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### French Association of Political Economy/ Association Française D'economie Politique (FAPE)

### International Initiative for Promoting Political Economy (IIPPE)

The collapse of Lehman Brothers on 16 September 2008 has opened a new stage of economic history, ushering in the world's worst recession since WWII. The trajectory of global capitalism has been diverse but, after three years of deep crisis, protracted economic problems persist and are even intensifying, notwithstanding accelerated growth in a number of large developing countries.

In the global North, policies implemented in the aftermath of the crisis of financialised capitalism have neither ended the neoliberal agenda nor curbed the demands of a resurgent financial sector. Instead, after a diluted Keynesian moment centered on "quantitative easing", the governments of the richest countries have launched a new set of neoliberal reforms characterized by harsh austerity measures. From 2009 onwards, this new neoliberal wave has spread progressively from peripheral European countries to the UK, the Eurozone, and now the USA. Along with surging unemployment rates, this economic onslaught, on those who are in no way perceived as accountable for the crisis and slump, promises a period of major social disruption in welfare provision and institutions, pressures on wages and working conditions and, in response across a growing number of countries, multitudes of spontaneous and, occasionally, mass actions as macroeconomic prospects deteriorate.

In the global South, the forces putatively driving catch-up remain limited and highly uneven, with the issue of global imbalances often placed at the forefront in deference to the US's compromised if continuing hegemonic role. In contrast, not least in the face of the ongoing ecological disruption, the idea of a new frontier for social and economic development and thought is being promoted by a large spectrum of actors, ranging from proponents of no-growth or slow growth through to governments, international institutions and corporations who envisage a revival of capitalism thanks to and in pursuit of the green economy. These initiatives are indicative of an intellectual and material crisis but offer little by way of solution for which, as observed, a savage renewal of neoliberalism serves as the default option.

The scientific issues raised by the corresponding range of problems are formidable, but the blindness and reductionism of mainstream economics prevents them from being tackled within the discipline which has scarcely been disturbed by the acute exposure of its inadequacies by the crisis.

Taking pluralism as the means for bringing together the community of critical economists, this joint conference, called by two major international and one of the largest national networks of political economy and social scientists, will breathe fresh air into an otherwise moribund intellectual atmosphere. It is a major event that will bring together scholars from all strands of political economy and heterodox economics in order to discuss their future and the recent developments in the global economy and in economic science following the global economic crisis.

# Economists and Economics

## Discourse profiles of economists in the financial crisis

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### *Abstract*

The article provides an analysis of the public discourse of economists about the financial crisis in seven leading newspapers and magazines in the German-speaking area. The main focus of the paper is on the dominant argumentation strategies and the respective basic convictions about the crisis and the market system in general as well as on the use of metaphors in the description of real world economic events. The financial crisis with its far-reaching consequences could have offered a possibility for a paradigm shift in economic thinking. At least among German-speaking economists there is not much evidence for such a shift. The argumentation in this paper is that this circumstance is the result of a very stable basic conviction about the economic system which manifests in the use of "passive" metaphors as well as of a specific concept of normality, where the crisis or Keynesian oriented stimulus packages are interpreted as "extraordinary" events (e.g. "a tsunami").

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## *Introduction*

The financial crisis and especially the inability of the majority of the economic profession to foresee the crisis led to a growing mistrust in economic prognoses. The criticism of economics ranged from fundamental critiques of the monolithic formation of mainstream economics or the passive role of economists in the direct aftermath of the crisis (Ahmia 2008 called it "*the silence of economists*") to critiques of the major influence of economists as market makers (i.e. Black-Scholes-model) (MacKenzie et al. 2007, Callon 2005) or massive interest conflicts due to their side jobs in boards of companies (Epstein/Carrick-Hagenbarth 2010).

Therefore, the following article examines the role of economists in the public discourse about the financial crisis in the German-speaking regions and the focus here is on the use of metaphors. Initial hypothesis is that metaphors and their use provide information about the basic orientation of thinking of economists in the interplay of specific processes within the financial crisis.

The analysis is based on a text corpus of statements, interviews and self-written articles of economists in eight influential newspapers (concerning coverage, print run and availability) in Germany, Austria and Switzerland from summer 2008 to summer 2011. The analysis covers the following main questions. First, what (groups of) economists have been dominant in the mass media (institutional background, paradigmatic orientation)? Second, what have been the predominant discourses over the time? Third, what argumentation strategies and metaphorical analogies were used in the financial crisis discourse (following the concept of Lakoff/Johnson)?[2] Fourth and as a consequence of the former questions: what sort of explanation and interpretation of the financial crisis were brought forward?

This analysis should at first facilitate a deeper understanding of the way and the framework in which economists of different paradigmatic orientation think about economics and second question whether and in what relationship the discursive statements on the one hand reflect the actual events during the financial crisis and the other are based on the respective paradigmatic orientations.

[2] According to Lakoff/Johnson metaphors reflect the way people think about the world - in economic discourse for example, the use of metaphorical analogies with natural disasters can mean complete impotence in the crisis, whereas the use of metaphors of diseases suggests a possibility of "curing", etc.

### *1.1. Methodological background*

The fundamental analytical approach of the paper is based on discourse analysis in the field of sociology of knowledge. In the German area the broader term "sociology of science" is coined through the works of Karl Mannheim, the methodology underlying this paper is based on the conceptual work of Reiner Keller (Keller 2007, 2008, Keller et al. 2004) and the conceptions of critical discourse analysis (Fairclough/Wodak 1997, Fairclough 1992, Reisigl/Wodak 2001). Sociology of knowledge orientated discourse analysis is also influenced by Foucauldian discourse analysis (Foucault 1976, 2002) and by works in the field of sociology of science. (Fleck 1980, 1983, Kuhn 1970) The methodological approach of this paper therefore assumes a close connection between human thought and the social settings and social contexts within which it develops. The understanding of discourses as a complex of statements and discursive practices of actors, which generate hierarchical systems of knowledge is crucial for the analysis of the process of formation of social reality. Critical discourse analysis focuses on the use of language in combination with social and cultural processes. This means, that "CDA explains how social relations of power are exercised and negotiated in and through discourse". (Wang 2006:61) Based on a sociology of science-approach to the social relations of power (at the level of paradigms (Kuhn 1970) and at the level of thinking styles (Fleck 1980)) it is possible and necessary to analyze the relevant paradigmatic boundaries. It is also possible to subordinate new phenomena as well as anomalies to the prevailing paradigm. A far-reaching and dramatic event as the global financial crisis beginning with 2007/08 could eventually has offered a possibility of a turning point in the paradigmatic thinking and the hegemonic discourse over economy or economics as a scientific discipline. There is much empirical evidence that at least in the latter point this turn has not taken place in the German-speaking area until now and the question is, why?[3]

One of the main theses of this paper is that the impact of the crisis is a rather small one and that the way economists - as experts in this field – think about economy and (especially financial) markets has not really changed or at least the dominant interpretation of markets seems to be stable. The dominance of market-radical thinking among economists is on the one hand an indication of a monolithic formation of economists in the German-speaking area and

[3] Although even in the United States the financial and economic crises has not led to a fundamental re-thinking of the role of economics, there has been and continues to be a public discourse over the economic policy and economists like Paul Krugman, who at least oppose the free market doctrine, play an important role in this discourse. (c.f. the prominence of Krugman's blog Economics and Politics) On an institutional level the foundation of the Institute for new economic thinking (INET) by George Soros can be interpreted as an attempt to support a fundamental shift of economic thinking in October 2009.

on the other hand of the hegemonic discourse in economics, which manifests by using a special language in economic discourse.

