Self-Reliant Subjects of Finance:

Investing and Borrowing in Working-class Households in Contemporary Capitalism

Niamh Aislinn Gray Mulcahy

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Declaration

This dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration except as declared in the Preface and specified in the text. It is not substantially the same as any that I have submitted, or, is concurrently submitted for a degree or diploma or other qualification at the University of Cambridge or any other University or similar institution except as declared in the Preface and specified in the text. It does not exceed the prescribed word limit of 80 000 set by the Department of Sociology.

Abstract

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This thesis examines the integration of households within finance markets in the United Kingdom, through increasing reliance on personal investment and borrowing, in order to understand how finance and risk have been rationalised as effective ways to make ends meet in the subjectivation of individuals and households. Against declining public provision of welfare services, many households invest in unit trusts and private pensions to provide for their futures, while the expansion of retail banking services during the 1980s has enabled the proliferation of borrowing for loans, mortgages and credit. These developments accompany a growing discourse in the UK about the importance of self-reliance and entrepreneurialism among the middle and working classes in creating a prosperous economy. I thus draw on accounts of financial restructuring in Britain, as well as national indicators on investment and borrowing patterns among households, to chart the rise of the entrepreneurial subject leading up to the financial crisis of 2008. These accounts, however, reveal striking disparities between middle- and working-class engagements with finance, with the latter overwhelmingly saving and investing less for their futures, while they tend to borrow more than they can reasonably expect to repay. This, I argue, represents the limits of financial subjectivity, with working-class subjects of finance restricted in their ability to save and borrow by structural inequalities such as stagnating wages or precarious employment. The thesis therefore approaches the issue of contemporary financialised inequality from a critical realist perspective, in order to examine the causal mechanisms underlying the shift to financial subjectivity, and the potential for change contained within new forms of stratification.

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Introduction

The signs of staggering personal debt across the United Kingdom emerging as a problem of concern within public discourse are easy to spot. As one Guardian article summarising recently released Bank of England figures declares, Britain is facing a 'debt timebomb' as financially squeezed households add to their 'debt mountain' in such a way that 'puts the ratio of household debt to GDP heading back towards the peak seen in the boom years before the financial crash' (Inman and Barr, 2017). Likewise, fears over dwindling household savings and stagnant wages have led commentators to conclude that Britons are increasingly relying on, and consequently depleting savings to make ends meet, as 'the amount being set aside as savings has now slipped to just 1.7% of disposable income – the lowest level on record, and a fraction of the near-10% average for the last 50 years' (Elliot, 2017). The perception is undoubtedly one of looming economic instability, fuelled by a reliance on credit and debt against a backdrop of insufficient income and savings.

The reality of debt as a facet of daily life in the United Kingdom is evident in the fact that 48% of households and 35% of individuals have some form of financial liability (Office of National Statistics, 2016). Additionally, the Financial Conduct Authority estimates that three quarters of the adult population have some kind of financial product or loan on which they make payments, meaning the issue of debt is not entirely absent even among the roughly 29% of people who make regular on time payments toward their liabilities (2017). But the involvement of individuals and households within capital markets does not stop at the acquisition of debt, as British households now have some 20.5% stake in the UK stock market, through the indirect ownership of equities including investments in private pensions, unit trusts, and insurance. As a result, personal savings are inherently tied to market performance.

Some form of direct or indirect involvement within financial markets has thus, in the span of about 40 years, become commonplace for managing household finances. But the successful navigation of risk and reward relative to existing income and assets is undoubtedly related to income. According to Collinson (2016), over 1 million households with incomes below £30 000 are in 'extreme debt', with unsecured debt (excluding mortgages) rising from £48 billion to £353 billion from 2012 to 2015. The issue is compounded by a decline of real wages by 10.4% between 2007 and 2015, making the repayment of debt more difficult (ibid.). Unsurprisingly, those with higher levels of debt are also less likely to be saving, with low-waged workers less likely to enrol in pension schemes or to contribute very little when they do (Clark, Strauss, and Knox-Hayes, 2012). The trend toward individual and household involvement in financial markets is thus a compelling phenomenon from the perspective of social stratification and the experience of inequality.

Within academic literature, there exist detailed accounts of individual and household involvement in capital markets that seek to explain rising debt and dwindling savings. In the first instance, savings are more aligned with market fluctuations as individuals increasingly invest savings in defined contribution pension plans, unit trusts, and insurance in the hope of generating larger returns for future security than traditional forms of saving or occupational welfare might provide. They likewise also borrow more through credit, loans, or mortgages, to make up in some cases for stagnating wage levels in the United Kingdom. The idea of a self-governing entrepreneurial subject who embraces financial risk because of the spread of neoliberalism has been advanced by Randy Martin (2002) and Paul Langley (2008a) among others (e.g., Lazzarato, 2012). They want to understand how financial instruments of investment and debt serve to regulate the conduct of individuals through their classification as potential risks and the infliction of a punitive system of repayment on delinquent borrowers. However, the issue of class, in the context of widening inequality, is less often addressed, as accounts focus on the processes that individualise subjects rather than the effects of income and job security on the ability of certain subjects to perform as successful entrepreneurs. Taking account of social stratification amid financial liberalisation within the United Kingdom since the end of the 1970s, this thesis offers an analysis of the engagement of precarious working-class individuals and households, or the 'precariat' (Standing, 2014) with capital markets as a means of understanding this emergent 'financial subjectivity', couched in the navigation of risk for reward. An account of the stratification of financial subjectivity along class lines is important in light of questions about whether there is, properly speaking, an entrepreneurial subject, given perilously high levels of borrowing and low levels of saving (Clark et al., 2012), since these practices belie the notions of responsibility and the understanding of risk.

I argue that the precarious working class, characterised as it is by employment in precarious jobs with few employer benefits and low wages, is disproportionately encumbered by debt as a limit on the ability to save, as well as invest financially and in personal development. To put it another way, future returns are heavily limited by repayment on past obligations, as a result of financial insecurity in the present. The question of the financial subject therefore must be situated in the context of class and inequality to understand the full operation of disciplinary policies aimed at regulating responsible conduct. As Michel Feher (2009) notes, when one's genetic and individual dispositions, family background, social milieu, abilities and talents are mobilised in an overall attempt to understand earning potential and financial stability, the financial subject is not merely an investor in markets in the literal sense, but in him or herself, measured as successful according to the kinds of investments they make in education, training, wellbeing, and so on. As a consequence, it is unsurprising that so many policies aimed at dealing with problem debt focus on money management and financial literacy rather than the broader question of income and job markets, intervening precisely at the level of self-conduct and 'inciting [people] to adopt conducts deemed valorizing and to follow models for self-valuation that modify their priorities and inflect their strategic choice' (ibid., 28).

The thesis works within the critical realist tradition, in contrast to other work done within the sociology of everyday finance which adopts a nominalist outlook in seeking to describe a neoliberal subjectivity that works through interconnected networks of finance and governance (e.g., Langley, 2008a). I maintain a distinction between structure and agency, to illustrate how changes in social structures and institutions give rise to changing subjectivities. I supplement Foucault's notion of governmentality in power relations with Althusser's concept, 'overdetermination' (1969), which suggests that multiple contradictions—for instance, the expectation of financial self-discipline with limited savings—condense into a unity of pressures associated with being part of the precariat. This makes it possible to understand how, in spite of the individualisation which has marked people out according to their identities and personalities since the end of the twentieth century (Bauman, 2001; Bell, 1973; Giddens, 1991; Lash and Urry, 1994), financial subjectivity is still inherently stratified along socioeconomic lines. The thesis is therefore also a theoretical investigation into the efficacy of nominalist approaches like actor-network theory (Latour, 1993; 1996; Callon, 1998; Langley, 2008a) relative to critical realism in accounting for socioeconomic stratification.

The financialisation of daily life

The term 'financialisation' has gained prominence in discussions of the economic period between 1980 – 2010 (Palley, 2013), referring as it does to the 'increasing importance of financial markets, financial motives, financial institutions, and financial elites in the operation of the economy and its governing institutions, both at the national and international level' (Epstein, 2001: 1). The world economy has been transformed, not only through the emergence of a huge services industry that now surpasses productive industries for employment in Western countries (Lash and Urry, 1994; Rhodes, 2017), but also as a result of the immense profits generated in financial sectors worldwide (Krippner, 2005). As Thomas Palley puts it, financialisation

> transforms the functioning of the economic system at both the macro and micro levels. Its principle impacts are to (1) elevate the significance of the financial sector to the real [productive] sector, [and] (2), transfer income from the real sector to the financial sector (2013: 17).

It is unsurprising, then, that financialisation is also marked by a rapid increase in household debt, from which profits can indeed be derived as increasingly more individuals and households are drawn into the market. As wages are disconnected from already low productivity growth (Rhodes, 2017), causing stagnation, individual households begin to experience greater inequality (Mishel, Bernstein, and Allegreto, 2007; Palley, 2013), as well as a greater reliance on credit and debt to make ends meet. Indeed, levels of debt within the United Kingdom have risen substantially over the last 40 years as credit cards and borrowing become commonplace in managing household finances. As of 2014 in which nearly half of UK households were in debt (Office of National Statistics, 2016), overall household debt in the United Kingdom amounted to £1,432bn including loans, mortgages and credit, of which £158.9bn was unsecured consumer credit (The Money Charity, 2014). By comparison, at the beginning of the 1970s and prior to the implementation of policies encouraging financial liberalisation, credit card debt was only £32 million as credit cards were mostly unavailable until the end of the 1980s (Block-Lieb, Wiener, Cantone and Holtje, 2009: 155). Mortgage debt among working adults in the United Kingdom has also increased with the expansion of the financial services industry: in the post-war period (1952) there were 1.65 million borrowers, which had risen six-fold to 10 million by 2012. The Council of Mortgage Lenders attributes this increase to a shift in ideas about saving for and buying a home: before 1970 the majority of buyers, at 58%, could purchase a house using just savings, whereas after 2000 only 37% did.[1] Likewise, before 1970 buyers did not necessarily think of their homes as investments for future

[1] In this context, it is also worth noting that currently, fewer people are purchasing their own homes with nearly a third of the population (29%) renting either privately or socially (Office of National Statistics, 2016).

improvements, since only 21% relied on income from a home sale to fund a new purchase, whilst after 2000 56% of buyers relied on this money (Clarke, 2012). For Costas Lapavitsas (2011), the financialisation of national and international economies is thus inherently bound up with a similar process occurring in daily life, as wages of the workforce represent a source of profit for financial institutions.

The study of the 'financialisation of daily life' (French, Leyshon, and Wainwright, 2011) has thus become an important subfield within economic sociology and the study of finance more broadly, although its importance has only been recognised more recently (ibid.; Lapavitsas, 2011). This literature 'has emerged from culturally inflected sociological accounts that take as their focus the ways in which money and finance shape and format life within everyday cultural economies' (French et al., 2011: 804). For instance, Randy Martin first acknowledges in 2002 the embedding of finance into daily life when he argues that 'people from all walks of life [have] to accept risks into their homes that were hitherto the provenance of the professional' (2002: 12). The welfare state has been restructured over 40 years, including cuts to benefits that require many claimants to dip into income set aside for other necessities such as rent payments and other basic needs (Joseph Rowntree Foundation, 2017). Martin (2002) therefore finds that the emergence of private sector solutions, such as private pensions to make up for collective insurance and welfare, or increased access to credit to account for decreases in wages, has led to greater household involvement in financial markets. Following on from this, Paul Langley (2006; 2007; 2008a; 2008b; 2008c) illustrates how the technologies of financialisation, such as credit scoring and reporting which enable the pricing of risk, have created self-disciplined subjects of finance who begin to monitor their own behaviour in accordance with the norms of financial markets. For Langley, individuals become subjects through these technologies, which encourage responsible borrowing and repayment practices, as they monitor and adapt their behaviour to conform with expectations of high credit scores that will enable them to borrow at lower interest rates.

In addition, 'technologies such as the securitization of mortgages, the shift from defined benefit to defined contribution occupational pension schemes, and the rise of personal pensions have helped bring forth new investor subjects and financially self-disciplined subjects' (French, Leyshon, and Wainwright, 2011: 804). To be sure, financial discipline covers not only borrowing, but also securing a future under insecure conditions. This is perhaps most clearly evidenced for scholars of everyday finance by changes to the pension system which mean that, in general, employee pension contributions are invested in portfolios in the hope of generating a large return, rather than matched by employers throughout the tenure of a career. Defined benefit plans were a hallmark of the British occupational welfare model from the 1950s to the 1980s, with employer contributions to occupational welfare schemes serving as a complement to personal savings and the Basic State Pension. However, the Office of National Statistics notes that the Social Security Act of 1986 created favourable market conditions for the development of the defined contribution scheme which saw employee pension contributions invested in a portfolio; indeed, prior to 1980, only 5% of occupational pensions were of the defined contribution variety, while after 2000 53% of newly established private pension plans were defined contribution (2013: 7). The upshot, for Langley (2008a), is a subject disciplined as an investor in their own future, and personally affected by financial risk insofar as they rely on the performance of investments.

Within the Marxist tradition, Maurizio Lazzarato likewise conceives of debt and the financial turn as productive in the Foucauldian sense in their ability to create subjects. According to Cesare Di Feliciantonio 'the debt economy always involves a "work on the self" that is able to conjunct together economy and *ethics*', so that Lazzarato's '"indebted man" represents a specific form of *homo oeconomicus* based on the control of subjectivity' (2016: 1209; emphasis in original). Key for Lazzarato (2012) is the way in which the creditor-debtor relation supersedes the more traditional power relation between capital and labour, so that workers are not simply labourers seeking to sell labour to those with capital, but have also become debtors with a moral promise to repay their debts. This obligation links individuals to social relations and social reproduction, and the resulting subjectivity is heavily governed by a conscience of repayment. As Di Feliciantonio puts it,

> indebtedness creates an individual subject that feels responsible and indebted towards its own creditor, this process concerning the whole society through the mechanism of public debt, so future generations will already be indebted when being born. Indebtedness creates a specific temporality of *promise* and *repayment* interconnecting the present and the future through an objectification of the future itself (i.e. the debt that has to be repaid) (2016: 1210; emphasis in original).

Also in the Marxist tradition, Michel Feher (2009) has picked up on the constant work that neoliberal subjects must perform on themselves as a function of the constant valuation of their 'human capital', which is to say, the skills they possess and the backgrounds that inform their abilities as they contribute to potential earnings. As in Lazzarato (2012), then, financial relations have fundamentally altered previously enshrined relations between capital and labour, as the workforce is no longer conceived in general as labourers free to sell their time and ability to whomever will pay for it, but instead become investors who are not the owners of a commodity for sale so much as they are 'managers of a portfolio of conducts pertaining to all the aspects of their lives' (Feher, 2009: 30). Wendy Brown echoes a similar sentiment when she writes that

> consumption, education, training, mate selection, and more are configured as practices of self-investment where the self *is* the individual firm; and work as well as citizenship are configured as modes of belonging to the business ('team') one works for or the nation of which one is a member (2016: 3).

As a result, subjects and citizens are conceived as 'member[s] of a firm and as [themselves] a firm, and in both cases appropriately conducted by the "governance" strategies relevant to firms' (ibid.).

My work in this thesis picks up on the altered status of the worker as not simply a seller of labour power, but also an indebted investor. I am particularly interested in how the working class, against a backdrop of unstable employment, income and benefits, is encumbered by debt as a constraint on what working-class individuals and households can accomplish where investment and personal development are concerned. This is particularly important in order to understand how, although the process of subjectivation encourages individualism and personal responsibility, financial subjects are still embedded within highly unequal relations of gaining skill and education, job prospects, income, and assets that can promote as much as constrain the success of individuals depending on their economic status. After all, the process of subjectivation itself involves the creation of subjects and the fostering of self-conduct through productive (rather than repressive) power relations (Foucault, 1994). It is not simply enough to study how, in the manner of the revitalisation of elite studies, an expanding 'rentier class' is able to mobilise vast amounts of financial capital and political influence (Davis and Williams, 2017) resulting in a recomposition of 'elite classes' (Savage, 2016). Similarly, although studies of a 'squeezed middle class' (Carré and Heinze, 2013; Mishel and Shierholz, 2013; Parker, 2013; Smith-Ramani and Mehta, 2013) allude to declining living standards for a formerly stable class as a result of cuts to even higher level managerial jobs, flexible labour contracts, and stagnating wages, this work does not yet deal with those whose debt finances basic necessities rather than a standard of living.

After all, each of these developments is relational, in the context of an economy undergoing financial liberalisation and accumulating profits through capital markets, which leads to stagnating wages and precarious or short-term employment (Palley, 2013). The correlation between indebtedness and low income is clear, with the Office of

National Statistics positing that 58% of households and 46% of individuals with incomes below £15,000 are in debt, borrowing at least 83% of their annual income on average. This is higher than the national average, in which 48% of households and 35% of individuals are in debt; and certainly also than those households and individuals in the highest earning quintile with average annual earnings of nearly £1,000,000, where 36% of households and 23% of individuals have debt, borrowing only 12% of their annual income (Office of National Statistics, 2016). The working class is therefore hugely intertwined with the financialised economy, even if many individuals and households struggle to perform as entrepreneurs who successfully manage their household risks. This interest in class-based inequality differs from the work of those such as Langley (2008a), French, Leyshon and Wainwright (2011), who follow the actor-network theory of Latour (1993; 1996) and Callon (1998) in a kind of 'cultural economy' (du Gay and Pryke, 2002). Cultural economy focuses on the performance of economic markets by actors such as economists, policy-makers, and even everyday investors as well as non-human actors such as technologies and predictive models alike. Instead I approach economic inequality as a structural facet that informs personal experience through the use of a critical form of political economy, in order to parse out the continuing effects of class stratification.

However, it is also the case that the notion of class is fraught with academic tensions through multiple and varied approaches. Despite its resurgence at the beginning of the twenty-first century as once again a useful concept in academic debate and public discourse (Savage, 2016), definitions and categorisations of people within a class structure differ greatly. The classical Marxist definition of class division as a binary opposition between exploitative bourgeois interests over proletarian basic needs (Coole, 1996) inspired the class politics of twentieth century Britain, with a 'traditional working class' located squarely in productive industries heralded as the 'harbinger of progressive social change' (Savage, 2016). But the decline of productive industry in the United Kingdom since the 1970s, and with it, traditional working-class culture, has ostensibly undermined such analyses, leading to perhaps more 'scientistic' schemas meant to classify individuals and households within professional hierarchies of employment relationships rather than in and through the language of exploitation (cf. Goldthorpe, 1980, in Savage, 2016). These classifications tend to assign 'people to social classes based on their occupational title and responsibilities over the workforce' (Chandola, 2000: 641); the landmark study was Goldthorpe's Nuffield class schema, out of which came the National Statistics Socio-economic Classification, used in the UK census from 2001 onward as a way of gauging class position. Savage (2015; 2016) has recently attempted to diversify these classifications with a Bourdieusian-inflected cultural sociology, highlighting the effects of social and cultural capital in the diversification of groups and individuals through a wide range of classes between the elites at the top of the structure and the precariat at the bottom.

My own definition of class picks up on the relational characteristics emphasised by Louis Althusser, Etienne Balibar, and Nicos Poulantzas within the critical tradition, who argue that class as a system of stratification is an effect of the mechanisms of distribution within a social formation such as financialisation, rather than a set of freestanding categories of discrete social characteristics. Class is not only defined by a particular occupation or average income, then, but instead represents the development of a division of labour and the distribution of resources (Connell, 1979), where the benefits of higher classes are gained at the expense of the lower classes. It is therefore possible to observe

> material differences between groups of persons, where these differences are stable over time and reproduced within a group whose membership is also relatively stable […] Material differences include measurable indices that can be summarized as life chances (income and wealth, job security, mortality rates etc.) (Coole, 1996: 17).

Attempts to conceptualise modern class structure beyond the polarisation between proletariat and bourgeoisie in Althusser are admittedly vague for the purposes of thinking about what constitutes a financialised working class, given that Althusser was only beginning to grapple with white collar and clerical labour (Connell, 1979).

But the precarious position in which Marx understands the working class to be in at the time of his own writing gives some insight into contemporary class relations, when he suggests that

> It is already contained within the concept of the *free labourer* that he [sic] is a *pauper*: virtual pauper. According to his economic conditions he is merely a *living labour capacity* […] If the capitalist has no use for his surplus labour then the worker may not perform his necessary labour (1973: 604, emphasis in original).

Whilst those in typically middle-class professional-managerial occupations can also be considered as selling their labour for their own reproduction, it is those in precarious work with part-time or zero-hour contracts who often suffer in the event of unemployment, with no benefits and little income in reserve. The 'fragmentation of traditional classes in terms of working conditions, incomes and attitudes' (Coole, 1996: 18) toward the end of the twentieth century has certainly resulted in the end of a traditional working class characterised by its place in skilled or unskilled production relative to the managerial classes and owners. But income disparity and diminished life chances for many who work, or struggle to find work, persists into the present. Commentators began to observe a new kind of polarisation dubbed the 'two-thirds/one-third society' (Therborn, 1989, in Coole, 1996: 18; Office of National Statistics, 2006) which sees the traditional working class eclipsed by a precarious one-third of working households and those who struggle to find work, including indebted young workers, single parents, those with certain disabilities that make long-term work difficult, pensioners, and even various ethnic minorities. This, Coole notes, includes various lower levels of the traditional working class which 'today shades into the underclass – precisely where its working becomes unreliable or yields wages below a certain level'. She is however quick to distinguish the differing connotations of the traditional and contemporary working-classes on the basis of the former's 'legacy of class struggle and organized political and economic activity' (1996: 18). Guy Standing famously calls this class of precariously-waged workers the 'precariat' (2014), describing them as denizens rather than citizens owing to their economic insecurity and reduced access to benefits and services. The precariat, which exists partly as a consequence of the intensification of uneven distribution through financialisation and also struggles with the realities of financial involvement due to low or uncertain income as well as employment, is thus the focus of my interest in a contemporary working class. Their levels of debt and limited savings can, in general, be traced through the lowest earning quintile reported by the Office of National Statistics (2016), which has average annual earnings of less than £15,000.

In light of systemic economic inequalities experienced by the precarious working class, I chronicle crucial institutional changes at the structural level that help shape the kinds of action available to actors in their everyday lives. Although it is theoretically reductionist to suggest that changes in a social structure inevitably determine changes at the level of subjectivity and action, this is not the same thing as arguing that structural changes create the conditions for new kinds of action, strategies, or reactions against surrounding social conditions. As regulation school political economy holds, the modes of social regulation, which can include norms, customs and habits, correspond to the institutional fixes that help stabilise and normalise crisis tendencies. I therefore chart the rise of financial subjectivity alongside the decline of the welfare state and the rise of what has been called post-Fordist growth in the financial and non-financial sectors, examining several important institutional shifts in corporate management, and the structure of banking, that enable people to adopt riskier strategies and courses of action.

According to Aglietta (2000) and Aglietta and Breton (2001), the rollback of the Keynesian welfare state and the emergence of a post-Fordist regime of accumulation also sees the rise of what is called the 'ideology of shareholder value', in which corporate management turns toward the maximisation of share prices over and above the security of employees and even the concerns of their customers (cf. Lazonick and O'Sullivan, 2000). Due to loosening restrictions on capital markets, a growing business sector emerged, characterised by corporate takeovers and competition, as well as an increase in the size of corporations. The maximisation of share prices was necessary to avoid takeovers, although it also created a culture that values financial objectives such as innovation and competition over security and consistency, for both firm managers and the workforce. This ideology of shareholder value therefore had two important consequences: firstly, it meant that firms were increasingly engaging in financial activity and trading on their own behalf rather than through banks, while, secondly, it introduced a new level of precariousness into lower-paid employees' lives where their employment, wages, and benefits are concerned. Employees therefore had to embrace a certain level of risk. At the same time, banks began to restructure themselves to rely less on making loans to corporations, as a result of the latter's increased capacity for trading, and more on providing personal financial services to households to draw a profit (Lapavitsas, 2011; 2013a; 2013b). The shift in retail banking services helps explain how individuals and households have been drawn into investment and borrowing in the climate of risk-taking described by commentators of shareholder value, in order to understand how investment and borrowing actually became regarded as viable strategies for managing household finances.

However, policy and public discussion also effect changes in attitudes about what is important, or possible to achieve within society at a given time. The Thatcher government, elected in 1979 amongst the capitulation of the Keynesian national welfare state, encouraged independence from state provisions in its discourse about how to revive the economy, arguing that bureaucratic unions were stifling individual initiative needed for economic recovery. The need for independence, however, did not stop at the level of institutions, but permeated everyday life, with Thatcher advancing the notions of a 'shareholding', 'property owning democracy', where share ownership and home ownership, indicating the privatisation of state assets, represented forms of independence from state provision. Thatcher may not have encouraged taking on debt, although her promotion of innovation as a solution to inequality, in the context of financial liberalisation, certainly made the acquisition of debt much easier for those with low wages.

Thus, through a shift in public discourse away from collectivist policies of the welfare state, toward privatisation and self-sufficiency, different possibilities for personal provision were made available and changed the way people made ends meet. Additionally, they also changed the way people thought about their circumstances, so that even those who did not agree with Thatcher had to contend with ideas of self-sufficiency, responsibility, and the need to take risks.

Consequently, my understanding of subjectivity refers to how subjects act, which is to say, whether they can reasonably act in a way other than the adoption of a certain level of risk and responsibility within daily life. Thus, there may be great opposition to the acquisition of further debt or financial risks through investment, but a feeling that they are nonetheless the only way to make ends meet within the current configuration of structures, institutions, policies, and subjectivity. Once framed in a certain way there is, as Foucault (1994) observes, less scope for the presentation of alternative ideas and frames so that, although debate appears varied and diverse, it only oscillates between a particular range of ideas or opinions. This is also an important point worth bearing in mind when thinking about the future of financial subjectivity in light of defaults on financial obligations, or a noticeable lack of savings across British households. As I note in the fourth and fifth chapters of this thesis, Clark et al. (2012) question whether a form of self-governing financial subjectivity is in decline as a result of a lack of saving and investing for the future on the part of households in the United Kingdom. They illustrate the emergence of a 'libertarian paternalism' (Sunstein and Thaler, 2013) that assumes individuals will not make informed decisions in planning for retirement, and so sees employers enrolling their workforces with the option to opt out later, rather than employees having to make the choice to opt into plans earlier. Clark et al. (2012) see this as evidence that the self-sufficient individual who makes appropriate financial choices never completely materialised. However, as Feher (2009) maintains, any investment that subjects make in themselves, whether they prepare themselves suitably for the future or badly, still manifests as part of the valuation of their portfolio of human assets. I therefore suggest, in a similar vein, that the policies associated with a libertarian paternalism are still firmly located in the realm of finance in order to encourage better investments. That is to say, the remedy to a situation in which people do not invest enough seems to take the form of structured programmes aimed at encouraging responsible, focused investment, alongside financial literacy programmes to cultivate a better knowledge of how pensions and equity markets function. In short, the solutions lie squarely within a range of ideas associated with finance, rather than with, for example, those associated with the welfare state. This, I argue, is indicative of the overall internalisation of risk-taking within contemporary capitalism, as a remedy to problems and as key for prosperity.

Metatheory and methodology: Reasoning about the research process as a whole

As a theoretical piece of work, my thesis aims to uncover the underlying processes that contribute to subjectivation and the differential experience of financial subjectivity. It therefore relies on a critical reading of texts and academic debates surrounding individualisation, self-regulation, and economic inequality, most notably in the assessment of Foucault's outline of governmentality in the neoliberal condition, as well as its broader use in academic literature to discuss the regulation of self-conduct. This is done in relation to empirical conjunctures, which include statistical indicators of individual and household engagement with capital markets across British society comprising debt linked to credit, loans and other financial products as well as mortgages; rates of savings and investment in pensions; or even the increase in basic bank account holding over the last 40 years. The thesis therefore takes a critical realist approach, meaning it is concerned with the causal processes undergirding these empirical observations and the underlying processes that make them possible (cf. Bhaskar, 1989; Sayer, 2000). In addition to these indicators, I also take seriously the role of discourse in shaping subjective experience, as yet another causal mechanism with the power to give meaning to situations, persuade individuals, and to help them make sense of their lives on a daily basis.

This approach therefore takes after the kind of critical political economy which Andrew Sayer argues must account for the effects of the 'lifeworld' on economic systems, where the former refers specifically to the realm of personal experiences, understandings, and subconscious biases and assumptions as a product of socialisation (2001: 689). To do so is to take seriously the ways in which people make sense of, and therefore interact with the economic structures that surround them. The cultural turn that Ngai-Ling Sum and Bob Jessop advocate involves an appreciation of culture as it is expressed through discourses that permeate social relations, including economic structures and corresponding political policies, rather than an isolated sphere in itself. Here political economy

> makes a cultural turn, broadly conceived as an interest in semiosis, to interpret and, in part, explain events, processes, tendencies and emergent structures in the field of political economy. Semiosis involves the social production of inter-subjective meaning and, as such, is a foundational moment of all social practices and relations (2010: 445).

In other words, cultural political economy seeks to understand how people produce shared senses and meaning within the material relations that socialise them. Unlike the cultural economy of actor-network theorists, which takes discourse itself to be performative and thus able to produce markets and economic relations, cultural political economy holds discourse to be an entry point into the study of economic relations because it frames the way in which social actors predominantly understand a wide array of objects and possibilities.

Kutter and Jessop outline the process through which cultural political economists study the derivation of sense and meaning from situations, beginning from the premise that 'no individual or collective agent can ever comprehend the totality of all economic (and economically relevant) activities in all its complexity – let alone in real time' (2014: 66). A period of capital accumulation under study, such as financialisation, can therefore be called an 'economic imaginary', as an 'enforced effort to reduce that complexity as a condition of going on in the world' (ibid.). In short, the economic imaginary represents a coherent way of thinking about myriad economic phenomena based on prevalent features like financial accumulation. An economic imaginary is developed in two ways. The first, 'complexity reduction', renders an otherwise complex and intricate world into one that can be grasped, calculated, and acted upon, while 'structuration' refers to 'the setting of limits to compossible combinations of social relations and stabilizing the expectations and actions of diverse individual and collective actors' in order to reduce 'the complexity of the economic world by establishing temporary fixes in time and space that allow for continued accumulation' (ibid., cf. Sum and Jessop 2013). Structuration and complexity reduction are therefore not the same as suggesting that all social practices are socially constructed through language and speech acts and consequently reducible to semiosis itself. Semiosis is, importantly, not simply the 'play of difference among signs', but also involves external reference to 'extra-semiotic conditions', or, consideration of the material conditions which give rise to certain understandings and meanings; semiosis is inevitably embedded 'in material practices and their relation to the constraints and affordances of the natural and social world' (ibid.). Indeed, as I explore in this thesis, discourse may contribute to the understanding of a socioeconomic situation such as household responsibility in financial terms, but it does not altogether allow individuals to transcend material barriers of financial inequality and material lacking. I illustrate this with reference to Margaret Thatcher's insistence on personal responsibility and innovation as key to overcoming poverty and financial difficulty, with reference to current levels of economic disparity.

In order to examine the development of the financial economic imaginary, I use a form of discourse analysis known as critical discourse analysis (Fairclough, 1992) to study the ways in which individuals are subjectivated through political and economic discourses or policy prescriptions, as I outline in Chapter Three. Subjectivation is enabled through the selection of certain discourses over others for interpretation and explanation of events or phenomena. These discourses are then retained, or reproduced. In keeping with Foucault's understanding of discourses, they may be retained and reproduced through the identities of social agents, including the ways in which they speak and act, as well as within the built environment (Fairclough, Jessop, and Sayer, 2004). As such, critical discourse analysis requires the study of context, such as social structures, institutions, or policies of an economic imaginary, in order to be able to interpret how discourses work on subjects.

Based on previous work done within cultural political economy, I employ a study of what is known as the 'periodization of capitalism' (Jessop, 2001a), which deals with the strategic possibilities that a period of capitalist development, such as Fordist growth in the Keynesian national welfare state, or in this case, the so-called post-Fordist financial period of growth, provides for subjects at any given time. I provide an analysis in the first chapter of the institutional fixes that not only serve to stabilise finance-led growth and accumulation, but also subjective experience of finance as key to personal growth. In this way, Parisian regulation theory, with its study of different periods of capitalist growth that sustain accumulation, and the modes of social regulation that help maintain these periods (Peck and Tickell, 1992), undergird my work in general. Regulation theory, which ultimately seeks to understand how, in spite of numerous crises capitalism sustains itself, also provides an analysis of the forms of social regulation that help reduce the complexity of economic situations for subjects. Consequently, the thesis is ultimately concerned with causal mechanisms, both discursive and structural, that create and sustain financial subjectivity. This is achieved through the process of 'retroduction', which Andrew Sayer suggests is a

> mode of inference in which events are explained by postulating (and identifying) mechanisms which are capable of producing them. […] In many cases the mechanism so retroduced will already be familiar from other situations and some will actually be observable. In others, hitherto unidentified mechanisms may be hypothesized (2010: 107).

In the remainder of this section, I outline my metatheoretical commitments to critical realism, which gives theoretical coherence to my methodology as a whole.

To the extent that cultural political economy draws from regulation theory and its focus on forms of economic and social regulation of distinct periods of capitalism, cultural political economy shares its similar commitment to realist social science, in an adherence to a materialist conception of society that is characterised by the interplay between social structures and socialised actors. In other words, people, who are born into social relations that pre-exist them, make decisions and choices, as well as take action, within a material context that shapes what they are able to do. As such, it is important to capture the relations that shape or restrain action in exploring the question of differential experiences of financial subjectivity, which is therefore not purely a question of interpretation of discourse and action, nor is it only about proving the existence of inequality through specific indicators. Indeed, critical realism is intended as an alternative to positivist explanation of empirically testable events on one hand, and hermeneutic interpretation of cultural uncertainty that characterises the postmodern rejection of a 'hard' social science, on the other (Benton, 2007; Sayer, 2000). While positivism engenders 'showing that [an event] is an instance of a well-supported regularity' (Keat and Urry, 1975: 9), hermeneutics, in contrast, entails the study and interpretations of texts and meanings common in so much postmodern sociology (Sayer, 2000). Each of these approaches is, I argue, inadequate for the study of subjectivation, which involves the examination of processes that give rise to a particular way of being and understanding. While this relies on the observation of empirical conjunctures, such as documented changes in financial accumulation and household access to financial products, financial subjectivity itself, as the recognition of oneself or one's goals in relation to financial politics and practices, is irreducible to the statistical observation of more engagement with capital markets, for example. Likewise, while the study of financial subjectivity relies on the study of meaning-making and understanding of processes surrounding subjectivity, this is not the same thing as suggesting that the study of subjectivity is one of interpretation alone. This is why the critical realist approach, which grounds meaning and understanding in material practices and occurrences, is the best approach for this thesis.

Critical realism 'distinguishes not only between the world and our experience of it, but between the real, the actual and the empirical' (Sayer, 2000: 11). The real constitutes 'whatever exists, be it natural or social, regardless of whether it is an empirical object for us and whether we happen to have an adequate understanding of its nature. Secondly, the real is the realm of objects, their structures and powers' (ibid.), including change through causal powers. The actual, then, refers to the circumstances that arise in the activation of those powers, while the empirical is 'the domain of experience, and insofar as it refers successfully, it can do so with respect to either the real or the actual though it is contingent […] whether we know the real or actual' (ibid., 12). Similarly, Datta defines the empirical as 'what people experience of the material world through their senses' (2012: 105), which has the effect of specifying the immediate relation of empirical objects of study to individual perception. As such, empirical perception does not tell the entire story of material and causal relations, even if it provides an indication. While it certainly admits the importance of empirical verification in some instances, then, critical realism does not proceed from empirical objects as the data from which to derive a theory, since it acknowledges that such objects of our understanding are usually the result of sets of forces and interactions that are not entirely observable, and must themselves be theorised. They are, as a result, always invested with certain conceptions and preconditions, so it is never possible to approach the study of an object from a totally disinterested (or theoretically uninformed) position (Datta, 2012). Critical realism is therefore 'wary of simple correspondence concepts of truth', since 'the world can only be known under particular descriptions, in terms of available discourses' (Sayer, 2000: 2). In contrast to postmodernism, however, it is not necessarily the case that all discourses are equally appropriate to describe or explain a circumstance, on the grounds that some descriptions may better account for actually-existing material phenomena. A major task of the critical realist project in the context of critical or cultural political economy is thus the explanation of the emergence of particular social relations of inequality through a demonstration of the way in which 'some event or change brings about a new state of affairs' (Keat and Urry, 1975: 31) in the attempt to grasp more abstract concepts of power contained within the levels of the real and the actual. This is a key distinction relative to the nominalist inflections of cultural economy and actor-network theory more broadly, which sees vivid description of particular conjunctures as the only means of understanding broader social connections (Latour, 1996).

Outline of the remainder

Besides an introduction and conclusion, this thesis is comprised of five chapters, which I outline here. The first chapter, 'A political economy of financial subjectivity and daily life in the British finance-led growth regime', defines financial subjectivity as a process that transforms the way individuals and their households make ends meet in the shift from personal savings and thrift, to investment and borrowing. It draws on inroads made by

Langley (2006; 2007; 2008a; 2008b) in the literature on everyday finance to understand how daily spending habits have changed since the 1970s. It also alludes in a deeper fashion to a broader structural picture of a declining welfare state, involving employers' waning commitment to employee pension and their subsequent privatisation under Margaret Thatcher. However, economic restructuring, such as the liberalisation of capital markets, is also responsible for the growing number of financial products available to consumers as alternatives to saving, in addition to a wide scale expansion of consumer borrowing through credit, loans and mortgages. I chart these institutional changes in this chapter, beginning with the emergence of the 'ideology of shareholder value' (Aglietta and Breton, 2001; Lazonick and O'Sullivan, 2000), to understand the introduction of work-related and fiscal instability into everyday life, before turning to the concurrent restructuring of banks and financial institutions to investigate how large numbers of individuals and households were drawn into financial markets through a wide range of investment products as well as loans, mortgages, and credit. I argue that these processes contribute to the production of subjects of finance within the United Kingdom. However, in addition to thinking about subjectivation as a form of governance over self-conduct, following Foucault (1985; 1988; 1994), I situate subjectivity back into the context of class and stratification (Althusser, 1971) in order to understand the differential nature of subjectivation.

Chapter two outlines the metatheoretical approaches underpinning the key arguments of the thesis. The first is critical realism, with its focus on retroduction as a means of deriving causal mechanisms that contribute to the rise in a financialised subjectivity. Within political economy, I address the approach of the Parisian regulation school, with a crucial focus on the process of subjectivation, and the accomplishment of subjectivity itself, as a form of social regulation that contributes to the support of a financialised regime of accumulation. From the perspective of cultural political economy as a complement to the regulation approach, I highlight the variation, selection, and retention of discourses, in order to understand the inflection of meaning within the process of subjectivation. I introduce narrative policy analysis as a way of studying discourse as a form of subjective understanding, before moving into a discourse analysis in Chapter Three.

The third chapter, 'Discourse and subjectivation: Thatcherism as a financialising discourse', looks at the discursive constitution of financial subjects by tracing the rise of Margaret Thatcher's discourse of personal responsibility and self-reliance in the United Kingdom, during the 1980s and 1990s. While the structural shifts noted in the first chapter illustrate the material conditions through which subjectivity is shaped, subjects also have ways of making sense of their complex situations and surroundings in the course of internalising the need to take risks as central to their own goals and lives. This chapter therefore examines the cultural dimension in the process of subjectivation: following Kutter and Jessop (2014), I think about Thatcher's ideology as a form of 'complexity reduction', in its promotion of self-sufficiency and personal innovation as key to rejuvenating the economy. I use a Foucauldian-inspired form of critical discourse analysis, which highlights the selection and retention of discourses as part of the creation of subjects in the context of a discursive formation (Foucault, 1970), which is the body of knowledge about an object such as the economy. I make specific reference to Thatcher's Budget speeches and Party Conference speeches, as carefully curated policy proposals and forecasts, in order to understand how discourse itself is a causal mechanism that inspires legislation, which has material manifestations, but also shapes a terrain of discourse and public understanding of economic events. Critical discourse analysis enables us to see how certain discourses can be selected by those seeking to frame a situation from many potential explanations of events, and retained or reproduced through subjective dispositions, including ways of talking and acting, as well as objective dispositions in the environment, such as organisational practices. Selection and retention are therefore matters of the successful exertion of power, which is why the policies of the Thatcher government are such helpful illustrations of these practices.

The first three chapters, then, deal primarily with the constitutions of subjects through structural and discursive processes. However, subjectivation never proceeds in a completely unproblematic fashion, with Foucault suggesting that forms of resistance always exist. These may not necessarily be large scale acts of organised protest, but can take the form of a failure to comply with expectations through daily struggles against the restrictive nature of financial subjectivity, operating as it does through the precarious nature of the repayment of debts. This is particularly the case with the precariat which typically has fewer assets and savings to rely on, given the large amount of debt they carry at a time when household entrepreneurialism typically demands fiscal responsibility and prowess. Chapter four, 'Daily struggles in investing and borrowing up to the financial crisis', therefore details these difficulties. In the first half of the chapter, I introduce struggles in saving and investing brought on by pension reform and privatisation in the United Kingdom since 1979. Where pension provision had previously been a concern of the welfare state, where the responsibility for risk lay collectively with society, Thatcher's reforms in the direction of privatisation, in which employers shifted from defined benefit to defined contribution pensions, saw risks borne by individuals instead. The New Labour government furthered this trend, leading to the availability of multiple state- and employer-sponsored schemes, although as Clark et al. (2012) note, many people were unaware of the differences between state and private pensions. The confusing nature of the respective programmes led to insufficient working individuals and households making adequate contributions toward retirement, so that a 'new paternalism' (ibid.) became necessary to ensure appropriate levels of saving. However, as I detail in the second half of the chapter, the savings of the precariat are generally undermined by high levels of debt from borrowing, although even this process is complicated by market restrictions on high-risk borrowers and their shift to subprime, high-cost markets. These kinds of issues demonstrate the highly unequal nature of financial subjectivity between the precariat and higher classes.

The fifth and final chapter seeks to answer the question as to whether precarious working-class subjectivity can still be considered financialised given every day struggles with saving and borrowing. I refer to the incompleteness of the subject, implied by Foucault, in relation to Althusserian overdetermination (1969), to illustrate how class, a concept missing from Foucault's seemingly flat ontology, conditions subjective experience. Overdetermination means that multiple contradictions such as that between saving and the repayment of debt, are condensed and experienced 'in a real unity' (ibid., 100). Hence, the implication is that the many contradictions associated with the need for stability in tumultuous economic circumstances are reflected in the category of precariat: precarious working-class financial subjects have a different experience of what it means to be 'financialised' than their higher-class counterparts. Solutions to these problems, which are increasingly recognised as social issues, are, however, located squarely within the realm of finance, insofar as they include financial literacy programmes to encourage saving and sustainable borrowing, or 'choice architectures' (Thaler and Sunstein, 2008) which prompt responsible forms of decision-making. Finance is thus still used as a way of solving problems, contributing further to the process of subjectivation.

Conclusion

This introductory chapter has proposed the concept of financial subjectivity as a means of studying the increasing reliance of working individuals and households on financial products, such as unit trusts, insurance, and private pensions to plan for the future, as well as the use of loans, credit cards or mortgages to make ends meet. Consequently, as I have stressed, financial subjectivity itself refers to the recognition that such products and practices are nearly necessary in everyday life, either for getting by fiscally, or meeting future financial goals. This process of subjectivation represents as much a key element of financialisation as the spread of finance across the globe through industries and markets, insofar as it illustrates the extent to which even private household finances are now entwined with the fluctuations of global markets. As such, it is important for political economy to examine how and why households become integrated, as well as the barriers to their success in navigating financial markets, which often include a low income or precarious employment, which makes it difficult to invest and repay money with any consistency. Indeed, perhaps the most characteristic feature of the contemporary precarious working class in the United Kingdom is the degree to which they are constrained, rather than enabled, by debt as it becomes a looming burden that is both difficult to repay and inhibits investment insofar as it is even possible. This means that, although financial subjectivity involves the individualisation of people, so that they are charged with a self-reliant entrepreneurialism, class still plays a major role in determining whether they will be successful financial subjects or not, which, in turn, implies that class analysis still has a vital role to play in sociological studies of contemporary capitalism.

Following an outline of this problem, I then explained the theoretical methodology I use throughout the thesis, which can be broadly summarised as a critical form of political economy known as cultural political economy. Cultural political economy takes not only material events and circumstances seriously, but also the meaning attributed to them and derived from them by actors socialised in a concrete context. To this end, it relies on the study of causal mechanisms that give rise to periods of capital accumulation, which are sustained and reproduced for a time through economic and social modes of regulation. It also requires an examination of discourse, to uncover the assumptions and preconceptions undergirding peoples' understanding of their economic situation, in the form of what is called an 'economic imaginary'. Underlying these approaches, then, is a commitment to critical realist metatheory, which seeks to study not only the material mechanisms that give rise to and sustain social relations, but also the necessity of meaning in social life. Finally, I provided five outlines of the chapters and their arguments that make up this thesis. I now turn to a thorough definition of financial subjectivity, which is the content of the first chapter of the thesis.

Chapter One:
A political economy of financial subjectivity and daily life in the British finance-led growth regime

Introduction

The financialisation of the economy over a period of 30 years in the United Kingdom from 1980 onward is a compelling phenomenon from the perspective of the study of inequality and social stratification, because it introduces a level of risk into the daily financial decisions of British individuals and households that post-war welfare policies were intended to reduce. The disconnection of wages from productivity growth and their subsequent stagnation (Mishel, Bernstein, and Allegreto, 2007) as a consequence of the predominance of the financial over the productive sector (Palley, 2013) has undoubtedly caused problems for households in general, as the cost of living rises. But for the precariat, as a group which is overall underpaid due to short-term or precarious employment in unskilled sectors or service industries, the shortfall is often only manageable by taking on large levels of debt (Office of National Statistics, 2016), which can be difficult to escape owing to unpredictable or limited income. Thus, while there is a general shift to riskier practices of borrowing to finance purchases or saving through investing (Langley, 2008a), there is a distinct disadvantage to the contemporary British precariat.

In this chapter, I will therefore provide an outline of the integration of precarious households within capital markets in the United Kingdom over a period of 30 years. I term the process in which individuals and households become reliant on financial markets to make ends meet, financial subjectivation, or the creation of financial subjects through institutional discourses and practices that encourage personal innovation and risk-taking behaviour using capital markets. Financial subjectivity is thus not about an appetite for risk, on the part of those involved in market or business relations, but rather the opposite, in which those who are otherwise financially risk-averse are incorporated into the market through institutional discourses and practices, requiring them to consider their goals and objectives through the lens of financialised policies and in relation to the market itself. For example, personal investment, instead of savings, has become a means of securing economic stability for households both in the present and future, given that it holds the possibility of greater returns than savings alone (Langley, 2006; 2007; 2008a; 2008b). Employers' waning commitments to collective insurance mean that much of the workforce have to consider investing in private pensions (Boyer, 2000; Langley, 2008a; Lapavitsas, 2011) instead of relying on occupational welfare (Cutler and Waine, 2001).

The subjectivation of individuals is, however, still a very class-based process (Lapavitsas, 2009a; 2011), given that the precariat are more likely to have large levels of debt and simultaneously less likely to have accumulated savings. As I illustrate in greater detail throughout the thesis, debt actually acts as a restriction on the kind of entrepreneurial activity that precarious working-class individuals and households can engage in, by limiting future possibilities for both market and self-investment with the repayment of past financial obligations. To this end, I sketch out the process of subjectivation as it affects the precariat in order to illustrate the inscription of social stratification and inequality within the overarching social structures of financialised capitalism. This requires a critical realist approach, which enables an understanding of how the interaction of subjects and structures produces and sustains new forms of stratification, which, in this case, require individuals and households to take risks in order to earn rewards. I begin, then, by tracing the origins of precariat financial subjectivity as it emerges alongside financialisation itself, before considering why, from a theoretical standpoint, critical realism is so crucial to the work of conceptualising the resulting forms of inequality that persist today.

Approaches to financialisation, and the role of subjectivity

According to Robert Boyer, financialised economies are generally characterised by 'giant mergers, capital mobility between countries, pressures on corporate governance, [and] diffusion of equity among a larger fraction of the population' (2000: 116). The academic study of financialisation therefore emerged in the 1990s, as a consequence of the deregulation of financial markets in the 1970s and the subsequent climate of 'financial liberalisation' that enabled financial accumulation (Lapavitsas, 2009b), although the increasing prevalence of capital markets in the generation of profit has certainly been acknowledged by political economists writing at the beginning of the decline of the welfare state (e.g., Baran and Sweezy, 1966). On one hand, financialisation is studied by political economists, who are predominantly interested in the global accumulation of profits in the financial sphere (e.g., Epstein and Jayadev, 2005), and the concurrent decline of profits in the productive spheres (e.g., Jessop, 2013). They investigate the macroeconomic development of profit rates (e.g., van Treeck, 2009), in addition to the microeconomic behaviour of firms, and the managers who are devoted to maximising their firm's shareholder value on the market (e.g., Aglietta, 2000; Aglietta and Breton, 2001; Crotty, 2005; Hall and Soskice, 2001; Krippner, 2005). In short, then, political economists have been primarily concerned with the study of the market mechanisms that give rise to, and sustain financial accumulation at both national and international levels.

On the other hand, financialisation is also studied by actor-network theorists who are interested in how technology, and the development of economic models (e.g., MacKenzie, 2006) actually contribute to the rise of financialisation. Unlike political economists, they consider that there 'is no singular "global financial system", [...] but a web of diverse networks of finance, each "made up of human bodies but also of prostheses, tools, equipment, technical devices, algorithms, etc."' (Calon, cited in Langley, 2008a: 23). From this perspective, it is important to examine the interaction of people and technology in the creation of new modes of governance (cf. Foucault, 1994) that define how individuals act. Actor-network theorists, advancing an approach termed 'cultural economy' (du Gay and Pryke, 2002), which acknowledges the role that discourse plays in performing economic relations, have therefore made important contributions to the emerging field of everyday finance (e.g., Langley, 2006; 2007; 2008a; 2008b) by thinking about how personal investment and borrowing form networks that develop alongside, and subsequently integrate with, financial networks on a global scale. Where political economists have studied the transformation of economies on a national and international scale as a consequence of new patterns of accumulation, actor-network theorists working within cultural economics have attempted to account for changes at the level of household spending and saving behaviours resulting from the spread of financialised discourses, models, and technologies. It is here that the question of subjectivity, or the integration of individuals into financial markets, becomes pertinent.

As a contribution to a critical form of political economy, this chapter situates the study of financialisation within the process of subjectivation (Althusser, 1971; Foucault, 1994) that occurs when individuals are subject to the demands of financial institutions and markets. Specifically, financial markets are touted as the most effective way to provide for households and individuals. This, of course, differs from the attitudes of successful risk-taking entrepreneurs who control large amounts of wealth in business sectors, as it instead refers to the need for the adoption of risk-taking behaviours on the part of typically risk-averse individuals in making household financial decisions. This difference, between entrepreneurs in business who have been trained to manage risk, and 'everyday' entrepreneurs, who often do not understand financial risk, illustrates the persistence of social stratification and class divisions among households in the contemporary United Kingdom. Thus, while I am interested in how individuals and households incorporate the demands of the market in providing for themselves and planning for their futures, I maintain the importance of analysing and understanding the pre-existing structures and institutions that individuals and groups are born into, and with which they engage.

While I acknowledge the importance of Paul Langley's (2008a) work on the constitution of investor subjects and their everyday interactions with finance, I depart from his reliance on actor-network theory owing to his rejection of overarching social structures in favour of interconnected networks, which are performed by actors. In other words, his work eschews the duality between agency and structure (Callon, 2005; Latour, 1996) for actors, of both a human and non-human variety (including machines, technology, economic models, etc.) as they are embedded within networks of nodes which 'plait' 'weak ties' into strong bonds that sustain society itself (Latour, 1996). My work, in contrast, retains a distinctly realist understanding of the social relations and structures particular to a period of capitalist growth, as causal mechanisms capable of actualising certain conditions or strategies for some subjects, but not others. As Jessop puts it, the interaction of individuals and their surroundings enables an understanding of 'the strategic possibilities any given period provides for different actors, different identities, different interests, different coalition possibilities, different horizons of action, different strategies, different tactics', rather than the simple determination of agents by structures (2001a: 285 – 86). In this respect, my theoretical approach follows some of the developments of the regulation school, a form of political economy inflected with realist concerns. I think about financialisation in the United Kingdom as a period of capitalist development known as a 'regime of accumulation' (Aglietta, 1979), or 'growth regime' (Jessop, 2013) that succeeds the industrial production and accumulation of twentieth-century Fordism, which saw profits derived from mass production (Aglietta, 1979). A finance-led regime of accumulation, in contrast, relies on 'labour market flexibility, price stability, developing high tech sectors, booming stock market and credit to sustain the rapid growth of consumption, and permanent optimism of expectations in firms' (Boyer, 2000: 116). The stability of such a regime of accumulation can be understood in terms of its 'institutional fixes' (Jessop, 2013), or configurations of structures and institutions that mediate crisis tendencies. In this case, market liberalisation, and the subsequent restructuring of corporations around shareholder value, have led to the emergence of a competitive business sector, from which profits can be derived (Boyer, 2000; French et al., 2011). Regulation school political economy thus explains how strategies on the part of policymakers, and individuals within institutions combine to stabilise growth regimes against economic uncertainty and crisis.

