, in the influential model of 'general equilibrium' put forward by Walras, all markets are born equal, and equilibration is an immanent tendency set in motion by external change. Time is reduced to a path for

[29] William Jaffé, 'Menger, Jevons and Walras De-Homogenized', *Economic Inquiry* 14, no. 4 (1976): 511-24. See also Margaret Schabas, *A World Ruled by Number: William Stanley Jevons and the Rise of Mathematical Economics* (Princeton: Princeton University Press, 1990).

[30] Philip Mirowski, 'Physics and the 'Marginalist Revolution'', *Cambridge Journal of Economics* 8, no. 4 (1984): 361-79.

variables, and the change that prompts adjustment remains a mystery, as does the historical genesis of the market system itself.[31]

Of course, the world of economic thought has never been as homogenous or closed as the one envisioned by general equilibrium theory, but following its introduction into the field formalism comes to acquire a kind of ecological dominance. In addition to recruiting a new generation of scholars to neoclassical theory, formalism influences the development of Marxian economics by luring it into an increasingly technical and ultimately unproductive debate over the accumulation process.[32] It is also able to domesticate Keynesian ideas by shoehorning them into the models of the so-called "neoclassical synthesis".[33] But within the study of finance, both of these heterodox traditions are almost entirely eclipsed by an uptake of the equilibrium framework, which treats finance as little more than a market for loanable funds. Jan Toporowski characterises the 1960s as a tipping-point in this process, arguing that finance theory has since been reduced to "the most abstract and other-worldly axioms of pre-Keynesian microeconomics".[34] Duncan Wigan also observes an "expurgation" of Keynesian ideas during this time, but he instead emphasises how portfolio theory transforms uncertainty into an object of calculation.[35] Insofar as this latter development has its roots in probability and general equilibrium theory, it reproduces the reduction of time to 'inter-temporal choice' that defines formal microeconomics more generally. But as Wigan points out, it also involves a dream of finance without history – in the form of a world with "fungible prices for all times, places and things" – which has been central to the rise of modern financial derivatives.[36] Somewhat ironically, then, the near-total annihilation of history within theory coincides with the emergence of an industry that trades almost exclusively in claims on the future.

The fundamental consequence of this is that conventional financial economics has been unable to comprehend the historical dynamics of capitalist development and crisis. Heterodox scholars have long been aware of this shortcoming, but even their attempts to

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[31] See Victoria Chick and Sheila Dow, 'Formalism, Logic and Reality: A Keynesian Analysis', *Cambridge Journal of Economics* 25, no. 6 (2001): 705-21.

[32] For example see Geoffrey Harcourt, *Some Cambridge Controversies in the Theory of Capital* (Cambridge: Cambridge University Press, 1972).

[33] Paul Samuelson, *Economics* (3rd Edition. New York: McGraw-Hill, 1955), 212. See William Darity and Warren Young, 'IS-LM: An Inquest', *History of Political Economy* 27, no. 1 (1995): 1-41.

[34] Jan Toporowski, *The End of Finance* (London: Routledge, 2000), 2.

[35] Duncan Wigan, 'Financialisation and Derivatives: Constructing an Artifice of Indifference', *Competition and Change* 13, no. 2 (2009): 157-72, 160-63.

[36] Ibid., 161.

situate finance within history have been hampered by a limited conception of historical time. In Post-Keynesian theory, for example, to be within history is simply to be *carried forward* by the flight of time's arrow. This idea can be traced back to Joan Robinson's critique of neoclassical economics during the 1960s and 1970s. Contrasting the smooth mechanics of equilibrium theory with the "turbulence of actual history", Robinson argues that a model based on the former would sink the moment it was "set afloat in historical time".[37] Or to put it differently, its assumptions and axioms would always be immediately nullified by "an ever-moving break between the irrevocable past and the unknown future".[38] The theoretical legacy of this critique has been twofold. Within mainstream economics there has been a renewed focus on context and process, as evidenced in the literatures on spatial agglomeration, scale effects and path dependency.[39] Conversely, on the margins of the field there has been a revival of older traditions that were always suspicious of equilibrium doctrine, as evidenced in the emergence of Post-Keynesian Institutionalism.[40]

These are quite distinct legacies, but both nevertheless reproduce the flaw inherent in Robinson's conception of time and the past. By emphasising the difference between logical and historical time, Robinson reduces historical time to chronological time, thereby obscuring the subtlety of historical change and the role that the practical past might play in such a process. Michael Turk puts it well when he suggests that "the set nature of the past ... must be tempered by its retrospective reconstruction as history, [which is] affected in turn by ... the comprehension, consciousness, and memory of it".[41] Neither of the two approaches indicated above has achieved this. By conceiving of institutions as the "carriers of history", the new historical economics cannot see beyond the literal bequest of the past to the present; and by focusing on the strictly forward-moving evolution of legal and financial structures, scholars working within Veblenian or Minskyan traditions stop short of asking whether historical time might loop back on itself.[42] Thus, even after Robinson's critique, the idea of history in

[37] Joan Robinson, 'What Are The Questions?' *Journal of Economic Literature* 15, no. 4 (1977): 1318-39, 1332 and 1323.

[38] Ibid., 1322.

