

Introduction

Background

When the story of the financial crisis broke open across media outlets in the US in early 2008, I had just moved back to Japan from North America. To my surprise, instead of focusing on the US financial system where the dysfunctions had taken place, or uncovering the history of deregulation that had led to creation of the ‘toxic assets’ that precipitated the housing crisis and the ensuing credit crunch, American news media and think-tank depictions instead focused on the analogy with Japan and whether the US would become like this ‘lost’ nation. From the moment the story of the crisis was first promulgated in American ‘economic journalism,’ a hybrid and complex genre written less by journalists and more by economists and financial advisers, the popularity of this Lost Japan thesis was peculiarly conspicuous. In this analogy, a different set of images and associations were deployed to describe largely the same problems in both nations: references to Japanese ‘zombie’ banks were contrasted with America’s ‘toxic assets’, while the uncooperative and faceless members of the Bank of Japan were replaced with the ‘activist’¹ Federal Reserve chairman Ben Bernanke. The rhetorical strategy of depersonalizing Japan’s crisis while giving the US one a human face is just one indication of the discursive structure of this line of media story. Reading a succession of such ‘Lost Japan’ retellings in the *NY Times*, the *Wall Street Journal*, the Congressional Research

¹ As asserted by Richard Katz (2009) in “Katz Replies.” *Foreign Affairs*. May/June 2009.

Service, and many other places, I realized that through the analogy of Lost Japan, US power elites were trying to adapt an old story to their new reality. Indeed, they were constructing reality through their narrative, giving sense to the Byzantine financial events of the crisis and consequently suggesting a course of action that accorded with their neoliberal worldview.

The media dominance of the Lost Japan analogy struck me as peculiar for three reasons. First, it was certainly not a news story, as its basic tenets had been set down a decade before when Milton Friedman (1997) wrote "RX for Japan," a monetarist opinion piece for the *Wall Street Journal*. "RX for Japan" preceded an avalanche of more academic assessments of Japan's crisis by well known economists such as Paul Krugman (1998), Ben Bernanke (1999) and a host of others. It was this initial iteration of Lost Japan that set the narrative tropes of Japanese 'crony capitalism', their indecisive financial institutions, and lack of free market fundamentals, all contrasted with American competitiveness. This initial telling of Lost Japan bolstered the careers of many of the above economists, who would later be called into service as 'experts' when the 2007 crisis hit and the analogy would be revived. From a journalistic standpoint, as a news story in response to a massive economic crisis requiring immediate action, rehashing Lost Japan would appear to be a poor choice.

Second, having lived in Japan for a decade at this point, I could hardly see in the narrative or its entailing discourse the country where I lived and worked. Having acquaintances working in a Japanese bank, hearing stories of reforms and restructuring, and living a style at odds with the neoliberal 'race to the bottom' critiqued in US academia and media, Japan seemed to me far from lost, especially in comparison to the US itself. This is not to say Japan was without its own problems, but branding as 'lost' a country still in the top three globally and with

a higher degree of wealth equality than America² seemed besides the point or misguided. Also, framing Japan as lost due to its supposed divergence from free market economics seems to ignore Japan's equally capitalist nature. Considering that Japan was sufficiently imbricated in global finances enough to undergo the boom and bust cycle that made it an analogical cypher for the US, the analogy itself would seem to repudiate the contrasts it established.

Finally, the most glaring incongruity was the obscuring of America itself in US media responses to the crisis. One would expect during such a time that a society or nation would take a long look at itself, to do real soul-searching and make changes for the betterment of society, as had happened during the Great Depression. Instead, American media focused on a constructed Japanese Other instead of the troubled American Self, with reassuring claims of American exceptionalism and 'fresh thinking' that glossed over the 'financial innovation' that had led to the banking and credit crises. More than any other reason, this mediated (i.e. constructed) shift of media attention at a time when it was needed most called to me for inquiry. To claim Japan is 'lost' in comparison to the US, whose blind adherence to free market principles set the stage for the recession that rivals and arguably surpasses Japan's lost decades, implies a myopia whose cause lies in the blinders of market interests.

Indeed, as the financial crisis has made apparent, America is still on the 'right track' for the top earners. This tendency is symbolized in the well-publicized, emblematic 2008 incident when the CEOs of America's 'big three' automotive manufacturers came to Washington in their private jet seeking a \$25 billion dollar bailout. This neoliberal culture of elite entitlement is similarly seen in the proposal for a \$3.6 billion dollar bonuses for failing bank CEOs, a notion that New York governor Andrew Cuomo (2008) calls a culture of "heads I

² Compare the Japanese Gini coefficient of 41.1 for the US and 32.1 for Japan according to World Bank figures for 2012 (<http://wdi.worldbank.org/table/2.9>).

win, tails you lose” (1). The question is thus not of ‘returning to business as usual’ after the crisis – the crisis IS business as usual for neoliberals. Philip Mirowski³ attests that “crisis is the preferred field of action for neoliberals, since that offers more latitude for introduction of bold experimental “reforms” that only precipitate further crises down the road” (2). Considering the many unresolved structural problems that remain in the wake of the financial crisis noted by Stephen Mihm and Nouriel Roubini (2011) among others, Mirowski’s judgment seems apt.

Thus the object of my research became the ‘discourse moment’ when the revival of the Lost Japan narrative dominated economic discourse and the debates playing out in US media during the financial crisis.

Specialist Discourse and Defense of the Regime in Crisis

Moments of neoliberal-induced crisis invoke a response or reflection in media that often has little to do with facts or circumstances on the ground. In their examination of the UK Barings Bank ‘rogue trader’ case of 1995, where the story of a lone trader was sensationalized in media as the cause for huge speculative losses by the UK trading firm, David Hudson and Mary Martin (2010) showed how, at such moments of systemic failure by the neoliberal economic apparatus, the media mobilizes a narrative cover story to defend the status quo. It is at these times of crisis and especially through their media depictions that the movements of the dominant ideological regime can be traced through its discourse. As Hudson and Martin state,

³ For a more in depth discussion of this characteristic of Neoliberalism, see Mirowski’s *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (2014).

“The role of crisis is important because it represents a moment when the limits of the liberal regulatory regime were exposed, but also one where the regime was subsequently secured and legitimated. Crucially, we argue, because the collapse was interpreted and narrated as the fault of a rogue individual rather than a consequence of more structural regulatory weaknesses, the existing regime was exonerated.” (97)

Indeed, the dysfunction of Barings was exposed by the actions of its rogue trader just as much as the financial crisis of 2007 exposed the weaknesses of the perilously deregulated US financial system, but in both cases the dominant narrative sought to transpose the fault to other bodies. If we substitute ‘Lost Japan’ for ‘rogue trader,’ we see that the same type of mediated neoliberal sleight-of-hand has taken place. The narrative of Lost Japan in post 2007 US financial crisis is thus an example of media construction of crisis discourse to meet the defensive needs of the dominant regime.

During the US crisis, Lost Japan had become a reality-obfuscating reference, an automatic association that reinforced belief in US cultural superiority and whose assumptions went unquestioned in much the same way as the Barings rogue trader story. Admittedly, the scale and number of events surrounding the US financial crisis were difficult, if not impossible, for individuals to grasp. For this reason, in times of crisis, opinion leaders use a simplifying narrative lens to call attention to what they deem relevant events and suggest courses of action or reaction, which are often termed 'lessons' to be learnt. Economist and Japan ‘expert’ Richard Katz (2009) explains the tendency to use analogies thus: “In periods of crisis, pundits and policymakers tend to scramble for historical analogies. This time, many have seized on Japan's notorious ‘lost decade,’ the decade of stagnation that followed a mammoth property bubble in the late 1980s” (1). This analogical tendency may be a strategy of opinion leaders in general and the economics discipline in particular, but it is neither innocent nor objective. Such a narrative lens is useful in shaping discourse when deployed to turn attention away from structural

problems such as the financial deregulation that led to the financial crisis, and the corporate welfare of Obama stimulus programs that followed it. Analogizing ultimately reflects and reinforces the status quo of the neoliberal regime through the economics discipline and its journalistic offshoot.

In addition to the narrative lens of economists, media itself possesses a lens of simplification and interpretation when presenting esoteric economic information to the masses, starting with the choice of what information to present. Economic journalism thus acts as a double filter, with media defining what is news, while economics defines its meaning and relations to policy and daily life. This double interpretive lens and its selective function imposes Neoliberal Discourse on readers by defining the discursive moment of crisis, which gives sense to events at the price of a narrowing of the field of vision. By definition, what I call a 'discourse moment' is precisely such a mediated event – it is disseminated by media and shaped by it, and since media is in turn shaped by the owners of broadcast companies, the construction of such a moment is attuned to their ideologies. For US media and policy writers to use a narrative such as *Lost Japan* to offer solutions that will get America back on the path of 'economic health' attests to the discursive nature of the debate, while the assumptions of the story itself, such as GDP primacy and the externalization of US financial dysfunctions as the aforementioned 'toxic assets,' mark it as inherently neoliberal.

These types of mediated neoliberal narratives contain many of the traditional, i.e. literary and folkloric, elements of story. Like any story, a neoliberal narrative needs characters the reader can empathize with. To give a case in point, Hudson and Martin (2010) identify the main character of Nick Leeson in the 1990s Barings' scandal, who was constructed in media reports as a 'rogue trader' onto whom pathos and responsibility could be projected (101-102). Meanwhile, in the *Lost Japan* story, the Japanese Other became the central figure onto which

US public anxiety could be projected and turned to the contrastive identification of Americans as neoliberal subjects. Just as a story needs characters, it needs a beginning and end, and this need for continuity allowed media to define the financial crisis by excluding or including the events that constituted it. Although economists Stephen Mihm and Nouriel Roubini (2011) assert that intimations of instability in the US financial system had been evident for some time, the bankruptcy of Lehman Brothers in 2008 would serve as the symbolic start of the crash for US media and policy advisers, and American news quickly became fixated on relaying details and reminding people daily that the unfolding financial crisis was a 'big thing.' Lehman's was a perfect symbol for the discourse of the crisis as a whole, in which the failure of institutions largely unknown to the average person, as they were reminded daily, would drag America or the world down into financial apocalypse with them. In this way, the economic journalism filter and the media monopoly on interpreting events served to define the crisis in terms of a Neoliberal Discourse.

In media reports, the name Lehman was followed by more unknowns, such as Freddie Mae and Fannie Mac, government organizations whose incompetence was given as leading to the perilous state of the American economy, and ultimately the world, ignoring the deregulatory gutting they had previously undergone (Mihm and Roubini 2011). When it became known that many institutions in trouble were part of the 'shadow banking system,' a euphemism for unregulated banks, 'toxic assets' were then blamed for the crisis, as if these things and not the unscrupulous financial advisers who sold them could be culpable. These shiftings of blame made it clear that the crisis as reported in US media was a discursive fiction created to sway public opinion.⁴ From the beginning, media coverage of the unfolding financial market events displayed a discourse of crisis that used both rhetorical and narrative images to justify its

⁴ I write this not to deny the real economic effects of the crisis, but merely to call attention to the discursive nature of its depiction in media reportage and policy advisor reports.

conception of events, to create a communal understanding of them, and finally to gather public consensus for policy action. This is the story of Lost Japan.

