

## *Economics in joint collaboration with FESSUD*

### Leeds University Business School

**2nd MAY 2013**

**4-6pm**

**Clothworkers South Building LT3 (3.12)**

## **The North Atlantic Financial Crisis and Varieties of Capitalism: a Minsky and/or Marx Moment? And perhaps Max Weber too?**

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### **ABSTRACT**

This paper poses four sets of questions that bear more or less directly on the North Atlantic financial crisis and its wider economic, political, and social repercussions. First, what kind of evolutionary and institutional political economy is best suited to explain normal and crisis periods in economic development, their alternation, forms of crisis-management, and failures of crisis-management? I argue for a heterodox approach that recognizes the improbability of stable capital accumulation, identifies crisis-tendencies and the challenges of crisis-management, and analyses why crisis management tends to fail. Second, are different varieties of capitalism (hereafter VoC) more or less crisis-prone and is one variety more responsible for the North Atlantic crisis with its global repercussions than others? Here, while noting that each variety has its own crisis-tendencies, I argue that this crisis is rooted in a neo-liberal variant of the liberal market economy – compounded by speculation, control fraud, financial ‘criminnovation’, and other forms of predatory and/or political capitalism. Yet I also note that the uneven global impact of the crisis is linked to the current forms of integration of varieties of capitalism into the world market.

Third, can the financial crisis be explained through the autonomous role of money and credit relations in crisis dynamics without regard to the circuits of productive capital? Here, noting that the outbreak of the crisis has often been described as a ‘Minsky moment’, I affirm the relevance of his approach but seek to show its limits, both in general and for the current crisis. Fourth, can the crisis be explained in middle-range institutional terms or is it linked to the abstract possibilities of crisis inherent in foundational contradictions and di-

**All Welcome**