[39] For a survey of these literatures, see Michael Turk, 'The Arrow of Time in Economics: From Robinson's Critique to the New Historical Economics', *European Journal of the History of Economic Thought* 17, no. 3 (2010): 471-92.

[40] W. Robert Brazelton, 'Post Keynesian Economics: An Institutional Compatibility?' *Journal of Economic Issues* 15, no. 2 (1981): 531-42; Geoffrey Hodgson, 'Post-Keynesianism and Institutionalism: The Missing Link', in *New Directions in Post-Keynesian Economics*, ed. John Pheby (Aldershot: Edward Elgar, 1989), 94-123.

[41] Turk, 'The Arrow of Time in Economics', 489.

[42] Paul David, 'Why Are Institutions the 'Carriers of History'? Path Dependence and the Evolution of

economics remains ensnared by a sequential or linear logic. History, however, is fraught with strange loops.

Thesis II: Fiction is the repressed other of economic history

> Philosophers and meta-historians have steadily undermined the idea of historical science by emphasising a necessary and productive relation between fiction and history. This insight has yet to find its way into the mainstream of economic and financial history, where it remains obscured by neoclassical theory and cliometric methods.

The story of history and narrative goes back a long way, and it has already been reconstructed in numerous histories of historiography.[43] For our purposes, the key point is that in the wake of new theories of language and discourse, various thinkers begin to ask what it might mean to use the same word – 'history' – to connote both a series of phenomena, and the narration of that series. Before long this line of questioning produces a pronounced shift in the debates surrounding history, which come to focus on the nexus of time, narrative and historical consciousness.[44] The scope of this literature is now vast, but its origins can be traced back to the pioneering work of Hayden White and Paul Ricoeur.

While White is perhaps most famous for underlining the function of narrativity within historical writing, he also places great emphasis on the necessarily fictional representation of reality implicit in all narrativised histories. In *The Content of the Form,* for example, he repeatedly argues that although past events, structures and processes may indeed have really existed in one present or another, a plot is something that can only be *imposed* upon them through retrospective acts of selection, sequencing, and configuration.[45] Moreover, it is precisely such a narrative form that enables us to endow a series of factual statements about the past with a distinctly historical meaning and significance.[46] For White, then, narrative

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Conventions, Organizations and Institutions', *Structural Change and Economic Dynamics* 5, no. 2 (1994): 205–20. Compare Wigan, 'Financialisation and Derivatives'; and Anastasia Nesvetailova, *Financial Alchemy in Crisis* (London: Pluto Press, 2010).

[43] For a useful overview compare White, *The Content of the Form*, 1-25; and Geoffrey Roberts, 'The History and Narrative Debate, 1960-2000', in *The History and Narrative Reader*, eds. Geoffrey Roberts (London: Routledge, 2001), 1-22.

[44] For an indication of this shift see Keith Jenkins, *On "What is History?": From Carr and Elton to Rorty and White* (London: Routledge, 1995).

[45] White, *The Content of the Form*, 66-8, passim.

[46] Ibid., 23-25 and 44-46.

discourse has a trans-historical truth-producing function at the level of the social, and when belief in this power begins to wane, "the entire cultural edifice of a society enters into crisis".[47] The apparent coherence of history therefore hinges on the ability of historians to tell plausible stories, and the past is a resource they are impelled to draw upon in this pursuit.

Paul Ricoeur joins White in observing the structural unity of fictional and historical narrative. But rather than seeing narrative as a kind of meta-code that covers over the meaninglessness of history, Ricoeur instead finds a 'healthy circle' between time and narrative that is properly constitutive of history.[48] In one respect, he argues, plot is something that allows us to experience time as something other than a series of unrelated instants – that is, in both sequencing and configuring these instants, it "provides a transition from within-time-ness to historicality".[49] And yet by virtue of this very function, plot is also something that is always-already in a process of development, and within which we find ourselves enmeshed: "Historicity … comes to language only so far as we tell stories or tell history", but at the same time, "We belong to history before telling stories or writing history".[50] What Ricoeur refers to as 'emplotment' is therefore not only a means for generating figurations of temporality, but also an act that refigures the time of the present within which human action occurs. The coherence of life itself therefore hinges on our ability to see the present through the lens of narrative time.

What both White and Ricoeur effectively underline is the interpretive interdependence of events disjoined by chronological time. If narrative alone can invest history with meaning or time with history, then because narrativity entails the 'grasping together' of more than one event, all events contained within a narrative find their historical meaning in relation to one another. And because the arrow of chronological time continues to fly forward, new events can always destabilise old meanings by prompting a re-emplotment of the past. Both White and Ricoeur therefore speak directly to the debate on time in economic theory. Specifically, they suggest that there can never be a final word on the past because its mutability is precisely what enables Robinson's 'ever-moving break' to be transformed into historical consciousness. Conversely, and in light of this, Robinson's concern

[47] Ibid., x.

[48] Paul Ricoeur, *Time and Narrative: Volume 1*, trans. Kathleen McLaughlin and David Pellauer (Chicago: University of Chicago Press, 1984), 52-87.

[49] Paul Ricoeur, 'Narrative Time', *Critical Inquiry* 7, no. 1 (1980): 169-90, 178.