Lost Japan as Neoliberal Narrative

Lost Japan began was constructed and validated in academic examinations of Japan's slump by Paul Krugman (1998), Ben Bernanke (1999), and many others, although its initial articulation by Milton Friedman (1997) in a *Wall Street Journal* article implies both its nature as Neoliberal Discourse and a mediated story. This narrative of Lost Japan in both its original 1990s academic iterations and recycled post 2007 media forms has much in common with the meta-narrative of Neoliberalism. According to the neoliberal meta-narrative, if the state is heeled and if markets are open, then every individual will have the freedom to succeed and profit. The Lost Japan narrative's depiction of Japanese government meddling in the economy, of stifling market controls, and of the homogeneity of the Japanese workforce all lead to the conclusion of the reassuring superiority of American ingenuity, as ironically embodied by the 'financial innovation' of unregulated 'toxic assets' that led to the US financial crisis and credit crunch that followed it. This is Neoliberal Discourse's 'market rationalism' applied to shaping the perception of crisis in a way that denies the US government's active role in supporting the economy during the crisis, ignores the inherent inequalities of the American system of capitalism, and works to promote the neoliberal ideology behind it.

More importantly, by mediating popular perception of the crisis, the facile analogy of Lost Japan not only blocked any view of the real problems and stymied alternate conceptions of

the situation and how to respond to it, its dominance also promoted the same neoliberal ideas of free markets, reduced state power, and deregulation that had led to the crisis. Once again, Hudson and Martin (2010) note a similar phenomenon in the Barings' case:

“How ideas are represented is crucial to our understanding of which ideas dominate, and how, when and why certain discourses persist. Not only was the Leeson story highly mediated – in a way not always so visible in issues of financial regulation – but the media's role was crucial in that, at the moment of crisis, the fragility of the neoliberal discourse was exposed but not challenged. The possibilities for contestation were stifled” (103)

This barring of the ideological regime was in turn reflected popularly by the Occupy movement and academically with calls for a rethinking of economic education, and rejection of the orthodoxies that underlie the discipline.

My interest is in how narrative was marshaled into the hegemonic struggle, and how its structures replicate dominant strategies. As Hudson and Martin state,

“Because the protean nature of the intellectual regime remains hidden from view for most of the time, crises are not necessarily important because they reveal the fragility of a regime or its imminent collapse..., but *per contra* they offer us an object lesson in the way that the regime reproduces and stabilises itself. It is at these points that the interpretations of the crises are policed, and thus the manner in which a dominant interpretation is constructed is very revealing. There is, moreover, something of a positive analytical externality, so to speak, of focusing in upon micro-ideas. For it is cases such as these where it is possible to minimise the tendency of ideas to remain vague and amorphous. The case of rogue trading is exactly such an example of a micro-idea being contested through a moment of crisis.” (111)

In other words, crisis allows us to see the ‘regime’ at work through the narratives that dominate crisis discourse. It also allows us to differentiate between the regime itself (i.e. Neoliberalism) and the idea it promotes to serve its needs (i.e. the economic paradigm dependent on the financialization of capital at the center of Neoliberal Discourse). I argue that through the media narrative of Lost Japan both these come into focus.

The Why and How of Lost Japan

Neoliberals chose the analogy of Lost Japan as the dominant media narrative of the financial crisis for its usefulness in promoting Neoliberal Discourse and thus the neoliberal ideological project within the discourse of crisis. Put another way, the narrative had specific pedagogic functions which served the interests of neoliberals defending their regime during a time where real economic effects such as unemployment and rising inequality had put its tenets into question.

I will examine how the narrative of Lost Japan was used to frame the events of the crisis, to what conclusion this framing leads, as well as touching on what narratives it was displacing, and thus what reality it attempts to impose on Americans. Additionally, I will see what effect this has on the American identity, namely how Americans are subjectified to ignore the relation between the crisis, US style capitalism, and their own lives. I contend there were two functions the narrative served, one pragmatic and one pedagogic. First, it was used to confound any regulatory scheme that might arise in response to the crisis of confidence in Neoliberal Discourse's by a critique of the state implicit in calls for financial stimulus. Second, it shapes the

identity of Americans to further conform to modern US neoliberal realities, such as jobless recovery and a false dichotomy of choice between being entrepreneurial elites and workers. It is this pedagogic function of narrative that I especially focus on, and to accomplish this, I situate myself firmly in the world of discourse. Although the facts of the financial crisis are debatable, it is this debate, not the facts themselves, that interest me. How facts are chosen, rearranged, and made into discourse and narrative tells us how the regime creates reality and itself. My approach is thus scrutivist and interpretivist.

Tools of Analysis

My thesis is structured around Neoliberal Discourse, and so I choose Critical Discourse Analysis (CDA) as my main analytical tool. As Teun Van Dijk (2005) notes, CDA is concerned with discursive representations of dominance (303), and so is suited to my examination of the dominance of media interpretation of the financial crisis. Furthermore, Norman Fairclough (2001) asserts that CDA can be used to reveal the connections between language and hidden aspects of social life, particularly concerning dominance and power relations (230). CDA is thus a valuable tool in my examination of Lost Japan's largely unremarked use of language to replicate the dominance of Neoliberal Discourse in media interpretations of the financial crisis, and I hope will contribute to the growing body of work by CDA practitioners in uncovering and challenging neoliberal assumptions and conclusions.

However, the focus of my examination is not Neoliberal Discourse in its broad sense, but the more refined object of the narratives it deploys to serve its ends. Although the Critical

Discourse Analysis practiced by Norman Fairclough, Teun van Dijk and others has tackled Neoliberal Discourse in this general sense, its focus on frames and semiotic characteristics belies an inability to tackle narrative in *toto* which stems from the disciplinary obsession with the formal linguistic facets of language. This is a serious limitation, for as Roland Barthes (1977) observed, “On le sait, la linguistique s’arrête à la phrase”⁵ (10). I have tried to consolidate and contribute to this important critical work by focusing on the level of narrative in the literary sense of the term, i.e. as the interpretation of a series of events, which has gone largely unarticulated even though it is a strong element running through all of the research mentioned above. I try therefore to understand the importance of narrative or storytelling in promoting Neoliberal Discourses during the crisis by going “Au-delà de la phrase”⁶ (10) to examine how its narratives function to amass power, what type of narratives forms exist, and how these can be used to build the community and consensus for methods of criticizing Neoliberal Discourse and its central role in precipitating the financial crisis.

As the aftermath of following neoliberal economic policies surfaced during the crisis, much research has been done on how Neoliberal Discourse works to reframe events in times of crisis, but without a direct focus on the narratives it uses to propagate itself past them. Women’s studies scholar Laura Kang (2012) has criticized how the ‘Asianization’ framing of crises in the 1990s as ‘miracle-crisis-recovery-triumph’ was used to push Washington Consensus style reforms, leading to greater marginalization for women especially, and gives applications for understanding the present crisis. French linguist Thierry Guilbert (2011) has studied Neoliberal ‘evidences’, his term for its self-justifications, in media and political reports from recent ‘crisis discourse moments,’ including those of 2008. Guilbert’s examination of words to reframe events is especially astute, and has inspired much of my own work. A wave of researchers from

⁵ “One knows that linguistics stops at the (level of the) phrase.” (My translation)

⁶ “Go beyond the phrase.” (My translation)

various fields including Blinder (2010), Schiller (2010), Taylor (2011), and Gartner, Griesbach and Jung (2011), have conducted a questioning of orthodox economic education, the fundamentals of a discipline long dominated by Neoliberal Discourse, and questioned whether economics can be taught without its dominance. My research is meant to complement these varied yet solid investigations of Neoliberal Discourse that were produced during the financial crisis with a more nuanced understanding of the narrative interpretations of that series of events.

Just as my version of Critical Discourse Analysis will break from formal linguistic conventions that limit its utility to handle narrative, my theoretical framework for understanding the intersection of Neoliberal Discourse, media, and narrative will not be limited to the “either/or” of Foucault or Marx that has largely characterised academic attempts to grapple with Neoliberal Discourse. Simon Springer (2012) and Nicholas Kiersey (2011) have both noted the limitations of these approaches in dealing with manifestations of Neoliberalism, and have proposed respectively seeing Neoliberalism as a ‘circulating discourse’ or as a process of capitalist subjectification. While I acknowledge the utility of both these notions, I also go back to the concept of the culture industry posited by Theodor Adorno and Max Horkheimer (1989) to make sense of the mediated nature of the Lost Japan narrative and the economic journalism apparatus behind it. Writing at a time when the fascism of wartime was newly overthrown but being replaced by materialism, Adorno and Horkheimer’s insights into how mass culture is shaped and mobilised to counter resistance and make individuals complicit in their own subjugation to the capitalist apparatus still rings true as a mordant anatomy of the original form of the growing materialism that academics today call Neoliberal Discourse.

I organize my examination in the following way. In Chapter One, I explain what I mean by narrative, discourse, and Neoliberalism, all fluid terms that can stymie analysis with their ambiguity. I also introduce the modified form of Critical Discourse Analysis I will be using as

my main analytical tool. This will set the terms of my discussion, and prepare the conceptual grounds of my argumentation. In Chapter Two, I begin my analysis of the media texts of my case study, namely ones that developed and disseminated the post 2008 iteration of Lost Japan. In addition to their surface semiotic features, I look at the Neoliberal objects they create, namely the downplaying and denial of the crisis, the critique of the state implicit in the emphasis on bailouts over regulation, and the appeal to American values of liberty and ingenuity to return to business as usual. In Chapter Three, I examine the Orientalist origins of images of Japan used by neoliberals to fashion their narrative, and the structure and functions of the 'cautionary tale' genre of Lost Japan. I then turn to how Neoliberal Discourse has adapted these to defend its ideology under the guise of American identity positioned against a Japanese Other, and I touch on Japan's own version of Neoliberal Discourse to show the untenable nature of this Self-Other relation. I conclude with a look at the pedagogic function of neoliberal narrative, specifically how Lost Japan's claims of individual liberty for Americans promotes acceptance of a new American Dream of inequality and diminished opportunity. I then offer suggestions on how this neoliberal re-construction of social reality can be combated by not only critiquing Neoliberal Discourse on its narrative assumptions and the contradictions therein, but also by refashioning the relation of state and individual, and finally by drawing on the unorthodox voices of those disenfranchised by Neoliberal Discourse.

