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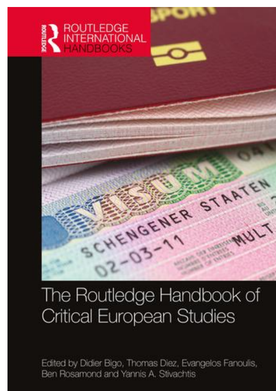

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Financialisation, crisis and austerity as the distribution of harm

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Financialisation, crisis and austerity as the distribution of harm

Johnna Montgomerie and Daniela Tepe-Belfrage

Introduction

This is a chapter about the everyday Feminist Political Economy (FPE) of debt-driven austerity in the European context, examining the political conditions created by persistent financial crisis. We understand austerity to act as a mechanism for the distribution of harm onto households in order to sustain unconventional monetary policy objectives, which has profound distributional effects. Austerity encompasses the monetary union commitment to zero-bound interest rates and unconventional monetary policy while preserving national governments' support for austerity. We argue that this combination enables austerity to enact targeted redistribution. As financial crisis intensifies as a result of financialisation, it facilitates new political methods for sustaining the profitability of financial institutions by downloading the costs onto society. In particular, as we have stated before, this has been accomplished via the household sector by cutting back on social security provisioning by the state (Montgomerie and Tepe-Belfrage 2016). Using a FPE methodology we draw conclusions about the profoundly unequal distributional outcomes of austerity in Europe in ways that makes visible the connection between the household, the domestic macroeconomy and the supra-national structures of the monetary union. The advantage of an FPE lens is that it brings into focus how the mundane daily routines of economic participation have become integrated into austerity in ways that produce distinctly gendered outcomes. It is precisely because the household is the site of social reproduction that public policy support for austerity results in the downloading of structural economic problems onto the household. FPE offers a methodological approach to empirical analysis and in-depth theorising of financial crisis in which crises are not accidental or unforeseen. This in turn challenges and troubles assumptions that austerity is both temporary and necessary. This is accomplished by paying close attention to the temporal, spatial and social frameworks required to frame crisis as a temporary aberration in the normal functioning of markets and connect them to systemic trends within financialised capitalism.

Remembering the period of financial crisis in 2008, it seemed at the time that financialised capitalism was on a precipice. The systemic collapse of leading global financial institutions and a total seizure of global markets, followed by the European sovereign debt crisis, seemed to herald the end of financialised expansion. Indeed, many believed 2008 was another 1929 moment –

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one that would bring about a New Deal style recovery and give rise to a Bretton Woods style agreement to establish clear parameters for rebalancing the regional monetary policy/domestic fiscal policy conundrum of the European Monetary Union, a moment to redesign the functioning global financial system to curtail the excesses of financialisation (for a discussion see: Helleiner and Pagliari 2009). A decade later, very little has changed. Financialised growth continues enabled by a continued commitment to zero-bound interest rates and unconventional monetary policy. This pattern continues in Europe, the United States and the United Kingdom. The initial bailouts, deemed necessary to simply keep the financial system afloat, were followed by drastic reductions in interest rates that have yet to return to pre-crisis levels. Risk guarantees offered by global Central Banks and Treasury Departments in Europe (and across the Global North) committed to providing any amount of money (liquidity) necessary to maintain the stability of their respective financial systems (Krampf 2014; Matthijs 2016). Further asset buy-back schemes and long-term refinance operations became systematised into successive rounds of Quantitative Easing (QE), which over the past decade has come to be called, rather euphemistically, the 'era of unconventional monetary policy' (Guerini, Lamperti, and Mazzocchetti 2019; Dominguez 2006). In plain terms, this has amounted to a coordinated build-up of public debt to support the financial sector. Therefore, those that believed 2008 could have been a reckoning for the failures of financialisation could not be more mistaken. Financialisation is as entrenched now than it was before 2008, and the political power of austerity, as the combination of monetary expansion and fiscal consolidation, is accepted as the 'new normal' – at least among policy elites.

