

# Social Imagination and the Politics of Crisis

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### Abstract

This article takes the discourse of crisis as a lens through which to explore the social construction of future realities. It investigates different meanings of crisis and its deployment as a fighting word in the contentious politics of future making. It questions conventional accounts of recent crises and calls for a recalibration of theoretical approaches and empirical sensibilities to engage competing narratives and their explicit or implicit visions for the future, and thus recognize an underlying crisis of the democratic imagination. The juxtaposition of narratives related to diverse social actors, including not only elites but also grassroots, allows a broader view of the scope of choices. It argues that studies about the construction of crises, crises responses, and reasonable expectations for change are of practical relevance in the democratization of futures.

**Keywords:** Contentious politics. Crisis. Future. Social movements. Social imagination. Time-diagnosis.

This article takes the discourse of “crisis” as a lens through which to explore the social construction of future realities, debates about policies, and reasonable expectation for change. At certain times and places, the future appears closed, without alternatives, predestined or predetermined, with no other options even imaginable. Royal dynasties have ruled entire countries over generations without major challenges. The same assumptions about the proper forms of government and social organization have held sway across centuries. Yet at other times and places, history has become more fluid, futures have opened up, alternatives have become imaginable, sometimes all of a sudden. Why do social formations appear sometimes dynamic and at other times stagnant? This article locates the current talk about “crisis” within its historical and etymological context before it zooms then in on the recent media controversy about the “Greek crisis”, related contentious policy debates, and broader implications for sociological research.

### **From the “end of history” to a new era of crisis?**

An era is often characterized by the dominance of a specific self-understanding of its relation to historical change. The “end of history” was a catchword of the 1990s. Francis Fukuyama (1992) and others celebrated the end of the cold war as the win of liberal democracy and capitalism over any conceivable challenge. A wave of transitions from authoritarian rule in Latin America and Eastern Europe led to hopes for an unprecedented period of prosperity. Yet, this period also sharpened social inequalities and eventually gave way to a new era of instability. The 2001 attacks on the World Trade Center in New York and the Pentagon in Washington were used to unleash a wave of interventions in the Middle East and to strengthen the military-industrial-administrative complex of the United States and its NATO allies. 2007 brought then turmoil to financial markets: The specter of imminent economic disaster was used to bailout mega-sized financial institutions in an unprecedented spending spree while new austerity

measures were imposed on ordinary people. The rhetoric of “crisis” was employed to curtail the democratic process and to transfer billions of dollars virtually overnight. Time-diagnostically, the rise of crisis talk points to a new era of historic decision-making. Yet, its scope of choices appears embattled. Before delving deeper into the social construction of such choices, it will be useful to examine more closely the meaning of the word “crisis” as a semantic focus for pivotal change and contention.

### **On the meanings of crisis**

The roots of the contemporary word “crisis” can be traced back to Ancient Greece. As etymological dictionaries indicate, the meaning of κρίσις (krisis) is rooted in the verb χρίνω (chrino): to ‘separate’, to ‘choose’, to ‘judge’, to ‘decide’, but also to ‘quarrel’, to ‘fight’. Since early on, it appeared in political contexts. In Aristotle’s *Politics*, κρίσις defines the legal ordering of communal life. The Greek translation of the bible uses the notion of crisis to refer to the Last Judgment. The medical meaning of crisis appears as far back as the Hippocrates Collection and the work of Galen. Modern deployments of “crisis” draw from these ancient meanings.