[50] Paul Ricoeur, 'The Narrative Function', in *Hermeneutics and the Human Sciences,* ed. and trans. John B. Thompson (Cambridge: Cambridge University Press, 1981), 274-96, 294.

with the destructive effect of time upon models should alert us to the function of narrative in the face of crisis.

Unfortunately, even though each of these debates has been influential in their respective fields, neither has engaged the other, and their co-produced insight into the fundamentally practical function of past has yet to penetrate the discipline of economic history. As we have seen, the broad legacy of Robinson's critique has been a new institutional turn in the study of economics, accompanied by a somewhat less visible return to the old institutionalisms of the early twentieth century. But if the latter remains the preserve of heterodox political economists, the success of the former has been achieved through its application of neoclassical tools to history. In methodological terms, this has prevented the renaissance in narrative history from reaching economics, which in turn has served to keep the relation between history and fiction from view.

As de Certeau rightly points out, in the wake of the Great Depression, the writing of history becomes the writing of *economic* history.[51] But one consequence of the rising neoclassical tide during the 1930s is a sea change in the study of economic history itself. Taking shape in the 1960s under the leadership of figures such as Douglass North and Robert Fogel, the so-called 'cliometrics revolution' sees a new cohort of economists come to history armed with a combination of neoclassical price theory and statistical technique.[52] For these scholars, history is an objective science, and the promise of the past is to serve as "a giant experiment station for economic ideas".[53] Hence, at the same time as Robinson is arguing that a 'new historical economics' is needed in order to *overcome* the limits of neoclassical formalism, cliometricians are already in the process of developing one by bringing a hypertrophic version of that formalism *into* historical study. At least in the US, then, economic historians take flight from the narrative form just as other historians do the opposite. In terms of financial history, this development can be seen in the literature on the Great Depression, where the landmark study of Milton Friedman and Anna Schwartz helps to inaugurate a shift

[51] de Certeau, *The Writing of History*, 66.

[52] See John Lyons, Lewis Cain and Samuel Williamson, eds., *Reflections on the Cliometrics Revolution* (London: Routledge, 2008).

[53] Claudia Goldin, 'Cliometrics and the Nobel', *The Journal of Economic Perspectives* 9, no. 2 (1995): 191-208, 191.

from the tales of J.K. Galbraith and Charles Kindleberger to the tests of Ben Bernanke and Barry Eichengreen.[54]

Of course, even cliometrics involves recourse to style, metaphor and story. But to focus strictly on the rhetoric of economic historians, as D. N. McCloskey and others might have it, would be to miss a broader transformation in the emplotment of capitalist history itself.[55] Specifically, with the formalisation of theoretical and historical economics, plot is pushed out of economic historiography. This undermines the ability of *individual* histories to perform the narrative function, which in turn forces narrative practice onto a higher plane of abstraction. Moreover, in this space *between* histories, White and Ricoeur's focus on the historical text encounters its limit. What, we might ask, are the practices that enable cliometric findings to form the basis for a properly narrative understanding, and precisely how do these practices interact with the living plots of history?

Thesis III: Historicity is the repressed other of constructivist political economy

> In recent years, political economists have begun to acknowledge the fictive dimension of crisis by focusing on processes of social construal and construction. But in attending to meta-theoretical debates concerning the relation between ideas and materiality, they have ended up blind to the intersubjective constitution of historicity itself.

Much like 'history', the very notion of 'crisis' contains a rich and productive ambiguity: It connotes a critical juncture that requires decisive action, but it also indicates how such action requires subjective intervention.[56] In contemporary IPE, this has led scholars to consider crises as potentially transformative moments during which interpretive struggle conditions institutional evolution. Mark Blyth, for example, has consistently argued that agents need ideas in order to make sense of a crisis, and that this in turn situates ideological contestation at the base of any subsequent institutional change.[57] Like-minded scholars have also begun to

[54] Compare Friedman and Schwartz's *A Monetary History of the United States: 1867-1960* (Princeton: Princeton University Press, 1963); and Michael Bordo, Claudia Goldin and Eugene White, eds., *The Defining Moment* (Chicago: University of Chicago Press, 1998).

[55] See D. N. McCloskey and Robert Fogel, 'The Problem of Audience in Historical Economics: Rhetorical Thoughts on a Text by Robert Fogel', *History and Theory* 24, no. 1 (1985): 1-22.

[56] James O'Connor, *The Meaning of Crisis* (Oxford: Basil Blackwell, 1987), 143-5.

[57] Using Frank Knight's notion of uncertainty, Blyth suggests that crises destabilise actors' perceptions of their own self-interest. See Blyth's *Great Transformations* (Cambridge: Cambridge University Press, 2002), 27-37.

focus more closely on the processes through which one interpretation of a crisis may come to prevail over another. Blyth himself has written on "inter-elite attempts at persuasion", which he suggests are waged in the name of various "crisis-defining ideas", while Leonard Seabrooke has argued that these inter-elite debates may be held to account by "everyday discourses constructed by mass public agents".[58] In this view, a crisis is not simply an event that agents perceive as necessitating institutional change; it is also one that serves to "ignite processes of persuasion" both within and across different institutional domains.[59]