The mainstream study of International Political Economy (IPE) has tended to emphasise a top-down institutional focus which frames financial crises, including the global financial crisis (GFC) of 2008, in a distinctive way: Crisis appears as an aberration in the normal functioning of – otherwise rational – markets (Blyth and Matthijs 2017). What emerges is a standard boom and bust framing of financial crisis: There is a long period of what appears like stability and growth before the market comes crashing down. This methodological frame is backward looking inasmuch as it seeks to determine the causal relationship that immediately preceded market failure. This way of reasoning promotes generalisations about systemic forces as they manifest in one case study of financial crisis at a time. This business-cycle logic then yields a well-rehearsed typology of crisis that in turn entrenches a set of research practices specifically geared to recognise the pattern in what 'caused' this particular financial crisis. Because of this methodological framing, subsequent debate revolves around discussions on whether the underlying causal relations of the 2008 GFC were more similar to 1929 or 1973, for example; whether particular configurations of national and global financial regulations or norms generate financial crisis in different locations (see, for example Reinhart and Rogoff 2008). Either way, this tendency to create typologies of crisis creates, methodologically, a somewhat backward looking temporal frame that focuses on institutions and indicators to look for similarities in the configurations of forces that cause the supposedly temporary event of crisis (Kaminsky, Reinhart, and Vegh 2003). This framing of 'crisis' assumes that before the causal events occurred markets were functioning optimally. It treats as axiomatic the claim that crisis is an aberration in the – otherwise normal – functioning of the global financial system.

In contrast, Feminist Economics and Feminist Political Economy (herein collectively referred to as FPE) offer detailed empirical analyses and in-depth theorising of 'crisis' that extends the temporal framing of the 'peak-to-trough' of the business cycle, where time outside of crisis is either a build-up or a recovery, regardless of how long it takes. This move seeks to reframe financial crisis, not as accidental or unforeseen, but rather as a political process through which policy mediates the distributional outcomes of macroeconomic forces. Troubling the temporal, spatial and social frameworks that confine financial market crises to the

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technical management of the economy begins with expanding the temporal frame of market crisis as a short-lived episode or merely a temporary aberration in the normal functioning of global markets. Next, the FPE lens extends the empirical focus to how international financial institutions (IFIs) act as the as organisational structures that narrate boom, bust and austerity in ways that bring coherence to the technocratic norms governing in normal times and times of crisis. Also, FPE fundamentally integrates the politics of scale used to theorise about 'crisis' - connecting what economists frame as micro/macro and political sciences frame as levels of analysis between national, regional and global – as overlapping and cascading scales that, cumulatively, shape the conditions of everyday life.

Therefore, for FPE 'crisis' is much bigger than financial market downturns and economic recessions. Admittedly this can create an all-encompassing understanding of crisis, such as that offered by Nancy Fraser's (2014) articulation of 'triple-crises' – the overlapping ecological, economic and political crises that paralyses domestic governments and international financial institutions. Fraser's (2016) reading of crisis is vast in scale and deep in scope because it maps onto overlapping threats to humanity. Crisis, in this context, signals a terminal decline of financialised globalisation. What is more relevant here is how FPE situates the manifestation of 'crisis' on the 'small' scale of the household and/or community-level (Elias and Roberts 2016; Dowling and Harvie 2014). Thus, the focal points of such work become the places and spaces where the outcomes of market crisis are 'managed' by public and statecraft. This methodological lens makes visible the redistributive tail-end of crisis by focusing on the distributive outcomes caused by the forms of restructuring imposed in response to market downturns (Elson 2012). Indeed, disaggregated analysis of financial crisis reveals how costs are downloaded onto households via labour market and social security reform under the auspices of austerity to produce gendered and racialised forms of economic harm (Bargawi, Cozzi, and Himmelweit 2016; Clarke et al. 2015; Davies 2014).