The regulation school has, however, been criticised for failing to consider the possibility that instability in a growth regime occurs as a consequence of 'contradictions and [...] incoherence at the level of [...] households' (Froud. Johal, and Williams, 2002: 135). In other words, it is not entirely clear from regulation theory alone, how individuals and households contribute to the reproduction of a regime of accumulation, or, conversely, to its collapse. As Bob Jessop and Ngai-Ling Sum put it,

> regulationist work [tends] to neglect the specific subjectivities, modes of calculation and strategic action that help reproduce the capital relation. This is reflected in the tendency to describe the structural context for social forces' actions without actually explaining these actions (2006: 256).

To address this shortcoming in order to be able to grasp how certain structural configurations enable particular kinds of subjective experiences, it is necessary to supplement the regulation approach with cultural turns in political economy, namely, what Sum and Jessop have called 'cultural political economy' (2013). This approach, which is outlined in greater detail in Chapter Two, holds that the economy is a complex world made up of material relations that pre-exist individuals. It explores 'how complexity is reduced (but not thereby mastered) through sense- and meaning-making (semiosis) and through limiting compossible social relations (structuration)' (ibid., 3). Cultural economists influenced by actor-network theory examine the assemblage of firms and industries, in addition to individual actors themselves, through discourses that perform the functions of the economy. Cultural political economy, in contrast, does not see discourse as constituting the economy itself, but rather understands it as an entry point into the existing, material world, through which to make sense of complexity. In other words, it is important not only to describe structural relations, but also to understand how individuals make sense of their surroundings and consequently interact with them. To sum up, then, I proceed from the assumptions of regulation school political economy, which hold that capitalist development occurs in specific periods, in order to understand how structures and institutions particular to these growth regimes either limit or enable action on the part of subjects. Additionally, I seek to understand how individuals make sense of this environment, in order to parse out the implications of financialised subjects for the growth and development of a finance-led growth regime in the United Kingdom.

The creation of subjects and the structural contexts of inequality

In contrast to the thick description of investor subjects provided by Langley (2008a) in his study of everyday finance, I outline in this section a critical realist understanding of the production of subjects in the context of the finance-led growth regime in the United Kingdom. I am therefore not only concerned with how everyday practices of finance interweave with global financial networks, but rather with how pre-existing structures and institutions help to shape how individuals interact with finance, and what they can do. Unlike actor-network theory, critical realism contains explanatory potential, given its interest in causal mechanisms that could account for the rise and normalisation of financial mechanisms in everyday life, which prove useful for some, and impenetrable for others. I address these structural mechanisms in the following section. Here, I elaborate on the process of subjectivation, or the creation of subjects through power relations (Foucault, 1988; 1994; Sayer, 2012), according to Foucault, although I supplement the notion of governmentality with Althusserian class-based subjectivity given that the former fails to account for the social relations in which subjects have to govern themselves. My aim, then, is to make clear how a process that is seemingly individualising in its classification of subjects, is still inherently stratified along class lines.

Actor-network theorists have gravitated toward Michel Foucault's use of 'governmentality' to describe an increasing tendency toward self-regulation on the part of individuals under contemporary capitalism. For Foucault, the government of subjects entails the actualisation of power within a discursive field wherein the 'individual is led to constitute him or herself as a subject' (2008: 5). Consequently, governmentality refers to

> the ensemble formed by institutions, procedures, analyses and reflections, calculations, and tactics that allow the exercise of this very specific, albeit very complex, power that has the population as its target, political economy as its major form of knowledge, and apparatuses of security as its essential technical instrument (2007: 108).

Langley therefore argues that 'the concept of governmentality suggests that all subjects' perceived self-interests as investors are discursively framed and manifest in their reflective, intentional and aspirational practices'. Although sometimes 'contingency, contradictions, tensions and ambiguities are also likely to be present in the making of investor identities' (2007: 73) as a result of struggles against constraints and power relations (Foucault, 1994).

According to Joseph, however, Foucauldian governmentality 'suffers from a lack of structure and social stratification', which is 'reflected in [Foucault's] refusal to see a hierarchy of social institutions' (2004: 162). After all, as Andrew Sayer notes, 'enduring structures are not reducible to chance configurations of force relations coming together [...] important though these may be. They are in many cases intentionally constructed, on the basis of cultural and legal templates that successfully mobilise materials' (2012: 186 – 87). In a similar vein, Paul Datta suggests that power relations always have to be situated within broader social relations, given that 'the structure of the social formation [...] allows us to account for the place of dominance, allowing us, then, to account for how strategizing is possible and effective' (2007: 293). Where Foucault considers subjectivation in terms of the 'analysis of the pragmatics of self and the forms it has taken' (2008: 5), critical realism enables an examination of the 'underlying structures and generative mechanisms' (Joseph, 2004: 162) that actually give rise to certain forms of subjectivity. In short, while acknowledging, as Foucault does, that forms of subjectivity are always susceptible to disruption as a result of 'contingency, difference and discontinuity' (ibid., 164), I argue that the power relations that constitute subjects must be contextualised within a social formation, or growth regime, since this helps to explain how the actions of subjects 'that are compatible with the recursive reproduction of the structure(s) in question' are 'differentially reward[ed]' (Jessop, 2001a: 285). Some individuals, after all, are better at acting in accordance with expectations placed on them than others, owing to 'their different capacities to persuade, read particular conjunctures, displace opponents, and rearticulate discourses and imaginaries in a timely fashion' (Sum and Jessop, 2013: 204), while others similarly struggle to achieve these things. This is why, whilst acknowledging the arbitrariness of power relations in keeping with Foucault, it is also crucial that they be situated within a social formation that explains hierarchies and inequalities.

To do this, I employ Louis Althusser's work on the role of historically constituted individuals in the reproduction of social formations, as a theoretical complement to Foucauldian subjectivation. Althusser is interested in the ways in which subjects internalise and act on the objectives of a social formation 'all by [themselves]' (1971: 169), while questioning, in a fashion similar to Foucault, 'how certain concepts functioned in specific historical conjunctures' (Montag, 1995: 57). Although Foucault undoubtedly rejects the concept of ideology and the notion of scientific Marxism, both he and Althusser adopt a theoretically anti-humanist approach in the study of subjectivity by problematising the notion of the individual, providing a certain level of theoretical continuity (Montag, 1995; Youdell, 2006). Foucault's outline of the process of subjectivation turns on the ways in which individuals are 'tied to [their] own identity by a conscience or self-knowledge' (1994: 130), and one of these forms of knowledge includes 'the objectivizing of the productive subject [...] in the analysis of wealth and economics' (ibid., 126). For Althusser, the economic realm is not simply one of many modes of subjectivation, but the one that explains how subjects produce and consume their means of subsistence, thereby grounding the distribution of resources within the social formation, and the subsequent stratification of subjects. In the capitalist social formation, the working class are thus hailed, or 'interpellated' as individuals with specific roles to play in the accumulation of capital, working entirely of their own accord (1971: 182). Called up as free and autonomous individuals by apparatuses like the family, religious or educational systems, legal and political institutions, or within culture (ibid., 143), subjects regard themselves as freely engaged in their activities, despite constraints that maintain class divisions.[1] Hence, then, in keeping with Foucault, subjects are formed within particular conjunctures through discursive practices about the self that, as Althusser has it, stem from material apparatuses of a specific social formation.

Financial subjectivity and its structural preconditions

It is necessary, then, to think through the particular structural and institutional configurations that give rise to financial subjectivity. Financial subjectivity itself refers to the growing need of individuals and households to rely on financial markets and institutions to make ends meet and plan for their futures, engaging in progressively riskier behaviour as they do this. The sort of entrepreneurialism promoted by government policy and industry advertisements see successful individuals as 'responsible and self-reliant figures who embrace risk and reward', as financial markets 'appear to present opportunities for individuals who want to progress' (Langley, 2007: 83). The conditions of possibility of social reproduction and everyday life are thus much more closely aligned with the

[1] For a critique of Althusser's so-called structural functionalism, see Appendix One.

performance of financial markets, given that income and job security are no longer sufficient to guarantee stability from the present into the future. Consequently, individuals are now 'called up' (Langley, 2007) or 'interpellated' (Althusser, 1971) as investors and borrowers who are responsible for providing for themselves instead of relying on collective provision and risk reduction for protection. This is a particular form of subjectivity, that permeates management and employment, as well as the government of working-class subjects (Amoore, 2004; Sayer, 2001). As I elaborate in greater detail in the first appendix, individuals are expected to be responsible financial citizens in the face of economic uncertainty, meaning that they have obligations to others in their actions as well as to their own futures, in contrast to earlier promises of financial security and consumer comfort promoted in the post-war Keynesian welfare state. Indeed, Langley charts the evolution in practices of saving and borrowing in Anglo-America, arguing that they 'have fundamentally changed in the past three decades or so' (2008a: vii), as 'thrifty savings practices of making deposits in commercial bank accounts and purchasing government bonds' (2007: 69) gives way to investment in pension plans and mutual funds (2008a), increased investment in mortgages and homeownership (Cook, Smith, and Searle, 2009; Smith, 2015), and 'day trading' (Langley, 2007). Thus, traditional forms of saving have been displaced by forms of investment, not for reckless speculation, but because they generate greater returns that saving alone. Additionally, individuals and households now acquire debt due to a growing 'acceptance that credit facilitates consumption and is part of modern society' (Szmigin and O'Loughlin, 2010: 599), with Lapavitsas arguing that they 'have been increasingly drawn into the realm of private finance to meet basic needs, including housing, consumption, education, health, and the provision for old age' (2009a: 146).

Although the incorporation of previously excluded households within financial markets is often called the 'democratisation of finance' (Noccera, 1994), the process itself requires the active stratification of such groups to distinguish a low risk from a high risk, ostensibly in order for markets to continue to function. Thus, financial subjects are studied and stratified, and, in keeping with both Althusserian (1971) and Foucauldian (1994) understandings of subjectivity, classified according to individual characteristics. Employment, income levels, and assets all play a role in differentiating subjective experience of financialisation, as well as the classification of subjects which enables specialised forms of government over large populations. For precarious working-class subjects, who make less than £15,000 annually, the experience of the spread of financial logic is likely to be oriented around the acquisition of debt and means of repayment, rather than effective personal investment that secures future subsistence. After all, the decline of real wages in the United Kingdom since the 1980s (Office of National Statistics, 2014a) is compounded by an increased 'proportion of household income accounted for by expenditure on "essential" household goods' including utilities and electricity (Office of National Statistics, 2013a), meaning that precarious working-class households are acquiring ever higher levels of debt simply to make ends meet. Consequently, those with lower weekly earnings and few or no educational qualifications are 'the most likely not to have any form of private pension saving' (Office of National Statistics, 2014b). Limited savings and assets as well as low wages thus mean that the precarious, low-waged sections of the working class may default on loans or mortgages lent to them, meaning that the market requires a way of classifying such borrowers according to the risk they pose for default.

The study of financial risk, or the prediction of the likelihood of default or repayment posed by particular households and individuals, is thus necessary as increasing numbers of people are reliant on capital markets (cf. Langley, 2006; 2007; 2008a; 2008b). The creation of new hierarchies, in the classification of borrowers and investors as either high- or low-risk, is evident insofar as they are accommodated by different sections of the market itself. While low-risk households with stable employment prospects and sizeable assets have access to mainstream sources of finance, riskier borrowers have typically been allocated to second-tier, subprime markets, which charge higher rates and fees to account for possible defaults. After all, as Langley has it, second-tier lenders must consider future repayment obligations by attempting to 'pre-emptively fold those future uncertainties into the present' (2007: 177). Consequently, anyone classified as 'high-risk' has to bear the burden of uncertainty almost immediately in the form of high interest rates, which can make borrowing sufficiently more difficult, and with it, the possibility of successfully managing finances and navigating financial markets.

Langley contends that financial risk does not represent a 'set of real dangers, [...] multiplied through market innovation and increased speculative trading' (2008a: 26), in a manner advocated by Watson (2007), but holds instead that it is a set of technologies and calculations for making future events and possibilities predictable (cf. Caouette, Altman, and Narayana, 1998). However, critical realists Rigakos and Law (2009) find that risk does not simply exist as a consequence of the ordering of categories, but also produces tangible, material, and therefore actually-existing consequences. Thus, while the idea of dangers or future events to be accounted for may not be inherently real in the present, the prediction and calculation for the purposes of ordering the future in certain ways has real consequences, making the study and prediction of risk a causal mechanism in itself. Particularly notable in this regard is 'the manner in which the category of "risk" itself makes possible market innovation and trading', such as 'the charging of interest in everyday saving and borrowing' (Langley, 2008a: 26), which stratifies individuals in certain ways according to their employment histories, levels of income, marital status, and homeownership (Caouette et al., 1998). People are therefore classified in a hierarchy and subjectivated according to their real attributes, characteristics, and histories, which are mobilised around the prediction of financial events such as their likelihood of repayment or defaulting on loans, credit or mortgages. At the same time, 'investment technologies of risk actually license the calculative taking of chance by the individual' (Langley, 2008a: 53) in planning for their futures, as taking risks is touted as a rational way to make ends meet.

What, then, are the structural and institutional configurations that enable such a form of subjectivity? I first discuss the effects of the ideology of shareholder value, as outlined by prominent members of the Parisian regulation school, in addition to the work of Lazonick and O'Sullivan (2000) on the transformation of the economy as a whole. This describes the emerging climate of insecurity and the promotion of personal responsibility among firms and their employees. However, in order to understand precisely how the precariat is integrated within financial markets through their daily actions, habits, and routines, it is also necessary to explore the reorganisation and shift in banking practices that drew precarious individuals and households into capital markets in a climate of uncertainty. I thus draw on Lapavitsas' work (2009a; 2009b; 2011; 2013a; 2013b) to illustrate how financial liberalisation and banking practices enabled changes in spending habits. These distinctions help indicate the class-based stratification that emerges out of financialisation, by showing the pressures faced by firm managers and the middle class during financial liberalisation, as distinct from those plaguing the working class. A more detailed exposition of these developments is available in the second appendix.

Financial liberalisation, shareholder value, and the finance-led growth regime

Finance-led growth regimes are characterised by the global flow and disembedding of 'money as the most abstract expression of capital' (Jessop, 2013: 19) and overall financial liberalisation. This is in contrast to earlier Anglo-American Fordist growth, where wages paid to workers contributed to domestic demand, continued mass production, and economic growth (ibid., 14). In other words, the social redistribution of the twentieth-century welfare state was made possible in part by a regulated wage which, in contributing to mass consumption, spurred further reproduction and economic growth necessary for welfare policies and infrastructure provision. Finance-led growth regimes, by comparison, move away from state regulation by removing 'controls on interest rates and quantities of credit advanced by financial institutions' (Lapavitsas, 2009b, 13), changing the supply of financial services. The concurrent development of a competitive business sector, in which firm managers aim to maximise shareholder value and take over smaller, inefficient firms, is part and parcel of 'the new growth regime and hence of the new economy' (Aglietta and Breton, 2001: 435). As profits are increasingly derived from asset price inflation instead of inflation in goods markets, the finance-led growth regime is more susceptible to the booms and busts of the business cycle than Fordism.

Financial liberalisation is premised on the global flow of money and competition between firms, which will ostensibly generate innovation. It comes as little surprise, then, that firms operating in finance-led growth regimes encourage competition among both managers and employees for wages, benefits, and jobs. It is indeed possible to see how, as a consequence of financial liberalisation, both work and lifestyles became more precarious and individual innovation was, more than ever, required in demonstrating one's relevance in a firm. Lazonick and O'Sullivan chronicle the emergence of the competitive firm, noting how those prior to the 1970s aimed to retain 'both the money that they earned and the people whom they employed', while investing in 'physical capital and complementary human resources' (2000: 14). A firm's earnings naturally contributed to its growth, 'while the building of managerial organizations to develop and utilize productive resources enabled investments in plant, equipment and personnel to succeed' (ibid., 15). However, as Anglo-American corporations grew in size, it became difficult for a centralised management body to make effective decisions about the investment of corporate resources, leading to poor performance. This was compounded by economic uncertainty, at the time of the collapse of Fordism, and new competition from international firms, which were proving at least as innovative as their Anglo-American counterparts.

According to Aglietta (2000), in the 1970s principal-agent theory, which holds that the market is more effective than managers in allocating resources, thus contested the efficacy of a managerial class that focuses on retaining employees and reinvesting profits. Principal-agent theory, in contrast, focuses on the interests of shareholders rather than managers, where the former are principals and the latter their agents (Lazonick and O'Sullivan, 2000). Indeed, principal-agent theorists argue that the poor performance of companies in the 1970s under the leadership of entrenched corporate managers necessitates a takeover market that uses a firm's market performance to discipline its managers. Consequently, the 'rate of return on corporate stock was their measure for superior performance, and the maximization of shareholder value became their creed' (ibid., 16; cf. Aglietta, 2000). The advent of a takeover market itself required institutional investors, who benefited from the 'transfer of stockholding from individual households to institutions such as mutual funds, pension funds and life insurance agencies' as regulators lifted 'legal restrictions on the extent to which life insurance companies and pension funds could include corporate equities in their investment portfolios' (Lazonick and O'Sullivan, 2000: 16). However, institutional investors are particularly important in their ability to influence corporate behaviour through 'the collective power of opinion wielded by capital markets in the new era of information technology':

> The process of evaluation takes place under the permanent scrutiny of investors, because rules and standards have made it possible to abstract from specificities of the firm's organization. Charters of corporate governance embody the principal-agent relationship in a set of formal procedures, require transparent information reporting, certified accounts and quantified prospects for future profit, so that performance of the firms can (without difficulty) be measured against objectives and benchmarks (Aglietta, 2000: 149).

The liberalisation of finance therefore provides a framework for understanding the emergence of financial subjectivity in the United Kingdom. The deregulation of financial markets facilitates the provision of financial services, as well as the growth of the business sector itself, and it is possible to see how, even though the managerial classes potentially stand to gain from increases in shareholder value due to their own stock options and incomes, their employment prospects are nonetheless tied to some level of uncertainty.

This uncertainty places pressures on all classes within British society, with even the managers of the upper middle classes at risk for job loss as a consequence of financial restructuring. Perhaps what is most noticeable is the downward trend in living conditions and life chances faced by the newly 'squeezed middle' class, comprised of skilled jobs in manufacturing and white collar clerical workers (Carré and Heinze, 2013; Mishel and Shierholz, 2013; Parker, 2013; Smith-Ramani and Mehta, 2013), who face stagnating wages, escalating housing prices, and limited savings to cover them in the event of financial shortfall (Parker, 2013). With debt in the United Kingdom currently sitting at roughly 160% of all household income (Smith-Ramani and Mehta, 2013: 118), dwindling savings undoubtedly place individuals and households at risk of financial shortfall, with limited means for protecting themselves in the event of unforeseen or changed fiscal circumstances. Indeed, over half, or 56 %, of UK adults have cash savings of only £5 000 or less, including 13 % who have no savings at all to speak of, leaving many at risk of having no savings for retirement or for financial contingency (Financial Conduct Authority, 2017).

However, the pressure of fluctuating in capital markets and labour markets is greatly magnified by low income, with individuals and households averaging only £15,000 of yearly income saving less; it is hardly surprising that 57 % of precarious working-class adults, having a household income of £15,000 or less, do not have any form of private pension for future provision, a number that decreases to 30 % among those with incomes of £15,000 to £30,000 (ibid.). In this regard, the Financial Conduct Authority suggests that saving is related to income, insofar as individuals and households with little to put away are less likely to contribute to a scheme; this is amplified among the younger working population both because they have not been working as long, and because their job prospects may be limited relative to older workers. It is also the case that individuals and households earning £15,000 or less on average borrow nearly 85 % of their yearly income (Office of National Statistics, 2016), so that most of their earnings are already earmarked for repayment of outstanding obligations. With regard to the stratification of financial subjects, indebtedness is key: although individuals are expected to take on an entrepreneurial role as investors and managers of household portfolios, much of what they are able to accomplish is limited by their reliance on debt to make ends meet, such that those with high levels of debt in the underclass are inevitably disadvantaged relative to those in the higher classes with more savings and assets to rely on in the case of contingency. Financial subjectivity thus manifests differently across classes, in spite of a common concern with job precariousness. For the precariat, the question is less about how to adapt to restructuring markets and more their incorporation into a system from which they have traditionally been excluded as a result of the wider embrace of risk, and with it, high-risk borrowers. It is therefore important not only to grasp the conditions under which wages and benefits became precarious, since it is generally understood that the recovery of profitability in the 1980s came at the expense of the workforce (Bakir and Campbell, 2006), but to also consider the mechanisms through which the precariat has been integrated within financial markets. This, after all, helps explain the subjectivation of the precariat as indebted subjects.

Hilferding's approach to finance: The restructuring of banks and the inclusion of the precarious working class within financial markets

I therefore turn to the work of Costas Lapavitsas, who draws on earlier inroads made by Rudolf Hilferding, in thinking about financialisation as a 'structural transformation of advanced capitalist economies' (2013a: 798) rather than considering it, as many political economists have previously done (e.g., Baran and Sweezy, 1966), as 'the escape of capital to the realm of finance' and away from production (Lapavitsas, 2013a: 798). Indeed, as the previous explanation of the ideology of shareholder value should illustrate, finance 'is a well-defined field of economic activity' in itself, rather than 'surface phenomena sitting atop the "real" economic activities of production and exchange' (ibid., 799 – 800). Lapavitsas is particularly interested in the 'molecular relations between contemporary industrial and financial capitals' (2009b: 17) that give rise to financialisation, following classical Marxist economics, rather than the development of social forms of regulation that sustain accumulation. Yet his account illuminates how financial and non-financial activity gives rise to new modes of accumulation sustained by household activity, as a way into thinking about modes of social regulation under financialisation.

While Hilferding argues that corporations become financialised as they increasingly rely on banks for investment (1981), Lapavitsas reiterates that the modern firm has 'been able to finance investment without relying heavily on banks. The primary mechanism has been retention of own profits', with external finance derived from trading in markets at a lower cost (2011: 620). As firms develop their own financial capacities, banks subsequently restructure themselves to account for the drop in revenue from trading on behalf of corporations. Banks, according to Lapavitsas, began 'mediating in open markets to earn fees, commissions and profits from trading', as well as expanding into household finance by lending to individuals and 'handling savings and financial assets' (2013a: 800). The upshot, I argue, is the integration of incomes into financial markets, as households begin to invest their savings in insurance, pensions, or unit trusts, while obtaining credit, loans and mortgages. This approach enables the illustration of how precarious working-class households contribute to the reproduction, or the possible disruption, of a finance-led regime of accumulation, rather than considering precarious working-class subjectivity as a mere offshoot of the introduction of risk and instability into the workplace.

The spread of finance across non-financial institutions

The account provided by Lapavitsas (2009a; 2009b; 2011; 2013a; 2013b) turns on the financialisation of otherwise non-financial spaces. Thus, general tendencies that might be shared among economies at an international level are characterised as 'financialised' to the extent that the logic of finance has permeated non-financial institutions, rather than to the rates at which profits have declined in productive spheres across individual national economies. What is crucial, for Lapavitsas, is the investment of retained profits by non-financial corporations in markets, as they draw even external finance from open financial markets. Consequently, '[e]ven the wage bill of large non-financial corporations is frequently financed through the issuing of commercial paper in open markets' (2013a: 799 – 800). This introduces the logic of finance into operations of the workforce that were previously non-financial, and with it a certain level of instability associated with the fluctuations of financial markets.

Tony Cutler and Barbara Waine call this process the 'transfer of risk to the workforce' in the 'pursuit of shareholder value' (2001: 105). Finance, as Duménil and Lévy (2011) note, is indifferent to stagnating or declining wages, and employees' reduced purchasing power, as its primary goal is the maximisation of shareholder value. This, however, enables the introduction of insecurity among the rest of the workforce in the form of a reduction of benefits provided both by employers, such as collective insurance and occupational welfare, which encompasses pensions and insurance, but also the provision of state benefits like healthcare, childcare, housing or education (Cutler and Waine, 2001; Langley, 2008a; Shalev, 1996). Thus, while savings and financial well-being were previously predicated on one's ability to find and maintain employment in volatile labour markets, workers are now also subject to the uncertainty of financial markets in making ends meet (Cutler and Waine, 2001; Langley, 2008a; Pfaller, 1991). While occupational welfare is derived from the 'social right to retirement income', in which 'society as a whole has a liability towards the holder of such a claim' (Aglietta, 2000: 157), private pension plans underscore the 'ageing society' and the pensions crisis facing the United Kingdom (Langley, 2008a) as a consequence of the slowdown in growth relative to escalating wages and the concurrent increase in state scheme liabilities during the 1970s (Cutler and Waine, 2001).[2] For Langley, the encouragement of private pension investment, where pensions are dependent on the performance of a pension fund rather than contributions from the state and employers, is a 'disciplinary disincentive' in the Foucauldian sense, insofar as it discourages the use of state insurance (2008a). This is exemplified in the Thatcher government's indexation of basic state pension benefits to prices rather than earnings, leaving pensioners with minimal income (Blackburn, 2002).

There is thus a noticeable shift in attitudes about provision for the future. Where the welfare state considered provision for retirement an obligation borne by society for staving off potential risks in the future, the current financialised state treats it as an individualised concern at least since the Conservative Party reformed British pension policy in 1985 (Waine, 1995). Class-based stratification becomes evident here, with Randy Martin noting that 'the link between wages and pensions' is now what 'labor unions negotiate or strike over' (2002: 133) in order to ensure future security for employees. In the Fordist growth regime, wages were a frequent source of concern for the traditional working class, 'as the means through which the market might be reshaped' to meet the needs of the workforce through consumption' (ibid.) and thus provide a certain level of security and comfort. Now, labour relations also include the future financial prospects of employees, due to fears about the devaluation of pension plan contributions. Meanwhile, the growth of pension funds has resulted in the concentration of wealth among their managers and corporate CEOs, rather than working individuals and households who make investments. For those at the lowest ends of the spectrum, characterised by the Office of National

[2] Appendix Two provides a further distinction between occupational welfare, and private occupational pensions.

Statistics (2014b) as having low weekly earnings and few or no qualifications and yearly earnings of £15,000 or less, 24 % of households hold no wealth in private pensions at all (Office of National Statistics, 2014c). Even when they are enrolled in a pension, stagnating wages and the rising cost of bills and utility fees, as well as childcare and housing costs, make it hard for low income households to actively contribute to their pensions and save for retirement from a young age (Cumbo, 2015). Additionally, few low income households have investment products or savings accounts, possibly as a consequence of 'financial disengagement' (Joseph Rowntree Foundation, 2015a). The benefits of personal investment are therefore primarily enjoyed by the higher classes, although there can be little doubt that the logic of finance has spread not only to non-financial sectors, but to household decision making as well.

Indeed, concern with financial illiteracy as a social problem, and its association with minimal or no investments on the part of precarious working-class households indicates the extent to which the welfare state has ceded to financialisation, as it illustrates the kinds of options and choices subjects have in planning and structuring their livelihoods. As private pensions eclipse occupational welfare, personal investment in unit trusts and portfolios becomes an important fixture in planning for retirement. This is primarily because, as Langley points out, personal investment on the market has the potential to generate greater returns than saving in an account alone, so that investment is actually touted as more rational that saving. It is thus not a form of 'irrational exuberance' in speculation, driven by 'herd-like' market behaviour (2008a: 34 – 44). This is part of what is entailed in the 'financialization of [...] income [and] savings' (Lapavitsas, 2011: 620), or the spread of the logic of finance to household decisions, as wages and savings are channeled through pension funds and unit trusts into the stock market.

Consequently, it is important to emphasise that the connection of household finances with capital markets does not mean that British households, especially where the precariat is concerned, are purchasing more stocks or holding greater amounts of social wealth. Individual or household direct ownership of shares has actually dropped substantially, reflected in the fact that only 10.7 % of wealth on the stock market is currently owned by individuals, down from nearly 50 % in 1969 (Office of National Statistics, 2013b). The Thatcher government certainly promoted individual share ownership throughout the 1980s, beginning with 'the British Telecom privatisation in 1984 in which 2 million people bought shares', and followed by the 'TSB and British Gas flotation, in

September and November 1986 [which] attracted 3 million and 4.5 million shareholders respectively' (Donabie, Hughes and Randall, 2010: xxxiii). To the extent that only 13 % of workers engaged in semi- or unskilled labour purchased shares, this primarily affected the middle classes, with 46 % of individuals in professional occupations buying shares (Norris, 1990: 69). However, individual share ownership in itself has not been the major force behind the integration of households within financial markets, as it is estimated that 'some new shareholders with an eye for the quick profit sold in the first few months to institutional investors', so that 'nearly 40 % of shares bought in privatisation schemes [had] been resold' (ibid., 67).

What is important to grasp instead is that financial markets have become a means of preparing for the future, in terms of being able to draw an income in retirement from a portfolio of investments managed by mutual fund managers. The increase in personal investment, and with it the spread of the logic of finance to personal savings, can instead be traced to the indirect ownership of equities, with individuals investing in portfolios and institutionalised funds in order to draw returns from their savings (Langley, 2008a: 49 – 50). Investment in unit trusts and private pensions form some of the major individual interactions with capital markets. Unit trusts are open-ended investment companies which pool the savings of their investors in a portfolio of securities. Individuals and households thus 'own a share or "unit" [...] in the fund, but have no ownership claims on its assets' (ibid., 57). Unit trusts have grown on the stock market since the 1970s in the United Kingdom, given that as of 2012 they comprised 9.6 % of holdings on the stock market, relative to only 4 % in 1975, and less than 3 % in 1969 (Office of National Statistics, 2013b).

Froud, Johal, Haslam and Williams assert that the United Kingdom has 'created a massive savings flow from households onto the stock market' (2001: 78), as households rely increasingly less on the welfare state for services. As Langley notes,

> 'Ownership' of pension provision now lies with the individual worker who no longer relies upon the collective insurance of occupational welfare and Social Security, but instead creates and carefully manages an 'asset base'—largely through equity-based mutual fund investment—that is to be drawn upon in retirement (2008a: 67).

Pension fund holdings currently sit at 4.7 % of wealth on the stock market, although this likely reflects 'fund managers broadening their portfolios to seek higher returns and spread risk' (Office of National Statistics, 2013b). Holdings by insurance companies now sit at 6.2 % (ibid.), so that individuals have some stake in 20.5 % of the stock market in the United

Kingdom, in addition to the 10.7 % directly owned by British households. This makes up a sizeable portion of stock market holdings, given that 53.2 % of shares in the United Kingdom are actually owned by world investors, so that many other British shareholders, such as banks (2.5 %), the public sector (3.1 %) non-financial corporations (2.3 %) and charities or churches (0.8 %) own fewer shares than investment and pension funds (ibid.).

However, aside from equities, households also invest in assets, most notably in the form of property investment, so that homes are not only a consumerist expression of place and security, and but also something to be maintained and improved for the purpose of 'trading up' (Langley, 2006; 2007; although see also Smith 2015). As a result of the expanding securities market, which has led to the origination of so many cheap mortgages associated with the housing boom, household security and prosperity is increasingly tied to the value of the home as a property that can be 'flipped' through renovations aimed at raising the price on the market, or let out as a means of generating rent to cover the cost of the mortgage (Langley, 2006). As a consequence, many British households are now imbricated within capital markets in the ownership of shares and assets, thereby linking the performance of markets with household savings and income. Appendix One notes similar trends in the United States.

The restructuring of retail banking, and the spread of household borrowing

As I illustrated in the previous sections, the restructuring of non-financial firms and the incorporation of the logic of finance within not only investment decisions, but also managerial tactics, has created a climate of risk and uncertainty among the workforce. This has, crucially, created a need for new personal financial services among individuals and households. As a consequence, it is also necessary to take account of Lapavitsas' concern with the reorganisation of financial institutions like banks, in addition to the previously discussed expansion of investment services. Undoubtedly, the restructuring of banks is, in part, related to 'the enormous growth of open financial markets in recent decades', so that in response to 'the altered conduct of non-financial enterprises' banks have 'moved toward mediating in open markets to earn fees, commissions, and profits from trading' (Lapavitsas, 2013a: 800). However, banks have also 'turned toward individuals (and households in general) to obtain profits from lending but also handling savings and financial assets' (ibid.) meaning that household income acts as a new source of profit for banks (ibid., 2011). This point is crucial in the development of financial subjectivity, as it indicates how workers, facing uncertainty at work from receding welfare schemes and stagnating wages, found financialised solutions to some of their problems in the banks' provision of loans or credit. There is, then, a shift both in the kinds of services provided by retail banks, and the way in which they are handled, stemming largely from the re-regulation of the financial system in the United Kingdom during 1986, where the Financial Services Act and the Building Societies Act dissolved institutional divides and encouraged competition among financial enterprises (Leyshon and Pollard, 2000; Wainright, 2012).

Andrew Leyshon and Jane Pollard argue that there has been a regulatory convergence in the provision of financial services between American and British banks, as a 'traditional and largely informal system of regulation was swept away [in Britain] and replaced with a more codified US-style system of statutory regulation' (2000: 208). In order to access larger populations, retail banking has been centralised so as to concentrate operations and provide services more efficiently through the use of customer databases and credit rating systems that enable the impersonal analysis of customers. According to Leyshon and Pollard, banks have also benefited from 'automated loan application processing systems, typically operated outside the branch at specialized loan centres. These centres enable banks to reap scale economies in processing while simultaneously removing loan processing work (and lending authority) from branches' (2000: 205). In other words, while local branches used to serve as sources of information about their local populations, in terms of the suitability of a loan or mortgage, restructuring has enabled banks to process large populations as part of their business models. The upshot is that branches now focus primarily on the generation of income through fees, as customers deposit and withdraw money from their accounts. There has, then, been a decline in bank branches, as customers move to direct or online banking (Coppock, 2013; Leyshon and Pollard, 2000).

The Financial Services and Building Societies Acts have also enabled increased levels of borrowing, given a certain amount of restructuring by investment banks that also took place in 1986. Most prominent in this respect was the arrival of the process of securitisation to the United Kingdom, which was re-engineered from its American origins to channel international capital into the United Kingdom (Wainwright, 2009). Securitisation is 'the process of "bundling" together a stream of future obligations arising from mortgages repayments to provide the basis for the issue of, and payment of principal [obligations] and interest on securities' (Langley, 2006: 283). This might include asset-backed securities, or the 'repayments arising from everyday borrowing' (Langley, 2008b: 136) for 'credit cards, consumer loans, car finance and infrastructure' (Wainwright, 2009: 374), in addition to mortgage-backed securities where residential mortgages are bundled together (Wainwright, 2009).

The introduction of securitisation within the United Kingdom was an important step in the changing social structure that gave rise to financial subjectivity, inasmuch as it is here that large scale lending in loans and mortgages was made possible. Thomas Wainwright argues that the Financial Services Act 'opened markets to a myriad of new financial institutions such as banks and centralized lenders, while the Building Societies Act (1986) allowed building societies to demutualize and become banks' (2009: 377; cf. Wainwright, 2012). This enabled American banks to establish lending subsidiaries in the United Kingdom, from which retail banks could then originate loans and mortgages (ibid.) as new financial products available to the British workforce. Securitisation worked so well for banks and lenders, because it was 'a cheap way of borrowing', where 'a company or lender can realize its income streams early' while some 'lenders also benefit from the off-balance sheet nature of securitization, which has led some banks to originate profitable, high-risk mortgages as credit risk has shifted from their balance sheets to investors' (Wainwright, 2009: 374; cf. Leyshon and Thrift, 2007; Dymski, 2007). By providing structured financial services, then, investment banks could concentrate the risk of default into tranches or fractions of capital in order to isolate credit risk as a smaller proportion of securitised notes available to investors looking for higher returns by taking on more risk (Wainwright, 2009).

The upshot of the process of securitisation was the so-called democratisation of finance and credit, whereby financial markets become accessible even to those who had previously been excluded as high-risks. However, this integration within market structures was by no means unproblematic. Ann Pettifor contends that the liberalisation of finance that has been responsible for opening financial markets, the removal of caps on interest, and the amount of credit advanced by financial institutions, were the roots of the easy availability of money that led to middle-class indebtedness and working-class households borrowing beyond their means. While those who own assets benefit from credit, 'which enables them to leverage their assets to obtain more', those 'who do not already own assets have had to borrow well beyond their means' (2006: 10), which subsequently leads to higher rates of insolvency. By rendering credit so easy to obtain for high-risk households, but also almost necessary for making ends meet, a longstanding history of poverty and indebtedness was exacerbated, given the 'strong relationship between indebtedness and low relative income' (Parker, 1990: 201). The process of securitisation, creating many indebted households who were reliant on some form of borrowing to finance basic needs or previously unattainable luxuries, certainly cultivated a period of volatility leading up to the 2008 financial crisis.

How, then, does the concept of risk stratify working individuals as subjects of finance? The management of risk undoubtedly creates a hierarchy of borrowers, by highlighting distinctions between those who invest for their futures and borrow to tide themselves over in the present, and those who merely borrow and acquire debt that is difficult to pay off. Previously, lending to customers relied on trust between customers and merchants established in face-to-face contact through patronising local shops and local banks (Caouette et al., 1998). This, however, made lending on a global scale nearly impossible, and it was only with the development of credit scoring techniques in the 1960s that people could begin to borrow *en masse*. Credit scoring techniques, after all, standardised borrowing according to 'details on occupation, [as well as] length of time in current residence', in order to calculate the probability that a credit cardholder will default, given their employment, financial, and residential/family histories' (Langley, 2008a: 149; cf. Ritzer, 2001). As a consequence, credit scoring has

> constituted the boom in consumer borrowing as rational, scientific, and controlled. This is especially the case as lenders have come to embrace would- be borrowers that were previously excluded and deemed too 'risky', as credit scoring provides the foundations for so-called 'risk-based pricing' (Langley, 2008b: 136).

Credit cardholders therefore pay higher or lower interest rates, depending on their credit scores and risk for default. Borrowers are divided between low- and high-risk categories, where the latter pay higher interest rates, regardless of whether they have actually defaulted on payments in the past. This hierarchy is considered necessary to the functioning of the market, given that lenders take a higher risk in extending loans, credit, and mortgages to borrowers who are more likely to default based on their income levels and financial histories.

This division, however, is the basis of new forms of material inequality for low-income, working households which have been classified as 'high-risk' owing to their structural constraints. Chinloy and MacDonald have previously argued that 'market completion', or 'the completion of the credit supply schedule with the market pricing for poorer quality credit' is actually a 'social welfare gain', because it allows subprime lenders to 'reduce borrowing constraints' on high-risk borrowers and grant them access to financial markets (2005: 153). Yet, high-risk borrowers have undoubtedly been the targets of exploitative lenders, looking to take advantage of the high interest rates and repayment cycles applied to their borrowers. Because of the high interest rates and fees applied to them to account for already precarious conditions like low income or unpredictable employment, many subprime borrowers have struggled to perform as successful financial subjects, which opens up the possibility of instability in their own households. The more households this affects, the more the regime of accumulation is also affected. The United Kingdom witnessed this on a large scale when, in 2007, the American subprime mortgage crisis began to spread, causing a 'global evaporation of liquidity' and a credit crunch in which high-risk loans and mortgages were withdrawn from the British market (Wainwright, 2009: 382).

This is the outcome, for Langley, of integrating household finances with the fluctuations of capital markets. Insofar as investment can be disrupted and even damaged by market uncertainties, 'so the meeting, management, and manipulation of on-going borrowing obligations are reliant upon relatively predictable wages' (2008a: 204). While high-risk borrowers on the subprime market are particularly likely to struggle with meeting the conditions of repayment, even low-risk borrowers borrowing through conventional means may be subject to uncertainty in employment. Financial subjectivity after all takes a level of stability in an individual's life chances that assumes no change in the wage relation as a precondition in the calculation of risk. In addition, it ignores the extra-economic concerns that precarious households also factor into their daily lives. However, because 'the borrower that is summoned up [...] appears as a disconnected and unitary subject, a figure that is disembedded from all but his/her financial relations' (ibid., 203), the discipline of financial subjects operates through the imposition of high rates and fees to discourage delinquency, and financial literacy to encourage personal responsibility. As a consequence, although subjectivation necessarily entails individualisation, and financial subjectivity encourages a kind of household entrepreneurialism, the process of producing financial subjects creates contingencies by virtue of the struggle against the individualising nature of the knowledge about individuals and groups (Foucault, 1994) as borrowers and investors working with the framework of overarching power structures.

Financial subjectivity is therefore all but solidified through the very practices of investment and borrowing that ground it, insofar as they carry the risk of default or insolvency, leading to a disruption in ways of life centred on financial responsibility. In Foucauldian terms, the process of subjectivation is never fully complete, owing to struggles with self-discipline that occur as a result of structural constraints such as job loss or market downturn, in addition to political struggles stemming from a conscious rejection of self-reliance in the absence of state welfare and social assistance. The Althusserian concern with the differential interpellation of subjects on the basis of class especially highlights how the immediate expectation of default among lower income households reinforces the potential for insolvency in the charging of higher rates and fees; these in turn exacerbate structural constraints on such families, in contrast to more successful everyday entrepreneurs who may be able to channel income into investments and assets while managing debt. Even where investment is possible among precarious working-class households, it is still no guarantee of stability and long-term prosperity, as the value of investments fluctuates with the markets.

Subjectivation and the individualisation of risk in a class-based society

To sum up then, everyday investing and borrowing are made possible by the transfer of risk from employers to the workforce, as a result of corporate restructuring in a financial liberal climate, in addition to the concurrent restructuring of retail and investment banking which has provided more scope for household investment and borrowing. In general, these changes indicate a larger shift from the provision for individuals and households as were made possible by the Keynesian national welfare state, to financialised economies that are entwined with each other on a global scale, each with particular localised structures and institutions (Wainwright, 2012). Precarious working-class households, in addition to the managerial classes who are forced to adapt to market competition, are increasingly subject to the fluctuations of financial markets in the course of making household decisions. What has become evident in this chapter is what Lapavitsas characterises as the increasing privatisation of consumption, not simply as a function of mass consumption, but in its very mediation by the financial system:

> the most striking aspect of the recent period has been the financialization of the personal revenue of workers and households across social classes. This phenomenon refers both to increasing debt (for mortgages, general consumption,

> education, health) and to the expanded holdings of financial assets (for pensions, insurance, money market funds) (2013a: 800).

The way in which subjects are constituted as individuals through financial systems is important, albeit less widely discussed. It is undoubtedly common to argue groups, households, and people are increasingly individualised within contemporary capitalism, as even the traditional structures of class give way under the decline of the welfare state and economic deregulation. However, the process of subjectivation and the creation of subjects are, by definition, one of creating individuals (Althusser, 1971; Foucault, 1994), and it is important to specify the nature in which groups are individualised. Consequently, what requires emphasis, I argue, is the particular way in which the financialisation of economies is responsible for individualisation, for creating entrepreneurial risk-takers who learn to view financial markets as a means of subsistence or possible success, or who, at the very least, consider risk and contingency an inevitability. This stands in contrast with the subject which had earlier been individualised and constituted as a subject through the use of affluence, or a stable wage, to express hard work and success, in an era of mass production and mass consumption.

Individualisation, after all, does not necessarily mean that a person or household can only rely on itself for success, but can also refer to the extent to which subjects see themselves as distinct from others. Individualisation as understood in the Fordism of the post-war era turned on the regulation of wages and benefits through the institutionalisation of collective bargaining, which created a certain level of stability among the traditional working class. This enabled them to become consumers and, importantly, homeowners, who could live further away from work and cultivate comfortable lifestyles suited to their unique tastes, outside their roles as wage-earning producers (cf. Aglietta, 1979; Jessop, 2013; Wolff, 2005). That is to say, individualisation previously concerned the expression of meritocratic success as evidenced by consumption perpetuated in the present, while financial subjects are individualised in the amount of responsibility they are expected to take for their future success. This is exemplified in the realisation that, although mass consumption is still a major driver of the economy, it is now linked with indebtedness and the need for future repayment, rather than current household prosperity. This shift can be observed, Langley notes, in the ways in which homeownership can now symbolise an asset for the future, in addition to a status symbol reflecting current earnings: 'future autonomy and welfare for owner- occupiers and would-be owner-occupiers increasingly appears to turn less on the home as an individual space of shelter and refuge, and more on the financial returns achieved from house price rises. In short, liberal suburban subjects are now explicitly neo-liberal property investors (2006: 290; Lowe, Searle and Smith, 2012). Randy Martin has even gone so far as to argue that securitisation performs the function of earlier forms of the dispossession of the precarious working class, to the extent that '[p]ossession has been rendered liquid so that it can be revalued daily', when those who own homes are prepared to divest themselves of their asset in order to move elsewhere for a better job prospect or greater economic return (2002: 141 – 42). Consequently, it is insufficient to emphasise individualisation as a contemporary process, without appropriate attention given to particular experiences associated with structural changes. The presence of certain structures and institutions in any given regime of accumulation helps explain subjectivity itself, owing to the range of knowledge they generate about groups and individuals, but their ability to shape the actions that subjects can also reasonably take within their surroundings. In the case of the accumulation of capital and emerging finance-led growth, the class-based wage relation is sustained and recombined to form financialised subjects.

The endurance of class in an individualised growth regime

Indeed, in spite of claims concerning the diminishing structure of class in contemporary capitalism, there are still good reasons for taking class-based socioeconomic inequality very seriously. Indebtedness is highly stratified according to earnings and savings, as this chapter has shown, so that many households are beholden to financial institutions: the spread and 'democratisation' of finance does not ameliorate the condition of the precariat, so much as it makes it easier to enter financial markets. In addition, the emergence of personal investment as a rational technology of the self has not shifted the overall ownership of wealth to diverse groups of individuals, but has rather cemented the control of social wealth in the hands of financial institutions and fund managers (Martin, 2002). In short, the promotion of individual or household independence still happens within the constraints of the wage relation, with the entrance of numerous households and individuals into capital markets largely reflecting a shift in '*patterns* in the ownership of financial market instruments (especially equities), with an increasing proportion of the total by value held by pension and mutual funds' (Langley, 2008a: 49; emphasis added). However, 'everyday investment has done little to challenge the privileged place of the wealthy in the direct ownership of equities' (ibid.), even if more households are involved in the market by virtue of owning shares in investment trusts and pension plans.

Consequently, Lapavitsas contends that the involvement of precarious working-class households in capital markets is still inherently stratified according to exploitative class relations, given how '[b]anks and other financial institutions have been able to extract profits directly out of wages and salaries rather than surplus value'; in addition, they 'have also been able to make profits out of [personal] assets, particularly as public provision of pensions has retreated, encouraging the channeling of [household savings to pension funds, insurance companies, money funds and thus the stock market' (2011: 620). The examination of relations of distribution, such as wages and profits (Skotness, 1979), is crucial to understanding contemporary class inequality, although much of the focus has, to date, been on declining job security and career prospects as a result of the financialisation of the workplace (Thompson, 2003; 2013) and the enterprising attitudes working individuals are forced to adopt while at work in order to further their careers (Amoore, 2004) if they are to be successful in a labour market which is not rapidly expanding (Lapavitsas, 2011). Indeed, it is precisely because of the stagnation or decline of wages, partially as a result of outsourcing (Boyer, 2000; Leamer, 1996) that finance begins to take an important role in everyday lives of workers. Yet, insofar as finance requires one to account for future risks in the present, it does not always alleviate problems associated with declining wages or job loss. Thus, as I've noted, providing for oneself or a household has not necessarily been made easier by finance, so much as it is the case that the logic of finance appears to be the most viable or rational way of making ends meet.

Financial subjectivity, as the intersection of risk and financial markets with daily decisions involving household reproduction, is thus intricately related to the social relations of contemporary capitalism, rather than a contingency produced by the interaction of conflicting sources of power. On one hand, as Sum and Jessop note following Foucault, '[s]ubjectivation involves not only the creation of subject positions but also of "willing" subjects, that is, subjects who are willing and able to play their allotted roles', alongside the 'objectivation' of the natural and social world through 'different technologies of power/knowledge' (2013: 112). As a consequence, courses of action that correspond with discourses about the world and help to reproduce it are 'differentially reward[ed]' (Jessop, 2001a: 285). Subjectivation in and through financialisation thus undoubtedly produces contingencies that cannot necessarily be accounted for in a regime of accumulation, since '[i]nvestment as a technology of the self is contradictory. It rests on calculating market risk/reward, but necessarily cannot bring order to its own future uncertainty' (Langley, 2008a: 111 – 12), which is coupled with similar issues in borrowing.

On the other hand, however, is the importance of situating these processes within existing social relations which are through the causal powers or underlying structures and generative mechanisms, transformed and recreated. The call, or interpellation, to entrepreneurialism and self-sufficiency is inherently related to broader social and economic changes that render reliance on welfare state provisions problematic, or even the cause of crisis, while financial markets themselves emerge as a source of opportunity. The precariat, in turn, respond by reorganising and adapting their lifestyles to fit this requirement. Yet, financial subjectivity is still situated within the wage relation, which is itself a source of hierarchy, inequality, and thus, a potential source of contingency in the process of creating successful entrepreneurial subjects who can reproduce their households and contribute to the economy. Contingency, while indicating that causal relationships are never inherently deterministic or structurally functionalist in producing subjects to prop up capitalist growth, still has antecedents in existing material, social and power relations.

Critical realism and the study of inequality

In this chapter, I have sought to indicate how a particular form of subjectivity, namely, financial subjectivity, is inherently bound up with the structural relations of the financial growth regime, in spite of the fact that subjects themselves often act in contingent, or unpredictable ways. That is to say that, although the exercise of power on groups and individuals may produce unintended consequences, the kind of power exercised by a ruling class is nonetheless related to existing socioeconomic structures, which goes some way to explaining the kind of stratification groups and individuals might face under a regime of accumulation. For these reasons, I have departed from Langley's actor-network theory research programme (2008a), and adopted instead a critical realist outlook by relating the progression of self-reliant subjectivity, expressed in investing and borrowing, to changes and developments at the level of markets and government in the United Kingdom since the 1980s.

Critical realism, as a philosophy of social science with metatheoretical assumptions about the ontology of social relations and their epistemological study, is elaborated upon in greater detail in the second chapter. Here, I note that retaining the structure/agency duality, which distinguishes between overarching social structures and individuals who are influenced by these pre-existing conditions, is necessary to studying the persistence of economic inequality in the contemporary regime of accumulation. To be sure, Langley's actor-network theory finds the structure/agency duality constraining (ibid.) in his attempts to figure out how capital markets have connected and been infused with everyday practices of saving and borrowing in the process of studying the increasing need for self-reliance. But a critical realist focus on agency as operating within the constraints of a social structure is necessary to understand how expectations of self-reliance affect groups, or classes of individuals, differently. Although responsibility for present and future success has undoubtedly become individualised, as I have illustrated in laying out the tenets of financial subjectivity, an aptitude for carrying this out successfully still persists among the middle and higher classes, to the exclusion of the British precariat. Hence, it is not enough to say that social problems have become individualised the further the logic of financial markets permeates everyday life because some individuals experience failure more often than others, which, in the case of financial subjectivity, is closely related to levels of income and qualifications, type of employment, as well as amount of savings and number of assets.

Conclusion

Although academic interest in financialisation and the emergence of finance-led growth regimes as a distinctive feature of contemporary capitalism has surged since the financial crisis of 2007 – 2009, the connection between financial markets as a major source of accumulation and the appearance of financial logic in everyday decision-making remains under-theorised by critical theorists who want to understand current forms of inequality and stratification. Where cultural accounts of a neoliberal kind of subjectivity stress personal experience as individualised and divorced from ostensibly earlier class distinctions, they rarely make links with broader social forces that give context to the actions of subjects. In this chapter, then, my aim was an examination of financial subjectivity as a process that constitutes individuals as entrepreneurial subjects who, through the development of technologies associated with the calculation of risk, manage their affairs and financial futures as a series of investments and returns. Specifically, from the end of the 1970s onward in the United Kingdom, individuals have become 'everyday investors', relying on returns from pension plans to supplement income and prepare for retirement, in contrast to earlier use of regulated wages, collective insurance, cash savings and provisions set out in workplace collective agreements from 1945 through to the 1970s. Additionally, as part of their 'everyday entrepreneurship', they also become borrowers and make use of credit, loans and mortgages to make ends meet. Consequently, household finances are, in a finance-led regime of accumulation, intricately bound up with global capital markets.