Chapter One

From Discourse Criticism to Analysis of Narrative

“There are only two worlds - your world, which is the real world, and other worlds, the fantasy. Worlds like this are worlds of the human imagination: their reality, or lack of reality, is not important. What is important is that they are there. These worlds provide an alternative. Provide an escape. Provide a threat. Provide a dream, and power; provide refuge, and pain. They give your world meaning. They do not exist; and thus they are all that matters. ”

— Neil Gaiman, *The Books of Magic*

1 Neoliberalism, Meanings and Issues

All the terms central to my argument – Neoliberalism, ideology, discourse, and narrative – have highly diffuse and often contested meanings. Despite or perhaps because of their long history of use, words like ideology and discourse especially have come to signify so variously that they require special definition by the social scientist treating them. Although of more recent vintage, Neoliberalism in particular also brings with it pragmatic concerns - economists and free-market fundamentalists reject the label neoliberal, and thus also the existence of Neoliberalism, despite the measurable social effects its form of capitalism creates.

Additionally, it is difficult to conceive where Neoliberalism ends and neoliberal ideology begins, and how both these are related to Neoliberal Discourse and narrative as they are used interchangeably in many studies.

To avoid this confusion of terms, in this chapter I begin by exploring what I mean by the term Neoliberalism, and thus who I mean by neoliberals. By clarifying my criteria of who is neoliberal, I hope to avoid the political eschewal of the term that marks economic discourse, while locating my work alongside the body of neoliberal criticism by Norman Fairclough, Teun Van Dijk, Thierry Guilbert and others. Next, I give my definition of ideology and identify the specifics of that behind Neoliberalism, before moving on to define discourse in the context of the central term of my research, Neoliberal Discourse. By differentiating between Neoliberalism's founding ideology and the discursive statements that accompany its manifestations in the case of Lost Japan, I will show how the ideological leanings of neoliberals can generate such a variety of statements when communicated as mediated discourse to shape perceptions. Since the discourse surrounding Lost Japan is structured as an interpretation of events or narrative, I follow my definition of discourse with an investigation of what a narrative is and how it is employed within Neoliberal Discourse to further Neoliberalism's utopian project of free market promulgation. I end the chapter by introducing my conceptual tools, namely that of Critical Discourse Analysis (hereafter CDA), and how this allows me to get closer to the discursive functions and narrative forms of Lost Japan. Although CDA is a useful tool in treating the power relations promulgated in Neoliberal Discourse, I also examine its limits when dealing with narrative and propose modifications to redress this.

Before turning to more esoteric terms like ideology or discourse, I begin with what is meant by Neoliberalism. To anchor my definition of the term, I will put Neoliberalism into

context by briefly reviewing the etymology of the term, examining the attendant problems of its usage, and moving on to its historical manifestations.

Roy and Steger (2010) trace the term Neoliberalism historically from the Freiberg School of Economics in Germany after World War 1, to pro-market Latin American economists in the 1970s, and finally to the current negative connotation the term has garnered among social scientists, who use it to describe ‘Washington Consensus’ style market reforms (ix-x). This modern academic interpretation of the term was codified in David Harvey’s (2007) seminal introduction, *A Brief History of Neoliberalism*, which introduces the implementation of neoliberal practices and policy changes thusly:

“Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices.” (2)

The main points of this definition are the linking of politics and economics, the linking of free markets to individual freedoms, and finally the demarcation of government power over the market. The academic definition of Neoliberalism would split further after the crisis of 2007, as evidenced when Roy and Steger (2010) brand it as both “...an ideology... a mode of governance... a policy package” (11). This multiplication of definition implies both the limitations of analysis based on terminology/taxonomy, as well as the mercurial nature of Neoliberalism itself, which Thierry Guilbert (2011) terms a ‘nomad concept’ that invades all areas of life (23).

The first problem with using the term Neoliberalism is one of semantics. The term is often used interchangeably with the term Neoliberal Discourse, and thus differentiating between

the two terms is essential to the clarity of my work. An -ism refers to both a doctrine, or principle of belief, and its practice, which entail both real world effects and discrete historical moments. Just as Communism can refer to both the doctrines of Marxist-Leninist thought, the practices that sustain them, and the historical moment embodied by the rise and fall of the Soviet Union, Neoliberalism is at once the doctrines, practices, and historical moment of our current market-oriented capitalist society. Alternately, a discourse refers to the statements made to promulgate such doctrines through various media in the real world. Just as Soviet propaganda and academic Marxist analyses would constitute examples of the discourse of Marxism, in a similar fashion news stories, political speeches, and policy documents that promote the doctrines of Neoliberalism constitute Neoliberal Discourse.

In addition to semantics, Neoliberalism itself is very much a loaded term, and its academic use has not been without criticism. Roy and Steger (2010) note the critique of Neoliberalism as an ‘opaque catchphrase’ of academics attacking the legacies of Nobel laureates Hayek and Friedman (xi), while Hilgers (2013) calls Neoliberalism a “spectre...haunting anthropology” (75), and warns against its becoming a ‘catch all’ concept that allows researchers to capitalize on crisis. Additionally, to Guilbert (2011), the collocation of ‘neo’ and ‘liberalism’ is an oxymoron that paralyzes thought, and would be better replaced with ‘ultraliberalism’ to reflect the difference in degree of Neoliberal market logic from classical liberal economics (13). Nevertheless, the words ‘Neoliberalism’ and ‘neoliberal’ have become a large facet of academic scholarship, as indicated in the 450 million texts of the Corpus of Contemporary American English (COCA). The frequency of appearance of ‘neoliberalism’ in the COCA was 309 (278 in academic texts, or 89.87% of the total) while for ‘neoliberal’ the raw frequency was 857 (818 in academia alone, or 95.45%).⁷

⁷ <http://corpus.byu.edu/coca/>, Retrieved August 15, 2015. The Corpus also shows the frequency of use for both these words have dropped in 2010-2012 compared to 2000-2004 and 2005-2009 samplings, although whether this is a

Like ‘neoliberalism’, the term ‘neoliberal’ has its own usage issues, the primary problem being that those economists and others whom academics call ‘neoliberals’ do not apply that term to themselves. Economist James Galbraith (2009) notes that economists who promulgate what social scientists call Neoliberalism refer to themselves as ‘new-classicals’ (85-86), while neoliberal policy ‘experts’ such as Mark Skousen (2002) prefer ‘free market economists’ (5). ‘Market libertarians’ is another popular term, and is the one that Princeton economist John Quiggin (2010) selects because of its perceived ‘neutral’ nature (3). The Mont Pellerin Society, which David Harvey (2007) identifies as the crucible in which neoliberal ideology was created around the ideas of neoliberal guru Friedrich von Hayek (19-20), calls itself both a collection of ‘scholars’ (“About MPS” Montpelerin.org), ‘liberal economists’ and a ‘an élite of intellectuals’ (Van Offelen 2013). Naming a person as ‘neoliberal’ is thus a form of performative utterance on the part of analysts, making real what they see in their objects. These lexical considerations show both the power of words to reshape perceptions, as well as reflecting the episteme of those who impose or reject these monikers, and thus the importance of realizing the limitations of terminology when analyzing Neoliberal Discourse as it appears at the lexical and semantic level.

Consequently, a major issue with examinations of Neoliberalism such as mine is that they come from outsiders to the economics discipline imposing a label on people and phenomenon they do not specialize in. Admittedly, the main authors I reference on Neoliberalism are not economists; David Harvey is a geographer, while Manfred Steger and Ravi Roy are global studies scholars, and Thierry Guilbert is a language expert. Furthermore, I use no citations from economic journals, except for references to the discourse contained in the original 1990’s academic formulations of Lost Japan.

statistical anomaly due to the smaller time interval remains to be seen.

However, this outside interest in Neoliberalism and its discourse is understandable considering the lack of reflection and research from within the economics discipline. A search of the Econlit database shows that the economic discipline has no interest in researching Neoliberalism; there are 0 articles for the keyword ‘Neoliberalism,’⁸ and the only result for the keyword ‘libertarianism’ being a 2007 ‘theoretical piece about Dictator game’ modeling to determine distributive justice.⁹ This lack of criticism from within the discipline of economics is indicative of the dominant position of Neoliberal Discourse in the field. Pierre Bourdieu’s (1995) comment about hegemony does seem to encapsulate the position of Neoliberalism and its discourse in economics and society in general:

“Those in dominant positions operate essentially defensive strategies, designed to perpetuate the status quo by maintaining themselves and the principles on which their dominance is based. The world is as it should be, since they are on top and clearly deserve to be there; excellence therefore consists in being what one is, with reserve and understatement, urbanely hinting at the immensity of one’s means by the economy of one’s means, refusing the assertive, attention-seeking strategies which expose the pretensions of the young pretenders. The dominant are drawn towards silence, discretion and silence, and their orthodox discourse, which is only ever wrung from them by the need to rectify the heresies of newcomers, is never more than an explicit affirmation of self-evident principles which go without saying and would go better unsaid.” (83)

⁸ The Econlit database (<http://www.aeaweb.org/econlit/>) contains articles from all American Economic Association periodicals, including the four categories of the American Economic Journal (Applied Economics, Macroeconomics, Microeconomics and Economic Policy), as well as Journal of Economic Perspectives, Journal of Economic Literature, and the American Economic Review. To avoid any technical difficulties, all collocations of ‘Neoliberalism’ (Neoliberalism, neoliberalism, and neo-liberalism) and ‘Neoliberal’ were searched with 0 results as of November 13, 2013.

⁹ The same procedure as above was repeated for the term ‘libertarianism’, with the only result being Cappelen, Alexander W., Astri Drange Hole, Erik Ø Sørensen, and Bertil Tungodden. 2007. "The Pluralism of Fairness Ideals: An Experimental Approach." *American Economic Review*, 97(3): 818-827. (<http://www.aeaweb.org/articles.php?doi=10.1257/aer.97.3.818&fnd=s>)

As Bourdieu states, the controlling interests of the economic field take on a defensive stance marked by the secrecy of organizations like the Mont Pelerin Society and the WTO, which is used to advance policies in line with Neoliberal Discourse, while at the same time ignoring or drowning out the ‘radical’ critics, such as the Occupy movement, of the worldview neoliberals promulgate. Meanwhile, economists within the field show no interest or success in researching the dominant ideology that rules them. This is all the more reason why such analyses of Neoliberalism, its discourse and narratives as mine are necessary regardless of their provenance.