This chapter goes on to explain how the 2008 financial crisis and the EU's 'sovereign debt crisis' and the subsequent period of fiscal consolidation used the household as 'shock-absorbers' in which public policy was used to download the costs of economic restructuring located in global financial markets onto the domestic economy, itself redistributed on to households via austerity measures. Rather than focus on the specific institutional arrangements of the EU's monetary union and its differentiated impact on domestic economies across Europe (see the chapters by Becker, Weissenbacher and Jäger; O'Dwyer in this volume; see also Perez and Matsaganis 2018; Monastiriotis et al. 2013; Hermann 2017), this chapter uses the FPE methodology to make generalised claims about the unequal distributional outcomes of austerity in Europe. FPE affords a robust means of accounting for the overlapping scales of household, national growth and welfare-regimes, regional monetary integration and international financial institutions. In turn, this produces novel insights into both European Studies and IPE.

Locating financial crisis in the global political economy

Those seeking to contextualise the significance of the post 2008 global financial and European sovereign debt crises typically emphasise, through the drawing of historical parallels, what *type* of crisis each was. Similarities between the present-day and the past are used to explain the connection between each case of past financial crisis in Europe, but also the global economy. The temporal limits of 'crisis' becomes like dots to be joined to produce recognisable (and thus generalisable) patterns or configurations of economic and political structures that produce crisis. For example, it has not been unusual to draw on the idea of the post-2008 period as signalling another Great Depression (the 'Great Recession') in which uncertainty gripped

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investors, workers and consumers to such an extent that economic activity ground to a halt (Krugman 2012). This apparently explains why, over ten years since the financial crisis struck, the economies in the global North, especially the engines of finance-led growth in the US and UK, are nowhere near to surpassing pre-crisis levels of income, employment or growth. For others, 2008 mirrors the 1970s stagflation crisis where the cause of crisis and persistent failure to revive growth to pre-crisis levels is the result of a deeper structural crisis in the mechanics of the economy (Hay 2013). In this case, the boom times were a self-reinforcing cycle of high wage growth for workers, increasing retail price inflation (related to oil prices), and fiscal spending that stifled economic activity. The post-crisis period allows cheap credit to continue fuelling asset price inflation and a complete lack of fiscal policy to act as a self-reinforcing cycle that only ekes out growth through debt-driven economic activity. For still others, today's crisis parallels the Japanese financial crisis in the 1990s, which still lumbers on, where the debt overhang creates a balance sheet recession (Koo 2014). This is particularly true in the Anglo-American economies where the stock of outstanding private debt cultivated during the boom years and public debt accrued to rescue the financial sector here is generating a persistent drag on economic renewal (Keen 2015). In the European context, the Japanese disease, manifests as a persistent belief that growth and revival are around the corner. However, the added complication is that, despite the rise of populism and the far-right across Europe and the specific case of Brexit, the economic status quo has remained in place. Therefore, sluggish growth is compounded by public policy commitments to austerity which rely on the simultaneous deleveraging (paying down debts) of both the public and private sectors at the expense of spending or investing, which in turn creates a significant drag on economic renewal.

The FPE lens offers a different account of crisis because it challenges the enforced distinction between the public and private sphere, the state and the market, the national and the global. The influential concept of 'privatised Keynesianism' (Crouch 2009) explains how the domestic policy regime privatises financial profits through tax and regulation policies and socialises financial losses through austerity-induced cuts to the state, is relevant here. But it too easily naturalises the enforced distinction between the public and private sphere. FPE analysis highlights precisely how the public/private distinction obscures material power relations between the spheres of commerce and domestic life, despite their intensifying mutual dependencies. The macro-economy is made of complex interconnected social systems that can be theorised as the social reproduction of market society. The idea of 'scandalous Economics' frames the power dynamics of financial crisis as overlapping and reproduced: 'where most analysts see *the crisis*, we see multiples – seemingly disconnected, often forgotten, at times cascading crisis' (Hozić and True 2016, 12, emphasis added). The connection between economic crisis and social costs, or the public and private, or the market sphere or national economy, is the social reproductive practices of households in everyday life.