It is therefore necessary to consider and understand the structural mechanisms that contextualise this sort of action on the part of financial subjects. I have thus stressed that financialisation, as a period of accumulation with institutional fixes such as the financial liberalisation dating back to the 1970s, represents a sequence in the periodisation of capitalism and, consequently, has its own particular configuration of interactions between structures and subjects. This includes the increasing prominence of financial logic in the management of even non-financial enterprises, brought on by the restructuring of markets and the drive for shareholder value. While Regulation school accounts have focused on the ideology of shareholder value and its effects on the managerial classes in thinking about the emergence of financialisation, I expanded this to account for the effects of contingency and financial precariousness on the working class in the United Kingdom. I subsequently followed Lapavitsas in considering the effects that market liberalisation has had on the restructuring of investment and retail banks, in order to understand how the reorganisation of firms and banks has given rise to the financialisation of household income, in the prevalence of personal investment and borrowing as welfare state provision declines. I contend that, although this process has undoubtedly produced individualised subjects, they are still oriented by their relation to employment and wages, inasmuch as those who are less successful in investing, saving, and repaying are also usually those with unstable employment and wages. This is very disadvantageous for the precarious working class, given that risk-taking has become a means of providing for oneself or a family: the need to take risks is structurally inscribed within the arrangement of financial institutions as a result of declining welfare provisions and market liberalisation, so that risk as a precursor to reward seems, in itself, a rational formula to making ends meet.

My metatheoretical understanding of this process therefore diverges from the actor-network theory approaches to Foucauldian governmentality taken up by some scholars of 'everyday finance', which stresses contingent power relations in the creation of entrepreneurial subjects who learn to govern themselves in neoliberal fashion. My own approach is underpinned by critical realism, which stresses underlying causal mechanisms found in the structural transformation of post-war capitalism and the emergence of finance-led growth, to understand the configuration of relations and interests in the subjectivation of the precariat as financial subjects. In order to address the persistence of class relations in the stratification of society, it is possible to invoke Althusser's understanding of subjectivity as constituting a class of individuals, historically specific to capitalism, alongside Foucault's outline of the study of the separation of individuals from each other in the process of subjectivation. Stressing pre-existing social conditions gives a context, I argue, to the subjectivation of individuals in a particular time and place.

Chapter Two: Metatheoretical underpinnings and methodological approaches: Critical realism, regulation theory, and cultural political economy

Introduction

The preceding chapter defined financial subjectivity as the individualisation of financial risk at the level of household spending and saving, in the acts of investing and borrowing. Understood in this way, I argued that the contemporary, precarious working class in the United Kingdom is at a noticeable disadvantage to the higher classes with more stable employment and income, owing to precarious work or low incomes averaging less than £15,000 per annum, both of which restrict the ability to save, exaggerate potential financial loss from investment, and magnify problems of debt and repayment. Consequently, I maintained that the process of subjectivation, or the governance of individuals' self-conduct, always happens within the context of the structures and material relations of a social formation, which implies class-based stratification related to the distribution of resources. I therefore situated the process of subjectivation within the climate of financial liberalisation that led to the expansion of credit and investment alongside the decline of lower-risk options for provision and saving, to illustrate how subjective experience is nonetheless conditioned by structural forms of inequality. The theoretical development of this position is guided by three related approaches which I've briefly alluded to so far, namely critical realism, regulation school political economy and its discursive variant, cultural political economy.

This chapter elaborates the metatheoretical assumptions the thesis makes in its adherence to a critical realist philosophy of social science, owing to the role of critical realism as 'philosophical underlabourer' that produces knowledge about the social sciences (Joseph, 1998). This includes ontological assumptions about what constitutes the social world, which can be found in the work of Parisian regulation theorists who conceive of social production and reproduction through the accumulation of capital and regulation of crisis tendencies within any given mode of social regulation. For regulation theorists, the social world is comprised of material structures and economic, political and social relations that pre-exist individuals and consequently influence the kind of action they can take. This is evidenced in the concepts of the growth regime and the mode of social regulation, which explain production, consumption and reproduction, as well as the mediation of crisis tendencies through institutions, networks and conduct, respectively (Jessop, 2001b). The social world is therefore one that exists independently of socialised actors, although it is nonetheless influenced and shaped by them. The other important metatheoretical concern encompasses epistemological assumptions made about how social scientists know about their objects of study, through a critical form of political economy called cultural political economy that understands the discourses produced about economic and political relations as an entry point into the apprehension and study of the social world. Crucial here is the fact that the social world exists independently of our thinking about it, as a set of material structures and institutions and embodied relations, and is understood first and foremost through the kinds of discourses produced about it. Discourses thus do not construct the social world in a performative way, bringing concrete relations and structures into actuality simply through discussion and statements of existence. The ideas and concepts discourses contain can, however, occasionally act as causal mechanisms that create macro-level change by motivating new kinds of thought about how things should be, inspiring new kinds of behaviour and action, or indeed a commitment to current standards.

Here, I outline how critical realism, regulation theory, and cultural political economy combine to give new insight into the stratified nature of subjectivity and, consequently, contemporary forms of inequality faced by the working class relative to the middle and upper classes in the context of the spread of financial risk. Beginning with critical realism, I demonstrate how retroduction, as the derivation of causal mechanisms giving rise to an object or event of study, illuminates how causal mechanisms in structures reshape both the kind of financial practices available to subjects in the direction of higher-risk strategies, as well as the gradual normalisation of risk as a component of everyday life. This is done with reference to the changing economic and political landscape that characterises the United Kingdom from 1980 onward, defined in the terms of the Regulation School as an examination of the regime of financial accumulation (including the production and consumption that sustain a particular social formation) and the mode of social regulation (including the forms of state regulation, policies, norms and habits that inform subjective experience). Finally, from the perspective of cultural political economy, I illustrate how subjectivity is constituted further through the variation, selection and retention of particular discourses about the economy in order to highlight the infusion of a new economic landscape with particular meaning and importance for subjects. Each of these three approaches shares ontological and epistemological commitments which differ from other approaches taken in the study of everyday finance, namely those influenced by actor-network theory, and I argue that these commitments enable a particular focus on stratification and inequality that is often missing from actor-network theory accounts.

Metatheory and the sociology of everyday finance: How ontological and epistemological assumptions ground our understanding of the social world

Metatheory, or 'theory about theory' as Anthony Woodiwiss (2005: 14) succinctly defines it, concerns the kinds of assumptions that social theorists and sociologists more broadly have to make about the world they are studying, whether or not they are acknowledged or even firmly understood. For Woodiwiss, metatheory functions as a visual field, highlighting or obscuring various features of the social world depending on the chosen approach: metatheoretical assumptions 'specify what one is looking for or how one thinks one should go about looking for it, rather than [specifying] what it actually is or how exactly it should be looked for' (ibid.). This does not mean making unfounded suppositions about objects of study themselves, but instead delimiting the number of ways to describe the social world in research. Assumptions are made 'where one has to take a decision about an issue that is inherently undecidable and that therefore cannot be made into a researchable topic' within sociology (ibid.), such as, for example, an ontological claim about whether the social world exists as a set of structures, independently of social actors, or whether it is primarily constructed through language and performance. Hence, all sociological work relies on such assumptions either implicitly or explicitly, from empirical sociologists collecting data with the aim of verifying a set of hypotheses, to qualitative researchers who consider their findings to have been constructed within the interview space itself. Methodological choices are thus necessarily related to metatheoretical assumptions. The study and emphasis on these assumptions is not purely academic, as metatheoretical orientation has much to do with how social scientists frame their objects of study and, consequently, the light they shed on their findings. Indeed, whether consciously or not, metatheory underpins an important debate within the sociology of finance concerning the conceptualisation of finance as, on one hand, a new form of global accumulation overtaking productive industries, or, on the other, a system of diverse but interconnected networks of human and non-human actors made possible through technological advancement.

Responding to political economists holding the former position, actor-network theorists have increasingly focused on the inseparability of 'nature, politics, discourse' (Latour, 1993: 4) in the study of financial markets. For actor-network theorists, advancing a project of the social and technological understanding of the rise of finance is politically important, as a way of illustrating the contingent and unnecessary nature of the new prominence of finance and financial institutions. Consequently, the metatheoretical assumptions actor-network theorists have advanced against political economists has an important normative component in destabilising notions of a monolithic concept of finance, which is part of the reason actor-network theory has been of interest to sociologists of finance. According to Bruno Latour, the social realm, or society, has been separated from the collective of objects and actors: the 'collective' denotes 'the association of humans and nonhumans', while 'society' refers to 'one part only of our collectives, the divide invented by the social sciences' (ibid.). In short, everything that exists and interacts with each other is part of the collective, while the social realm, comprised only of human actors, is a construct that neglects human interaction with nonhuman actors such as machines and technology. The interconnected nature of collectives is forged in expanding, and yet unseen networks. These networks '"self-construct" and take on agency-like powers' to the extent that they 'grow and feed themselves on the action of others, who help bring them into existence' (Munro, 2009: 127).

According to Langley (2008a), the shift in focus on finance from impersonal systems of global accumulation to fibrous networks of politically-oriented, technology-driven speculation, trading, investment and borrowing gives actor-network theory insight into the financialisation of daily life. Joe Deville puts this succinctly when he argues, '[i]t goes without saying that markets are constantly being remade. What is less obvious is that through the circulation of its devices and practices of attempted capture, the worlds of market participants are also being remade' (2015). According to Deville, the mere inception of credit immediately introduces a shift in method of payment, for although the resulting transfer of goods between buyer and seller remains the same, the 'use of consumer credit involves a commitment to living alongside and with a particular financial product' (ibid.). Credit introduces consumers to the world of repayment, with its attendant bureaucracy and money management, but it also implies the possibility of default, which disrupts the very routines of daily life. Thus for Liz McFall, the definition of a product as a useful thing through consumption is only one component of consumption: 'How it physically moves, from "field to fork" as it's phrased in the recent discovery of controversies in the supply chain, or from mortality table to life policy [in the case of insurance], is another' (2014). For McFall, these technical aspects have been conspicuously absent in the accounts of political economists, business analysts and economic historians (ibid.). The use of actor-network theory to study finance therefore opens up the possibility of examining the function of finance in everyday life by charting the connection of financial networks.

This new insight, highlighting as it does the lack of consideration given to supply chains and the interaction of households with finance, is achieved through a rejection of earlier variants of realist ontology and epistemology espoused by political economists. In the first instance, actor-network theory is a flat, or unstratified ontology, challenging the traditional duality of structure and agency as a stratified ontology (Law, 2005; Latour, 1996). Actor-network theorists are not interested in abstract socioeconomic structures, but instead, the interconnected, nearly 'thread-like, wiry' nature of society that 'is never captured by the notions of levels, layers […] structures, systems' (Latour, 1996: 370; Latour, 2005). The endurance of society is best understood as the 'careful plaiting of weak ties', with 'sturdiness achieved through netting, lacing, weaving, twisting of ties that are weak by themselves, and that each tie, no matter how strong, is itself woven out of still weaker ties' (1996: 370). It necessarily follows, for Latour, that any universal laws deduced by political economy are the exception rather than the rule, as actor-network theory begins from 'irreducible, incommensurable, unconnected localities' (ibid.). Actor-network theory can therefore be called, in contrast to realism, a form of nominalism since it focuses on particularities and eschews the existence of abstract universals. Epistemologically, actor-network theory is also very different from political economy which usually takes some form of realist approach to the study of its objects, either empirically or theoretically. For actor-network theorists, the act of studying an object such as financial markets is one and the same with its creation, as formal academic examination names markets and institutions as objects of study and enables economists to approach them with a particular methodology and terminology. Michel Callon argues for the performative nature of economics with regard to the economy, or, 'the role of economics as a discipline, in the broad sense of the term, in formatting calculative agencies' (1998: 23). As Paul du Gay puts it, 'economics should be considered less a form of knowledge that describes and analyses the economy as a pre-existing entity, but rather as one, very important element in the practical making up of the economy' (2010: 171). Such an epistemology is therefore broadly constructionist.

Yet, each of these assumptions, in opening up a new way of thinking about how people interact with finance, also has implications for the kind of economy that is envisioned, and the kind of subjects that manage their finances and futures. Michel

Foucault's 'historical nominalism' (1991: 86) emphasises 'rediscovering the connections, encounters, supports, blockages, plays of forces, strategies and so on which at any given moment establish what subsequently counts as being self-evident, universal and necessary' (ibid., 76). Research into everyday finance is therefore characterised by the assemblage of a historically specific agency in subprime lending: for Langley, what matters is not the potentially unscrupulous nature of lenders in a stratified society of low-earners, but 'the ways in which the assembly of the socio-technical agency of sub-prime lending ensured that it came to appear as a legitimate part of the contemporary financial markets, that is, as calculative and scientific' (2008c: 472), or, as Foucault would have it, necessary. Like other cultural economists and actor-network theorists (Thrift, 2002; Law, 2005), Langley employs Foucauldian governmentality 'in order to make explicit the power relations and politics at work in the constitution of calculative market networks of saving and borrowing' (2008a: 15). He does this by showing how the rationalisation of calculative techniques as scientific de-politicises and therefore legitimates the so-called necessity of everyday finance, as a contrast with other approaches to power and finance that focus on the embedded nature of power instead of suggesting 'that power as a material resource is wielded in a constraining fashion by finance capital as an economic group and class interest' (ibid., 16). The subject so envisaged, however, is a self-sufficient individual which engages through a 'calculative agency' (Callon, 1998; Abolafia, 1996; 1998) with markets.

In this flat ontology, class and class interests are conspicuously absent, and, although this avoids suggesting a determination of subjects by larger market forces and dominant interests, it also ignores the very real struggle many currently face in a system which is unsympathetic to precarious employment and income. The process of subjectivation therefore risks appearing as a neutral process that affects everyone evenly, as new forms of rationality and action are informed by ever expanding networks of individual conduct, choice, and technological development in the creation of self-governing subjects. Yet, subjectivation is undoubtedly inflected with positive normative associations for successful subjects, and negative associations as well as social ramifications for so-called unsuccessful subjects. Technological and scientific advancements, as they contribute to the development of markets and financial instruments that can be used to assess individual risk, are never free from motivations, and their implementation carries both positive and negative consequences for various parts of the population. Langdon Winner worries about 'an almost total disregard for the social consequences of technological choice' (1993: 368) in actor-network theory, as well as any engagement with moral and political questions underpinning the necessity and greater good that technology presents. Instead, ‘one usually finds a field of what are called *relevant social actors* who are engaged in defining technological problems, seeking solutions, and having their solutions adopted as authoritative within prevailing patterns of social use’ (ibid., 369; emphasis in original). This leaves unanswered questions concerning ‘[w]ho says what are relevant social groups and interests? What about groups that have no voice but that, nevertheless, will be affected by the results of technological change?’ (ibid.). Critical theorists and heterodox economists thus see in actor-network theory a parallel with orthodox economics and its focus on rational individuals (Fine, 2005; Mirowski and Nik-Khah, 2007), particularly where Michel Callon has emphasised calculative rationality in market engagement and argued that capitalism itself is a construction of economists, political economists and sociologists (Fine, 2005). The study of markets, for Ben Fine, undoubtedly involves some study of exchange and thus calculation, but it also ‘embodies a set of qualitative relations—not least those between capital and labor and labor and nature’ (ibid., 100), which is to say, of stratification. In sum, then, work from an actor-network theory perspective that explores the question of financial subjectivity, by virtue of its metatheoretical assumptions, largely overlooks the very issue of inequality in favour of the concept of a rationalised individual. Insofar as the study of the subjective experience of finance is largely missing from political economy (Jessop and Sum, 2006; Lapavitsas, 2011), I show in the following sections of this chapter how a critical realist engagement with subjectivity using regulation theory and cultural political economy can rectify this in the context of understanding contemporary forms of financial inequality.

Critical realism and retroduction

In the absence of a detailed assessment of the social reproduction of individuals and households, in terms of their ability or inability to sustain themselves and forge a living, it is possible to find in political economy a kind of structural determinism (Langley, 2008a) which sees individuals carried along by economic developments without much agency themselves. However, within the actor-network theory understanding of financialisation, it is not altogether clear how to conceptualise the precariously positioned working class as anything other than passive in the face of the technological advancement, guided by political interests, that ultimately shapes and reconfigures capital markets and networks of individual borrowing and saving. I therefore suggest that critical political economy can account for the interaction of individuals with structural elements like capital markets, in a way that both emphasises the constraints of unequal class relations while highlighting the contingency of these sets of power relations. In other words, their origins are the product of singular rather than necessary or teleological occurrences, so that their endurance must be actively mediated and regulated against other potential configurations. An understanding of how individuals are successfully or unsuccessfully subjectivated is thus crucial to thinking about the perpetuation of inequality, or, conversely, its transformation.

In this section I therefore outline and define my own metatheoretical commitments, drawn from critical realism. Critical realism is a philosophy of social science that stands in contrast with the empirical realism of positivist social science and its concentration on empirically observable features, since it posits the existence of real entities and causal mechanisms which are not necessarily directly observable, as conditions of possibility of empirically verifiable objects (Sayer, 2000; Bhaskar and Lawson, 1998). For Andrew Sayer, observability of phenomena is not the only means of proving the existence of something, given that the underlying mechanism which makes it possible is usually a causal process. As a consequence, through the use of retroduction, 'a plausible case for the existence of unobservable entities can be made by reference to observable effects which can only be explained as products of such entities' (2000: 12; cf. Collier, 1994). *Contra* actor-network theorists, then, overarching structures, like capital markets and the financial and political institutions which facilitate their functioning, need not be treated as reified or abstract objects in political economy. Instead they can serve as dynamic entities, in that they have the potential to change, that shape a situation and whose structural effects can be measured in the social stratification of classes relative to debt and savings. Critical realism is thus still grounded in a materialism that understands the social world to exist externally of the social actors it encompasses, viewing social structures and the people who interact with them as having the ability to effect causal change. Change, or even social structures themselves, are not merely the products of discourse or performance either, so that critical realism also stands in contrast with post-structuralism, in its assertion that the material world pre-exists and therefore conditions our understandings and, to a certain extent, what is and is not possible.

'Emergentist ontology'

Given the stratification between the real, the actual, and the empirical as the basis for understanding the causal mechanisms that give rise to a configuration of social relations within any particular period of growth and development, Dave Elder-Vass has distilled an 'emergentist ontology' for use in critical realist social science (Elder-Vass, 2007a). In its most basic form, this entails that 'realists in the social sciences proceed on the assumption that social theories must identify causal powers or emergent properties in the social world' (ibid., 229). In this thesis so far, I begin from the premise that the constitution of subjects of finance is an inherently stratified process given that it expects the same level of self-sufficiency and innovation from all individuals regardless of their employment prospects and stability, in addition to wealth, income, assets and savings. Rather than tracing the way in which interweaving networks of finance, predictive models, and household accounting regulate an increasingly individualised mode of self-conduct, I ask how risky, entrepreneurial behaviour in everyday decisions is conditioned by the expansion of capital markets as a kind of social structure, and the way in which this process activates successful engagement with finance for some groups, whilst hindering it for many others. This hindrance lies predominantly in characteristics related to class such as low income and precarious employment.

Elder-Vass outlines the structural components of the material world with which we engage, including 'entities', which are wholes made up of particular 'parts' that are configured in a specific way that endows them with causal powers. Within society, an entity could be an organisation, such as a firm or a bank; or a social institution, which is a 'normatively endorsed social practice' like the exchange of money rather than bartering for goods (Elder-Vass, 2007a; 2007b). Parts include the components that make up an entity, like management and employee hierarchies or transaction technologies, the arrangement of which creates particular kinds of relations in the way they function. Finally, a causal power, according to Elder-Vass, is 'the capability of an entity to have a certain sort of causal effect on the world in its own right: an effect that is something more than the effects that would be produced by the entity's parts if they were not organised into this sort of whole. Real causal powers are synonymous with *emergent properties*' (2015: 229; emphasis in original). Emergent properties are endowed with causal mechanisms, as 'processes that depend on interactions between the parts, interactions that only occur when those parts are organised in the particular *relations* that constitute them into wholes that possess this emergent property' (ibid., 230, emphasis in original). In short, entities, or organisations and social institutions and their constituent parts including the people, norms and material objects that make up organisations and institutions, have the potential to exert social change because of the emergent properties that exist through the relational arrangement of parts making up the entity. The actualisation of this change comes from the interaction of parts in a particular way to form a causal mechanism that can carry out change. For example, the viability of credit as a new source of payment for low-income households has to be traced to the interaction of multiple parts in specific ways, including the development of technologies of securitisation and the ability to price risk as part of the expansion of financial markets. Further, a political climate in government entities that favoured financial expansion was required, so that even if Prime Minister Thatcher did not believe in the accrual of personal debt, her support for financial innovation and the liberalisation of markets nonetheless created conditions that made household borrowing on a larger scale possible in the context of developing financial technologies. The confluence of these conditions produces an event, which, as Elder-Vass has it, is '"multiply determined" or co-determined by a variety of interacting mechanisms, which may be attributable to entities at various levels in the hierarchy of composition' (ibid., 231). In this case, it can be said that the creation of a kind of conduct requiring the management of risk in everyday life, as an event worthy of study, is attributable to changes in social structures, because they introduce new elements into the lives of social actors. It is not possible to make use of credit without also responding to payment obligations, whether through successful repayment or through processes of default.

It should therefore be possible to see that recourse to social structures in political economy does not need to be in an abstract or reified way, treating them as static or monolithic entities. Further, they are not deterministic in any necessary or unavoidable way, since the actualisation of emergent properties is contingent on particular configurations between components, which include both groups and individuals, subjects themselves and their interactions. This is not to say that the activation of all causal mechanisms is down to chance, however, since some mechanisms are more easily activated under certain conditions. Here I return to the issue of nominalism and the lack of a notion of stratification in Foucauldian governmentality, as outlined in the first chapter (Joseph, 2004): while it is true to say that the relations of power at work on subjects are chance configurations rather than inevitable or unchanging relations, the only way to understand their efficacy and endurance is to situate them within the context of a social structure (cf. Datta, 2007; Sayer, 2012). In this case, Althusser's original concern with subjectivation relative to class (1971) need not be read as deterministic, but as grounding self-conduct within the division of labour that explains how individuals and households are able to reproduce themselves. A critical realist ontology, in short, provides suitable means for thinking about subjectivity within political economy more broadly.

Retroduction as method

The use of critical realism in this thesis can be characterised as a means for seeking the conditions of possibility of financial subjectivity in the financialised growth regime of the United Kingdom, in order to understand the limits of the everyday entrepreneur in unequal and unstable relations. Financial subjectivity is therefore a sustained event which emerges from a particular configuration of entities, and the particular kind of individual subject produced must be understood relative to the relations between entities and parts found in contemporary Britain. The identification of the specific entities that make up a financialised structure as it relates to the production of subjectivity is the topic of the next section, which looks at the economic and social regulation of financial accumulation. The means of identifying such causal mechanisms, as things that give rise to the events in question, is called 'retroduction', which is complemented in turn by 'retrodiction', or an explanation of the interaction of emergent properties to generate events (Elder-Vass, 2007a). The effects of these mechanisms in producing working-class subjects who are nonetheless financialised is measured throughout the thesis by empirical indicators relating to levels of debt and savings, stratified by average annual individual or household income. It is, consequently, possible to see a contrast between those with incomes of less than £15,000 per annum as representatives of precarious or unstable sectors, in the accumulation of personal debt and depletion of savings, in comparison with higher classes. Such characteristics are inherently related to the configuration of entities that produces the financialised subject in the context of a stratified, class-based society.

The regulation approach and the search for causal mechanisms in social structures

As a critical, or in some cases explicitly radical, form of political economy (Jessop, 2001b), the Parisian *Régulation* school, exemplified by thinkers such as Michel Aglietta (1979), Robert Boyer (2000), or Alain Lipietz (1987), is well-known for its studies of the transformation of economic relations in modern industrial societies (Grahl and Teague, 2000). In particular, Aglietta's landmark study of the long boom in the post-war United

States during an economic period known as Fordism (1979) highlights both the social and economic conditions of possibility of capital accumulation, in addition to moments of crisis that destabilise and threaten production and reproduction. These prompt the emergence of new forms of regulation for a new growth period following what is known as the 'crisis of Atlantic Fordism' during the 1970s. For many regulation theorists, the contemporary period characterised by the accumulation of profits in financial spheres now represents the post-Fordist financialised regime of accumulation (e.g., Boyer, 2000; Jessop, 2013; Stockhammer, 2008). The foundational theorists of the Parisian school shared a basic interest in understanding how, in spite of recurring economic crises in a nature suggested by Marx (1973) as detrimental to the survival of capitalism, economic, social, and political institutions could be mobilised and reconfigured to foster new kinds of growth over successive periods. It is true to say, however, that a lot of contemporary work undertaken within the regulation approach focuses on more 'middle-range issues in comparative institutionalism' (Jessop, 2001b: 89) rather than seeking to understand broader ontological issues concerning accumulation and the centrality of the commodity form. For example, in contrast to earlier theoretical work, Aglietta has more recently focused fairly specifically on the structure of corporate governance and the role of institutional investors, in thinking about how firms are controlled and what external obligations they have (2008). Additionally, as Grahl and Teague (2000) point out, contemporary studies using the regulation approach may, in spite of the clear Marxist inflection of the original theory, include other points of view such as New Keynesianism, institutionalism, or game theory.

Although the original theoretical underpinnings of the Regulation school have been obscured in more recent middle-range explorations, its investigative method, which seeks to uncover causal mechanisms that give rise to and help sustain accumulation regimes, is certainly inspired by critical realism (Jessop, 2001b). As such, a major facet of the regulation approach is a 'retroductive account of the changing combinations of economic and extra-economic institutions, norms, and practices that help to secure, if only temporarily and always in specific economic spaces, a certain stability and predictability in economic conduct and accumulation' (ibid., 90). This process was initially derived, in part, from an Althusserian concern with the relation of surface appearances 'to the underlying realities of capital as a social relation' (ibid., 92; cf. Althusser, 2009), otherwise understood as the way in which the inner structure of capitalism produces the particular phenomena we experience. For regulation theorists, this can be accomplished with reference to forms of social regulation that aid reproduction, achieved by conceptualising the 'industrial paradigm', 'accumulation regime', 'mode of regulation', and 'model of development' as part of the identification of any given period of capitalist development (Jessop, 2001b: 93). These concepts enable theorists to understand how particular periods of development function in terms of the technical and social division of labour they require for production, accumulation and reproduction. But they also point to methods of regulation, beyond the narrow sense of state regulation of markets or industry, that facilitate and stabilise otherwise unpredictable or tumultuous cycles, including 'norms, institutions, organisational forms, social networks, and patterns of conduct' (ibid.). Thus, while the purpose of my own work is not to identify the forms of regulation of financialised growth itself (cf. Boyer, 2000), the social regulation of production and consumption in the context of the financial period of development is the context for understanding how social subjects, who are constrained or enabled by their material conditions, interact with financial risk and capital markets. To this end, my approach to subjectivation involves the identification of key entities from the financialised mode of social regulation supporting the regime of accumulation that condition subjective experience as risk-based and unstable.

According to Jessop, the regime of accumulation, referred to in other cases as a growth regime, is a 'pattern of production and consumption that is reproducible over a long period. Accumulation regimes are sometimes analysed abstractly in terms of their typical reproduction requirements; but, specified as national modes of growth, they can be related to the international division of labour' (2001b: 94). In other words, a regime of accumulation describes how a particular form of capitalism is reproducible as it accrues profits, representing the structural form, or entity that, comprised of many parts, conditions subjectivity itself. In the case of post-war variants of Fordism in the United Kingdom or United States, the accumulation regime could be described in terms of the 'unprecedented synchronization of mass production and consumption' (Boyer, 2000: 112), bolstered by modernisation and technological advancements leading to high productivity, but also a compromise between capital and labour for stable wages which enabled consistent consumption and high profit rates (Aglietta, 1979; Boyer, 2000). Richard Wolff (2005) contends that the regulation of wages, won through the institutionalisation of earlier struggles in the process of collective bargaining, enabled the individualisation of even the traditional working class under Fordism. As workers began to earn enough to purchase now cheaply-produced commodities that enabled them to live a more comfortable lifestyle, defining as they did a range of hobbies and interests constituting individual tastes and preferences in contrast to the poorer 'proletarian' workers of the nineteenth- and early twentieth-centuries, they were increasingly called up, or interpellated (Althusser, 1971; Wolff, 2005) as consumers with personal choice rather than as struggling labourers. The crisis of Fordism – the increasing internationalisation of economies and the subsequent disruption of the wage relation as production moved abroad in search of cheaper conditions and new markets (Jessop, 2013) – and the emergence of financialisation necessitates a retroduction of the mechanisms which give rise to the entrepreneurial individual. To do this, I explain how the mode of regulation, or the 'ensemble of norms, institutions, organisational forms, social networks, and patterns of conduct that can stabilise an accumulation regime' (Jessop, 2001b: 94), as the parts of the regime of accumulation, contain causal mechanisms that shape subjective understanding and action.

The regime of accumulation

The development and mediation of the financialised regime of accumulation as a successor to Fordist accumulation are discussed in greater detail elsewhere (e.g., Boyer, 2000; Stockhammer, 2008; cf. Jessop, 2013). Here it suffices to outline the main features of production and consumption relative to the developments I identified in the preceding chapter as conditioning financial subjectivity. Simply put, the movement of production abroad amid the deterioration of labour relations during the 1980s left room for the transformation and expansion of capital markets so that, as I have noted with reference to Lapavitsas (2011), even non-financial firms have acquired trading capacities, and thus a formal involvement in financial markets. The upshot for Boyer (2000) is that wages are no longer regulated through collective bargaining and compromise, but are subject, through their disconnection from formal productivity, to the fluctuations of the markets, so that they must react 'to any discrepancy between actual and expected returns. Depending on the precise content of the capital-labour compromise, the related flexibility may affect either the direct wage or working hours and employment' (ibid., 120). However, as employees also increasingly have access to some of their employers' means for financial gains in the form of equity ownership or pension holdings, 'the prospect of gains on the financial markets has a direct influence on the decision to save or spend' simply because 'wealth, as measured by financial markets, tends to become an important influence on the consumption of durable goods and also in house purchase and indebtedness to banks. If they are sufficiently developed, these new behavioural elements can inject an unprecedented dynamic into consumption' (ibid.). To put it succinctly, the effects of investment replace the wage compromise of the Fordist period, so that mass consumption is enabled, in the wake of the decline of productive industries in the United Kingdom, by access to financial gains that expand or shrink depending on the performance of the market. The reproduction of the financialised regime of accumulation is thus mediated by the performance of markets, which in turn makes credit easier to access (ibid., 117) and facilitates household consumption. In a climate of expected returns contrasted with risk and uncertainty, it is possible to see how the process of subjectivation cultivates an individual concerned, not simply with individual choice and freedom as in the Fordist case of mass consumption, but with their own navigation of personal risk and reward relative to debt and investment (cf. Lazzarato, 2012; Feher, 2009). In the case of contemporary working-class subjects, however, encumbered as they are by low wages or unstable employment, their structural surroundings serve as potential barriers to successful engagement with financial risk, creating certain amounts of instability where issues of default or limited savings are concerned. Thus, it is important to discern, through retroduction, the mechanisms that actualise this kind of inequality.

Modes of social regulation

Modes of social regulation, as a group of 'economic and extra-economic factors' (Jessop, 2001b: 97) that mediate crisis tendencies and stabilise accumulation, constitute so many parts, in the terms laid out by Elder-Vass (2007a), of an overarching system of production, consumption, and reproduction. In this sense, a regime of accumulation contains emergent properties that can be actualised through the activation of causal powers inherent in the particular configuration of the modes of social regulation. In order to understand how economic inequality, expressed through class relations, conditions subjective experience and potential (or lack thereof), the causal mechanisms that give rise to the stratification and success of some individuals over others can be grasped through retroduction.

The modes of social regulation that facilitate financialised accumulation are comprised of parts such as the wage relation (including the flexibility of employment and working hours, the distribution of profits through equity returns and pension funds, as well as the lifestyles employees have as a result); forms of competition (which can be seen by firms within capital markets themselves); the monetary regime (which, under financialisation, aims to prevent financial bubbles); and the relation of the national economy with the global economy (through the trend to global finance) (cf. Boyer, 2000:

115). What is crucial for my work on the kinds of individuals this configuration of parts produces is the way in which socioeconomic inequalities are magnified through the increasing volatility of the accumulation regime, given the connection of production and labour markets with fluctuating capital markets and the process of speculation. As such, the first chapter of this thesis traced the emergence and stratification of financial subjectivity relative to some key modes of social regulation. In the first instance, the wage relation is massively changed through the rise of the ideology of shareholder value and the introduction of financial risk and volatility into even non-financial firms, leading to job and wage instability. The wage relation is supplemented by greater access to returns through pensions and equities. Speculation and competition in capital markets have the potential to create larger returns, but also lead to volatile consumption patterns and, subsequently, uncertainty in household incomes. Meanwhile, the refinement and expansion of financial instruments, services, and providers enabled by the restructuring of both retail banks seeking new customers through the provision of loans and credit, as well as investment banks trading securitised assets has led to the incorporation of even previously excluded individuals and households within capital markets. This happens as a consequence of the introduction of the pricing of risk for those whose uncertain financial histories make them a higher risk. The retroduction of modes of regulation that exacerbate earlier inequalities related to employment and income illustrates how the relations between such parts trigger particular mechanisms that give rise to a highly indebted form of subjectivity, because, as I illustrate in later chapters of this thesis, they actualise the possibility of future financial risk related to income and employment in the present, in the form of high rates and fees that often see many working-class households burdened by high levels of debt that is difficult or impossible to repay, while also reducing the ability to save and invest. Consequently, the configuration of structural relations is necessary to understand the way in which subjects, as individuals, are differentiated from each other. This is not because their activities and perspectives are determined by institutions and organisations so that they cannot act in any other way, but because their abilities are either enabled or constrained by stratifying relations that cannot simply be overcome through conscious action, such as low-waged work or poverty due to factors including upbringing and education, as well as available opportunities, but also gender and ethnicity.

Cultural political economy and the discursive constitution of subjects

In addition to structures such as financial institutions or non-financial firms that give context to subjective action, it is also important to consider the lenses that financial subjects have to make sense of their situation. This is done through the examination of discourse, as the entry-point into understanding the complex nature of the social world. The subjectivation of financialised individuals does not occur purely through structural enabling or limiting of action, after all, inasmuch as it has been clear in both the Althusserian and Foucauldian conceptions of subjectivity that subjectivation is productive rather than purely repressive, creating self-assured individuals who are able to carry out necessary work through their own will. In a rejection of philosophical humanism, both Althusser and Foucault sought to locate the notion of a free and autonomous individual, emerging predominantly in Enlightenment thought, within the social relations that produce this kind of subjectivity. Althusser famously traces the production of autonomous individuals who 'work all by themselves' through Ideological State Apparatuses which inculcate subjects by calling upon or 'interpellating' them specifically as individuals with particular abilities and identities (1971). They are, in short, not purely dominated by class interests through more classically Repressive State Apparatuses which exert physical control or violence, but cultivated and encouraged as individuals in daily life through family relations, at school, church, work, and so on, where particular kinds of behaviour and conduct are promoted and regularised. Foucault's later distance from the terms of scientific Marxism advocated by Althusser undoubtedly contributed to his notorious conceptualisation of the process of subjectivation, but at its heart, it retains a distinctly theoretically anti-humanist trajectory. As Datta notes, the idea of 'Man' is for Foucault a notion to be explained, rather than the basis of social life, so that he sought to understand 'how this invention – Man – emerged, and how various institutional conditions support its becoming the dominant reference point for making judgments about truth and about the basis for policy development in Western societies since the nineteenth century' (2008: 289). Consequently, Foucault deploys the notion of the *dispositif*, or social apparatus (ibid., 284) that configures 'elements and forces, practices and discourses, power and knowledge, that is both *strategic* and *technical*' (Burchell, cited in Bussolini, 2010: 86, emphasis in original), to study the relationship between politics and social life (Datta, 2008; cf. Foucault, 1990).

Foucault approaches the study of the *dispositif* through 'problematisation' (1984), in order to ask how discourses and their associated practices and conduct evolved as 'true or legitimate and became objects for thought, to reconceptualize power as a productive force and to interrogate the normalizing institutional and societal practices associated with subjectivity and the development of an ethic of the self' (Motion and Leitch, 2007: 264). The study of discourse, as well as social structures, is therefore inescapable in conceptualising the production of subjects, given that discourse, in the Foucauldian sense, is not only the act of speaking itself within a social context, but includes

> the widely held and oft-repeated interpretations of social conduct that produce and affirm behaviours. Over time these interpretations become unreflexively taken for granted; they are scarcely noted by the actors who employ them. As generally accepted presuppositions, they become embedded in the institutional deliberations and practices that produce and govern basic societal relations (Fischer, 2003: 73 – 74).

Insofar as discourse is actually produced, reproduced, and sometimes transformed within the *dispositif* in a way that inflects practices and material structures with meaning (Hajer, 1995), discourse imparts to subjective experience a kind of meaning and understanding of social relations that enables a particular form of engagement. For critical realists working within critical variants of political economy, discourse is a large part of culture itself, which serves an ontological purpose (Jessop and Scherrer, 2014) as an 'ensemble of social processes by which meanings are produced, circulated, and exchanged' (Thwaites, Davis, and Mules, 1994: 1). Discourse and culture, then, are not separate spheres in contrast to an impersonal economic structure, but rather permeate everything from daily activities to political proceedings and economic relations with some form of meaning to those who engage with them, interpret them, or at very least are affected by them. Understood in this way, discourse is not held to be performative, in the way that actor-network theorists understand it when they argue that capital markets are performed, or brought into existence by academic and economic commentators (Callon, 1998). Instead, in critical realist fashion, discourse is also produced in a structural context, acting as a potential causal mechanism that can induce action or inaction on the part of subjects (Fairclough, 1992). In this way, the connection between the process of subjectivation understood by Althusser as rooted in ideology, and the Foucauldian project as it is inflected with discourse, becomes clear, for, as Frank Fischer points out, discourses may have their bases in language, but are nonetheless 'uttered in the social sphere, which is constituted ideologically. They always find their social meanings by reference to an ideological position' (2003: 77), which is, through discourse, potentially rendered as legitimate, scientific, and apolitical.

The third facet of my approach, deployed further in Chapter Three, is known as cultural political economy (Sum and Jessop, 2013), as a form of critical political economy that seeks explicitly to understand the stratification and privileging of particular discourses above others, within the context of unequal social relations. Cultural political economy begins from the premise that the 'actually existing economy', as the 'chaotic sum of all economic activities' (Jessop, 2004: 162) cannot be grasped in its totality as an object of calculation and study, or governance and management. Instead, 'such practices are always oriented to subsets of economic relations […] that have been discursively and, perhaps, organisationally and institutionally fixed as objects of intervention' (ibid.). That is to say, management of economic matters often focuses on the particular narration of economic activities as more (or less) important to the stability of growth and reproduction, so that what individuals think of as 'the economy' is an 'economic imaginary' (Jessop, 2004) composed of relevant features which helps constitute a stable growth regime (Jessop and Sum, 2006). Economic imaginaries are composed through the 'selection of discursive and material mechanisms and translated into strategies and policies' from a variety of possible discourses; the selected discourses then 'shape the process of retention when these policies prove more or less effective and become sedimented into taken-for-granted imaginaries and relatively coherent sets of social relations' (Kutter and Jessop, 2014: 67). Thus, from among the variation of possible descriptive discourses about the economy, certain ideas and concepts are selected for their perceived efficacy in addressing material conditions and retained to the extent that they become established facts within economically stable social relations. They do not bring the things they describe into existence, as in Callon (1998), but provide a lens with which to make sense of the existing world.

In this thesis in particular, I conceptualise the financialised economic imaginary through the explicit selection of now common and oft-repeated Thatcherite discourses of self-sufficiency, innovation, and responsibility, notoriously framed as the only solution to economic instability in the United Kingdom throughout the 1970s. I focus on Prime Minister Thatcher's Party Conference speeches and Budget speeches, which are carefully crafted explanations of policy, as powerful discursive devices setting the tone for policy and legislation through the use of what is now understood as a neoliberal language of self-sufficiency in order to understand the infusion of subjective experience with the importance of entrepreneurial innovation and personal responsibility. It is certainly the case, after all, that the notion of governmentality of subjects and their conduct as elaborated by Foucault is inherently bound up in the explicit formulations of political economy from the sixteenth century to the eighteenth century, which maintains a concern with the management of resources within the state. For Foucault, this initially means that to

> govern a state will therefore mean to apply economy, to set up an economy at the level of the entire state, which means exercising control towards its inhabitants, and the wealth and behaviour of each and all, a form of surveillance and control as attentive as that of the head of a family over his household and his goods (1990: 92).

Governance is thus not solely concerned with individuals themselves, but with the 'imbrication of men and things' including resources, territory, climate, wealth, but also habits and ways of thinking (ibid., 93). In other words, subjects do not exist in a vacuum, but are shaped and conditioned by the things with which they interact. However, where the government of subjects might have earlier referred to the disciplinary practices which sought, through surveillance and the organisation of institutions such as prisons, schools, hospitals, and factories to normalise desirable forms of conduct among subjects (Datta, 2008), Foucault's landmark contribution to the study of neoliberal individualisation has undoubtedly been the application of government in the broader sense to the understanding of self-responsibilisation, or the monitoring of one's own conduct. Here, the exercise of power centres on 'knowledge production through the ensemble of rationalities, strategies, technologies, and techniques […] that allow for the de-centering of government through the active role of auto-regulated or auto-correcting selves who facilitate "governance at a distance"' (Springer, 2012: 137). The mobilisation of knowledge on a population's characteristics, such as its distribution of wealth, life expectations and health concerns, levels of education, employment prospects and histories, or ethnic backgrounds, can be used to develop individualised and targeted approaches to particular groups which appeal to their subjective rationality, rather than imposing harsh and ineffective rule in order to facilitate efficient and effective self-conduct. However, the normative grounds for becoming self-reliant, as a function of the moral health of society, are formulated explicitly in the policy of the British Conservative government inspired by Thatcher, making such discourses crucial for studying the spread and normalisation of such ideas.

The third chapter therefore uses a specific form of critical discourse analysis (e.g., Fairclough, 1992) known as narrative policy analysis (Roe, 1994; Van Eeten, 2007) to understand the stabilising effects of narratives underlying policy prescriptions in the face of uncertainty (Van Eeten, 2007: 251). Neither cultural political economy nor narrative policy analysis prescribe any single method of discourse analysis, and so for the purposes of this thesis, which seeks a critique of dominant narratives in terms of the implicit interests they serve, a close textual reading of the transcripts of speeches using critical discourse analysis is appropriate (ibid., 255). This involves a consideration of the types of discourse used in particular texts, the inclusion and exclusion of various discourses in policy making, and the question of the construction of authority and legitimacy in the discourse (Fischer, 2003). The upshot is a distillation of the normative expectations of financial subjects as they were initially articulated in a period of instability, through to their crystallisation and acceptance as commonsensical.

Two sets of transcripts of speeches are chosen for analysis, including the annual Party Conference speeches delivered by Thatcher throughout her tenure as Prime Minister, and the Budget Speech as given yearly by the Chancellor of the Exchequer (including Geoffrey Howe, Nigel Lawson, and John Major). 23 speeches were examined in total, including 12 Conference speeches, five Budgets delivered by Howe, and six delivered by Lawson. The Party Conference speeches are thorough summaries of the achievements and aspirations of the Conservatives in government under Thatcher, representing a carefully and deliberately crafted outlook that is presented both to conference delegates and news outlets. They are thus important for understanding the Conservatives' framing of the problems they perceive as the most pressing, and the solutions needed. The yearly Budget Speech is similarly thorough in its summary of the financial year and proposals for the forthcoming one, in addition to providing insight into the material consequences of the enactment of financial legislation. The Budget Speech is therefore illustrative of the way in which discourse is also a casual mechanism, as ideological assumptions and utterances become formal legislation which affects the kind of resources available to individuals and households.

Each set of speeches was analysed systematically in order to understand the material contexts of the discursive content of the speeches. The Party Conference speeches illustrate the framing of economic crisis in the United Kingdom as attributable to union bureaucracy and excessive government spending and interference as stifling to individual innovation needed for economic recovery. The economic crisis, embodied in the stagnation of productivity and wages, and subsequent strikes, is narrated specifically as a crisis caused by union and government regulation, at the expense of individual flourishing needed for creative solutions in industry. The Budget Speeches are analysed for their narration of the effects of reducing government spending and encouraging financial deregulation, in order to trace the role of discourse as a causal mechanism that can alter material contexts.

Additionally, I analysed both sets of transcripts thematically, drawing out latent themes from the carefully and deliberately chosen recurring words to consider the ideological motivations underlying the Thatcher Conservatives' narration of the economic imaginary. Individuality, economic freedom, risk and reward, and personal responsibility are positively-presented thematic ideas, strongly contrasted with bureaucracy and regulation, government impingement and collectivism as a limit on personal flourishing. What is crucial here is the seemingly impartial way in which they are presented, to suggest the objectivity of market-based solutions and the subsequent inevitability of economic recovery. A latent analysis which searches for the underlying assumptions and ideology of semantic content (Braun and Clark, 2006) provides a way of examining the power relations implicit in discourse that is presented as objective or apolitical. This enables an understanding of subjugation as a set of practices reproduced in institutions and organisations that is achieved, in part, through the seemingly straight-forward nature of the ideas that inform it (Althusser, 1971; Foucault, 1984). A summary of the types of documents and analyses used is provided in the table below.

Type of source:	Party Conference Speeches	Budget Speeches
Number of documents:	*12 speech transcripts*	*11 speech transcripts*
Description of sources, and the reasons for their selection:	*Delivered annually at the Conservative Party Conference by the Leader, Margaret Thatcher presented a speech every year of her premiership between 1979 – 1991. These speeches provide an overview of the Party's accomplishments and setbacks over the past year, as well as ambitions for the coming year. They are suitable for analysis because they provide a yearly documentation of Party policy, and can be used to trace ideological and political developments.*	*Delivered annually by the Chancellor of the Exchequer to the House of Commons, the Budget Speech contains a list of events from the previous financial year, ahead of proposals for the budget in the current year. They are important for analysis as a distillation of government financial policy, providing a yearly comparison of developments in taxation, benefits, savings initiatives, and the expansion of credit. They illustrate both the trajectories of these policies, and their ideological underpinnings in the Thatcher government.*
Use of systematic analysis:	*To determine the kinds of discourses selected and retained by the Thatcher Conservatives in the construction of an economic imaginary characterised by*	*To examine discursive concepts as causal mechanisms, through the enactment of legislation that affects the kinds of financial resources available to individuals and households.*

	entrepreneurialism and financial freedom.	
Use of thematic analysis:	*Latent thematic analysis: Party Conference speeches are inherently loaded with prevalent key words; a latent analysis of themes emerging from recurring words and concepts enables an understanding of the underlying assumptions about the role of the individual in economic prosperity underlying Thatcher's narration of economic crisis, and her subsequent solutions.*	*Latent thematic analysis: this form of thematic analysis enables themes concerning economic insecurity, personal responsibility, innovation and entrepreneurship, and financial risk to be read in terms of their ideological underpinnings, in spite of their presentation as objectively determined and unavoidable courses of action proposed in the Budget Speech.*

Table 2.1: Speeches and types of analysis used in the narrative policy analysis

Conclusion

The metatheoretical assumptions of any theoretical piece of work, whether implicit or explicit, undoubtedly shape the conceptualisation of both the object of study and the way in which this is approached. Inroads in the study of a neoliberal, self-responsible subjectivity have certainly been made by actor-network theorists expressly concerned with the notion of daily life as a part of the larger understanding of the interweaving of cultural and economic matters, in an attempt to depart from the structural focus of political economy. However, as I have argued, the issue of structural inequality which stratifies financial subjects is absent in actor-network theory accounts of the individualised subject, predominantly owing to the flattened ontology which denies the duality between structure and agency presupposed by political economists. In order to situate the process of subjectivation within economic and political social relations without suggesting that subjects are wholly determined by their external conditions, I elaborated my critically inflected metatheoretical commitments in critical realism, and my connected deployment of elements of the Parisian Regulation school, in addition to the discursively focused cultural political economy.

Critical realism entails an understanding of the social world as something that exists externally and materially to subjects, even if their apprehension of it is mediated through discourse and cultural conceptions. Consequently, I defined social structures in critical realist terms, as entities composed of interrelated parts, containing between them potential in the form of emergent properties that can be actualised in the activation of causal mechanisms. The process of retroduction is methodologically useful for distilling the causal mechanisms contained within structures that give rise to a stratified, class-based subjectivity that nonetheless calls for individual responsibility and innovation. To further flesh out this process, I continued into an exposition of the Parisian Regulation school and its elaboration of the reproduction of a financialised regime of accumulation through production and consumption, and the mediation of crisis tendencies and instability by modes of social regulation including the conduct of subjects themselves. Finally, I turned to a specific critical form of political economy called cultural political economy, taking its inspiration both from the periods of capitalist growth theorised by the Regulation school, and the discourses that shape conduct and social understandings constituting subjects in the Foucauldian *dispositif*. To this end, I began to think about the variation, selection, and retention of discourses that form a financialised economic imaginary. In the next chapter, I put this approach to work in the study of Thatcherite discourses on finance and self-sufficiency, to fully lay out the constitution of subjects within the dynamic relations of the material social world.

Chapter Three:
Discourse and the narrative of self-reliance under Margaret Thatcher

Introduction

The previous chapter made explicit my commitment to a critical realist metatheory, elaborating how the thesis is underpinned by the search, in the process of retroduction, for causal mechanisms that produce financially stratified subjects. I highlighted in particular the multifaceted nature of structures, which are far from reified or monolithic, but instead composed of many social institutions and organisations that exist in relation to each other and thus, as a result, contain the possibility of shifts, largescale changes, and instability or crisis leading to a reordering of social relations. This emergentist ontology (Elder-Vass, 2007a), so-called because of its focus on underlying emergent properties and their ability to cause change, is also consistent with the political economy of the Parisian Regulation school, concerned as it is with disruption caused by accumulation crises and the mediating economic, political and social mechanisms that help stabilise growth regimes. From the second chapter, it was possible to see how multiple factors identified in Chapter One coalesce in the formation of subjects engaged in risky financial decisions, such as investment for future provision or, as is more likely the case for the precariat, the accumulation of debt to provide for the present. The upshot is an understanding of subjective disposition, including habits, beliefs, cultural norms, strategies and coping mechanisms, as part of the mode of social regulation in a growth regime. However, as I noted with reference to the third approach taken in this thesis, cultural political economy, financialised subjects do not understand their situation within the context of broader social structures purely by engaging with them, but in the narratives that are produced about socioeconomic relations. These create what cultural political economists call the 'economic imaginary' (Kutter and Jessop, 2014), a parsimonious selection of particular elements that coherently explain a specific perspective of the socioeconomic terrain with which subjects engage.

Indeed, it is true to say that while the expansion of markets and the emergence of new financial products undoubtedly helps shape how individuals and households budget and manage finances, their understanding of their situation likely comes more from the discourse that surrounds them through product advertisements and investment advice, financial education and literacy programmes and, above all, political rhetoric about the economy. While the thesis has, up to this point, suggested a climate of uncertainty from falling production, labour market fluctuation, and reductions in the welfare state, I now have to discuss the political developments of the Thatcher Government, beginning in 1979, which paralleled and fostered the rise of financial liberalisation. This turn, after all, represents a very particular take on the economic slowdown facing the United Kingdom at the time, plagued as it was by declining productivity and profits, inflation, and industrial action. Yet the language of the policies, concerning financial discipline and austerity needed to cultivate future profit, innovation, self-reliance, and the promotion of economic literacy and citizenship, including an understanding of risk, was touted as the only solution and indeed remains pervasive in British policy today. In short, the certainty of Thatcher's pronouncements, expressed through budgets, policy, and eventually legislation, set the tone for the assessment and understanding of personal progress and quality of life, as individuals and households framed their needs and plans relative to the resources that were, or some cases ceased to be, available to them. While Thatcher herself did not address the idea of the individual as an entrepreneur in everyday life, she undoubtedly laid the groundwork for the idea of an individual as the centre of personal advancement and wellbeing, made possible by the expansion of financial risk among households in the owning of property and holding of shares, which was meant to encourage greater productivity and a stake in the firms people were employed with. The deregulation and liberalisation of markets promoted by Thatcher as part of economic reform further helped with the ability of individuals and households to behave as risk-takers or entrepreneurs, as I elaborate further in the fourth chapter.