The first line defensive strategy of the economics status quo is thus to refuse the use of the words ‘neoliberal’ or ‘Neoliberalism.’ Even well known economic experts critiquing market-libertarianism are those active outside the orthodox channels of the discipline, notably ‘magazine economists’¹⁰ and book authors such as Paul Krugman, Joseph Stiglitz, John Quiggin, and James K Galbraith. Such unorthodox scholars all refuse the terms ‘Neoliberalism’ and ‘neoliberal’ to varying degrees, and thus fail to ‘connect the dots’ of Neoliberalism’s advance to instead focus on one aspect of the economic discipline or crisis. This refusal is seen in their work, such as Krugman’s (2009) first great salvo against the economics discipline, “How Did Economists Get It So Wrong?” in the *NY Times*. Krugman identifies the ‘Great Moderation’ praised by Ben Bernanke and Alan Greenspan as the culprit behind the inability of economists to foresee the financial crisis:

“Unfortunately, this romanticized and sanitized vision of the economy led most economists to ignore all the things that can go wrong. They turned a blind eye to the limitations of human rationality that often lead to bubbles and busts; to the problems of institutions that run amok; to the imperfections of markets — especially financial markets — that can cause the economy’s operating system to undergo sudden,

¹⁰ I take the term ‘magazine economist’ from Krugman’s description of himself and Joseph Stiglitz from “A Conversation on the Economy with Joe Stiglitz and Paul Krugman” by the Institute for New Economic Thinking. The term encapsulates the naturalized spread of economic discourse and thus Neoliberal Discourse into other fields such as journalism. (Retrieved from https://www.youtube.com/watch?v=xd0Uz__ebzA)

unpredictable crashes; and to the dangers created when regulators don't believe in regulation.” (1)

Indeed, Krugman critiques everything but Neoliberals, who he calls “freshwater economists” or “Neoclassical purists” (1), instead displacing responsibility to regulators and thereby ignoring the systematic plan of deregulation Neoliberals have achieved since the 1980s. Galbraith (2009) does mention the role of the “neoliberal revival” in the suppression of his father’s 1967 book (93), then similarly takes issue with Krugman’s vilification of economists as a whole when he notes how the hegemonic strategy of ‘discretion and silence’ has been used against economists who have tried to criticize Neoliberalism from within the discipline. He notes,

“Apart from one other half-sentence, and three passing mentions of one person, it’s the only discussion—the one mention in the entire essay—of those economists who got it right. They are not named. Their work is not cited. Their story remains untold. Despite having been right on the greatest economic question of a generation—they are unpersons in the tale” (85).

Although Galbraith’s attack on the closed hierarchy of the economics discipline is a necessary and important piece of work, it ignores the effect of Neoliberalism on everyday life that is central to the wider range of perspectives of non-economist research into Neoliberalism. For all Galbraith’s valid criticism of the discipline, to focus on the direct consequences of the financial crisis alone inadvertently promulgates the myopic discourse of crisis that distracts attention from the Neoliberal Discourse that lead to it.

The closest to a real indictment of the class-controlled capital accumulation at the heart of Neoliberalism and its effects on society was written by Joseph Stiglitz (2011), whose piece for *Vanity Fair*, “Of the 1%, by the 1%, for the 1%,” focuses on inequality and the need

for wealth distribution. Stiglitz singles out the fallacy of the “marginal productivity theory,” colloquially known as Trickle Down Economics, as behind this inequality, as well as the loss in US productivity and efficiency (1). Stiglitz writes,

Some people look at income inequality and shrug their shoulders. So what if this person gains and that person loses? What matters, they argue, is not how the pie is divided but the size of the pie. That argument is fundamentally wrong. An economy in which *most* citizens are doing worse year after year- an economy like America’s – is not likely to do well over the long haul” (1)

Stiglitz’s use of the colloquial “the 1%” is both laudable for tapping the zeitgeist and in its fixing of responsibility for America’s economic inequality and downward trajectory, yet the phrase ‘some people’ reflects his unwillingness or inability to identify both the subject of his indictment and identify himself with the growing academic criticism of Neoliberalism and Neoliberal Discourse.

This implicit avoidance of neoliberal nomenclature becomes explicit in John Quiggin’s (2010) tongue-in-cheek bestseller “Zombie Economics: How dead ideas still walk among us.” Quiggin’s book is a comprehensive look at the resilience of outmoded Neoliberal beliefs that plague the field of economics and have devastated the US economy, and is very much a spiritual successor to David Harvey’s (2007) “A Brief History of Neoliberalism” in the depth of its understanding and breadth of its examination of Neoliberalism from an economics insider viewpoint. Where Harvey championed the term Neoliberalism and its collocations, however, Quiggin refuses them outright:

“Together these ideas form a package which has been given various names: ‘Thatcherism’ in the United Kingdom, ‘Reaganism’ in the United States, ‘economic rationalism’ in Australia, the ‘Washington Consensus’ in the developing world, and

‘neoliberalism in academic discussions. Most of these terms are pejorative, reflecting the fact that it is mostly critics of an ideological framework who feel the need to define it and analyze it. Politically dominant elites don’t see themselves as acting ideologically and react with hostility when ideological labels are pinned on them. From the inside, ideology usually looks like common sense. The most neutral term I can find for the set of ideas described by these pejoratives is market liberalization, and this is the term that will be used in this book.’ (3)

Although Quiggin’s understanding of how ideology works on the indoctrinated is astute, his branding of ‘Neoliberalism’ as pejorative reduces the import of work by David Harvey and others to call attention to and understand the workings of this hegemonic discourse. Ironically, Quiggin’s lexical choice also lessens the import of his own substantial work by cutting himself off from the body of scholarship on ‘Neoliberalism’, just as he limits his subject to members of his own professional field. Finally, the tongue-in-cheek tone of ‘Zombie Economics’ also brands it as not entirely serious, a lamentable aspect of such a detailed work by a Princeton economist of Quiggin’s abilities. On the other hand, Quiggin’s adroit repurposing of the term ‘zombie’, which had been used by Neoliberals to describe Japan’s support of ailing firms and banks, is both effective in describing the tenacity of Neoliberal Discourse and tapping popular culture’s fascination with the undead, but also relegates the danger of Neoliberalism to the realm of fiction.

Although these ‘magazine economists’ critique the ‘predictive failures’ and ‘market liberal excesses’, they refuse to engage with the term Neoliberalism or the body of scholarship critiquing it because it is outside of their domain. As highly specialized economists, they lack interest in the ‘big picture’ of social sciences and, like Galbraith, prefer to focus on how Neoliberalism has dominated their field and limited their professional power. Also, like Quiggin they are too ensnared in the power relations of their field of economics to criticize it directly,

instead doing the ‘professional courtesy’ of not naming the episteme that has affected modern life so negatively. Like Krugman, they may also not believe in the academic spectre of Neoliberalism, wishing instead to attribute failures to ‘honest mistakes’ among economists enamored of the mathematical wizardry of mentors such as Milton Friedman. Whatever the reason, although their articles astutely examine the effects of Neoliberalism, they do little to expose how Neoliberal Discourse spreads. Since this is exactly what I propose to do in my examination of the narrative of ‘Lost Japan’, I feel no qualms about using the terms ‘Neoliberalism,’ ‘neoliberals,’ or ‘Neoliberal Discourse,’ and humbly add my voice to those raised against how this ideology has permeated the discourses of economy, security, and what Bourdieu (1995) calls ‘the practice of everyday living’. It is the duty of social scientists to pick up the mantle of criticism if economists refuse are unable to, and social scientists have both the distance and lack of disciplinary orthodoxy to allow challenging of the sacred cows of Neoliberal Discourse enshrined in the economics discipline.

Neoliberalism as Historical Process

The varied etymology and issues of the term Neoliberalism also reflect what Hilgers (2013) justly calls the “fluid” and “elusive” (75) nature of the practices and discourses of this historic moment that critics are trying to grasp, a conceptual wandering as means of its amassing power that I will explore fully in the section on discourse. For now, I turn to the historical process that has inspired these definitions to help me conceive of my own. David Harvey (2007) begins his history of Neoliberalism in the year 1979, when Paul Volcker became

head of the US Federal Reserve and re-gear policy to prioritize the fight against inflation over unemployment, and proceeds to when Margaret Thatcher was elected in the UK to curtail trade unions. Harvey moves on to Reagan's election in 1980, which started his support of Volcker's policies by neutering labor, deregulating industry, accelerating resource and agricultural exploitation, and freeing financial constraints in America and around the world (1). These watershed moments were the practical political culmination of neoliberal ideology's infiltration of political thought and discourse, which Harvey notes is remarkable for trapping successive politicians in a web of neoliberal values despite their professed allegiances to social welfare (63). This effect is noted by historian Howard Zinn (2003), who comments about president Clinton that "He continued what Reagan had started, and that is the attempt to dismantle US president Franklin Roosevelt's social reform program by doing away with aid to families with dependent children. So I think his administration only did good in relation to the one that followed him" (9).

Although the bitter fruits of Neoliberalism were first harvested by Ronald Reagan and Margaret Thatcher, the ideological seeds were sown long before they came to office. As Harvey (2007) states, prior to the rise of Neoliberalism, embedded socialism was the dominant form of economic paradigm, but when growth bottomed out in the 1970s, the stage was set for the rise of a new discourse in economics (12). Harvey traces the ideological origins of modern Neoliberalism to the creation of the Mont Pelerin Society, a gathering of libertarian minds created by economist Friedrich von Hayek, and which included Milton Friedman. The Society started in 1946 when von Hayek invited 48 candidates to Mont - Pèlerin to devise a plan to combat the "connection between economic and social planning and the gradual erosion of freedom" (Butler 2014: 3-4). From this initial act can be seen the thematic elements of Neoliberalism, namely the call for freedom, the meprise of state interference of any kind, and

the elite nature of disciplinary groups who take it upon themselves to struggle in the name of said freedom. Even the name of the society reflects neoliberal values, for as Butler (2014) explains, “Its “meaningless” nature actually became a boon: the name does not commit the Society to any particular views, and excludes no one” (7). This accords well with Mirowski’s (2013) assertion of the mercurial nature of neoliberal beliefs. The Society became tax exempt in the US (7), and its leaders have changed from the “community of liberal scholars” espoused by Hayek (24) to policy experts in recent years (21). This two items also reflect Neoliberalism’s commitment to make the state serve its aims while not contributing to society, and the growingly pragmatic nature of neoliberals in policy organs such as thinktanks, as opposed to the ‘liberal scholars’ who increasingly take issue with Neoliberal Discourse and practice.

The motivation of the Mont Pelerin Society was not only the crisis of capitalism in the form of the economic slowdowns of the 1970s, but also the rise of socialism they saw in both the Soviet Union and revolts in smaller states (20). The Mont Pelerin Society’s “Inventory of the General Meeting Files (1947-1988)” does confirm Harvey’s premise by stating its opposition to “planned economy, state intervention, and nationalizations” (Van Offelen 2005: 4) in favour of “political freedom and a free market economy” (ibid). Indeed, the linking of these two concepts, ‘freedom’ and ‘free markets’, would prove to be the cornerstone of Neoliberalism and central to its Discourse. The start of Neoliberalism’s historical moment was characterized by its elite and secretive nature as a set of doctrines held by the Mont Pelerin Society seeking control of the means of capital accumulation, as evident in the policy whereby members did not publish their works openly, merely circulating or presenting them at annual meetings or between members (ibid 4).