According to the German historian Reinhart Koselleck’s (1982) lexicographic surveys, the word ‘crisis’ was in only marginal use until the mid-18th Century when it rose to prominence, becoming from the 1770s onward what he calls a “a structural signature of modernity.” In one variant, it became “the fundamental mode of interpreting historical time”, in another it came to connote “a historically unique transition phase”. Prominent thinkers of the American, French and Industrial Revolutions conceived of the political and economic transformations in terms of crisis. Thomas Paine (1995) promoted the American Revolution in a series of pamphlets under the title *The American Crisis* (1776 to 1778), later shortened to *The Crisis* (1778 to 1783). Jean-Jacques Rousseau (1979/1762) famously declared an imminent “state

of crisis” and an “era of revolution.” For Henri de Saint-Simon (2012), crisis was interchangeable with revolution. Sociology’s foundational figure Auguste Comte (1957/1848) envisioned a “positivist” study of history to “manage crises”, sociologists thus becoming the supreme crisis managers of a rather authoritarian state. Karl Marx (1972) developed his critique of political economy with the aim of showing how capitalism’s recurrent crises were bound to deepen and to eventually give way to a revolutionary transformation.

Today it has become popular in Western rhetoric to point to the Chinese word for “crisis” as the composite of two characters representing “danger” and “opportunity” (simplified Chinese: 危机; traditional Chinese: 危機; pinyin: wēijī; though linguists emphasize that the latter is highly polysemous, with most meanings invoking a ‘critical point’ (Mair, 2005; Zimmer, 2007). The idea behind this is to ‘sell’ a particular option in response to that crisis.

Yet, more so, “crisis” has become a fighting word, although it has lost some of its sharpness due to inflated uses. “Crisis” evokes an urgency, a necessity for quick decision and action. It presents a “shock”, a “state of emergency” (Notstand), a “state of exception” (Ausnahmestand) (Schmitt, 1992). A “crisis” can sever the connection between the “horizon of expectation” and the “space of experience” – to borrow freely from Koselleck’s (1989) terminology but without subscribing to his problematic notion of modernity. As a fighting word, “crisis” can be employed to open or narrow the horizon of expectation:

- A “crisis” can open the range of available options, though different social actors may rally to close some of the options.
- A “crisis” can ensue when a mechanism over-blows, like when a credit bubble stops growing and implodes.
- A “crisis” can be used by powerful forces to impose otherwise impossible measures, such as when US Secretary-Treasurer Henry Paulson and Federal Reserve Chairman Ben Bernanke painted darkest future scenarios to get a \$700 billion dollar bank

- bailout approved by the US Congress within days (see Klein, 2007 on the “shock doctrine”).
- Yet, a “crisis” can also be manufactured without any material foundation, as for example in the alleged “crisis” of the US Social Security system that is being constructed by elites with vested interests as a pretext for privatization.
  - On the other hand, a “crisis” can also be produced from below when people riot, rebel, or make a revolution.

The discourse of crises, in which these different types appear intertwined, can thus be seen as an arena in the contentious politics of futures. Let us examine more closely the uses of the term “crisis” by focusing on key instances of recent political discourse.

### **“Greek” and “global crisis”**

It is not an exaggeration to claim that in 2015 the major headline news in European media were about the “Greek crisis” and the stand-off in negotiations between the Greek government, the troika of the European Commission (EC), the European Central Bank (ECB), and the International Monetary Fund (IMF). Yet, was it merely a “Greek” crisis or was it a crisis of something broader?

The sudden collapse of the 150 years old banking house Lehman Brothers in 2008 made a global “financial crisis” manifest that soon spiraled into the “Great Recession”. The signs for the financial crisis had been there for long. US banks had been fueling a steeply rising housing market by extending easy credit without much concern for the underlying collaterals. US home-owners saw real estate prices rise ever higher and could not resist bank advertisements to use their homes as a kind of cash-machine by taking out ever higher mortgages.

Banks profited through fees and refinance-charges; their management rewarded itself with ever higher pays and bonuses. They bundled mortgages into larger packages that were mixed and re-mixed according to complex formulas aimed at distributing risk. Mortgage

derivatives were seen internationally as safe investment opportunities with high yields. The demand drove the lending banks to ever more aggressive marketing of credit, often with very low initial interest rates, called 'teaser rates', but variable market rates afterwards. Subprime mortgages were given out without concern whether the borrower could actually afford the terms of repayment on their salaries.