Methodologically, this is accomplished by paying close attention to scale at which crisis manifests itself. This can be at the scale of the body; either as the material needs to sustain life or the affective elements of care needed to sustain human society. As such, following Kjonstad and Willmott (1995, 447) '[E]motion is no less important for moral performance than reason'. Economic harm articulates the effects on 'the body politic' that is more complex than the individual preferences of 'rational economic man'. Thus, harm is not rooted in individualised cost-benefit analysis, but rather in the aggregated negative effects of structural economic reform.

At the scale of the household, top-down economic processes interact with established social hierarchies to bring coherence to the national accounts framework that governs the national domestic economy. Understanding the overlapping, or cascading, scales of political economy is important for drawing conclusions about the effects of austerity in Europe. Extending the temporal frame of the 2008 financial crisis to the present day makes visible the ways in which

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national politics, regional monetary policy and global markets produce secular stagnation, another technocratic framing of perpetual crisis and managed economic decline. By considering the different scales at which crisis manifests and for how long this lasts, reveals how the power relations of financialisation and social reproduction are co-constituted. In other words, the power of financialisation to shape, and be shaped by, everyday life does not exist in separate public and private spheres.

Next, extending the temporal frame of the crisis to include its 'long-tail' of structural adjustment, integrates the protracted economic restructuring required to bring the market from trough to peak. Secular stagnation is the indefinite extension of this long-tail. Austerity continues long after market benchmark indicators recover and firm profits are restored. The EU is mired in these overlapping crises of financialisation and social reproduction because monetary policy produces an ever-growing amount of sovereign debt, while austerity ensures domestic economies are focused on retrenching fiscal stimulus and cutting expenditure. Indeed, the EU follows a recognised pattern of economic restructuring after financial crisis in which social provisioning for households is eliminated by state-funding cuts to social security. This in turn, as research repeatedly shows, has distinctly gendered effects (Seguino 2000; Warren 2006; Elson 1995). The common feature is that:

> the burden of excessive financial risk-taking is … shifted to the people, mainly women, who provide the unpaid care that keeps families and communities going. Particularly in poor and middle income families, women are called upon to spend more time and effort in providing non-market substitutes for marketed goods that their families can no longer afford to buy, and providing substitutes for public services that are no longer available. (Elson 2002, 6)

Contemporary austerity has developed out of the logic of structural adjustment developed in within IFIs during the rolling financial crises of the post-Bretton Woods period from the 1970ss onwards. Structural adjustment builds up a set of norms and policy processes for downloading the costs of financial crisis on to households in ways that are not shown in GDP statistics. Decision making within finance ministries and central banks, as well as within international Institutions, prioritise a narrowly defined set of national statistics and macroeconomic (DSGE[1]) models to assess the success of austerity. Yet, the gendered and racialised inequalities produced by austerity are visible only in disaggregated macroeconomic figures (see Stuckler et al. 2017; Hoskyns and Rai 2007; Rai, Hoskyns, and Thomas 2013). The material loss and physical harm created by the downturn in the economy cannot be adequately captured by standard economic metrics (Basu, Carney, and Kenworthy 2017, 204–7). This point is echoed in efforts to change National Accounts to include measures of well-being (Stiglitz, Sen, and Fitoussi 2010; Coyle 2015). It remains to be seen if well-being measures could capture economic harm or make visible the gendered and racialised effects involved in these processes. Nevertheless, this is a welcome recognition of the connection between public and private spheres, between economic and social policy, between the macro and the micro.

