

Nicolas Barreyre • Nicolas Delalande
Editors

A World of Public Debts

A Political History

palgrave
macmillan

INTRODUCTION

“I try and talk economics in the Eurogroup, which nobody does,” Yanis Varoufakis recounted after his brief tenure as finance minister of Greece in 2014–2015. “It’s not that it didn’t go down well—it’s that there was point blank refusal to engage in economic arguments. Point blank.”¹ This confessed culture shock by an academic suddenly thrown into the midst of professional politicians at the height of an unprecedented crisis within the European Union unveils, perhaps, a certain political naiveté as much as it reveals the diplomatic disadvantage at which Greece, which he represented, then stood. Yet it also highlights that the sovereign debt crisis within the Eurozone was not only, or even mainly, about the economy: it was about politics, institutions, and solidarity. If anything, it put the lie to the usual mantra that managing a public debt, and public finances more generally, is a matter of technical expertise best left to those who know the laws of economics. Experts, it appeared, made decisions which were no less political than that of others.

This is not to say that the problem was to let politics enter the management of an economic problem, somehow distorting the “pure” economics of a solution. This is not to say, either, that public debt is *only* politics, and that its economic parameters could only yield to political will. It is to say, however, that public debts are inherently political objects as much as they are economic. The Greek crisis did not inject politics into an economic domain that gently hums in the background in fair weather. It unveiled how political public debt *always* is, even when it is not the focus of political debate. For public debt raises issues about the distribution of power and resources within and across societies, revealing as well as enhancing transfers of liabilities between social groups and generations.

This book sets out to explore exactly this political nature of public debt, both domestically and internationally. While public debt is a financial transaction—creating a relation between (mostly) private investors and a sovereign body (the former lending money to the latter, who pledges to repay the principal plus interests in a more or less distant future)—it is also, and inseparably, an *instrument of power*, a *social relationship*, and a *political arena* in which interests and values collide.² Public debt binds together major political issues, such as the power of the state to tax and spend, its legitimate role to regulate markets, and the social distribution of collective resources between bondholders and taxpayers. Drawing inspiration from the “new fiscal sociology” and the renewed interest of political historians in economic matters, this book aims to grasp public debt issues in all their dimensions, be they economic or political, legal, intellectual, social, or moral.³ For we need this kind of “total history” to understand why our present is so deeply framed and impacted by public indebtedness.

THE POLITICS OF PUBLIC DEBTS IN THE LONG RUN

Public debt is hardly a new subject, and considering its importance both in the economic life of nations and in the political turmoil of our time, it is not surprising. Why, thus, a new volume? We contend that a historical perspective in the long run, from the eighteenth century to today, with a detailed attention to diverse cases as well as the circulation of ideas, systems and capital, can significantly revise our understanding of modern public debt.

There has been abundant historically oriented scholarship on public debt, contributed by economic historians, political scientists, legal scholars, and international relations specialists. Although it is a rich and variegated scholarship, we think it fair, for the sake of clarity, to distinguish three main lines of questioning that have dominated the research and debates of the last thirty years.

A first powerful line of enquiry has explored the historical and theoretical relationships between political institutions and the development of financial markets. In a 1989 seminal article, neo-institutionalist economists Douglass North and Barry Weingast argued that, in England, the political and institutional reforms brought by the Glorious Revolution of 1688 created a “financial revolution.” The rise of Parliament and the limitations imposed on the king’s power played a crucial role in securing property rights, thus reassuring lenders that the Crown would honor its obligations and abstain from defaulting on its outstanding debts (a common practice in early-modern Europe). Simultaneously, the creation of

the Bank of England in 1694 helped channel private capital towards public bonds, and made the British *consols* one of the most attractive long-term assets for two centuries. North and Weingast thus concluded that, by creating “good institutions”—limited executive power, parliamentary oversight, and secured property rights—England showed “credible commitment” to investors who flocked to its bonds, making its state into a financial powerhouse.⁴

This article was influential in erecting the British historical experience into a sort of universal model, with which all the other national trajectories had to be compared and assessed. However, this “credible commitment” hypothesis has been qualified on many grounds since then. British historians have shown that public borrowing had started to improve well before the late seventeenth century, that “limited government” was only part of the story of the rise of the fiscal-military state, and was also based on centralized fiscal power and aggressive imperial expansion.⁵ Political scientists and economic sociologists have insisted on the social interpenetration between bondholders and elite politicians to make sense of the British parliament’s continuous commitment to repay debts.⁶ Scholars of other countries have contested the idea that there was one single path to political and financial modernity, showing that other experiences could be equally sustainable.⁷ Finally, a blindspot in this model is how historically specific it was: though it might be useful to analyze the eighteenth and nineteenth centuries,⁸ it is far less efficient to account for twentieth century history, marked by a massive increase in executive power, state intervention, and market regulation.

The long-term approach we adopt in this book is meant to avoid such pitfalls. Widely extending the chronological and spatial scope of our enquiry, and considering other historical experiences, allow us to show how historically grounded the institutions in charge of public debt were, how context made them evolve, and also how their workings depended on specific political situations and debates. Against the view that there is one set of good “liberal democratic institutions,”⁹ our research shows how public debt and the efficacy of institutions underpinning it vary historically, as their political legitimacy was never assured.

This issue of legitimacy is at the core of a second line of scholarly enquiry that has powerfully shaped the historiography on public debt, especially among legal scholars, political scientists, and international relations specialists. This body of literature focuses on “sovereign debt,” that

is, the problem of the uneven power relationship between a sovereign borrower and individual lenders. This raises complex political and legal issues about a state's commitment to repay its debts, given that there is no international legal order that may force a sovereign state to comply with its obligations towards foreign bondholders. Why does global public indebtedness keep growing while there is so little guarantee given to lenders that they will get their investment back in the event of default or systemic crisis?¹⁰

To answer this conundrum, the literature has taken three main directions. The first underlines the role of extra-contractual *sanctions* (what some call “supersanctions”), mainly the use of military force, trade retaliation or the imposition of international financial controls.¹¹ A second type of explanation focuses on *reputation* as a key factor, given that defaulting states run the risk of losing access to financial markets or of suffering from high premiums in future borrowing attempts.¹² Empirical research has demonstrated, however, that it was not always the case, since many states which had suspended their payments could later go back to the markets without being subjected to harsher conditions than “virtuous” ones.¹³ That's why a third stream of studies has started to historicize and politicize debt *repudiation*, investigating the intellectual, political, and economic conditions on which a state could default without many adverse consequences. While today's “common sense” is that states should always repay their debts, historically there were times when states could suspend or cancel their obligations without much retaliation on the international scene. Different notions of sovereignty could serve to justify debt write-offs, and political legitimacy (and not only market discipline or legal contracts) was held to be crucial to decide whether a debt had to be honored or not. This was especially the case when a successor state inherited financial obligations from a previous overthrown regime, for example, in instances of decolonization.

