CARRRESEARCH

ANTI-CRISIS

Anthropologist **Janet Roitman** explains the intellectual cost of calling everything a crisis.

In the social sciences and the popular press, crisis texts are a veritable industry. Crises are posited with such astonishing frequency that I recently felt compelled to investigate why so many authors are drawn to this argument.

Instead of debating whether it's appropriate to label this or that situation a crisis, I ask questions about the significance of crisis as a working concept. What is a crisis? What does crisis signify? What intellectual labour does it perform when it is invoked to tell a story? It seems to me that we should be more aware of the consequences of using crisis as a tool for thinking.

In my book, *Anti-crisis* (Duke University Press, 2013), I discuss how crisis narratives structure thought and shape political responses. After reviewing its long history, *Anti-crisis* concludes that the term "crisis" is a blind spot in social scientific thinking. What I have found is that crisis is not simply a way of naming events, it's a conceptual distinction or observation that generates meaning. Once we call a problem a crisis we begin to engage in a series of logically interconnected steps that unleashes a characteristic pattern of reasoning. The pattern is familiar and it can be comforting, but it is neither original nor is it innovative.

The point of departure for all crisis-based analyses is one basic question: *What went wrong?* From the get-go, the claim to crisis demands that we search for the origins and root causes of failure. And the answer to what went wrong is invariably that we have deviated from the proper course of action because of alleged distortions in what human beings know and the way they do things in practice.

This built-in relationship between crisis and distorted knowledge is very important. When analysts call something a crisis, they are claiming to observe a chasm between what people are doing, and what they should be doing to conform to reality or to ethical practice. This requires the observer to portray the events they are witnessing as a fictitious, erroneous or illogical *departure from reality*. A financial crisis, for example, signifies a gap between economic value grounded in material fact, and hypothetical judgments or misguided evaluations of risk levels or prices.

A crisis is also a statement embedded in a philosophy of time. Crisis accounts present a diagnostic of the present through which an analyst identifies a disjuncture between what we know and our ability to move forward according to a desired path. As the etymology of the Greek word *krisis* signifies, crisis is the moment when one must make a pivotal decision to change course. Therefore, when someone claims that we are in crisis, they are both demanding a moment of truth and demarcating an opportunity to revert to the proper course of history.

The collapse of credit markets is a prototypical example of how crisis thinking is deployed to explain the significance of human events. In 2008 it was revealed – or so it is alleged – that financial markets had been diverted or corrupted in pursuit of false value. Housing booms became speculative bubbles, structured products became toxic assets, risk pricing became a debacle of mispricing. Numerous commentators have argued that a correction, boosted perhaps by the appropriate interventions, offered hope of re-establishing or relocating some more genuine or fundamental value. A dizzying array of authors have enthusiastically pursued this premise, producing what US banking editor Tom Braithwaite at the *Financial Times* called a "canon of crisis analysis" (2011).

The resulting narratives are all structured as a quest for the "roots", "origins" or "causes" of what went wrong in credit markets. If you look closely at these accounts you will find that financial crisis advocates share a similar concern with unearthing a History from which we have become alienated because of some inadequacy in our own knowledge. In their own words, Michael Lewis seeks to reveal the "secret origin", Robert Skidelsky the "deeper causes", David Harvey the "underlying contradictions", and Bethany McLean and Joe Nocera the "hidden history", of how a seemingly more desirable development of capital markets became distorted.

I am confident you recognize the story of financial crisis. Now follow me closely while I show you its pitfalls.

Crisis is a term that operates by drawing a comparison. To posit a crisis we must ask – *Crisis as compared to what?* Crisis means that a judgement has been made by which the present is deemed to be at odds with an alternative and more normal situation. This alternative state is actually a preferred state of affairs because the idea of "normal" is a subjective evaluation. Every person, every community, and every polity does not refer to the same "norm". So although the word crisis does not indicate a definite direction of change, if crisis presumes the speaker can guarantee that one reality amongst an array of possibilities is indisputably better than the others, then it unwittingly implies a *telos* – an orientation towards a seemingly more natural and correct direction.

From a technical perspective, a crisis only exists if we can access a singular and outstanding normative course of action. The idea that we can and must choose this norm is built into the very foundations of the concept. This means the critique of the financial system fostered by crisis narratives assumes that we already know how categories like "the market" or "the financial system" *should* function – that we already know what the preferred state of affairs looks like. In effect, calling the meltdown of markets a crisis implies that we have all the solutions ready-made, as long as we listen to the people who can discover and channel them.

What I'm trying to point out is that crisis and critique are cognates. When someone posits "this is a crisis", they automatically claim to have access to the truth of history which lends them an unquestioned authority to speak. This is why crisis is such an appealing concept to social critics, even those who do not believe in the idea, long abandoned in most circles, that time is moving forward along a pre-inscribed trajectory. If you listen closely to Nouriel Roubini or Naomi Klein who are among the concept's most vocal handlers, you'll notice they're defending a normative state that is not observable in practice.

In a crisis account the norm is that which has failed to exist; it is, by definition, a political fiction. This is why crisis stories provide generic accounts that are fuzzy. What happened? What is happening? How are financial systems being engineered? Researchers ignore basic empirical questions when they speculate and debate how finance has gone wrong.

Financial markets are built by groups of human agents out of distinct designs, decisions, determinations, and contexts. Somebody is doing something somewhere over a period of time to make subprime loans, rate changes and waves of foreclosure happen. We need to know more about how quants design financial models or rating agencies develop new risk measures; how accounting boards set up standards and investment bankers do analyses. We need to observe how risk managers deploy scenarios and pundits debate possible outcomes; how central bankers conduct rate operations that get written into swaps agreements.

There are so many anti-crisis questions for which we need answers because I simply don't buy that mortgage rates reset themselves or that housing prices fall spontaneously. When were these extensive debt markets created and how did the banking system become so leveraged? At what point did we come to see a mundane occurrence like default as truly exceptional? When does a credit asset become a toxic asset and how do we distinguish the former from the latter? When does real estate equity become reconfigured as a debt burden?

The most elusive question of all of course is: why crisis now? When did crisis begin? How can we be certain a crisis has obtained?

My argument is that financial markets are not produced by some naturally unfolding history gone amok, nor are they the result corrupt practices that stray from fundamental economic or ethical value. And my concern is that calling crisis immediately over-determines the significance of events, while obscuring technically-anchored processes of social transformation. Crisis stories generate endless conjecture about how deviations from true markets were produced without engaging with the systems that produce value in the world.

What is just as important – and this is where the issue of renewing politics comes in – by forcing us into the shadow of the implicit but poorly elaborated normative assumption, crisis analysis forecloses a direct discussion about quality of life within financial systems in-the-making.

Crisis is a blind spot because it prevents us from asking a whole universe of questions. And yet, especially since 2008, it has been the guiding concept of the social sciences.

We need to become conscious of how crisis blinds us in our apprehension of the world. What is at stake in this exercise are all the other stories about contemporary events we could tell if we tried. What is also at stake are all the worlds we could imagine and potentially build if we did not immediately assume a world in crisis.

References
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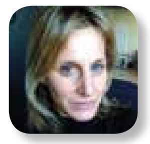

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Adapted by **Martha Poon.**