The second important component of the methodology of this paper is therefore the (already mentioned) metaphor analysis following the metaphor-conceptions of Lakoff and Johnson. Metaphors in their understanding (Lakoff/Johnson 1980) reflect the way people think and speak. They show in detail that every text is saturated with metaphors and they are an indispensable part of the functioning of human brain in general.[4].

The work of Lakoff/Johnson symbolizes a turning point of metaphor analysis from the classical approach to metaphor coined by Aristotle’s *Rhetoric* and *Poetics*. In the classical metaphor approach metaphors are interpreted as a rhetorical element of language, because metaphor in this conception might be envisioned as “…a transfer of meaning or significance from one term to another...” (Kriby 1997:532) In Aristotle’s pattern metaphors belong to the figurative and therefore non-literal sphere. Therefore the necessity of an analysis of metaphors was long time restricted to linguistics and literary studies. The relevance of the metaphorical content of scientific language is rather unimportant following the classical approach of metaphor. Contrary, in the new conceptualization (like Lakoff/Johnson 1980, 2007) metaphorical language is not only a rhetorical element but reflects how realities are constructed. They state that metaphors are part of every language use, especially in texts describing abstract and general statements of argumentation about real events like the financial crisis. Metaphors combine abstract ways of thinking with sensory perception and experiences of the body (Lakoff and Johnson call these conceptual metaphors). Metaphors map a source domain (e.g. a concrete machine like a computer) on a target domain (e.g. the economy): the economy is described as a rational mechanism (Ötsch 2009). The importance of metaphors in the economic context has been documented in: Hodgson 1993, Kubon-Gilke 1996, McCloskey 1990 and 1995, McGoun 1996, Oberlechner et al. 2004. Distinct metaphors of the crisis led to distinct recommendations for handling the crisis. In this paper we analyze how and with which metaphors economists describe and interpret the crisis, the role of the market or other institutions. This should allow a deeper understanding of their relevant thinking about economics in general and give some hints to their social influence.

[4] Especially Lakoff (1995, 2002) used this metaphor approach in his analysis of the political discourse about morality conceptions and the respective position of the Conservatives and the Liberals in the US.

### *1.2. Research design*

The analysis of discourse profiles of economists in the financial crisis is based on a corpus of newspaper and magazine articles. The sample of chosen articles consists of about 1.300 articles of influential public print media (concerning coverage, print run and availability) in the German-speaking area in the period from July 1, 2008 to December 31, 2009. These media are “Frankfurter Allgemeine Zeitung (FAZ)“, “Süddeutsche Zeitung (SZ), “Die Zeit (Zeit)“, “Der Spiegel (Spiegel)“, (all in Germany) “Neue Zürcher Zeitung (NZZ)“ (in Switzerland), “Der Standard (Standard)“, “Die Presse (Presse)“ and the “Salzburger Nachrichten (SN)“ (all in Austria)[5]. The time period[6] is long enough to show, how during this time the argumentation strategies used by economists in context with the financial crisis describe their thinking about the functionality of economics including a possible change in their view.[7]

The selection of articles for the sample was made with a standardized retrieval from the electronic archives of the media with the catch-phrases “Ökonom”, “Volkswirt”, “Wirtschaftswissenschaftler” (three common used terms describing “economist”) in combination with “Finanzkrise” (“financial crisis”). This procedure made sure that only articles are accepted in the sample, in which economists talk about the financial crisis (either in an interview or just as experts in a short comment) or they are even the authors of articles. The entire corpus includes as mentioned above about 1.300 articles and about 3.000 pages. In the next step the corpus was separated in text fragments, within which the economists are directly or indirectly cited. These text fragments in combination with the interviews and the self-written articles are the basis for the further analysis of argumentation strategies, use of

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[5] The aim of this article is not an analysis of the role of the mass media in the discourse about the financial crisis but really focusses on the role of the economists. The impact of economic journalists on the reporting about the financial crisis is well described in (Engelen et al. 2011) as well as in Dean Starkman (2009) or for the German-speaking media discourse in Hans-Jürgen Arlt and Wolfgang Storz (2010).

[6] The article is based on a research project of the Institute for Comprehensive Analysis of Economy (ICAE) at the University Linz, funded by the Austrian National Bank.

[7] Because the analysis ends winter 2009, the dominant public discourse beginning in winter 2009 and then especially in 2010 in the German-speaking area about the future of the EURO and the EURO-Zone respectively of some particular states (Greece, Spain, Italy, Ireland etc.) was no longer the subject of the analysis. But it is for sure quite enlightening that the discourse about debts in the European Union and possible exclusions of several states is nearly totally separated from the discourse about bank rescuing programs and stimulus packages in the aftermath of the crisis, which is maybe best described by the separation between “Finanz- und Wirtschaftskrise” (financial and economic crisis) and “Staats- oder Euroschuldenkrise” (public or euro debt crisis) in the German public discourse.

language and use of metaphors, which should allow an insight in the way economists think about the (financial) crisis.

## *2. The economist's presence in the public media*

The following section should give an overview of the analyzed media landscape and the respective role of economists as experts in these. First we have to determine what group of people we mean, when we write about "economists". For our purpose the institutional as well as the academic position of the actors doesn't really matter. So we decided to limit our analysis to text fragments of people who are in the same article declared as "ÖkonomIn", "VolkswirtIn" or "WirtschaftswissenschaftlerIn" ("economist" in the male and female form) including also modifications of that term or as "FinanzwissenschaftlerIn" or "Finanzexpert/-in" ("financial experts"). This selection should make sure that only people join this sample, who are declared as experts for the field of economics in public - no matter how high their reputation in the scientific community is -, because the analysis should focus on the role of "economists" in the public discourse.

### *2.1. Quantitative presence*

For a first description of the presence of some important economists in the sample of the public media all 227 economists who appear in the analyzed articles were ranked according to the frequency of their mentions. The following table presents the first 15 economists in this ranking, who account for about half of the mentions[8]. The table offers some important insights in the formation of economists in the German-speaking public discourse.