The credit bubble grew until it burst. Confidence was shaken, interest rates went up. Since missed mortgages carried variable interest rates, the monthly payments would go up and up, increasing to unsustainable levels, thus causing mortgage defaults. Entire neighborhoods in the US were becoming empty as their previous owners were evicted.

The crisis originated in the US but quickly spread around the globe. As it turned out, investors from around the world had been lured by the supposedly safe real-estate backed investments. The sudden stop of cash flow and demand has hit manufacturers world-wide who would then lay off workers and thus drive large parts of the global economy fully into recession mode.

As the US financial crisis spread to Europe, Greece turned out to be particularly vulnerable. The European Union (EU) had collaborated over the years with a series of Greek governments in allowing low effective tax rates at the top without generating the resources needed for long-term investments in education, infrastructure, and broad-based asset building, thus creating the conditions that led to the current crisis. The EU framework permitted a situation in which Greek oligarchs were virtually tax exempt, pocketing extra-profits without contributing to the country's economic well-being (Donadio; Aldermandec, 2012).

When it became clear in October 2009 that budget and debt figures were worse than previously stated, Greece found it virtually impossible to obtain financing for its debt. The troika of IMF, ECB, and EC authorized a total of 240 billion Euro to let Greece make payments to its lenders while staying within the Euro zone (IMF, 2015). This helped private lenders to cut their losses and transfer risks to taxpayers. The

troika's bailout came with conditions: Instead of re-igniting its economy with bold new investments, Greece was forced, as part of the packages, to cut government spending since 2010 by 28 billion Euro, i.e. 15 % of its Gross Domestic Product (GDP) (EC, 2015b).

Now, that a new political party, Syriza, rose to power under the leadership of Alexis Tsipras with a mandate to change course, the EU establishment, spearheaded by the powerful German Finance Minister Wolfgang Schäuble, tried to bully the Greek government into compliance with their policy dictates. In a widely published quote, IMF Chief Christine Lagarde depicted the Greek negotiators as unprofessional or even immature, suggesting that “a dialogue needs adults in a room” (Wearden; Kollewe, 2015). Just as widely quoted was EU Commission President Jean-Claude Juncker's statement to the press that he does “not understand Tsipras”, likewise implying unreasonableness on the part of the Greek prime minister (Juncker, 2015). Meanwhile, within Greece, the Greek Central Bank (2015-06) warned of an “uncontrollable crisis” and a Greek exit from the EU, if the Greek government would not obtain an agreement with the troika (Spiegel; Hope, 2015)<sup>1</sup>.

For corporate mass media, sensationalist “crisis” headlines sell copy. In line with established patterns, much of the most prominent international coverage focused on the personalities of the main figures.

<sup>1</sup> Although this is not the occasion to assess the claims about austerity as the allegedly only crisis remedy, a few facts shall be pointed out. While countries such as Spain and Ireland have obviously returned to economic growth, their experience does not vindicate austerity policy for a number reasons, which include, *inter alia*, (a) Spain suffers still enormously from unemployment and home evictions (Muñoz, 2015) while substantial portions of growth come from a tourism boom and foreigners buying up cheapened properties (cf. EC, 2015a; Rosnick; Weisbrot, 2015); (b) Irish homeowners had to write down much of their property values and worker salaries were cut, while special tax breaks with which it attracted subsidiaries of large multinational corporations (such as Adobe, Amazon, Apple, Facebook, Google etc.) undermine global revenue intake (Brazys; Regan, 2015) and face backlash (Oliver; Brunsden; Boland, 2015). In any case, the debate on whether recent growth in Ireland and Spain is attributable to austerity measures leaves out the bigger issues of who benefits from what portion of growth and who has to suffer the systemic consequences from a race to the bottom. Regarding the latter, the German “Agenda 2010” reforms were aimed at boosting productivity but initiated a vicious cycle of precariousness that has been criticized as an export of unemployment (cf. Young; Semmler, 2012).