A similar use of the term can be found in the work of Colin Hay, whose theory of crisis emerges alongside Blyth's during the late 1990s. However, with Hay the subjective indeterminacy of crisis becomes a basis for institutional change via concepts drawn from Marxist state theory. Specifically, Hay conceives of decisive subjective intervention as a contingent response to the objectively overdetermined failure of an economic regime.[60] Before a 'crisis' can be said to exist, he argues, the various contradictions that underpin systemic failure must be discursively recruited as "symptoms" and incorporated into a "meta-narrative of crisis".[61] But once such a meta-narrative emerges, it opens up an uneven space of struggle between itself and other competing narratives, mapping-out a "discursively selective terrain" that privileges some constructions of crisis over others.[62] The very constitution of a crisis moment is therefore itself a moment of crisis, and initial meta-narratives articulated in the media can be decisive in determining the nature of any subsequent institutional transformation. Crucially, though, this process need not yield major structural change, for just as contradictions can be recruited as symptoms of systemic failure, they can also be discursively negotiated in ways that save a model of development from wholesale delegitimation.

In both of these approaches, crises give rise to a circumscribed but fundamentally underdetermined process of construal, which then shapes any subsequent pathway of

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[58] Mark Blyth, 'Powering, Puzzling, or Persuading? The Mechanisms of Building Institutional Orders', *International Studies Quarterly* 51, no. 4 (2007): 761-77, 761; and Leonard Seabrooke, 'The Everyday Social Sources of Economic Crises: From "Great Frustrations" to "Great Revelations" in Interwar Britain', *International Studies Quarterly* 51, no. 4 (2007): 795-810, 795.

[59] Wesley Widmaier, Mark Blyth and Leonard Seabrooke, 'Exogenous Shocks or Endogenous Constructions? The Meanings of Wars and Crises', *International Studies Quarterly* 51, no. 4 (2007): 747-59, 749.

[60] See Colin Hay, 'Crisis and the Structural Transformation of the State: Interrogating the Process of Change', *British Journal of Politics and International Relations* 1, no. 3 (1999): 317-44, 323-27.

[61] Ibid., 333-5.

[62] Colin Hay, 'Narrating Crisis: The Discursive Construction of the "Winter of Discontent"', *Sociology* 30, no. 2 (1996): 253-77, 261.

institutional change. Each also emphasises the centrality of narration to this process. Hay does this most explicitly through his notion of 'meta-narration', but others similarly anchor their key concepts in an appeal to the power of the narrative form. For example, Blyth suggests that "attempts at persuasion take the form of developing and deploying 'causal stories' about the economy".[63] The logical implication of this is that crisis-narratives and the crisis-defining ideas they support might very well involve the representation of past crises. And if the context of crisis – however conceived – conditions the selection and retention of these narratives and ideas, then the relevant features of that context are also likely to condition the selection and retention of recollected histories. The practical past is in this way *already* an immanent presence within constructivism. However, the new crisis theory has been held back from engaging with this point through the same kind of mechanism that keeps history from finance and fiction from history – namely, the disciplining function of its field-specific meta-discourse.

When lined up against equilibrium finance theory and cliometrics, constructivism looks infinitely better placed to tackle the complexity of historical time, and it is. Yet this potential remains hampered by a carefully negotiated identity, whose contours reflect the parameters of inherited meta-theoretical debate. Take Blyth and Widmaier's 'uncertainty-based' constructivism, which has risen to prominence in IPE by modeling its initial challenge on that of its older sibling in IR. In theoretical terms, this has involved justifying its right to exist through increasingly banal debates over old dualisms, such as those that pit agency against structure, interests against ideas, and ideas against materiality.[64] These discussions were clearly part of an attempt to engage the dominant rationalist tradition by distinguishing constructivism from more radical postmodern approaches. But one consequence of this strategy has been an empirical bias towards topics that are more easily tractable in methodological terms. This has produced a cloud of relative silence around the reinterpretation of past events, where two or more presents are in play. Indeed, so far the closest they have come to addressing this silence is an admission that "intensified debate over the meaning of contemporary events often fosters reinterpretations of past wars and crises".[65] What remains to be asked is precisely *how* the interpretation of past crises might interact with attempts to establish the meaning and significance of a crisis in the present.

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[63] Blyth, 'Powering, Puzzling, or Persuading?' 762.

[64] For example, see Widmaier *et al.*, 'Exogenous Shocks?' 750-53; Rawi Abdelal, Mark Blyth and Craig Parsons, eds., *Constructing the International Economy* (Ithaca: Cornell University Press, 2010), 1-19.

[65] Widmaier *et al.*, 'Exogenous Shocks?' 755.

The story of Hay's constructivism is somewhat different. Although his approach is initially informed by and aimed at a predominantly Marxist literature, its later development takes place through reference to a set of more general debates surrounding the theory and practice of political analysis. In many ways these debates are simply different versions of those that accompany constructivism in IPE. But within British political science the dichotomy of positivism and interpretivism occupies a unique position, serving to organise other more specific debates regarding the relation of structure to agency and interests to ideas.[66] The popularity of Hay's approach has therefore been premised on a promise to provide a pathway between and beyond this dichotomy.[67] Yet by fixing attention on the context in which crisis narratives are deployed and taken-up, this framing device covers over how such narratives are developed through particular renderings of the past. The result is a concept of conjuncture that serves to eclipse any role for the past therein. Hence, even though it is implicit in their respective frameworks, both branches of constructivist crisis theory end up turning a blind eye to the imaginary institution of historicity.

