

# Introduction<sup>1</sup>

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*Jessica Fischer and Gesa Stedman*

Who would have thought it? Neoliberalism has survived the economic crisis of 2007-2008 although it has proved to be illogical, dysfunctional and dangerous (Harvey). “Nothing substantial has been altered in the infrastructure of the global financial system from its state before the crisis. [...] Neoliberalism is alive and well” (Mirowski 8, 28). Or, as Ngai-Ling Sum and Bob Jessop attest, “the neoliberal imaginary remains dominant and continues to shape imagined economic recoveries” (Sum and Jessop 428). Apparently unquestioned, solutions for the disaster are based on the structural causes of the disaster. Trying to make sense of this situation, numerous publications are dedicated to the post-crisis circumstances, with fitting titles such as *The Strange Non-Death of Neoliberalism* (Crouch). It is strange indeed: neoliberal models continue to play a major role in public policies of the 21<sup>st</sup> century. Great Britain, for instance, suffered severely from the consequences of the financial crash. The Conservative and Liberal Democrat coalition government introduced the United Kingdom government austerity programme in 2010, thereby making the average citizen responsible for the failures of the financial system. Instead of rethinking a political agenda once set by

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1 This introduction derives in part from Jessica Fischer, *Agency. The Entrepreneurial Self in Narratives of Transformation: Debuting in the Literary Field at the Dawn of the Twenty-First Century*. Publisher tba, forthcoming.

Margaret Thatcher, and continued in slightly changed shape under Tony Blair, former Prime Minister David Cameron's vision of a Big Society with a small welfare state extended neoliberal reforms. Instead of pinpointing structural conditions which led to the financial crisis, he strengthened the focus on the individual subject. Unimaginable?

In fact, it is its imaginability that allows neoliberal capitalism to stay alive after the crash. In *Das Gespenst des Kapitals* (2010), Joseph Vogl analyses the (in)coherence of economic models as well as the inconsistent interpretations of irregular events in finance business. He also highlights the unreadability of the markets. Most importantly, he brings to the fore the discrepancy between economic theories and economic realities. Theoretically, rational agents compete on decentralised markets undisturbed by chaotic coincidences. In our realities, neither entirely decentralised markets nor a balanced distribution of economic resources by rational agents exist. Thus, economic theorists deal with a powerful imaginary. They keep alive a liberal "Oikodizee" by *projecting* a reality (Vogl 54, 55). "This forms the double structure of modern economic thought or [...] its performative power: Its concept of the market is both model and veridiction and hence connected with the imperative to make the laws of the market real yourself" (55).<sup>2</sup> Subjects are compelled to enact an idea which is framed as 'truth'. By enacting the idea, they make it real and, hence, true. If the realisation fails, it is the individual's failure to perform truth. So, a vital part of (imagined) economies are certain types of subjects that are willing to perform these imaginaries.

Michel Foucault, Ulrich Bröckling and Marnie Holborow, for example, have identified the *homo economicus* as key to the reproduction of contemporary economies. Economist Michael Hutter and legal scholar

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2 Translation by Jessica Fischer. The original text says: "Das prägt die doppelte Struktur des modernen ökonomischen Wissens oder [...] seine performative Kraft: Das Konzept des Markts ist darin Modell und Wahrheitsprogramm zugleich und also mit der Aufforderung verbunden, Marktgesetze selbst wahr zu machen."

Gunther Teubner termed the *homo economicus* a “Realfiktion” (Hutter and Teubner), both a fiction and a reality. This real fiction shapes our everyday discourses and practices, aids neoliberalism and makes subjectification to it natural or common-sense in a Gramscian logic. This real fiction is a way to “conduct the conduct of men” (Foucault 186). Addressed as *homo economicus*, we accept the market as a site of veridiction and are inclined to commodify every aspect of our life. By making us economic men, a particular regime of truth (in the Foucauldian sense) allows neoliberalism to become real. Moreover, neoliberalism is able to become real because we *want* to turn ourselves into economic men. The expectations by society intersect with the desire of the individual. We want to be entrepreneurial – and we should be. Nevertheless, the real fiction of the *homo economicus* is but one facet of a wider imaginary. Many more facets can be traced. “The Economy now commands the stage, such that [...] other domains [such as politics, culture, sociality, the state] appear subordinate or even subservient to the Economy and its needs,” claims John Clarke in his chapter (Clarke 18). Thus, it is necessary to keep investigating our everyday discourses and practices in order to question the assumed hegemony<sup>3</sup> of the Economy. It is particularly necessary for the investigation to think of economies as imagined. “The idea of imagined economies opens the space for a certain type of critical engagement with contemporary political economy,” promises Clarke (95). The idea of economies as real fictions invites a less obvious approach and more variety, an analysis against the grain.