Its analysis followed largely neoliberal templates by faulting the Syriza government for the protracted negotiations. It fed nationalist sentiments through editorials about “making the Greeks pay”. For example, the mass media discourse in Germany puts on an outright nationalist tone: From popular yellow press *Bild Zeitung* to the respected conservative newspaper *Frankfurter Allgemeine Zeitung (FAZ)*, German corporate media painted a picture of undeserving lazy Greeks who should finally pay for past mismanagement and reduce government largesse. Recent coverage across several media referred to an allegedly early retirement age of 56 years that was contrasted with the 64 required in Germany, though critics pointed later out that the actual average retirement age is 61.4 years in both countries (Dieckmann, 2015). On 26 February 2015, *Bild Zeitung* brought huge headlines in the Greek national colors blue and white “No! Not One More Billion for the Greedy Greeks!” (“Nein! Keine weiteren Milliarden für die gierigen Griechen!”) and went even so far to encourage its readers to upload selfies taken with these same headlines (Bild, 2015). The daily FAZ suggested in its editorial that the “government of Tsipras does not want to be part of the community of responsibility but is only mocking” (“nicht Teil dieser Verantwortungsgemeinschaft sein will, sondern nur Hohn für sie übrig hat”). It declared „It is sad and brazen that Greece’s failure as a state and as an economy is being hung around the partners’ neck or just all dumped in Berlin“ (“Traurig und dreist ist es, dass Griechenlands Versagen als Staat und als Wirtschaft den Partnern um den Hals gehängt oder gleich ganz in Berlin abgeladen wird”) (Frankenberg, 2015). Heterodox crisis accounts are buried by the nationalist coverage.

At the same time, thousands of Greeks, many of them young, rallied in Athens against the politics of austerity and to remind the new Syriza-led government of their campaign promises. The demonstrators, many of whom are young, pointed out that forty percent of Greeks under twenty-five years are unemployed, i. e. double the already high EU average. Many of the demonstrators insisted that only a bold

investment plan and fundamental structural changes could provide an equitable solution. A multilingual banner brought it onto the formula “democracy for Europe”.

A full analysis of the Greek negotiations and the accompanying media discourse is of course beyond the scope of this article. It will be seen soon enough to what extent the Greek negotiators can resist the pressure, implement more fundamental reforms within Greece, and whether this can then strengthen the wind for change elsewhere. However, an important aspect of this struggle is the definition of whether the “crisis” is primarily Greek or rather European and global, whether it is merely financial or rather economic, ecological, political, social, and cultural. Such a social construction of “crisis” is a pivotal part of future making, which can be more or less contentious. Let us now step back and consider the construction of “crisis” within a wider landscape of narratives.

### **The contentious politics of future making**

On a theoretical plane, the notion of a “Greek crisis” reflects a hegemonic project that narrows the horizon of the imaginable to just a few minor options of financial debt re-structuring within a neoliberal template. “Crisis” in this narrative is employed as something for which there is a foregone conclusion. Hegemonic narratives can take hold when they are not challenged. In very different contexts, scholars as diverse as Norbert Elias and Claudio Lomnitz have emphasized the loss of future orientation in the broader public discourse. Elias (1987) summarized his pessimistic diagnosis of our time with the words: “Today we have basically lost the ability to think of a future. Most people do not want to go beyond their present – they do not like to see themselves as a link in the chain of generations”. Similarly, Lomnitz (2003) detected in his analysis of the Mexican crisis a “present saturation” that disables constructive futures engagements. Tracing the often overlooked struggles for alternatives at the social grassroots becomes the more important.

