Financialization and social structure of accumulation theory

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A proposal for an individual paper to be presented at the Fourth Annual Conference in Political Economy, Institute for Social Studies, Erasmus University, The Hague, 9-11 July 2013
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Social structures of accumulation (SSAs) are the institutional ensembles that cohere in such a way as to facilitate prolonged and orderly capital accumulation. They are borne of crisis and, following a period of stable configuration, gradually lose their coherence owing to class struggle, technological change, ecological constraints, or combinations of these.

Having originally been developed to explain the post-1945 growth of the US economy and its subsequent descent into crisis during the 1970s, SSA theory has recently been modified such that (1) its neglect of transnational forces has been somewhat rectified, and (2) its original focus on the conditions facilitating rapid (US) economic growth has been replaced by recognition of the significance of the stabilization of class contradictions. These developments have allowed SSA theory to take greater account of globalization and the persistence over long periods of sluggish, or even negligible, economic growth. While not all SSA theorists would accept these changes – “Globalization is one of the central ‘exogenous’ conditions of the new SSA” (Lippit 2005: 55; see also Lippit 2010: 45), this paper follows the position taken by Wolfson and Kotz (2010).

Financialisation has been acknowledged as a key element of the neoliberal SSA that prevailed until the financial crisis that began in 2007 (Tabb 2010). What will succeed this SSA is very much the subject of debate. Some see the crisis as having merely stalled the advancement of neoliberal globalization. Meanwhile others foresee a more constrained financial sector as part of a more regulated SSA, consistent with the positing of two ideal types of SSA – liberal and regulated (Wolfson and Kotz 2010: 81). The former took shape especially in the anglosphere during the 1980s and proceeded to dominate thereafter, until the onset of the present financial crisis. Greater state intervention has already occurred, but Wolfson and Kotz appear to anticipate a pendulum-like swing back to a more permanently activist state role similar to that which followed the Great Crash of 1929.

This paper evaluates the likelihood of such a pendulum-like swing. Given both the globalization of finance and its deep socio-cultural penetration, it will require a crisis of sufficient length and intensity, such as the Great Depression of the 1930s, to disabuse many of its attractions. The private sector financial “innovations” that helped spawn the crisis have been supplanted by those of the central banks, in the desperate efforts to prevent total collapse. So far these have worked, not simply as economic palliatives but also to stave off
mass mobilization in protest, small but significant outbreaks notwithstanding, such that alternatives to the neoliberal order remain outside the boundaries of most popular discourse. Instead “the Greeks” or “welfare scroungers”, among others, are targeted as unworthy recipients of aid deliberately blocking necessary and even emancipatory change.

Given the above, the paper concludes with a discussion of the likely trajectory of development – what sort of SSA to look forward to? – and the implications for SSA theory and political strategy.

References