Austerity is a mechanism for redistributing harm caused by financial crisis

To understand the significance of austerity in the contemporary European context, it needs to be positioned as part of a longer period of financial market liberalisation and capital market integration. Since the collapse of the Bretton Woods fixed exchange rate arrangements in 1971

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and the subsequent rise to prominence of neoliberal policy regimes, the global economy has experienced ever more frequent and ever more intensifying financial crises. Indeed, neoliberalism *is* perpetual crisis. Beginning with the Volcker Shocks in 1979, until the present day, the most significant finance crises were the so called Third World Debt Crises (1981), the Savings and Loan (S&L) crisis (commencing in 1986), the Japanese financial crisis (1991), 'Black Wednesday' (1992), the East Asian financial crisis (1997), the Long-Term Capital Management (LTCM) crisis (1998), the dot com Crash (2001), the GFC (from 2007) and finally the Eurozone Crisis (from 2008). At times, crises are triggered by volatility in the valuation of national currency. On other occasions, firm-level valuations on stock markets are the proximate source. Still other instances are associated with the circulation of credit claims. Sometimes, the crises are triggered by through the interaction of such phenomena. Yet, whether it is finance as credit/debt, finance as money/currency or finance as equity that triggers a crisis, it scarcely matters to the systematised response (Montgomerie and Williams 2009). When we shift the temporal frame, we see a different pattern emerge: Each financial crisis under neoliberalism marks an up-scaling of targeted to systemic interventions. Taking a global perspective shows each case of crisis as part of a continuation of intensifying market volatility that produces more intense crisis as time goes on. Once again, through this optic, crises are categorically not aberrant episodes in otherwise efficiently functioning markets.

Extending the temporal frame of crisis, as this chapter advocates, involves evaluating not just the conditions leading up to 'crisis' and the unfolding of crisis event itself, but also including the short- and medium-term responses of states and markets as well as the length of the aftermath, where the costs of 'structural adjustment' are actually meted out. Looking at the pattern of medium and short-term responses, we can trace progressively more systemic bailouts as the public policy response to crisis. What begins as tailored packages of bailouts targeted at institutional losses leads to central banks using ever-more monetary measures to bail out the whole equity market, then the entire financial system. For example, the Third-World debt crisis used Brady Bonds (low-cost long-term refinancing of sovereign debt) as a targeted short-term bailout of investors in US dollar denominated debt in countries the global South who had been overexposed in the wake of the Volcker shocks.[2] Tailored bailouts to investors continued to work from the S&L crisis in 1986 to LTCM in 1998; that is, except for in Japan which was the first to move to whole market bailout by reducing interest rates. It was not until the dot com crash in 2001 that the US used cutting interest rates to shore up the entire equity market, nationally and globally, by making short-term credit cheap for all institutional borrowers. Therefore, by the time the 2008 crisis gripped the Anglo-American economies, followed swiftly by the European Monetary Union in 2009, cutting interest rates had minimal effect. The next step was to follow Japan's lead, using an array of monetary measures from institutional refinancing and asset buybacks to shore up the entire financial system against losses and preserve the solvency of financial institutions deemed 'Too Big To Fail'.

The standard peak-to-trough analysis assumes that all markets recover over time, which ignores the costs of market shock. Extending the temporal frame of crisis makes visible how structural adjustment after crisis are important mechanisms for redistributing harm caused by financial crisis. Widening the scope of analysis to include economic harm seeks to account for the unequal ways in which harm is distributed as a result of crisis. In this context, harm is the conceptual representation of the material loss, emotional suffering and social breakdown that result from capitalist economic activities. This draws directly from the feminist tradition of giving voice to harm in academic research to ensure that our collective privilege as members of the academy seeks to provide some social good (Ackerly and True 2010; Elias and Rai 2019). Shining a light on the unseen or unacknowledged sources of harm within the global political

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economy requires a move away from the duality of the states and markets approach to make visible the harm being done by agents, institutions and power structures. We want to think about what purpose the harm of others serves and how it is culturally constituted and mediated.