Although it is in dialogue with the first two lines of scholarship, our approach is more aligned with the third one, which insists that “the debt continuity norm is intrinsically political and historically variable.”¹⁴ Sanctions, reputation and (il)legitimate repudiation were all key dimensions of public borrowing and debt repayment through the last three centuries. But our long-term perspective and attention to local, as well as international political conditions allows us to revise the collective conclusions of this body of literature. If, indeed, sovereign debt involves obligations both towards a state's own citizens as well as its domestic and foreign

lenders, it follows that its repayment is as much an issue of political legitimacy sustained over time as of financial creditworthiness. The empirical studies assembled here show that, in the longer term, what supports legitimacy changes over time, depending on the mutations of the global political economy as well as local situations. But they also complicate our understanding of sovereign debt, for there were periods when most public debt was contracted by public entities that were not nation-states.

The third debate that has recently structured the literature on public debt, especially in sociology and political science, has revolved around the issue of the compatibility between public debt, capitalism, and democracy. Although this is not a new question—liberal thinkers in the eighteenth century already warned against the antidemocratic nature of public debts¹⁵—it has been revived with new urgency since the crisis of 2008, as Wolfgang Streeck’s hotly debated book *Buying Time* exemplifies.¹⁶ In the wake of the “credible commitment” hypothesis, some scholars tried to defend the opposite argument, to show that *only* liberal democracies were able to sustain large and stable public debts, while authoritarian regimes, because of their excessive power, would fail to attract investors because of a loss of confidence.¹⁷ However, this so-called democratic advantage thesis has not been supported by empirical research.¹⁸ On the contrary, public choice economists and international lending actors over the last thirty years have insisted on the necessity to *constrain* democratic practices rather than *expand* them for a country to build “credible commitment” mechanisms. Hence the move towards independent central banks, the adoption of constitutional rules on budgetary issues, or the refusal to align economic policies with the wishes expressed by the people at the polls (as was the case after the Greek referendum of June 2015).¹⁹ For some of its most vehement critics, public debt is nothing but than an infernal tool used by capitalism to stifle democratic debate and accelerate a massive transfer of wealth from the public to the private sector, thereby increasing economic and social inequality to an unprecedented scale.²⁰

There is, of course, much insight in this debate, but it is singularly focused on the very recent period. Our volume, on the contrary, takes a longer-term and wider comparative perspective. This allows us to depart in three significant ways from the existing literature. First, a *historical and non-teleological perspective*, open to a variety of political historical experiences across the globe (empires, nation-states, regional federations, municipalities), helps relativize the expansion of the peculiar British historical case as a primary yardstick for studying public debt. Second, we

disconnect the issue of *political legitimacy* from *the nature of political regimes*: as we show, public debts can be sustained by democracies, but also by imperial bodies, authoritarian or oligarchic regimes, which may rely on different debt management techniques or have them in common. Third, we study the *historical transformation of the state/market relation in the long run*, which helps avoid the pitfalls of a short-sighted narrative that opposes the current “tyranny” of markets with the supposed “golden age” of state power and market embeddedness in the twentieth century.

This is why this book starts in the eighteenth century, when an understanding of public debt emerged in Europe that still informs ours today. Publicists and philosophers started crafting arguments to make sense of the “public” side of a debt contracted not by an identifiable sovereign but by more abstract “states.” What that “public” meant, and whether it made for a different kind of debt from those contracted between individuals, were questions at the core of debates that arose then, and whose answers still resonate surprisingly cogently today, even though the economic and accounting realities of public debts have shifted far from what they were then. It was also in the late eighteenth century that public debt started feeding the intertwined emergence of a more globalized capitalism and the violent formation of imperial nation-states.²¹

It led us to bring together cases that, historically, have been studied separately because of strong differences in institutions or cultures, as if trust and credibility had always been the monopoly of liberal parliamentary regimes. Comparing vast empires (the Spanish Empire, Qing China, British colonial Africa) with smaller nation-states allows the reconsideration of historical experiences that have often been overlooked by the literature on the eighteenth and nineteenth centuries. In the twentieth century, bringing together the cases of liberal democracies (France, United Kingdom, United States) with authoritarian or totalitarian regimes (Nazi Germany, Soviet Russia) sheds light on common patterns underlying jarringly different political experiences, especially during the age of the “Great Compression,” from the 1930s to the 1960s, when new instruments of market regulation were invented on a national and international scale. To understand the reordering of global capitalism in this period and the advent of the Bretton Woods system (1944), one cannot simply look at Western democracies and how they coped with economic collapse, unemployment, mounting debts, and monetary instability. What we need is a global analysis of the structural changes in the relations between states, markets, and societies, which occurred at the same time (though in

different forms and degrees) in the American New Deal, in Nazi Germany's authoritarian economy, or in the Soviet planned economy.²² Later in the century, observing the turn to financial markets for public debt in Italy, in France and in India from the 1970s to the 1990s changes the familiar story about the rise of neoliberalism, which rarely goes back farther than World War II.²³ Differences in political institutions and cultures should not obscure the common features and transformations affecting various countries in a given context, when economic ideas, capital flows, and political power are widely reconfigured.