**Table 1: Presence of economists in German public media**

| Rank | Economist | relative |
|---|---|---|

[8] The high ranking position of some influential economists (for instance the CEO of the Deutsche Bank, Josef Ackermann would be first in this list, the now former German president Horst Köhler would be on 7$^{th}$ position) almost exclusively rests of their prominence in the German political discourse. The ranking list is designed in a way that it is also part of the mentions if an economist is only mentioned without a statement in an article, because this also reflects their public importance. The name "Angela Merkel" for instance was mentioned about three time as much as "Hans-Werner Sinn".

| | | Frequency %] | |
|---|---|---|---|
| 1 | Hans-Werner Sinn | 8,40 | President of the ifo-institute |
| 2 | Axel Weber | 6,42 | President of the German Bundesbank (-2011) |
| 3 | Peter Bofinger | 4,07 | Professor at University of Würzburg, Member of the SVR |
| 4 | Norbert Walter | 3,95 | Chief economist of the Deutsche Bank (-2009) |
| 5 | Klaus Zimmermann | 3,70 | President of the DIW (-2011) |
| 6 | Jochen Sanio | 3,21 | President of the Bafin (German financial market authority) |
| 7 | Bert Rürup | 2,84 | Chairman of the SVR (-2009), Chief economist of the financial service provider AWD (-2011) |
| 8 | Max Otte | 2,59 | Author of the bestseller: “Der Crash kommt” (“the Crash will come”) in 2006, Professor at the University of Applied Science in Worms |
| 8 | Otmar Issing | 2,59 | Chief economist of the European Central Bank (-2006), International Advisor of Goldman Sachs (2007-), President of the Center for Financial Studies Frankfurt (2006-) |
| 10 | Jörg Asmussen | 2,35 | Member of ministry of finance (2003-2009), chairman of administrative board of the Bafin, member of the board of directors (2012-) of the European Central Bank |
| 11 | Michael Hüther | 1,85 | Cologne Institute for Economic Research(IW) (2004-) |
| 12 | Wolfgang Franz | 1,73 | President ZIW Mannheim (2007-), Professor at the University Mannheim |
| 12 | Jens Weidmann | 1,73 | President of the German Bundesbank (2011-) |
| 14 | Gustav Horn | 1,60 | Institute for Macroeconomic Policy Institute (IMK) Dusseldorf (2005-) |
| 15 | Bernhard Felderer | 1,48 | Professor of Economics at the University of Cologne (1995-), member of the General Council of the Austrian National Bank (2006-), President of the Austrian Government Debt Committee |

As a consequence of the composition of the sample many of the economists are (chief) economists of banks, credit institutes or insurance companies. As far as expectations about their “own business” in the field of financial markets is concerned it is understandable that their opinions are present in the public media discourse. It is symptomatic that in many public media bank economists also present their valuation of rescue programs or the role of the state as an actor in the crisis in general. The problem which arises here is that their valuation is for sure not really unaffected in this field because they represent a specific group of interests for instance in the case of regulation of the financial sector or taxation of several financial products. A telling example in this context is Thorsten Polleit, chief German economist of the major global financial service provider Barclays Capital[9] and on 29th position in the below mentioned presence ranking list. In the Spiegel 2009-05[10] he recommends the privatization of the money and credit system: "(…) it would be advancement, a positive contribution to sustainable economic activity, if the money supply could no longer be increased for political motives. The silver bullet would be the privatization of the money and credit system, the reversion to free market money." (Translation SP[11]) The suspicion against public interventions and the central bank at all is highly present in this quote. Polleit is influenced by the Austrian school of economic thinking of Hayek and Mises and therefore a supporter of an international free banking system which would radically limit the options of governments and central banks in case of financial crises. The use of the term "free market money" ("freies Marktgeld") moreover suggests that the recent monetary system is somehow "unfree". However, the relatively high presence of bank economists in the public media discourse about the financial crisis is a clear evidence for their importance as experts in the field for public opinion. The separation between bank economists and academic economists must be imprecise, because there are many examples of economists who switched from universities to financial service providers and back (Bert Rürup, Axel Weber and also Thorsten Polleit for instance).[12.]

Although the main focus of this paper is on the analysis of dominant discourses and especially on the use of metaphoric languages, some remarks on the institutional formation of the dominant actors in the discourse will shed light on balance of power among German-speaking economists**[13]**. Especially the academic background, affiliations, teacher-student relations,

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[9] According to a study of Stefania Vitali, James B. Glattfelder and Stefano Battiston with the title „*The network of global corporate control*" Barclays Capital is the most important global economic actor concerning control over other global companies. (Vitali et al. 2011:33)

[10] All citations which refer to our text corpus of newspaper and magazine articles are denoted in the following way ("name of the newspaper/magazine" "year of the publication"-"month of the publication").

[11] If not noted differently, all of the citations are translated by the authors. In some cases the German original is also included, mainly because the metaphorical content of some phrases might be hard to transfer with an English translation.

[12] A maybe similar process is described by the "revolving door effect" – a switch between politics and private business - in the case of lobbying, nicely described in Janine Wedels 2009 published book "*Shadow elite*". The involvement of economists in the private economy is also the topic of a study of Gerald Epstein and Jessica Carrick-Hagenbarth (2010) with the title "*Financial Economists, Financial Interests and Dark Corners of the Meltdown: It's Time to set Ethical Standards for the Economics Profession*". The "revolving door effects" in the Schröder administration is analyzed in (Klein/Höntsch 2007).

[13] In the research project of the ICAE at the University of Linz there will also be a focus on the formation of German-speaking economists using a social network analysis. This will allow deeper insights in the paradigmatic

memberships in several organizations or positions in boards of companies of the analyzed economists is enlightening in this context. Among the 15 top-listed economists:

1. Three of the eleven professors in the list received their doctoral degree and habilitated in Mannheim and they even got their first call of professorship in Mannheim (Sinn, Zimmermann, Franz).
2. Three have a connection to the University of Bonn either through their studies or their academic career (Weber, Asmussen, Weidmann).
3. Six are active in economic research institutes (Sinn, Zimmermann, Hüther, Franz Horn, Felderer).
4. Ten are members of the "Verein für Socialpolitik", the leading association of German speaking economists.
5. Seven have been or still are members of the SVR (Weber, Bofinger, Rürup, Issing, Franz) or worked there (Hüther, Weidmann).
6. Four have signed the neoliberal plea "Hamburger Appell" in 2005 (Sinn, Zimmermann, Hüther, Felderer).

### *2.2. Constellations of characteristic thinking*

Characteristic forms of thought are described below and, accordingly, the respective actors are summarized as well. The constellation of these groups of economists gives an overview of dominant "discourse makers" in the public discourse of economists about the financial crisis.

## Hans Werner Sinn

The dominant actor in the German (and to a large extent also the German-speaking) public economic discourse is the president of the ifo Institute for Economic Research in Munich and also professor at the University of Munich Hans Werner Sinn[14]. Sinn describes himself as neoliberal in the "true sense of the word", meaning the German version of neoliberalism coined by ordoliberal thinkers like Walter Eucken, Franz Böhm or Leonhard Miksch on the intellectual and Ludwig Erhard with his model of "Soziale Marktwirtschaft" ("social market

status quo of economists in the German-speaking area and will also show up characteristic strategies and careers of successful mainstream economists.

[14] Sinn is also the leading intellectual in the Cicero Ranking of the German magazine Cicero. The ranking is based on presence in newspapers, magazines, journals and data banks (cf. Cicero 2011).

economy") on the political level. He uses this description of neoliberalism with a clear focus on a strong regulation framework within which the free forces of the market can unfold to seperate his approach from the Anglo-American neoliberal thinking coined by the Chicago School of Economics with Milton Friedman as its dominant actor. In this logic of thinking the financial crisis therefore is not interpreted as a failure of neoliberalism or the market or the capitalistic system, but rather as a state or regulation failure:

> "The lacking regulation in the banking industry and the construction faults of the European Monetary Union led world economy in a crisis. However, they are not an indication for the collapse of neoliberalism, but contrary an evidence for the unchanged relevance of the neoliberal claim for a clear regulation framework and a strong state". (Sinn in a comment in Welt-Online 2010)

In autumn 2008, at the peak of the public discourse about the financial crisis in the German-speaking area there was a controversy about a comment of Sinn, where he compared the situation of the Jews in the crisis of 1928 with the situation of German bank managers in the current financial crisis. Both groups, he stated, were the scapegoats for processes they were not responsible for. This led to a public outcry and Sinn was heavily criticized in different media. Some days later Sinn apologized, withdrew his comment and argued that it has not been his intention to put the persecution of the Jews on a level with the public condemnation of bank managers.