[66] For example, see Alan Finlayson, Mark Bevir, Rod Rhodes, Keith Dowding and Colin Hay, 'The Interpretive Approach in Political Science: A Symposium', *British Journal of Politics and International Relations* 6, no. 2 (2004): 129-64.

[67] Chris Clarke, 'Paths Between Positivism and Interpretivism: An Appraisal of Hay's Via Media', *Politics* 29, no. 1 (2009): 28-36.

THE CRISIS OF 2008 AND THE RETURN OF THE REPRESSED

With this analysis in place, it is now possible to see both the crisis of 2008 and the return of the past in a new light. When grasped together with the modes of historiography that preceded the crisis, subsequent appeals to the past appear not simply as an expression of historical confusion or uncertainty, but also as a return of that which was previously repressed within the writing of capitalist history. Moreover, when viewed in properly socio-historical terms, this return of the repressed itself indicates a fundamental breakdown in the operation of historiography. In what follows I develop this argument by indicating a return of the past in each of the three fields discussed above.

Finance/History

In terms of academic economics, the past reappears in two distinct but related ways. The most obvious of these can be located in the auto-critique of mainstream scholars, who have begun to comment upon the blindness of economic theory in the run-up to the crisis. David Colander, for example, has seen fit to address the "systemic failure of the economics profession", while Paul Krugman has even gone so far as to announce the onset of a "Dark Age" in macroeconomics.[68] These critiques are even more common in heterodox circles, but by surfacing within the mainstream they reveal a broader recognition that the models used to understand contemporary finance are worlds apart from the phenomena they strive to apprehend. More importantly, though, these same critiques have given rise to an explicit reappraisal of the place of history and narrative in economics. For example, Michael Bordo and Harold James have responded to the crisis by observing that "in general, history rather than economic theory seems to offer a guide in interpreting wildly surprising and inherently unpredictable events".[69] Meanwhile, advocates of a new behavioural approach to economics have made their case through an appeal to the power of stories, which they assert are central to the formation of expectations, bubbles and crises.[70] The recent crisis has therefore placed

[68] David Colander *et al.*, 'The Financial Crisis and the Systemic Failure of the Economics Profession', *Critical Review* 21, nos. 2-3 (2009): 249-67; Paul Krugman, 'How Did Economists Get it So Wrong?' *New York Times Magazine*, 6 September 2009.

[69] Bordo and James, 'The Great Depression Analogy', 127.

[70] George Akerlof and Robert Shiller, *Animal Spirits* (Princeton: Princeton University Press, 2009), 51ff.

history – along with its interpretation or representation – at the heart of debates about the future of economic theory.

A related process of revelation can also be found in a turn toward the historical record within policymaking circles. As Anastasia Nesvetailova and Ronen Palan have recently pointed out, financial regulation is a fundamentally pragmatic enterprise that rarely involves the neat "application of theory-based prescriptions".[71] With the onset of the 2008 crisis, however, the unprecedented response of policymaking organisations has relied on a thoroughly historical form of pragmatism, with financial, fiscal, and monetary authorities all grounding their deliberations in an appeal to the 'lessons' of the past. The Glass-Steagall Act of 1933, for example, along with its repeal in 1999, has loomed large over contemporary discussions of regulatory reform. Meanwhile, questions concerning the deployment of public funds and their eventual recoupment have drawn from the experiences of Japan and Sweden during the 1990s; and those regarding the future of monetary policymaking have been littered with references to the mismanagement of prior asset-price bubbles. Insofar as these appeals to the past entail a bypassing of finance theory, they compound the critique of formal modelling offered by economists such as Colander, Krugman, Bordo and James. But by beginning with history rather than theory, they also suggest that policymakers too have been forced to take the idea of historical knowledge more seriously.

History/Fiction

In terms of economic and financial history, the signs have been subtler but no less telling. Quantitative study remains alive and well, but its promise to uncover the 'truth of the past' is buckling under the weight of the competing insights it is proving able to generate. This is especially the case when it comes to the Great Depression. Although that episode first emerges as the holy grail of financial cliometrics during the 1980s, the crisis of 2008 has brought with it a wealth of new 'Depression' studies, many of which explicitly seek to address the policy dilemmas of the present. Recent work in this vein has focused on topics as diverse as the relation between monetary policy and asset-price bubbles, the effectiveness of monetary

[71] Anastasia Nesvetailova and Ronen Palan, 'The End of Liberal Finance? The Changing Paradigm of Global Financial Governance', *Millennium* 38, no. 3 (2010): 797-825, 808.

and fiscal stimulus, and possible exit strategies from crisis-response measures.[72] Of course, when understood as a reflection of the complexity of the Great Depression, this diversity is not a challenge to the field. If anything, it shores up the claim to objectivity that enabled quantitative history to flourish in the first place. But when viewed as an illustration of the sheer multiplicity of meanings that the past can bestow upon the present, which it surely is too, then it hints at the kind of temporality that has been systematically repressed within the study of economic history.