In the context of the post-2009 sovereign debt crisis, the European manifestation of 2008, harm manifests in deeply gendered and racialised ways in which austerity in Europe was imposed on national domestic economies while unconventional monetary policy supported regional capital markets. Harm, in this context, can be the loss of material wealth (bankruptcy, housing eviction, indebtedness, losses to pensions and investments), loss of income (unemployment and precarious work, cuts to state income transfers), loss of state provisioning (health care, education and social services), loss of social security (welfare, old-age and disability pensions, social housing), loss of protection from market forces (rising cost of living, declining wages, rising energy and food costs), loss of well-being (mental health, life chances, happiness), loss of emotional and physical security (cuts to protection services, cuts to police and social services).

Widening the scope of analysis further to introduce a recognition of the harm caused by the Eurozone crisis, makes visible how crisis is a mechanism for at once, guaranteeing state-backed financing to firms and global markets to underwrite their profitability while imposing the costs of bailouts onto households. FPE has long documented the political and institutional processes of offloading the costs of crisis onto households. As Elson's (2002) analysis of the aftermath of the Asian financial crisis 1997 shows IFIs seeking to mitigate crisis do so by bailing out investors in the name of supporting market confidence. What comes after is imposed conditionality of capital market liberalisation and the offloading of costs on to households, thereby de-linking of international finance from responsibility for achieving societal needs or goals.

There is a great deal of literature explicitly outlining how IFI's imposed structural adjustment programmes in the Global South throughout the 1970s and 1980s, with distinctly gendered effects (Çağatay and Özler 1995; Elson 2012; Sparr 1994). Austerity is a logic that developed over time, and structural adjustment packages act as a policy incubator for mechanisms that shift responsibility for financial market failure onto human populations. First in the Global South, via IFIs, now wrought on the populations of Europe, via the EMU. In this way, crisis becomes not the end point of a process of ongoing neoliberalisation but the constant starting point of renewed and intensified financial market liberalisation (Van Staveren 2002; Floro and Dymski 2000).

In the present day, continued austerity involves the huge monetary expansion of sovereign debt to feed capital markets combined with fiscal austerity to reduce government expenditure and investment in other parts of the budget. Austerity manifests as harm as ever more creative methods are devised for public policy to justify giving financial institutions state support at the same time as withdrawing that support from society, via cuts downloaded onto the household sector. Therefore, crisis does not bring cuts to state-funded provisioning; rather, provisioning is redistributed away from households and communities to firms and markets because stability believed to be achieved only through sustained profits. After all, profit and profitability are the cornerstone of the assumed recovery from crisis, in theory, it is what drives the boom after the bust by providing the means to move from trough to peak. Therefore, over a decade on from 2008, what can now be seen is how regular financial crisis is the manifestation of the power relations of finance to enact the distributional mechanism for privatizing gains and collectivising losses, with households acting as shock-absorbers for global financial markets (Bryan and Rafferty 2014).

Currently, 'unconventional' monetary policy uses technocratic language to develop a package of measures that underwrite the profitability not just of banks but the entire global financial system and, by extension, capitalism itself. This includes an unquantified risk guarantee by the

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national treasury or regional central bank to protect the stability of the banking system. In practical terms, this means providing liquidity (or money) directly to markets by the Treasury transferring newly issued government bonds or gilts to the Central Bank; thus, monetising government debt. Next, the central banks take this newly created debt and transfer it to banks, who then (hopefully) transmit this new money directly to the 'real' economy as interest-bearing loans; or, central banks directly buy corporate stocks and bonds. At the same time, central banks have kept interest rates at 'zero bound' or negative when adjusted for inflation, but only for those institutions able to purchase government debt in the discount window as part of open market operations. Thus, the coordinated response to the 2008 GFC has been to empower central banks to use artificially low interest rates and government-backed monetary measures – collectively called QE – to restore the profitability of not just banks but the entire corporate sector. In-depth research from Credit Suisse examined how much central banks' balance sheets have grown since 2007, with the leading finance-driven economies – US Federal Reserve, the Bank of England and the Swiss Central Bank – leading the way with more than 500% growth over the past decade, and the European Central Bank(ECB) grew by over 300% (Adler et al. 2017). This astronomical build-up of government-backed debt is precisely the mechanism for distributing the harm caused by successive crisis emanating from unfettered financialised expansion. In other words, a crisis is not a temporary downturn in the business cycle, it is the onset of structural adjustment, or austerity.

