

Proposal: R. Ogman: Financialization, the Economic Crisis, and Debt-Organizing in the U.S.

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Paper Proposal

Financialization Working Group
2013 IIPPE Annual Conference
Political Economy, Activism and Alternative Economic Strategies
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International Institute for Social Studies, The Hague, The Netherlands
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Dear Financialization Working Group,

I would like to submit a proposal to the Financialization Working Group for the 2013 IIPPEE Annual Conference on "Political Economy, Activism and Alternative Economic Strategies". My paper is titled "Financialization, the Economic Crisis, and Debt-Organizing Campaigns in the United States". I have attached the abstract for this paper below. While I am submitting this as a paper, I would prefer to present this talk as part of a panel discussion if there is one which my paper would fit well with. Also, as my topic closely relates to neoliberal political regulation and social movements, I am also submitting this proposal to the Neoliberalism Working Group. I would be pleased to present this paper on either track.

Thank you for your consideration.

Sincerely,

Robert Ogman

Title: Financialization, the Economic Crisis, and Debt-Organizing Campaigns in the United States

Presenter: Robert Ogman

This paper will focus on finance-based accumulation strategies in the current crisis, and social movements targeting personal debt. My theoretical approach is based in critical political economy (Bryan/Rafferty 2010; Harvey 2010; Demirovic 2009), and I will discuss contemporary debt-organizing initiatives amongst U.S. *Occupy* groups and the California student movement.

Firstly, I rely on the work of Bryan and Rafferty (2010), who highlight the centrality of labor in finance-dominated accumulation strategies “as the provider of income streams for securities, to facilitate asset diversification and the search for yield.” They argue, “The rapid growth of mortgage, auto, credit card and student loans, as well as contracts on telephones, energy and health care, all provide the raw materials on which securities are built to meet the demands of global investors.”

However, the financial meltdown of 2007/08 revealed how this poorly “risk-managed” (ibid) labor produced not personal material crises for individual laborers, but a monumental effect upon global markets. As workers facing three decades of stagnant real wages failed to continue servicing increasing levels of mortgage debt, the U.S. foreclosure wave took down the global economy.

This collapse entailed a chaotic devaluation of capital, as investments in financial products could no longer be returned (Harvey 2010). New crisis management strategies emerged to control this process in the future. Drawing therefore from the “postneoliberalism” debates, I rely on Demirovic's (2009) description of new regulatory responses. These “new government technologies” are aimed at the “*strategic* destruction of capital.”

This means that political struggles today are defined by the question of *whose* capital will be destroyed: “inflation, small savings, assets for the rich, speculation against developing countries” (ibid).

As Bryan and Rafferty show, this centrality of labor in financialization also reveal its potential power, and hence I turn to current debt-organizing projects. I will look at two initiatives. First, the *Strike Debt!* Seeks broad-scale debt cancellation for individuals suffering under unsustainable levels of personal debt. And second, I will look at the California student movement's opposition to college tuition hikes and the privatization of public education.

Framed against the background of finance-based accumulation strategies, and government technologies coordinating the “strategic destruction of capital”, we will discuss the successes, limitations, and terrain of these contemporary struggles.

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Works Cited:

Bryan, Dick; Rafferty, Michael (2010): "Deriving Capital's (and Labour's) Future", in *The Crisis This Time. Socialist Register 2011*, Merlin: Wales.

Harvey, David (2010): *The Enigma of Capital and the Crisis of Capitalism*, Profile: London.

Demirovic, Alex (2009): "Postneoliberalism and Post-Fordism – Is there a new Period in the Capitalist Mode of Production," in *Development Dialogue 51* (January 2009): 45-58.

*I would be glad to present this paper together with others in the form of a panel discussion.

Presenter: Robert Ogman acquired his MA degree in Political Science from the University of Potsdam (Germany) and his BA in Social and Historical Inquiry from The New School in New York City. He is a PhD candidate at the University of Potsdam on the topic of the U.S. Occupy movement as a response to the economic crisis and potential source of political change.

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