Turning to current affairs, Harvey (2007) gives the example of the 2003 Bush administration's plan for Iraq, as articulated by Paul Bremer, to show how wealth is associated with happiness and the greater good by Neoliberals. He states,

According to neoliberal theory, the sorts of measures that Bremer outlined were both necessary and sufficient for the creation of wealth and therefore for the improved well-being of the population at large. The assumption that individual freedoms are guaranteed by freedom of the market and of trade is a cardinal feature of neoliberal thinking, and it has long dominated the US stance towards the rest of the world. (7)

This association of 'freedom' and 'free markets' means the Neoliberals have an ideological slogan to rally people to their cause or justify their application to other nations. Ironically, this linking would resurface in the junior president Bush's exhortation for Americans to 'go shopping' after the attacks on September 11, 2001, attacks which would culminate in a return to Iraq and completion of Bremer's vision.

Similarly, as I shall examine in Chapter Two on 'Lost Japan,' Neoliberals can reverse the association of freedom with the free market to levy the accusation that Japan is lost precisely because its failure to reach GDP projections is attributable to it not embracing Neoliberal Discourse and free markets to the extent that America has. This assertion is at odds with the reality of a Japan that has cloven to the international financialization of capital, as well as the ironic depiction of America as better off for having embraced Neoliberal Discourse, especially in light of the 2007 financial crisis.

Considering both the etymology of the term Neoliberalism, the issues with its use, and the history behind it, what precisely do I mean by 'Neoliberalism', especially in relation to the narrative of Lost Japan? I take Neoliberalism to refer to both the historical moment in which we live, extending from the crises of socialist economies of the 1970s, as well as the free market

doctrines these crises inspired, and finally the social practices promulgated during Neoliberalism's rise to dominance of economic discourse. It is no surprise that the first iteration of Lost Japan arose in the 1990s, when Japan's economy was in crisis and drew criticism from American economists including Milton Friedman (1997), who suggested practices in line with neoliberal doctrine to 'cure' the Japanese economy.

As for 'neoliberals,' regardless of their own chosen appellation, individuals adopting practices or doctrines promulgating free market logic, such as unfettered financialization and deregulation at the expense of social welfare or equality, brand themselves as contributing to the historical moment of Neoliberalism, and will be termed 'neoliberals' in my research. Additionally, while identifying my objects as 'neoliberals' for the destructive parcel of doctrines and practices they promote instead of being misled by the myriad semantic distinctions they apply to themselves, I also prefer the term 'Neoliberalism' to both situate my research among those opposed to what Harvey (2007) terms the doctrine's 'creative destruction' (3). Despite his warnings about diluting the term Neoliberalism, Hilgers (2013) also admits its utility in addressing real social, political and ecological problems in the world (75), an opinion I agree with as much as his caveats against invoking it as a catchall.

Over the course of Neoliberalism's historical moment, the central ideology spread beyond the closed circle of the elite group of economists and other 'scholars' who comprised the Mont Pelerin Society started by Freidrich von Hayek. Neoliberal ideas became codified into economic doctrines that permeated the economics discipline, whose advisory role in turn shaped government policy, and were ultimately relayed through media with the rise of economic journalism as a font of popular dissemination. Harvey (2007) outlines the physical channels of power through which Neoliberalism spread thus:

“So how, then, was sufficient popular consent generated to legitimize the neoliberal turn? The channels through which this was done were diverse. Powerful ideological influences circulated through the corporations, the media, and the numerous institutions that constitute civil society—such as the universities, schools, churches, and professional associations. The ‘long march’ of neoliberal ideas through these institutions that Hayek had envisaged back in 1947, the organization of think-tanks (with corporate backing and funding), the capture of certain segments of the media, and the conversion of many intellectuals to neoliberal ways of thinking, created a climate of opinion in support of neoliberalism as the exclusive guarantor of freedom. These movements were later consolidated through the capture of political parties and, ultimately, state power.” (40)

Harvey rightly observes that the top down promotion of neoliberal doctrine through civil society constitutes an ideological campaign, where changing the thoughts of people in power is the first step towards the imposition of the doctrine at all levels of society. Along with this internal change to neoliberal ideology among the ruling class comes a shift in the external communication of their relation to society, in other words their discourse.

In terms of policy, Roy and Steger (2010) succinctly outline the ways in which Neoliberal Discourse transforms government policy and how its episteme changes a government’s view of itself:

“Neoliberalism as new public management: ten government objectives

1. Catalytic Government: Steering Rather than Rowing
2. Community-Owned Government: Empowering rather than Serving
3. Competitive Government: Injecting Competition into Service
4. Mission-Driven Government: Transforming Rule-Driven Organizations
5. Results-Oriented Government: Funding Outcomes, Not Inputs
6. Customer-Driven Government: Meeting the Needs of the Customer, Not the Bureaucracy
7. Enterprising Government: Earning Rather than Spending
- 8/ Anticipatory Government: Prevention Rather than Cure

9. Decentralized Government: From Hierarchy to Participation and Teamwork

10. Market-Oriented Government: Leveraging Change through the Market” (13)

To be sure, many of these ‘objectives’ show up in the ‘Lost Japan’ narrative; calls for ‘competition’ in Japanese government have been many (Mendelowitz 2005; Bernanke 1999), as have been ironically calls to service international ‘customers’ by freeing up access to Japan’s capital reserves (Friedman 1997; Bernanke 1999). Additionally, advice to use financial markets for a solution to Japan’s woes (regardless of the unfettered speculation that caused them) have also been noteworthy (Bernanke 1999; Kuttner and Posen 2002). The media segment of ‘Lost Japan’ has turned these suggestions back to an America already pushed into crisis by neoliberal economic practices.

Neoliberal economic discourse has also been adept at turning American news media to its cause, as epitomized by Wessel's (2010) elegiac piece "Channeling Milton Friedman" for the *Wall Street Journal*. Wessel’s case for quantitative easing during the financial crisis is based on Friedman’s (1997) initial articulation of Lost Japan, and Wessel concludes “The Friedman Logic... makes the case for QE2” (1). Wessel’s reinterment of Friedman’s decade-old logic is typical of neoliberal borrowing from the past.¹¹ This ‘undying’ nature of neoliberal ideas is exactly what inspired Quiggin to term them ‘zombie economics’, and brings to mind Keynes’ (1936) admonition against exactly the kind of discursive dominance that lives on after its creators:

“The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves quite exempt from

¹¹ Wessel’s view was soundly critiqued by Paul Krugman (2010a), who stated “Japan’s experience is a key element of the case against monetarism” (1), and added a statistical breakdown of his reasoning (2010b). This culminated with Krugman’s (2014) declaration of Friedman as an ‘unperson’ in US policy circles, and gives hope that old ideas can be laid to rest with effort, although libertarian media outlets still routinely invoke Friedman’s name and ‘logic’.

any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.” (383-384).

That this quote has surfaced in publications critiquing Neoliberal Discourse (Galbraith 2009, Quiggins 2010, Krugman 2011, Stiglitz 2006) testifies to both the resilience of Neoliberal Discourse and the ideology of von Hayek and Friedman that inspired it. Yet since Keynes’ time, the force of neoliberal economic discourse to shape thought has been amplified by modern digital communication technology and the advance of economics into everyday life through the newspaper and television. Whereas Keynes (2014) was evidently referring to the domination of specialist economic discipline by certain thinkers, nowadays economics is a fixture of news media and, increasingly, everyday life.

It was between these twin pressures of government policy and media that Neoliberal Discourse took hold of everyday life in the US. Indeed, following his account of Neoliberalism’s foundation and how neoliberals disseminated their ideas top down to often-willing politicians, academics, and media, Harvey (2007) links how the structures Neoliberal Discourse have turned to advocate its market logic among the populace also affect their epistemes or way of perceiving the world. He writes,

“Furthermore, the advocates of the neoliberal way now occupy positions of considerable influence in education (the universities and many ‘think tanks’), in the media, in corporate boardrooms and financial institutions, in key state institutions (treasury departments, the central banks), and also in those international institutions such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO) that regulate global finance and trade. Neoliberalism has, in short, become hegemonic as a mode of discourse. It has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world.” (3)

Certainly, having grown up in Neoliberalism's heyday seeing the ubiquitous Neoliberal Discourse of 'saleable skills' and 'marketing yourself' displace the discourse of 'doing a job well', I can attest to the infiltration of the everyday by Neoliberal Discourse. Noam Chomsky (2003) echoes David Harvey, noting how the advance of Neoliberalism has not only weakened state power, but ultimately democracy itself. He notes,

“Just how diminished the public arena should be is a matter of debate. Neoliberal initiatives of the past thirty years have been designed to restrict it, leaving basic decision-making within largely unaccountable private tyrannies, linked closely to one another and to a few powerful states. Democracy can then survive, but in sharply reduced form. The Reagan-Bush sectors have taken an extreme position in this regard, but the policy spectrum is fairly narrow.” (8)

The creation and expansion of the internet, advancement of digital technology allowing greater access to media, policy body reports, and even academic associations, have also allowed these Neoliberal Discourses to access peoples' daily lives and influence their thought process. At the same time, the freedom of the internet has allowed people to inculcate themselves with Neoliberal Discourse and its ideas without the critical faculty to question it.

Over the course of Neoliberalism's historical moment, the ideology of the Mont Pelerin Society has been passed onto opinion leaders, ultimately dominating state and media institutional identity and mission with Neoliberal Discourse. Finally, modern news and digital media have allowed people access to neoliberal ideas without providing the critical background to assess them, while at the same time giving Neoliberal Discourse unprecedented influence on everyday life. In the next section, I look at the characteristics of ideology that make Neoliberalism and other -isms attempt to reshape society to suit their epistemes and interests.

Ideology and Common Sense

In the last section, I introduced the doctrines of Neoliberalism, which include deregulation, reduction of state power over markets, freeing up of capital and the financial system in general, financialization of businesses and entire economies, and promotion of competition and innovation. These doctrines also serve as tenets or articles of faith in neoliberal ideology, yet their precipitation of inequality and instability raise the question as to why neoliberal ideology has held sway in the minds of so many economists and politicians for so long. To understand the momentum and resilience of Neoliberalism, one has to look at its ideology, or the inner thoughts and beliefs of its supporters. An ideology is characterized by two things that give it a strong hold over its followers – its idealized view of the world, and how this view supplants all others as a form of ‘common sense’ that obscures other ways of perceiving reality.

In the first sense, ideology encompasses a theory of how the world works, the unshakeable belief in its validity, as well as ideas of how to make the real world fit this ideal and thus validate the tenets of belief. It is consequently not surprising that the free market economic doctrines of Neoliberalism are often described in terms of religion, which is similarly built around the belief in an idealized world, or heaven. To give but a few examples, Harvey (2007) cites a US official who calls the Neoliberalism imposed on Iraq “free market fundamentalism” (7); Quiggin (2010) describes the unproven doctrine of deregulation as “taken on faith” (188); Mihm and Roubini (2010) describe how the Efficient Market Hypothesis was

“preached from academic pulpits at the University of Chicago and elsewhere” (41); while Guilbert (2011) quotes Pierre Bourdieu as saying “Il faut rompre avec la nouvelle foi ou l’inévitabilité historique que professent les théoriciens du libéralisme”¹² (as quoted in Guilbert 2011: 32). Whether in religion or economics, problems arise when ideologues attempt to enforce their idealized view on material reality, precisely as in the destructive advance of what David Harvey (2007) calls the 'utopian project' (19) of Neoliberalism. Similarly, John Quiggin (2010) identifies the ‘paradox’ of 'perfect efficiency' in the Neoliberal Efficient Markets Hypothesis (40) that led to the financial crisis, another example of the clash of neoliberal ideology and reality.