This book thus defends an approach to global history that does not make a claim for exhaustivity, but that carefully selects and studies contextualized cases in connection to one another to reveal broader patterns and, simultaneously, local variations. It has two benefits: it makes possible an attention to multiple scales (including national debts, of course, but also imperial and local debts, which were often neglected or thought of separately)²⁴ and to the way sovereign bodies were transformed and hybridized across time (the "sovereign" in "sovereign debt" is not a *given*, and cannot be solely equated with the nation-state); and it allows for an integration of multiple historiographies, rather than the mostly English-language (more homogenized) historiography that single-authored global histories tend to rely on. Instead of the all-encompassing master narrative or the macro-economic perspective, this book offers a contextualized, fine-grained approach that draws strong linkages between illuminating historical cases. The international collaborative network we built for writing this book aims to avoid the pitfalls of a purely Western-centered perspective, by comparing cases taken across four continents, from China to North America, from British colonial Africa to Latin America and Europe.²⁵

THE CONSTRUCTION AND DEMISE OF SUCCESSIVE PUBLIC DEBT REGIMES

The longer view we take in this book allows us to show that, even as history does not repeat itself, relevant historical parallels illuminate our present moment in much more interesting ways. This approach makes it possible to break both with the teleology of models and with the more traditional chronology. As we show, the world has gone through successive *public debt regimes* since the eighteenth century. By public debt regime, we mean a stable, dominant configuration defined by a specific

articulation between the distribution of capital and markets (or the “structural power of finance” in political science terms), the nature of state power (what tools and expertise it can use), and the shape of the political arena (where political legitimacy comes from; how different social groups mobilize to defend their views and interests).²⁶ Our hypothesis is that there is much interdependence between the domestic side of public debt and the structure of the international political economy (shaped by its monetary regime, the geography of capital flows, or global inequalities of power).

These regimes can be hegemonic but never without contemporary alternatives; and they are not eternal. It is precisely when debt crises occur that these regimes are challenged and redefined, through multiple negotiations, conflicts, and reordering. With this definition in mind, we can understand why global public debt crises (in the 1820s, 1880s, 1930s, 1980s, and 2010s)²⁷ were critical junctures during which the organization of, and boundaries between, markets, states, and citizenries were displaced and rearranged, both from a material and an intellectual point of view.²⁸ This notion can help us think about moments of stability and crisis together, as well as the interaction between political orders and economic systems. Our redrawing of the usual chronology and its meaning allows us to identify periods when a particular political-economic configuration of public debt became dominant, or even hegemonic, such as the era from the mid-nineteenth century to the 1910s (known to economic historians as the “First Globalization”²⁹), and periods when the plurality of practices and trajectories was more pronounced (the “long revolutionary” period from the 1770s to the 1820s; or the interwar years in the twentieth century). Studying how particular regimes became dominant and shaped other configurations, we show how public debts in the modern era did not follow invariant “models.” We propose an understanding of political economy that avoids teleology and can explain variations as something that goes far beyond the reconstruction of long-term statistics and the isolation of repeated patterns, or the identification of an anthropological moral invariant of debt.³⁰

So, what debt regimes can we collectively identify from our historical cases? We start our investigation in the revolutionary age of the late eighteenth century, when early modern debt regimes were challenged and redefined by new political principles and aspirations. “Part I: Political Crises and the Legitimacy of Public Debts” shows that sustainable public debt had little to do with market mechanisms, or even “credible

commitment,” but was rather anchored in the capacity of a political regime to support its legitimacy. In a bold reinterpretation, Regina Grafe uncovers in the Spanish American Empire a strong decentralized network of public credit and merchant capital that moved money across space when needed, while unburdening the Crown with accumulated debt. Based on the political and religious legitimacies of the Monarchy and the Church, it sustained the largest empire of the time. Only the political shock of European wars and American independences upended it. The English-liberal model with which the new fledgling nations replaced it, however, proved unsuitable and failed to bolster their legitimacy. This liberal vision of public debt was also, as Rebecca Spang tells us in Chap. 2, part of what went wrong with the French Revolution. The French Monarchy’s debt was not economically unsustainable, but it became politically so in the 1780s. This is why the first revolutionaries, far from proclaiming a clear break with the past, immediately declared their commitment to the public debt. In doing so, they created growing political instability. The Revolution’s radicalization was the product less of extreme ideology than of the contradictions between existing property relations and new models of citizenship and participation. Maybe the French should have looked at Sweden, a peripheral country whose case is particularly illuminating. Since the mid-eighteenth century, as Patrik Winton writes in Chap. 3, public debt had been at the center of several shifts of political power within the realm, sometimes bolstering the parliamentary system, at other times helping the king confiscate more power. That story ended when the new king, Bernadotte, built his own political legitimacy by defaulting on two-thirds of the existing public debt and tying the new credit to his own person. The period from the mid-eighteenth to the mid-nineteenth century was thus a moment of political transformation when public debt became closely tied to political regimes’ legitimacy. After the Revolution, the French indeed managed to create a public debt system that would sustain its new political regimes through public participation. In Chap. 4, David Todd and Alexia Yates weave together this story of intellectual reconceptualization and material popular involvement in public subscriptions. This provided the French state with renewed political legitimacy, and made Paris into one of the main capital export markets in the world, barely a few years after the infamous “*banqueroute des deux tiers*” (1797).

Thus, by the mid-nineteenth century, a *liberal debt regime*, especially as promoted by the British, had become dominant in Europe, marginalizing the different varieties of public debts that had characterized the eighteenth

century. It is that regime, although there were important variations within it, that the Europeans globalized in the second half of the nineteenth century through capital flows, imperial conquests, and other forms of coercion. Yet even if pressures for increased standardization were powerful at that time, as with the global expansion of the gold standard for instance, the political conditions were diverse, leading to differing historical experiences. “Part II: Global Capital, Imperial Expansions, and Changing Sovereignties” addresses the contested diffusion of public debts across the world and how they reconfigured the distribution of wealth, fed growing inequalities, and transformed global politics. Newly independent Latin American countries were the first to import liberal understandings of public debt from Europe, but throughout the century, they mostly evaded “supersanctions” in spite of defaults. As Juan Flores argues in Chap. 5, this had mostly to do with strong citizenries with competing interests that made European military intervention or trade sanctions difficult to work out unilaterally. Similarly, the Ottoman case examined by Coşkun Tunçer in Chap. 6 complicates the usual view that public debt imperialism was a simple game of nation versus nation. The Porte was able to leverage its public debt and financial control negotiated with Western powers to push internal institutional reforms while evading much of its political cost. Not all countries could pull off that game, though. Egypt might be the prototypical case of imperialism through public debt. But to understand those evolutions, as Malak Labib shows in Chap. 7, we need to follow competing groups of experts, local and international, in defining concepts and assembling financial knowledge. While their circulation would help build international norms, their work had more to do with their entanglement in power relations than expertise. Thus, access to European capital was never a pure market transaction, as Leigh Gardner also demonstrates in Chap. 8 with the comparative West African cases of independent Liberia and the colonial Gold Coast, Nigeria and Sierra Leone. In Britain, it involved public and private interests enmeshed in the hybrid institutions of Empire, which mediated lending through actors who were both private financiers and agents of the British state. Such blurring between European lenders and their governments was, indeed, a feature of the “liberal debt regime” that became prominent in those years. In Late Qing China, on the contrary, foreign capital enabled the more commercial regions to increase commerce and develop infrastructure, at the expense of a moral political economy that emphasized the Emperor’s benevolence through regional redistribution. As Dong Yan recounts in Chap. 9, European-style