When situated alongside other developments in the writing of economic history, this point of tension becomes more pronounced. A quick scan of recent bestsellers reveals a return of the Great Depression to narrative history, with new revisionist accounts garnering media attention at the same time as reprinted old classics are celebrated for their newfound prescience. For example, while Kindleberger's seminal *The World in Depression* featured extensively in the pages of the *Financial Times* during the peak of the crisis, Amity Shlaes' *The Forgotten Man* received the support of *Forbes Magazine* in a high-profile dispute between its author and Paul Krugman over the legacy of the New Deal.[73] By underlining the sheer polyvalence of the past, developments such as these indicate the increasingly fragile nature of historical certainty in economics. Quite simply, it is no longer clear what *kind* of crisis began to unfold in late 2007. And although Carmen Reinhart and Kenneth Rogoff's recent study may have temporarily succeeded in obscuring this development, its sarcastic title – *This Time is Different* – is starting to look as though it would be better read literally, because, with all its attendant crisis histories, the 'crisis' itself would appear to have opened up a new and different temporality.[74]

Fiction/Crisis

In terms of constructivist crisis theory, it is still to early tell what the impact of 2008 will be. But if practices of historical interpretation were the underside of constructivist scholarship in the run-up to 2008, then they have been brought closer to the surface in its wake. Specifically,

[72] For example, see Miguel Almunia *et al.*, 'From the Great Depression to the Great Credit Crisis: Similarities, Differences and Lessons', *Economic Policy* 25, no. 62 (2010): 219-65.

[73] See Tony Jackson, 'Parallels with 1929 Highlight Need for Radical Thinking', *The Financial Times*, 6 October 2008; and Diana Furchtgott-Roth, 'The Economic Fight of the Year', *Forbes Magazine*, 3 December 2008.

[74] Carmen Reinhart and Kenneth Rogoff, *This Time is Different* (Princeton: Princeton University Press, 2009).

where before the practical past figured as a largely unspoken corollary of existing frameworks, it now figures as the subject of a performance that serves to both disclose and obscure the revealed shortcomings of the field. For example, take Colin Hay's work on the crisis of Keynesianism in Britain. In his landmark 1996 article, Hay observed that the 'Winter of Discontent' – as a hegemonic narrative of crisis – was "seemingly appealed to, and conjured, in each wave of industrial unrest", but he did not go on to develop this insight.[75] In response to the recent crisis, though, Hay himself has looked back to the crisis of the 1970s, yet he has done so in a way that effectively obscures the power of 'conjuring' that he alluded to some 13 years earlier. Specifically, Hay suggests that the 'crisis' of 2008 can be understood without reference to practices of historical interpretation, even though he anchors this very point in a counter-analogy with the crisis of the 1970s.[76] Consequently, the practical past figures as a kind of absent presence; it serves as a device for the theorist, who uses it to interpret the present, but it is simultaneously withheld from the subjects of theory, who are only permitted to think events through stories about presently existing paradigms. Hay therefore performs a kind of double-move, recalling his forgotten revelation in order to shore up a theory that has been structured around its exclusion.

A similar absent presence can be detected in the recent work of Wesley Widmaier, who has sought to re-evaluate the crises of the early 2000s. In the wake of the Asian crisis, Widmaier repeatedly emphasised how contending theoretical frameworks had shaped the norms and practices of international monetary cooperation, identifying successive periods of Keynesian, New Classical and New Keynesian consensus.[77] In response to the subprime crisis, however, he has revised this story, recasting the previously stabilising influence of New Keynesianism as a form of "technocratic repression", which he now suggests might actually have helped to generate the crises of late neoliberalism.[78] Once again, the practical past can be detected in the labour of the scholar, and yet it remains conspicuously absent from the substance of their analysis. Unlike Hay, Widmaier does explicitly seek to effect a change in

[75] Hay, 'Narrating Crisis', 253.

[76] See Colin Hay, 'The Winter of Discontent Thirty Years On', *The Political Quarterly* 80, no. 4 (2009): 545-52, 51.

[77] See Wesley Widmaier, 'The Social Construction of the "Impossible Trinity": The Intersubjective Bases of Monetary Cooperation', *International Studies Quarterly* 48, no. 2 (2004): 433-53; and 'Constructing Monetary Crises: New Keynesian Understandings and Monetary Cooperation in the 1990s', *Review of International Studies* 29, no. 1 (2003): 61-77.

[78] Wesley Widmaier, 'Emotions Before Paradigms: Elite Anxiety and Populist Resentment from the Asian to Subprime Crises', *Millennium* 39, no. 1 (2010): 127-44.

the body of constructivist theory, but the irony is that he ends up mirroring the kind of political psychology he ascribes to policymakers, revealing the co-constitution of past and present through the very exclusion of such a phenomenon from his discourse. In these ways, both constructivist approaches to crisis have effectively disclosed the theoretical repression upon which they have been built.

The reappearance of the practical past

In summation, it is possible to discern a key change within the conduct of capitalist historiography. Before the crisis of 2008 there was a clear tendency to treat the past as a linear succession of presents, but in the midst and wake of that crisis, a rather different relation to the past has been brought to the fore. Within financial economics, a practical use for the past has been revealed not simply through the auto-critique of orthodox scholars, but also in the centrality of historical interpretation to the practice of crisis management. Within economic history, its profound mutability has been revealed through the profusion of different crisis narratives, and in the ever-shifting points of historical reference upon which these have relied. And within constructivist political economy, the broader meta-historical significance of these two developments has been revealed in the way that prominent scholars have been forced to draw upon and even reassess past events in their attempts to grasp the meaning of the crisis.