Ideology and its tendency towards idealization have always marked successive waves of economic thought. Just as I could summarize the idealization of Marxist thought with the phrase ‘If only everybody shared the means of production, the world would be perfect,’ this idealizing tendency is equally evident in the neoliberal assertion, ‘If only all markets were free, the world would be perfect.’ These utopian assumptions reveal ideology as instruments of dominance and power which attempt to assert a worldview that is at odds with reality. Neoliberalism is thus one such way to make sense of the world by applying its market logic to everyday life, though imperfectly in its application and effects as Harvey (2007), Roy & Steger (2010) and other scholars of Neoliberalism have noted. However, it does have real effects as an organizing social principle geared towards hyper-capitalism.¹³ The medium or mechanism for applying ideology to reality is discourse, which I treat following my definition of ideology.

¹² “It is necessary to break with the new faith of the inevitability of history as professed by the theorists of [economic] liberalism.” (My translation)

¹³ By hyper-capitalism I mean two things: capital accumulation by any means and regardless of social costs, and an economic system that extends its valuation system into all aspects of human life. This appellation may be useful against other economic doctrines with these characteristics that appear in future.

The second major characteristic of ideology is that it becomes what Antonio Gramsci calls ‘common sense’¹⁴, an unassailable episteme that thus obscures reality, and which is especially apt in discussing economics. To return to the religious analogy, the ‘common sense’ of modern monotheisms are built around the idea of one god that denies all others’ existence, and consequently brands non-believers heretics. So too it is with economics, especially concerning the belief in Neoliberal doctrines such as deregulation, austerity, or the financialization of everything.

Princeton economist John Quiggin (2010) evokes the ‘common sense’ nature of Neoliberal ideology and the theories that led to the financial crisis when he states, “Politically dominant elites don’t see themselves as acting ideologically and react with hostility when ideological labels are pinned on them. From the inside, ideology usually looks like common sense” (3). In terms of neoliberal ideology, this ‘hostility’ of neoliberals is an ideologically induced version of what Festinger (1962) called ‘cognitive dissonance,’ or discomfort and denial when faced with an external reality that contradicts one’s guiding worldview. David Harvey (2007) further underlines the ‘common sense’ nature of Neoliberal ideology when he opines,

For any way of thought to become dominant, a conceptual apparatus has to be advanced that appeals to our intuitions and instincts, to our values and our desires, as well as to the possibilities inherent in the social world we inhabit. If successful, this conceptual apparatus becomes so embedded in common sense as to be taken for granted and not open to question. The founding figures of neoliberal thought took political ideals of human dignity and individual freedom as fundamental, as ‘the central values of civilization’. In so doing they chose wisely, for these are indeed compelling and seductive ideals. These values, they held, were threatened not only by

¹⁴ As cited in Forgacs (2000).

fascism, dictatorships, and communism, but by all forms of state intervention that substituted collective judgements for those of individuals free to choose. (5)

Like other ideologies, Neoliberalism is hardly communicatable¹⁵ as is, and thus the ‘conceptual apparatus’ of discourse is marshaled by its adherents to make the case for their theory, spread its belief, and thereby strive to dominate the social world.

Neoliberal ideology holds that a world sublimated to the demands of the market is ideal, that the greatest way to prosperity and freedom is through free market principles extended to their logical conclusion, and that this conclusion is so ‘common sense’ that any questioning of it is met with hostility. Obviously, ideological belief is not universal, and thus ideologies such as the market fundamentalism of Neoliberalism require a powerful way to broadcast themselves externally and build consensus for their utopian projects. This mode of representation and dispersion is called discourse.

2 Neoliberal Discourse

After seeing Neoliberalism as it has been historically situated, then examining the tenets and resilience of the ideology behind it, I now turn to how ideological thought is translated into social reality. This is done through discourse, another term fraught with ambiguity. Sarah Mills (2004) states in her comprehensive examination of discourse, “It has perhaps the widest range of possible significations of any term in literary and cultural theory and yet it is often the term within theoretical texts which is least defined” (1). Mills begins with

¹⁵ One almost wants to write ‘communicable’ here to reflect the virulent nature of the spread of Neoliberal Discourse, but to do so would be to indulge in a naturalizing metaphor that works in the favour of Neoliberalism.

the ‘common’ or dictionary meanings of discourse, namely the back and forth of communication, which she asserts is still enmeshed within the academic significations the term has acquired (2).

Yet according to the Corpus of Contemporary American English, the usage of the term ‘discourse’ has overwhelmingly become academic. Whereas the term is barely touched in the corpus’ other categories of use (4.71% Spoken, 3.04% Fiction, 5.40% Magazine, 3.60% Newspaper), Academic usage constitutes 83.79% of total term usage in the corpus.¹⁶ Although no statistics exist for the use of ‘discourse’ in daily conversation, this preponderance of academic written use implies that the term has come to dominate specialized academic communication, and is becoming further removed from daily life, with minor exceptions in media, whose authors are predominantly from academic backgrounds This implies its utility for examinations of discursive fields, and the relations of power they represent.

Whereas ideology is the theory and belief about how the world works, discourse is the grouping of statements made to communicate these beliefs to others, convince them of their value, and thereby accumulate power through consensus. To continue the religious analogy, if ideology is the articles of faith and belief in them, then discourse is proselytizing or spreading the faith. Nicholas Nassir Taleb (2007) writes, “contagious mental categories must be those in which we are prepared to believe. To be contagious, a mental category must agree with our nature” (220), and unless people are conditioned by their background or have an abiding practical need to believe in a certain ideology, they need to be persuaded through discourse, and either brought into the ideological fold or convinced it serves their interest. To understand Neoliberal Discourse, I first look at its similarities to ideology, namely its ‘common sense’ claims, and the complex nature it shares with Neoliberalism. Next, I examine the uniquely

¹⁶ <http://corpus.byu.edu/coca/>, Retrieved October 25, 2013.

discursive structures that allow it to function, namely creation of an external apparatus of experts, its creation of identity, and how this aids its accumulation of social power.

Neoliberal Discourse and Ideology

Discourse is not entirely separate from the ideology that inspires it, and Neoliberal Discourse in particular tries to emulate the most powerful feature of Neoliberal ideology, namely its ‘common sense’ nature. Discourse is how ideology attempts to reconstruct reality by inculcating people and becoming their ‘common sense’ way of seeing the world. According to Mills (2004), imposition of an ideological worldview on the reader through discourse thus culminates in a certain ‘solidity’ which structures our reality and makes it difficult to think outside of (46-49). In terms of the Neoliberal Discourse of a mediated narrative like *Lost Japan*, the journalist's opinion serves as the basis for construction of this shared reality. As Guilbert (2011) states:

“Présenter une opinion personnelle comme une opinion partagée est le moyen discursif utilisé par le journaliste pour masquer son opinion personnelle et pour la convertir en opinion partagée, c’est-à-dire pour créer une nouvelle realia, une nouvelle doxa. Autrement dit, l’opinion, ainsi présentée et ainsi chargée de l’autorité de la voix collective, n’a plus alors l’aspect d’une opinion subjective, elle devient une évidence, un cela-va-de-soi, un sens commun.”¹⁷ (70).

¹⁷ Presenting a personal opinion as a shared one is the discursive means used by the journalist to mask his personal opinion and convert it into public opinion, that is to say, to create a new realia, a new doxa. Put another way, an opinion presented this way and charged with the authority of the collective voice no longer has the aspect of a subjective opinion, it becomes self-evident, a *prima facie*, common sense. (My translation)

As with ideology, this mediated discourse is hard to think outside of, becoming what Guilbert calls an 'evidence' or self-evident truth, and through the impression of being a shared opinion builds consensus for neoliberal policies and practices. This is not a simple process, and thus Neoliberal Discourse has a multilayered nature like Neoliberalism itself.

Levels of Discourse

Just as Neoliberalism signifies a multiplicity of overlapping objects (doctrine, practice, and historical moment), so to does its discourse have a similarly multilayered nature. In academic examinations of Neoliberalism, the term discourse is used in two differing ways that reflect the separate levels discourses operate on.

First, there is the meaning of discourse implicit in the phrase 'economic discourse', which grounds the term in both the field of economics and the academic discipline simultaneously. In this conception, 'economic discourse' consists of statements or other types of communication tied to the academic discipline its promulgators come from, and thus the field which shapes economists' education and symbolic power.¹⁸ This disciplinary formation also serves as the authorization which lets economists participate in the discourse as agents and lends symbolic power to their statements, a power that is borrowed by media to further Neoliberal Discourse through the Lost Japan narrative, as I examine in Chapter Three. Conversely, this disciplinary structure serves the same gatekeeper function seen in academic and political contexts, preventing the uninitiated from making statements of any effect. At the same time, the

¹⁸ Or what Pierre Bourdieu (1995) calls *habitus*.

discipline subjects statements made by its members to the forms of the academic discipline, a type of auto-censorship necessary to protect the discipline's status quo. This auto-censorship and protection of the status quo manifests as the taboo on the word 'neoliberal' seen in the first section of this chapter. Finally, this disciplinary or categorical function of discourse is reflected in the small 'd' that begins the term, marking it as a common noun, thus ostensibly lacking an identity beyond its disciplinary fraternity. To put it another way, the small 'd' of economic discourse also marks it as the dominant discourse, specifically capitalism, whose normalization obviates the need for the nominative function of the capital 'd' in hegemonic terms like 'Neoliberal Discourse'. This is all the more reason to challenge Neoliberal Discourse's domination of the accepted doctrines of economic discourse.

The second level of discourse is that present in the term 'Neoliberal Discourse.' The initial capital 'D' marks it as a proper noun, and this nominative implies both a particular ideology and thus a narrower meaning apart from its field or discipline. Although Neoliberal Discourse operates within and through the economic field, and thus the disciplinary or contextual framework of economics, it is more explicitly ideological, pushing the liberalization of markets as the greatest freedom and bending the scientificity of economic discourse to its needs. At this level, a nominative discourse is marked by the hegemonic struggle it embodies, since a field is never solid or fixed, but it is always in the midst of change or transformation. Steger and Roy (2010) note such successive changes in the dominant hegemonic discourse in the field of economics that have happened since its inception, starting with 18th century 'mercantilism' to the laissez-faire economics of 'classical liberals', followed by the 'egalitarian liberals' of the Great Depression, before turning to 'neoliberalism' in the 1980s (2- 7). Additionally, the hegemonic struggle of Neoliberal Discourse has as its goal to concentrate power and the means of capital accumulation for the elite class. I will use this convention of

capitalizing Neoliberal Discourse to signify the nominative or hegemonic level and not capitalizing the categorical or disciplinary sense of economic discourse to differentiate between the two levels of the term.