public debt sapped the political legitimacy of the regime, fostering nationalist unrest and wars. Across Europe and North America too, public debt allowed for massive investment in infrastructure but also contested redistribution of wealth and political power. As Noam Maggor and Stephen Sawyer show for France and the United States in Chap. 10, most of this happened at the municipal level—thus redrawing their political geography as surely as it did in China. As Part II concludes, the height of the financial globalization of the gold standard era was never the liberal world that some look back to with nostalgia. Public debts were always embedded in power relations that had little to do with market relations, but in that period they fed growing inequalities and imperial designs that made the world increasingly unstable.

This first global age of public debts exploded in World War I, and “Part III: The Great Transformation of Public Debts” explores the challenge for states to rebuild their political legitimacy, with their capacity to borrow and tax at stake, and shows the progressive and chaotic advent of a new “*dirigiste debt regime*,” with variations across political systems. World War I put tremendous stress on even the most solid states that had spent more than a century building confidence in their public debts. As Nicolas Delalande analyzes for France and Britain in Chap. 11, the need to borrow massively to wage total war was foremost a democratic challenge involving nationalism, regime legitimacy, and international standing. It led to unprecedented state reach deep into civil society, and postwar disillusionment (fueled by hyperinflation and monetary volatility) that bred political instability and social upheaval. Victors and vanquished countries all scrambled in search of a new debt regime, prodded by the urgent need of both political legitimacy and financial stability. Stefanie Middendorf recounts in Chap. 12 how, in Germany, political turmoil and the fragility of the Weimar Republic helped the emergence of a new, technical, “depoliticized” financial regime that tapped savings into a closed circuit that would serve radically different regimes, from the troubled republic of the 1920s to the Nazi state of the 1930s and the reformed postwar Federal republic. Yet it never meant that public debt could actually escape politics. In Germany, “financial repression” was intimately, and necessarily, linked to mass propaganda. So was it in the USSR. In Chap. 13, Kristy Ironside and Étienne Forestier-Peyrat take us on a fascinating tour of Soviet public borrowing. The denunciation of the prewar “liberal” regime had included repudiating the Czars’ debts. Mobilization of resources meant finding ways to tap private funds where only public ownership of means of

production was tolerated, leading to a mix of old-fashioned devices and institutional inventions. The heightened importance of state control of borrowing and public debt was acute throughout those decades in old European countries, new communist countries, and maybe even more in newly decolonized countries after World War II. In the Middle East, as Matthieu Rey explores in Chap. 14, public debt had been a tool of colonial domination, but after independence it became a political touchstone to build the new regimes, in a bargain where public debt both signified sovereignty and allowed to avoid taxing the population. This new “dirigiste debt regime” was less globalized than the previous one, but everywhere it helped build states, and bolster political regimes, with market operations under severe controls—in this dominant regime, only a few public debts were at the mercy of markets.

The rupture introduced in the 1970s is the subject of “Part IV: The Political Roads to Financial Markets and Global Debt Crisis.” The turn to a “*financialized debt regime*” was not so much the result of a retreat of the state as a choice made by many political and economic actors to reorganize the relations between states and markets, at a time when inflation ceased to be a legitimate tool of regulation, and social spending put increasing pressure on public finances. As Anush Kapadia and Benjamin Lemoine show in their comparative take on France and India (Chap. 15), financial deregulation was conceived as a way to bypass the political and social conflicts that “embedded liberalism” could no longer cope with. The complete change in public debt management led to a shift of power, from state treasuries to central banks and international financial markets—as the Italian example studied by Alexander Nützenadel in Chap. 16 illuminates—through a mix of half-improvised solutions to short-term crises and willful restraints put on state intervention in the economy. States remained crucial actors, as their reaction after the 2008 crisis demonstrated (through bailout plans). They still have the capacity to sustain high debts, but at a political cost that weakens democratic institutions. The international relations of public debts highlight this marginalization of polities, Jérôme Sgard shows us in Chap. 17, as the diplomatic setting of debt settlement experimented by the IMF in the 1980s, however decried at the time, gave way to adjudication before national courts in a handful of jurisdictions (with large financial markets), emphasizing the loss of sovereignty of many nations and a form of legal imperialism. In the triangular relation between states, markets, and polities, the latter feel more and more excluded. The discrepancy between the financial networks of

globalization and its political regime has never been so wide, and that explains many of the political developments and crises that have occurred in the 2010s. In Chap. 18, Adam Tooze chronicles those shifts through a focus on the men who styled themselves “bond vigilantes,” and their role in working this new financialized debt regime to its limits. In doing so, he highlights the close connection between the new forms of high public indebtedness, the growing economic inequalities, and the widespread dissatisfaction with democratic institutions that feed the dangerous political reactions that have swept across a large part of the world in recent years.

In a concluding section, entitled “On the Historical Uses of Numbers and Words,” two chapters decisively show that the meaning and understanding of “public debt” has never been stable, even among professional economists and financiers. Éric Monnet and Blaise Truong-Loi uncover how public debt accounting has actually evaded experts, civil servants, and financiers alike, for two centuries, even after massive international normative projects in the wake of World War II. Building on the detailed cases of Germany, France, and China, they show that every accounting decision (especially for comparative purposes) has been rife with political implications in the balance of power between states, creditors, and polities. Their work is a clear warning that we should be cautious about any economic study that uses long-term statistics of public debt without anchoring them in their specific intellectual and political contexts. Also taking the long view, Nicolas Barreyre and Nicolas Delalande retrace how seemingly unchanging arguments over public debt varied widely over more than two centuries. They study how political actors fighting over public debts used a shared repertoire of arguments that started building in the eighteenth century but was repeatedly transformed. Contexts changed and re-sorted those ready-made ideas. This is a call for a political history that highlights the circulation of ideas while understanding that their meaning is always *locally* contested. It makes all the more urgent the kind of political history proposed in the chapters of this book.