When taken together, these developments signal a more or less implicit return of that which was previously repressed within modern historical science – namely, the idea that the past *can* and indeed *must* be brought into the present in order to *recognise* the present as history, and to *manage* the dilemmas that a particular present might be seen to pose. Such a return suggests that the crisis of 2008 should be interpreted not simply as a crisis of global finance, but also as a broader and related crisis of historical consciousness, born of a fundamental breakdown in the operation of capitalist historiography. By structuring itself around an exclusion of the practical past, historical writing has become unable to perform its basic double-function, and in the return of the past that accompanied the recent crisis, we encounter a response to this failure that also is its primary symptom. Hence, the practical past reappears in *this* present not *in spite* but precisely *because* of its exclusion from the writing of capitalist history.

REMAKING FINANCIAL HISTORY

When viewed in meta-historiographic terms, the return of the past invites a reappraisal of both prior and present modes of historiography. If we follow de Certeau's logic, then such a return constitutes a fleeting appearance of the underside to capitalist historiography; and once read through specific machineries of historical writing, this enables us to apperceive the significance of an earlier response to epistemological crisis (namely, the entry of history into science). This reappearance is also significant in that it intimates the possibility of another epistemological movement whose precise form will condition future struggles between historical science and the real of history. Hence, by virtue of its sheer irruption, the return of the past potentially invests contemporary historical discourse with a new historicity. Yet within the return of the past we also find a range of discursive practices that would seem to be implicated in the making of contemporary financial history, and which in turn both warrant and provide the grounds for a heretofore-missing mode of historiography.

Empiricism and historicity

The philosophical underpinnings of this new historiography require further attention, but they would clearly need to differ from those that have come to shape the debate over history in international studies. Here I wish to indicate one possible way forward, which would be to situate White's 'practical past' within a Humean domain of the imagination, and to then explore the quasi-causal powers of this imagination via a form of critical historical empiricism.[79] Such an approach would reject the idea – typical of narrow empiricism – that observation can reveal the 'laws of history', deeming this the height of theoretical hubris. It would also put to one side any search for the 'truth of the past', because no matter how nuanced such a search may be, it will invariably end up overlooking the possibility of an equally significant reappearance of that past within a later present. It would even differentiate itself from a properly empiricist genealogy, whose attempts to unearth 'the history of the

[79] Here I take up recent calls for a 'critical empiricism' in IPE by routing these through ongoing attempts to recover a philosophy of history in the works of Gilles Deleuze and Félix Guattari. See Angus Cameron and Ronen Palan, 'Empiricism and Objectivity: Reflexive Theory Construction in a Complex World', in *The Routledge Handbook of IPE*, ed. Mark Blyth (London: Routledge, 2009), 112-25; and Jay Lampert, *Deleuze and Guattari's Philosophy of History* (London: Continuum, 2006).

present' also tend to bury the presence of the past.[80] Instead, a critical empiricism would begin with the historicity of the present, focusing in particular on the circulation of past events within that present.

More concretely, such an approach would take a specific or local milieu as its starting point, asking how the inhabitants of that milieu might come to experience an event as belonging to history.[81] In order to do this it would follow practice, using representations of the past as an index for the production of this historical experience. The empirical task, in other words, would be to identify the practices of historical representation that bring the dates and events of history into the interpretive orbit of another present. And finally, the motivating question would need to be that of how an "unforeseeable selection" from among these various dates and events helps to drag history forward into different futures.[82] When taken together, these signposts indicate a kind of historiography wherein the practical past and its attendant histories are recast as a potential input into historical process. This approach entails a shift in focus from what there *is* or *was* to what we are *doing*, but it also demands that capitalist history itself be approached as an idea that somehow pulls itself up by its own bootstraps.

Futures for historical research

Such a reorientation immediately indicates two new avenues for historical research. The first of these concerns *the function of the past within the crises of capitalist finance.* Insofar as financial crises both recur and are continually attributed to something called 'capitalism', then the affiliations that are formed between these events through their various returns are implicated in the bootstrapping of capitalist history referred to above. One clear challenge for the kind of historiography being advocated here must therefore be to explore the 'intra-temporality' opened up by crisis, and to begin treating moments of crisis as something other than linearly related presents in time. In this author's view, one way of doing this would be to bring the insights of meta-history into crisis theory.

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[80] Bennett and Connolly, 'The Crumpled Handkerchief', 170.

[81] See Hanjo Berressem, 'Crystal History: "You Pick Up the Pieces. You Connect the Dots"', in *Time and History in Deleuze and Serres*, ed. Bernd Herzogenrath (London: Continuum, 2012), 203-28.

[82] Eugene Holland, 'Non-Linear Historical Materialism: Or, What is Revolutionary in Deleuze and Guattari's Philosophy of History?', in *Time and History in Deleuze and Serres*, ed. Bernd Herzogenrath (London: Continuum, 2012), 17-30, 24.