In this way, it is possible to treat discourse as a mediating part of the political organisation of the social structure, containing its own causal mechanisms that, in keeping with critical realism, can initiate a change in behaviour as part of subjectivation itself. Having charted changes in structural terms, concerning market liberalisation and the expansion of credit, my focus in this chapter is specifically on accompanying political discourse that takes up the call to a 'property owning democracy', later transformed under New Labour to 'stakeholder society'. Thatcher's discourse, and underlying free-market ideology, serves as a concrete beginning for tracing political and economic developments in British society that culminate in a risk-oriented individualism. The take-up of many earlier Conservative policies by Tony Blair in the reshaping of Labour policy during the 1990s is indicative of Thatcherism as a broader causal mechanism in the creation of contemporary financial subjectivity. Through this, it is possible to think about the ways in which discourse frames subjective experience and effects a change in behaviour as the expression of particular interests in speeches and policy is channelled into parliamentary budgets and legislation. This affects what individuals can and cannot do, at least where saving and spending are concerned. To illustrate this process, I have analysed each of the 11 Budget Speeches given by Chancellors of the Exchequer during Thatcher's three terms as Prime Minister from 1979 to 1990, in addition to 11 of her annual Speeches to the Conservative Party Conference, as well as other television and radio interviews. I focus on the Budget Speeches as the highly refined annual iterations of economic policy, which indicate concrete changes being made by the government, while Party Conference Speeches provide a concise narrative of Thatcher's achievements in government each year. A narrative policy analysis, as I noted in the previous chapter, provides insight into the production of a narrative that helps stabilise the assumptions of policymakers in the face of political and economic uncertainty (Van Eeten, 2007), much in the same way organisations and social institutions help stabilise crisis tendencies in accumulation. The result, I argue, is that regardless of the efficacy of Thatcherite prescriptions for the success of the economy and indeed Conservative Government, the notion of prosperity through innovation, self-reliance and the embracement of risk is nonetheless a prevalent narrative that continues to frame and inform the subjective experience of finance in contemporary Britain.

Homo economicus **and the neoliberal entrepreneurial subject: Foucault's take on individualism as a theoretical underpinning to economic austerity**

'Neoliberalism seems to be everywhere', write Jamie Peck and Adam Tickell (2002: 380), thinking about the largescale restructuring of economies in the former Soviet Union, Asia, Africa and Latin America, but also in the increasingly supply-oriented approaches taken by governments in Europe and North America after the dissolution of the Bretton Woods system in 1971 and the subsequent reduction in post-war Keynesian policies. Consequently, the logic of neoliberalism 'has become a commonplace of the times', both 'compelling' and 'intangible' as a source of power (ibid., 381). Despite the variety of different definitions and applications found in academic literature, the interpretation of events that Foucault himself supplies concerns the encroachment of economic rationality in the conduct of the self. In thinking about subjectivation specifically, the meaning and importance of a neoliberal shift in governance, for Foucault, is clear. The rational individual, *Homo economicus*, is no longer purely a maximiser of utility, engaging in exchange as in the case of the classical liberalism of the late eighteenth- and nineteenth-centuries, but is instead an 'entrepreneur of himself, being for himself his own capital, being for himself his own producer, being for himself the source of [his] earnings' (Foucault, 2008: 226, parentheses in original). Foucault's (2007; 2008) prescient assessment of governance and forms of conduct at the end of the 1970s remains a definitive analysis of contemporary policy programmes and political governance, even if he could not foresee in his own career the development of a financial infrastructure, with its capacity to classify, stratify, and regularise the conduct of subjects through risk-based pricing and repayment schedules, or personalised investment advice and products. He understood, however, *Homo economicus* as a 'free and autonomous "atom" of self-interest who is fully responsible for navigating the social realm using rational choice and cost-benefit calculation *to the express exclusion* of all other values and interests' (Hamann, 2009: 38, emphasis in original), so that individuals became responsible for their success and accountable for their failure.

Trent Hamann traces the link between Foucault's broader study of the government of populations and the government of one's self through the 'conduct of conduct': a population can be governed as a group of individuals with distinct characteristics, but the process of subjectivation crucially entails 'the work that individuals perform on themselves in order to become certain kinds of subjects' (ibid.), as a consequence of 'growing government and corporate surveillance' as well as 'more subtly and significantly, the extent to which activities of production and consumption typically practiced in public spaces are increasingly taking place in the home, a space once exclusively reserved for leisure time and housework' (ibid., 39). Meanwhile, mobile phones, computers and other technology render 'private space and personal time accessible to the demands of business and, increasingly, the interests of government' (ibid.). The upshot is a worrying blend of economic rationality with everyday decisions, so that even those individuals who do not explicitly agree with the tenets of something as abstract as neoliberal ideology are nonetheless likely to find themselves carrying out the tasks and conduct of self-sufficient subjects, as a matter of necessity or expediency, in Foucauldian terms. Yet, the neoliberal *dispositif* touting innovation, risk-taking, and responsibility has not always been so ubiquitous. Indeed, the narration of economic crises as requiring supply-side innovation seemed a throwback to the nineteenth century in the United Kingdom prior to the election of Margaret Thatcher, whose name is now practically synonymous alongside that of Ronald Reagan with neoliberalism. Furthermore, in the case of the United Kingdom, the appeal to individualism and self-sufficiency was certainly no indicator of the declining significance of class, but in fact took place against intense industrial unrest, serving as a highly politicised corrective to 'collectivist' labour action. The discursive promotion of self-sufficiency through politics, in a period of growing economic and social inequality, is therefore compelling to the study of the stratification of subjects.

An economy 'in crisis': Margaret Thatcher and the spread of individualism in the United Kingdom

The 'Winter of Discontent' and the crisis of productivity

During the 19070s, the United Kingdom suffered from economic crises related to reduced output and profitability. British industry was beginning to fall behind its international competitors in both Western Europe and abroad, so that household commodities cost more and the standard of living to which many working families had become accustomed was more expensive. Wages had not kept up with inflation, resulting in workers' strikes. Infamously, between 1978 – 1979, industrial action was so widespread in its effects that it was termed the 'Winter of Discontent'. This proved to be a strategic moment of political transformation, with the Conservatives successfully contending that the economic crisis was indicative of a more fundamental crisis of the British state (Hay, 1996): industry, profit, and progress were, for Thatcher, being stifled by union demands, which had become so strong through the institutionalisation of collective bargaining so as to be able to hold the nation hostage to pressure from union bosses. Meanwhile, nationalised industries were performing poorly due to lack of competition and significant injections of funds from the state in spite of their inefficiency, contributing to higher costs of production with low output. The only possible solution, in Thatcher's mind, was the complete minimisation of state involvement in industry, in order to enable competition, which was meant to encourage efficiency, increase output and profitability, leading to job creation and lower prices. Controlling public spending was thus crucial for Thatcher, in that inflation, including the cost of household commodities, could only be controlled and reduced through financially austere measures meant to curtail undue government influence whilst stimulating the economy through a course of privatisation and deregulation. Overspending, particularly on lagging nationalised industries with no competition, was leading to increased costs of production, leading to higher costs in the absence of lower output. Increasing wages in line with costs only put further pressure on industry, and Thatcher was adamant that they should be set by the market rather than collective bargaining, while government spending on industry should be reduced through the privatisation of national firms. Vivien Schmidt therefore suggests that the rhetoric of Thatcher's campaign and subsequent political mandates can be seen as 'neoliberal discourse promoting *laissez-faire* capitalism, monetarist macroeconomic policies, and the rollback of the state' (2001: 257). Perhaps unsurprisingly, financial austerity, or discipline, for Thatcher, proved contentious and unpopular because public spending could not be used to ameliorate periods of low productivity and pay. This proved trying for some individuals and households, who had to make significant cutbacks.

Later popularity during Thatcher's second mandate was primarily related to an appeal to middle-class self-interest through the introduction of tax cuts, as well as the infamous sale of council houses under the Right to Buy Act which promoted working-class homeownership and family security. Thatcher considered local council control over much of the housing supply to be unnecessarily bureaucratic. Council houses and estates had originally been developed out of a need for housing due to shortages in the private sector following both World Wars, touted as a new kind of security for working-class households struggling to find adequate and well-priced accommodation. According to Jones and Murie, however, in the 1970s the 'private rented sector had diminished in size', making it 'harder to be in favour of the growth of both council housing *and* homeownership' (2005: 6, emphasis in original). In short, council housing and its control by the state was now considered to be a damper on the aspirations of working-class households for homeownership, even if previously it had been a means to affordable housing for many who would not otherwise have managed. Discourse thus focused on state provisions as 'restrictions', not simply on economic growth, but also on the choices of tenants and families in council houses to own homes independently of the state (Conservative Party Manifesto, 1979). As a result of the popularity of these appeals, 'Thatcher's discourse could be seen as transformative with regard to public attitudes to the structure of the economy and work', with opinion polls in the 1980s indicating that 'Thatcher did manage to move the British toward more "capitalist" values, by accepting greater inequalities, individual responsibility, materialism, and entrepreneurialism' in the cultivation of new small businesses (Schmidt, 2001: 258). However, while maintaining a certain amount of support on some economic issues, others such as welfare reform proved less marketable, as resistance to cuts to social welfare grew, meaning, as Schmidt argues, that Thatcher 'did not by any means eradicate "socialist" values, especially with regard to health and welfare' (ibid.).

It is thus not the case that Margaret Thatcher enjoyed complete political support in order to exercise an unquestioned ideological hegemony, without vigorous opposition (Jessop, Bonnet, Bromley, and Ling, 1987). This was especially evident in 'the lowest opinion poll ratings ever recorded by a British Prime Minister' in her first term (Jessop, Bonnet, and Bromley, 1990: 84). Her ideological interests and the discourse of her campaign and government, however, represented a fundamental shift in perspective within Britain, to which all opponents now had to respond. By advocating traditionally liberal principles of limited state intervention, she broke 'both with Labor's "socialism" and "corporatism" and the Tories' "paternalism", neither of which were seen as suitable for rejuvenating what she considered to be fundamental flaws in the operation of the economy itself. The only remedy was

> a return to traditional 'Victorian' values of hard work and self-reliance; the rollback of the welfare state in order to 'change Britain from a dependent to self-reliant society. From a give-it-to-me to a do-it-yourself nation; to a get-up-and-go instead of a sit-back-and-wait-for-it Britain'; and the recognition that inequalities were necessary to encourage the 'spirit of entrepreneurship' (Schmidt, 2001: 257).

Socioeconomic inequality had become, then, morally acceptable as a way of incentivising a strong work ethic, as a means of promoting industry among employees and the unemployed themselves. However, high unemployment rates and declining prospects in productive industries employing traditionally working-class individuals notoriously left many on uneven ground when it came to opportunities for personal and industrial advancement. The promotion of an accumulation strategy involving the 'deregulation of private capital, the privatization of significant parts of the public sector, the introduction of commercial criteria into residual state sectors, and the promotion of an open economy' (Jessop et al., 1987: 106) is, by Thatcher's own admission, a supply-side solution, in which the profit of industry eventually benefits working households. The upshot, however, has been the introduction, and subsequent persistence, of a discourse of individualism that sees success as purely the result of personal dedication and hard work. This has sinister implications for failure, for Walker, who notes that 'one should be wary of underestimating the importance of discourses of choice, agency and personal empowerment':

> A fundamental commitment to the notion of the rational and knowing financial subject has become dominant in the way we understand people in problem debt as personally responsible for their circumstances rather than as subject to increasingly immiserating economic regimes of practice (2012: 54).

Indeed, a myopia that focuses only on the individual, rather than also accounting for the structural constraints such as precarious employment and income that create difficulties for them, continues into the present, in a way which suggests that the fundamental shift brought on by Thatcher's individualistic discourse has not disappeared. After all, as Jessop points out, the New Labour Government actually continued and deepened six tenets of neoliberal strategy, including 'liberalization, deregulation, privatization, re-commodification, internationalization, and reduced direct taxes' (2007: 283) during its mandate. Thatcherism was thus not simply one of many perspectives on economic crises to be countered by others, but a carefully selected and retained discourse that reconstituted the conduct of subjects through its wide reach and application.

Cultural political economy and narrative policy analysis

The endurance of discourses and their legitimacy as part of a neoliberal *dispositif* of risk and self-reliance cannot be understood as only a question of the performance of such a position by relevant politicians, policymakers, and interested parties. Discourse, as I noted in the previous chapter, is uttered relative to an ideological position, which is bolstered by material support in the form of organisations such as political offices or firms which stand to benefit from certain kinds of legislation, as well as the repressive state apparatuses identified by Althusser (1971) such as the police, which can be used to quell social or industrial unrest. Discourse is thus not purely reducible to its material preconditions, but it is necessarily situated within them, and this context must be considered when seeking to understand why certain discourses acquire an authoritative, or at least prevalent status at the expense of other possible explanations of the workings of the social world and the place of individuals within it. This, effectively, is what cultural political economists mean when discussing the 'economic imaginary', as a series of discursive relations deliberately selected from among the myriad of activities and interactions that make up the 'actually existing economy' for the purpose of making targeted interventions through policy and legislation (Jessop, 2004). In short, the economic imaginary serves as a frame with which to view the most pressing economic problems, and subsequently, the best solutions to them. Further sections of this chapter will explore how the Thatcher Government successfully narrated the crisis of the British economy during the 1970s as a function of undemocratic union leadership and ineffective nationalised industries or assets as stifling the innovation and enterprise in industry needed to rejuvenate output, profitability and employment. First, I discuss the discourse analysis used to assess the selection and retention of discourses.

The study of how certain discourses are selected and retained requires taking linguistic and discursive turns within the social sciences and humanities seriously, in order to understand the 'discursive construction of ideas, agents, and structures, and the socio-political implications of such construction' (Kutter and Jessop, 2014: 69). The linguistic turn has helped in 'de-naturalizing assumptions about social reality, culture, and scientific truth' (ibid.) by locating communication and dialogue within power relations and social structures. A cultural political economy that takes the role of discourse seriously in the creation of intelligible economic imaginaries thus does not privilege sense- and meaning-making above all else as the main focus of study within sociology and political economy, so much as it suggests that the analysis of discourse must eventually be included in explanations because the meaning that people derive from their surroundings and interactions with others frames how subjects make sense of their environment and the actions they take or feel forced to take (cf. Sum and Jessop, 2014).

As a metatheoretical outlook, cultural political economy does not require the use of any particular method of discourse analysis, given that many have emerged out of the linguistic turn (van Dijk, 1997; Joseph and Roberts, 2004). However, the study must make 'explicit [from] which epistemological universe (or combination of theories) it is borrowing' to ensure a specific understanding of the meaning and role of discourse (Kutter and Jessop, 2014: 71). Following on from the previous chapter, my understanding of discourse itself emphasises a Foucauldian concern with discourses as 'knowledge systems of the human sciences (medicine, economics, linguistics, etc.) that inform the social and governmental "technologies" which constitute power in modern society' (Fairclough and Wodak, 1997: 261; Foucault, 1995). According to Nick Hostettler, 'Foucault's work on modern disciplines contributes to the non-discursive aspect of [disciplinary] relations, sharing a concern with the sphere of modern life Althusser designated "Ideological State Apparatuses", those primarily modern relations of subjectification and agentification' (2004: 181). In this sense, discourse, or systems of knowledge, helps explain how subjects are constituted (Sum, 2009), both in the way that language is used, but also in the design of systems of discipline and education (Foucault, 1995; Fairclough and Wodak, 1997). Foucault does not himself provide a specific methodology for the analysis of discourse, but his primary interest in the creation of subjects through the self-regulation and monitoring of conduct implies a critical approach grounded in the study of explicit and implicit interests and uneven relations of power (Chilton and Schäffner, 1997).

Narrative policy analysis provides a useful tool for examining the development of ideas within the speeches and budgets tabled over the course of the Conservative Government under Margaret Thatcher. As a form of discourse analysis, it was developed in order to understand how the narration of particular events in broader contexts help stabilise assumptions made by policymakers in times of uncertainty. In this regard, it is an approach that is consistent with the Parisian Regulation School's understanding of the mediating effects of a mode of social regulation. Narrative policy analysis serves a number of purposes, including the study of current and past policy in order to assess potential policy options (Roe, 1994). However, it can also take a more critical approach geared toward the analysis and critique of dominant narratives through close textual readings in a content analysis (Van Eeton, 2007), an approach which is well-suited to the aims of this thesis. Close readings of texts involve a comprehensive reading of documents in order to parse out the carefully selected storyline that guides the creation of meaning attributed to social phenomena in flux (Fisher, 2003). Roe suggests, for example, that '[n]ational budgets are notorious for trying, by way of figures and statistics, to simplify, quantify, and commodify into commensurable units a reality that revolts against such reductionism' (1994: 23). It is thus important to trace the narrative that is developed over the course of three Conservative terms through Budget and Party Conference Speeches, by searching for recurring words and phrases that are loaded with specific connotations, such as 'responsibility', 'innovation', and 'creativity'; as well as particular framing devices, such as a market that is stifled in productivity and output by bureaucratic government ministries or corrupt unions. Framing devices help to show which 'seemingly technical issues', such as a budget, can nonetheless 'conceal normative commitments' (Fischer, 2003: 85) in order to parse out the expectations of the behaviour of subjects.

Here, the most straightforward texts for analysis are usually papers and speeches that can be attributed to a specific actor or group of actors who play an important part in the construction of a narrative. The selection of a particular set of discourses for narrating and constructing an economic imaginary can be observed in an examination of the question as to which discursive interpretations are allowed to dominate public discussion, and why. Put another way, it involves thinking about the stratification of discourses and the lending of authority to a particular outlook (Fischer, 2003). How, for example, do concepts such as innovation, self-reliance, or risk emerge, over 'collectivist' discourses of social risk reduction and welfare support? Concerning the retention of discourses about the economic imaginary, it is pertinent to ask what 'kinds of forces—both political and rhetorical—are brought to bear to establish such discursive formations, and how do they affect the behaviour of individuals and social groups? Once established, how can such constructions establish discursive hegemony over a particular policy domain?' (ibid., 85).

In Foucauldian fashion, the discourses that are consciously selected might be retained and reproduced in their incorporation into 'the ways of being/identities of social agents both semiotically (e.g., ways of talking) and somatically (bodily dispositions)'; but they are also retained in their 'objectification' within 'the built environment, technology, etc., [or] in organisational practice' (Fairclough, Jessop and Sayer, 2004: 31).

A critical approach to discourse analysis is thus consistent with the critical realism adopted in this thesis, because it contextualises discourse not simply as an object of hermeneutical study in the search of meaning, but as a causal mechanism in its own right, situated within a social structure, that affects the personal conduct of subjects as well as policies and legislation that maintain or transform organisations and institutions. As Fairclough et al. note, a 'speech made during an election campaign may offer people strong reasons for voting in a certain way. The fact that the speech might be construed differently by different individuals (even leading them to vote contrary to the reasons adduced' (ibid., 26) indicates that discourses serve as the basis, or cause, of beliefs, decision, and action. The approach I take to cultural political economy in this chapter therefore draws on a Foucauldian-inspired narrative policy analysis to interpret Thatcher's discourses of entrepreneurialism and self-sufficiency in the context of the crisis-ridden British welfare state. Policy analysis can be used to explain how the selection of discourses promoted the rise of a particular, economically liberal economic imaginary, while their retention later contributed to the subjectivation of individuals and the notion of the entrepreneur even at the household level. Importantly, the question is not of the popularity of Thatcher's policies, but of the way in which they set the terms of debate at a political level, while also reconfiguring daily life by publicising a discourse about private property, security, innovation and personal freedom that signalled a shift in the management of household activities.

'There is no alternative': The individualistic discourses of the Thatcher Government, 1979 – 1990

Margaret Thatcher is perhaps infamous for her selection of market-oriented discourses focusing on ideas of deregulation and privatisation as crucial to promoting prosperity at all levels from industry to individual households. Indeed, early in her first term as Prime Minister she had already proclaimed in speeches (e.g. 21 May, 1980) that 'there is no alternative' to her proposed programme of *laissez-faire* economic rejuvenation. Here, reductions in government controls and spending are touted as necessary for promoting productivity and wealth, which will lead to job creation, stable wages combined with lower prices on household goods, and, consequently, a better quality of life for citizens. Her straightforward condemnation of the 'collectivist' policies of previous Labour Governments clearly paints the welfare state and nationalised industry both as responsible for the decline of the economy and an impediment to its recovery, as she laments how they 'exalted the role of Government and humbled the role of the individual' in 'social regeneration' (6 July, 1979). For Thatcher, the source of innovation needed for recovery is the individual itself, as the locus of creativity and responsibility necessary to direct and effect change, from the utility-maximising household that makes parsimonious purchasing decisions all the way up to firm directors who seek pioneering ways of meeting consumer demand in order to expand production and cut costs. Thus,

> We need, for example, to create a mood where it is everywhere thought morally right for as many people as possible to acquire capital; not only because of the beneficial economic consequences, but because the possession of even a little capital encourages the virtues of self-reliance and responsibility, as well as assisting a spirit of freedom and independence (ibid.).

Consequently, Thatcher insisted that 'human fulfilment is not the monopoly of any one party' (ibid.), as it can only flourish through individual freedom of choice and responsibility to others, which can be expressed in the freedom of enterprise. As she further argued, 'I am sure there is a wide acceptance in Britain, going far beyond the supporters of our Party, that production and distribution in our economy is best operated through free competition' rather than government intervention (ibid.). Individual freedom as the source of wellbeing in any given society is therefore rendered as a universal approach to improvement rather than a mere possibility among options on a political spectrum ranging from the collectivism of the left to the individualism of the right. In this way, although the results were highly contentious, Thatcher attempted to posit the ability of the individual to flourish, alongside fiscal restraint at the only option, validated by experience and common sense, rather than politically charged ideology.

Indeed the ostensible common sense involved in Thatcher's plan for economic recovery probably contributed to its selection as a discourse to describe the crisis-ridden economic imaginary. For Thatcher, economic relations were reducible to individual behaviour, so that state spending became as relatable as household management:

> The task of Government is to provide the right framework in which industry and commerce can operate. Then and only then will enterprise be able to flourish. I have been criticised for talking about the principles of financial management of a nation as if they were like those of a family budget. Some say I preach merely the homilies

> of housekeeping or the parables of the parlour. But I do not repent: those parables would have saved many a financier from failure and many a country from crisis (15 November, 1982).

By rendering the structural organisation of government as akin to a household that cuts back on consumption in difficult times, fiscal decisions could be made relatable even for those who had no grasp of or interest in monetarist policy and inflation. One of Thatcher's great insistences was that the four central economic issues of the Conservative campaign, 'inflation, public spending, income tax and industrial relations', were not 'separate and distinct issues' but actually connected in such a way as to mean macroeconomic policy concerning inflation or industrial relations are intricately related to the wellbeing of private citizens (Speech to the Conservative Party Conference, 12 October, 1979). A vote for the Conservatives' desire to improve individual lives through tax cuts and the promise of reduced costs was therefore necessarily a vote for monetarism and privatisation, not a choice between 'a capitalist wealth-creating society on the one hand and a caring compassionate society on the other'; if voters desired better welfare, they needed to embrace policies that would facilitate better output and the subsequent creation of wealth, which, Thatcher maintained, could be accomplished through monetarism. Thus, 'industrial countries that out-produce and outsell us [Britain] are precisely those countries with better social services and better pensions than we have. It is because they have strong wealth-creating industries that they have better benefits than we have', Thatcher proclaimed at her first Conservative Party Conference as Prime Minister in 1979 (ibid.). The use of common sense rhetoric about the relation of the everyday and the economy by the Conservatives prior to their 1979 win was thus geared, as James Thomas points out, 'to win popular support by presenting themselves as a centrist party rather than one seeking to fundamentally shift the political consensus to the right' (2004: 273). The discourse was all the more successful owing to shaky narratives being produced by Labour about the crisis, and James Callaghan in particular: in many cases, the party failed to counter a distinctly Conservative history about the issues of state intervention, occasionally even apologising for what they grew to think of as their own mistakes (ibid., 277).

The retention of Thatcherite discourses

Thatcher's upper hand is attributable, then, to her successful reduction of the complexity of economic relations to produce an economic imaginary that allowed individuals to derive sense and meaning from the chaotic reality of economic crises, rampant unemployment, and reduced life chances. For Thatcher, the solution was necessarily supply-sided, which meant stimulating private industry while reducing government spending in order to encourage high productivity and output, lower prices, and the expansion of industry in order to create more jobs. For voters, whether supportive or not, it meant a period of financial discipline at home by cutting back to necessities, in aid of assisting the strengthening of an economy overrun by inflation. It is possible to trace the development of Conservative economic policy under Thatcher as it affected everyday spending over 11 years through the annual Budget Speech presented by the Chancellor of the Exchequer, and the Speech to the Conservative Party Conference delivered by Thatcher each October. These yearly speeches are parsimoniously condensed summaries of Conservative policies, achievements, and future goals, which are important for understanding the discursive shaping of the economic imaginary due to their rhetoric and the coverage of their content in the media: they would have been easily digestible and widely available. While Budget Speeches are more technical in discourse and less relevant in the cognitive shaping of daily life as a result, they are nonetheless important from a discursive perspective because they signal the activation of policy and the interests that underpin it in a way that directly affects the amount and kind of resources that will be available to households in making ends meet.

An analysis of these documents demonstrates how the Conservatives, emphasising as they did the universality of the individual and its capabilities, nonetheless found a particular foothold in a set of complex relations of economic crisis and industrial unrest on the part of workers. Rhetoric had little, if anything, to do with the expansion of capital markets and the democratisation of finance, but instead focused on a crisis in more traditionally working-class industries induced by undemocratic trade unions demanding higher wages against a backdrop of low productivity, and facilitated by government spending requiring higher taxes. In her first Speech to the Conservative Party Conference as Prime Minister in 1979 Thatcher therefore appealed to a common identity that could unite people as individuals, rather than workers or employers, under a banner of British nationalism:

> It is said that Britain's time is up, that we have had our finest hour and the best we can look forward to is a future fit for Mr Benn [Tony Benn, Labour MP] to live in. I do not accept these alibis. Of course we face great problems, problems that have fed on each other year after year, becoming harder and harder to solve. We all know them. They go to the root of the hopes and fears of ordinary people—high inflation, high unemployment, high taxation, appalling industrial relations, the lowest productivity in the Western world. […] Our people seem to have lost belief in the

> balance between production and welfare. This is the balance that we have got to find. To persuade our people that it is possible, through their own efforts, not only to halt our national decline, but to reverse it, and that requires new thinking, tenacity, and a willingness to look at things in a completely different way. Is the nation ready to face reality? I believe that it is. People are tired of false dawns and facile promises. If this country's story is to change we the Conservatives must rekindle the spirit which the socialist years have all but exhausted (12 October, 1979).

The ostensibly class-divided society represents, in such a narrative, a diversion from the community of British individuals who could come together for the sake of national prosperity far more easily if not for the interests and influence of trade union bureaucracy. Indeed for Thatcher, the victory of the Conservatives in the spring election was one 'for realism and responsibility', as the Conservatives garnered support even from unionised workers: 'I was particularly pleased by the support we attracted: the largest trade union vote in our history; the young people; so many of whom saw no future under Labour and who turned to us; and all those who voted Labour before and who, this time, voted Conservative' (ibid.). Already, then, the notion of a society stratified by class is relegated to the left, as both a preoccupation of Labour and a consequence of policy. The vision posited by the Conservatives, in contrast, is presented as one in which everyone can unite as individuals for the sake of prosperity.

Unsurprisingly many initial policy programmes were aimed at supporting the 'hopes' of broadly-defined 'ordinary people' (ibid.) in ways which would enable them to engage in what Anthony Eden had earlier called 'property owning democracy' (Thatcher: Speech to the Conservative Party Conference, 10 October, 1980), including the infamous sale of council houses at reduced rates and tax cuts (Budget Speech, Howe: 12 June, 1979). However, as Chancellor Sir Geoffrey Howe argued in his first Budget Speech, prosperity in everyday life has to be predicated on industrial prosperity, noting that consumer spending had outpaced manufacturing output by seven times. The idea that what households and individuals did mattered to the wellbeing of the national economy, even at the everyday level of household finance, became an important aspect of policy. Thus, '[p]eople must understand and accept that the only basis for real increases in wages and salaries is an increase in national production. Higher pay without higher productivity can only lead to higher inflation and unemployment' (ibid.); likewise, increases in pensions for the retired was also dependent on boosting productivity, while reductions in social security would both reduce government spending and incentivise seeking employment. It would thus be necessary to shrink the public sector and expand the private sector: 'In order to reduce the borrowing requirement and the burden of direct taxation, we must make savings in public spending and roll back the boundaries of the public sector. We are totally committed to improving standards in the public services. But that can only be achieved if the economy is strong in the first place' (ibid.). This fiscal austerity was couched in apolitical terms as nearly scientific, with Howe proclaiming in 1980 that 'it began to be recognised […] that we could no longer spend our way out of recession. But although that break-through of realism has begun, the change in attitude has not got far enough. Not everybody has yet accepted that public expenditure cannot go on growing while the economy stagnates' (Budget Speech, 26 March, 1980). Monetarism, or the control of the money supply, was the only 'practical, commonsense' approach to inflation which was responsible for setting 'worker against worker, employer against employee, and sometimes even Government against their own employees' (ibid.). So, with a commitment to reduce government expenditure to boost the economy in order to produce harmonious living conditions from production increases and prosperity, the notion of the household as responsible for its own wellbeing and, consequently, the wellbeing of the national community, was discursively enshrined in policy and the national budget for the duration of Thatcher's tenure as Prime Minister.

To be sure, the Conservative commitment to rigid targets of monetary growth established in the 1980 Budget had waned by 1985 in favour of 'ad hoc considerations' and measures to monetary policy (Hall, 1993: 282 – 283), but the drive to reduce inflation and cultivate a strong industry through individual financial discipline and societal engagement remained. The Government thus pursued a programme of 'privatization, deregulation, and commercialization of the state sector' (Jessop et al., 1990: 89) with Howe advocating the efficiency of private industry for wage moderation, rather than collective bargaining and union action:

> Management and workforces are at last joining together to tackle the problem of overmanning, restrictive practices, and out-of-date working methods. They understand that cutting labour unit costs is the way to become competitive again and price themselves back into the market. But nationalised industries, many of them monopolies, are not subject to the same market disciplines as the private sector. They have often been slow to adapt (10 March, 1981).

Couched in the rhetoric of defeating the socialism of bureaucratic trade unions and local authorities alike as part of a crucial 'freedom from intimidation' (Thatcher, Speech to the Conservative Party Conference, 16 October, 1981), the Government began to dismantle the traditional sources of working-class appeals to power by weakening the institutionalisation of unions and collective bargaining at the same time as privatisation and the introduction of greater competition within industry, as well as encouraging technological advancement for better production, rendered employment primarily dependent on output and performance (Thatcher, Speeches to the Conservative Party Conference, 8 October, 1982; 14 October, 1983). The weakening of collective class identity related to work was thus an important part of Conservative policy, helping as it did to encourage the idea of the individual as truly important and valuable.

Furthermore, and contrary to previous Labour governments, new rhetoric of the importance of the household unit as the real basis of society emerged early on in Thatcher's first term, as she claimed 'the family is the basic unit of our society and it is in the family that the next generation is nurtured. Our concern is to create a property owning democracy and it is therefore a very human concern. It is a natural desire of Conservatives that every family should have a stake in society' (Speech to the Conservative Party Conference, 16 October, 1981). Individuals making up households and as members of families therefore had an obligation to contribute as best they could to restoring the natural order of society, but also a right, in moral terms, to some stake in it. Nowhere is the backlash against the ostensibly unnatural and restrictive society of the welfare state and 'socialist' values more clear than in the discourse on council housing and the right of tenants to buy their homes, directing homeownership toward everyone and away from a 'privilege' that is 'restricted to the few': 'It is now our turn to take a major step towards extending homeownership to many who, until now, have been deliberately excluded. Councils, particularly Socialist councils, have clung to the role of the landlord. They love it, because it gives them so much power. […] It is the arrogance of the Socialist creed to insist that they know best' (ibid.). What was crucial, in other words, was the introduction of choice as a barometer of individual freedom for those who sought more for themselves, rather than equality of opportunity for housing. Indeed, as Jones and Murie point out, the introduction of the Right to Buy legislation in 1980 had nothing to do with reducing homelessness or improving the availability of properties, but was designed with the sole purpose of creating satisfied homeowners with a perceived stake in engaging with the preservation of British society (2005). Choice and upward mobility, as individual virtues, were therefore paramount above collectivist concerns with equity.

The second Budget Speech contains the earliest reference to the adoption of financial risk among individuals and households as a moral virtue. Thatcher envisaged a direct link between productivity and household earnings when she extended the notion of stakeholders and property owners to profit sharing and personal investment. Thus Geoffrey Howe summed up in his second Budget an early formulation of what it means to be an entrepreneurial individual, brought into the public consciousness through tax benefits and cuts for employees who wished to purchase company shares: 'It is generally agreed that share ownership and profit sharing can help in developing employees' understanding of, and commitment to, business and industry. I believe that share ownership can also spread a wider understanding of the role for risk-taking and initiative in the economic system' (Budget Speech, 26 March, 1980). At the Party Conference in October of that year, Thatcher would later extoll the virtues of this individual engagement above broader economic trends when she insisted that '[p]rosperity comes not from grand conferences of economists but by countless acts of personal self-confidence and self-reliance' (Speech to the Conservative Party Conference, 10 October, 1980). The notion of 'popular capitalism' (Thatcher, Speech to the Conservative Party Conference, 10 October, 1986) was indeed a cornerstone of policy, persisting through Thatcher's 11-year tenure as Prime Minister as the basis for proper economic engagement through the ownership of property. The lives of workers were not to be improved through union bargains and agreements, likening their leaders as she did to 'tyrannical' thugs, but instead through the privatisation of national industries and selling shares which, in addition to 'improv[ing] efficiency', would 'spread the nation's wealth among as many people as possible' (ibid.). But encouraging workers to purchase shares in the companies they worked for would also link, Thatcher believed, employees' notions of personal welfare with productivity, so that they would appeal less to unions for concessions and more to their personal productivity for a better life. Privatisation certainly did create a surge of new investors, as they increased threefold from 3 million in 1979 to 9 million by 1988 (Clemons and Weber, 1990). So too could individuals and households control the wealth they acquired in reforms to the taxation of shares and private pensions, including the introduction of the personal pension itself by Nigel Lawson in his fourth Budget. As 'an important new dimension of ownership', they would 'enable employees—if they so wish—to opt out of their employers' schemes and make their own arrangements, tailored to fit their circumstances' (Budget Speech, 17 March, 1987). These developments were facilitated in bolstering the financial City in order to retain its 'world pre-eminence' as a financial centre, by cultivating the global securities market with tax benefits (Lawson, Budget Speech, 18 March, 1986; cf. Myles and Pierson, 2001). Additionally, reforms in the banking sector aimed at setting interest rates through market mechanisms also enabled the proliferation of consumer credit by 1982 (Burton, 2008; Sparkes, 2015). The upshot, for the Conservatives, was a true 'returning power to the people' through a 'crusade' to 'enfranchise the many in the economic life of the nation', in addition to their basic democratic rights and duties to vote (Thatcher, Speech to the Conservative Party Conference, 10 October, 1986).

The language of policy and its political underpinnings is incredibly clear: words such as 'innovation', 'self-reliance', and 'prosperity' are inextricably linked in Conservative discourse under Thatcher, all in the context of a renewed valorisation of the free market. Thatcher's epitaph of 'Marxist Socialism' during the collapse of the Soviet Union linked the ideas underpinning Labour policy with the promotion of 'lies and mediocrity' and the persecution of 'faith and talent' in the USSR in the context of Britain's return to 'those basic truths and principles which made her great—personal liberty, private property and the rule of law, on which democratic freedoms everywhere are based' (Speech to the Conservative Party Conference, 12 October, 1990). These notions acquire a primordial significance in this discourse, as 'truths' that are 'written in the human heart' (ibid.). Indeed, the application of an individualistic lens to the analysis of all social problems means that people are viewed primarily as independent actors possessing some personal creativity which flourishes as innovation for economic benefit when it is unrestricted in its ability to advance individual interests. People are thus individuals in the first instance, and members of a larger collective (which, for Thatcher, has a distinctly national character) second, when they bring together their individual talents. Individual drive and ambition are therefore crucial to the wellbeing of society as a whole which can, for Thatcher, be achieved through the direct introduction of an appreciation of the stakes of economic success into daily life. Dealing with risk in household decisions is not, then, to be thought of as unmanageable so much as an incentive to make the household itself efficient.

However, it is certainly not the case that a crucial component of financial subjectivity, namely the acquisition of personal or household debt as a stopgap in times of financial difficulty or unemployment, was ever advocated by Margaret Thatcher herself. In actuality, Thatcher abhorred the idea of personal credit as a conduit to indebtedness, and, as her Chancellors of the Exchequer made clear in Budget speeches, higher spending in the public sector and households alike could only be properly justified in the context of low inflation. After all, 'lower inflation contributes to lower interest rates, so improving cash flow; and lower inflation helps keep down other costs. […] With lower inflation the cash programmes of the public sector go further: they buy more goods and services' (Howe, Budget Speech, 15 March, 1983). As such, only lower inflation could guarantee that spending properly reflected the benefits of economic growth and improvement as a function of productivity and output. Thatcher herself extolled the moral virtue of saving as a laudable individual characteristic that benefits the community as a whole. Government policy could therefore necessarily be used to 'encourage people to spend less and save more', and indeed as Chancellor, Nigel Lawson 'had to raise interest rates [in 1988]. It's never popular to push them up—except perhaps with savers—but popular or not, the Chancellor has done the right thing as you would expect of him' (Thatcher, Conservative Party Conference Speech, 14 October, 1988). It is in the noticeable contradiction between Thatcher's conservative views on debt as a detriment to saving, and the proliferation of personal credit through the relaxation of borrowing constraints, that the duality of structure and agency is brought to bear on an understanding of the process of subjectivation, as a truly incomplete and contingent affair. These are the very tensions with the potential to disrupt normative expectations about behaviour and self-conduct envisaged by Foucault (1994), and they are made evident thanks to the use of a critical form of narrative policy analysis that accounts for the retention of discourses in policy and legislation, as well as the physical environments these produce. As I noted in an earlier section of this chapter, it is not that discourses perform the disciplines, techniques, and social events they purport to describe, but instead that they have causal properties and the ability to change circumstances, in that their deployment in official contexts such as policy and legislation results in material changes to the social environment that people live in, and the resources available to them. Consequently, while it is not the case that Thatcher herself would ever have advocated the accumulation of personal debt to make ends meet, her desire to stimulate and liberalise the financial sector combined with a belief in the efficacy of personal innovation and individual responsibility to the community as a whole provide the discursive foundation and framing of personal debt and its repayment as a normative component of financial subjectivity. Indeed, in terms of the retention of discourses, the eruption of personal debt as a problem enabled by Conservative policies of financial liberalisation did little to change the promotion of innovation and self-sufficiency at the level of individuals and industry, as it further magnified the importance of the responsibility for changing personal habits for one's self and broader community. Importantly, it meant that the problems faced by many individuals could be attributed to personal failure—to adequately save or cut back, for example—rather than structural deficiencies leading to harsh realities such as insufficient jobs or the failure of the market to produce better wages.

The hallmark of Thatcherism is thus not a stringent and immoveable adherence to particular kinds of policy, but instead a flexible and pragmatic approach that allowed for a reframing of varying results as successful in discursive terms, inasmuch as they moved the United Kingdom in the direction of individualism and away from collectivism. Although monetarism was strongly advocated as the only solution to high inflation, as a means of controlling government overspending and the devaluation of currency in both Party Conference and Budget Speeches in 1979, by 1981 strict targets had become tentative, and its failure to rejuvenate the economy led to its being 'quietly abandoned in the consolidation phase of the first Thatcher government. However, this did not sideline issues of money and credit, taxation and spending nor did it marginalize the interests of financial capital' (Jessop, 2015: 24). Thus in his third budget, delivered in 1981, Geoffrey Howe predicted that increased industry and personal borrowing due to a loosening of restrictions would result in higher-than-normal levels of borrowing but that, as inflation decreased according to plan, it would begin to level out: 'Financial behaviour should […] revert to a normal pattern. The private sector has been moderating its borrowing from the banks, and the exceptionally rapid build-up of personal sector liquidity should come to an end as the growth of prices and incomes continues to slow down' (Budget Speech, 10 March, 1981). However, by the end of the Conservatives' first term in government, and indeed ahead of their 1983 victory, it became clear that a tight control of the money supply would not produce the economic regeneration needed to overcome a 'severe recession, mounting unemployment, and growing unpopularity', leading to a 'covert relaxation of monetary policy in favour of a medium-term financial strategy' (Jessop, 2015: 19). In his first budget following the 1983 election, Howe therefore proclaimed that he would 'be proposing further significant cuts in the taxes paid both by business and by individuals. These proposals will be consistent with our medium-term strategy for effective control of the money supply, for lower public borrowing, and for further progress on inflation' (Howe: 15 March, 1983). New focuses shifted in the direction of the privatisation of national industries to promote efficiency and also allow share ownership, as well as the contracting out of public services; tax cuts for business, personal income, and wealth in the form of savings and shares or pensions, and the cultivation and expansion of the financial sector through liberalisation of the market and loosened restrictions (Jessop, 2015).

Favourable tax reductions for corporations and the wealthy were a major part of Chancellor Nigel Lawson's 1987 budget following the Thatcher Conservatives' third electoral win that year, but by 'autumn, the Lawson boom turned to bust, affecting homeowners, shareholders and jobs' (ibid., 20). Earl Reitan notes that the money from 'tax cuts had not gone into investment, but speculation, houses, and consumption. Wage settlements averaging 9.25 percent and a great expansion of consumer credit through hire purchase and credit cards fuelled inflation, which reached 8 percent in 1989' (2003: 85). By 1987, household debt had already reached £45 billion (Office of National Statistics, 2017), a significant increase attributable to the easy availability of credit cards starting in the 1980s, when compared to the £32 million owed in 1973 (Block-Lieb, Wiener, Cantone, and Holtje, 2009: 155). The combination of tax deductions on mortgage interest and further deregulation allowing banks to lend on mortgages after 1986 further contributed to borrowing and spending, leading to striking increases in housing prices: 'Lending institutions were flush with cash; mortgage loans were easily available at 100 percent of value and at moderate interest rates. Buyers were willing to take on large mortgages in the expectation of further price increases' (Reitan, 2003: 55). However, a 'sudden drop in the New York Stock Exchange in 1987' (ibid., 56) brought the boom initiated by the Big Bang of 1986 to an end, leading to increases in mortgage rates and payments that had almost doubled for borrowers. As a consequence, '[h]ouse prices began to fall as people unloaded houses they could no longer afford. Millions of people who had bought during the boom were stuck with negative equity – the mortgage was higher than the sale value of the house' (ibid., 91).

Thatcher's framing of Lawson's increase of interest rates in 1988 as necessary and morally correct in curbing borrowing thus highlights the reality that Thatcherite discourse held individuals entirely accountable for their actions, and, indeed, the overall success of the economy. And yet, although borrowing and the accrual of personal debt was not encouraged by Thatcher, the discourse of household innovation in austere times requiring households to cope with inadequate wages often left people in a position to require debt to tide them over in the absence of the guarantee of a job. Having stripped away a great deal of the authority of local governments or trade unions, as typical forms of appeal for the traditional working class, which was fast becoming fragmented itself through industrial decline, it is not altogether surprising that the evolution of personal debt would affect some of those most sidelined by the enactment of supply-side policy, as the ideology of the individual was eventually translated into the particular distribution of resources. The traditional working class was indeed split by the infamous Right to Buy Act, which posited homeownership as the pinnacle of personal advancement rather than welfare support or industrial action, which proved extremely popular with some, and disadvantageous for others. Restrictions on the funds available to local governments for building social housing, combined with a requirement to raise rents to market levels, created an inducement for tenants to buy their homes. Reitan notes that the 'increases in rents dictated by the government made it advisable for tenants to buy, if they could afford it', given that tenants were eligible for discounts from the market value of the home, including up to 50 percent of the cost for long-term tenants (ibid., 33). The sale of council houses undoubtedly reduced public expenditure on housing and proved profitable in itself, increasing Treasury income from £472 million in between 1979 – 1980 to over £2 billion in 1986 – 1987. It appealed to those from the working class who assumed they would never own their own homes, and succeeded in shifting some of their party allegiances to the Conservatives (ibid.), proving a more desirable form of 'popular capitalism' for the traditional working class than the sale of shares from denationalised industries (Norris: 1990; Jessop, 2015). But it also contributed to deepening social rifts and worsened living conditions that characterise today's precariat:

> By 1990, most of the desirable houses had been sold, with the remaining public housing consisting of high-rise flats occupied by the poor in estates riddled with crime, drugs, and disorder. Three-quarters of the people in public housing were in the lowest 40 percent of income, and 60 percent of them were unemployed (Reitan, 2003: 33).

It is therefore possible to see the entrenching of new forms of stratification driven by individualistic ideology and discourse, in the inclusion and exclusion of groups from markets and services. While the notion of a share-owning democracy was never properly realised (Jessop, 2015), buyers were overwhelmingly middle- rather than working-class (Norris, 1990). Meanwhile, the accumulation of household debt, while manageable for those with assets, savings, and regular incomes, proved difficult for those with lower incomes. Compounded with the decidedly individualist underpinnings in creating prosperous homeowners who aspire to the security of the middle-class, the stratification of financial subjects as investors and entrepreneurs, or alternatively debtors, had taken root.

There is little doubt among scholars that the discursive approach of the Conservatives under Thatcher really did alter the political landscape, and, indeed, the expectations placed upon people in their everyday lives. Thatcher's proclamation in a Party Conference Speech during 1988 that it was now the 'Conservatives who set the pace, generate the ideas, and have the vision' (Speech to the Conservative Party Conference, 14 October, 1988) was more than a rhetorical flourish, in the sense that subsequent governments, whether Conservative or Labour, have had to contend with, respond to, or even adopt the ideas and discourses that Thatcher strongly advocated. This went beyond a gradual interest on the part of Labour in opposition for selling council estates, as suggested in multiple Conservative Party Conference Speeches and Budgets during Thatcher's tenure, to the wholesale adoption of the idea of a responsible stake-holder by Tony Blair in his regeneration of the image of Labour as 'New Labour'. As Jessop points out, the Conservative government under John Major from 1990 – 1997 'maintained the basic thrust of the consolidated Thatcherite project, albeit without the hectoring tone and erstwhile charisma of its eponymous leader' (2015: 21). The adoption of a similar discourse by the Labour Party under Blair, however, represented a radical break with Labour history which, although it seemed like a new alternative to the electorate which chose Labour in a landslide victory in 1997, nonetheless persisted in individualistic discourse ad policy.

New Labour was ultimately 'content to administer much of Thatcherism's legacy in regard to the neo-liberal economic strategy, as if considering their effects to date as so many economically or politically irreversible *faits accomplis*'; this was, in part, to 'avoid frighten[ing] the electorate with the prospects of radical change or a return to the now firmly, if unfairly, discredited postwar labour tradition' (Jessop, 2007: 283). For Norman Fairclough, this acceptance is evident in New Labour's talk of 'national renewal, individual responsibility, maximising competition, and the limitations of government', in addition to flourishing business and innovation as part of an enterprising culture (2000: 73). Thus,

> A fundamental aspect of what makes New Labour 'new' is its abandonment of an economic role for the state – its assumption that it is faced with a 'new global economy' whose nature it cannot change and should not try to change. This is in contrast with social democratic and democratic socialist traditions, which have seen the state as having the capacity and responsibility to modify the capitalist economy, notably through nationalisation and the formation of a 'mixed economy'. When the expression 'mixed economy' is used by Blair, it is used metaphorically to refer to 'partnerships' – 'we are building new public and private partnerships. There needs to be a mixed economy in the funding of welfare comprising the state, private and voluntary sectors' (ibid., 76).

Earlier collectivist discourses advocated by former Labour governments disappeared, with a newfound appreciation for the market economy evident in Tony Blair's policies. Blair himself suggested it was the 'end of the something for nothing days' in discussing welfare reform, invoking recently popularised notions of dishonesty in benefits claims, the need for hard work as a personal virtue, as well as fiscal responsibility and personal responsibility in the family and community (Blair, cited in Fairclough, 2000: 130).

The retention of individualistic discourses about the economy and state is thus evident, insofar as the New Labour government continued to promote financial liberalisation and deregulation, as well as the privatisation of state assets (Jessop, 2007). As the continuity between Thatcherite conservativism and New Labour's 'third way', ostensibly between harsh fiscal conservativism and excessive government spending, shows, discourse was not simply a question of rhetoric in successful election campaigns, but rather a causal mechanism in shifting overall social attitudes and understandings of everyday behaviour and practices. As Fairclough concludes,

> The Conservatives under Thatcher realised that their project for radical social change was best achieved through the relatively slow and patient groundwork of changing attitudes, moods, and cultures rather than head-on – through ideological means, and therefore through discourse. This is one respect in which New Labour has followed Thatcherism, and it is of particular interest here because it implies a language turn in politics – and enhanced salience for language in achieving social and political change (2000: 73 – 4).

The importance of the market in resolving both economic and social issues had thus become socially ingrained, rendering such concepts increasingly commonplace. The idea of people as responsible for their own destiny in every way, regardless of their circumstances, was thus upheld both by the Conservative and Labour Parties, rendering a collectivist opposition to individualist discourse absent. In turn, as I lay out in the next chapter, individualism and freedom of choice as they were ingrained in government policies set in motion the appearance of a range of riskier choices in asset-based welfare, which ultimately led to the adoption of entrepreneurial strategies, at least ideally, in the management of the home.

Addressing the emergence of a neoliberal sensibility, Foucault argued that 'the true economic subject is not the man of exchange, the consumer or the producer, but the enterprise', where enterprise is not simply an institution so much as 'a way of behaving in the economic field—in the form of competition in terms of plans and projects, and with objectives, tactics and so forth' (2008: 175). In the 'new' economy, such neoliberal discourses of competition amongst individuals who possess the intuition for innovation, as well as a responsibility to others as engendered by liberal notions of freedom, have become commonplace as forms of complexity reduction that render solutions to economic problems in purely individual terms. They were selected by the Thatcher government to address the crisis of the welfare state in the late 1970s, but they have been retained by subsequent Conservative governments, Tony Blair's New Labour government, and have undoubtedly been present in the policies of recent Conservative governments, with David Cameron constantly encouraging citizens to 'take more responsibility' for their actions and the state of society without relying on the government to create more prosperity (15 February, 2011).

Insofar as Foucault calls economics the 'analysis of the internal rationality, the strategic programming of individuals' activity' (2008: 223), however, the aim of the study of financial subjectivation through discourse is not simply to illustrate that individuals have become more self-sufficient, endowed with certain freedoms that require a degree of personal responsibility. It requires, additionally, an examination of how structures and discourses promote and refine certain practices and conduct that constitute subjects as responsible entrepreneurial individuals in their daily financial decisions so that, in the case of financial subjectivity, taking innovative risks actually becomes rationalised. This helps explain why, even though there are often barriers to the realisation of the self as an entrepreneurial subject, such as dwindling savings with which to invest, individuals may still think of themselves in such individualistic terms. Thus, although Foucault consciously rejects the Marxist notion of a worker as defined in the extraction of their labour-power in the process of production (ibid.), his approach to economic subjectivation still resonates with Althusser's (1971) interest in the institutions and practices that reproduce the class structure within the capitalist social formation. In the case of the rise of Thatcherism in the United Kingdom during the 1970s and 1980s, it is clear that working households were hailed as individuals who could contribute to social prosperity through their own industry and financial prudence; this was promoted in government discourse about the need for opportunities in homeownership, share ownership, and the personal responsibility that results in lifting government regulations and restrictions. Consequently, individuals and households were tasked with thinking about their role in the new economic imaginary (cf. Kutter and Jessop, 2014) as distinct from an earlier reliance on trade unions and a strong welfare state, while the actualisation of these discourses in the enactment of laws and legislation gave them different sets of strategies and opportunities to make ends meet.