Besides, Sinn's high presence in the media is also due to his position in a leading economic research institute. Economic research institutes with their prognoses on the economic development are an important part of the business section of newspapers and magazines. In addition to Sinn, Klaus Zimmermann ($4^{th}$ position in the ranking), Michael Hüther ($11^{th}$.), Wolfgang Franz ($12^{th}$.), Gustav Horn ($14^{th}$.) and Bernhard Felderer ($15^{th}$.), who are listed in the top 15 on the presence list, are also heads or presidents of economic research institutes and could therefore be interpreted as a separate group of "economic researchers".

## The Bonn Connection

Another influential circle in the German economic discourse, in their case mainly through their high influence on political decision-making during the peak of the financial crisis is the group of the former and the current president of the German National Bank, Axel Weber and

Jens Weidmann, respectively the former state secretary of the ministry of finance and now member of the directory of the European Central Bank, Jörg Asmussen. Weidmann and Asmussen both studied in Bonn and where influenced by their professor for international economy, Axel Weber. Weidmann even received his doctoral degree under auspices of Weber. Asmussen started his professional career in the Ministry of Finance and played an important role in the nomination of Axel Weber for the German “Sachverständigenrat” (German Council of Economic Experts) (SVR) in 2002 and later in his nomination as president of the German National Bank in 2004. Axel Weber supported Weidmann’s ambition to become his successor as president of the German National Bank in 2011 (Spiegel 2010-12). During the period of the German stimulus packages and the bank rescuing programs in 2008/09 these three people were on central position of politic-economic decision-making in Germany. For instance they were part of the committee, which was responsible to decide, whether companies, banks and credit institutes should be rescued by the German government.

### The Keynesians

At least to some extent there was a comeback of Keynesian thinking during the peak of the financial crisis, which is also reflected in the ranking of economist’s presence in the public discourse. Peter Bofinger, who is on the third position on the ranking list, was often presented as the antipode to liberal economists like Hans Werner Sinn or Stefan Homburg in interviews or statements. In the discussion about stimulus packages Keynesian positions for strong interventions in the market coined the debate and as a consequence economists like Bofinger, Gustav Horn (14$^{th}$ position) or Rudolf Hickel (33$^{rd}$ position) gained importance in the discourse. Bofinger is furthermore member of the German SVR and he is there the representative of the German trade unions. The SVR has a tradition of a four plus one or three plus one plus one composition, where the trade union and the employer representative can recommend one person and the other three persons are nominated by the German government. This composition rule and the history of the SVR led to a predominance of economic mainstream positions in the SVR and the representative of the trade unions is often referred to as “the outsider”, “the fifth” or “the Keynesian”[15].

[15] This praxis is based on § 6 of the SVR-law. According to the paragraph members are appointed not independently, but by the Federal President on the recommendation of the government. Originally it was a composition of three academics and two practitioners. In 1963 the Federal Minister of Economic Affairs, Kurt Schmücker, clarified the idea that two of the members "should have special contacts with the trade union or

The influence of the Keynesians on the public discourse about the financial crisis is however not really strong. One central theses of this paper is that after a short period of broad support for state interventions in the market and expansive monetary policy– Paul Krugman called this the “Keynesian moment” – at least among German economists, a strong reservation against an active state and governmental influence on the economy dominates again.

## *3. Quarterly analysis of the public discourse on the financial crisis*

The following section consists of an analysis of the public discourses and debates of economists in the German-speaking area about the financial crisis in the period of summer 2008 to winter 2009. The aim is to show up the leading sub-discourses and the dominant narratives and argumentation strategies of economists in these discourses. On the one hand this discourse analysis approach for sure reflects the real events in connection with the crisis and the reactions to these but on the other hand it should facilitate developing “discourse profiles of economists”. The concept of “discourse profiles” in this context is understood as the outcome of a meta-analysis of argumentation strategies and usage of language. According to the metaphor conceptions presented above (Lakoff/Johnson 1980, Lakoff 1995) this should illustrate the way economists think about the economy or the system of the market. The analysis is split in quarters and some crucial and representative quotes are given for each quarter.

### *3.1. 3rd quarter of 2008: “The American Crisis will overthrow other dominos – we have to be fast”*

The third quarter of 2008 is the time of big troubles of the mortgage banks Fannie Mae and Freddie Mac, as well as of the biggest insurance company AIG and also the bankruptcy of Lehman Brothers. These events led to a collapse of the interbank market and the market for commercial papers. In the German-speaking discourse the crisis is mainly interpreted as an “American crisis”, which could affect the German economy but at the same time most of the economists’ state, that Germany is still quite “*robust*” against those “*external shocks*”.

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employers' side“. Because of the mostly similar positions of the employer’s representative and the other three members, the fifth, the representative of the interests of the trade union, remains alone. For representatives of the majority of the "four", the minority report of the "fifth" is rather “obtrusive” (“pentrant”) (Franz 2008:7). For others, especially the opinion of the minority is "valuable" (Hickel 2003:1).

Thomas Straubhaar, head of the Hamburg institute of international economics and also member of the German neoliberal think tank “Initiative Neue Soziale Marktwirtschaft” (“Initiative for new social market economy”, INSM), is convinced that the “American Crisis” and the subsequent recession will harm the German economy much less than all other American recessions in the 20th century. This optimism is based on the belief that through “many important structural reforms in the last few years (…) we are better *armed*[16] for those challenges now than ever”. (Straubhaar in SZ 2008-09) The central topic in the third quarter of 2008 is nevertheless the worry about the business cycle and the growth rates and an *infection* of the real economy by the crisis of the financial markets. In combination with those worries the not-rescuing of Lehman Brothers causes heavy critique, because this started a vicious cycle of mistrust.

Psychological factors play an important role in the discourse about economic development at all. The crisis is referred to as a confidence crisis (“Vertrauenskrise”) and it is often stressed that changed expectation and the fear about an economic slump in connection with pessimistic prognoses can turn out to become a “Self-Fulfilling-Prophecy”. This evaluation is enlightening, because it shows the contradiction of the neoclassical assumption of rational acting individuals and furthermore it suggests that the crisis is only a problem of lacking trust in the functioning of the market system. On the one hand this argumentation forwards a personalization of responsibility and guilt for the developments in the financial market on two levels. First, analysts and economic researchers – and later on especially rating agencies – are criticized for publishing pessimistic prognoses on the economic development. Second and on a rather ethical and moral level, bank managers are blamed for their reckless behavior and their exorbitant and “greedy” profit expectations[17] and excessive bonuses.