As we have seen, the meta-historical literature on narrative focuses on the interpretive interdependence of events disjoined by chronological time, but it has failed to address the ongoing and socially-situated practices of historical interpretation through which this might play out in the present. The constructivist literature on crisis does precisely the opposite: it focuses on the diverse and contested practices through which an unfolding event is ascribed historical meaning, but has yet to explore the place of past crises in this process. The promise of bringing these two literatures together would be to situate crises within historical time, and to wrest the analysis of historiography from the domain of the meta-historian, enabling everyday acts of historical representation to become the subject of an interrogation into the imaginary institution of historicity. In methodological terms, this would require a focus not only on the actual practices of historical representation that are employed within specific milieus – such as, for example, those of public economists, financial journalists and (inter-) national policymakers – but also on exactly how these portrayals of past crises interact with one another and inform ongoing attempts to establish the meaning and significance of a crisis in the present. The task, in other words, would be to approach the past as a key resource for those confronting the dysfunction of global finance.

The second key avenue for research concerns *the function of the past within the very process of financialised accumulation.* The logic behind such a focus is rooted in Deleuze and Guattari's identification of diachrony as a primary axiomatic of capitalism.[83] Insofar as capitalism entails a reversal in the relation between production and exchange, then money becomes a fulcrum for its allocative decisions; but because the money form is only able to dispense this function by mediating between the present and different prospective futures, the imagined or virtual past becomes an input into the very process of accumulation.[84] Hence, another important challenge is to ascertain precisely how a co-existential and multi-layered temporality is able to serve as the material for contemporary processes of accumulation. Once again, two existing strands of research provide complementary insights for developing such an approach.

The first of these can be found in heterodox political economy, where there is growing interest in new means of making claims on expectations about the future. Marxist contributors to this literature typically focus on the emergence of new financial instruments,

[83] Gilles Deleuze and Félix Guattari, *Anti-Oedipus*, trans. Robert Hurley *et al.* (London: Continuum, 2007/1984), 243.
[84] Ibid., 260. See also Holland, 'Non-Linear Historical Materialism', 27-8.

such as derivatives, whereas those working within a Veblenian tradition tend to focus instead on legal conventions and the broader operation of capitalisation.[85] Yet despite this difference of emphasis, both see the future as having already begun to transform capitalism. Neither, however, pays adequate attention to how shared visions of the future are generated. Conversely, recent attempts to develop a thicker sociology of finance begin by exploring the various procedures through which futures are envisioned and quantified, but here broader structural questions are typically left unaddressed.[86] The promise of bringing these two literatures together would be to operationalise Deleuze and Guattari's suggestion that each new sub-axiom of capital must be fed with a stream of events and dates – *i.e.* that the shifting technical procedures of financial market practice necessarily rely upon an associated set of more informal procedures for interpreting the past. In methodological terms, this would require a focus not only on distinct agents of capitalist finance – such as foreign-exchange traders, portfolio managers and macroeconomic analysts – but also on how these agents grasp together different times in ways that enable futures to become streams of earnings. To adopt such an approach would be to further develop the logic behind a focus on dysfunction by situating the practical past within the very functioning of global finance.

[85] Compare Dick Bryan and Mike Rafferty, *Capitalism with Derivatives* (London: Palgrave Macmillan, 2005); and Jonathan Nitzan and Shimshon Bichler, *Capital as Power* (London: Routledge, 2009).

[86] For example, see Donald MacKenzie, *An Engine, Not a Camera* (Cambridge: MIT Press, 2006); and Andreas Langenohl, '"In the Long Run We Are All Dead": Imaginary Time in Financial Market Narratives', *Cultural Critique* 70, Fall (2008): 3-31.

CONCLUSION

This article began by observing how in the wake of the 2008 crisis, appeals to the historical record have flourished at the same time as their potential significance has been ignored. By drawing on the meta-historiography of Michel de Certeau, an important relation has now been uncovered between this development and the modes of historical writing that preceded it. Specifically, within financial economics, economic history, and constructivist political economy, we have identified a tendency to institute a temporal schism between past and present, which has effectively limited historical knowledge to a knowledge of the past 'as it really was'. But to know the past in this way has been to overlook how the past must always be *brought into the present* in order for a society to recognise and manage itself as one. All three modes of writing have therefore rendered themselves unable to perform the basic function of historical discourse. An acknowledgement of this enables the appeals to history that accompanied the crisis to be apprehended as both a return of the repressed and a fundamental breakdown in the operation of capitalist historiography.

But if what we have termed 'the practical past' has been revealed as crucial to the appearance and function of capitalist history, then this breakdown also warrants and provides the grounds for a new mode of historiography. Put simply, if historical action and interpretation are intertwined (and the past serves as a fundamental component of the latter), then recollected histories should be recast as a situated force of *history-production*. Such an approach would require a purposive departure from the debates over history within international studies, where theoretical and methodological discord has served to circumscribe the question of historicity by obscuring the potentially productive power of anachronism. Here I have indicated one possible way forward, which would be to remake the historiography of global capitalism by locating the practical past within both the crises of capitalist finance and the process of financialised accumulation. Although this may seem a daunting task, it is clearly one that needs taking up, for to do so would be nothing more than to afford the subjects of theory the same basic capacity for historical thinking that theorists of history themselves seek to exercise.