Conclusion

The process of financialisation, including market liberalisation and the diffusion of risk among a larger portion of the working population, represents a series of complex events that signify the emergence of a new economy. The Thatcher government's support of market liberalisation and the finance sector undoubtedly helped cultivate the city of London as a major global centre of finance, at a time when markets were becoming increasingly competitive around the world (cf. Clemons and Weber, 1990). Consequently, many of the policies introduced in speeches and interviews broadcast to British citizens helped frame financialisation as key to economic prosperity, since it encouraged competition and global investment in the British economy. In this way, Thatcher's discourses served as a form of complexity reduction in the initial shift toward self-sufficiency and individual responsibility, by highlighting individual prudence, creativity, and appreciation of risk as crucial characteristics enabling individuals to successfully navigate their work and personal lives, while also suggesting these strategies helped contribute to a thriving economy that could meet the needs of everyone. To this end, Thatcher advocated the rollback of the welfare state by encouraging people to meet their present and future needs through the private sector. She also insisted that the privatisation of assets such as homes and nationalised industries would give people a stake in society, in order that employers and employees alike could move away from the 'collectivism' of trade unions, housing councils, and government regulations. The results included substantial increases in homeownership and share ownership, as new legislation enabled families in council houses to purchase their homes at reduced rates, while the privatisation of national industries allowed employees to purchase shares from the firms that employed them. Individuals were thus beginning to acquire forms of capital, and consequently, also a certain amount of financial risk, that would lead to their eventual navigation of investment, debt, and entrepreneur-like behaviour in managing personal finances.

This chapter has therefore illustrated how discourse, as a form of complexity reduction, structures the meaning that individuals give to the institutions, events, and social relations in the course of subjectivation. As particular discourses are selected to describe the material conditions of the economy, they shape the perspective that subjects take and the strategies they perceive as appropriate within a given circumstance, so that, as I have argued, the internalisation of risk as a form of innovation is actually understood as a rational approach to daily life. The retention of such discourses over time helps to normalise these approaches. In addition to presenting a coherent worldview of complex processes, however, discourses also act as causal mechanisms, when they serve as the basis for the enactment of legislation or laws that ultimately affect the configuration of social relations and the kinds of strategies or opportunities available to financialised subjects. I have maintained the importance of structural factors in the course of subjectivation, but also of discourse, to think about how subjects internalise the conditions of subjectivity. This chapter has, then, highlighted how the production of meaning through discourse lays foundations for financialised subjectivity.

Chapter Four:
Indebted investors and the struggle of saving and borrowing

Introduction

I have now laid out the ascendance of a strictly individualist discourse, in the context of financial development in the United Kingdom, with reference to Margaret Thatcher's infamous three-term premiership from 1979 – 1990. Responding to wide scale work stoppages across the country caused by industrial unrest, and economic slumps related to declining productivity and escalating inflation, Thatcher's Conservatives revived in their policy an earlier liberal ethos of self-reliance, responsibility, and freedom of choice, to assert the need for personal innovation and industry in economic rejuvenation. People, in other words, had to be able to work and produce in the absence of restrictions from the state, which, Thatcher believed, only served to stifle progress rather than ensuring quality and stability. To that end, major cuts were made in the public sector in order to draw back state involvement in economic and social life. In the first instance, this served the purpose of attempting to control the money supply by limiting spending and reducing inflation, but it later enabled the privatisation of national industries, which was aimed at increasing their efficiency and involving increasingly more people in economic life through the selling of shares. Additionally, and very successfully, the sale of council houses both reduced public expenditure on council estates and convinced some traditional working-class voters of the merits of Thatcher's brand of Conservativism. Thatcherism, then, was a useful discursive frame for the market-driven changes that were taking place across the United Kingdom, exemplifying the supply-side ideology underpinning policy and legislation aimed at growing the economy through industry and market expansion, driven above all by the notion of personal success as a community benefit.

Although Thatcher herself considered socioeconomic inequality as a necessary incentive to entrepreneurship and innovation (Schmidt, 2001), the legacy of Thatcherism and its implementation in successive Conservative governments thereafter, in addition to a variation embodied by New Labour, has been one of consistent disparity for those at lower ends of the income spectrum. The manufacturing sector never properly recovered, leading to a decline in traditional working-class jobs, while the rise of the financial sector, facilitated in part by the Conservatives' aggressive sale of council houses, 'promoted a consumer boom fuelled by housing equity' while simultaneously 'fetter[ing] labour mobility from areas of high unemployment to those with labour shortages' (Jessop, 2015:

26). Some unskilled workers were relegated to undesirable council estates with high crime rates and social problems, limiting their ability to thrive and relocate. Retraining could be difficult, as the 'Thatcher government systematically reduced its role in training and tried to bring education and R & D activities closer to the market. Overall, its policies, maintained under New Labour, reinforced the low-skill, low-wage, low-productivity character of much of British industry' (ibid.). The political influence of the traditional working class thus diminished, as well-paid manufacturing jobs were lost, while low-wage part-time or temporary work increased (Reitan, 2003). The upshot was the emergence of a varied class of workers living off of precarious employment and low incomes, known as the precariat.

Consistent with competitive pressures put on firm managers and the concurrent 'middle-class squeeze' felt by those with moderate income levels, precarious workers were encumbered by increasing levels of risk and uncertainty. However, the fact that most of the precariat had almost no financial assets made engaging with financial markets difficult, perceived as they were to be high risks with little to draw on in case of contingency and a probable likelihood of defaulting on obligations as a result. For Charles Moore, writing in defence of Thatcher's popular capitalism in the *Wall Street Journal*, indebtedness is a huge threat to the 'ideal of ownership', as the 'rights of property do not seem so enticing if the value of what you own collapses or if that property is trapped by debt' (2015). Government protection of savings is thus seen as crucial to reviving popular capitalism, predicated on the ownership of housing, stocks, and pensions, in order to instil an appreciation for planning for the future rather than 'hav[ing] it now' (ibid.).

The accumulation of large amounts of household debt is now indeed understood to have facilitated the eventual crash in 2007 – 2009. In the United Kingdom alone, personal debt exceeded £1 trillion just before the financial crisis (Brown and Taylor, 2007) with lending 'growing substantially faster than household incomes' and raising 'questions about the ability of people to repay what they owe, especially in the event of sudden change in economic circumstances' (May, Tudela, and Young, 2004: 414). For precarious workers, debt acquired to makes ends meet is the limit on the entrepreneurial creativity expected of financial subjects with higher incomes and stable jobs: the freedom to choose between an array of employer-sponsored or private pension plans, or separate investment options for retirement altogether, is meaningless if saving for the future has to be postponed for present expenses. For those on low wages, these expenses can follow them throughout their lives: 'Young people cite debts and high rent; for those in mid-life it's the cost of raising a family.

For baby boomers, it's the cost of household bills and financial help they are giving to younger relatives', leading to the sense that 'saving for the future feels out of reach' (Joseph Rowntree Foundation, 2016). Two important developments therefore follow from the results of the financial crisis, including the lack of saving and the accumulation of debt. In the first instance, 'paternalistic' pension reform now sees employees automatically enrolled in schemes, such as the National Employment Savings Trust, rather than having to consciously opt in, as a way of reducing choice and guiding sounder savings decisions (Clark, Strauss, and Knox-Hayes, 2012). Secondly, due to the decline of savings and the collapse of subprime markets in 2008, lenders began to ration credit in favour of low-risk borrowers, leading to the withdrawal of most subprime products (Wainwright, 2009). As a consequence, the status of the 'entrepreneurial' individual is in question, given the conscious promotion of behaviours designed to avoid financial instability and crisis by reducing choice and creativity (Clark et al., 2012). In this way, the question of subjectivity and the replication or transformation of structures becomes apparent, which is discussed further in the fifth and final chapter of this thesis.

The legacy of Thatcherism

Income disparity was a very real consequence of Thatcherism and its view of wealth as created by thriving industries rather than government intervention. Low productivity in the real sectors combined with the expansion of capital markets as a highly profitable sector led to volatility as Thatcher and successive Conservative and Labour governments sought to solidify the pre-eminence of London as an international financial centre. Jessop contends that the 'seeds of later financial crises and continuing economic decline were evident' from the 1980s – 1990s, owing to market expansion and internationalisation that occurred as a result of the opening and liberalisation of the stock markets, or the 'Big Bang', in 1986 (2015: 27): there was a 'pattern of investment skewed to sectors that service the consumption boom (retailing, distribution, personal financial services) rather than those involved in producing internationally tradable commodities. This trend continued under New Labour' (ibid.). However, consumption was not matched by increasing productivity in British industry, and the entrepreneurial culture of innovation and creativity in the classic sense as a driver of industry was largely absent. Low productivity, according to Reitan, was attributable to 'deficiencies in training and education', as well as managers who 'were slow to introduce technology that would improve productivity' (2003: 141). Attracting employees also proved difficult with workers struggling to move from regions with low employment prospects, and thus low house prices, to regions with better employment and higher costs of living. Manufacturing foundered, leading to a changed job market that, over the course of nearly 20 years between 1979 – 1997, saw a decrease in typically male-dominated jobs and an increase in new part-time jobs. While roughly 700,000 women became employed as a result, ‘the number of employed men decreased by 2.7 million’, leaving earning imbalances in its wake: ‘The deindustrialisation of Britain destroyed many well-paid jobs for men while creating many low-paid jobs for women’ (ibid., 140). Although neither Thatcher nor her Conservative successor John Major succeeded in curtailing the influence of unions altogether, with 41 percent of employees in the private sector and 78 percent in the public sector still covered under collective bargaining agreements by 1990, their power was significantly weakened and legislation was adopted promoting the idea of union membership as a choice and something that should not intervene in the general management of a firm. Further, in nonunionised sectors, Major successfully abolished the Wage Councils that were necessary for setting minimum wage levels in service industries such as ‘hotels, restaurants, retailers, janitorial services, and other employers of low-paid workers, many of whom were women of immigrants’, on the grounds that ‘minimum wage priced unskilled workers out of jobs and that “low pay is better than no pay”’ (ibid.).

A noticeable effect of the faith in free markets to produce and distribute wealth has instead been the emergence of a class of precarious workers, with primarily part-time or short-term contracts, lower wages, and few benefits, if any, to rely on. The result in living standards has been a significant increase in ‘the disparity between the wealthiest and the poor’, with ‘the real incomes of the richest 10 percent [rising] by 55 percent, while the real incomes of the poorest 10 percent stayed the same’ between 1979 and 1992 (ibid., 141). 52 percent of the wealth was owned by the top 10 percent of earners, relative to the 8 percent owned by the bottom 50 percent. For the precariat, Reitan points out, ‘their job or pension was almost all they had’ (ibid.). Although New Labour won a landslide victory in 1997 as voters tired of Conservative governments, the Labour Party under Blair was never committed to a reduction of this disparity through a return to a strong welfare state. Instead, they continued ‘liberalization and de-regulation in many areas’, in addition to ‘privatization or, at least, corporatization, or most of what remained of the state-owned sector as well as […] the extension of market forces into what remains of the public and social services at the national, regional, and local level. It was also firmly attached to internationalization, especially the free flow of capital’ (Jessop, 2015: 22). Even a particularly national focus on the knowledge-based economy as a solution to deindustrialisation in the United Kingdom had a financial angle, with 'knowledge-intensive business skills' fostering 'cutting-edge financial innovation' (ibid.). Thus regional disparities remained, especially relative to the North where there were higher levels of unemployment, due to 'the structural bias in the economy towards London […] and debt-led consumption' (ibid.). Despite the moral imperative to save in Thatcher's own discourse, volatility partially born of debt and flexible labour contracts as an ostensible economic benefit meant that saving in practice became much more difficult.

Uncertainty and the contradictions of financial subjectivity

The 'financialisation of personal income' as a social problem had not gone unnoticed by policymakers and financial activists seeking more user-friendly approaches to markets. Costas Lapavitsas summarises the nature of the defaults the contributed to the financial crisis of 2007 – 2009 when he notes that subprime markets enabled even some of the poorest households to obtain loans and mortgages in order to become homeowners. As the prices of their homes rose, they 'were encouraged to re-mortgage and use the proceeds for other purposes', leading to the 'collapse of personal savings' (2009a: 118). The aggressive or predatory nature of subprime lenders thus allowed the issue to be framed as one of ignorance on the part of low-income borrowers about the financial system, to be solved with proper education and financial literacy. By portraying the indebted as victims of predatory lenders, a clear solution then becomes education about how credit works. Policymakers in the United Kingdom have also pursued financial literacy campaigns designed to encourage responsible investment, in particular among those who would otherwise be unlikely investors. Thus, while existing investors are provided with information available over the phone, online, via email, and in pamphlets about how to invest wisely, those who are not engrained within the world of investment are targeted through financial literacy campaigns promoting a public understanding of finance, beginning at an increasingly younger age through financial education in schools (Langley, 2007).

Langley correctly suspects that financial education, targeted as it is toward individuals and their behaviour, cannot address the inherent future uncertainty associated with investment:

> investment as a technology for calculating and embracing financial market risk/reward fails to bring order to future uncertainty and instead leads to heightened anxiety; and the performance of investment stands in tension with the practices of

> work and consumption that also appear as essential to securing, advancing, and expressing individual freedom in neoliberal society (ibid., 70).

For the precariat, however, the issue is perhaps even less complex than the concern about fluctuating markets and their effects on savings for the future, insofar as a basic requirement to meet needs in the present tends to outweigh planning for retirement. Debt is not always about financing lifestyles or 'simulating a class position' (Sullivan, 2008), but of providing basic necessities in times of unemployment, or in between paycheques. The precarious financial subject therefore exemplifies the contradictions of the process of subjectivation and the knowledge about subjects and their competence in the realm of finance that it produces (cf. Foucault, 1994). Part of the process, after all, encourages a move toward efficient and creative self-conduct in the valuation of everyday life, skills and aspirations as a portfolio of personal investment in future prosperity (Feher, 2009). However, the acquisition of debt also produces a wide-range of knowledge about the history of habits, conduct and trustworthiness of subjects where their ability to repay obligations is concerned, framed as having control or responsibility for their situation. As a consequence, financial subjects can be disciplined with schedules for repayment, notices of delinquency, high rates and fees, or repossession, as part of a financial history that provides a profile on which further decisions will be made (Lazzarato, 2012). Unlike the subjects envisioned in *Discipline and Punish* or the *History of Sexuality* who 'unwittingly replicate the very structures that are the conditions and limits to their claims of self-hood' (Luxon, 2008: 378), precarious financial subjects face a contradiction in that the need for entrepreneurialism as a creative answer to difficulties, through investment and risk-taking, is constantly limited by the rigid behaviour of repayment, or the uncertain possibility of default. Reproduction of the relations as given in the economic imaginary are therefore far from given. I therefore turn to developments in saving and borrowing in the following sections of this chapter, to understand possible limits on the notion of an entrepreneurial subject of the precarious working class.

Pension reform in the United Kingdom: Privatisation and the question of personal choice versus paternalism

Pension reform since the election of Thatcher's Conservative government has predominantly centred on the question of freedom of choice in planning for the future, as I have shown in the previous chapter. Beginning in the budgets of 1986 and 1987, Nigel Lawson laid out provisions for the launching of the personal pension in 1988, as an alternative to both employers' occupational schemes and the State Earnings-Related Pension Scheme (SERPS) for those who wished to exercise more freedom of choice over their investments relative to the requirements of their personal circumstances. The drive for pension ownership, as a third major tenet of popular capitalism after homeownership and share ownership, nonetheless had a bias in favour of those who were less reliant on public provision of state pensions due to their occupations, and who were sufficiently financially literate to understand other available options. The debate about whether risks should be either borne collectively by society in the name of greater stability, or by the individual in the name of greater choice and freedom in planning for retirement has ultimately erred on the side of the latter, with individual responsibility touted as a key value rooted in the freedom to choose between provisions, make mistakes, and accept consequences. According to Karen Rowlingson, New Labour had, '[i]n many ways […] continue[d] with the same moral tenets as those enshrined by Margaret Thatcher's call for a renewal of "Victorian Virtues"' (2002: 624), so that pension provision remained firmly a question of individual choice and responsibility rather than a collective duty. Thus, in 1998, the Department of Social Security published its *Case for Welfare Reform*, in which it held, crucially, that 'society has a responsibility to help people in genuine need who are unable to look after themselves', although 'individuals have a responsibility to help provide for themselves when they can do so' (cited in Rowlingson, 2002: 624). The New Labour government therefore emphasised the importance of both rights and responsibilities of the citizen, stating that 'the government cannot solve problems alone. We need to work with people to encourage them to help themselves' (ibid.). As a result, public pension schemes have been scaled back while private and personal pensions have thrived, in order that people should have a choice in the kind of services they want without relying too heavily on the state.[1]

Writing in the middle of New Labour's reforms, Robin Blackburn calls British pension policy 'a mess' (2002), with three public schemes including the Basic State Pension (BSP), State Earnings-Related Pension Scheme (SERPS) (which was being phased out), and the State Second Pension (S2P) (which was being phased in). Additionally, there were three types of second-tier private pensions, including occupational schemes, the

[1] Interestingly, Nigel Lawson later wrote of the 'compulsory choice' underpinning these policies: 'It had been Margaret – backed by a majority of the [cabinet] committee – who had argued that there would be no political support for scrapping SERPS unless an adequate replacement private scheme were made compulsory. I disagreed, pointing out that we were the party of individual freedom; that people had different views about how much pension provision they required; and that to make taking out a particular level of private pension compulsory was contrary to our political philosophy (cited in Blackburn, 2002: 279).

stakeholder pension and personal schemes, as well as the Minimum Income Guarantee (MIG) for any who did not receive an adequate pension from other sources. With many people unsure about the differences between state and private pensions (Clark et al., 2012) and complications arising as people 'move from casual to permanent employment, or from a mainly [unpaid] caring role to self-employment, or from convalescence to study leave, or any one of a hundred or more permutations on the foregoing', Blackburn argues that instead of 'the existing moth-eaten patchwork quilt, pension provision needs to be integrated and unified' (2002: 325).

Type of Pension	Basic Characteristics	Year Established
Basic State Pension	*Mandatory enrolment; first-tier pension*	*1909*
SERPS	*Second-tier state pension (phasing out in 2002)*	*1978*
S2P	*Second-tier state pension (replacing SERPS)*	*2002*
Occupational Schemes	*Second-tier pension offered by employers. Can be defined benefit (which is gradually phasing out), defined contribution, or some combination of both*	*1993*
MIG	*Second-tier state pension, for those who do not receive adequate amounts from other sources*	*2000*
Stakeholder Pensions	*Second-tier private pension. Can be a personal pension with a defined contribution.*	*2001*

Table 4.1: Pension arrangements in the United Kingdom *(Sources: Blackburn, R. (2002)* Banking on Death. *London: Verso; Ginn, J. (2003)* Gender, Pensions, and the Lifecourse*. Bristol: The Policy Press.)*

Currently, there is some recognition that there are limits to the individual sovereignty and autonomy that are the cornerstones of modern liberalism, insofar as there has been an acknowledgement that financial literacy is not always enough to 'empower' individuals with responsibility for financial choices and decisions. The complexity of financial markets and their movements, as evidenced by the financial crisis of 2007 – 2009, indicates the importance of having a professional competence in the understanding of finance, including a grasp of probability and numeracy, 'being able to distinguish between underlying patterns and contingent events […] and being able to cut through the clutter of events and apply the relevant decision rules and techniques' (Clark, Caerlewy-Smith, and Marshall, 2007). Thus, as Clark et al. note, '[t]ranslating these observations about financial competence into the realm of self-directed pension savings and investment, it is widely accepted that self-interest and an everyday knowledge and understanding of financial markets are inadequate' for planning (2012: 139). Consequently, superseding contemporary neoliberal attitudes of self-interest and choice is what Clark et al. refer to as a 'new' paternalism, which 'trump[s] individual decision-making with auto-enrollment, directed savings vehicles, and behavioural prompts that have as their goal real outcomes which are "better" than those which individuals may be able to achieve on their own account' (2012: 151). This means individuals and households are involved in financial markets through the decisions of investment and pension fund planners and managers, who in turn owe, in theory at least, obligations and duties to their participants (ibid.). However, the very need for such a paternalistic approach to pensions and savings indicates the potential limits of financial subjectivity, as some lower income precarious working-class individuals and households come to rely on automatic enrollment and reduced investment choice.[2]

Private pensions: From Thatcher to New Labour

According to Jay Ginn (2003), pension provision in the United Kingdom under the Labour governments of Harold Wilson and James Callaghan in the 1960s – 1970s was witness to significant improvements over earlier occupational pensions: in the first instance, the Basic State Pension 'was formally indexed to rises in national earnings or prices, whichever was the higher', which enabled the elderly to benefit from national prosperity. Additionally, the establishment of the State Earnings-Related Pension Scheme in 1978 replaced an inadequate Graduated Pension, with the result that '[b]enefits, based on the best 20 years of earnings […] would accrue at 1.25% per annum and entitlements were automatically portable across jobs or across gaps in employment' (Ginn, 2003: 14). By the time the Conservatives were elected in 1979, however, the privatisation of welfare, including pension provision, was taken up in a serious way in keeping with Thatcher's individualistic discursive reaction against state paternalism.

[2] To be sure, Clark et al. suggest that the '"new" paternalism also runs the risk of denying the diversity of interests and expectations of plan participants by favouring frameworks that apply to all enrolled participants' (2012: 151). Some participants, especially those in higher income brackets and with stable jobs, undoubtedly embrace the need for risk and choice in retirement planning, which is why the state of financial subjectivity is a stratified and uneven one.

Initially, as Blackburn points out, Thatcher's indexation of the state pension only to rises in prices, rather than to both earnings and prices, seemed to be a minor change, yet 'the medium- and long-range impact of this change was to be very great', with the state pension, which had previously accounted for 20% of average earnings dropping to only 14%. By 2030 the Basic State Pension was projected to amount to only 10% of earnings (2002: 286). Although Thatcher scaled back her initial attempt to abolish the State Earnings-Relation Pension Scheme entirely, the approach that she did take in the end, namely in 'boost[ing] the incentives to opt out of the public scheme by lowering the rate of National Insurance levied on employees who did so', amounted to a form of 'implicit privatisation'. Effectively, by minimising the benefits of public pensions, Thatcher hoped people would be drawn to the private sector to plan for their retirement rather than relying on the state (ibid., 287). According to Ginn, the Conservatives pressed ahead with pension privatisation in spite of concerns that private pensions would bring poorer returns than the State Earnings-Related Pension Scheme. As individual defined contribution plans, the funds are portable, although a 'major drawback, played down at the time, is that investment risk is individualised, shared neither with the workforce as a whole nor even with members of an employee's scheme' (2003: 16). Nonetheless, about 5 million individuals made the switch, which, for Ginn, represented more of a benefit for the pensions industry itself rather than its contributors (ibid.). Thus the Financial Services Act of 1986 saw the State Earnings-Related Pension Scheme replace only 20%, instead of the earlier promised 25% of average earnings which was, according to Blackburn, misunderstood by many owing to the complicated nature of pension benefits. Indeed, because the 'earnings-related scheme had been in effect for less than a decade and, with its complex promise still largely in the future, few grasped what was happening' (Blackburn, 2002: 287).

By the mid 1990s, however, it became clear that not all individuals were indeed the responsible, 'unitary selves', who were envisioned by policymakers as being capable of making consistent and informed choices across time (Rowlingson, 2002): that is to say, most individuals do not think and plan solely for their futures, in the absence of any other concern with money in the present. It was obvious that, since the legislation of 1986, 1.5 million people had been 'missold' private pensions, meaning that, under pressure from pension salespeople, they opted out of the State Earnings-Related Pension Scheme for more expensive, underperforming private pensions. This contributed to scandal and disenchantment with the Conservative government under John Major (Blackburn, 2002;

Ginn, 2003), who were already suffering from the effects of massive increases in unemployment and inequality. For Blackburn, an awareness 'that the already miserable level of the state pension was destined to decline further as a proportion of average earnings certainly helped to compound a sense of insecurity' (2002: 294). Here, the Labour Party, under its remade image of 'New Labour', gained a foothold among voters. Having quietly abandoned a previous plan to restore increases in the state pension with earnings in addition to prices on the grounds that the measure would be too costly, New Labour instead pledged to continue with Conservative spending for its first two years in office, while outlining its vision of a 'stakeholder society', in which the interests of everyone as contributors to British society were to be taken into account. This included the 'stakeholder' pension, the basis of which was the treatment of employees as stakeholders in their respective enterprises, so that the interests of employees would be kept in mind where pensions are concerned. Financial institutions, consequently, would have to take a larger view of the 'communities' they served rather than an entirely self-interested one. In practice, British citizens could acquire a claim to a secondary pension (that is, one in addition to the Basic State Pension) that was based 'on a national fund invested in stocks and shares' in order to give 'all a stake in national prosperity' (ibid., 295).

Additionally, Tony Blair advocated 'a new contract for pensions between the State, the private sector, and the individual' (cited in Blackburn, 2002: 304). The Basic State Pension, accruing at 14% of average earnings, would continue to increase in line with prices rather than earnings. Thus, for the poorest of pensioners, Blackburn contends that their lot 'was only to be improved if their lack of other income meant that they qualified for a means-tested "minimum income guarantee"' (ibid.). Blair also proposed the gradual withdrawal of the State Earnings-Related Pension Scheme in favour of the flat rate State Second Pension although in reality, the State Second Pension acts more as a complement to the low level of compensation from the Basic State Pension than as an adequate replacement to the State Earnings-Related Pension Scheme. Blackburn thus suggests that the State Second Pension 'becomes more of a tax on the lowpaid than a benefit' owing to the fact that they pay into the State Second Pension despite the reality that it provides no more returns than the Minimum Income Guarantee, which is already guaranteed to all those who qualify (ibid., 305). Much like the Thatcher Conservatives, then, Blair's approach was seen as promoting private pensions over state provision by making the latter undesirable.

Pensions, class and the question of financial subjectivity: Paternalism and pensions

There is little doubt that saving for old age has often retained a class character in the United Kingdom: In the nineteenth century, the 'savings ethos of the mass of the population remained sharply differentiated from the Victorian bourgeoisie' (Hannah, 1986: 5) owing to a shorter life expectancy for the working class, which made a focus on raising families or maintaining households in the present more pressing than planning for retirement. And while the welfare state has often been praised, in contrast, for looking after the working class, a system of occupational welfare in the 1950s and 1960s nonetheless distinguished 'middle-class' or 'staff' schemes, from 'works' or manual worker schemes (Cutler and Waine, 2001; cf. Ginn, 2003), where 'benefits were substantially more generous in 'staff' schemes' (Cutler and Waine, 2001: 110). Consequently, those in management positions were far less likely to have to rely on public provision from the state pension, so that they were less affected by pension reform. Thus, Thatcher's 'implicit privatisation' and subsequent attempts to phase out public provision in favour of private plans certainly do not represent the first instance in which the British working class in general became disadvantaged in preparing for retirement.

However, while notions of individual responsibility and self-sufficiency are touted as crucial components of citizenship, individualised pension provision, in which one must become a knowledgeable investor, is a key test of one's success as a financial subject. That is to say, the precarious working class is characterised decreasingly in relation to occupation, especially with the decline of manufacturing as a traditional locus of trade unionism in the United Kingdom. Instead, they are held to the same individualistic standards as the upper and middle classes, typically better off both financially and in terms of their understanding of financial markets. Although financial planning and literacy have helped to constitute the financial subject, as they are regarded as key to overcoming so many problems with saving, Skinner and Ford (2000) find that policymakers work on the false assumption that all individuals are equally well informed and capable of making financial decisions. Instead, they argue, consistent understanding of finance markets and planning for the future is to be found mainly among those whose lives are occupationally stable, making these 'already advantaged groups best able to capitalise on policies that encourage private provision (Rowlingson, 2002: 626). In contrast, the precarious working class faces greater risks, such as unemployment, and has fewer resources with which to deal with these issues. As Taylor-Gooby maintains, self-sufficiency through private provision 'may function as ideology, serving the interests of the more privileged classes by obscuring the continuing importance of class divisions in vulnerability to damage from the risks we all face' (2001; cf. Rowlingson, 2002: 627). In spite of so much insistence of self-sufficiency, both discursively and in the enactment of legislation that makes private provision the easiest form of saving, the question as to whether members of the precariat can continue as successful financial subjects remains an important one.

There has indeed been an implicit acknowledgement by policymakers as to the problematic nature of the self-sufficient individual since, as Clark et al. have it, 'it appears that few people are the sophisticated planners that theory assumes, and even fewer appear to be sophisticated market players willing and able to save for the future in the context of market volatility' (2012: 136). The Department of Work and Pensions warns that '[m]illions of people are not saving enough to meet their expectation for income once they retire', with

> persistent and powerful barriers to people taking the long-term savings decisions that would be needed to address this problem. These include inertia, financial myopia, the cost of pension saving and the complexity of the decisions involved (2006: 31).

From the outset, the discourse used by the Department for Work and Pensions appears consistent with earlier neoliberal discourse that stresses 'tak[ing] personal responsibility for ensuring that their aspirations for retirement are met' (ibid.). Yet, by introducing a 'minimum overall level of contribution' for employees as well as automatic enrolment in pension plans, the Department of Work and Pensions ultimately clarify their intentions to

> promote *personal responsibility*, by helping overcome the barriers to saving; *simplify* the system for individuals, by clarifying the savings decisions they need to take; and make the system *fair*, by ensuring access to high-quality, low-cost provision for all (ibid., emphasis in original).

This kind of approach, according to Jones, Pykett and Whitehead, actually represents an outlook termed 'soft' or 'libertarian' paternalism, a new form of paternalism that 'exists somewhere between neoliberalism and the harder forms of paternalism' (2011: 51). Thus, rather than encouraging self-sufficiency and responsibility by leaving individuals and households to fend for themselves, public institutions are better to 'affect behavior while also respecting freedom of choice' (Sunstein and Thaler, 2003: 1) through the 'careful design of collective structures of choice in a range of policy areas, which facilitate more effective decision-making while enhancing personal freedom' (Jones et al., 2011: 51).

Where pension policy is concerned, the new paternalism considers individual choices to be ill-informed, based on 'framing effects, starting points, and default rules, leaving the very meaning of the term "preferences" unclear' (Sunstein and Thaler, 2003: 2 – 3). In short, the new paternalism acknowledges that people do not make choices and decisions in a vacuum, and that they may be different depending on the context an individual finds themselves in. Consequently, environments can be structured to actively promote saving, through, for example, auto-enrolment in pension schemes at work such as the National Employment Savings Trust, or requiring a 'minimum overall level of contribution of 8 per cent for the personal accounts of employees and encourag[ing] additional contributions from employees' (Department of Work and Pensions, 2006: 31). This allows 'citizens [to] be "nudged" into making appropriate decisions' (Jones et al., 2011: 53; Thaler and Sunstein, 2008), while allowing them to exercise a certain level of freedom of choice by opting out of private pension schemes in order to invest elsewhere. This development has therefore led Clark et al. (2012) to question how far financialisation, with its focus on self-sufficiency, personal responsibility, and entrepreneurial abilities in investment really extends. As I argue in the next chapter, it is indicative of the struggles over the process of subjectivation, and the subsequent transformation of subjectivity.

Debt, mortgages, and destabilisation: The eventual withdrawal of subprime products

For as much as Thatcher herself disavowed personal debt as detrimental to saving and responsible household habits, the Big Bang of 1986 and the removal of trading restrictions such as fixed commissions facilitated the spread of the 'stock trading, merger, and takeover boom in the United States […] to Britain', resulting in an estimated 50 percent increase in national wealth from the financial sector alone (Reitan, 2003: 56). However, the import of the process of securitisation, and securities as tradeable commodities from the United States (Wainwright, 2009) meant that much investment on the market was geared to servicing the consumption boom itself (Jessop, 2015). With stagnant wages, primarily affecting the lowest-paid workers, and an increase in lower-paying part-time rather than well-remunerated full-time jobs, the new availability of credit and loans could help workers and their families forestall their downward mobility by borrowing in times of income disparity and hardship (Sullivan, 2008). It is not simply the case that increasing levels of personal debt represented reckless spending or irresponsibility, but rather the management of volatility with new technologies and instruments made available through the expansion of capital markets. These technologies, in turn, indicated a new form of the governance of consumer behaviour, which was itself unproblematic in the eyes of Thatcherite Conservatives (Payne, 2013). As Sparkes puts it, 'an imagined figure of the consumer became utilised by the neoliberal movement, both to problematise Keynesian methods for governing the economy and as the basis for a new governmental programme' (2015: 35), where the borrowing needs of consumers, rather than just producers, now had to be met. In elevating the consumer as an expression of individual freedom of choice whose needs had been neglected under the Keynesian national welfare state, neoliberal thought displaced the producer as a central figure to focus instead on individual needs and desires, which in turn necessitated the expansion of credit as a way of meeting these needs. It was therefore Thatcher's government, in 1980, which abolished the bank lending 'corset' established earlier under Edward Heath, that had discouraged the origination of too many consumer loans above a certain threshold.

The normalisation of debt as a legitimate method of dealing with unexpected circumstances, however, is accompanied by the equally normalising expectation that the debt will be repaid (cf. Sparkes, 2015). The individual as a consumer with needs to be met came back to the fore, superseding other notions of the individual as a worker or producer, subject to hierarchies and divisions brought on by inequalities associated with income and wealth (Sullivan, 2008). These forms of stratification were instead mobilised in the creation of models that would predict an individual's likelihood of default or repayment, to indicate not their place within a class-based hierarchy, but the level of risk they posed as a borrower. It is hardly surprising as a result that key structural factors such as low income (Orton, 2009) are predictors of whether an individual is likely to make timely repayments or not (Marron, 2007). The treatment of consumers as variables in a technical calculation of risk represents a discursive break from previous lending practices based on personal assessments of an applicant's history and personality by the lender, in the direction of a quasi-scientific, technical assessment of an individual in the context of a population of peers. Marron contends that 'capitalism is built upon instrumental rationality and the capacity for foresight', so that risk, 'as a probabilistic analysis of the recursiveness of events within complexity, brings the future contingency of default and financial loss within the boundaries of consideration in the present, making it knowable in specific ways' (2007: 104). The possibility of future default is, in short, brought into the present, in the stratification of borrowers on the basis of assets, income and employment history, with the precariat scoring highly on many indicators of higher potential for default.

In the consumer credit boom, risk is managed through credit reporting and scoring, which enable lenders to 'construct, measure, and manage the uncertainties over the future meeting of outstanding obligations by cardholders' (Langley, 2008a: 148), as well as to charge specific interest rates to cardholders on the basis of their likelihood of default, known as risk-based pricing (ibid.; Marron, 2007). Here, in the Foucauldian sense, is the confluence of a set of circumstances giving rise to borrowers as a varied group of subjects who can, nonetheless, be disciplined through similar practices:

> the collective body of borrowers was made visible as a dynamic entity within itself, with certain norms of repayment present across its breadth that could be discerned and made known and against which the individual could be made subject for the purpose of controlling costs, increasingly cohering the body of borrowers as a whole, its attributes, extended balances and repayment streams as autonomous, self-referential phenomena (Marron, 2007: 106).

The 'borrower' thus became active subjects in their own right, certainly in the context of Thatcher's promotion of individualism and choice, but predominantly through the development of financial tools of calculation and monitoring that could exercise a disciplinary function to promote regular repayment. These schedules were thus at odds with the entrepreneurial creativity necessary for saving and investing, both in the sense that they divert income for immediate repayment from future saving, while also requiring a sense of rigidity in thinking and behaviour that is aimed at reducing rather than embracing risk. Nonetheless, financial subjects were firmly consumers measured as a risk to lenders, and decreasingly producers with a shared identity among other workers over wages and working conditions.[3]

The housing market and the exclusive nature of homeownership

It was not only credit card debt that contributed to the stratification of precarious working-class financial subjects, however, and the collapse of two housing bubbles, in 1987 under the Conservatives and in 2007 under New Labour (Jessop, 2015) respectively, gives some insight into the further division of financial subjectivity and the potential for instability as a result of borrowing practices. As I noted in the previous chapter, the discourse of homeownership as providing workers with a meaningful stake in society resonated strongly with those who felt limited in council housing, and indeed converted many former Labour voters to the Conservative cause through appeals to greater ownership of national resources. Discounts ranging from 33 to 55 percent off the market value were offered to tenants of council houses and flats depending on their tenure in their home under the Right

[3] To be sure, many workers throughout the 1980s retained a strong sense of working-class identity, evidenced by the Winter of Discontent from 1978 – 1979 and the Miners' Strike of 1984 – 1985. However, the end of the strike represented a significant weakening of the trade union movement in the United Kingdom and a victory for Thatcher.

to Buy Act. This resulted in nearly 1.7 million tenants purchasing their homes by 1995, acquiring roughly a quarter of the 1980 stock of housing. Where, in the late 1970s, 55 percent of people owned their own homes, that number had risen to 66 percent at the end of the 1980s, alongside a substantial decline in social renters over the same time period, from 30 percent to just 16 percent (Clasen, 2003). These developments can be traced to changes at the structural level of government and the institutionalisation of an individualistic ideology. The 1988 Housing Act 'provided some tax relief for new development and changes to landlord and tenant rights and relationships', helping to create new planning policy to allocated the development of social housing for renters within new developments otherwise catering to buyers (Tunstall, 2003: 154). Meanwhile, to ameliorate issues with a diminished private renting sector, 26,000 new homes were built in council estates, 'of which over 23,000 replaced demolished council houses' (ibid.). The supply of residential property available under local authorities thus declined, as part of a series of legislation encouraging renters to purchase homes.

Indeed the Thatcher government offered many incentives to buying, in the form of clawing back the control of local authorities over the housing stock by making the prospect of purchasing both easier to enter into and more attractive than renting. Government spending on social housing decreased, with the cutting back of Housing Revenue Accounts and Rate Support Grants, so that local authorities now had to charge market prices for rent paid by tenants. The housing benefit thus became a major source of support for council tenants who had not purchased their homes (Clasen, 2003), but those who could afford to pay could no longer live in social housing (Reitan, 2003). The lower cost of purchasing homes, in addition to tax relief applied to mortgage interest, thus became more attractive in some cases than continuing to pay a rent increase. Many of the working poor found themselves relegated to remaining unattractive council estates which had not been purchased due to their association with crime rates and drugs (ibid.), but in the early 2000s, prior to the financial crisis, it became apparent that homeownership had spread even to the poor and unemployed. Estimates for the period of 2003

> indicate that half of all poor households (income below half average income) are homeowners. Home-ownership grew significantly within the lowest income decile from 30% in 1979 to 42% in 1997/8, and about half of them have a mortgage (Clasen, 2003: 577 – 578).

But low-income buyers were once again subject to welfare reforms intended to stimulate the consumption of private insurance products and reduce government dependence. Prior to 1995, low income or unemployed homeowners were eligible for the Income Support for

Mortgage Interest (ISMI), which originally covered half of interest payments on mortgages for the first two months, followed by full interest payments afterward (Pryce and Sprigings, 2009). However, reforms to ISMI in 1995 resulted in no support for the first ten months, and subsequent support for capped interest rates only (ibid.). The take-up of private mortgage protection insurance (MPPI) was low among the precariat, with low wages and little employment stability, owing to its expense (Clasen, 2003) and a confusing claim structure (Pryce and Sprigings, 2009). By the time of the credit crunch in the United Kingdom in 2007, rates of default were nowhere near as high as those in the United States, though it is nonetheless telling for Pryce and Sprigings that repossession rose by 230 percent after 2004 in a climate of mostly minor decreases in employment. However, those on low incomes in particular, as the group most susceptible to risks from an unstable labour market, were disproportionately affected by rising costs of living, such as energy and food prices (2009). The ideal of homeownership often remained just that even for some who had ventured into the mortgage and housing markets, owing to the increased pressures faced by the precariat, already more vulnerable to unemployment or hardship, in the context of fluctuating markets and levels of borrowing.

As Pryce and Sprigings (ibid.) note, precarious workers are much more likely to have to sell their homes at low points in the housing cycle, due to other economic pressures that complicate making payments during a downturn. They are also less likely to be able to buy when prices are low, with few lenders will to make favourable terms to those on low incomes relative to higher paid, lower risk borrowers. The issue is further complicated by the introduction of Buy-to-Let mortgages, also in 1995, which have been popular among middle-class borrowers for investing in properties to be used as rental income. However, nearly 90 percent of Buy-to-Let mortgages were issued at the peak of the housing boom after 1999, making negative equity – a mortgage more than the home is worth – a real concern as housing prices began to fall between 2005 – 2007. With flats and terrace houses accounting for 80 percent of Buy-to-Let properties, a real danger emerged that low-income households would be priced out of the smaller and ostensibly more affordable housing markets, due to slumps exacerbated by Buy-to-Let sellers flooding the market with offloaded properties, at exactly the time when lenders are unlikely to advance mortgages to low-income, high-risk borrowers (ibid.). While cycles in the housing market make it appear porous rather than completely exclusive to precarious workers, the upshot is that homeownership nonetheless became an unrealistic investment, as it was unlikely to generate returns over a long period, or lifetime, as is the case for buyers in the middle and higher classes who command greater job security and a higher level of assets and income. Indeed, with rigid and punitive repayment schedules, the borrowing process for precarious homeowners is highly disciplined, in contrast to the freedom for creativity associated with entrepreneurial investment and saving.

By 2004, three years ahead of the financial crisis, outstanding household financial obligations amounted to just over £1 trillion (May et al., 2004), with mortgage borrowing accounting for £867 billion, credit card debt for £58 billion, and other unsecured consumer lending for another £125 billion (Langley, 2008a: 139). As individuals and households acquired debt faster than wages had risen, default and bankruptcy became increasingly more common, with insolvency rates in the United Kingdom growing from only 0.02 percent of the population in the 1980s, to 0.10 percent in the 1990s, and reaching 0.22 percent by 2006 (ibid., 201). The spread of the financial crisis to the United Kingdom was not directly related to the American subprime crisis and exorbitant levels of default, so much as it was a contagion of securitisation (Lapavitsas, 2009a; Wainwright, 2009): loans, mortgages, and credit were parcelled 'into small amounts, [before] placing them into larger composites, and selling the new lots as securities. Particles of subprime debt, therefore, became embedded in securities held by financial institutions across the world' (Lapavitsas, 2009a: 118). The British credit crunch was thus caused by the subsequent illiquidity of credit and mortgage markets worldwide, rather than the 'credit quality of its borrowers' (Wainwright, 2009: 382), although a concern with unprecedented levels of default led some lenders who provided subprime mortgages and credit in the United Kingdom to withdraw many of their riskier products as a consequence of credit rationing (ibid., 383) and a 'lack of appetite among investors for portfolios of adverse debt' (BBC, 2007). They were, in short, attempting to forestall such high rates of default in the United Kingdom as had happened in the United States. However, the upshot is a clear demarcation between high- and low-risk borrowers, with the latter better integrated into a financial system that is increasingly necessary for saving and borrowing, while the former struggles on the margins with high-cost options that further complicate an already volatile economic condition as it relates to employment and income. The contradictions that complicate the process of subjectivation in the realm of borrowing are therefore twofold. In the first place, entrepreneurial borrowing required of precarious working households turns on financial self-discipline, such as the investment in financial markets and leveraged investing in property, although these households are least likely to have assets and savings and the most likely to be renting (Langley, 2008a: 205), even if they have purchased a house and a mortgage before (Pryce and Sprigings, 2009). This is related to another major contradiction, namely that borrowers are assumed, like investors, to be unitary subjects, figures that are 'disembedded from all but his/her financial relations' (Langley, 2008a: 204), when in reality precarious working households have to deal with a number of pressures including stagnating wages and interruptions in employment.

Investment, borrowing, and the uncertainty of financial subjects

As the foregoing sections have illustrated, investment and borrowing are far from straightforward practices guaranteeing the successful reproduction of financial subjects. If anything, they create spaces of contingency and contradiction, owing to the individualising nature of financial subjectivation, wherein failures to invest responsibly or manage outstanding borrowing obligations are treated solely as an individual failure, in spite of many structural inequalities. The failure of subjects to act as purely rational individuals in all spheres of life, including employment and financial obligations, illustrates, from a Foucauldian perspective (1994), how financialising power operates in the contemporary capitalism of the United Kingdom: here, failure to plan for the future through investment and adequate saving necessitates forms of educational intervention, indicating that the process is one of individual understanding rather than structural concerns over stagnating wages, pension reform, and the ability of individuals and households to understand fluctuating financial markets. Similarly, with increasing indebtedness and insolvency treated as individual problems rather than systemic concerns
related to the normalisation of borrowing to make up for shortfalls among precarious working-class households, the notion of the borrower as a responsible individual is legitimated as the correct form of subjectivity, standing in contrast to delinquent, irresponsible debtors (cf. Langley, 2008a).

The contradictions noted in this chapter, namely the inability of precarious working-class households to completely fulfil their ostensible duties as financial subjects due to structural constraints, represent 'struggles which question the status of the individual':

> they attack everything which separates the individual, breaks his links with others, splits up community life, forces the individual back on himself, and ties him to his own identity in a constraining way. These struggles are not exactly for or against the 'individual' but rather they are struggles against the 'government of individualization' (Foucault, 1994: 130).

While these are rarely coordinated political struggles, the contradictions exemplified by saving and borrowing illustrate the extent to which policymakers have had to respond to the daily struggles of low-income, precarious working households to save and meet borrowing requirements, from instituting ‘paternalistic’ pension reform which reconfigures the kind of choice involved in savings decisions, to removing many subprime lending options geared toward low-income individuals and families. They are therefore ‘anarchistic’ struggles manifested in an inability to perform certain financial practices on a daily basis, and focused immediately on individuals who might be responsible for certain decisions rather than a ‘chief enemy’ (ibid., 129). In so doing, for Foucault, these struggles, ‘immediate’ to everyday concerns rather than large scale political campaigns, are mainly struggles against ‘a technique, or form of power’ (ibid., 130), namely the effects of financialisation which render subjects as unitary individuals entirely responsible for their own destinies. This, as I will illustrate in the next chapter, forms an inevitable part of the process of subjectivation.

Conclusion

The financialisation of everyday life is a risky process, from the perspective of precarious working individuals or households who have to learn to be entrepreneurial in daily decisions, and for policymakers who ultimately have to deal with the consequences of assuming that individuals are all unitary, rational figures in their choices and decisions. As I have illustrated, this assumption neglects the structural inequalities associated with declining real wages in individuals’ abilities to save and invest wisely, or to manage outstanding borrowing obligations in a timely fashion. In this chapter, I have therefore outlined the limits of financial subjectivation in the everyday struggles people face with investment and borrowing, which have raised questions about the future of the entrepreneurial, risk-taking subject.

Where investment for the purpose of savings is concerned, households in the United Kingdom are, on average, not saving enough to ensure a substantial retirement income, largely owing to a lack of understanding of financial markets and a concomitant adversity toward financial risk in the long term. Although the Thatcher Conservatives and New Labour under Tony Blair both actively pursued the privatisation of pensions (Blackburn, 2002), encouraging people to seek provision by opting into private schemes rather than through the welfare state, there has nonetheless been an appreciation since at least 2005 (Jones et al., 2011) that individuals may not always make the soundest choices regarding their retirement due to financial constraints in the present. This had led to a new form of paternalism (Sunstein and Thaler, 2003; Thaler and Sunstein, 2008), in which many employers automatically enrol their employees in plans with the option to opt out if desired, rather than requiring employees to opt in out of fears that many will neglect possible sources of investment which would give them a better retirement income. As a consequence, the notion of the entrepreneurial subject as a self-governing individual has been called into question (Clark et al., 2012).

Perhaps more obvious, since the financial crisis of 2007 – 2009 and the subsequent British credit crunch, are the deleterious levels of debt incurred by borrowers, whose loans and mortgages have since become 'adverse risks' for investors, leading to the withdrawal of some subprime products for higher risk borrowers (Wainwright, 2009). When viewed as an inconsistency between structural inequalities of wages and work versus expectations of individual rationalism, however, the issue becomes less about purely irresponsible borrowing and predatory lenders, and more about a systemic contradiction in expecting the precarious working class to be both entrepreneurial in their borrowing habits, as well as in their capacities as workers who must also accept risk as part of dealing with an unstable labour market. With fewer subprime products available on the market, however, the question as to whether such individuals and households can still fully participate in financial markets as borrowers becomes pertinent, especially where the issue of financial subjectivity is concerned. The nature of financial subjectivity after the 2007 – 2009 financial crisis is therefore a question that I will pursue in the following chapter.

Chapter Five:
The uneven and contradictory nature of precarious working-class financial subjectivity

Introduction

In the fourth chapter, I explored some of the limitations on the notion of a purely self-governed individual, guided by entrepreneurial creativity and intuition. In the realm of saving and investing, dangerously low levels of saving and inadequate planning for retirement caught the attention of policymakers in the New Labour government from 2005 onward. They began to institute a form of paternalism that persisted through the Conservative government under David Cameron (Jones et al., 2011) into the present, in which employees are automatically enrolled in pension plans with opt-out rather than opt-in clauses (Clark et al., 2012). Where borrowing is concerned, higher-risk borrowers in the United Kingdom are more likely to be 'redlined', or denied loans, credit, and mortgages through traditional sources of finance as a consequence of the withdrawal of some subprime products after the 2007 – 2009 financial crisis, owing to credit rationing and the need to prioritise low-risk borrowers with better credit histories (Wainwright, 2009). For some commentators, this represents a shortcoming in the conceptualisation of self-governed individuals (Clark and Knox-Hayes, 2009; Clark et al., 2012): although Sunstein and Thaler (2003) argue that a paternalism, in which individual choice is prioritised by providing contexts for making appropriate decisions, retains a distinctly liberal character, the notion of the neoliberal individual who has internalised risk-taking as key is nonetheless in question when policymakers guide their interests.

Foucault's outline of the 'anarchistic' struggles of subjects against total individualisation is of some help in thinking through the issue of the status of financial subjectivity: contingent and contradictory daily struggles, such as the inability to plan for retirement properly or make regular payments on loans, credit or mortgages, represent an indication of the difficulties faced by the precariat in living up to entrepreneurial expectations, creating 'uncertain subjects' (Langley, 2007; 2008a) who never completely fulfil the role of financial subject. The process of subjectivation, in short, is never a complete one (Foucault, 1994). However, his intense focus on liberalism as 'the most effective system of governmental economy' (1997a: 77) has a tendency to obscure such struggle, as he maps the trajectory of the governance of the liberal subject (Du Pont and

Pearce, 2001). As a result, it can be difficult to envisage ruptures and discontinuities within the theoretical framework of governmentality in order to understand how these struggles leave their mark on the process of subjectivation and the experiences of subjects. However, when Foucault's account of individuals as increasingly self-governing is combined with Althusser's theoretically complementary concept of 'overdetermination' (1969), it becomes possible to see how subjective experience is conditioned by class leading to the uneven development of financial subjectivity. Briefly, overdetermination means that the effects of multiple contradictions, such as the expectation of financial self-discipline from the precarious working class with its limited savings and assets, or the expectation of being able to cope with stagnating wages and precarious employment in addition to borrowing pressures, are condensed and reflected 'in a real unity' (ibid., 100) such as, in this case, the limitations associated with being working-class. Overdetermination therefore implies that the concept of class is not simply an abstract category for classifying individuals, but that it has a material existence in determining the way that people are stratified.

Returning, then, to the problem of Foucault's limited engagement with structure and social stratification identified in Chapter One (Joseph, 2004; cf. Sayer, 2012), it is possible to see why the suggestion that the struggles of self-governed individuals are overdetermined by class actually helps demonstrate the 'immediacy' of such struggles against the effects of power (Foucault, 1994): different classes engage with borrowing and investing differently, as evidenced by responses such as the 'flight to quality' low-risk borrowers (Leyshon and Thrift, 1995) and the subsequent withdrawal of some subprime products leading to a certain level of financial exclusion (ibid.; Dymski, 2005; Wainwright, 2009); or the need to institute a certain level of paternalism guaranteeing that the financially disengaged, which mainly encompass the precarious working class, will as least make minimal savings (Clark et al., 2012). Thus the immediate concerns of the precariat and their strategies or coping mechanisms may be vastly different from those of the middle and higher classes. Additionally even within the precariat, which encompasses people in precarious forms of employment from traditional production and manufacturing to highly educated younger people struggling to find work, forms of engagement will vary. In consequence, the issues of libertarian paternalism or financial exclusion do not necessarily spell the inevitable end of financial subjectivity so much as they suggest that the precarious working-class experience of finance is more controlled and stratified than that of middle and higher classes in the attempt to encourage self-sufficiency.

Revisiting governmentality and the self-governing subject

Current practices in investment and borrowing and the question of the financial subject

It became obvious, in the fourth chapter, that financial subjectivity in the United Kingdom has been seriously complicated following the crisis of 2007 – 2009 by questions concerning whether current investment and borrowing practices really engender self-governing subjects or not. This issue, of course, is owing to persistent concerns about whether people will save enough under their own initiative, evidenced by the emergence and enthusiastic uptake of 'libertarian paternalism' (Sunstein and Thaler, 2003; Thaler and Sunstein, 2008) by policymakers in the United Kingdom on one hand; and the withdrawal of subprime products due to fears about the level of risk they pose to investors (Wainwright, 2009) on the other.