Although this interwoven nature of Neoliberal Discourse and economic discourse may seem problematic for analysis, it instead renders study more flexible. As Michel Foucault (2005) states, “Discourse in general, and scientific discourse in particular, is so complex a reality that we not only can, but should, approach it at different levels and with different methods” (xv). Foucault’s statement is apt for economic discourse and Neoliberal Discourse, both of which adopt scientific trappings as well as narrative to further their interests, and thus invite variegated quantitative and qualitative approaches to questioning them.

Is There A Difference Between Neoliberal and Economic Discourse?

The identification of these two levels of discourse brings with it an important question that must first be answered if research is to have any meaning: is there any real difference between economic discourse and Neoliberal Discourse? Guilbert (2011) states that Neoliberal Discourse is merely economic discourse taken to its logical extreme (13) and ultimately asserts that Neoliberal Discourse and economic discourse are one and the same. He writes,

Les termes discours néolibéral (dorénavant DNL) et discours économique seront considérés ici comme interchangeables, ils signifient un ensemble d’énoncés plus ou

moins cohérents ayant en commun de promouvoir une vision entrepreneuriale et purement économique de la vie et de toutes les activités humaines.¹⁹ (15)

The history of economics would seem to agree - since the dawn of economics as a recognized discipline, its dominant ideology has been the accumulation of capital, hence the moniker capitalism. Modern economics is inherently capitalist to the extent that the focus on capital accumulation allows excesses of the system, specifically the regular crashes and crises which are euphemistically called ‘business cycles’, to go unquestioned and unresolved. Guarding this status quo from state intervention or popular uprisal is one shared tenet of both economics and Neoliberal Discourse.

This ambiguity of identity between the disciplinary discourse of economics and the hegemonic Neoliberal Discourse that currently dominates it has been thrown into relief by the financial crisis. The actual worth of mainstream economics is consequently now in question from the media, with provocative titles like *Salon.com*’s “Econ 101 is Killing America” (Atkinson & Lind 2013) or the *NY Times*’ “What Is Economics Good For?” (Curtain & Rosenberg 2013). Significantly, the call for review and reform of the economics discipline has also come from Ivy-league economic educators who ask “How Should the Financial Crisis Change How We Teach Economics?” (Shiller 2010). This internal questioning implies a serious identity crisis for the economic discipline, and by extension the Neoliberal Discourse that dominates it.

The major evidence of the identity crisis in the discipline of economics has been its inaction against the destructive advance of Neoliberalism and inability to foresee or forestall the crisis. As James Galbraith (2009) puts it,

¹⁹ “The terms Neoliberal Discourse (hereafter NLD) and economic discourse are considered here interchangeable, they signal an ensemble of statements more or less coherent having in common to promote a vision entrepreneurial and purely economic of life and of all human activities.” (My translation)

“In the mainstream, insouciance and fatalism combined to justify inaction. This pattern explains the pathological willingness of some economists— Lawrence Summers —to countenance the dismantling of regulatory barriers (such as Glass-Steagall) that helped keep the system shy of the Ponzi phase. It shows up as grotesque in Alan Greenspan’s public encouragement for the mass adoption of speculative mortgages” (93)

This interdependence of economic discourse and Neoliberal Discourse and implications for studies of Neoliberalism is summed up by Matthew Hilgers (2013), who puts it, “Today it is capitalism that is in crisis, not neoliberalism” (85). This crisis of capitalism is also a crisis of economics, which seems unable to criticize or change itself except superficially. Galbraith furthermore criticizes the recent appearance of ‘alternative’ economic streams such as environmental economics, crisis economics, and behavioral economics as ‘fashions’ that take attention away from the ‘criminology economics’ that would identify those responsible for the global financial crisis (95). Nevertheless, the existence of new economic streams attests to the counter-reaction in focus away from both the myopic neoliberal episteme of logical markets and rational consumers attuned to the logic of the market. Additionally, this implies the evolving nature of the discipline of economics, which itself has only existed for a century, and the widening of perception among economists of value as other than residing solely in capital accumulation as measured by Neoliberalism's Holy Grail, Gross Domestic Product (GDP).

Although I do not go so far as Guilbert in equating the two levels of discourse, I do see hegemonic Neoliberal Discourse as permeating and directing economic disciplinary discourse. To think otherwise is to believe that economics is incapable of change, and that the dominance of Neoliberal Discourse cannot be challenged. I do agree that the dominance of economics by neoliberal ideas creates a dual crisis, one of credibility within the discipline itself, as well as

externally by the dominance of political, private, and ecological life by the ‘market logic’ that is at the core of Neoliberal Discourse. As for the hegemonic struggle to change this dominant discourse, Neoliberal Discourse’s ‘creative destruction’ and the auto-regulation of the State came under criticism before the financial crisis, while the questioning of economics has led some to declare Neoliberal Discourse and the ideology behind it defunct (Roy & Steger 2010). However, the effects of Discourse are not so easily reversed nor its ideology quickly discredited, especially if the discursive media apparatus which I treat later is not reformed or dismantled.

The dominance that neoliberal ideas exert on mainstream economic discourse implies that Neoliberal Discourse does not have domination *over* all economic discourse, but rather *in* and *through* its status quo. Galbraith (2009) notes that research into the destructive nature of Neoliberalism in economics has been “marginalized, shunted to the sidelines in academic journals” (87), implying that on the level of social relations within the field of economics, neoliberals are in a dominant enough position in the field to affect the authority of members and their power to speak. Galbraith further implies both Neoliberalism’s dominant position and the hierarchical structure of power relations in the field of economics when he opines, “No one loses face, in this club, for having been wrong. No one is dis-invited from presenting papers at later annual meetings. And still less is anyone from the outside invited in” (95). This circular or tautological nature of economic discourse is echoed by Nassim Nicholas Taleb (2007), who quips, “Economics is the most insular of fields; it is the one that quotes least from outside itself!” (156). Another way to look at the problem of neoliberal dominance of economics is to see where neoliberals or those espousing Neoliberal Discourse fit into the economic discipline as a whole.

The Economic Cult of Personality

In addition to the closed nature of economic discourse and homogenization of economists, Becher and Trowler (2001) state that economics as a discipline is predicated on its identification of major Discourses with particular persons (32), and this focus on prominent figures mark it as more of a ‘cult of personality’ compared to other disciplines. Economic discourses work through the disciplines authorization and elevation of discourse-leading economists such as John Maynard Keynes, Friedrich von Hayek, Milton Friedman, as well as anti-Discourse leaders such as Karl Marx, as attested by the continued reference to their theories in modern economic discourse, and the self-identification of economists with the larger figures among them, namely as a ‘Keynesian’ or ‘Marxist’. Thus it makes no wonder then that Neoliberal Discourse and its libertarian proponents like Skousen (2004) cite “free-market icons” (5) like Milton Friedman when promulgating their ideology.

When James Galbraith (2009) asked the question “Who Are These Economists Anyway?” in the title of his excoriation of the status quo of economics that lead to the financial crisis, he put his finger on the issue of identity of members of the economics discipline. As mentioned, economists are often popularly classified into opposing poles of Keynesians and Hayek-Friedman devotees, or ‘saltwater’ and ‘freshwater’ economists as Paul Krugman (2009) distinguishes them (1). Galbraith states about such attempts to label different stripes of economist, “In truth, there are no precise labels, because the differences between them are both secondary and obscure” (86). Indeed, regardless of ideological stripe evidenced in proclaimed adherence to the ideas of Keynes or Friedman-Hayek, all economists operating actively in shaping their discourse are subject to the same demands of the discipline.

At the disciplinary level of discourse, both speaker and listener must have a certain authority given by their academically-sanctioned background. Both sides usually have membership in the same economic association and attend the same conferences, receive the same journals, and understand the specialist terms and formulas contained within. This imbued authority keeps the uninitiated from participating in the discourse, and reinforces the ideas presented within the discipline, creating an ‘echo chamber’ where a few voices dominate. This relation among equals is epitomized by Paul Krugman’s (1998) academic analysis of Japan’s ‘Lost Decade’, which came pre-packaged with responses by Kathryn Dominguez, Kenneth Rogoff, Joseph Stiglitz, and other fellow economists. Such a grouping implies that in economics, the discredited champion of austerity Rogoff, and Stiglitz, the Nobel prizewinning debunker of Adam Smith’s ‘invisible hand of the market’, are considered of equal value, and thus given equal opportunity to speak and be heard.

The major conduit for imbuing individuals with the symbolic capital to wield discursive power in this ‘cult’ of economics is the awarding of status via honorifics, the zenith being the Nobel Prize in Economics. As Pierre Bourdieu (1995) states,

“The authority that underlies the performative efficacy of discourse is a *percipi*, a being-known, which allows a *precipere* to be imposed, or more precisely, which allows the consensus concerning the meaning of the social world which grounds common sense to be imposed officially, i.e. in front of everyone and in the name of everyone” (106).

The status of many economic Nobel Prize winners as discourse leaders, especially in the case of Lost Japan narrators Milton Friedman (1997) and Paul Krugman (1998), also implies three ways in which the Nobel Prize in particular replicates and reflects the authority of Neoliberal Discourse over economics.

First, the Nobel and other symbolic awards further cement the interrelated nature of economic discourse and Neoliberal Discourse, regardless of the ‘saltwater’ or ‘freshwater’ allegiance of the economist. Whereas Milton Friedman was awarded the Nobel in 1976 for precisely the libertarian theorems that became the nucleus of Neoliberalism and contributed to policy decisions of Paul Volcker and Ronald Reagan, Joseph Stiglitz received the Nobel in 2001 for critiquing globalization and the fallacious free trade system built on neoliberal lines (nobelprize.org). In his acceptance speech, Stiglitz (2001) even noted his undermining Adam Smith’s idea of the ‘invisible hand’ of markets (473) so beloved of market libertarians, and evident in Lost Japan’s. Considering that Nobel recipients are remembered and celebrated for espousing differing, sometimes opposing theories within the same field, this implies the various hegemonic discourses that economic disciplinary discourse can contain without changing its dominant one. In this way, Neoliberal Discourse contains any opposition raised against it in the same disciplinary apparatus.

Second, the receipt of the Nobel Prize in economics also demonstrates that the recipient has negotiated themselves to a high position in the hierarchy by mastering its rules, conversely also attesting to their subordination to the discipline’s status quo and thus the inability or unlikelihood of change to the paradigm. The disciplinary nature of the Nobel Prize in Economic Science is evident in the fact that it has only ever been awarded to an economist, while the Peace Prize has been awarded to people from many walks of life. In this way, the so-called ‘Nobel prize in economics’ is deeply imbricated in economic discourse, especially in the discipline’s use of elite structures to authorize members similar to those used in physical sciences such as Physics and Chemistry, whose Nobel Prize laureates are similarly limited to field-authorized individuals.