On the other hand an approach of reducing the crisis to a confidence crisis suggests that the government has to do everything to reestablish confidence in the financial system: “No matter how high the sum will be at the end, the state will have to pay it, otherwise (…) the financial system at all will be ruined”. (Hellmeyer in the SZ 2008-08) This argumentation strategy puts high pressure on the government to rescue every company that is possibly “too big to fail”.

[16] The usage of expressions like “better armed” (“besser gerüstet”), “external shocks” (“externe Schocks”) or robust (“robust”), which are all military metaphors reflects the viewpoint that the crisis is interpreted as a kind of external threat (“the *American* Crisis”), against which one has to defend.

[17] There was for instance a controversy about the statement of Josef Ackermann, CEO of the Deutsche Bank, that 25% return on investment are standard.

The argumentation of economists in this case is mostly in a "there is no alternative"[18]- style, which heavily limits the scope of action for political leaders and forces them to act in an "economically rational way" (Weber in the SZ 2008-10). In this context the political decision-making process is often criticized for being too slow, especially in times of fundamental crises. The resolution for the Austrian state accountability for banks ("Bankenhilfsprogramm") for instance, which is at least about 40% of the GDP, was passed within a few days in October 2008.

### *3.2. 4th quarter of 2008: State failure in regulation leads to a "tsunami" in Germany*

The main discourse in the 4th quarter 2008 is about a possible credit crunch and its consequences for the economic development during a time of a danger of recession. The fear of an economic collapse is reflected in the use of physical and medical metaphors to describe the high relevance of a functioning credit system for the economy. Thomas Url for instance compares a credit crunch with a heart attack. He states that if banks and other credit institutes stop lending money to each other, "the *arteries* of the economy are *blocked* this can lead to an *infarct*." (Url in the SN 2008-10) In such logic of thinking the economy is seen as a body and the crisis as some kind of disease, which has to be cured. Therefore economists as experts for the "body economy" are then responsible – like doctors in cases of diseases – to find the right medicine[19]. In such a technical approach it is clear that the time of a fundamental crisis is the time when politicians have to step back and let economists do their work.

So it is quite conclusive that there is a strong reservation against political decision-making processes or state activism in such a frame. Daniel Zimmer, economist at the University of Bonn, alerts: "Unfortunately there is a reflex to rely too much in the state in dire straits (…) this is *very dangerous*." (Zimmer in the FAZ 2008-10) Stefan Homburg, economist at the University of Hannover, even warns that the financial crisis could have a "*disinhibiting effect*" ("enthemmende Wirkung") on politics, because now "everyone can demand everything". (Homburg in the Zeit 2008-11)

[18] A phrase coined by Margaret Thatcher in support of an unhampered free market system.

[19] Another very telling metaphor is presented by the CEO of the Deutsche Bank, Josef Ackermann, (Spiegel 2008-10): "The market is currently only oriented on *surviving* and not on making profits" ("Der Markt ist derzeit aufs bloße Überleben ausgerichtet, nicht auf die Erzielung von Gewinnen").

These two statements show that although there has been a period of broad support of state interventions in the market to rescue individual economic actors, the basal conviction that in general the state is a bad economic actor and should therefore keep out of the economy is dominant in the public discourse of economists. This becomes apparent in the discussion about the first German stimulus package in autumn 2008. Even though Keynesian oriented economists like Gustav Horn (FAZ 2008-11) claim that the vicious circle of financial crisis and weak business activity has to be broken, the majority of the economists oppose the stimulus package because it was too late, too expensive and would be inefficient. In combination with this refusal, the discussion about too expansive fiscal and monetary policy in the past and its severe consequences for the future have been intensified.

A second main sub-discourse in autumn 2008 is the failure of the state and governmental regulating authorities in preventing the outbreak of the financial crisis through a much too lax regulatory framework. The question of the responsibility for the financial crisis is nevertheless mostly combined with the evidence that the crisis is in the first instance an "*American* crisis" and Germany has sort of been *infected* by it. Hans-Werner Sinn for example declares that "we (Germany, remark SP) swim like corks on the waves of global economy", which is a strong metaphor for the conviction that opportunities of Germany to handle the financial crisis are very limited.

Many economists moreover also emphasize the specific role of Germany as the leading economy in the European Union and the Eurozone in the overcoming of the financial crisis. On the one hand there is a broad consensus among economists that the Euro itself is not in danger. Klaus Wiener (FAZ 2008-11), economist of the insurance company Generali, states, that it is "utterly improbable" that the Euro will come in a threatening situation. On the other hand beginning in the end of 2008 the discourse about governmental debts is intensified and there are several warnings about "moral hazard"-effects, because the strong economy of Germany ensures the stability of the Euro as a kind of lender of last resort.

### *3.3. 1st quarter of 2009: "Keynesian Moment?" Or the fear of the state?*

The first quarter of 2009 is coined by several debates about the rights and obligations of the state in economic policy, especially in combatting the financial crisis. During the first months of 2009 there is an enforced trend of revitalizing Keynesian demand-oriented policy with governmental economic management. Although there was much critique on the involvement of the state prior to the two German stimulus packages in December 2008 and January 2009 the majority of the economists are convinced that in the "extraordinary" situation of the financial crisis the government has to rescue companies and credit institutes to avoid an economic breakdown. This trend towards traditionally Keynesian economic policy manifests on the one hand in the fact that even liberal and neoclassical oriented economists support governmental actions. For instance Martin Feldstein, economist in the neoliberal area of Ronald Reagan, who represented the dogma of a small state, supported an increase of government expenditures "although I have a hard time saying that" (Cited in the FAZ 2009-02). And even Hans Werner Sinn (Zeit 2009-09) stated retrospectively in August 2009 that "the programs were necessary in this dimension". His colleague from the ifo in Munich, Klaus Abberger (FAZ 2009-02), furthermore stresses that the stimulus packages will have a stabilizing effect on the economy. On the other hand the "Keynesian Moment" in Germany is evidences by the high presence of Keynesian-oriented economists in the public media in the first few months of 2009 compared to their overall presence in the analyzed period of summer 2008 to summer 2011[20].

Besides this relatively broad consensus about governmental interventions in the case of the severe crisis, there is also an intensified debate about prospective government debts. Especially liberal economists like Johann Eekhoff (Spiegel 2009-01), spokesman of the neoliberal think tank "Kronberger Kreis" or Justus Haucap, chairman of the German monopoly commission, stress that after the peak of the crisis it would now, in the first months of 2009, be unavoidable that the state withdraws from the economy and let the self-regulation forces of the market do its work, because otherwise all those interventions could lead to "massive displacements on the markets" (Haucap in the SZ 2009-02) and prevent the formation of "objective market prices". In the FAZ for instance the attempt to smooth the high volatility of asset prices due to uncertainty about toxic assets is discussed as a possible case of a Hayekian "pretense of knowledge".

Another important line of discourse in the first quarter of 2009 is about the responsibility of economists because they did not foresee the arising of the financial crisis. The debate was initially inspired by the famous question of the British Queen to the leading economists in the

[20] Peter Bofinger (58% of his mentions in the first two quarters of 2009), Rudolf Hickel (42% in the first quarter) and Jürgen Kromphard (67% in the first quarter), which are all pronounced Keynesians, are all significantly more present in the public media discourse about the financial crisis in the first respectively the first two quarters of 2009.