In the first instance, investment in pensions has, since 2005, been guided by the idea of a 'libertarian paternalism', which sees new developments in the conception of the individual navigation of choice. As a result, 'it is wrong to "blame" people for their short-termism and it is a mistake to believe that people have the cognitive skills to function in financial markets to the level needed to be effective decision makers' (Clark et al., 2012: 151). This is primarily owing to work done in the behavioural sciences that details the shortcomings and cognitive biases involved in an individual's decision-making: 'The "new" paternalism is hence motivated by a realization that exhortations to be more "moral" or more "rational" lack credibility in the face of findings in behavioral research' (ibid.), meaning that it is not seen as possible to effect rational action in people simply by providing them with options to choose from. Thus, libertarian paternalism 'is willing to trump individual decision-making with auto-enrollment, directed savings vehicles, and behavioral prompts that have as their goal real outcomes that are "better" than those which individuals may be able to achieve on their own account'; this understanding leads Clark et al. to wonder if such a policy is actually antithetical to the notion of individualised welfare provision (ibid.). I will argue, in contrast, that libertarian paternalism is actually a different means of promoting choice than it is a limitation of financial subjectivity, insofar as provision for the future still relies on engagement with capital markets. Active pension saving displays a high correlation with earnings, to the extent that initiatives, like the private pension, that were meant to give people a choice in how they saved, have not been taken up by low-earners. 57 percent of adults with a household income of less than £15,000 do not have any private pension provision, although this number decreases to 30 percent among those with household incomes of £15,000 – £30,000. Additionally, the unemployed overwhelmingly lack private pension provision, with 78 percent of unemployed adults lacking such support; the self-employed also show high rates of disengagement with private pensions, at 51 percent (Financial Conduct Authority, 2017). The use of creative tactics that involve personal choice and a more active engagement with pensions and their investments is therefore predominantly the purview of those with higher incomes and stable employment, but the alternative direction toward informed choice for those who are not saving enough still presupposes a contribution toward some kind of investment rather than an employer guarantee of benefits. What is important, in reading this policy shift, is an appreciation of the way in which individual and household responses to the original push for freedom, choice and embracing risk in the household has led policymakers to consider the saving patterns of those with low incomes; the relationship between policy, as a reflection of the functioning of government organisations, and individual lives is therefore not one-directional, but rather the two affect each other even if individual lives are ultimately more determined by policy than policy is by individual action.

In the second instance, the financial crisis has produced uncertainty about lending to high-risk borrowers, inducing 'what the financial services industry describes as a "flight to quality"; that is, a search for "safer" markets, a process which tends to discriminate in favour of more affluent and powerful social groups and against poor and disadvantaged groups' (Leyshon and Thrift, 1995: 312). In consequence, credit is rationed and obtainable by those deemed to be low-risk borrowers, while subprime borrowers face the 'redlining' of their applications, and 'financial exclusion' in which they are unable to access finance markets through traditional means. This has not diminished over-indebtedness for low income working households, but instead means that many have turned to alternative sources, such as payday loans, pre-approved credit cards, or a reliance on an overdraft, to continue to function financially (Centre for Social Justice, 2015). Thus, as of 2017, the Financial Conduct Authority reports that high-cost payday loans were held by 6 percent of adults, or 3.1 million people, especially noticeable among the precariat including young single parents aged 18 – 34 (17 percent), the unemployed (9 percent), and those with no savings or investments to fall back on (16 percent). Credit cards feature highly as a form of debt among all income earners, with 62 percent of UK adults holding one, but among the 19 percent of borrowers who revolve a balance rather than paying it off each month, 13 percent make less than £15,000 annually. Finally, among the 25 percent of adults who rely on an overdraft every year, 38 percent of these are young adults with very little or no savings, and 24 percent of all those who went into overdraft were unauthorised.

Mainstream products such as personal loans are more commonly used by applicants with annual incomes of £30,000 or more, while adults who earn less than £15,000 make up only 3 percent of holders of some kind of motor finance, which alludes to the urgency of borrowing in other areas and through other means (Financial Conduct Authority, 2017). It is only very recently, as documented in 2015, that subprime products have re-emerged in the United Kingdom, implementing slightly stricter conditions on their loans and mortgages (Jones, 2015). The overall difficulty of access for low-income households of financial markets (Leyshon and Thrift, 1995; Wainwright, 2009) has led to calls for a reform in banking services (Gloukoviezoff, 2006) to provide more 'control, transparency, and certainty compared to higher-income groups who typically place greater value on "bonus features" and price when selecting services' (Centre for Social Justice, 2015: 68). Thus, as with investment, many precarious households value more security at the expense of self-directed choice between products (ibid.).

As I aim to highlight, however, the ability to govern oneself is not the only feature of financial subjectivity, which also includes an internalisation of risk as central to one's own goals and prosperity as a result of institutionalised discourses and practices (Althusser, 1971; see Chapter One). Indeed, I argue that this helps distinguish financial subjectivity from earlier, regulated forms of conduct in which, beginning from the sixteenth century onward, the development of the 'art of government' included 'the art of self-government, connected with morality' as a precursor to governing other individuals 'to behave as they should' of their own accord (Foucault, 1991: 91 – 92). For Foucault, it was the discovery of the notion of a population as a statistical entity in the eighteenth century when governance became key, as a means of managing and encouraging the appropriate self-conduct of a group of people 'with its own regularities, […] its cycles of scarcity, etc.' (ibid., 99). Consequently, the specific form of governance taken in the case of subjectivation in the time of finance concerns individual responsibility achieved through embracing forms of risk to make ends meet: the pertinent question to ask, then, is whether people have embraced risk as central to their own aspirations and goals or not.

Undoubtedly, there is some variation in the answer to this question. According to Sharon Collard and Zoey Breuer, attitudes toward investment risk in the United Kingdom depend in large part on factors such as income, wealth, and level of education, with those on a lower income and with fewer assets tending toward risk aversion (Department of Work and Pensions, 2009: 15):

> A recent DWP [Department of Work and Pensions] survey with individuals who would be eligible for automatic enrolment into a qualifying workplace pension under the Government's reforms found that their financial risk profile was fairly risk averse. Using respondents' answers to a lottery-type question it classified over four in ten (44 per cent) as risk averse, about two in ten (17 per cent) as mildly risk averse, and only three in ten (29 per cent) as risk loving (ibid.).

Although these attitudes can shift as 'needs alter and people's capacity to absorb potential losses varies' (ibid., 16), it is clear that only a small portion of precarious working households have developed risk-loving appetites in their approach to saving for the future. This, however, does not mean that they do not still recognise the significance of taking on risks in the contemporary economy, with attitudes toward the acquisition of debt increasingly normalised, in spite of the risk it poses: 'there appear to be major cultural changes underway in terms of attitudes to debt', so that '[t]aking on high levels of debt is becoming normalised at an earlier age' (The Financial Inclusion Centre, 2011: 3). Moreover, with 'various socioeconomic trends […] seriously impair[ing] consumers' ability to meet credit commitments and accumulate assets' (ibid.), it is possible that the internalisation of the need to accumulate debt is linked with attitudes toward investment risk which are partially dependent on assets. Thus, in some way, the precariat have come to include the involvement of financial risk in making ends meet and reaching goals in everyday life, although it is a very class-based experience of high levels of borrowing and low levels of investment. In order to properly address this phenomenon, it is necessary to return not only to Foucauldian governmentality, but also to Althusserian subjectivity as outlined in the first chapter, in order to understand how class-based stratification of subjects complicates the process of subjectivation.

Governmentality and the subjectivation of individuals

To reiterate the importance of the concept, governmentality is a type of power found in the ensemble of institutions and procedures, which takes the population as its object of power (Foucault, 1994). Governmentality refers to

> a historically specific economy of power – in which societies are ordered in a de-centred way and wherein society's members play a particularly active role in their own self-governance. In such societies there is a concern with both individuals and aggregates such as populations (Du Pont and Pearce, 2001: 125).

It is historically specific in that Foucault notes a certain concern with the 'art of government' emerging as early as the sixteenth century: here, one finds a preoccupation with 'the question of the government of oneself, that ritualization of the problem of personal conduct which is characteristic of the sixteenth century Stoic revival', alongside 'the government of souls and lives', 'the government of children and the great problematic of pedagogy', as well as 'the government of the state by the prince', which mirrors the government of the family by the head of the household (1991: 87). This process, importantly, happens concurrently with the establishment of larger territorial, administrative, and colonial states, which renders salient the question of the government of a centralised state (ibid., 88).

Where the art of government originally took the family as its model of rule, however, the 'discovery' of the notion of a population in the eighteenth century as an entity with its own trends and regularities irreducible to those of the family as a basic unit 'derestricted' the art of government (ibid., 99). The use of statistics to describe populations

> gradually reveals that population has its own regularities, its own rate of deaths and diseases, its cycles of scarcity etc.; statistics shows also that the domain of the population involves a range of intrinsic, aggregate effects, that are irreducible to those of the family, such as epidemics, endemic levels of mortality, ascending spirals of labour and wealth; lastly, it shows that, through its shifts, customs, activities, etc., population has specific economic effects (ibid.).

Thus, for Foucault, central to the art of government is the introduction of economy into political practice – 'economy', of course, has taken on several meanings, beginning in the sixteenth century with the organisation and management of the home, and ranging into the eighteenth century as the state-wide organisation and use of wealth which is now commonly known as 'the economy' (ibid., 92). The art of government therefore concerns the introduction of the economy, 'that is to say, the correct manner of managing of individuals, goods and wealth' within the management of the state (ibid.). Consequently, as I have previously illustrated, power is exercised over a population through institutions in the broadest sense, including not only the business sector, schools or hospitals, but also the family, with political economy acting as the major source of knowledge about populations themselves (Foucault, 2007: 107). In each institutional domain, 'one finds the deployment of distinctive modes of governance—all of which generate knowledge of subject populations in order to govern the "conduct of conduct"', which in turn 'creates the possibility that those human subjects who are so governed are well equipped to govern themselves' (Du Pont and Pearce, 2001: 125). In short, the more that the population is the object of study of different structural organisations, each with their own forms of surveillance, the more knowledge is generated about the population as a whole. The upshot is that certain behaviour is normalised and promoted, so that subjects begin to conduct themselves in a way which is deemed appropriate.

In this sense, subjectivation is the process through which subjects are closely tied to their identities as a result of self-knowledge acquired and developed in relation to these institutional domains (Foucault 1994). For example, borrowers know themselves to be either low- or high-risk borrowers on the basis of knowledge generated about them through credit histories and scoring, which ultimately culminates in their ability to get a certain type of loan, mortgage, or credit to fulfil a certain need in their daily lives. Subjectivation also involves, however, 'subject[ing] to someone else by control and dependence': borrowers' activities, as has become apparent throughout the thesis so far, are heavily mediated by what they are permitted to do, especially in subprime markets where fees and interest rates constrain financial activity. Thus, according to Foucault, both meanings of the word 'subjectivation', or the creation of subjects, 'suggest a form of power which subjugates and makes subject to' (1994: 130).

As a result, then, many struggles which contest the nature of subjectivity are not, as far as Foucault is concerned, large and organised forms of protest directed against a chief enemy, such as the upper, bourgeois classes as found in Marx, but struggles which are immediate to everyday life, including difficulties faced on a daily basis and those against constraints and forms of knowledge imposed on the individual as an autonomous figure and separate from all others. Here, Foucault deliberately contradicts the notion of working class revolution that had been prevalent within critical theory and in French intellectual circles up to 1968: political projects, he holds, were less likely to be directed at a class in the abstract sense, in an attempt to liberate another from widespread oppression, but were instead more likely to address different institutionalised rationalities in the absence of a generalised rationality. As Foucault insists, projects aimed at change

> must turn away from all projects that claim to be global or radical. In fact, we know from experience that the claim to escape from the system of contemporary reality so as to produce the overall programs of another society, of another way of thinking, another culture, another vision of the world, has led only to the return of the most dangerous traditions (1997b: 316).

Foucault therefore locates the process of subjectivation and its associated struggles within the liberal project which has dominated modern politics, beginning in the eighteenth century with the entrenchment of the government of individuals. Here, 'the participation of the governed in the formation of the law, in a parliamentary system, constitutes the most effective system of governmental economy' (1997a: 77).

What is crucial, here, is 'the way in which specific problems of life and population were raised within a technology of government which, without always having been liberal […] was always haunted since the end of the eighteenth century by liberalism's question' (ibid., 79), namely the 'critique of the irrationality peculiar to "excessive government" and as a return to a technology of "frugal government"' (ibid., 77). The emergence of American neoliberalism, which Wendy Brown calls 'a peculiar form of reason that configures all aspects of existence in economic terms' (2015: 17), is a drastic and contemporary example of this, concerned as it is with too many state interventions within the economy that would lead to bloated administration, bureaucracy, and a 'rigidification of all the power mechanisms' that would engender further intervention rather than self-sufficiency (Foucault, 1997a: 78). What is happening on a global scale is not simply 'that markets and money are corrupting or degrading democracy, that political institutions are increasingly dominated by finance and corporate capital, or that democracy is being replaced by plutocracy', but instead that neoliberalism, 'ubiquitous today in statecraft and the workplace, in jurisprudence, education, culture, and a vast range of quotidian activity, is converting the distinctly political character […] of democracy's constituent elements into economic ones' (Brown, 2015: 17). While neoliberalism may not have invented governmentality itself, it 'mobilizes its features' by 'set[ting] loose the individual to take care of itself' while also 'discursively bind[ing] the individual to the well-being of the whole – demanding its fealty and potential sacrifice to national health or economic growth' (ibid., 2016: 4). This is, perhaps, nowhere more evident than in a nation of borrowers whose debts are not simply their own, but are, through networks of finance, potentially detrimental for everyone and must be mediated through personal responsibility and vigilance.

Structures, power relations, and differential capacities in subjectivation

Foucault's work on governmentality therefore provides a meticulous description of the processes that contribute to self-government, as expressed through personal responsibility for one's present circumstances and future success. It is unsurprising, then, that it should serve as a theoretical underpinning to so many discussions of neoliberal subjectivity amidst the dissolution of the welfare state and the ascendance of finance capital. What is problematic, however, is that Foucault's critique of individualisation does not, in itself, transcend a discussion of the individual, since he begins to downplay the role of the state and other hierarchies of institutions in his work on governmentality (Joseph, 2004). Thus, it is difficult to see how class-based stratification continues to operate through neoliberal processes of subjectivation, in which subjects are fiercely individualised and responsibilised (Shamir, 2008) for their actions, their circumstances, and their futures, in spite of the fact that, as has become obvious throughout this thesis,

> individuals positioned in these relationships are provided with grossly differential capacities to formulate and realize their goals; and this is due to both the legal form and the economic assets that they possess. Most crudely, mainstream working-class men and women find themselves much more constrained in their economic activities than do corporate executives and shareholders. While the nation-state, partly through law, guarantees the conditions of existence of the corporate form, it also constitutes and reproduces the markets within which they operate, however 'free' these are claimed to be (Du Pont and Pearce, 2001: 149).

Without a grasp of overarching socioeconomic structures, in which specific actions, reactions and strategies are inscribed for reward or punishment, it is difficult to theorise the underlying mechanisms that give rise to new practices or changing circumstances. In short, it is difficult to understand how state policymakers can respond to the inability of precarious workers to save adequately for their retirement by implementing paternalistic auto-enrolment schemes; or how subprime products can be revoked as a result of borrowers behaving contrary to expectations of responsibility and self-sufficiency, especially in the absence of a population for comparison which includes others of similar economic dispositions. What tends to be downplayed, then, are the very 'discontinuities, historic losses, interruptions, displacements, breaks, ruptures, mutations' (ibid., 134) that Foucault is eager to advance in rejecting the Marxist notion of historical and subjective development according to an unfolding of a logic of history. To address this, I turn to the concept of 'overdetermination' as formulated by Foucault's mentor, Louis Althusser, in order to understand how the notion of class continues to stratify subjects in spite of individualisation, leading to interruptions and mutations of the neoliberal project of subjectivity itself.

Overdetermination, in the Althusserian, tradition refers to the 'accumulation of contradictions', or elements of the social structure, that 'merge into a ruptural unity', thereby forming an overarching contradiction with transformative power (1969: 100 – 101). Simply put, the build-up of many contradictory elements within the social structure condenses into a larger social problem, which is destabilising and therefore requires a resolution, which may take the form of political and social transformation. The elements of transformation are therefore innately bound up with the social structure that originated them, which is why, despite Foucault's never referencing overdetermination, Catherine Chaput finds it complementary to elements of governmentality as they are later developed, such as the 'notion that multiple governing arts "overlap, lean on each other, challenge each other, and struggle with each other"' (Foucault, cited in Chaput, 2010: 7). This means that, although Foucault omits the study of social structure and hierarchies in his own work, it is still possible to include these elements in the study of self-governing individuals. In the next section, I will outline the notion of overdetermination by class more concretely.

Althusser and Foucault on the process of subjectivation

Both Althusser and Foucault share a theoretical concern with the formation of the individual, not as something given on which the rest of society is founded, but as produced through a set of procedures and initiatives within society (Montag, 1995). In the liberal tradition, intentions and 'acts of will' originate from within ourselves as sovereign individuals, which is the basis of our political order founded in consent and democracy. Yet, for both Althusser and Foucault, according to Warren Montag, the notion of an interior origin is problematic, since interiority is an extension of our exteriority, which is to say, of our actions (ibid., 70). Thus the

> 'ideas' of a human subject exist in his [sic] actions, and if this is not the case, it lends him other ideas corresponding to the actions (however perverse) that he does perform. […] [T]hese practices are governed by rituals in which these practices are inscribed, within the material existence of an ideological apparatus, be it only a small part of that apparatus (Althusser, 1971: 170).

Ideology, which is not a set of beliefs and ideas in Althusser's view, but rather a set of apparatuses corresponding to the liberal notion of 'civil society' including the family, schools, churches, employment, politics and so on, is responsible for the subjectivation of individuals by calling upon, or 'interpellating' them as individuals with free will and intention. The 'individual is interpellated as a (free) subject in order that he shall submit freely to the commandments of the subject […] i.e. in order that he shall make the gestures and actions of his subjection "all by himself"' (ibid., 182). Subjects are therefore able to internalise externalities as integral to their very being, insofar as ideological apparatuses have 'inculcated children and adults with specific ways of imagining—thinking and understanding—their places within and relationships to the societies in which they lived' (Wolff, 2005: 225). In short, ideological apparatuses 'do more than create subjectivities/identities in the individuals whom they interpellate. They also aim to have such subjects imagine their subjectivities/identities are internally self-generated' (ibid., 226).

This kind of formulation of subjectivity is very much like Foucault's interest 'in what is at stake in any form of [subjectivation]: the body, the body that works and whose power produces value, the body that obeys by acting or refraining from action' (Montag, 1995: 71). Despite his turn toward 'discourses' stemming from their material surroundings in contrast to the use of the loaded term 'ideology', Foucault can be understood to have

> written a history of ideas that cannot be separated from the physical, material practices in which they are (always already) realized. This […] would appear to be what is truly scandalous about his work: his refusal to regard the history of psychiatry, medicine, or criminology apart from their institutional forms, namely, the asylum, the hospital, and the prison, the forms of ordering and distribution of bodies in space in which these knowledges participate (ibid., 73).

Thus for Foucault, as for Althusser, subjects and the institutions that surround them are inseparable, as no subject 'preexist[s] his or her interpellation as a subject but emerges as a result of the strategies and practices of individualization' (ibid., 75; Althusser, 1971: 176). The exact nature of subjectivity is therefore highly related to the social entities that contextualise its emergence, as is the case in a critical realist understanding of the social world. While Althusser considers that subjects work 'all by themselves', it is Foucault who gives the self-governing subject considerable attention in the specific liberal institutions that give rise to governmentality, as I have already shown. But, given that this schema of subjectivity appears to leave little room for uncertainty and transformation, it is necessary to incorporate overdetermination within the analysis: Althusser was, after all, committed to a 'Marxist program for cultural studies and struggles that would intervene in all [ideological apparatuses]' (Wolff, 2005: 226). A determinism that leaves little room for change caused by contingent or unforeseen occurrences would be unacceptable.

Althusser's aim is not to suggest that subjects are entirely determined in their actions by external forces, but rather to decentre the notion of the autonomous individual as a precursor to society itself—an individual who, crucially, possesses rationality, free will, and a desire for choice. Every epoch, he maintains, is composed of different classes, in which particular individuals are 'fashioned in their individuality by their conditions of life, of work, of exploitation and of struggle' (1976: 53). They are therefore 'overdetermined' by class (1969) in the sense that the class which an individual belongs to influences their life chances, habits, preoccupations, employment, and so on, although Althusser acknowledges this is not the only cause of such variables since there may be 'multiple sources of determination that converge on a single result' (Smith, 1984: 520). These can include, for example, age, gender, or ethnicity as other determinants which combine to produce certain social conditions alongside class, although Althusser emphasises the importance of class in such analyses because it explains how individuals and households make ends meet, and therefore reproduce their own household structures: in short, class is a condition of possibility of how individuals are able to sustain themselves, in addition to contributing to another possibility, the inability to make ends meet. Overdetermination therefore enables the analysis of structure and inequality within a social formation, as the basis for understanding the origins of struggle and discontinuity within historical narratives. It also enables us to think of subjectivity as a process in which subjects are not 'fixed and stable groupings', but are constituted and reconstituted on the basis of discursive and institutional changes (Kayatekin and Ruccio, 1998: 88). In short, then, subjectivity that is overdetermined by class makes possible the study of inequality within society, as well as the possibility for disruption and the potential for change.

Financial subjectivity as an overdetermined social process

To return to the original argument of this chapter, I contend that financial subjectivity is overdetermined by class, as evidenced by three prominent contradictions that complicate the process of subjectivation but are nonetheless intrinsic to financialisation itself. The first two of these, which were elaborated in the fourth chapter, include the problematic assumption of borrowers as unitary subjects, or someone who has only financial interests to think about rather than employment concerns and a home life; the second is that financial subjectivity turns on the notion of financial self-discipline, although this is complicated by the fact that the precariat typically have fewer assets than their higher class counterparts, making consistent saving more difficult. The third contradiction, as I alluded to at the beginning of this chapter, is very much related to the second insofar as the precarious working class have recognised the usefulness of borrowing in daily life and embraced it as a way to make ends meet, to the detriment of being able to internalise similar attitudes about saving and investing. Each of these contradictions concerns, at some level, the hindrance of using finance in daily life as a result of income and employment situations, thereby relating each one to the ability to make ends meet and reproduce the structure of the household (cf. Althusser, 1971). This means that financialisation is not a given, singular phenomenon with specific effects, such as producing subjects who are necessarily self-governing in all facets of life, but rather that it has different effects depending on the material circumstances of individuals and their households.[1] Hence, for some lower income working households, saving and borrowing may be complicated – in spite of the responsible handling of household finances – by employment or family concerns that can be more easily mitigated by those who possess more assets and savings (Orton, 2007). This leaves them in a position of having to find other ways to cope or struggle with finances, in ways that differ from the typical tenets of financial subjectivity, but include activity that is still nonetheless particular to the financialised growth period. Put another way, although these financial subjects may not conform to the expectations regarding saving and borrowing, their coping mechanisms, such as, for example, putting away less money into a defined contribution pension plan for retirement or taking out another high interest rate 'pre-approved' credit card to manage existing debt, are still informed by financialisation.

Following Kayatekin and Ruccio (1998), it is important not to view entrepreneurial subjects as '"objects" of [finance] insofar as processes are exerted upon them', but instead as subjects of finance, which 'involves the "creation" of subjects who interpret the world in the same way' (ibid., 80). In the former view, subjectivity is simply determined by finance, which would make it difficult to understand how a subject could deviate from norms, habits and expectations associated with financial subjectivity: 'Here, not only is there no space for the "creation" of [finance] by its interpreters, but the subjects, in whatever form and whatever number, appear as mere "recipients" of processes' (ibid.) so that they have no influence over the process of the financialisation of daily life at all. In contrast, the latter view holds that subjects share the same frames of reference, but handle such expectations with whatever resources they have to do so. They are therefore active participants in the process of financialisation, guided by an understanding that their everyday conditions are related to a larger process, if not an understanding of that process itself. Kayatekin and Ruccio suggest, as a result, that it is necessary to comprehend 'the possible politics of transformation' derived from such varied forms of subjectivity, where transformation suggests that subjects 'at least offer resistance to unconditional conquest if not a set of alternative projects of making and doing. What, then, are the sources of this resistance?' (ibid., 81 – 82). I contend that the turn toward libertarian paternalism and the regulation of choice, or the financial exclusion of working class households from financial services and the call for financial reform, represent responses to forms of precarious

[1] Hence, in critical realist terms, underlying structural entities possess generative mechanisms or causal powers that effect change in individuals (Joseph, 2004; Sayer, 2012). Here, the kind of subjects that are produced is a question of which of many real possibilities will be actualised, based on structural limitations related to income and employment that are already in place.

working class struggle within the process of financialisation. This may not constitute political resistance so much as it does a daily struggle, but it nonetheless illustrates how policymakers have had to respond to action on the part of working households with a new set of ideas and policies. Thus, as I have shown, subjectivity is an overdetermined social process rather than a series of fixed roles (ibid., 88), with class largely overdetermining the success or failure of subjects in the case of finance. I now explore the ways in which financial subjectivity is shifting in relation to the struggles with saving and borrowing outlined in the fourth chapter.

Libertarian paternalism and 'neoliberal' freedom and choice

Failure to invest and save for the future has led to concerns about the security of working households in their retirement, so that policymakers inspired by Thaler and Sunstein's 'libertarian paternalism' (2008) have introduced a range of measures, such as opt-out rather than opt-in pension clauses, designed to 'reconcile the preservation of personal freedom of choice, while supporting the establishment of a more caring and supportive government' (Pykett, Jones, Whitehead, Huxley, Strauss, Gill, McGeevor, Thompson and Newman, 2011: 301). In short, government policymakers are responding to the inability or unwillingness of the working class to 'opt in' to investing in pensions by automatically enrolling workers who are subsequently given the choice to opt out later if they have the time and inclination to familiarise themselves with their pension plans and their alternative options. The assumption is, then, that workers without sufficient knowledge and understanding of pensions and finance markets will benefit from 'choice architectures', where '[e]nvironments are specifically designed to preserve personal choice whilst overcoming the varied sociopsychological barriers that prevent people from acting in their own (and others) best interests', including cognitive biases and a lack of understanding that contributes to apathy in investment (ibid.).

This shift, as Kendra Strauss argues, is not so much indicative of the failure of neoliberal processes of subjectivation, in favour of more regulation and involvement in subjects' lives, so much as it represents a reconfiguration of policy designed to once again promote freedom of choice where previous attempts had faltered (ibid., 304). As Wendy Brown suggests, the neoliberal state is indeed active, rather than absent, in the configuration of 'all aspects of existence in economic terms' (2015: 17), so that its involvement in promoting freedom of choice through structured spaces and policy is hardly surprising. As Strauss maintains,

> Arguments in favour of libertarian paternalist policies have arisen in the specific context of pensions policy as the evidence of 'irrational' decision making and cognitive biases has mounted [...]. Rather than interpreting these signals as evidence that pension plan members are expressing a clear preference for less choice, less risk, and more security, the mainstream response has been to reform the 'choice architecture' that frames the decisions plan members are expected to make (Pykett et al., 2011: 304).

Libertarian paternalism, targeting as it does the behaviour of subjects through the institution of mechanisms to encourage responsible choice, nonetheless operates in a climate of financial risk rather than adding any greater security. Occupational pensions, as a major source of retirement income for Britons, continue to shift in the direction of defined contribution schemes and away from defined benefit packages, as 53 percent of pension schemes established after 2000 were defined contribution, while prior to 1980 only 5 percent of pension schemes were. The Office of National Statistics attributes this shift to the Social Security Act of 1986, couple with the expanding capacities of financial markets in making defined contribution plans possible. Meanwhile, defined benefit plans, representing significantly less risk for employees whose contributions are matched by their employers, have been reduced since 2000 (2013: 7). Libertarian paternalism is therefore another way of instituting the kind of choice earlier envisaged by Thatcherite and New Labour policymakers, rather than a response to disaffection as a kind of choice in itself for less risk and greater security. In this way, libertarian paternalism 'is a permutation of attempts to "conduct the conducts" of those who are considered to be capable of exercising liberal autonomy, but who need assistance or training in the "correct" exercise of that capacity' (Pykett et al., 2011: 304).

Consequently, in spite of concerns that libertarian paternalism represents an encroachment on the individual freedoms promoted by neoliberalism, the idea that freedom of choice is actually produced within the process of subjectivation itself (Althusser, 1971; Foucault, 2008) is noticeable to the extent that choice must be actively encouraged, whether by removing alternative welfare state provisions, or by redesigning enrolment options to ensure the correct choices are made. As Foucault has it,

> Freedom in the regime of liberalism is not a given, it is not a ready-made region which has to be respected [...] Freedom is something that is constantly produced. Liberalism is not an acceptance of freedom; it proposes to manufacture it constantly, to arouse it and produce it, with of course [the] constraints and the problems of cost raised by this production (2008: 65; cf. Pykett et al., 2011: 303).

Similarly for Althusser, individuals are interpellated as 'free' subjects, meaning that they are shaped within ideological apparatuses to consider themselves something very different from oversocialised subjects – namely, independent and autonomous subjects whose sovereignty is derived from their inherent rights as an individual (1971: 182). Libertarian paternalism, then, is more accurately indicative of a shift in the means for promoting choice and ensuring individual freedom than it is an encroachment of financial subjectivity. Its major difference is a change in discourse which highlights tensions 'between governing too much – through rules, regulations, disciplines and punishments; and governing too little – with the risk that economic processes, social relations, and individual behaviours will fail to operate in dynamic equilibrium' (Pykett et al., 2011: 303). In the terms of the regulation school, libertarian paternalism represents yet another institutional fix which is meant to smooth out the destabilising tendencies associated with precarious working-class apathy toward investment or difficulty in saving, in order to address limited savings without instituting a 'collectivist' welfare state approach.[2] In this way, the struggles of the precariat, set within the structural organisations, institutions, and discourses of financial subjectivity, have effected a structural change in the orientation of policymakers toward understanding freedom of choice. While it does not indicate a wholesale return to safe risk-averse models, the rise of libertarian paternalism is indicative of the effects of everyday activity on the change of social structures.

Financial exclusion, overindebtedness, and reform

To say that the daily struggles of the precarious working class in dealing with debt have created a certain amount of financial exclusion is fairly straightforward in itself, given the 'flight to quality' (Leyshon and Thrift, 1995; Wainwright, 2009) that followed in the wake of the UK credit crunch, through credit rationing and the withdrawal of subprime products (Wainwright, 2009). Yet, as Georges Gloukoviezoff maintains, financial exclusion has not altogether eradicated overindebtedness among those on a low income, but has instead exacerbated it: for Gloukoviezoff, financial exclusion is not just the inability to access financial services and products, but also includes the social problems and consequences

[2] For Thaler and Sunstein (2008), libertarian paternalism is meant to represent a true 'Third Way' between left- and right-wing politics, in the institution of a more responsible state that nonetheless respects and cultivates individual rights and freedoms. For Pykett et al., this kind of paternalism is still inherently political despite its presentation as nonpartisan, given that 'it has been used to justify a smaller government (particularly in the UK) […]. It is also political in that whatever ideological direction it has taken, it suggests a strategic restructuring of bureaucratic knowledges, practices, and techniques of government. Libertarian paternalism redefines the traditional modes of legitimate state intervention within the details of personal life, and targets the collective subconscious of populations' (2011: 301 – 302).

that stem from this, such as incurring debt as a result of a reliance on alternative sources of finance like payday loans and pre-approved credit (2006; cf. Centre for Social Justice, 2015). As one debt charity points out, in the absence of

> financial services and types of loans specifically aimed to cover their needs, increasingly, desperate families turn to alternative methods for obtaining the cash they need to 'tide them over' until the end of the month. In many cases, the alternative, such as doorstop loans can quickly plunge borrowers into a worse, catastrophic hole as the arrears pile up and they are further away than ever to getting out of debt. (DebtLegal, 2015).

Those who are indebted predominantly or entirely because of arrears comprise 8.4 percent of the adult population in the United Kingdom as of 2014 (Institute for Fiscal Studies, 2015), but these individuals and households are overwhelmingly in low- or unskilled work, at 72 percent (Office of National Statistics, 2016). The use of financial services to cover basic daily costs is indeed becoming more prevalent with limited support for government benefits affecting those in the lowest income bracket. With a modest 1.8 percent increase on the minimum wage and 1.5 percent on average earnings in 2014, a study by the Joseph Rowntree Foundation finds there is certainly a 'growing gap between the costs faced by families and their incomes'; further, '[m]aking ends meet is harder still for people who rely on benefits and tax credits. In 2013, for the first time since the 1930s, safety net benefits did not rise in line with inflation. Instead, most benefits and tax credits were only uprated by 1 percent' (Joseph Rowntree Foundation, 2015b). High costs of living have additionally driven low-income households out of the housing market and into an increasingly expanding private renting sector, as social housing has decreased in availability and thus as an option. But the upshot is a simultaneous increase in low-income renters, from 74 percent in the mid-1990s to 90 percent in the mid-2010s, whose housing benefit is insufficient to cover the costs of rent (Institute for Fiscal Studies, 2017: 3). The turn to doorstop loans by households in precarious positions, through unemployment, or as single parent units, or for lacking other savings and assets (Financial Conduct Authority, 2017) is thus unsurprising and indeed in keeping with the adoption of risky forms of behaviour as a function of subjectivation, as social safety nets and welfare provisions are reduced.

The weight of the contradictions of financial subjectivity – that is, the expectation of unitary subjects driven by financial concerns and interests without personal circumstances to worry about; the expectation of self-discipline with fewer assets or savings to draw upon; and the need to borrow for the present at the expense of saving for the future – are perhaps most noticeable in the volatility of the housing market, where the cost of living from day to day can offset or indeed diminish most of the returns a house may have brought for precarious buyers as an investment (Pryce and Sprigings, 2009). Across the population in general, there is a fairly even distribution of mortgage-holders, savers, and renters when examining living costs: as of 2014, 33 percent of homeowners had a mortgage, while 30 percent could buy their house from income and savings alone. 29 percent were renters, either in the private sector or social housing (Office of National Statistics, 2016). When income is accounted for, however, housing is polarised far more between renters and borrowers, in contrast to comparatively fewer buyers who can afford to purchase from their own savings. Among those with annual incomes of £15,000 - £30,000, 41 percent held mortgages, and 40 percent rented, with 24 percent renting in the private sector and 16 percent in social housing. Only 19 percent were able to use savings alone (Alakeson and Cory, 2013). Those on even lower incomes are more likely to be renters in general (Institute for Fiscal Studies, 2017).

A key factor in gauging the wellbeing and sustainability of low-income homeowners is the cost of living associated with the upkeep of their investment. Thus, half of all households in poverty are homeowners, amounting to nearly 2 million households. According to a study by the Joseph Rowntree Foundation, despite the associations of homeownership with prosperity and the significant reduction in poverty among homeowners over time, this is less often the case for mortgaged households: 'For these, housing cost meant that rates of poverty were higher in 2013/14 than prior to the financial crisis, despite low interest rates' (2018: 1). Although impoverished homeowners exist who own their homes outright, they are predominantly retired couples and singles, while middle-aged households with children are often mortgaged. Combined with the fact that the greatest risks of poverty associated with homeownership includes 'self-employment, routine occupations or part-time work, those who have taken out an additional mortgage [and] lone parents' (ibid.), precarious workers are less likely to be prosperous households even if they are able to purchase a home. Indeed, '[h]ome-owners in poverty were twice as likely to report arrears (14 %) than other mortgaged households (7 %) [not in poverty], and were overwhelmingly led by someone in work. Those in work are excluded from the current system of mortgage safety nets' (ibid.). The age of occupation is also growing, with 57 percent of adults aged 25 living in rented accommodation up from 34 percent 40 years earlier (Institute for Fiscal Studies, 2017: 5), so that younger households are missing out on accumulating housing wealth earlier on in life. But even for those mortgaged investors on low incomes, the benefits are reduced: 'equity withdrawal […] represents a greater risk to lower-income households as it increases the risk of repossession. The uneven distribution of housing wealth and the capacity to use it therefore makes an asset-based welfare system a challenge' (Joseph Rowntree Foundation, 2018: 2). The financial reality for precarious households is thus overdetermined by the complications of low income or unstable employment, which reduce even the benefits of property investment relative to the higher classes, as mortgage payments are harder to make and the cost of upkeep may lead to states of disrepair (ibid.). Financial exclusion, in encompassing the social issues associated with inadequate access to financial services, is thus not solely about redlining or rejection of credit, loan, and mortgage applications, but about the mismatch between the services available to the people who need them.

Gloukoviezoff distinguishes the degree of financial exclusion faced by households on the basis of their issues with access to, or use of financial services. Access-based exclusion means, straightforwardly, that applicants are restricted in their access to financial services and products on the basis of risk assessment, such as in the case of high-risk applicants and traditional banking and finance services. In addition to gaining access, however, is the use of such services, which is problematised through four additional lenses. These include 'condition exclusion', in which 'the conditions attached to financial products make them inappropriate for the needs of some people'; 'price exclusion', whereby 'some people can only gain access to financial products at prices they cannot afford'; 'marketing exclusion', which sees 'some people […] excluded by targeting marketing and sales'; and 'self-exclusion', where 'people may decide that there is little point applying for a financial product because they believe they would be refused' (Financial Services Authority, cited in Gloukoviezoff, 2006: 3). For Gloukoviezoff, then, the study of financial exclusion includes not only access difficulties, but also use difficulties, or 'the mismatch between […] the characteristics of financial services and the needs of people' (Gloukoviezoff, 2006: 3). Taken together, access and use exclusion contribute to forms of social exclusion, given how highly intertwined financial services and products are with household finances, so that overindebtedness on the part of precarious working households represents a social problem erupting out of their financial exclusion from traditional financial channels such as banks and building societies.

Gloukoviezoff has thus advocated for the reform of banking services as a way to counter financial exclusion, in terms of both the quantity and quality of services provided. In wondering whether it is 'possible to entrust these services to establishments that are only governed by market forces', he suggests the need for new forms of financial regulation allowing for both 'competitive freedom and social necessity' (ibid., 22). This notion is framed within a broader literature of 'financial citizenship' (Leyshon and Thrift, 1995), which would put 'pressure on states to reform their financial systems so that they include rather than exclude', as well as 'putting pressure on financial system to realize that they have some state-like responsibilities which reach beyond consumer sovereignty into basic human rights' (ibid., 336). After all,

> Traditional states are, amongst other things, about boundaries […] States have an 'inside' and an 'outside', a 'here' and a 'there'; they have citizens (on the inside) and non-citizens (on the outside). Contemporary financial systems also have these characteristics. They draw borders which are difficult to transgress and which are currently being rolled up (ibid.).

The call for reform is, then, indicative of the need to remedy the exclusion faced by precarious working households as a result of their struggles with traditional sources of finance, and the situation of overindebtedness which has resulted from this. Additionally, more suitable financial services could potentially help with investment and saving, as financially secure households are more likely to save and invest money than those with exorbitant debts.

As Mark Kear maintains, however, the return to a discourse of citizenship, inclusion, and regulation is not necessarily a return to the ideals of the welfare state because the financial system ultimately 'possesses a pseudo-natural logic of its own, which imposes very real constraints on the "state-like" responsibilities the financial system can shoulder, and on the "rights" it is agile enough to confer' (2012: 936). It is not possible, for example, to make credit universally accessible through the forbidding of risk pricing, given that one of the causes of the 2007 – 2009 crisis was the inability of financial models to accurately price risk in the first place, leading to drastic consequences. This, for Kear, 'creates a quandary: despite the want of a kinder, gentler financial system, efforts to bring such a system to fruition through citizenship, inclusion, and rights may threaten the integrity of financial institutions, as well as the broader economy' (ibid.). In addition, the discussion of rights implies the simultaneous shouldering of responsibilities which, in the context of financial subjectivity, renders 'the financial citizen […] less the claimant of inalienable rights and more the addressee of an interpellative hailing to take responsibility for their financial illiteracy and to pathologize their financial marginality as a form of neurosis to be diagnosed and treated by financial councilors and coaches' (ibid., 937). Hence, calls for reform and financial citizenship still fall within the process of subjectivation, involving the 'subtle coercion which encourages individuals to produce themselves as financially governable subjects' (ibid.).

The transformation of financial subjectivity

The foregoing has illustrated the extent to which financial subjectivity, as the experience of finance on a daily basis, has been in flux and in question since the 2007 – 2009 financial crisis. It is therefore hardly surprising that commentators wonder if financial subjectivity (Clark et al., 2012), and indeed financialisation (Krippner, 2011) are on the wane, as governments, policymakers, and even financial institutions take a greater interest in the level of risk individuals pose to themselves and society as a whole. However, Kear suggests that financialisation is such a multifaceted process, affecting everything from global trade to household decisions, that it is 'capable of adapting and finding many forms of expression as it seeps into the "nooks and crannies of social life". Moreover, it is unlikely that today's expressions of financialization exhaust the process's evolutionary potential' (2012: 927). Thus 'the more important question is not whether financialization is "coming to a close" but how and why which branches of financialization's family tree terminate, persist and mutate' (ibid.).

What seems crucial to address, then, is the manner in which so many contradictions that seem detrimental to financial subjectivity manifest themselves – for instance, those on low incomes borrow, but do not invest and save; furthermore, as a result of borrowing, it is difficult to accumulate assets that may help provide some financial stability. Finally, such borrowers cannot live up to the expectations of the 'unitary subject' with only financial concerns to think about and plan for, because they have other obligations, from work or home life, to think about. In short, the interpellation of the financial subject is complicated by concerns relating to employment and income, as expressed through class: although subjects are constituted as individuals who are supposed to be self-reliant, they are hindered in doing this owing to constraints arising out of their inability to make ends meet. Their chances as financial subjects are thus overdetermined by their class. It is necessary to remember this form of stratification in thinking about subjectivity, in order to understand how subjects engage with finance in particular ways specific to their own circumstances, rather than in some kind of universalised way that is applicable to all. This variation, in which more regulation and intervention into the management of household finances is proposed, therefore represents a specifically precarious working-class experience of finance relative to other classes which are known to save, invest, and borrow within their means. Crucially, however, calls for reform and regulation still engage with the realm of finance, to the extent that they envisage a reformed subject who will eventually learn to borrow responsibly or who will invest as a result of reconfigured 'choice architectures', so that discourses have not shifted from finance at all in spite of concerns of its disappearance. It is therefore not altogether clear that financialisation, and financial subjectivity, are on the decline just yet, so much as they are changing.

In light of this theoretical development, which is made possible by thinking about the way in which class differentiates groups of people through access to resources rather than attributing to them an abstract 'individualistic' identity, future research could then parse out the breadth of experience in the precariat and their responses to financialisation. After all, what constitutes the 'working class' in contemporary Britain is now marked less by shared experiences of similar types of work than it is by a sense of precariousness over the stability of jobs and wages. For Guy Standing, the precariat are distinguished by particular 'relations of production', meaning they are engaged in 'unstable labor' such as contract or part-time work, or working a series of temporary jobs (2014: 10). They are additionally characterised by 'distinctive relations of distribution', as a group that relies largely on money wages in the absence of benefits like pensions and paid time off (ibid.). As I have indicated in this thesis, these characteristics complicate financial planning. However, the diversity of the households who fall into the precarious working class mean they may have different attitudes, perceptions and experiences. Standing suggests that three notable 'factions' exist within the precarious working class. The first 'consists of those who have fallen into the precariat from old working-class families or communities' (ibid., 11), who are without high levels of education but were once employed in industries which provided job security and benefits. A second group is made up of 'migrants and ethnic minorities who feel they are denied a sense of home' while the third group comprises a younger, increasingly well-educated generation 'experience[ing] relative deprivation by being denied a future, an attractive way of building a life of dignity and fulfilment' (ibid.). The range of experience of risk and deprivation will undoubtedly lead to varying perceptions of difficulties associated with the spread of finance.

Despite a shared frustration over limited resources, precarious households may have vastly different access to help and support from family, friends, and the state, facilitating varying, rather than consistent, responses to their situations. Those who have had access to education may, for instance, come from families with more financial resources to help in case of shortfall, while immigrant households could have nothing to tide them over in case of contingency due to delays associated with residency requirements or complicated registration processes associated with state benefits. Generational differences between older workers who were able to purchase houses and have benefitted from equity undoubtedly shape perceptions of what should be possible when compared with a younger age group which might barely be able to afford rent. In this sense, cultural response to financial scarcity or crisis is inevitably also shaped by discourses emerging from within distinct groups, where, for example, traditionally working-class households may adopt a right-wing populism that promises a return to past prosperity (which might include reducing the perceived threat of immigration), while young educated employees who feel overqualified for their employment may consider, in contrast, how current circumstances could be made to benefit society as a whole in the future (ibid.).

The way in which debt is accumulated and the degree of financial engagement will thus also vary, with some households adopting high-risk strategies as a conscious decision through their education, while others may do so out of ignorance of financial risk and markets. Low-risk approaches may be deliberately sought by groups traditionally associated with risk-aversion, such as women, and those simply seeking an easier type of lifestyle to manage. As such, it is not necessarily the case that attitudes to the accumulation of debt and the means of doing so, whether through credit and loans or as a mortgage meant to finance an asset, will be uniform throughout precarious working households, even if they are generally more likely to find themselves in situations constrained by financial limitations. Future research might therefore further differentiate the experiences of financial subjectivity beyond the notion of an individual of largely middle-class means suggested in some current work on everyday finance, in order to understand the full effect of socioeconomic positions on saving and borrowing. Having an understanding of class as overdetermining experience does, however, provide a theoretical framework for understanding the many facets of financial subjectivity, since it locates groups and individuals in relation to production and distribution in order to theorise what limits or enables them beyond their characteristics as an individual. Consequently, it is possible to fully flesh out what it means to be a financial subject, rather than limiting its definition to the financial planning associated with the middle-class individual who enjoys some employment and income stability.

Conclusion

Precarious working-class engagement with finance is a particular kind of encounter with investment and borrowing, given a set of structural limitations associated with employment, income and savings, as well as home life that render the process of subjectivation an 'incomplete' one (Langley, 2007). So far, however, much of the focus has been on processes of financialisation in general, the growing power of elite financial classes, or middle class saving (Kear, 2012). This chapter has therefore sought to address the '[c]omparatively little attention [that] has been paid by critical financialization scholars to the ways in which financialization may or may not be affecting class processes at the lower end of the income distribution' (ibid., 943) by insisting on class as overdetermining the process of subjectivation. In order to do this, I have invoked not only the work of Foucault, with his concern for the individualising effects of governed conduct, but also that of his intellectual predecessor and mentor, Althusser, whose focus on class helps to illustrate how individualising processes are still inherently unequal and stratified. This helps to answer a crucial question raised in the fourth chapter, with the realisation that low-income working households are borrowing beyond their means and saving little, if anything, which is namely whether processes of subjectivation still produce entrepreneurial subjects who embrace risk.

I have argued here that libertarian paternalism and over-indebted financial exclusion do not represent the end of financial subjectivity, so much as they do particular forms relative to the engagement of the working class with finance. Indeed, libertarian paternalism simply makes more obvious the role of the state in producing choice. Where the Thatcher government had previously encouraged choice among products by fostering private pension plans at the expense of maintaining welfare state provision, so libertarian paternalism cultivates choice by providing a range of options which pension plan participants must opt out of rather than in to in an attempt to keep individual interests in mind without infringing on their right to decide altogether. Where financial exclusion is concerned, the level of risk low-income households are willing to adopt is fairly obvious, given their necessary reliance on alternative sources of finance such as payday loans. Unsurprisingly, calls for reform have stressed financial inclusion and the need for user-friendly products geared toward those on low incomes or with precarious employment. This, however, raises questions as to how precarious working households can avoid being held responsible for their situations as they pursue courses of financial literacy aimed at drawing them in from the margins of finance. In both the realm of saving and investing and that of borrowing, the solutions to their respective problems still lie squarely in the field of finance, in asking how financial services and provisions can be made more inclusive for the financially-excluded. This means, then, that financial subjectivity is not so much on the wane as it means that the precarious working-class experience of financial subjectivation is subject to more scrutiny than that of the middle and higher classes as a result of inequality and stratification. With this development in mind, is it possible to move beyond the idea of the financial subject as a purely financially-stable individual, to think about all of the ways in which the logic of finance operates in daily life, through the diversity of experiences of those in a differentiated precarious working class.

Conclusion

The financial crisis of 2007 – 2009 has brought the concept of financialisation, and the levels of inequality associated with it, to the fore of discussions on social stability and stratification. It has highlighted the individualistic nature of contemporary social relations, while simultaneously illustrating the extent to which individual decisions and actions, such as defaulting on loans or credit, nonetheless affect the stability of capital accumulation and social cohesion. It has, furthermore, exemplified the encompassing nature of financialisation, which occurs not only at the level of firms and banks, but also among individuals and households in their daily lives. Financialisation, after all, involves the creation of tradeable assets from a cycle of monthly repayments on loans, mortgages, and credit (Leyshon and Thrift, 2007), so that financial institutions are able to mobilise 'idle money from across social classes' as loanable capital (Lapavitsas, 2011: 615). It comes as little surprise, however, that those with high levels of debt and low levels of saving, investment, and assets are particularly affected by the financialisation of household income. The notion of class is therefore pertinent to these discussions, in spite of assertions about individualisation as detaching people from traditional social structures to fend for themselves (e.g., Bauman, 2001; Giddens, 1991).

The notion of a self-sufficient individual who has learnt to monitor their conduct and, effectively, governs themselves, has been widely taken up to understand the successive incorporation of greater risk and uncertainty into daily life, as a result of Foucault's studies on the neoliberal condition (Foucault, 2007; 2008). Thus, in contrast to the idea of a subject as an individual with a distinct identity and personal preferences that drive them to maximise personal utility, the neoliberal subject is crucially one which is first and foremost an entrepreneur rather than a producer in distinctly employment-related circumstances and a consumer at home. The entrepreneur instead 'produces his [*sic*] own satisfaction. And we should think of consumption as an enterprise activity by which the individual, precisely on the basis of the capital he has at his disposal, will produce something that will be his own satisfaction' (Foucault, 2008: 226). Michel Feher (2009) therefore envisages the neoliberal subject as an investor in human capital, evaluated in the potential to increase future earnings through present investment in education and the cultivation of skills and talent that can be monetised. The result is the incorporation of cost-benefit analyses into nearly every aspect of daily life, in the assessment of the potential future payoff that undertaking activities, training, or various kinds of employment could have. Paul Langley (2008a) notably takes up the idea of a self-governed investor subject to describe the simultaneous rise of securities and high-risk investments in capital markets alongside patterns of personal investment in pensions, mortgages, and portfolios as a way of understanding the configuration of networks of enterprise, finance and creativity in a context of dwindling welfare provisions and increasing personal and social risk. The acquisition of personal debt is made easier as a function of expanding markets that meet borrowers' demands and investors' needs, alongside changing household practices in the direction of indebtedness. The result is uncertainty at a subjective and social level, owing to the link between savings and debt, and the ability of fluctuating markets to diminish savings and exacerbate debt. For Langley, however, the notion of a stratified subjectivity is absent, and it is unclear whether the investor subject so understood is intended to represent financial subjects in general, or middle-class households which are more likely to incorporate such practices of saving and borrowing into their household accounting.

As I have illustrated in this thesis, the expectation of financial self-discipline has a different meaning to individuals and households facing precarious economic circumstances for unstable employment, low income, or both. The reconstitution of the workforce throughout the 1980s and into the present has resulted in the decline of a 'traditional' working class in manufacturing and production, with stable incomes and union representation, and the emergence of a 'precarious' working class often called the 'precariat'. These low or infrequently paid workers may have part-time jobs or contract work without long-term futures; they are frequently younger people who struggle to break into full-time work in spite of higher levels of education, or, conversely, low-skilled employees working in sectors with higher turnover rates or flexible contracts (Standing, 2014); the Office of National Statistics associates this group of earners with the lowest earning quintile of less than £15,000 annually (Office of National Statistics, 2016). A full understanding of the notion of an entrepreneurial, or financial subject, must therefore incorporate not just middle-class investors, but precarious working-class debtors, if the nature of contemporary volatility and instability is to be grasped. The thrust of this thesis is therefore the outline of a financial subject constrained in the ability to be creative and to take entrepreneurial risks by the requirements of debt repayment: on one hand, precarious economic conditions can make debt a requirement to make ends meet for the short-term, limiting the amount these financial subjects have to save and invest creatively. On the other, debtors are also subject to the discipline of repayment schedules and obligation fees that often further reduce the amount they have available (Lazzarato, 2012).