This narrative of successive dominant debt regimes should not be confused with a typology: we did not uncover different competing models of “doing” public debt, but rather teased from our historical cases different dominant organizations of public borrowing and management that were particular to historical moments. What we take from this first exploration, which we hope will inspire others, are three main points. The first one is that public debt has never obeyed timeless laws, as there is no impersonal mechanics attached to it. It is an inherently political object whose

workings are deeply tied to modes of political legitimacy. Second, there is thus no universal “good institution” to build public debt on, and thus no inevitability to the legal rules and institutional makeup that would be “necessary” for borrowing states to establish. Finally, political legitimacy is a key feature of public debt, as well as of creditors’ claims. We believe that such conclusions are important when we observe the shape of contemporary debates over national indebtedness in the new global capitalist order now in crisis, reaching unprecedented proportions with the deep impact of the COVID-19 pandemic.

PUBLIC DEBT AND CAPITALISM

By looking at past historical configurations, the book shows that global public debt crises are related to deep transformations in the relation (and boundaries) between states, markets, and polities, as well as shifting power relations across the globe. Today’s tendency to consider public debt as a source of fragility or economic inefficiency misses the fact that, since the eighteenth century, public debts and capital markets have on many occasions been used by states to enforce their sovereignty and build their institutions, especially (but far from only) in times of war. Considering that access to capital is crucial to state-building, it should be no surprise that states decided to bail out banks and insurance companies after 2008, or that central banks intervened so massively to buy sovereign bonds and keep interest rates at low levels. But it is striking to observe that certain solutions that were used in the past to smooth out public debt crises (inflation in the 1920s, default in the 1870–1880s or 1930s, or capital controls after 1945) were left out of the political framing of the current crisis, thus revealing how the balance of power between bondholders, taxpayers, pensioners, and wage-earners has evolved over the past forty years.

Given the acuteness of the current debt crisis, we would like to spell out how this volume could add to the historical understanding of capitalism that has been, of late, a growing concern of scholarship.³¹ It aims at recapturing the relations between private capital and public authorities, looking at the role of finance and credit in the shaping of state sovereignty, economic inequalities, democratic institutions, or imperialist endeavors.³² By reviving “political economy” as a key concept in the study of capitalism, historians, sociologists, and political scientists insist on the deep interplay between markets and politics, as soon as we accept that the “economy” is a historical construct, embedded in social relations, moral values, and

political conflicts, rather than a natural order whose laws apply at every period and in every context.³³ For all its exciting and fruitful developments, however, this “new history of capitalism” has mostly focused on the American experience. Our global history of public debts sheds light on the role played by capital flows and debt relations in the global expansion of capitalism since the late eighteenth century, and in the process “de-americanizes” (and also “de-anglicizes”) the history of capitalism. Here, we show that putting the political analysis at the center of our enquiry can make sense of the history of capitalism in all its avatars through time, as capitalism is constantly reshaped in localized, interconnected political dynamics. Our contribution to this larger reflection takes four directions.

First, we argue that public debt has always been a powerful driver for the expansion of capitalism. State borrowing went far beyond the mere circulation of money and bonds. It spurred the construction of knowledge (e.g. statistics and economic categories) and the diffusion of economic ideas (classical liberalism, Keynesian macroeconomics, public choice economics, ordoliberalism, and so on), shaped financial, political, and administrative institutions, and fed the competition between moral categories and political visions.³⁴ Beyond financial transfers, public debts imply many circulations, of experts and scientists, of books and newspapers, of intermediaries and merchants, of institutions and specific economic policies, as shown in most chapters of this volume. When borrowing money, states need to find lenders—and it often led them to adopt the words and categories of financiers when the latter had the upper hand, because they had established themselves as the experts or when they had the power to decide the success or failure of a loan. In the nineteenth century, as many national and local governments strove to issue bonds in London, Paris, Amsterdam, Vienna (or later New York) to modernize their institutions and promote economic development (through railway construction, mining industries, administrative reforms), they increasingly bought into a financial system that sought to impose its own values and measurements on their institutions. To understand how global capitalism was shaped, we need to pay close attention to the many efforts (and disputes) to produce standardized measures and concepts about public finances and financial markets, assets and liabilities, debt ratio and so on. However this story has always been a highly contested one, marked by the contradiction between two diverging principles, the need for states to offer transparency about their public accounts (to reassure foreign or national bondholders) and the kind of opacity and secrecy that dominates many discussions between central

bankers, political elites, and financial companies in times of crisis, especially today.³⁵

Second, this global history of public debts compels us to think about the relationship between capitalism, imperialism, and violence. The use of sovereign debt as a tool used by Western countries to exert their domination over the rest of the world, both in colonial and postcolonial settings, is looked at afresh in the second part of the volume. Over the nineteenth century, the expansion of financial capitalism was directly connected to slaveholding, the rise of empires, the formation of nation-states, and the multiplication of wars and social conflicts.³⁶ If globalization rode the wings of European imperialisms, then it remains to account for an expansion of capitalism wedded to the new, triumphant nation-states. A “postcolonial” reading of sovereign debt issues insists on the oppressive nature of financial claims and duties, and its connection with violence. But looking at different scales and comparing various cases help deconstruct such a global vision, without overlooking the relation between debt and domination. Some countries searched for foreign capital precisely to reinforce themselves and wage war (see Sweden in the late eighteenth century, Greece in the 1890s); in other cases local elites wanted to leverage the external supervision of national finances to promote unpopular domestic reforms and increase their economic position and political power (as in many Latin American countries during the nineteenth century, or in newly independent states such as Iraq and Syria in the 1950s and 1960s). Exporting capital could also lead to reverse effects on creditor powers, especially when debts were canceled or repudiated, weakening the core of financial capitalism.³⁷ This story also points to a reinterpretation of the many experiences in international financial control and regulations, from the 1860s-1870s in Tunisia, the Ottoman Empire and Egypt, to the recent implementations of structural adjustment programs by the IMF in postcolonial African countries (in the 1980s) or the role played by the now famous “*troika*” (composed of members of the European Commission, the European Central Bank and the IMF) in Greece after 2010.