London School of Economics. On the one hand there is a debate about the economic education at universities in this context. Birger Priddat (Standard 2009-02) for instance criticizes that young students were taught in an attitude that the best for them and their bank account is also always the best for the economy and the society at all. In combination with this there is a claim for more ethics in the academic education of economists as well as for a reorientation of economics away from the dominance of formal mathematical approaches. As a consequence there was a dispute between older German economists who supported a plea initiated to preserve professorships for economic policy and younger economists who opposed because formal mathematical argumentation was the international standard of economics[21]. This confrontation, referred to as "Methodenstreit" (dispute over method), was partially polemic. On the one hand there was the critique that pure mathematical approaches have nothing to say about real world problems (Issing in the FAZ 2009-01) and on the other hand formal methods were denoted as simply "more scientific". (Fuest in the FAZ 2009-01)

### *3.4. 2nd quarter of 2009: Self-reflection about the influence of economists and their prognoses?*

The public discourse of economists in the second quarter of 2009 is dominated by two main sub-discourses. On the one hand there is a debate about the role of economic prognoses which is initiated by the announcement of Klaus Zimmermann, then president of the DIW Berlin, which is an important economic research institute in Germany, that the DIW will stop publishing prognoses about the economic development. The argumentation for this is based on Zimmermann's finding that during the last months economic prognoses had an increased tendency to present each time even more pessimistic prognoses and prognosticators showed a herding behavior. This put in progress a race to the bottom which had again, also due to decreased expectations of households and firms, a negative influence on the real economic developments. The second main sub-discourse was the debate about the second and bigger stimulus package of Germany, which was already passed in January 2009 and was taking effect by July 1. The stimulus package consisted of tax abatements as well of as governmental

[21] The formation of the two opposing groups was also a nice example for the coherence of the direction of argumentation and the institutional establishment of economists. From the 83 economists who supported the plea for preservation of chairs for economic policy and against the formal-mathematical character of economics only 4% were listed in the economist ranking of the German "Handelsblatt". On the other side from the 188 economists who opposed the plea in the FAZ, mainly because its claims would undermine international standards of academic economics, about 40% were listed in the ranking (cf. Rothschild 2010).

investments and guarantees for companies and banks and had a volume of about 50 billion Euros. One main part of the package was the subsidies for short-time work, which was a reaction to increasing unemployment rates and the fear that the financial crisis would now dramatically *infect*[22] the labor market.

First, the discourse about the role of economists and economic forecasts will be presented. As mentioned above the debate was initiated by a statement of Klaus Zimmermann, who is an important economist in the whole public discourse about the financial crisis (5th position in the presence ranking). Zimmermann stressed, that structural models which normally provide reliable prognoses, in times of „historical setbacks („historische Wachstumseinbrüche") in growth stumble against the boarder of feasibility". (FAZ 2009-04) This statement is quite enlightening as it shows up the limitedness of economic modeling and economic forecasts especially in uncertain periods. But it can also be interpreted as an example of economists' self-critique of the strong influence of economists on the process of political decision-making through overconfidence in economic modeling. The announcement of Zimmermann entailed massive protests against his decision on a personal as well as on a contentual level. Bert Rürup, then chairman of the SVR, polemicized that one has missed his job as a prognosticator if he only publishes forecasts in easy times (SZ 2009-04) and Hans Werner Sinn blames Zimmermann for failing his job, too. On a rather impersonal level Peter Bofinger in an interview with the Spiegel (2009-05) also criticized the decision of the DIW, because it would be the duty of economic research institutes to offer a guideline for politics as well as for economic actors. Nevertheless he agrees with Zimmermann that in the past maybe people were made to believe too much in the precision of economic forecasts and this is for sure mainly the fault of overconfident economists or even the overconfidence of economists in their models. Zimmermann's reaction to the massive critique was that as economist it would be better to be honest now, because otherwise "we are just confusing the people – and as a consequence no one will ever listen to us." (Zimmermann in the FAZ 2009-05)

The debate about economic forecasts is quite enlightening as this discussion is connected to the role and the massive influence of economic models on the public in general and especially on economic policy. Subsequently there is also space for critique of neoclassical macro-models where the financial sector is excluded as an independent actor and there is no uncertainty because perfect rationality of all actors is assumed. (Bofinger in the Spiegel 2009-

[22] This is another example for the use of disease metaphors as a description for the spreading of the financial crisis.

05 for instance) However, this finding is mostly interpreted only as a challenge to develop better models. (Pillath in the Spiegel 2009-05)

The second main sub-discourse in the second quarter of 2009 is, as already mentioned, about the second stimulus package and the effects of the financial crisis on the real economy and therefore also on the labor market. After the crisis in the financial sector in Germany in summer 2008 and the recession beginning with December 2008, the crisis affected the labor market not before the second quarter of 2009. But compared to the discourse in the first months of 2009, where there was at least to some extend a kind of “Keynesian moment”, in the second quarter of 2009 the debate is coined by austerity arguments against several measures in the stimulus package. Especially the argumentation against the “Abwrackprämie” (a measure that should encourage people to buy new cars by a subsidy of € 2.500 per new car) is quite polemic. Clemens Fuest, back then chairman of the scientific advisory board of the German Ministry of Finance and also member of the already mentioned neoliberal think tank “Kronberger Kreis”, for instance evaluates the “Abwrackprämie” in the following way: “Such announcement only serve *politicians* in their effort to *maintain power*.” (Fuest in the FAZ 2009-06) Klaus Zimmermann (Zeit 2009-05) stresses that “such short-dated *activism* is pointless”. As a consequence there was broad consensus among economists that the governmental expenditures have to be regulated. Hence, there was a great support for the installation of a “Schuldenbremse” (“debt brake”) in the German constitution. The “Schuldenbremse”, which passed the parliament on May 1 and was taking effect on August 1, should avoid new governmental debts and lower the budget deficit. Nevertheless there was a substantial group of German professors (about 200 people, among them not only economists) signed a plea initiated by Peter Bofinger and Gustav Horn, above mentioned as “The Keynesians”, against the debt brake, because it “threats the overall economic stability and the future of our children” (Bofinger/Horn 2009).

The second quarter of 2009 was however a kind of starting point for the dominant public discourse of economists about austerity programs and governmental debts for the next quarters.

### *3.5. 3rd quarter of 2009: "The delicate little plant of economic activity" in the credit crunch*

The public discourse of economists about the financial crisis in the third quarter of 2009 was dominated by two main topics. On the one hand there was the worry about increasing unemployment rates as the "thick end of the recession" (Hüther in the SN 2009-08) in combination with the uncertainty about the economic development. On the other hand the fear of a credit crunch led to a debate about the public responsibility of credit institutions.