To this end, my thesis has examined the emergence of the financial subject in the United Kingdom from 1979 onward, with a particular focus on the entrepreneurialism expected of the precariat. Here, those in the workforce are required to assume the risks previously borne by society as a whole, such as the security for the future provided by insurance or pension funds. Instead of relying on defined benefit pension plans and collective insurance intended to minimise risks of the future, workers are now expected to embrace risk by investing their savings in defined contribution pension plans, unit trusts, and investments to maximise their future gains. Similarly, where real wages have stagnated or declined, they also now rely on borrowing and credit to make ends meet, or to finance large purchases. As the thesis shows, however, they are not always successful at meeting and taking up these risks, owing to structural constraints such as precarious employment or low wages, which can make consistency—a key feature in both investment and repayment—a difficult commitment. What is crucial for the process of subjectivation, then, is the recognition that finance is almost necessary in the contemporary age for fulfilling demands, regardless of whether one is actually able to conform with its behavioural expectations. In this, I follow Langley (2008a), who holds that the financialisation of daily life is not the sudden irrationality of individuals in taking risks, but rather the overall rationalisation of risk as the best way to make ends meet and provide for the future that makes it appealing to individuals and households. Consequently, financial subjectivity also takes account of the understandings and meanings that people attribute to their management of household finances, in addition to the conditions under which financial subjectivity is actualised.

My approach differs from Langley, however, in that his understanding of the functioning of finance at the everyday level is informed by actor-network theory, which I contend makes difficult the task of thinking about social stratification as a result of a flattened social ontology that argues against the notion of a social structure and corresponding agency. I adopt a critical realist framework, which emphasises structure as a precondition of agents as social subjects, without implying that subjects are altogether determined by their surroundings. Instead, structural entities such as financial markets, non-financial firms that are transformed in their capacities through deregulation of markets, government ministries or local authorities and service providers, all play a part in contextualising an individual's surroundings including work and home life. This informs the kind of actions or strategies that individuals can engage in, which is to say that behaviour and action does not occur in a vacuum. Critical realism provides the groundwork for understanding how these particular configurations emerge, through an understanding of emergent properties contained in social structures and subjects themselves, which can be activated under specific circumstances to produce a causal mechanism that creates a new kind of property, or social change. In short, critical realism provides the basis for thinking about the emergence of financial sensibilities out of the failing framework of the earlier welfare state in the United Kingdom, in addition to the possibility that the actions of subjects contribute to the shifting or changing nature of financialisation itself. Consequently, the kind of political economy I advocate is not static and deterministic, as a criticism levelled by actor-network theorists who condemn the notion of a social structure as too rigid to understand the economic changes that cultivated the expansion of financial innovation, but is instead informed by critical realism itself, in the form of the political economy advocated by the Regulation School. This understands economic development to occur in periods of particular kinds of accumulation, such as the mass production and mass consumption of Fordism, alongside the mediating tendencies of social organisations of the mode of regulation that prevents the emergence of crises, such as the British welfare state. Financial accumulation can therefore be understood to emerge from a crisis within Fordist production and the welfare state, as a way of understanding the preconditions of labour market and wage volatility as they are related to benefit reductions and asset-based welfare.

I thus outlined, in the first chapter of this thesis, the causal mechanisms that give rise to financial subjectivity, in the form of the structural and institutional changes that make risk-taking and household entrepreneurialism possible. In the first instance, the liberalisation of financial markets has seen, as Boyer (2000) notes, capital mobility around the world, as well as international mergers between firms, which lead to increased levels of competition. The appearance of an 'ideology of shareholder value' (Aglietta and Breton, 2001; Lazonick and O'Sullivan, 2000) means that the managers of corporations are now concerned with maximising share prices to avoid mergers and takeovers, and for their own personal reward. With international competition hampering once high profit margins, inefficient management techniques are exposed and ostensibly remedied when markets, rather than managers, allocate resources (Lazonick and O'Sullivan, 2000). The upshot, however, is that not only is the security of management positions in question, but so too is employee security: benefits and wages, and the overall retention of the workforce no longer take priority, as corporations make whatever changes are necessary to avoid a takeover. As a result, employees' wages, and their subsequent ability to make ends meet, are subject to great uncertainty, while benefits are also privatised, meaning the workforce must now rely on precarious forms of assurance, such as defined contribution pension plans, unit trusts, and private insurance to provide for the future. In short, workers must now be prepared to take risks in providing for themselves and their futures, so that risk taking becomes a necessity rather than a form of speculative irresponsibility.

At the same time as uncertainty is produced in the corporate sphere, however, banks and financial institutions begin to reshape themselves in keeping with these developments. According to Lapavitsas (2011), where banks had previously made a profit off of brokering trade deals for corporations, the latter have developed trading capacities of their own, so that they no longer rely on banks for such transactions. Banks, in turn, have moved toward providing financial services to households, which has enabled the latter to find ways of investing and borrowing to make up for the lack in state and employer provision. These two major shifts, brought on by the liberalisation of finance from the 1970s onward, illustrate how individuals and households were confronted with risk as a necessary condition of daily life, rather than a reckless form of ill-conceived planning.

Because the process of creating subjects is not only about structural surroundings, though, I also employed a critical form of critical political economy known as cultural political economy, as a complement to Regulation theory, as outlined in my second chapter. Cultural political economy holds that it is crucial to theorise the understandings and meanings generated in interactions with social structures, in order to conceptualise how subjects internalise and rationalise their actions. In addition to noting the aforementioned structural changes, then, I also illustrate the forms of 'complexity reduction' (Kutter and Jessop, 2014) that help people understand their economic surroundings and make sense of them. I think about Thatcherism as a form of complexity reduction that ultimately ushered in an individualistic way of thinking about one's place in society, in its promotion of self-sufficiency, personal responsibility, and individual innovation as key to rejuvenating the economy. I contend that Thatcher's selection of specific discourses on individualism as necessary to overcoming the economic downturn, ostensibly caused by stalled labour relations and union bureaucracy, ultimately shaped the way people understood their roles within society as innovators whose actions alone could fix the economy.

I employed a Foucauldian-inspired form of narrative policy analysis in the third chapter to examine this process, which looks at the way language is used to frame and stabilise emerging political situations by highlighting how systems of knowledge construe power relations as naturalised courses of action. That is to say, Thatcher's policy prescriptions were positioned so as to appear unavoidable, perhaps nowhere more evident than in her infamous statement that there is no alternative to hers (TINA). Consequently, as I contend in the thesis, the selection of individualistic discourses has been retained since the 1980s in Britain, with subjects forced to frame their understandings of economic situations in relation to that put forward in an official capacity by the government.

By identifying causal mechanisms in not only social structures and institutions, but also in language itself, my thesis defines financial subjectivity, in addition to its constitution through social relations, as the navigation of financial risk for future reward. By illustrating how financial subjectivity emerges, the factors that give rise to it are incorporated within the process of subjectivation, or the creation of subjects, itself, so that it is possible to see how social relations help create, but do not necessarily determine in a structurally functionalist way, the subjective experience of individuals. This is advantageous over an actor-network theory approach, which can describe what financial subjectivity looks like, without explaining its origins. Yet, in the absence of any concrete understanding of the origins of a particular form of subjectivity, it is difficult to conceptualise where potential sources of inequality lie, or, likewise, where possible sources of social transformation may arise from, owing to the fact that the strategies, kinds of action, or even sources of reaction people may take, are embedded within the social conditions that surround subjects (Jessop, 2001).

Hence, the fourth chapter continues an analysis of the logic of Thatcherism in further market deregulation and liberalisation up to the financial crisis of 2007 – 2009 under Tony Blair's New Labour government, to parse out the implications of an individualistic discourse on the contradictory development of financial subjects. Consequently, the forms of resistance to subjectivation that take place may not always be large scale acts of protest, but are more likely to revolve around the failure to comply with financial expectations as a result of daily difficulties in meeting them. This can take several forms. In particular, the precariat struggles to conform with entrepreneurial expectations owing to a lack of, or the ownership of fewer assets, as well as savings, to rely on. Working households tend to invest less in pensions as a result of having less to put away. They also often carry more debt than middle- and higher-class households, the repayment of which is complicated both by the terms of the repayment of debt, and the precariousness of jobs and wages with which to pay it back. Household entrepreneurialism, in contrast, demands a consistency in investment and repayment that can often be hindered by these problems, raising questions about whether the precarious working class can reasonably be called entrepreneurial subjects.

In the first instance, pension privatisation, which was spearheaded by Thatcher and continued under Blair's New Labour government, shifted the burden of providing for the future from the social collective to the individual. Pensions no longer operated under a defined benefit system, but moved to a defined contribution model, requiring workers to opt into plans and make appropriate levels of contributions to be matched by employers. However, as Blackburn notes, pension arrangements as a result of moving between jobs and employers became very unclear, resulting in a difficulty in making appropriate contributions or arrangements with employers (2002). The issue has been further complicated, according to Clark et al. (2012), by confusion over the differences between state and private pensions, leading to uncertainty about how much one really needs to invest. In the second instance, borrowing and high levels of debt, which have led to a credit crunch in the United Kingdom following the 2008 crisis in the United States, has caused a reduction in the number of subprime loans and mortgage products that were previously available. This reduces the options for borrowing, for lower income working households. Once again, it is unclear whether the precariat are properly financial subjects, owing to the difficulties some households have with repayment of debt.

These are crucial issues to contend with, despite the fact that little literature on the financialisation of everyday life has specifically addressed the exact nature of precarious working-class investment and borrowing, focusing instead on the broad notion of the middle classes and their development as financial subjects. While it is true that the idea of 'incomplete' subjects is mentioned by Langley (2007) in discussing the process of subjectivation itself, this does not extend to an elaboration of inequality and social stratification. This is, in part, because so much of this literature (e.g., Langley, 2007; 2008a) appeals to Foucauldian notions of governmentality without interrogating their theoretical bases: as I argue with reference to Du Pont and Pearce (2001), Foucault may have a theoretical understanding of struggles related to inequality in his conceptualisation of subjectivation, when he suggests it is an interrupted process that is never complete. However, his articulation of the process itself within the context of liberalism, which he sees as highly efficient in creating subjects, makes it difficult to actually theorise discontinuities and disruptions that occur even within the process of liberal subjectivation. As a result, I incorporate Althusser's theoretically complementary concept of overdetermination (1969) to argue that class continues to condition one's subjective experience of finance, largely as a result of structural inequalities such as labour market fluctuation, that subsequently contribute to forms of financial inequality. There is a tight link between finance and employment, with the latter necessary for access to pensions, money for investment, and for borrowing. The upshot, then, is that the precarious working class have a different experience of financial subjectivity than the middle classes, which must be elucidated in order to understand how finance has permeated aspects of everyday life for everyone.

In keeping with the tenets of critical realism, it is necessary that structure and agency, whose distinctions are retained, can nonetheless influence each other through underlying causal mechanisms. So, actors are born into an existing set of social relations, which influences how they act and behave, or their potential chances. However, their actions certainly have the potential to effect change in structures, evidenced by the withdrawal of many subprime products following the financial crisis of 2007 – 2009 or the rise of libertarian paternalism to promote better saving. Consequently, critical realism can better explain why some households struggle with the expectations of finance, without suggesting that these circumstances are unavoidable or unchangeable. This is a necessary component of the emancipatory current of critical theory itself, to which critical realism subscribes.

The question of the wider embracement of risk is indeed a crucial one, with regard to the quality of life that people are able to both afford and enjoy. It is not entirely clear that pension reform, targeting the single biggest vehicle for saving as compared with cash and investments (Financial Conduct Authority, 2017), has achieved higher saving among lower paid employees in the private sector (Ginn and MacIntyre, 2013; Price, 2008), in spite of the 'choice architectures' that requiring opting out of plans. As Price points out, the 'financially stretched are the most likely to opt out – including low earners, lone mothers, and people struggling with debt, all part of the target group for new reforms' (2008: 58). Meanwhile, the rise of Lazzarato's (2012) 'indebted man' raises serious issues about the emergence of the wide-scale creditor-debtor relationship, which fails to distinguish between traditional categories of produce and consumer, or gainfully employed and unemployed, as the subjugated are increasingly merely debtors with obligations regardless of their household circumstances. The financial subject is, for Lazzarato, 'the indebted man who atones for his error through taxation' (2015: 67), as the technical government of the state embraces economic policy as a mode of governance. The discipline of increasingly precarious borrowers highlights the dangers associated with the expansion of finance and financial motives, and the need to consider alternatives as part of a critical political economy research programme. As I illustrated in the fifth chapter, work has been undertaken to address issues of financial inclusion and exclusion of the precariat as a major social problem, from theoretical and policy perspectives that address the accessibility of financial services for those who are underserved and in great debt (Gloukoviezoff, 2006). But for others, the way forward is not so clear, inasmuch as it seems questionable whether any financial system can promote equality due to its fundamentally stratified nature, existing precisely because of the ability to distinguish low- from high-risk borrowers, and to reward or discipline them appropriately (Kear, 2012).

Still, alternative policy proposals exist that attempt to bypass the issue of exclusive financial services altogether, in that they aim for the basic issue of income relative to work and social contributions. This is embodied notably in the work of Tony Atkinson, who argues for a basic citizens' income working concurrently alongside reformed social insurance programmes, as a way of eradicating counter-productive means-tested benefits that are formatted for household incomes and often hinder independence of those within the household. Instead, a 'basic income would be paid conditional on *participation*' (1996: 68, emphasis in original) in society. This would include those who work or are self-employed, but also those who make a social contribution in some way such as caring for the elderly, getting an education or additional training, or engaging in voluntary work (ibid., 69). Atkinson anticipates an improvement for over half of UK families, and women in particular, through the implementation of such a model, as part of a reformed welfare state. While present political discourses still err on the side of individualistic, choice-based policy related to self-reliance and responsibility, the thesis has shown that resistance to financialised policy through everyday action and behaviour, which is not always deliberate but often undertaken out of necessity, can alter future policy prospects. The critical realist approach indeed leaves open the possibility that contingent and unexpected circumstances may form out of the combination of structures and causal mechanisms in such a way as to produce new and transformed circumstances. In this way, the notion of an overdetermined subject provides insight into the question of structural resilience and reproduction, in order to explain how instability may be mediated, but it also acknowledges that alternatives are possible, including approaches to welfare that are not only asset-based and market-driven.

In all then, this thesis contributes to an emerging body of literature on the financialisation of daily life by probing the mechanisms of inequality that differentiate the experience of finance for the precarious working class from that of the middle class. This is an important step, in order to fully understand how, in the first instance, the precariat cope with financial pressures, such as spending and saving. In the second instance, it helps outline why policy prescriptions, such as financial literacy programmes, have not been altogether successful in eliminating overspending combined with a lack of savings, as the problem is rooted in structural inequalities innate to the intersection of finance with employment. More broadly, however, the study of financial subjectivity itself is an important step in the study of financialisation, as it sheds light on the persistence of finance itself. That is, it illustrates the way that finance becomes a necessity, not just for actors on a global scale, but even for daily household tasks, that helps finance persist as a regime of accumulation. This is important for thinking about what might counter such notions of necessity in the future. Additionally, it provides a framework for further work on charting the diversity of engagement, or lack thereof, and attitudes toward finance and financialisation within a class with fewer resources to rely on, in order to fully appreciate the scope of subjectivation beyond the abstract notion of the self-contained individual.

Appendix One:
Financial subjectivity and the political economy of daily life in the time of finance[1]

Introduction: Financialisation and the making of everyday entrepreneurs

In political economy, the term financialisation describes the process of 'making loans, mortgages and offering credit cards [for] the generation of tradeable assets based on the cycle of monthly repayments' (Leyshon and Thrift, 2007: 106). Consequently, it has been used in the analysis of 'the structural transformation of capitalist economies during the last three decades, with its attendant social implications' (Lapavitsas, 2011: 611): profits are increasingly generated in financial markets in Anglo-American economies, rather than through production and consumption (Krippner, 2005; cf. French, Leyshon, and Wainwright, 2011), with resulting changes in the nature of work (Lapavitsas, 2011) that are said to lead to short-term employment (Thompson, 2003; 2013) and, ostensibly, overall precariousness (Standing, 2011). In short, financialisation represents an alternative description to postindustrialism and the information economy as a new period of capitalism, or 'growth regime' (Jessop, 2013; Boyer, 2000), characterised by dominant sectors of accumulation rather than the dominant sectors of employment and production (Krippner, 2005).

As the crisis of 2007 – 2009 illustrates, financialisation certainly gives rise to economic precariousness and inequality for workers that is not related exclusively to the domain of employment, when global finance markets are connected with household finances. As individuals and households increasingly rely on loans, credit and other forms of borrowing over savings and stable wages, as well as private pensions instead of collective insurance, they are more susceptible to the volatility of finance markets, so that daily decisions about purchases are more closely linked with broader market trends (Boyer, 2000; Lapavitsas, 2011). However, the collapse of the subprime housing market in 2008 also indicates the extent to which global markets are affected by household borrowing and personal financial decisions. Accordingly, the interaction of people and personal finance with global finance markets is crucial to understanding the stability of finance-led capitalism as a growth regime, although most of the academic focus, as Paul Langley

[1] This chapter is the original first chapter of the thesis. A version of this chapter appears in the *European Journal of Social Theory 20*(2), 216 – 235 in May 2017

(2008a) argues, has been on the emergence of global finance networks rather than everyday life (cf. Jessop and Sum, 2006; Lapavitsas, 2011).

My aim in this chapter is therefore the elaboration of a concept of financial subjectivity, as it emerges alongside, and in relation to, the growth of finance-led capitalism in the United Kingdom. Financial subjectivity does not refer simply to the personal identities of those directly involved in the business and financial sectors who take pride in their taste for risk and entrepreneurialism, but instead to the creation of individuals as subjects of finance through institutional discourses and practices, so that they recognise themselves and their goals in relation to financial economic and political policies (cf. Althusser, 1971; Foucault, 1994). Specifically, personal investment, instead of savings, becomes a means of securing economic stability or prosperity for households in the present, and in retirement (Langley, 2006; 2007; 2008a; 2008b). This is made necessary by stagnating real wages at work, such that investments, loans and credit are important for making ends meet; similarly, employers' waning commitments to collective insurance mean that many people invest in private pensions (Boyer, 2000; Langley, 2008a; Lapavitsas, 2011) instead of relying on occupational welfare (Cutler and Waine, 2001).

As a result, more households than ever are susceptible to financial loss caused by downturns in the market and investment choices, or reckless borrowing despite high interest rates, which has highlighted the need for financial education aimed at working households. Where personal financial literacy campaigns are intended to combat a lack of awareness about market mechanisms or responsible borrowing and investing on the part of individuals and households (Langley, 2007), the very need for such campaigns is already indicative of the spread of financial logic from the realm of financiers and traders, to the population more generally. Consequently, the emergence of a financial subjectivity is evident in the promotion of entrepreneurialism in daily life and personal responsibility as a means of achieving financial independence, against the decline of the welfare state and the rise of austerity measures. The financialisation of households, in addition to the economy itself, is what characterises the 'finance-led growth regime' (cf. Lapavitsas, 2011; 2013a; Jessop, 2013), as a period of economic development in which the logic of finance is promoted and understood as crucial to economic growth and personal success. Yet, although the notion of the individual as the locus of innovation and action is widely encouraged over 'collectivist' and class-based identities, the success of subjects in the financial realm is still highly stratified along class divisions (Lapavitsas, 2009a; 2011), as those in lower income brackets are more likely to accrue high levels of debt rather than manage their resources through a balance of investment and borrowing as with the middle class. In contrast, then, to sociological accounts that envision the decline of class-based stratification in the 'new' economy with the rise of individualism (e.g., Beck, 1992; Giddens, 1991), my understanding of financial subjectivity concerns the ways in which the middle and working classes are financialised, as new forms of stratification arise from the reconfiguration of economic institutions and social structures. This chapter therefore provides a realist account of the interaction between subjects and structures in the contemporary capitalism of the United Kingdom as a way of understanding how new forms of stratification are produced and sustained.

Approaches to financialisation and the question of subjectivity

The study of financialisation has gained prominence since the 1990s, following the deregulation of finance markets in the late 1960s – 70s and the climate of 'financial liberalisation' (Lapavitsas, 2009b) that fostered financial accumulation. Financialised economies, according to Boyer, are characterised by 'giant mergers, capital mobility between countries, pressures on corporate governance, [and] diffusion of equity among a larger fraction of population' (2000: 116). Financialisation is approached by political economists charting the global rise of financial accumulation (e.g., Epstein and Jayadev, 2005) against declining profits in production (e.g., Jessop, 2013), as they examine both the macroeconomic development of profit rates (e.g., van Treeck, 2009) and the microeconomic behaviour of firms and managers devoted to maximising their firm's share value on the market (e.g., Aglietta, 2000; Aglietta and Breton, 2001; Crotty, 2005; Hall and Soskice, 2001; Krippner, 2005). Financialisation is also studied by actornetwork theorists interested in technology, and economic models themselves (cf. MacKenzie, 2006), as facilitating the rise of finance. They subsequently hold that there 'is no singular "global financial system", […] but a web of diverse networks of finance, each "made of up of human bodies but also of prostheses, tools, equipment, technical devices, algorithms, etc."' (Callon, cited in Langley, 2008a: 23). Some of the most important contributions to the nascent field of 'everyday finance' (e.g., Langley, 2006; 2007; 2008a; 2008b) have therefore been made by theorists who consider that personal investment and borrowing form networks that develop alongside, but are not determined by, financial networks of a global scale.

This paper advances an approach that situates household investment and borrowing within a process of subjectivation (Foucault, 1994), or practices that engender subjects who see finance markets as the most effective way to provide for themselves. This does not necessarily mean that all subjects are encouraged to, or capable of, becoming successful entrepreneurs controlling large amounts of wealth within business sectors so much as it suggests that they embrace independence and risk in household financial decisions. The persistence of social stratification and class divisions is thus still prevalent, so that its study requires an understanding of pre-existing structures and institutions, into which individuals and groups are born and with which they engage. While appreciative of Langley's work on networks of everyday finance, this paper retains a realist understanding of the social relations and structures particular to a period of capitalist growth, as causal mechanisms actualising certain conditions or strategies for some subjects, but not others: according to Jessop, the interaction of groups and individuals with their surroundings enables an understanding of 'the strategic possibilities any given period provides for different actors, different identities, different interests, different coalition possibilities, different horizons of action, different strategies, different tactics', rather than the simple determination of agents by structures (2001: 285 – 86).

In this respect, my theoretical approach follows some of the developments of the regulation school, in thinking specifically about financialisation in the United Kingdom as a period of capitalism called a 'regime of accumulation' (Aglietta, 1979), or 'growth regime' (Jessop, 2013) that succeeds the industrial production and accumulation of twentieth-century Fordism, in which profits were primarily derived from mass production (Aglietta, 1979). According to Boyer, a finance-led regime of accumulation

> would combine labour market flexibility, price stability, developing high tech sectors, booming stock market and credit to sustain the rapid growth of consumption, and permanent optimism of expectations in firms (2000: 116).

The configuration of structures and institutions in a growth regime give insight into the 'institutional fixes' (Jessop, 2013) that help explain the stability of finance-led capitalism, such as market liberalisation and the subsequent corporate restructuring around shareholder value, leading to the emergence of a competitive business sector from which profits could be derived (Boyer, 2000; French et al., 2011). Regulation theory therefore provides a template for understanding how different strategies, by institutions, policy makers and individuals, are necessary if new growth regimes are to be sustainable against economic uncertainty and crisis. However, the regulationist approach has also drawn criticism for giving insufficient weight to the instability that does occur in a growth regime as a result of 'contradictions and […] incoherence at the level of […] households' (Froud, Johal and Williams, 2002: 135): it is not altogether clear, in short, what the effects of individuals and households are in the ability of a growth regime to sustain itself or, indeed, give way to something else as a result of instability and crisis. As Bob Jessop and Ngai-Ling Sum put it,

> regulationist work [tends] to neglect the specific subjectivities, modes of calculation and strategic action that help reproduce the capital relation. This is reflected in the tendency to describe the structural context for social forces' actions without actually explaining these actions (2006: 256).

This shortfall can be addressed with reference to cultural turns in political economy, which consider the meanings that subjects derive from their material surroundings, as influences on their action, beliefs, and priorities (cf. Jessop and Scherrer, 2014). Discussion of how working households and individuals have become 'financialised', so that they understand finance as a way to make ends meet and achieve future success, is therefore just as important in understanding the basis of finance-led growth as the financialisation of firms and the restructuring of banks within finance markets (Lapavitsas, 2011; 2013a; 2013b).

Subjectivity and the creation of subjects

In keeping with concerns within political economy about structures of inequality and stratification, I will therefore outline a critical realist notion of subjectivity that accounts for the integration of individuals and households within the logic of finance. Critical realism, I hold, has explanatory potential in its search for causal mechanisms that goes beyond the thick descriptions of actor-network theory, in order to explain the normalisation of financial sensibilities in everyday life. I address these mechanisms, which are both structural and discursive, in the following two chapters. Here, I outline how the Foucauldian process of subjectivation works; importantly, I supplement the notion of governmentality, which takes little notice of the social relations in which subjects govern themselves, with Althusserian class-based subjectivity. In doing so, I propose an understanding of subjectivation that adequately emphasises how this individualising processes is still inherently stratified, owing to structural inequalities in the class system.

Actor-network theorists are often hesitant to consider broader social structures, and their effects on subjects, for fear of suggesting that subjective experience is an epiphenomenon of an abstract social structure. However, the process of subjectivation, or the formation of subjects through power relations (Foucault, 1988; 1994; Sayer, 2012) does not necessarily mean that the particularities of subjective experience and daily life are determined unidirectionally by broader social structures operating on a global scale.

Indeed, Michel Foucault is explicit in thinking about the government of subjects as the actualisation of power within a discursive field through which 'the individual is led to constitute him or herself as subject' (2008: 5): governmentality is

> the ensemble formed by institutions, procedures, analyses and reflections, calculations, and tactics that allow the exercise of this very specific, albeit very complex, power that has the population as its target, political economy as its major form of knowledge, and apparatuses of security as its essential technical instrument (2007: 108).

For Paul Langley, then, 'the concept of governmentality suggests that all subjects' perceived self-interests as investors are discursively framed and manifest in their reflective, intentional and aspirational practices', although 'contingency, contradictions, tensions and ambiguities are also likely to be present in the making of investor identities' (2007: 73) as a result of struggles against constraints in everyday life (Foucault, 1994).

In its attempt to avoid reducing subjects to products of ideology, or 'docile bodies' constituted through discipline, however, the concept of governmentality 'suffers from a lack of structure and social stratification' which is 'reflected in [Foucault's] refusal to see a hierarchy of social institutions' (Joseph, 2004: 162). Andrew Sayer argues that 'enduring structures are not reducible to chance configurations of force relations coming together [...] important though these may be. They are in many cases intentionally constructed, on the basis of cultural and legal templates that successfully mobilise materials' (2012: 186 – 87). Paul Datta similarly notes that power relations are always situated within particular social relations since 'the structure of the social formation [...] allows us to account for the place of dominance, allowing us, then, to account for how strategizing is possible and effective' (2007: 293), or, conversely, how some subjects are only able to react to their situations. In order to provide more than a thick description of subjectivation as 'the analysis of the pragmatics of the self and the forms it has taken' (Foucault, 2008: 5), it is necessary, in critical realist fashion, to examine 'underlying structures and generative mechanisms' (Joseph, 2004: 162) of a particular growth regime as having causal powers on subjects who are 'susceptible to certain influences, in particular those of discourse' (Sayer, 2012: 187). Although 'what results from the possession of these powers is contingent' (ibid.), and any form of subjectivity remains 'only one of the given possibilities of organization of a self-consciousness' (Foucault, 1988: 253), I contend that the actualisation of real possibilities contained within the material conditions of a growth regime, rather than the combination of chance events that somehow form concrete and enduring subjectivities always susceptible to disruption through 'contingency, difference and discontinuity' (Joseph, 2004: 164). Indeed, as Sayer maintains, both 'the resistance and the complicity of subjects in their own domination presuppose that they have causal powers' (2012: 188), in their ability to produce change 'in virtue of the structure of their objects – defined broadly to include individuals, social institutions, and relations', as well as 'discourses and speech communities or audiences' (ibid., 181). Causal powers are therefore inherently relational, dependent as they are on external structures and internal things and relations, making it possible to understand subjectivation as a process activated by power relations within a given social formation, rather than simply as a configuration of contingent relations and elements.

I argue, then, that it is necessary to theorise subjectivation and subjectivity within a given social formation or growth regime, inscribed with a structural coherence, so that actions of subjects 'that are compatible with the recursive reproduction of the structure(s) in question' are 'differentially reward[ed]' (Jessop, 2001: 285). Subjects can be strategic in the reproduction of structures, but also in their transformation, owing to 'their different capacities to persuade, read particular conjunctures, displace opponents, and rearticulate discourses and imaginaries in timely fashion' (Sum and Jessop, 2013: 204). By virtue of structural constraints, however, they may also be reactive, rather than active, in the reproduction of such structures. Here, Louis Althusser's work on the role of historically constituted individuals in the reproduction of the conditions of production serves as a complement to Foucauldian subjectivation insofar as it examines how subjects internalise and act on the objectives of a social formation 'all by [themselves]' (1971: 169), while, much like Foucault, it questions 'how certain concepts functioned in specific historical conjunctures' (Montag, 1995: 57). As each adopts a theoretically anti-humanist approach to the study of subjectivity by problematising the very notion of the individual, their work forms a reciprocality with a certain level of theoretical continuity in spite of Foucault's rejection of ideology and scientific Marxism (Montag, 1995; Youdell, 2006).

Where Foucault's study of subjectivity turns on the ways that individuals are 'tied to [their] own identity by a conscience or self-knowledge' (1994: 130), one of which includes 'the objectivizing of the productive subject […] in the analysis of wealth and economics' (ibid., 126), Althusser (1971) considers knowledge of the self as an individual who acts freely within a given social formation as a condition of its reproduction and, thus, its existence: the economic is not simply one among many modes of subjectivation, but one which, in thinking about how subjects produce and consume their means of existence, grounds the distribution of resources within the social formation, and the subsequent stratification of subjects. Hence, in capitalism, the working class are, infamously, 'interpellated' as individuals with specific roles to play in the accumulation of capital:

> the individual is interpellated as a (free) subject in order that he [sic] shall submit freely to the commandments of the subject, i.e. in order that he shall freely accept his subjection, i.e. in order that he shall make the gestures and actions of his subjection 'all by himself' (ibid., 182).

Constituted as free individuals by apparatuses like the family, religious or educational systems, legal and political institutions, or within culture (ibid., 143), members of the working class regard themselves as freely engaged in their actions in spite of the structural constraints that maintain class divisions. This free acceptance is crucial to reproducing sets of social relations.

Although Althusser's understanding of subjectivity has been called structurally functionalist, for ostensibly reducing subjectivity to the function of reproducing relations of production and denying 'oppositional forms of subjectivity' (Benton, 1984: 107; Hindess and Hirst, 1977), a subtler reading, according to Montag, concerns the 'history of ideas that cannot be separated from the physical, material practices in which they are (always already) realized' (1995: 73). In realist terms, subjects respond to their environments by developing ideas about themselves as people, and about their surroundings and appropriate forms of conduct, action or strategies, as a result of pre-existing conditions into which they are born. The contingency of causal power emphasised by Foucault, which can produce struggles over previously unforeseen circumstances in the process of subjectivation, serves as a reminder that subjectivity is never passive and fully determined by external structures, but that those who respond to structures nevertheless are in possession of causal powers of resistance or complicity themselves (Sayer, 2012). In emphasising individuals as situated within historically specific class contexts, Althusser's work on subjectivity (1971; 1972; 1976) highlights the reproduction of inequality and social stratification in spite of the pervasiveness of individual thought and freedom. Although the contingency of subjectivation means that the process is rarely ever complete, at times producing 'uncertain subjects' (Langley, 2007), inconsistencies and contradictions in subject formation cannot only be read at the level of discourse, but should also be sought in relation to enduring structures and existing, or indeed newly produced, forms of stratification.

The stratification embedded in subjectivation is, I hold, a particularly crucial point to consider in thinking about financial subjectivity, given the highly individualised nature of discourses about personal responsibility and entrepreneurialism so prevalent in the making of financial subjects (Langley, 2007; 2008a). The necessity of taking initiative and risk within markets undoubtedly permeates discourses at the upper levels of corporate management seeking to maximise shareholder value in order to avoid takeovers (Lazonick and O'Sullivan, 2000), and at the level of daily life in household spending and personal investment. Yet, the practices of subjectivation are, unsurprisingly, qualitatively very different, since the latter 'involve[s] finance that is not directly involved in generating surplus value in accumulation' (Lapavitsas, 2011: 620), and financial decisions on the part of the working class are 'subject to noneconomic conditions that include moral commitments, familial obligations, personal aspirations, and so on' (ibid., 621). Influenced by Althusser and Foucault, then, a conception of subjectivity that locates causes and contingent outcomes within material social relations of institutions and discourses is a useful theoretical lens for examining the individualised, and yet socially stratified, terrain of contemporary capitalism.

Financial subjectivity

The notion of a financialised subjectivity refers to the process in which individuals internalise entrepreneurial attitudes toward personal success, as well as financial stability and freedom in the present and future. Entrepreneurial attitudes represent successful subjects as 'responsible and self-reliant figures who embrace risk and reward', so that financial markets 'appear to present opportunities for individuals who want to progress' (Langley, 2007: 83). In the language of literature inspired by Foucauldian governmentality, individuals are 'responsibilised': their actions are a 'necessary ontological condition' for social improvement (Shamir, 2008: 7). As such, subjects are '"empowered" to deal with their problems responsibly', meaning that they should address issues and take action with an eye to 'governing future harmful consequences' in addition to those of the present (O'Malley, 2008: 458; cf. Foucault, 1985; Rose, 2000). Subjects are therefore seen as largely accountable for the decisions they make and their consequences in the future.

While individual responsibility and entrepreneurialism have taken root in a number of facets of contemporary life, largely related to employment, management, and fiscal concerns (Amoore, 2004; Sayer, 2001), they have a specific incarnation in the government of working-class subjects at the level of personal investment, and the ways in which they make ends meet on a daily basis. In short, everyday decisions regarding household finances and savings are influenced, to some degree, by the performance of finance markets. As

Langley asserts, the practices of saving and borrowing in Anglo-America 'have fundamentally changed in the last three decades or so' (2008a: vii), with 'thrifty savings practices of making deposits in commercial bank accounts and purchasing government bonds' (2007: 69) having been gradually replaced by personal investment in pension plans and mutual funds (2008a), mortgages and homeownership (2006; Cook, Smith, and Searle, 2009; Smith 2015), and 'day trading' (Langley, 2007) as a means of generating income. Many households acquire debt as part of the growing 'acceptance that credit facilitates consumption and is part of modern society' (Szmigin and O'Loughlin, 2010: 599), leading Lapavitsas to argue that they 'have been increasingly drawn into the realm of private finance to meet basic needs, including housing, consumption, education, health, and provision for old age' (2009a: 146; cf. Lapavitsas, 2011; Langley 2008b). In short, personal investment, which requires a level of financial literacy (Langley 2007; 2008a) and a degree of individual choice, is touted as key to stability and independence, while the acquisition of debt is no longer seen as a moral failing, but a necessity for purchasing assets or financing consumption.

The shift from savings to investment, and the spread of risk to working households, has been facilitated by institutional changes and new discourses about entrepreneurialism and competition over approximately 30 years, many of which have occurred at the expense of concessions made to workers until the 1970s (Bakir and Campbell, 2006). Deregulation of global finance markets created a climate of competition and corporate takeovers, leading to the restructuring of firms in an attempt to increase shareholder value and avoid takeovers (Lazonick and O'Sullivan, 2000). This has resulted in downsizing, accompanied by stagnating or declining real wages (Aglietta and Breton, 2000), as well as the scaling back of occupational welfare (Cutler and Waine, 2001), making workers' present and future livelihoods more precarious. As a consequence of corporate restructuring, corporations have also 'developed skills in independent financial trading, including trade credit but also securities and foreign exchange trading' (Lapavitsas, 2011: 620), so that banks, in the absence of drawing profits from corporate investments, are progressively relying on lending to individuals and households as a source of profit (ibid.). Costas Lapavitsas (2011; 2013) calls this process the 'financialization of the personal revenue of workers', as the working class is increasingly drawn into the realm of investment, borrowing and risk to make ends meet. Additionally, however, is the rise of Margaret Thatcher's 'neoliberal' discourse in the United Kingdom, from the late 1970s onward, which promoted both market liberalisation, foreign investment, competition, and the flourishing of the financial sector as part of economic policy, but also personal responsibility and innovation at home as key to solving the crisis of the welfare state. Consequently, in Foucauldian terms, the effects of the emerging strength of financial sectors are discursively framed as a conduit to personal success for individuals and households in the process of financial subjectivation.

There is, then, no singularly determinant, structural cause of change at the level of daily life, but rather, an interplay between structures such as institutions, markets and banks, and government discourse and policy that results in a new set of strategies and sensibilities about the need to take risk even in everyday decisions. A closer examination of these changes is, owing to its scope, the subject of the following two chapters. Here, I limit myself to a focus on the definition of financial subjectivity as the belief in entrepreneurialism and self-reliance fostered by increasing links with financial markets and financial risk. It therefore suffices to say that the major shifts identified above, bearing directly as they do on the daily financial activities and concerns of workers and their households, constitute a change in the way people think about meeting their basic needs, and evaluating their personal success with regard to their perceived levels of comfort and security. In other words, the conditions of possibility of everyday life are now more closely linked to the performance of finance markets, as income or job security may no longer be sufficient to guarantee stability from the present into the future. Subjects are thus 'called up' (Langley, 2007) or interpellated (Althusser, 1971) as investors and borrowers with a responsibility to provide for themselves rather than relying on overburdened resources of the state. This, I argue, indicates a particular kind of subjectivity within the relations of contemporary capital in comparison with previous forms of subjectivation commonly associated with the post-war period of 1945 – 1970, where the working class was specifically constituted as a consuming class (Aglietta, 1979; Karatani, 2005; 2008; Resnick and Wolff, 2003; Wolff, 2005) whose regulated wages enabled them to live more comfortably in the 'house owners' culture of the mid-twentieth century.

While consumption is undoubtedly still a major component of daily life in finance-led capitalism, its spread and promotion among the working class during the later twentieth century (Jessop, 2013) represented a stark contrast to the 'proletarian culture' of late-nineteenth century and early-twentieth century capitalism, where workers and the poorer strata of society had 'been encouraged to defer consumption as a moral duty', in contrast to the view that consumption from the wealthy was necessary for 'creating a prosperous economy' (Hilton and Daunton, 2001: 4; cf. Marx, 1906; 1973). In short, subjectivity in the post-war era was characterised, in part, by more comfortable, but also more individualistic, lifestyles among workers, given the 'virtuous circle of mass production and mass consumption reinforced by the Keynesian welfare national state' (Jessop, 2013: 14). In finance-led capitalism, however, consumption is carried out with wages and credit (ibid., 19), so that it always entails a certain amount of responsibility for future debts, in addition to the responsibility for supplementing one's income. Individuals are now financially accountable for the choices they make and the lifestyles they cultivate, if they are to be successful at reproducing their ways of life in a stable and consistent manner.

Financial risk and the classification of subjects

The financialisation of individuals and households is, then, predominantly realised in the 'transfer of risk' (Cutler and Waine, 2001: 105) from the state and employers, to the workforce, in order to discourage dependency on welfare provisions and encourage self-contained households that manage themselves (cf. Martin, 2002). The eclipse of personal savings and collective insurance by personal investment underscores the conceptualisation of risk 'as an incentive to be calculated and grasped by the individual', rather than 'a possible hindrance, danger, or loss to be shared collectively and therefore minimized' through savings and insurance (Langley, 2008a: 53). An ageing UK society and the emergence of a pensions crisis in the 1970s resulted in the Thatcher government's discouraging the reliance on state insurance and occupational welfare (Blackburn, 2002; Langley, 2008a), so that households began to rely on private pensions, the success of which is dependent on the performance of a fund on the market rather than contributions by the state and employers. Likewise, increased levels of borrowing among large portions of the population with the spread of asset and mortgage-backed securities to the UK in 1986 (Wainwright, 2009) are contingent on the transfer of the risk of default to households in the form of fees and interest payments: the extension of credit to low income, 'high-risk' households was initially considered a 'social welfare gain' (Chinloy and MacDonald: 2005) that enabled them to borrow, while ensuring a profit could be made off loans with a higher risk of default by charging higher rates and fees (Dymski, 2005).

There is thus a certain level of responsibilisation in the need to take initiative with investments, borrow wisely within one's constraints, and to become financially literate to properly engage with the markets that appear to be the source of provision and opportunity for even household affairs. In short, the kinds of action, whether strategic or passive, available to subjects engender a new way of thinking about how to best manage their finances, spending and future obligations, so that those subjects, in turn, begin to internalise new goals and aspirations, in addition to interacting with their surroundings in new or different ways. In Foucauldian terms, then, subjectivation happens as an individual 'turns him or herself into a subject' (1994: 126) of finance, engaged in investment and borrowing as 'technologies of the self' (Foucault, 1994; Langley, 2007; 2008a).

However, in both Althusserian (1971) and Foucauldian (1994) notions of subjectivity, the process involves the stratification of individuals as delineated from others according to individual characteristics. Employment, income levels, and assets all play a role in differentiating subjective experience of financialisation, as well as the classification of subjects which enables specialised forms of government over a range of subjects. For working-class subjects who inhabit lower ends of the income spectrum, the experience of financialisation is likely to be oriented around the acquisition of debt and strategies (or lack thereof) for future repayment rather than strategic personal investment for a prosperous future. Indeed, the decline of real wages in the UK since the 1980s (Office of National Statistics, 2014a) is compounded by an increased 'proportion of household income accounted for by expenditure on "essential" household goods' including utilities and electricity (ONS, 2013a), so that working-class households are acquiring increasing levels of debt simply to make ends meet rather than actively investing savings in pension plans and unit trusts: those with lower weekly earnings and no qualifications are, according to the Office of National Statistics, 'the most likely not to have any form of private pension saving' (2014b). Thus, the financialisation of British households in general is a stratified process involving the inclusion of families and individuals with widely different understandings of, and abilities to use finance in daily life.

The inclusion of working class households within the realm of finance therefore requires a study of financial risk, as the classification of individuals and households according to their likelihood of repayment or default (cf. Langley, 2006; 2007; 2008a; 2008b). This is instructive of the way in which the transfer of risk also stratifies and creates a contemporary hierarchy of borrowers and investors among contemporary working households: lending to high- and low-risk borrowers takes a very different form depending on the characteristics and classification of the borrower, with riskier borrowers allocated to second-tier, or subprime markets. They therefore take on a different social role than low-risk borrowers: as risky sources of profit, second-tier lenders must consider future repayment obligations by attempting 'to pre-emptively fold those future uncertainties into the present' (Langley, 2008a: 177). Consequently, anyone classified as 'high-risk' has to bear the burden of uncertainty almost immediately in the form of high rates and fees, which can make borrowing sufficiently more difficult, and with it, the possibility of successfully managing finances or navigating financial markets.

Langley (2008a) contends that financial risk does not represent a 'set of real dangers, […] multiplied through market innovation and increased speculative trading' (26; cf. Watson, 2007) that threaten the stability of society with future uncertainties, but is actually a set of technologies and calculations for making future events and possibilities predictable (Langley, 2008a: 26; cf. Caouette, Altman, and Narayanan, 1998). However, while the idea of dangers or future events to be accounted for may not be inherently real in the present, the prediction and calculation for the purpose of ordering the future in certain ways has real consequences (Rigakos and Law, 2009: 81), making the study and prediction of risk a causal mechanism in itself. Particularly notable in this regard is 'the manner in which the category of "risk" itself makes possible market innovation and trading', such as 'the charging of interest in everyday saving and borrowing' (Langley, 2008a: 26), which stratifies individuals in certain ways according to their employment histories, levels of income, marital status, homeownership (Caouette et al., 1998: 159). As a result, individuals are subjectivated as their real attributes, characteristics and histories are mobilised around the prediction of financial events such as their likelihood of repayment, or defaulting on loans, mortgages, or credit cards, while 'investment technologies of risk actually license the calculative taking of chance by the individual' (Langley, 2008a: 53) in planning for, and actualising some aspects of their futures. The
following two sections deal with investment, and borrowing, as technologies of the self, that situate subjects within the class-based social relations of contemporary capitalism.

Subjectivation and investment: household finances and risk on the stock market

The rise of personal investment and the connection of household finances with stock markets does not necessarily mean that UK households are purchasing and holding more stocks, collectively engaging in riskier investment practices in the pursuit of greater returns or profits, or controlling larger amounts of social wealth. Instead, it entails a turn toward financial markets to meet needs, like being able to draw an income in retirement from a portfolio of investments managed by mutual fund or unit trust managers. Indeed, the predominance of investment as a new form of saving is not reflected in the ownership of value on the stock market by individuals and households alone, which, in the United Kingdom, amounts to 10.7 %, having dropped from just below 50 % in 1969 (ONS, 2013b).

The Thatcher Government undoubtedly promoted share ownership extensively in the 1980s, beginning 'with the British Telecom privatisation in 1984 in which 2 million people bought shares', followed by the 'TSB and British Gas flotation, in September and November 1986 [which] attracted 3 million and 4.5 million shareholders respectively' (Donabie, Hughes and Randall, 2010: xxxiii). Share ownership was predominantly the realm of the middle class, with 46 % of individuals in professional occupations buying shares, compared with only 13 % of workers engaged in semi- or unskilled labour (Norris, 1990: 69). However, it is estimated that 'some new shareholders with an eye for the quick profit sold in the first few months to institutional investors', so that 'nearly 40 % of shares bought in privatisation schemes [had] been resold' (ibid., 67).

Instead, the increase in personal investment is related to the indirect ownership of equities, with individuals investing in portfolios and institutionalised funds in order to draw returns from their savings (Langley, 2008a: 49 – 50) rather than making a profit from trading stocks. As a result, many households have, since the 1970s, increasingly been drawn into financial markets as a form of saving, by investing in the indirect ownership of equities like unit trusts or mutual funds, and private pension plans. According to Langley, individuals and households invest heavily in unit trusts, or mutual funds:

> Mutual funds are investment trust companies that pool investor's savings, investing those savings in a portfolio of securities according to the objectives stated in their prospectuses. Everyday investors own a share or 'unit' […] in the fund, but have no ownership claims on its assets (ibid., 57).

Household investment in unit trusts has grown over the last four decades, so that, as of 2012, unit trusts comprised 9.6 % of holdings on the stock market in the United Kingdom, relative to 1975 when they accounted for only 4 %, and less than 3 % in 1969 (ONS, 2013b).

Froud, Johal, Haslam and Williams maintain that the UK has 'created a massive savings flow from households onto the stock market' (2001: 78), since households and individuals now also rely on the services of financial markets, instead of the welfare state, to obtain an income for the future in retirement. As Langley contends,

> 'Ownership' of pension provision now lies with the individual worker who no longer relies upon the collective insurance of occupational welfare and Social Security, but instead creates and carefully manages an 'asset base'—largely through equity-based mutual fund investment—that is to be drawn upon in retirement (2008a, 67).

Thus pension fund holdings on the stock market rose substantially from less than 10 % in 1969 to reach 32.4 in 1992; they have since dropped to 4.7 % in 2012, likely reflecting 'fund managers broadening their portfolios to seek higher returns and spread risk' (ONS, 2013b). Holdings by insurance companies sit at 6.2 % in 2012 (ibid.), so that individuals have some stake in 20.5 % of the stock market in the United Kingdom through the indirect ownership of equities, in addition to the 10.7 % of stock market value owned directly by households and individuals.[2]

In addition to the indirect ownership of equities, households also invest in assets, most notably in the form of property investment, with homes serving as an investment to be maintained and improved for the purpose of 'trading up' rather than a simple expression of place and security (Langley, 2006; 2007; although see also Smith, 2015). As a result of the expanding securities market, which has led to the origination of so many cheap mortgages associated with the housing boom, household security and prosperity is often tied to the value of the home as a property that can be 'flipped' through renovations aimed at increasing the price, or let out, as a means of generating rent to cover the cost of the mortgage In addition to the indirect ownership of equities, households also invest in assets, most notably in the form of property investment, with homes serving as an investment to be maintained and improved for the purpose of 'trading up' rather than a simple expression of place and security (Langley, 2006; 2007; although see also Smith, 2015). As a result of the expanding securities market, which has led to the origination of so many cheap mortgages associated with the housing boom, household security and prosperity is often tied to the value of the home as a property that can be 'flipped' through renovations aimed at increasing the price, or let out, as a means of generating rent to cover the cost of the mortgage.

Subjectivation and borrowing: the rational calculation of risk

It is not only savings and investment that have been transformed through the concept of risk and its associated returns and rewards, but the process of borrowing, wherein the management of risk is associated with the creation of hierarchies of borrowers, further stratifying distinctions between those who invest and borrow, and those who merely borrow and acquire debt. In contrast to earlier forms of lending which tended to rely on trust between customers and merchants (Caouette et al., 1998), making lending decisions and consumer credit nearly impossible on a global scale, the development of credit scoring

[2] By comparison, 53.2% of UK shares are owned by world investors, while many other UK shareholders such as banks (2.5%), the public sector (3.1%), nonfinancial corporations (2.3%), and charities or churches (0.8%) own fewer shares than investment and pension funds.

techniques in the 1960s standardised borrowing according to 'details on occupation, [as well as] length of time in current residence', in order to 'calculate the probability that a credit cardholder will default, given their employment, financial, and residential/family histories' (Langley, 2008a: 149; cf. Ritzer, 2001). As Langley notes, credit scoring has

> constituted the boom in consumer borrowing as rational, scientific, and controlled. This is especially the case as lenders have come to embrace would-be borrowers that were previously excluded and deemed too 'risky', as credit scoring provides the foundations for so-called 'risk-based pricing' (2008b: 136).

In short, holders of credit cards may pay higher or lower interest rates, according to their credit scores and risk of default (cf. Langley, 2008a: 150). This development is, in itself, crucial, since it divides borrowers between low- and high-risk categories, where the latter pay higher interest rates as borrowers and on credit cards, regardless of whether they have actually defaulted on payments. Such a demarcation is deemed necessary, given the risk lenders take in extending loans, credit and mortgages to borrowers who are more likely to default. As a result, the distinction between precarious, high-risk borrowers, and low-risk borrowers who conform to lending requirements is seen as crucial to the functioning of markets.

This division is, of course, not entirely unproblematic, both because of the stratification of high-risk individuals and the immediate application of stringent, unforgiving conditions to their borrowing; but also for the regime of accumulation itself. Although Chinloy and MacDonald (2005) consider 'market completion'—'the completion of the credit supply schedule with the market pricing for poorer quality credit' allowing subprime lenders to 'reduce borrowing constraints' on high-risk borrowers—to be a 'social welfare gain' (153) in making finance markets accessible to more households, it is true that high-risk borrowers have been targeted by exploitative lenders, looking to take advantage of the high interest rates and repayment cycles applied to their borrowers. Owing to the rationalisation of risk and uncertainty, subjects can be classified as either 'conforming' or 'prime' borrowers (Langley, 2008a: 163) or subprime borrowers, who may qualify for credit, loans, or subprime mortgages. However, subprime borrowers have, as a consequence of the high interest rates applied to them in accordance with already precarious conditions like low income or unpredictable employment, struggled to perform as successful financial subjects, opening up the possibility of instability in their own households, as well as among society more generally. The UK witnessed this on a large scale when, in 2007, the US subprime mortgage crisis began to spread, causing a 'global evaporation of liquidity' and a 'credit crunch' in which high-risk loans and mortgages were withdrawn from the market (Wainwright, 2009: 382).

However, even low-risk or conforming borrowers are subject to uncertainty in their borrowing, since techniques associated with credit reporting and scoring rely on career and income stability:

> Just as investment is not a one-off event but a set of on-going calculative practices that are undercut by uncertainties over employment, so the meeting, management, and manipulation of on-going borrowing obligations are reliant upon relatively predictable wages (Langley, 2008a: 204).