It is the distribution of who gets bailed out and who gets austerity is the central to public policy that supports neoliberalism and sustains perpetual crisis. Who gets access to privatised profits and which populations must bear the costs of socialising the losses is deeply uneven. It is a hierarchy of those few that accrue wealth from crisis and the many that suffer harm as a result of it. The 5% of households that are wealthier from QE are at the top and the rest of the costs are distributed more heavily as we go down the income and wealth ladder, mediated by gender, race, age, (dis)ability and location. More significantly, that these groups track very closely with those groups that cause and perpetuate crisis – financial institutions and the parts of the state that govern them – and those that must bear the cost of it – the household sector and the public provisioning provided to it by the state. For a very small group, the crisis has vastly increased their wealth, but for other groups, like poor women of colour or disabled people, the financial crisis has taken away their ability to maintain a basic level of economic and social security – extending their crisis beyond the event. The harm caused by financial crisis materialises in the human population, it is not a downward trendline on a computer screen in London, New York or Frankfurt. Rather, '[T]he people most affected by austerity cuts are not only struggling under the financial strain but becoming ill, physically and emotionally, and many are dying' (Cooper and Whyte 2017, 2).

Conclusion

Stepping back to reflect on the scale and scope of the deepening 'triple-crisis' we face, there are many prospects for change. For critical political economy to continue offering relevant and meaningful accounts of contemporary capitalism it must also change. We must abandon the 'orthodox' and 'critical' dichotomy that always leaves critical as 'anti' or in opposition to positivist social science and/or orthodox neoclassical economics. Of course, critical political economy and cultural economy eschew sterile formalism. Both agree that explaining the social world primarily in terms of the degree of relationship between variables based on *a priori* assumptions about individuals and markets is not particularly useful for understanding how the economy works or why it is in perpetual crisis. Critical scholars did, on many occasions and in many

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different ways, understand and diagnose the 2008 financial crisis (Palan 2009). Moreover, critical political economy routinely advances current understandings of ecological and social crises (Gills 2010; Brand and Wissen 2013; Griffin 2007; Elias and Rai 2015). Triumphalism is not enough; we need more.

This chapter is an invitation to take a confident step forward by no longer defining 'critical' as in opposition to positivism, orthodoxy, mainstream, neoclassical economics, methodological individualism, and the list goes on and on. It is also a call to move beyond defining 'critical' strictly in terms of different ways of 'thinking'; that is, in relations to various theoretical and philosophical traditions such as Marxism, Feminism, Post-Modernisms, Constructivism, Post-Colonialism and so on. Instead, we need to foster a new research agenda focusing on the distribution of harm – by developing a research agenda in which we reflexively incorporate decades of feminist and other critical political economy critiques of neoliberalism. In doing so, we locate key transformative sites where harm can be bettered, and injustices countered. By starting this conversation, we seek to enrich our collective understanding of what critical political economy *does*. There is a great deal of potential in forging a research agenda around the distribution of harm that builds bridges of common understandings among those studying inequality, political economy of the everyday, postcolonial political economy and political ecology. As each new field of inquiry seeks to define and reproduce itself a set of disciplining practices, our hope is that we can extend the hand of collaboration to engage those wishing to come together in mutual pursuit of concepts, theories and research practices that not just understand capitalism but work to reduce the harm caused by it.

Notes

1. Dynamic Stochastic General Equilibrium.
2. A sudden contraction of the money supply engineered by the US Federal Reserve in 1980 that involved steep rises in interest rates.

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