Third, this history contributes to the vivid debate, launched by political scientists in the 1990s, on the “varieties of capitalism.”³⁸ Capitalism has indeed always taken different historical forms (not only in space, but also in time); so, we should not be surprised if the crisis we are living through has reopened urgent debates about the sustainability and future of liberal and capitalist democracies. The successive debt regimes (“liberal”, “dirigiste”, and “financialized”) that we uncover are a start in this direction.

They are based on an analysis of how capital globalization went hand in hand with local, national, and regional differentiations across time, and how political configurations and events were a key factor—thus shedding light on power relations, economic inequalities, and social redistribution in the modern era. They also make room for alternatives to the English-liberal model which has been improperly erected as the “correct,” because historically “successful,” model. Not only did England *not* look like that model of “credible commitment” in the past, there existed other political economic paths that proved entirely sustainable until upended by the political upheavals that shook the world across the “age of revolutions.”

Finally, this global history tries to look at how public debt has entered the everyday life of individuals and societies, how it has been appropriated by them and at times contested.³⁹ Combining the macro and the micro is essential if we want to understand how this abstract phenomenon of public indebtedness, saturated with figures, long-term commitments, and byzantine mechanisms, has affected the social, economic, and political life of millions of people over time.⁴⁰ The divide between theoretical and statistical macro-approaches, on the one hand, and the type of microhistory that social and cultural historians are crafting, on the other, needs to be filled if we want to get a sense of what “public debt” really meant for societies in history. The various chapters gathered in this volume mark a first step in this direction; they look at the “global chains” of capital and public debt, which connect people and institutions from different social backgrounds, countries, and continents, not only today but already in the late eighteenth century. That’s why this history cannot rely solely on bankers, diplomats, and international lawyers, those “big players” whose role is often already well-known, but must also rely on the millions of small investors, taxpayers, pensioners, consumers, wage-earners, whose economic and political power has been shaped and constrained by long-distance financial transfers. Public debt entered their daily lives when they bought bonds, subscribed to life insurance policies or private pension schemes, or when inflation and debt cancelation eroded their real incomes. It also triggered political movements and upheavals, in times of war and crisis, or when financial demands and austerity measures increased inequalities while foreclosing democratic choice.⁴¹

In our contemporary crisis, reconnecting the history of capitalism and that of democracy seems one of the most urgent intellectual and political tasks of our time. This global political history of public debt is a contribution to this debate. The urgent task of our day is to elaborate a new understanding to articulate state power, market mechanics, and democratic agency. The issues at stake are crucial for the future of our societies. Where to draw the line between transparency and opacity in the management of public debts? What kind of responsibility do experts, central bankers, and international leaders have towards societies and people whose wellbeing is dependent upon public debts and their repayment? Can public debt be used to other ends than increased inequality and diminished political choice? These questions are not new, but they are still ours. We hope this book will bring history back into this debate, and help consider that there are always several alternatives open for political discussion, even when we speak of public debts.

Nicolas Barreyre
Nicolas Delalande

NOTES

1. “Yanis Varoufakis Full Transcript: Our Battle to Save Greece,” *The New Statesman* (July 13, 2015); Yanis Varoufakis, *Adults in the Room: My Battle With Europe’s Deep Establishment* (London: Bodley Head, 2017).
2. Kenneth Dyson, *States, Debt, and Power: “Saints” and “Sinners” in European History and Integration* (Oxford: Oxford University Press, 2014).
3. Isaac Martin, Ajay K. Mehrotra and Monica Prasad, eds., *The New Fiscal Sociology: Taxation in Comparative and Historical Perspective* (Cambridge: Cambridge University Press, 2009); Jeremy Adelman and Jonathan Levy, “The Fall and Rise of Economic History,” *Chronicle of Higher Education* (December 2014).
4. Douglass North and Barry Weingast, “Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England,” *Journal of Economic History* XLIX, no. 4 (1989): 803–32; P.G.M. Dickson, *The Financial Revolution in England. A Study in the Development of Public Credit, 1688–1756* (London: Macmillan, 1967).
5. For a synthesis, see D’Maris Coffman, Adrian Leonard and Larry Neal, eds., *Questioning Credible Commitment: Perspectives on the Rise of Financial Capitalism* (Cambridge: Cambridge University Press, 2013). On the eco-

- conomic history side, see for instance Larry Neal, *The Rise of Financial Capitalism* (Cambridge: Cambridge University Press, 1990); Anne L. Murphy, *The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble* (Cambridge: Cambridge University Press, 2019); Carl Wennerlind, *Casualties of Credit: The English Financial Revolution, 1620–1720* (Cambridge, Mass.: Harvard University Press, 2011). On the history of the fiscal-military state, see John Brewer, *The Sinews of Power: War, Money and the English State, 1688–1783* (London: Unwin Hyman, 1989); Marjolein t’Hart, *The Making of a Bourgeois State: War, Politics and Finance during the Dutch Revolt* (Manchester: Manchester University Press, 1993); Philip T. Hoffman and Kathryn Norberg, eds., *Fiscal Crises, Liberty, and Representative Government, 1450–1789* (Stanford: Stanford University Press, 1994); Katia Béguin, *Financer la guerre au XVII^e siècle. La dette publique et les rentiers de l’absolutisme* (Seysssel: Champ Vallon, 2012); D’Maris Coffman, *Excise Taxation and the Origins of Public Debt* (Basingstoke: Palgrave Macmillan, 2013); Mauricio Drelichman and Hans-Joachim Voth, *Lending to the Borrower from Hell. Debt, Taxes, and Default in the Age of Philip II* (Princeton: Princeton University Press, 2014); Steven Pincus, *1688: The First Modern Revolution* (New Haven: Yale University Press, 2011); Rafael Torres Sanchez, *Constructing a Fiscal Military State in Eighteenth Century Spain* (Basingstoke: Palgrave Macmillan, 2015).
6. Bruce Carruthers, *City of Capital: Politics and Markets in the English Financial Revolution* (Princeton: Princeton University Press, 1996); David Stasavage, *Public Debt and the Birth of the Democratic State: France and Great Britain, 1688–1789* (Cambridge: Cambridge University Press, 2003).
 7. Regina Grafe, *Distant Tyranny: Markets, Power, and Backwardness in Spain, 1650–1800* (Princeton: Princeton University Press, 2012); Wenkai He, *Paths Toward the Modern Fiscal State: England, Japan, and China* (Cambridge, Mass.: Harvard University Press, 2013); Katia Béguin and Anne L. Murphy, eds., *State Cash Resources and State Building in Europe, 13th–18th Century* (Paris: IGPDE, 2017), <https://books.openedition.org/igpde/3806>.
 8. David Stasavage, *States of Credit: Size, Power, and the Development of European Politics* (Princeton: Princeton University Press, 2011); Bartolomé Yun-Casalilla and Patrick K. O’Brien, eds., *The Rise of Fiscal States: A Global History, 1500–1914* (Cambridge: Cambridge University Press, 2012); José Luis Cardoso and Pedro Laines, eds., *Paying for the Liberal State: The Rise of Public Finance in Nineteenth-Century Europe* (Cambridge: Cambridge University Press, 2010); Mark Dincecco, *Political Transformations and Public Finance: Europe, 1650–1913*, (Cambridge: Cambridge University Press, 2011).