High-risk, subprime borrowers are, then, particularly likely to struggle with financial self-discipline, but in general, financial subjectivity takes as a precondition in the calculation of risk, a level of stability in an individual's life chances that does not account for uncertainty in the wage relation, or the extra-economic concerns that workers, unlike firms, must factor into their daily lives. Yet because 'the borrower that is summoned up […] appears as a disconnected and unitary subject, a figure that is disembedded from all but his/her financial relations' (ibid., 203), solutions to financial problems are addressed, in keeping with the responsibilisation of subjects, as individual issues of financial literacy rather than systemic problems related to the long-term stability and reproduction of households. Thus, although financial subjectivity entails individualisation and entrepreneurialism, the process of subjectivation produces contingencies through the struggle against the individualising nature of the knowledge about individuals and groups (Foucault, 1994) as borrowers and investors working with the framework of overarching power structures.

Financial subjectivity is therefore all but solidified through the very practices of investment and borrowing that ground it, insofar as they carry the risk of default and insolvency, leading to a disruption in ways of life centred on financial responsibility. In Foucauldian terms, the process of subjectivation is never fully complete, owing to struggles with self-discipline that occur as a result of structural constraints such as job loss or market downturn, in addition to political struggles stemming from a conscious rejection of self-reliance at the expense of state welfare and social assistance. The Althusserian concern with the differential interpellation of subjects on the basis of class especially highlights how the immediate expectation of default among lower-income households reinforces the potential for insolvency in the charging of higher fees and rates; these in turn exacerbate structural constraints on such families, in contrast to more successful everyday entrepreneurs who may be able to channel income into investments and assets while managing debt. Even where investment is possible among working-class households, it is still no guarantee of stability and long-term prosperity.

Financial subjects and wage relations

The 'democratisation' of finance (Lapavitsas, 2009a; cf. Nocera, 1994) has therefore not necessarily made daily life substantially easier, by allowing the working class and the poor access to finance through subprime, or 'secondary' markets; rather, it makes it easier to enter finance markets, although these can be difficult to navigate when workers face the constraints of uncertainty in employment and wages. The emergence of personal investment as a rational technology of the self has, additionally, not resulted in a shift in the ownership or control of social wealth (Martin, 2002), but instead in the promotion of household independence within the constraints of the wage relation: the entrance of numerous individuals and households into capital markets has largely reflected a shift in 'patterns in the ownership of financial market instruments (especially equities), with an increasing proportion of the total by value held by pension and mutual funds' (Langley, 2008a: 49, emphasis added). However, 'everyday investment has done little to challenge the privileged place of the wealthy in the direct ownership of equities' (ibid.), even if more households are involved in the market by virtue of owning shares in investment trusts and pension plans.

Lapavitsas therefore suggests that the involvement of working-class households in financial markets is still inherently stratified on the basis of exploitative class relations, given how '[b]anks and other financial institutions have been able to extract profits directly out of wages and salaries rather than surplus value'; additionally, they 'have also been able to make profits out of [personal] assets, particularly as public provision of pensions has retreated, encouraging the channeling of [household] savings to pension funds, insurance companies, money funds and thus the stock market' (2011: 620). The examination of relations of distribution, such as wages and profits (Skotnes, 1979), is crucial to understanding contemporary class inequality, although much of the focus has, to date, been on declining job security and career prospects as a result of financialisation (Thompson, 2003; 2013) and the enterprising attitudes working individuals must adopt while at work in order to further their careers (Amoore, 2004) if they are to be successful in a labour market which is not rapidly expanding (Lapavitsas, 2011). Indeed, it is precisely because of the stagnation or decline of wages, partially as a result of outsourcing (Boyer, 2000; Leamer, 1996), that finance begins to take an important role in the everyday lives of workers. Yet, insofar as finance requires one to account for future risks in the present, it does not always alleviate problems associated with declining wages or job loss. Consequently, providing for oneself or a household has not necessarily been made easier by finance, so much as it is the case that the logic of finance appears to be the most viable or rational means of making ends meet.

Financial subjectivity, as the intersection of risk and financial markets with daily decisions involving household reproduction, is thus intricately related to the social relations of contemporary capitalism, rather than a contingency produced by the interaction of conflicting sources of power. As Sum and Jessop hold, following Foucault, '[s]ubjectivation involves not only the creation of subject positions but also of "willing" subjects, that is, subjects who are willing and able to play their allotted roles', alongside the 'objectivation' of the natural and social world through 'different technologies of power/knowledge' (2013: 112), so that courses of action that correspond with discourses about the world and help to reproduce it are 'differentially reward[ed]' (Jessop, 2001: 285). Subjectivation in finance undoubtedly produces contingencies since '[i]nvestment as a technology of the self is contradictory. It rests on calculating market risk/reward, but necessarily cannot bring order to future uncertainty' (Langley, 2008a: 111 – 112), which is coupled with similar issues in borrowing.

However, these processes must be understood as situated within existing social relations which are, through the causal powers of underlying structures and generative mechanisms, transformed and recreated. The call, or interpellation, to entrepreneurialism and self-sufficiency is inherently related to broader social and economic changes that render reliance on welfare state provisions problematic, or even the cause of crisis, while finance markets themselves emerge as a source of opportunity, so that the working class responds by reorganising and adapting their lifestyles. Yet, financial subjectivity is still situated within the wage relation, which is itself a source of hierarchy, inequality, and thus, a potential source of contingency in the process of creating successful entrepreneurial subjects who can reproduce their households and contribute to the economy. Contingency, while indicating that causal relations are never inherently deterministic or structurally functionalist in producing subjects to prop up capitalist growth, still has antecedents in existing material, social and power relations.

Conclusion

Despite the growing importance of, and interest in finance-led economies as a distinctive feature of contemporary capitalism, the connection between financial markets as a major source of accumulation and the regularisation of finance in everyday life remains under-theorised by critical theorists working to understand new forms of inequality and stratification in contemporary capitalism. Although cultural accounts of neoliberal subjectivity stress the significance of personal experience, they rarely make broader links with the broader forces that give context to the actions of subjects. Thus, in this chapter, I examined financial subjectivity as a process that constitutes individuals as entrepreneurial subjects who, through the development of technologies associated with the calculation of risk, manage their affairs and financial futures as a series of investments and returns. Specifically, from the 1970s onward individuals become 'everyday investors', relying on returns from mutual funds and pension plans to supplement income and prepare for retirement, in contrast to an earlier reliance on regulated wages, collective insurance, and provisions set out in workplace collective agreements from 1945 through to the 1970s. They also increasingly borrow and make use of credit to make ends meet. Consequently, household finances are, in a finance-led regime of accumulation, intricately bound up with global finance markets.

In order to understand this process, I diverged from actor-network theory approaches to Foucauldian governmentality, which stress contingent power relations in the creation of entrepreneurial subjects who learn to govern themselves in a neoliberal fashion. Instead, in critical realist terms, I emphasised underlying causal mechanisms, found in the structural transformation of post-war capitalism and the emergence of finance-led growth, to understand the sources of power in the subjectivation of the working class as financial subjects. In order to address the persistence of class relations in the stratification of society, it is possible to invoke Althusser's understanding of subjectivity as constituting a class of individuals, historically-specific to capitalism, alongside Foucault's outline of the study and separation of individuals from each other in the process of subjectivation. Stressing pre-existing social relations gives a context, I hold, to the exercise of power in a particular time and place. In the next chapter, then, I examine the social relations of finance-led growth, through the institutional and structural changes in the United Kingdom since the 1970s that have given rise to financialisation.

Appendix Two: Shaping entrepreneurial subjects: How structural changes and institutional fixes shape financial strategies in daily life[1]

Introduction

The late 1970s mark a period in the United Kingdom in which discourses began to shift from the politics of the Keynesian national welfare state, to the need for privatisation, market liberalisation and greater individual freedom and responsibility. This undoubtedly set the tone for a period of flourishing finance, alongside the global deregulation of markets, so that the United Kingdom became a major centre of finance: as growth in productive industries began to fall, accumulation, or profit, was increasingly recorded in the financial sector (Baran and Sweezy, 1966; Lapavitsas, 2009b; 2013a; 2013b; Krippner, 2005; Sweezy, 1997). Insofar as the economy has become 'financialised' (Cutler and Waine, 2001; Dore, 2000; Jessop, 2013), this particular growth regime, characterised by 'giant mergers, capital mobility between countries, pressures on corporate governance, [and] diffusion of equity among a larger fraction of population' (Boyer, 2000: 116), represents a new period of capitalist development, in which finance predominates. As Costas Lapavitsas (2011; 2013a; 2013b) points out, however, structural changes in markets and institutions also engender, and occur alongside the financialisation of workers' wages and household finances, so that the emergence of financialisation is characterised as much by the integration of UK households into financial markets as it is by the expansion of financial trading among firms and the provision of financial services by banks. Consequently, it is important to understand the ways in which finance-led growth and its institutional fixes cultivate entrepreneurial subjectivity among people.

In the first chapter, I outlined financial subjectivity as the constitution of self-reliant subjects, who internalise the entrepreneurial attitudes needed to take risks that may earn rewards in financial markets, as the most efficient way of managing household money and measuring personal success. I therefore examined how individuals and households have become less risk-averse as wages are increasingly integrated into financial markets, through a reliance on pensions and personal investment, as well as the accumulation of debt

[1] This chapter is the original second chapter of the thesis. A version of this chapter appears in *Thesis Eleven 142*(1), 5 – 17, in October 2017.

through credit and borrowing. The second chapter thus situates the emergence of entrepreneurial, financial subjects within changes at the level of the market in the United Kingdom, which include the integration of household revenue into finance markets as a result of the restructuring of banks, and a growing business sector fostered by market liberalisation. This configuration of institutions contributes to the rationalisation of risk and financial sensibilities in everyday choices and decisions, in the process of subjectivation.

This chapter therefore focuses on the causal mechanisms that give rise to financial subjectivity. The study of financialisation as a particular period of growth and development provides a crucial insight into the material mechanisms of subjectivation, since a 'key feature' of the periodisation of capitalism is its 'concern with the strategic possibilities any given period provides for different actors, different identities, different interests, different coalition possibilities, different horizons of action, different strategies, different tactics' (Jessop, 2001: 285 – 86). Consequently, the 'transfer of risk' from employers (Cutler and Waine, 2001: 105) to the workforce (ibid.; Amoore, 2004) and households (Langley, 2008a) through private pensions and the need for personal investment over occupational welfare; the 'democratisation' of credit and the integration of many households into credit markets as borrowers; or the emergence of securitisation in Britain in the 1980s (Wainwright, 2009) promote entrepreneurial strategies among working individuals and households for looking after themselves and their futures. Taking risks to earn rewards in everyday life is therefore not only encouraged as a form of individual self-improvement, but is inscribed within the structural framework in which subjects work and live.

Explaining Financial Subjectivity: Changing Structures, Strategies, and Forms of Subjectivation

In the first chapter, I provided an analysis of financial subjectivity as a set of practices undertaken in daily life, that reorient the relationship of individuals and their households to the notion of risk as a necessary precursor to success and rewards. Self-sufficiency is also seen as crucial to achieving goals, rather than relying on the provisions of a welfare state. Here, I aim to explain why a particularly financialised form of subjectivity emerged in the United Kingdom after the 1970s, in the light of Althusserian and Foucauldian understandings of subjectivation as a process, rather than a simple experience, involving the struggle over the structures and norms that promote, or constrain certain forms of identification and conduct (Althusser, 1971; 1972; 1976; Foucault, 1994). This requires a grasp of emergent structures and institutions and their effect on subjects, since subjectivity involves the constant interplay between structures on one hand, and subjects on the other: subjectivation is, after all, accomplished as a result of the susceptibility of subjects to the influences of the structures and discourses surrounding them (Sayer, 2012).

Understanding how different regimes of growth instill different capacities, actions and reactions in subjects is key to grasping shifts in power relations over time. The 'periodisation of capitalism', or the identification of the rise and fall of various growth regimes in the development of capitalism, is crucial to the study of the growth and reproduction of capitalism in general: as Peck and Tickell note, examining different periods of accumulation 'provides a framework for understanding that paradox of contemporary Marxist theory—that, in spite of its inherent contradictions and deeply-embedded crisis tendencies, the capitalist system appears capable of reproducing itself' (1992: 349, emphasis in original; cf. Dunford, 1990). According to Jessop, the

> expanded reproduction of capitalism is never based, as Marx's simple reproduction schemas might suggest, on purely self-identical repetition. Instead it involves an ever-changing balance among repeated cycles of self-valorization, continuous self-transformation, bouts of crisis-induced restructuring, and other modalities of change (Jessop, 2001: 284).

He thus maintains that '[t]hese different spatio-temporal aspects provide solid ontological grounds for attempts to periodize capitalism' (ibid.). The periodisation of capitalism is, importantly, not a chronology of capitalism since it does not merely 'recount temporal coincidence or succession', but instead 'classifies actions, events and periods into stages according to their conjunctural implications (as specific combinations of constraints and opportunities) for different social forces over different time horizons and/or for different sites of social action' (ibid., 285). The notion of different periods of accumulation, such as 'financialisation' in the period after the decline of production, is therefore the basis of an 'economic imaginary', or the process of mentally reducing economic complexity through an understanding and elaboration of features that predominate in the economy (cf. Kutter and Jessop, 2014).

Such an understanding of economic development thus suggests that, in keeping with a Foucauldian conception of subjectivation, different states and growth regimes are constantly '(re)constructed through changing practices of government' in the absence of any 'general essence' of power (Jessop, 2008: 150; Foucault, 2007). With the development of new structures and institutions come new strategies and forms of action or reaction that people engage in to live and thrive within their circumstances. As Jessop argues, all 'structures privilege the adoption, as a condition for success, of certain spatial and temporal horizons of action by those seeking to control, resist, reproduce, or transform them' (2008: 46). As a result, 'some practices and strategies [are] privileged and others hindered according to how they "match" the temporal and spatial patterns inscribed in the relevant structures' (ibid.), although there is certainly room for resistance and the exploitation of conjunctures over the long term, when forms of mediation give way and regulation is disrupted (cf. Jessop, 2001).

The period during the 1970s, both in the United Kingdom and abroad, provides a useful marker of change in accumulation strategies and subjective sensibilities, with the decline of the Keynesian national welfare state triggered by stagnating or decreasing profits in production and tensions between unions and employers. The Conservative government, under Margaret Thatcher, notoriously framed the problems plaguing the British economy in terms of industry held hostage by trade unions and stifled by government regulations, so that the privatisation of national industries and the deregulation of markets became a crucial way of encouraging innovation and investment. Market liberalisation subsequently led to a flourishing financial sector in London, which did not entirely resolve many of the issues in the productive, or 'real' sectors (Jessop, Bonnet and Bromley, 1990), but instead inaugurated the beginning of a new, 'financialised' growth regime in the United Kingdom.

The emergence of a structure of financial accumulation itself can, following Costas Lapavitsas, be traced to changes in trading and financial activities on the part of non-financial corporations, in addition to the concurrent restructuring of banks, which helps to facilitate the financialisation of household wages and income: 'non-financial enterprises have become increasingly involved in financial processes on an independent basis, often undertaking financial market transactions on their own account'. They 'have become relatively more remote from banks', which have consequently 'turned toward individual and household income as a source of profit', rendering individuals and households more reliant 'on the formal financial system to facilitate access to vital goods and services' (2013a: 794). In short, a newly liberalised, competitive business sector means that firms are progressively developing their own capacities in trading, leading banks to develop a wider range of financial services and products outside the commercial realm and targeted at households. The following section looks at the increasing financialisation of firms and the rise of market-based finance in the work done by the regulation school and their studies of the emergence of a new, finance-led growth regime, before focusing in later sections on the integration of individuals and households into finance markets.

Regulation Theory and the Periodisation of Capitalism: Structures, Institutions and Strategies Over Time

Regulation theory has provided useful insights about the growth and reproduction of different periods of capitalism over time within political economy, given that it outlines a 'series of historical-institutional epochs in which modes of regulation perform a critical role in internalizing (for a time and in particular geographical locations) the inherent crisis tendencies of the capitalist accumulation process' (Peck and Tickell, 1992: 349). Most notoriously, regulation theorists have provided an account of the 'Fordist' growth regime of the North American and British economies following the Second World War, in which a period of mass production was sustained by mass consumption, and the 'institutionalisation' of class struggle in the process of collective bargaining (Aglietta, 1979). The strength of the Keynesian national welfare state furnished a consistent source of domestic demand for products by regulating labour conditions and wages, while also ensuring many basic necessities were met. This allowed for 'more or less consistent evolution for capital formation' (Boyer, 1991: 107). However, the gradual internationalisation of the conditions of production began to undermine national institutions, giving rise to a crisis of Fordism and 'trigger[ing] struggles to induce a new growth regime' (Jessop, 2013: 15). Initially, regulation theorists were agnostic about what kind of growth regime would succeed Fordism (Peck and Tickell, 1992), holding that the emergence of neoliberalism and its free market sensibility represented 'the politics and economics of sustained capitalist crisis' rather than 'a renewed period of sustained growth' (Tickell and Peck, 1995: 357). A closer examination of finance-led growth more specifically indicates the emergence of institutions that bolster the growth and reproduction of forms of financial accumulation (Jessop, 2013).

This section therefore provides an overview of the regulation school's account of the rise of finance as a regime of accumulation, focusing specifically on the prominent work of Parisian regulationists Michel Aglietta and Robert Boyer. I examine the importance attributed to market finance and the 'ideology of shareholder value' in the landscape of accumulation, and its contribution to the rise of entrepreneurial managers focused on the maximisation of share value over employee benefits within the firm. I then suggest that this only narrowly addresses financial subjectivity by treating what happens at the level of households as an epiphenomenon of corporate restructuring, before turning in the next section to the integration of individuals and households within finance markets as a major condition of the creation of entrepreneurial subjects in daily life.

Market-based Finance and Shareholder Value in the Finance-led Growth Regime

The development of capitalism in Anglo-American economies since the 1970s has been largely understood by sociologists and political economists to be unstable or unpredictable, particularly in the deterioration of welfare state provision that mediates between capital interests and the social reproduction of households and families (Jessop, 1991). For regulation theory, which has never sought to predict future phases of capitalist accumulation so much as it aims to explain the mechanisms that distinguish periods of accumulation from others (Peck and Tickell, 1992; Tickell and Peck, 1995), the largest issue has been in determining whether a period of instability can crystalise into a reproducible regime of accumulation. Thus, the examination of finance-led growth turns on the identification of new institutional fixes, or 'complementary set[s] of institutions' that provide 'structural coherence' to a growth regime (Jessop, 2013: 9), which are capable of sustaining growth and reproduction in the context of global financial markets characterised by the mobility of capital outside of the 'territorial logic' (ibid., 18) of national economies. In short, it is necessary to understand whether finance, as a domain which currently generates greater profits than the realm of production, is actually reproducible as a regime of accumulation in spite of the contradictions and levels of inequality it is associated with.

According to Jessop, the 'principle structural form' of Anglo-American Fordism was the wage as a source of domestic demand, so that Fordist institutional fixes centred on the 'Keynesian welfare policies', 'welfare rights and social redistribution' and 'infrastructure provision' made possible by economic growth (ibid., 14). In a stark contrast to Fordism, the principle structural form of the finance-led growth regime is 'money as the most abstract expression of capital and its disembedding in a space of flows', which is complemented institutionally by the deregulation of finance markets (ibid., 19) and financial liberalisation (Aglietta and Breton, 2001). Thus, for many proponents of regulation theory, financial institutional fixes are predominantly market-based, as they move away from state regulation or domination by banks (ibid.).

Indeed, financial liberalisation in the terms set out by Aglietta and Breton is 'the nexus of the new economy' (ibid., 435) insofar as it has innovated financial markets by removing 'controls on interest rates and quantities of credit advanced by financial institutions' (Lapavitsas, 2009b: 13) in developed countries. This changes both the supply of financial services, as well as the management strategies of firms seeking to maximise their share price to avoid take overs, resulting in the growth of the business sector. This interrelation 'is a building block of the new growth regime and hence of the new economy' (Aglietta and Breton, 2001: 435), which is more susceptible to the booms and busts of business cycles as profits are derived from asset price inflation instead of inflation in goods markets (ibid., 434). The development of information technology plays a mediating role, as opposed to driving the new economy, since it has 'given a powerful impetus to the building of formal models of asset price evaluation and risk assessment' that make financial engineering possible: it is, for example, 'obviously impossible to price options, let alone complex, structured, customized products, without the help of networks of micro-computers' (ibid., 436). Thus, rather than constituting a formal growth regime in itself, regulationists hold that the information economy developed alongside financial markets, particularly in the United States during the 1990s (Boyer, 2000), with the development of information technology acting as a complementary innovation to finance in the role of accumulation (Aglietta and Breton, 2001).

What is of particular significance for regulation theory is the way in which the liberalisation of finance, through the deregulation of markets, has encouraged a shift in the strategies of corporate management to emphasise the maximisation of shareholder value, at the expense of 'employee sovereignty' within the firm (ibid., cf. Dore, 2000). As Lazonick and O'Sullivan argue, corporations prior to the 1970s were run on the principle of retaining 'both the money that they earned and the people whom they employed', while investing 'in physical capital and complementary human resources': 'Retentions in the forms of earnings and capital consumption allowances provided the financial foundations for corporate growth, while the building of managerial organizations to develop and utilize productive resources enabled investments in plant, equipment and personnel to succeed' (2000: 14 – 15). However, as Anglo-American corporations grew in size, it became difficult for a centralised management body to make effective decisions about the investment of corporate resources, leading to poor performance. This was, additionally, 'exacerbated by an unstable macroeconomic environment and by the rise of new international competition' (ibid., 15), which proved more innovative than their Anglo-American counterparts.

Aglietta therefore notes that the managerial control of firms through the process of retaining and reinvesting was, in the 1970s, 'contested by principal-agent theory which was designed to rehabilitate shareholders' interests' (2000: 149) by emphasising the superiority of the market, rather than managers, in allocating resources. Consequently, 'in the governance of corporations, shareholders were the principles and managers were their agents' (Lazonick and O'Sullivan, 2000: 15 – 16):

> Given the entrenchment of incumbent corporate managers and the relatively poor performance of their companies in the 1970s, agency theorists argued that there was a need for a takeover market that, functioning as a market for corporate control, could discipline managers whose companies performed poorly. The rate of return on corporate stock was their measure for superior performance, and the maximization of shareholder value became their creed (ibid., 16; cf. Aglietta, 2000).

The emergence of a takeover market was made possible by institutional investors, as the lifting of 'legal restrictions on the extent to which life insurance companies and pension funds could include corporate equities in their investment portfolios' saw the 'transfer of stockholding from individual households to institutions such as mutual funds, pension funds and life insurance agencies' (Lazonick and O'Sullivan, 2000: 16).

Institutional investors, Aglietta suggests, can influence corporate behaviour through 'the collective power of opinion wielded by capital markets in the new era of information technology', as financial markets can publicly value corporations:

> This process of evaluation takes place under the permanent scrutiny of investors, because rules and standards have made it possible to abstract from specificities of the firm's organization. Charters of corporate governance embody the principle-agent relationship in a set of formal procedures, require transparent information reporting, certified accounts and quantified prospects for future profit, so that performance of the firms can (without difficulty) be measured against objectives and benchmarks (2000: 149).

In short, the liberalisation of finance provides the institutional framework that is the basis for strategy and action on the part of financial subjects. As money increasingly circulates internationally, having been disembedded from national economies as a newly private source of demand rather than a localised cost of production (Jessop, 2013), the deregulation of finance markets facilitates the provision of financial services and the growth of the business sector. As a result, the strategies that actors engage in to secure their own success and reproduction within the realm of capital accumulation must shift from earlier forms of regulation under a Fordist growth regime.

There is thus a great deal of institutionalised uncertainty in Anglo-American growth regimes, which, in contrast to the monopolistic, stabilising mode of social regulation associated with the Fordist Keynesian national welfare state (Peck and Tickell, 1992), engenders active strategising and entrepreneurialism to ensure the accumulation of capital at the level of firms, and thus the reproduction of the livelihoods of the workers they employ. Indeed, it is generally understood among political economists from the regulation school, as well as the broader Marxist tradition, that the recovery of profitability during the 1980s came at the expense of labour (Bakir and Campbell, 2006), with the workforce subjected to uncertainty on the job and squeezed wages to facilitate the recovery of profit by firms. Labour forces have been restructured 'in ways that have eroded the quantity of jobs that offer stable employment and good pay' when 'managers downsize the corporations they control […] in an attempt to increase the return on equity' (Lazonick and O'Sullivan, 2000: 18). The threat of unemployment can act as a disciplinary measure for employees (Lapavitsas, 2009b), who are tasked with embracing risk displaced from upper management in order to thrive at work (Amoore, 2004). Thus, Lapavitsas contends, '[f]lexible employment, invasion of private time by work, unpaid labour and intensified labour have characterised the period. Real wages, meanwhile, have been relatively stagnant in all advanced capitalist countries' (2009b: 13; cf. Duménil and Lévy, 2002; Jessop, 2013), meaning that, as I illustrated in the previous chapter, the working class at times must rely on credit to make ends meet, while being expected to take risks in order to increase the possibility of reward.

Stagnating wages, flexible labour contracts and pronounced levels of debt relative to savings have led to what many commentators describe as a 'squeezed middle' class (e.g., Carré and Heinze, 2013; Mishel and Shierholz, 2013; Parker, 2013; Smith-Ramani and Mehta, 2013), whose present and future are far more unstable than the life chances typically associated with the middle class. With even some higher-level managerial jobs at stake due to a focus on the maximisation of shareholder value, even the upper middle classes are affected as a result of financial restructuring. Meanwhile, an overall household saving ratio of only 1.7% in the UK in 2010 and 'UK debt currently averaging 160% of household income' (Smith-Ramani- and Mehta, 2013: 118), an increasing number of British households are facing financial shortfalls, lower standards of living, and precarious futures:

> Typical wages have been falling flat for nearly a decade. Home ownership has moved out of the reach of a fast-growing swath of the working population, and rents are climbing fast. Less than half of employees are in an employer pension scheme, falling to less than a third in the private sector. A worryingly high portion of households are already paying such chunks of the income to meet mortgage costs that they risk going underwater when interest rates eventually return to normal levels (Parker, 2013: ix).

For these reasons, a deeper understanding of the financial stratification that happens within the subjectivation of the working and middle classes is necessary, in addition to an understanding of the changing motives of financial and corporate actors.

Class, Unequal Subjects, and the Limits of the Regulation Approach to the Study of Financialised Subjects

In elaborating not only the macroeconomic developments that give rise to finance-led growth, but also the ways in which such changes shift subjects' perspectives on possible strategies for success, the regulation school is acutely aware of the importance of

> collective actors and institutions, which are viewed as pre-existent – in other words, formed by a historical past. [Regulation theory] is thereby able to define the result of interactions between individuals who are always socialised through a complex network of norms, customs, rules, beliefs and membership in many different groups (Boyer, 2005: 3).[2]

For Henri Nadel, then, '*régulation* theory agrees with Marx as to the importance of specifying in the historical context structural (or institutional) forms which may produce mutually compatible accumulation regimes and wage norms' (2005: 31 – 32). In the study of the 'institutional mediations of [the wage relation] in the technical and social division of labour and its antagonistic, historical dimension', regulation theory is meant to capture the 'social relation' between capital and labour, which is irreducible to 'a contractual relationship between employer and employee', or 'a simple relation of hierarchical domination': as Nadel points out, '[t]he "beauty of the wage form", the fetish of the "price" of labour, creates an illusion of measurement and equity between a service and its remuneration' (ibid., 33), the character of which is specific to the context of the regime of accumulation that structures the wage-labour nexus. Consequently, regulation theory advances explanations of capitalist growth that extend beyond ahistorical understandings of individual action, and into the social stratification of groups and individuals through institutional practices, norms and habits of the mode of social regulation (Boyer, 2005).

Yet, perhaps as a result of the attempt to distance themselves from the mechanistic Marxist reading of contradictions that manifest in the mode of production and facilitate

[2] The 'pre-existence' of institutions and actors as evolving from a historical context is a crucial clarification to make, in light of work done by actor-network theorists, and in particular Langley's (2008a) assertion that regulation theory tends to treat finance as a 'material reality' which 'pre-exists' individuals, shaping them while it is 'legitimated through ideological representation' (31). While regulation theory, in realist fashion (Jessop, 1990), undoubtedly treats the social contexts into which groups and individuals are born as material realities, these contexts are not static, but ever changing as a result of crises or contradictions, meaning that they do not wholly determine the actions of individuals from '"outside" of everyday life and in the hands of financial capital as an identifiable collective interest' (Langley, 2008a: 31).

the capitalist transition to socialism (Nadel, 2005), the regulation school's focus on institutional mediation as a form of historical change lacks a concrete analysis of the struggles faced by working individuals and households in general on a daily basis. Indeed, it may be possible to see in regulation theory that financial liberalisation is the cause of 'in-built instability' (Aglietta, 2000: 153) within the finance-led growth regime, which threatens jobs and livelihoods, although far less attention is given to the explanation of strategic action taken by the working class in the maintenance of their daily lives. As I noted in the first chapter, this primarily revolves around the level of risk that households internalise and regard as necessary to making financial decisions. However, these strategies are ultimately contextualised within 'the overall dynamics of capitalism' which, according to Gérard Duménil and Dominique Lévy,

> were determined by new class objectives that worked for the benefit of the highest income brackets, capitalist owners, and the upper fractions of management. The greater concentration of income in favor of a privileged minority was a crucial achievement of the new social order. […] In this respect, a *social order* is also a *power configuration*, and implicit in this latter notion is 'class' power (2011: 8, emphasis in original; cf. Duménil and Lévy, 2004).

The emphasis on strategy at the level of firms and management in regulationist work that focuses on market-based finance as characteristic of the new growth regime has the potential to overlook the ways in which structures and institutions shape the daily life of working-class households, which are disproportionately affected by the distribution of wages and resources. Jessop thus warns that regulation theory errs on the side of ignoring 'the broader dynamics of class domination' and 'repressive measures to maintain class power' (2013: 18), in thinking about how growth regimes are reproduced.

I therefore argue for the necessity of returning to the analysis of how structures and institutions subjectivate (Foucault, 1988; 1994) individuals and their households, or subject them to social norms and conventions of stratification (Althusser, 1971), while they internalise and freely act on the practices of entrepreneurialism associated with financial liberalisation. The creation of subjects is in fact a crucial complement to the regulationists' adherence to the notion of a 'process without a subject' (Nadel, 2005: 31), a hypothesis advanced by Louis Althusser (1972; 1976) to explain the progression of history in the absence of an essentialised subject (such as the Hegelian 'spirit', or the liberal notion of 'Man'). In place of individuals as the teleological drivers of history, Althusser emphasises the role of class struggle in Marx as 'the motor of history' (1976: 51), precisely because, as Marx previously argued, 'society is not composed of individuals', but of 'social relations in which its individuals live, work and struggle' (Marx, cited in Althusser, 1976: 53). The nature of individuals is therefore specific to the conditions in which they live, and the kinds of limitations or difficulties they face are derived from contradictions and inequality produced by broader structures and institutions of a growth regime.

I hold that it is important to understand how these conditions disproportionately affect individuals and households in the transfer of risk. In spite of the emergence of discourse on risk-taking and entrepreneurialism in recent decades as solutions to everything from corporate takeovers to planning for retirement, the regularising effects of the institutional fixes of finance-led growth are still inherently class-based, inasmuch as workers are merely encouraged to become self-sufficient through the acquisition of debt as a supplement to wages; they are not a group with substantial control over any wealth itself, with worker 'ownership' referring primarily to any indirect ownership of equities a small number of workers incur through unit trusts, pensions or insurance (cf. Martin, 2002). In the next section, then, I trace the development of the financialised subject through institutional changes beyond the rise of shareholder value.

Hilferding's Approach to Finance, and the Class-based Stratification of Subjects

The approach highlighted so far in regulation theory outlines how the ideology of shareholder value has introduced a level of risk and instability into the workforce, so that workers must cope with a level of precariousness in both employment and benefits. However, in order to understand how working individuals and households can internalise the necessity of taking risks in everyday life, it is important to illustrate how the reorganisation of financial markets and institutions actually renders financial risk accessible to people as a feasible path to potential future reward. I therefore turn to Lapavitsas' work on the permeating effects of financialisation, to parse out the implications of financial liberalisation on everyday life.

Returning to the earlier systematic development of finance in the Marxist tradition, Lapavitsas follows Rudolf Hilferding by asserting that the 'roots' of financialisation as a 'structural transformation of advanced capitalist economies' are to be found in the expansion of financial activity across both financial and non-financial enterprises, rather than focusing on 'the escape of capital to the realm of finance' and away from production (Lapavitsas, 2013a: 798; Lapavitsas, 2011; Lapavitsas, 2013b). However, in contrast to Hilferding, who holds that corporations become financialised the more they rely on banks for investment (1981), Lapavitsas suggests instead that the modern firm has 'been able to finance investment without relying heavily on banks. The primary mechanism has been retention of own profits', with external finance derived from trading in markets at a lower cost (2011: 620). As firms developed their own financial capacities, banks have also restructured themselves by 'mediating in open markets to earn fees, commissions and profits from trading', as well as those to be earned in lending to individuals and households, or 'handling savings and financial assets' (2013a: 800). The result is the integration of wages and incomes into finance markets, as households begin to invest their savings in insurance, pensions, or unit trusts, while obtaining credit and loans with which to make purchases.

The major difference in such an approach, I argue, is the ability to examine the subjectivation of middle and working classes under financialisation as a necessary component to the emergence, maintenance, and reproduction of a finance-led growth regime, rather than studying decreasing working conditions, such as job insecurity and lower pay, as mere consequences of the domination of the ideology of shareholder value and indicators of household struggles. To be sure, stagnant or declining wages and a climate of insecurity likely contribute to the reliance on credit by households at given times as they attempt to make ends meet. However, an explanation of how working individuals internalise the objectives of entrepreneurialism and self-sufficiency requires the elaboration of the financialisation of everyday life as a result of financial deregulation within markets and restructuring at the level of banks. What will become apparent is that, individual subjectivation at the level of the household is not simply an offshoot of the financialisation of managerial classes through efficiency and competition, but is instead predicated on a sense of independence from the welfare state, rendering it a related, but crucial aspect of financialisation itself.

The Ascendance of Finance

In spite of a crisis of profitability in production in the 1970s (cf. Aglietta, 1979) and stagnating real accumulation (Glyn, 2006), the emergence of a finance-led growth regime cannot, in itself, be traced to the escape of profit into the realm of circulation and finance. As the reorganisation of corporate management to maximise shareholder value in a climate of takeovers should indicate, finance 'is a well-defined field of economic activity' rather than 'surface phenomena sitting atop the "real" economic activities of production and exchange' (Lapavitsas, 2013a: 799 – 800): finance was, here, necessary for the reinvestment and allocation of capital at the corporate level that was facilitated by the rise of institutional investors, rather than a new realm of profitability in market speculation for owners of money capital. The notion, in Marxist terms, of a credit system premised on '"monied" capitalists who possess money capital available for lending (loanable capital), and "functioning" capitalists, who possess industrial and other projects' (Itoh and Lapavitsas, 1999: 84) is an abstraction that misses the mobilisation of idle funds from all classes by financial institutions as loanable capital (Lapavitsas, 2011; cf. Marx, 1992). Consequently, the treatment of financial liberalisation as an institutional fix for finance-led growth cannot simply focus on the free reign for investment and speculation unleashed by deregulation, but must instead account for the reorganisation of structures to facilitate their own reproduction in a new climate of accumulation.

The account provided by Lapavitsas (2009a; 2009b; 2011; 2013a; 2013b) is particularly compelling in its outline of the global emergence of finance as historically and institutionally mediated, so that any general tendencies that might be shared at an international level refer to the extent to which the logic of finance has permeated non-financial institutions, rather than to the rates at which profit has declined across individual national economies. As I have illustrated earlier, the development of the business sector out of the drive to maximise share prices has led to a climate of takeovers, but it also enables the growth of corporate skills in financial trading, as corporations are increasingly involved in stock markets (Lapavitsas, 2013a). As a result,

> Large multinational corporations are typically able to finance the bulk of their investment without relying heavily on banks and mostly by drawing on retained profits. In so far as they require external finance, they are able to obtain significant volumes in open financial markets, relatively independently of banks. Even the wage bill of large non-financial corporations is frequently financed through the issuing of commercial paper in open markets (ibid., 799 – 800).

The consequence of this, for employees, has been the spread of the logic of finance across operations in the workforce which were previously non-financial, which introduces a certain level of instability associated with finance market fluctuation into the lives of working individuals. While this can create hardship for a number of workers, financialisation on the whole does not necessarily represent the worsening of all labour conditions relative to Fordist mass production, so much as it changes the scope of action, the kinds of strategies available to subjects, and the level of risk they must embrace.

On one hand, there appears to be indifference on the part of finance to stagnant or declining wages, and employees' reduced purchasing power (Duménil and Lévy, 2011) in the pursuit of shareholder value at the level of corporate management. This engenders the deterioration of labour conditions for some of the workforce and the attenuation of employee benefits at work such as, in the United Kingdom, collective insurance and occupational welfare encompassing pensions and insurance, or the provision of healthcare, childcare, housing or education (Cutler and Waine, 2001; Langley, 2008a; Shalev, 1996). However, the decline of occupational welfare in the United Kingdom and its replacement with private occupational pensions reflects what Tony Cutler and Barbara Waine describe as the 'transfer of risk to the workforce' in the 'pursuit of shareholder value' (2001: 105), which, as much as anything else, shifts the dependence of the households from the volatility of job markets to that of finance markets: while occupational welfare was previously viewed as providing insufficient coverage to workers, who were 'vulnerable to changes in levels and patterns of employment' (Cutler and Waine, 2001: 97; Pfaller, 1991), workers are now dependent on the fluctuations of equity markets, as well as relying on stable employment prospects. Occupational welfare, which encompassed flat rate state pensions, was grounded in 'the employer's guarantee that, on retirement, the scheme member would receive a proportion of earnings with entitlements determined by the accrual rate […], the salary level, and the length of service with the company' (ibid., 104), while private occupational pensions with defined contributions 'involve an obligation on the employer to make only a definite contribution to an employee's pension plan. In defined contribution schemes the pension is determined by the contributions made and the investment performance of the plan concerned' (ibid., 107). Where occupational welfare was premised on the 'social right to retirement income' in which 'society as a whole has a liability towards the holder of such a claim' (Aglietta, 2000: 157), private pension plans underscore the 'ageing society' and the 'pensions crisis' facing the UK (Langley, 2008a) as a result of the slowdown in growth relative to, during the 1970s, escalating wages and the subsequent increase in state scheme liabilities (Cutler and Waine, 2001).

The encouragement of private pensions dependent on the performance of a pension fund is thus, as Langley (2008a) has it, a question of 'disciplinary disincentives that discourage the reliance upon state insurance', evidenced by the Thatcher government's indexation of basic state pension benefits to prices aimed at eroding pensioners' incomes (cf. Blackburn, 2002). It is, then, possible to categorise a shift in attitudes about the provision for future retirement from an obligation collectively borne by society for staving off potential future risks, to an individualised concern for generating an income in the 'popular capitalism' and 'individual ownership' promoted by the Conservative Party during its reform of pension policy in 1985 (Waine, 1995). As financial subjects, success partially depends on the competent navigation of finance markets in the act of personal investment, insomuch as people are required to take risks as 'individual owners' of equity capital. Indeed, as Randy Martin points out, 'the link between wages and pensions' is currently what 'labor unions negotiate or strike over', in contrast to the earlier relation of wages to consumerism in the Fordist era of mass production, when wages were viewed 'as the means through which the market might be reshaped' to meet the needs of the workforce through consumption (2002: 133). Framed relative to wages and employment, 'individual ownership' retains a distinctly class character, inasmuch as the growth of pension funds has resulted in the concentration of wealth among their managers and corporate CEOs, rather than working individuals and households. Indeed, at the other end of the spectrum among households characterised by low weekly earnings and few or no qualifications (ONS, 2014b), 24 % of UK households hold no wealth in private pensions at all (ONS, 2014c). For those who do have pensions, stagnating wages and the rising cost of bills and utility fees, in addition to childcare and housing costs, make it difficult for lower income households to actively contribute to pensions and save for retirement from a young age (Cumbo, 2015). The benefits gained from personal investment in private pensions are therefore primarily enjoyed by the upper and middle classes rather than the working class. Additional 'financial disengagement' on the part of low-income working households means that few households have investment products or savings accounts, and have little understanding of economic and financial indicators (Joseph Rowntree Foundation, 2015a) so that their engagement with finance markets is largely through the use of credit and the acquisition of debt.

The construction of financial illiteracy and minimal or no investments as social problems plaguing older, lower income households in planning for their futures (ibid.) indicates the extent to which the welfare state has ceded to financialisation by illustrating the kinds of options and choices subjects have planning and structuring their livelihoods. Thus, as private pensions eclipse occupational welfare and the provision for one's future becomes a private responsibility rather than a social right, personal investment in unit trusts and portfolios with greater returns than interest accrued through savings accounts becomes an important fixture in planning for retirement or supplementing income. As I noted in the first chapter with reference to Langley (2008a), the rise in personal investment is touted as a more rational form of saving in this context, rather than an 'irrational exuberance' of speculation driven by 'herd-like' market speculation (ibid., 43 – 44). This is part of what is entailed in the 'financialization of […] income [and] savings' (Lapavitsas, 2011: 620), as they are channelled through pension funds and unit trusts into the stock market.

Owing to the effects that corporate restructuring has not only on the workforce itself, but additionally in creating a space for the need, and provision of new personal financial services, it is also necessary to take Lapavitsas' concern with the reorganisation of financial institutions, namely banks, into account. To be sure, the restructuring of banks is, in part, related to 'the enormous growth of open financial markets in recent decades', so that in response to 'the altered conduct of non-financial enterprises' they have 'moved toward mediating in open markets to earn fees, commissions and profits from trading' (ibid., 2013a: 800). Crucially in the development of financial subjectivity, however, is the way banks have also 'turned toward individuals (and households in general) to obtain profits from lending but also from handling savings and financial assets' (ibid.), meaning that household income and wages become a source of profit rather than the surplus value produced by firms (ibid., 2011). There is, then, a change both in the kinds of services provided by banks, and the way in which they are handled, stemming largely from the re-regulation of the financial system in the United Kingdom during the year 1986, in which the Financial Services Act and the Building Societies Act dissolved institutional divides and encouraged competition among financial enterprises (Leyshon and Pollard, 2000; Wainwright, 2012).

Andrew Leyshon and Jane Pollard (2000) conclude that there has been a regulatory convergence in the provision of financial services between American and British banks, as 'a traditional and largely informal system of regulation was swept away [in Britain] and replaced with a more codified US-style system of statutory regulation' (2000: 208). As a result, retail banking in the United Kingdom has undergone a process of centralisation, designed to concentrate operations and provide services, more efficiently, to a larger population. While bank branches previously served as sources of information about their local customers, as well as the site for the provision of services, retail banking now focuses on the generation of fees by offering services to large, diverse populations, which are better understood through databases and rating techniques (Langley, 2008a; 2008b), than in face-to-face interaction (Leyshon and Pollard, 2000):

> [i]n terms of market intelligence, local, face-to-face knowledge has been supplanted by the growing use of customer databases and associated credit-rating systems which enable banks to analyse their customers at-a-distance [...]. A related development has been the use of automated loan application processing systems, typically operated outside the branch at specialized loan centres. These centres enable banks to reap scale economies in processing while simultaneously removing

> loan processing work (and lending authority) from branches. Other innovations, such as telephone and 'direct banking' are now widely used by banks on both sides of the Atlantic to deliver products and services more cheaply to customers (ibid., 205).

The upshot is that branches now focus primarily on the generation of income through fees, by providing a range of personal investment products. There has, then, been a decline in bank branches, as customers move to direct or online banking (Coppock, 2013; Leyshon and Pollard, 2000).

The rise in technologies of personal investment, and with it the financialisation of household income made possible by re-regulation, has additionally been accompanied by increased borrowing, as the Financial Services and Building Societies Acts also opened British markets to restructuring at the level of investment banks. Most prominent in this respect was the arrival of the process of securitisation to the United Kingdom in 1986, which was re-engineered from its American origins to channel international capital into the United Kingdom (Wainwright, 2009). Securitisation is 'the process of "bundling" together a stream of future obligations arising from mortgage repayments to provide the basis for the issue of, and payment of principle and interest on securities' (Langley, 2006: 283). This can include asset-backed securities, or the 'repayments arising from everyday borrowing' (Langley, 2008b: 136) for 'credit cards, consumer loans, car finance and infrastructure' (Wainwright, 2009: 374), as well as mortgage-backed securities in which residential mortgages are bundled together (Langley, 2006; 2008b; Wainwright, 2009).

At the level of financial markets, the introduction of securitisation within the United Kingdom hinges on the re-regulation of financial markets to promote competition among enterprises, making them more compatible with American securitisation. According to Thomas Wainwright, the passing of the Financial Services Act 'opened the markets to a myriad of new financial institutions such as banks and centralized lenders, while the Building Societies Act (1986) allowed building societies to demutualize and become banks' (2009: 377; cf. 2012). Consequently, American investment banks established lending subsidiaries in the United Kingdom, while retail banks began to originate loans and mortgages (ibid.) as new financial products. For banks and lenders, securitisation represents 'a cheap way of borrowing, since a company or lender can realize its income streams early', while some 'lenders also benefit from the off-balance sheet nature of securitization, which has led some banks to originate profitable, high-risk mortgages as the credit risk is shifted from their balance sheets to investors' (Wainwright, 2009: 374; cf. Leyshon and Thrift, 2007; Dymski, 2007). For borrowers, securitisation enabled the incorporation of larger populations, including riskier households, into financial markets, as was elaborated in greater detail in Chapter One. By providing structured finance services, investment banks could concentrate the risk of default into tranches or fractions of capital in order to isolate credit risk as a smaller proportion of securitised notes available to investors looking for higher returns by taking on more risk (Wainwright, 2009).

The result, as I have indicated in the earlier discussion of the democratisation of finance and credit, has been the expansion of services available even to higher risk individuals and households, which constitutes the main form of participation in financial activities for many working-class households. For Ann Pettifor, the liberalisation of finance responsible for opening finance markets, removing caps on interest and the amount of credit advanced by financial institutions, is the root of the easy availability of money that has led to middle-class indebtedness and low-income households borrowing beyond their means: while those who own assets are enriched by credit, which 'enables them to leverage their assets to obtain more', others 'who do not already own assets have had to borrow well beyond their means' (2006: 10), at times leading to insolvency. The expansion of credit even to high-risk households therefore exacerbates a longstanding history between poverty and indebtedness, given the strong relationship 'between indebtedness and low relative income' (Parker, 1990: 201), by rendering credit a necessity in making ends meet and easy to obtain.

In sum, then, the conditions that give rise to the need to think about finance at the level of everyday household finances include the transfer of risk from employers to employees in the workforce, as a result of corporate restructuring in a financially liberal climate; as well as the concurrent restructuring of retail and investment banking which provided more scope for household investment and borrowing. These changes, overall, are indicative of a larger shift from provision for individuals and households through the Keynesian national welfare state, to financialised economies that are entwined with each other on a global scale, each with particular localised structures and institutions (Wainwright, 2012). Working-class households, in addition to the managerial classes which are forced to adapt to market competition, are increasingly subject to the fluctuations of finance markets in the course of adapting their circumstances to their conditions. As Lapavitsas has it,

> the most striking aspect of the recent period has been the financialization of the personal revenue of workers and households across social classes. This phenomenon refers both to increasing debt (for mortgages, general consumption, education, health) and to expanded holdings of financial assets (for pensions,

> insurance, money market funds). […] In this context, the consumption of workers and others has become increasingly privatized and mediated by the financial system (2013a: 800).

It is commonplace in the literature on 'new' economies of 'late' and 'postmodernity' (e.g., Bauman, 2001; Giddens, 1991), 'postindustrial', 'information' societies (e.g., Bell, 1973; Lash and Urry, 1994), or neoliberalism (e.g. Harvey, 2005) to suggest that families, households and groups are increasingly individualised within contemporary capitalism, as a result of the declining welfare state and economic deregulation. However, insofar as the process of subjectivation is, by definition, one of individualisation (Althusser, 1971; Foucault, 1994), it is necessary to specify the mechanisms through which the 'individual' is constituted as such: what requires emphasis, I hold, is the particular way in which the process of financialisation individualises people, as entrepreneurial risk-takers who learn to view finance markets as a means of subsistence and success. This stands in contrast with the subject which had previously been individualised through the expression of affluence as a product of hard work, in an era of mass production and mass consumption.

Indeed, this is a particular type of individualisation relative to the emerging prominence of finance markets within the workforce, through the financialisation of firms and management, and within daily life, in the withdrawal of welfare state provision and the rise of investment and borrowing in its place. It is a different form of individualisation than that promoted over the course of the Fordist mass production and consumption of the post-war years, when regulated wages and benefits sought through institutionalised collective bargaining solidified a certain level of stability for the working class; this enabled them to become consumers and, importantly, homeowners, who could live further away from work and cultivate comfortable lifestyles suited to their unique tastes, outside of their roles as wage-earning workers (cf. Aglietta, 1979; Jessop, 2013; Wolff, 2005). In this respect, individualisation previously concerned the expression of success in the present in consumption, while financial subjects are individualised in the level of responsibility they are expected to take for their future success, mediated by finance markets. Thus, while mass consumption is still a major driver of the economy, it is not always undertaken as an expression of household and economic wealth, so much as it is linked with indebtedness and the need for future repayment. Exemplary of this shift is, as Langley notes, the way in which homeownership has become an asset for the future, rather than a status symbol of current earnings: 'future autonomy and welfare for owner-occupiers and would-be owner-occupiers increasingly appears to turn less on the home as an individual space of shelter and refuge, and more on the financial returns achieved from house price rises. In short, liberal suburban subjects are now explicitly neo-liberal property investors' (2006: 290; Lowe, Searle and Smith 2012). Martin even considers that securitisation has functioned as a new form of dispossession for the working class, since '[p]ossession has been rendered liquid so that it can be revalued daily. The active pulse of money in motion is the medium through which occasions arise to move physically from place to place as a job or home can no longer bear the demand for increased value placed upon it. Expanded capacity for risk tolerance is crucial to […] the willingness to dispossess oneself in order to recombine with greater return elsewhere' (2002: 141 – 42). Thus, as I have emphasised, the combination of structures and institutions of any given period of accumulation is crucial to the understanding of the formation of subjectivity, as a range of knowledge about groups and individuals and actions that they can reasonably take within the context of their surroundings. In the course of the accumulation of capital and emerging finance-led growth, the class-based wage relation is sustained, and recombined to form financialised subjects.

Conclusion

This chapter has focused on the institutional fixes and structural changes that give rise both to finance-led growth in the United Kingdom, and the financialised subjectivity that helps sustain it. I have stressed that financialisation, as a period of accumulation with institutional fixes such as financial liberalisation dating back to the 1970s, represents a sequence in the periodisation of capitalism and therefore has its own particular configuration of interactions between structures and subjects. In the case of financialisation, this encompasses the increasing prominence of finance in the management even of non-financial enterprises, brought on by the restructuring of markets and the drive for shareholder value. I examined this in the regulation school's approach to the emergence of financialisation, which, I suggested, focused too narrowly on the effects of shareholder ideology on the managerial class, rather than for working-class subjects.

Consequently, I followed Lapavitsas in considering the effects that market liberalisation had on the restructuring of investment and retail banks, in order to understand how the reorganisation of firms and banks gave rise to the financialisation of household income, in the prevalence of personal investment and borrowing to account for declining welfare state provision in the United Kingdom. My contention has been that this process has, undoubtedly, produced individualised subjects, although they are still oriented by their relation to employment and wages. Financialised subjects of the working class are not necessarily those whose entrepreneurialism results in large gains or control of value on the markets, but instead those who have internalised the mechanisms of risk from finance markets as those most conducive to personal success and management of household finances. This means, then, that risk taking and financial speculation in the course of personal investment is conditioned by the rise to prominence of financial institutions: the need to take risks is structurally inscribed within the arrangement of such institutions as a result of declining welfare provisions and market liberalisation, so that risk as a precursor to reward seems, in itself, a rational formula for making ends meet.

This chapter has thus focused specifically on the material configuration of institutions and social structures of the financialised growth regime, in the creation of subjects who internalise the need for risk and pursue it as a path to reward. However, as I have emphasised in the first chapter, subjectivation is accomplished as a result of the susceptibility of subjects to the material influences of their circumstances, but also to the discourses that are produced within and give meaning to these circumstances. The third chapter, then, will address the Thatcherite discourses of the late twentieth century, with their insistence on individual innovation and personal responsibility, as another set of causal mechanisms giving rise to financial subjectivity, through their ability to frame economic matters in a particularly neoliberal way.

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