A look back into the history of economic thought and historical models of the economy shows how heavily intertwined the imagination and the economy – both in thought and act – have always been. It is remarkable how the presentism of the neoliberal age has managed to make us forget the historicity of the economy, and hence the possibility of imagining it otherwise, and of enacting it otherwise. In her recently published book *Kapitalismus, Märkte und Moral* (2019), the historian Ute Frevert

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3 It is important to note that we follow Antonio Gramsci’s idea that hegemony is never static or completed (Gramsci).

explores early examples of the criticism directed at what we now call capitalism. She points out that its early reformers argued on a moral basis and thus forced capitalism in its then current form to adapt and that it is this moral criticism, even outrage, based as it is on imagining things otherwise, which forces historical change up to this day. Whether that was always the case must remain for the historians to decide. We would argue that it is necessary not only to imagine the economy differently, but to actually enact it differently, since capitalism is adept at incorporating elements of criticism, e.g. ecological concerns, by turning them into consumerism but without ever changing the fundamental opposition between the many and the few.

How to make alternatives to the current economic model, e.g. an economy which incorporates the concept of a guaranteed basic income (Bauman), become real fictions, rather than outlandish minority positions, is a question addressed by some of the contributions to this volume. They do so by re-writing the history of economic thought and reminding us that, at least in the British case, this history rests on racist exploitation, forgotten in most of today's accounts (cf. Gohrlich in this volume) or morphed into nostalgic pseudo-histories which, rather than being true explorations and analyses of the past, serve contemporary needs for nostalgia (cf. Bramall in this volume; Bauman). Luke Martell tackles alternative models of economic thought and action with his analysis of the Labour Party's positions and their application in Preston in the North of England, where an attempt has been made to set up a community-based circular economy to keep profit in the community, rather than letting it go to transnational conglomerate bodies. That this kind of action can be harnessed both by right-wing and left-wing political groups is down less to the actual workings of the model, but rather to the attached imagined communities to which it appeals. Does wealth in the community necessarily entail a parochial, nationalist or even regionalist worldview and political agenda? Who defines who belongs to such a community? How can one avoid social and political exclusion on the one hand and transnational profiteering on the other?

Rebecca Bramall's chapter explores a related issue, namely, the nostalgic, constructed character of The High Street and how it is represented, invoked and used for contemporary political and economic arguments. She shows that "(t)he idealised high street sustains both reactionary and radical visions of national identity and of the role of the economy in a future society. Both have a nostalgic dimension, and so it is vital to scrutinise the ways in which nostalgia for former modes of economic organisation can naturalise exclusions on the basis of race or class." (Bramall 134). The high street can be mobilised both for reactionary causes or for the Labour Party's new policies and similar progressive political projects. Jana Gohrisch throws a light on how current ethnic exclusion mechanisms and institutional racism in Britain rest on the way in which the management of anger has allowed the majority society to conveniently forget that its position of power rests on the exploitation of slave workers in the past. By reading recent anti-racist publications by prominent Black writers such as Reno Eddo-Lodge or Afua Hirsch in conjunction with the 19<sup>th</sup>-century novel *Lutchmee and Dilloo. A Study of West Indian Life* by Edward Jenkins (1877), she is able to show how "emotions always key into the economy – imagined and real" (Gohrisch 74).

Melissa Kennedy also makes a case for the importance of fictional narratives or literary and cultural studies in relation to economics. With Aesop's fable "The Ant and the Grasshopper" as an example, she explains economics as a "narrative of human interaction, invented and imagined into being" (Kennedy 158) and assigns to literary criticism the ability to discuss these narratives in new ways. Framing economics as social science and 'the economy' not in the narrow meaning of finance and market but in the broader sense of human economies further connects economics to literary studies: both disciplines shape, analyse and critique the "symbolic, cultural, social, and political expressions of human exchange and interaction" (Kennedy 160). Drawing this connection between economics and fictional narratives or literary/cultural studies also encourages alternative imaginaries to hegemonic discourses about

‘the economy’. Several popular economics texts published after the financial crisis, for instance, tap into literary/cultural imagery in order to question dominant ideas about what the economy is and how the economy works. These texts propose a rethinking of human interaction under the heading ‘economy’. This, moreover, “offers a reinvigorated role for the humanities, particularly literary studies” (Kennedy 164).