In the forefront of the German parliamentary election in September 27 the development of the unemployment rates was a central topic. Many economists (among them for instance also liberal economists like Hans Werner Sinn) declared that the relatively stable economic situation was a consequence of the stimulus packages and that several branches of the economy were still "on the drip of government expenditures" (Horn in SZ 2009-09). Nevertheless there was an increasing argumentation that the next government has to abandon from the market and has "to cut expenditures to a great extent" (Bach in the SZ 2009-09). The argumentation strategy in this context is morally on two levels. First there is an argumentation line that everyone has to refrain and limit some needs, because otherwise the recession will intensify and this will lead to an even worse situation on the labor market. Second there was a debate about the study "*Subprime Crisis and Board (In-)Competence: Private vs. Public Banks in Germany*" (Hau/Thum 2009), published by the two German economists Harald Hau and Marcel Thum. The authors of the study analyze the curriculum vitae of about 500 members of supervisory boards of German credit institutes concerning competences and qualifications as well as financial market experiences and compared this to their respective performance during the financial crisis. The main finding is that public controlled or owned credit institutes perform much worse that private ones and the competences, qualifications and financial market experiences of supervisory boards of public credit institutes are worse, too. Primarily, they attest an "almost entirely lack of financial market experience". (Hau/Thum in Presse 2009-09) This conclusion is presented as clear evidence that the government should abandon the banking industry as soon as possible by the authors themselves as well as by the media who refer to this study (Presse, SZ, FAZ). Although there are some ambiguities about several assignments to the two contrasting spheres "public" and "private", the more crucial point is that there is no discussion about the fact that public owned credit institutes in many cases pursue different aims (for instance not pure profit maximization) than private institutes, which could automatically lead to worse economic performance. It rather seems that the central finding – “private banking” is better than “public banking” is a very welcome result of the study.

Another central topic was the rather tense situation on the credit market, which together with the downturn of US-American demand especially affected German export industry. As a consequence of the uncertainty about the economic development in general and the bad experiences with toxic assets, many credit institutes had a rather reluctant position to lend money to companies. Many economists therefore worried that this reservation could lead to a massive economic downturn again and claimed that the pressure on credit institutes to give credits should have to be intensified. Michael Grote (SZ 2009-09) stressed that the (at least to a certain extent) existing regulations of securitization will have to be relaxed, Ulrich Blum (Zeit 2009-07) suggested that the access to credits of the ECB should be dependent on the willingness to give credits to banks and Peter Bofinger (Zeit 2009-07) even proposed that the government could directly affect the credit policy by governmental involvement in credit institutes, like in the US or Great Britain. In combination with the discussion about the credit crunch the role of credit institutes and other financial actors in general is criticized, concerning their responsibility for the outbreak of the financial crisis. Hans Werner Sinn (NZZ 2009-09) for instance stressed the importance of higher equity capital: “Today banks are only liable with 4% of their balance sheet total, that’s far too less”. Another critic focusses on the “lunatic cross linking” of credit institutes, which extremely hampers regulation efforts. Nevertheless the basic convincement that the government should not intervene too much in the markets seems to be untouched by recent events on the financial markets. Financial markets continue to be interpreted as a synonym for progress and therefore there is a strong reservation against regulations. Ekkehard Wenger (Zeit 2009-07) for instance states that the financial crisis itself is the best evidence that classical regulation mechanisms are pointless, because they project “a fatal illusion of certainty”.

### 3.6. 4th quarter of 2009: “The living-beyond-one's-means” in times of increasing unemployment

First of all the public discourse of economists in the fourth quarter of 2009 is relatively optimistic compared to the last months, especially as far as the economic development is concerned. Thomas Mayer (FAZ 2009-12), chief economist of the Deutsche Bank expects a “very robust boom” in Germany and sees Germany as the new “driver of growth in the

European economy”[23]. Even though some economists are cautious about the level of the growth rate (SVR-member Wolfgang Franz or Commerzbank-economist Simon Junker) the general mood among economists is much better than before. Even Gustav Horn (Standard 2009-12) is surprised by the speed of the economic recovery but at the same time he asserts that the economy still depends from governmental supporting programs and therefore it would be necessary to prepare a new stimulus package (SZ 2009-11).

The claim for a new stimulus package is indeed a minority position. On the contrary the broad majority of the economists coincide that the central task for the government in the next months and years will be the reduction of government expenditures and debts. Thomas Straubhaar (Presse 2009-12), ambassador of the neoliberal think tank “Initiative Neue Soziale Marktwirtschaft” speaks of “exploding debts”, in the annual expert report of the SVR “hard cuts of public expenditures” (Zeit 2009-11) are suggested and Charles Wyplosz (NZZ 2009-12) declares especially the debts, built up since the 1950s as “inexcusable”. Altogether the determining statement in the fourth quarter, although explicitly only mentioned by Wyplosz (NZZ 2009-12) and Horst Köhler (NZZ 2009-10), is that we all – meaning Germans and the whole world – have “lived beyond our means”. This moral finding is as a kind of basic conviction of the broad majority of economists applied on different levels to describe the behavior of US-American home buyers and the policy of cheap credits in the subprime-crisis, the recent wage agreement of the unions, the stimulus packages of the past years, as well as to the economic policy of the last decades in general. At the same time this conviction is the foundation for the austerity programs promoted in the following months, because it is presented in a way that “there is no alternative” to economic reason.

Another important sub-discourse in the fourth quarter of 2009 is about the high unemployment rate. In this context it is often stressed that the situation in Germany is even much better than it would be without the restrictive and heavily criticized labor market reforms in the German government’s “Agenda 2010” (referred to as Hartz IV-reforms[24]).

[23] The emphasis on the strong role of Germany in the European Union is to a certain extent also connected with the suggestion that Germany has to increase the diplomatic pressure on bad economizing governments (Snower in Zeit 2009-12) to avoid a “moral hazard”-effect. Similar statement according to the motto “Germany has to stay strong and hard” increase in the following months.

[24] The Hartz IV-reforms, developed by a committee headed by the then Volkswagen’s personnel director Peter Hartz, was taking effect on January 1, 2005, introduced a lot of deteriorations for unemployed as well as for welfare recipients. Among other measures long term unemployed are now forced to accept “1-Euro-Jobs”, if they don’t want to lose their benefits.

(Möller in Spiegel 2009-12, Förster in the FAZ 2008-10) On the one hand an argumentation strategy in favor of precarious work and totally flexible labor market can be interpreted as an implicit threat for still employed people to lower their claims or wage expectations. Klaus Dörre (2011), for instance, calls this increase of precarious work and employment "the ugly side of the German 'employment miracle'". On the other hand this comparison is eventually misleading because the high amount of people who are forced to work on "1-Euro-Jobs" or other precarious jobs is excluded from the unemployment statistics although they can't live on their job and this group of people for sure went bigger due to the short-time-work-agreements during the financial crisis. Anyway, such an argumentation line in combination with the "we lived beyond our means"-dictum is the basis for the intensified and ongoing discourse about austerity programs.

# 4. Conclusions: Real world events, thinking and metaphors

In the last section the public discourses of economists in the financial crisis as well as their respective use of language have been analyzed to show up their dominant argumentation strategies, thinking styles and their underlying basic convictions about economics. The following table provides a connection of real world events and their dominant explanations as well as some typical metaphors which support these argumentations. Although in some cases the use of different metaphors reflects a change in the dominant argumentation lines, there is much evidence that the basic metaphors which describe the economic system and its central institutions (especially concerning the question of the relation between state and market) seem to be stable over the analyzed period. The resistance of economic language in times of severe and far-reaching events as the "big crisis" is an indication for a strong economic mainstream and supports our main theses that the hegemonic basic conviction of economists seems to be unchanged.