Counter-movements from below seem often voiceless, drowned out by hegemonic discourse and corporate media noise. Yet, a wave of insurgencies has started in 2011 that continues to inspire courage for change, weaves networks, and opens up social imaginaries across borders from Arab insurgencies to the indignados in Greece and Spain, Occupy Wall Street in the USA, Occupy Central in Hong Kong, and the recent protests in Brazil. While the local and national specifics are vastly different, these mobilizations share the assumption that change from the grassroots can be achieved.

In the Greek case, the hegemonic narrative of an austerity-demanding crisis stands in contrast to the notion of a broader European and actually Global Crisis, a crisis not just of finance but a crisis of democratic imagination. European countries have achieved stable political systems of recurrent elections, yet the realm of choices is small. The realm of the political appears to be reduced to options demarcated by technocratic policy networks. It leaves out of view much larger issues such as how to democratize the production process and how to achieve more equitable distribution. Firstly, economic production is largely organized as dictatorships, in which the workers can neither elect their Chief Executive Officer (CEO) nor decide benefits and wages. Secondly, the crisis in the distribution of food and the fact that 795 million people worldwide were undernourished in 2015 (FAO, 2015), amidst a world of abundance received comparatively little attention by the policy-makers of the wealthier countries.

Counter-narratives can spread and acquire greater influence. Among the most prominent examples of a challenge from a well-established institutional actor is the papal encyclical *Laudatio Si*, issued in June 2015 by the first Jesuit to head the Catholic Church. Influenced by Jesuit teaching and concerned with poverty across space and time, Pope Francis called for “a new dialogue about how we are shaping the future of our planet”, thereby connecting the problems of global inequality, environmental destruction, and economistic reduction of politics:

“We are not faced with two separate crises, one environmental and the other social, but rather one complex crisis which is both social and environmental.”

Studying the discourses of crises is studying futures in the making. It entails studying the social construction of decision points and the stories that broaden or narrow the choices that are available or that are considered to be “reasonable”. A powerful story of the “Greek crisis” suggests that it is essentially about fiscal prudence for which certain austerity measures are the solution. Counter-stories tell of a political, social, and/or moral crisis that require a broader rethinking of the conditions of our time. Social actors have differential resources and capacities to produce, diffuse, and implement visions, though, as Polanyi (1957) noted, a movement in one direction might trigger a counter-movement against it. The courageous wind of change that is emanating from diverse struggles at the grassroots can inspire more engagement with visions and the imaginative making of visions.

## Conclusion

In most national sociologies, explicit treatments of the future have been few, as sociologists tended to leave the debate about future-making to fields such as architecture, business, design, economics, engineering, law, regional and urban planning (Schulz, 2015) but perhaps a contentious time of crisis can inspire sociology to rethink its engagement with the “diversity of possible futures” (Elias, 1987). As sociology itself is part of society it is also part of the contentious politics of the future, involving theoretical, empirical, and normative aspects. Analyzing the more or less contested constructions of reasonable future expectations implies listening not only to elites but also to grassroots voices. It is a striking example of entrenched power that the same economists whose decisions laid the groundwork for the Global Financial Crisis were – and in many cases are – still entrusted with developing new policies. The initial headlines of ‘capitalism collapsed’ were side-stepped by the

old economic thinking that one would have to bail-out banks to save the economy and prevent people from losing their jobs. Most of the measures taken by the top industrial powers followed the same old templates. There were missed opportunities. The crisis triggered by the Lehman collapse could have been a chance to rethink the fundamentals of markets, their purpose in society. Failures of banks and corporations could be used to restructure them according to democratic values. Autocratic hierarchies could be turned into participatory cooperatives, whose managers are being elected by employees. Once salaries become subject to democratic negotiations, the steep income inequalities could disappear. The focus on keeping markets running screened out a more fundamental rethinking of the proper functions of the economy for society. This seems to indicate that a purely economic analysis of crisis is not enough and that there is a need for a broader understanding of the politics of crisis and for a forward-oriented sociological perspective that engages the horizon of social imagination.

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