9. See for instance Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Business, 2012).
10. For synthetic overviews of the field, see Kim Oosterlinck, “Sovereign Debt Defaults: Insights from History,” *Oxford Review of Economic Policy* 29, no. 4 (2014): 697–714; Jerome Roos, *Why Not Default?* (Princeton: Princeton University Press, 2019), 21–39.
11. Edwin Borchard, *State Insolvency and Foreign Bondholders* (New Haven: Yale University Press, 1951); David Landes, *Bankers and Pashas: International Finance and Economic Imperialism in Egypt* (Cambridge, Mass.: Harvard University Press, 1958); Kris James Mitchener and Marc D. Weidenmier, “Supersanctions and Sovereign Debt Repayment,” in *Sovereign Debt: From Safety to Default*, ed. Robert W. Kolb (New York: Wiley, 2011), 155–67; P. J. Cain and A. G. Hopkins, *British Imperialism, 1688–2000*, 2nd ed. (New York: Longman, 2001); Ali Coşkun Tunçer, *Sovereign Debt and International Financial Control: The Middle East and the Balkans* (London: Palgrave Macmillan, 2015); Marc Flandreau, *Anthropologists in the Stock Exchange: A Financial History of Victorian Science* (Chicago: University of Chicago Press, 2016).
12. Michael Tomz, *Reputation and International Cooperation: Sovereign Debt Across Three Centuries* (Princeton: Princeton University Press, 2007).
13. Barry J. Eichengreen and Peter L. Lindert, eds., *The International Debt Crisis in Historical Perspective* (Cambridge, Mass.: MIT Press, 1989); Eichengreen, “The Interwar Debt Crisis and its Aftermath,” *The World Bank Research Observer* 5, no. 1 (1990): 69–94.
14. Odette Lienau, *Rethinking Sovereign Debt: Politics, Reputation, and Legitimacy in Modern Finance* (Cambridge, Mass.: Harvard University Press, 2014), 3; Kim Oosterlinck, *Hope Springs Eternal: French Bondholders and the Repudiation of Russian Public Debt* (New Haven: Yale University Press, 2016); Hassan Malik, *Bankers and Bolsheviks: International Finance and the Russian Revolution* (Princeton: Princeton University Press, 2018).
15. For eighteenth-century intellectual and political debates on the nature of public debts, see Istvan Hont, “The Rhapsody of Public Debt: David Hume and Voluntary State Bankruptcy,” in Phillipson Nicholas and Skinner Quentin, eds., *Political Discourse in Early Modern Britain* (Cambridge: Cambridge University Press, 1993), 321–348; Michael Sonenscher, *Before the Deluge: Public Debt, Inequality, and the Intellectual Origins of the French Revolution* (Princeton: Princeton University Press, 2007); Max M. Edling, *A Hercules in the Cradle: War, Money, and the American State, 1783–1867* (Chicago: University of Chicago Press, 2014).

16. Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism* (London: Verso, 2014); Greta R. Krippner, *Capitalizing on Crisis: The Rise of Financial Capitalism* (Cambridge, Mass.: Harvard University Press, 2012); Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford: Oxford University Press, 2013); Florian Schui, *Austerity: The Great Failure* (New Haven: Yale University Press, 2014); Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World* (New York: Viking, 2018).
17. Kenneth A. Schultz and Barry R. Weingast, “The Democratic Advantage: Institutional Foundations of Financial Power in International Competition,” *International Organization* 57, no. 1 (2003), 3–42; James McDonald, *A Free Nation Deep in Debt: The Financial Roots of Democracy* (Princeton: Princeton University Press, 2006).
18. Roos, *Why Not Default*, 32–37.
19. Johanna Hanink, *The Greek Classical Debt: Greek Antiquity in the Era of Austerity* (Cambridge, Mass.: Harvard University Press, 2017).
20. Coming from different academic backgrounds and political cultures, but with potentially overlapping conclusions, see for instance David Graeber, *Debt: The First 5000 Years* (New York: Melville House, 2011); Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge, Mass.: Harvard University Press, 2014).
21. Jeremy Adelman, *Republic of Capital: Buenos Aires and the Legal Transformation of the Atlantic World* (Stanford: Stanford University Press, 1999); Jane Burbank, Frederick Cooper, *Empires in World History: Power and the Politics of Difference* (Princeton: Princeton University Press, 2010); Ali Yycioglu, *Partners of Empire: The Crisis of Ottoman Order in the Ages of Revolutions* (Stanford: Stanford University Press, 2016); Josep M. Fradera, *The Imperial Nation: Citizens and Subjects in the British, French, Spanish, and American Empires* (Princeton: Princeton University Press, 2018).
22. Adam Tooze, *Wages of Destruction: The Making and Breaking of the Nazi Economy* (London: Allen Lane, 2006); Kiran K. Patel, *The New Deal: A Global History* (Princeton: Princeton University Press, 2017); Jamie Martin, *Governing Global Capitalism in the Era of Total War* (forthcoming).
23. Niall Ferguson, Charles S. Maier, Erez Manela, and Daniel D. Sargent, eds., *The Shock of the Global: The 1970s in Perspective* (Cambridge, Mass.: Harvard University Press, 2011); Marc Buggeln, Martin Daunton, and Alexander Nützenadel, eds., *The Political Economy of Public Finance: Taxation, Public Spending, and Debt since the 1970s* (Cambridge: Cambridge University Press, 2017). Most intellectual histories of neoliberalism start with the creation of the Mont Pèlerin Society in 1947, while the term itself goes back to the late 1930s in Europe: Philip Mirowski and Dieter Plehwe, eds., *The Road from Mont Pèlerin: The Making of the*