**Table 2: Use of metaphorscombined with real world economic events**

| Quarter /year | Real world economic events | Basic thinking and argumentation strategies | Typical metaphors |
|---|---|---|---|
| 3/2008 | Bankruptcy of Lehman Brothers, rescuing programs for banks | External ("American") shocks, individual failure („greedy" manager), „confidence crisis", Financial markets are innovative | **Nature** ("*biggest hit* for the financial sector", "be *armed*", "economic *winter*"); **Game** ("crisis will overthrow other *dominos*"); **Psychologization** ("*herd behavior*"; „…anticipative … matter…"); "we will get back *old-fashioned* control systems" |
| 4/2008 | worldwide credit crisis, | governmental activities (e.g. | **Nature** ("financial crisis leads to a *tsunami*", "to |

| | | | |
|---|---|---|---|
| | first stimulus packages | nationalizing banks), external shock, negative prognoses, self-fulfilling prophecy | get down to the *root* of the trouble", "we *swim* like the *corks on the tides* of world economy", "phase of *capitulation*", "*tectonic movements* of the financial crisis"); **Disease** ("A*rteries blocked"; "Infarct* can occur") **Psychologization** ("the *mood* is down") |
| 1/2009 | more stimulus packages, bank packages, export slumps, | Self-criticism, warnings, "Keynesian moment" | **Nature** („Economists do not see the *forest for the trees*", „dangerous *slant*", "if one *blows out fire,* he also has to worry about *water damage*", "the *bulk of garbage* has to be removed") **Psychologization** ("the state at least provides *security*") **Game** ("I *bet* against this" (high inflation)) **Disease** ("Chief economists are *autistic*") |
| 2/2009 | World recession, unemployment, public debt, bank shares | Support for debt brake, Discussion about the role of economic forecasts and economists as forecasters | **Disease** ("a weak and slow *recovery*") **Nature** ("the *sudden crash* of world economy *blew up* any ceiling", "like in *nuclear physics* a credit derivate can become a *weapon of mass destruction*", "a *chaos* would break out") |
| 3/2009 | Deflation in Europe, expansion of the U.S. bank rescue program, bad banks in Europe | Business activity support programs required, government out of the economy | **Nature** („The *delicate little plant*…", "*deep fall* without stimulus packages") **Psychologization** ("*electronic* herd", government intervention as "*sin*") |
| 4/2009 | ECB declares the end of the crisis, austerity package (Greece, Ireland), continued low interest rates | Support for reduction in government spending, increasing taxes | **Nature** ("*tough cuts*") **Psychologization** ("*The living-beyond-one's-means*", "*danger* of *passion* for activism") **Technical approach** ("Germany is the *driver of growth* in Europe") **Game** ("*thimble rigger* in shadow-banking) |

The table examines the central argumentation strategies of economists in the financial crisis discourse as well as their central metaphors connected to those and combines it with real world economic events. The metaphors are categorized and some meaningful examples are provided. This allows conclusions on the central argumentation strategies and basic conviction. Over the analyzed period we examined two illuminating trends:
1. Economists often switch between "active" and "passive" metaphors, between metaphors in which impotence and thus a passive role is defined (typical in such context are natural disaster metaphors as the tsunami or the economic winter) and metaphors, which define an active role (characteristic for this are sickness or disease metaphors where a possibility of curing is assumed).

2. Although we examined a process of switching between "active" and "passive" metaphors (depending on the events), the basic paradigm, which represents the majority of economists, seems to be stable. Even the demand for government intervention is still subordinated to the paradigm of non-intervention in markets. This implies the dominance of a specific concept of normality among economists. A functioning market and even financial market system is interpreted as "normal", whereas the financial crisis as well as Keynesian oriented stimulus packages are seen as "extraordinary" or "exceptional cases". The use of disease and nature

metaphors reflects the idea that without “external shocks”, “diseases” or “tsunamis” the market or the economy are “robust”, “a sane body” or a “calm ocean”.

Following Fleck (1980: 40-41) this understanding can be interpreted as a typical process of insisting on a dominant paradigm. He moreover identified five typical strategies to maintain an existing paradigm. Each strategy is combined with an event during the financial crisis or a dominant basic conviction of economists:

1. Events that contradict the paradigm are unthinkable – e.g.: the crisis is no falsification for the functioning of a market system.
2. Events that contradict the paradigm are not seen – e.g.: most economists did not or could not foresee the crisis.
3. Events that contradict the paradigm are concealed even though they are known – e.g.: the whole sphere of the offshore economy. Also typical in this context is that rather sociologists than economists do research in this “shadow area” (e.g. the study of Epstein/ Carrick-Hagenbarth (2010) about the positions from economists in the financial area.)
4. Events that contradict the paradigm are explained with great effort as non-contradictory – e.g. the claim of Werner Sinn for a "strict" neoliberalism a la ordoliberalism and his effort to separate the “good idea” of the “Soziale Marktwirtschaft” from the bad, American Chicago-neoliberalism
5. One sees, describes and depicts situations that correspond to the prevailing views. There is no formal logical relationship between opinions and their relevant evidences. Both are interchangeable – e.g.: the argument about the role of the state. Government interventions and expansive fiscal policy on the one hand caused the crisis. On the other hand the state has to act immediately to rescue economic actors.

The strategies presented above are used to preserve the dominant paradigm. A paradigm shift on the contrary (according to Kuhn) only occurs when there is a new paradigm that can take the place of the old paradigm: “Once it has achieved the status of paradigm, a scientific theory is declared invalid only if an alternative candidate is available to take its place.” (Kuhn 1970: 77)

It is for sure not enough that there is an opposing view (e.g. State intervention versus no intervention). Theories with paradigmatic status cannot be replaced by "anti-theories" (like thesis and antithesis), but only by theories which are able to tie into existing theories and at the same time have a substantially new postulate. Keynesian response to the free market for instance was no fundamental opposite to the market economy (as would have been a planned economy system). The main focus of Keynesian argumentation is on the crucial role of the state as an economic actor, arguing that the offer cannot create its own demand by itself (“axiom of parallels’” (Keynes 1936, 18)). Based on our analysis of discourses about the crisis, it cannot be expected that the current paradigm will be replaced by the (old) Keynesian paradigm (again), as long as the debate is continued on the level of thesis – antithesis.

Nevertheless there are also opposing views to Kuhn’s argumentation that a paradigm can only be replaced, if the inherent contradictions abound. Foerster for instance wrote:

> “Kuhn is convinced that a paradigm shift is announcing when a paradigm ceases functioning in various cases. I claim just the opposite: Repeatedly one can show that a paradigm after it is matured to perfection, suddenly "flips" and disappears from the scene.” (Foerster 1997: 178)

As the analysis of the economists’ discourses in all quarters showed, economists had answers to all the real world economic events and the answers were compliant to their respective paradigm. Whether this is a sign of an impending paradigm shift (following Foerster) or for the current strength of the dominant paradigm (Kuhn) – even this question thus remains open. The central hypothesis of our paper was that the dominant basic conviction of most economists remained stable during the financial crisis, which at least on the level of argumentation strategies and the use of metaphors in the public media proved to be true. According to Foerster the partially contradictory advices of economists, although referring to the same market radical, neoliberal economic paradigm (with the distinction between “normal” and “extraordinary” events) could have done severe damage to the current paradigm. This raises hope for pluralistic economic approaches.

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