Christiane Eisenberg takes a historical view on a rethinking of human exchange. In her chapter about the rise and decline of *doux commerce*, she investigates the changing perception of this figure of thought from the late 17<sup>th</sup> and 18<sup>th</sup> centuries and the changing experience to which it led. In France and Germany, the term ‘commerce’ mostly meant “sociability, communication and social intercourse (also between the sexes)” whereas the British “also included the economic relations between market participants” (Eisenberg 35). *Doux commerce* according to the British definition premised activities such as trading, buying or selling as a way of bringing subjects peacefully together even if they had opposing interests. These activities were hoped to increase mutual trust and eventually decrease unequal power relations. In other words: by generalising commerce “society as a whole would benefit” (Eisenberg 36). For her diachronic approach to *doux commerce*, Christiane Eisenberg takes into account the history of markets and the market economy in Britain as well as the changing social and political power relations with which they were entangled. Her aim is to raise an awareness for the complexity of equalling market society and civil society.

Olivier Butzbach historicises another real fiction of British economy – that of ‘the City’, London’s financial district. In his chapter, he acknowledges the status of the City as one of the “most entrenched visions of modern capitalism” (Butzbach 101) and explores its contradictions. The City seems to be both the embodiment of the markets and a representation of concentrated power. Butzbach investigates the City as a problematic example of some misleading connotations it has evoked. He also analyses the performative power which it has nevertheless gained in the past. A simplified conception of the British financial system as a system of markets or as a small but strong network of financial

institutions in London had far-reaching political consequences. It influenced Thatcherite and New Labour policy-makers with regard to financial regulation. In both cases the City had to be upheld as a centre of global finance and as an autonomous space with unchained financial markets – which was assumed to be a guarantee for continuous economic growth. “The disastrous outcomes of such approaches, revealed by the 2007-08 financial crisis, thus show how necessary it is to rethink the place and role of the City in British finance” (Butzbach 104). Hence, Butzbach argues for a more nuanced characterisation of British finance and of economies in both their material as well as symbolic aspects.

Jason Allen’s chapter looks at a fundamental element of the economy, at least in its Western incarnation: money. Difficult to define, with multiple functions and shapes, lawyers try to circumscribe the functions and use of money. With the advent of virtual forms of money, as well as high finance, the always rather tenuous relationship between money and its material base has become even more flimsy. This historical shift also argues for a shift in imagination: “Perhaps the crucial virtue in anyone thinking about the future of money at the present time would be imagination – the courage to take a moment, to reject the inevitability of legacy conventions, and to imagine what might be possible in the future” (Allen 96). Allen’s statement about the future of money also applies to ‘the economy’ in general. Future possibilities are imagined and communicated, for instance by Thomas Piketty in his new book on capitalism and ideology (Piketty)<sup>4</sup>. Next to contextualising our current economic system and its conceptual underpinnings, Piketty promises a new model which is meant to overcome social inequalities.

This edited collection developed from the lecture series ‘Imagined Economies’ which took place at the Centre for British Studies, Humboldt-Universität zu Berlin, in 2018. We are aware that imagined economies are “discursively constituted and materially reproduced on many sites and scales, in different spatio-temporal contexts, and over various

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4 The English translation of Piketty’s publication is available from March 2020.

spatio-temporal horizons” (Sum and Jessop 174), that there is an endless array of research fields and potential questions we could follow. With *Imagined Economies – Real Fictions. New Perspectives on Economic Thinking in Great Britain* our authors identify *some* of the sites and scales of (Britain’s) imagined economies. The aim is to connect seemingly separate fields such as finance and fiction in order to better understand current political changes in Great Britain and beyond. In addition, this publication offers an urgently needed interdisciplinary view of the performative power of economic thought. It opens a space not only for a critical engagement with ‘economies’ but also for fresh imaginations.

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