- Neoliberal Thought Collective* (Cambridge, Mass.: Harvard University Press, 2012); Angus Burgin, *The Great Persuasion: Reinventing Free Markets since the Great Depression* (Cambridge, Mass.: Harvard University Press, 2012); Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012). One recent exception, going back to World War I, is Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, Mass.: Harvard University Press, 2018).
24. On imperial debts, see for instance Niall Ferguson and Moritz Schularick, “The Empire Effect: The Determinants of Country Risk in the First Age of Globalization,” *Journal of Economic History* 66, no. 2 (2006): 283–312; Olivier Accominotti, Marc Flandreau and Riad Rezzik, “The Spread of Empire: Clio and the Measurement of Colonial Borrowing Cost,” *Economic History Review* 64, no. 2 (2010) 385–407.
 25. Maxine Berg, ed., *Writing the History of the Global: Challenges for the Twenty-First Century* (Oxford: Oxford University Press, 2013); Sebastian Conrad, *What Is Global History?* (Princeton: Princeton University Press, 2016). For concrete applications in the history of taxation, see for instance Yun-Casalilla and O’Brien, eds., *The Rise of Fiscal States*.
 26. For a source of inspiration, see for instance how Thomas Piketty thinks in terms of “inequality regimes” in *Capital and Ideology* (Cambridge, Mass.: Harvard University Press, 2020).
 27. To follow Carmen Reinhart and Kenneth Rogoff’s chronology of financial crises in *This Time is Different: Eight Centuries of Financial Folly* (Princeton: Princeton University Press, 2009).
 28. For a similar argument on “boundary struggles,” see Nancy Fraser, “Legitimation Crisis? On the Political Contradictions of Financialized Capitalism,” *Critical Historical Studies* 2, no. 2 (Fall 2015), 157–89.
 29. Kevin H. O’Rourke, Jeffrey G. Williamson, *Globalization and History: The Evolution of a Nineteenth-Century Atlantic Economy* (Cambridge, Mass.: MIT Press, 1999); Marc Flandreau and Frédéric Zumer, *The Making of Global Finance, 1880–1913* (Paris: OECD, 2004); Emily Rosenberg, ed., *A World Connecting, 1870–1945* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 2012).
 30. Adam Tooze, “History and America’s Great Recession,” *Books and Ideas*, November 25, 2013, <https://booksandideas.net/History-and-America-s-Great-2477.html>
 31. Among a profusion of articles and books, see for instance Sven Beckert and al., “Interchange: the History of Capitalism,” *Journal of American History* 101, no. 2 (2014): 503–36; Mary O’Sullivan, “The Intelligent Woman’s Guide to Capitalism,” *Enterprise and Society* 19, no. 4 (2018): 751–802; Jürgen Kocka, *Capitalism: A Short History* (Princeton: Princeton University

- Press, 2016); Jürgen Kocka and Marcel van der Linden, eds., *Capitalism: The Reemergence of a Historical Concept* (London: Bloomsbury, 2016); Nicolas Barreyre and Alexia Blin, “À la redécouverte du capitalisme américain,” *Revue d’histoire du XIX^e siècle*, no. 54 (2017): 135–48; Sven Beckert and Christine Desan, “Introduction,” in *American Capitalism: New Histories* (New York: Columbia University Press, 2018).
32. Piketty, *Capital in the Twenty-First Century*.
 33. Timothy Mitchell, “Fixing the Economy,” *Cultural Studies* 12, no. 1 (1998): 82–101.
 34. In a similar vein, see “Follow the Money: Banking and Finances in the Modern World,” *American Historical Review* 122, no. 5 (2017), special issue.
 35. Pepper D. Culpepper, *Quiet Politics and Business Power. Corporate Control in Europe and Japan* (Cambridge: Cambridge University Press, 2012); Cornelia Woll, *The Power of Inaction. Bank Bailouts in Comparison* (Cornell: Cornell University Press, 2014).
 36. Carlos Marichal, *A Century of Debt Crises in Latin America: From Independence to the Great Depression, 1820–1930* (Princeton: Princeton University Press, 1989); Sven Beckert and Seth Rockman, eds., *Slavery’s Capitalism: A New History of American Economic Development* (Philadelphia: University of Pennsylvania Press, 2016).
 37. Lienau, *Sovereign Debt*; Kim Oosterlinck, *Hope Springs Eternal*.
 38. Peter A. Hall and David Soskice, eds., *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford: Oxford University Press, 2001).
 39. William H. Sewell, “A Strange Career: The Historical Study of Economic Life,” *History and Theory* 49, no. 4 (2010): 146–66.
 40. Francesca Trivellato, *The Familiarity of Strangers: The Sephardic Diaspora, Livorno, and Cross-Cultural Trade in the Early Modern Period* (New Haven: Yale University Press, 2009); “Is There a Future for Italian Microhistory in the Age of Global History?” *California Italian Studies* 2, no. 1 (2011); Fahad Ahmad Bishara, *A Sea of Debt: Law and Economic Life in the Western Indian Ocean, 1780–1950* (Cambridge: Cambridge University Press, 2017); “Global History and Microhistory,” *Past and Present* 242, no. 14, special issue (2019).
 41. Gerald D. Feldman, *The Great Disorder: Politics, Economics, and Society in the German Inflation, 1914–1924* (Oxford: Oxford University Press, 1993); Guya Accornero and Pedro Ramos Pinto, “‘Mild mannered’: Protest and Mobilisation in Portugal under Austerity, 2010–2013,” *West European Politics* 38, no. 3 (2015): 491–515; Wolfgang Streeck and Armin Schäfer, eds., *Politics in the Age of Austerity* (London: Polity, 2013).