Last, Nobel status for economists implies their sublimation to the capital accumulating class and the economic system that favours them, since the Nobel prize in economic sciences is not sponsored directly by the Nobel Prize Foundation, but was created independently by the oldest bank in Europe, the Sveriges Riksbank, to celebrate its 300th anniversary in 1968 (Nobelprize.org “17 Questions”). Unlike the relative impartiality of other Nobel prizes due to their support from the Nobel Foundation, this direct corporate sponsorship of the prize in Economic Sciences by a financial institution attests to the vested economic and Neoliberal interests behind it and, by implication, the dominant power relations in the field of economics.

Based on the existence of the above apparatus and its characteristics, it is no wonder that critical discourse analysts Norman Fairclough (2001), Teun Van Dijk (2005) and others have taken interest in Neoliberal Discourse’s authorizing structure, namely the focus on power relations and structure of authorized utterances, as well as the question of who has access to a discourse, and the effect that a discourse has on its participants. In economics, not only is this power concentrated in the institutional nature of discourse through Ivy league education and membership in professional associations like the Allied Social Sciences Association, validated with the creation of the Nobel prize in economics, and hegemonically driven groups like the Mont Pelerin Society and thinktanks like The Heritage Foundation, it also constitutes an important identification function.

Social Power Outside Economics

Just as the Nobel Prize in Economic Sciences is the premiere apparatus for gaining status and power within economics, it also allows recipients to exert influence for hegemonic discourse outside their specialized field. In economic discourse especially, those who are authorized to speak also claim a status their discipline does not rightfully have over other, unrelated fields, and even aspects of daily life. Milton Friedman (1976), leading figure of Neoliberalism, stated of the authority conferred upon him by winning the Nobel Prize in 1976:

“It is a tribute to the world-wide repute of the Nobel awards that the announcement of an award converts its recipient into an instant expert on all and sundry, and unleashes hordes of ravenous newsmen and photographers from journals and T.V. stations around the world. I myself have been asked my opinion on everything from a cure for the common cold to the market value of a letter signed by John F. Kennedy. Needless to say, the attention is flattering, but also corrupting. Somehow, we badly need an antidote for both the inflated attention granted a Nobel Laureate in areas outside his competence and the inflated ego each of us is in so much danger of acquiring.” (1)

All the elements of modern neoliberal discursive power are present in Friedman’s speech: the authorization to speak accepted by the powerful and the powerless alike, the authority going well beyond the field to create ‘common sense’, and the power of media in promulgating these perceptions. In this light, Friedman’s status as a magazine economist who wrote the first take on Lost Japan for the *Wall Street Journal* (1997) is a clear example of Neoliberal Discourse influencing media and thereby public opinion beyond both the field and discipline of economics.

For comparison, I note that the Nobel in economics is a special case, and that Peace Prize recipients, although lauded for their actions, are not seen as omnipotent gurus in the same way as economists. Friedman (1976) dismisses his worry about the influence of the Nobel with a joke about allaying the ‘corrupting’ nature of the Nobel Prize by allowing competition via

alternate prizes, a suggestion he then abandons because "a product that has been so successful is not easy to displace" (1). With his jest, Friedman has unwittingly put his finger on both the undisplaceable nature of authorizing bodies such as Nobel, as well as the 'commoditization of everything' that is a hallmark of Neoliberalism.

Yet not all neoliberals agree with Friedman's ready acceptance of popular authority, testifying to the variety of neoliberal identity. Friedrich von Hayek (1974), the actual father of Neoliberalism as founder of the Mont Pelerin Society, was more damning of the authority the prize conferred to him at his banquet speech two years prior to Friedman in 1974. I quote at length:

"...the Nobel Prize confers on an individual an authority which in economics no man ought to possess. This does not matter in the natural sciences. Here the influence exercised by an individual is chiefly an influence on his fellow experts; and they will soon cut him down to size if he exceeds his competence. But the influence of the economist that mainly matters is an influence over laymen: politicians, journalists, civil servants and the public generally. There is no reason why a man who has made a distinctive contribution to economic science should be omniscient on all problems of society - as the press tends to treat him till in the end he may himself be persuaded to believe. One is even made to feel it a public duty to pronounce on problems to which one may not have devoted special attention. I am not sure that it is desirable to strengthen the influence of a few individual economists by such a ceremonial and eye-catching recognition of achievements, perhaps of the distant past. I am therefore almost inclined to suggest that you require from your laureates an oath of humility, a sort of hippocratic [sic] oath, never to exceed in public pronouncements the limits of their competence. Or you ought at least, on conferring [sic] the prize, remind the recipient of the sage counsel of one of the great men in our subject, Alfred Marshall, who wrote: "Students of social science, must fear popular approval: Evil is with them when all men speak well of them".” (1)

Hayek touches on three points relevant to the power of Neoliberal Discourse in his speech.

First, what he calls the ‘omnicompetent’ nature conferred by the Nobel reflects the neoliberal claim of economic knowledge as trumping all other forms. As noted, it is doubtful if recipients of other prizes would attain such ‘omnicompetent’ status as Hayek and Friedman, due equally to the lack of authority provided by economic discourse and the short attention of media they receive in comparison to economists and magazine writers like Friedman. Indeed, the rise of Neoliberalism has seen a concurrent transformation of economic discourse from the domain of specialists to a ubiquitous part of the landscape, with ticker tapes at the bottom of newscasts, and ‘home economics’ as well as economics taught in high school.

Second, although Hayek appeals to the moral obligations of the Hippocratic Oath, this is shot through with the elite undertones of the medical profession, not surprising given Hayek’s creation of the elite Mont Pelerin Society. This appeal to a shared authoritative discursive identity is also a strong feature of Neoliberal Discourse, one made by Milton Friedman in “RX for Japan” (1997). Additionally, this appeal implies the metaphorical connection of economics to health which is seen throughout ‘Lost Japan’, which has the effect of authorizing economists for the extreme measures they take to make economies fit their definition of ‘health’, while at the same time giving the patient no right to question either the diagnosis or prescribed cure. This discursive authority is exercised through media, which I turn to next.

Last, Hayek’s reference to the difference between the self-critical rigor of ‘the natural sciences’ and its lack in economics demonstrates what Guilbert (2011) calls the danger of ‘scientification’ of Neoliberal Discourse (20-21), which is equally applicable to the discipline of economics as a whole. ‘Scientification’ is the process of ascribing scientific status to economic methods and findings, along with objectivity and validity, and is evident in the title Hayek was awarded, the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. The category ‘sciences’ is a lexical addition to the prize name which is conspicuous for its absence in

the names of all other Nobel prizes, who do not need the extra authority of scientificity conferred by the word. Alternately, the addition of 'in Memory of Alfred Nobel' allows the economics prize to borrow the symbolic capital of the name Nobel, who did not found an economics prize. This aggrandization of authorizing structures in the economics discipline is reflected in the hybridity of its methods, and as Becher and Trowler (2001) note in their examination of the 'machinery of socialization' for academic disciplines, classical economics defines what is considered a research problem for economists, and thus the discipline has spread its authority onto broader fields since its founding because "Economics is a discipline which straddles the boundary of hard and soft, pure and applied" (147). In this context, the utility of economic aggrandization for promoting Neoliberal Discourse is evident. As crises economists Roubini and Mihm (2010) explain,

"After all, economics strives to be a science, complete with equations, laws, mathematical models, and other trappings of objectivity. But behind this façade of a single scientific truth lies a tremendous diversity of conflicting opinions, particularly when it comes to the vexed subject of financial crises" (39)

For market liberals intent on maintaining their domination of economic discourse, this reliance on economic 'scientificity' is all the more important in underpinning their new narrative with the 'market rationality' they need to impose it as accepted doxa for the public and the economics discipline.

Discourse and Media

While economic discourse construction and consumption remain largely the domain of specialists, at the level of hegemonic Neoliberal Discourse, however, an appeal to the masses is made. After being sanctioned at the highest level of his discipline by receiving the Nobel Prize in Economics, Milton Friedman wrote for *Newsweek* and the *Wall Street Journal*, among other outlets, bringing Neoliberal Discourse to the people who would support it politically through their votes and accept it from the news media they trust to inform them. As *Lost Japan* demonstrates, modern hegemonic discourses are inextricably tied with media as their means of dissemination. The writer's authority over readers is exercised through economic journalism, of which the readers' choice to consume makes them complicit in their own subjugation to the utopian project of neoliberal ideology. It is no wonder then that the first articulation of *Lost Japan* would be to a *Wall Street Journal* article to model Milton Friedman's (1997) neoliberal interpretation of events and convince the public of its reliability.

In discussions of modern discourses, the role of media, by which I mean both news media and the digital communications technology they employ, cannot be overstated. First, media is the vehicle by which the narrative level of discourse especially is transmitted, as purportedly accurate and unbiased news stories often containing narrative reinterpretations of events by specialists in economic field discourse as well as policy discourse. Although the news media has traditionally presented itself as fair and unbiased reporting, Hudson and Martin (2010) identify true interests of media when they attest,

“ media power represents the capacity to produce a picture of the ‘world outside’ which is accepted as true by public audiences. However, what we want to emphasize here is that the creation of such pictures is the result of a complex interweaving of social, institutional and political factors which underlie the processes of news production ... Objective ‘facts’ require interpretation even in news reports, and this allows

considerable room for manoeuvre within the range of what is considered objective”
(105)

As Thierry Guilbert (2011) points out, many so-called economic news articles are in truth editorial with no need to cite facts or sources, and controlled by the interests of the media owners (8). Marshall McLuhan (2002) famously declared that “The medium is the message” (7), and this axiom has special relevance for the study of discourses in the modern digital telecommunications age, where neoliberal dominated media disseminates Neoliberal Discourse for its audience under the guise of journalism.

Finally, the multilayered nature of digital news media also affects patterns and range of discursive dissemination. News media can be used to spread Neoliberal Discourse longer, such as Milton Friedman’s (1997) *Wall Street Journal* article that started ‘Lost Japan’, which is kept accessible online at the Wall Street Journal website, and still responded to by modern economic journalists (Wessel 2010). News media also gives floor to voices who are arguably further outside the discipline of economics and thus more able to use other epistemes, yet enmeshes these in its own disciplinary structure and demands. For instance, although ‘magazine economists’ (a term Paul Krugman jokingly used to refer to himself and Joseph Stiglitz) may be arguably freer from the disciplinary or neoliberal episteme of economics, alternately they are under pressure from their corporate-owned media outlets to draw readers and sell newspaper subscriptions, as well as their published books. Alternately, online articles like Krugman’s generate hundreds of responses from readers, although whether and to what extent the author responds requires further investigation beyond the scope of my analysis. Regardless of whether the access is open, discretionary or closed, these media function as vehicles for mass dissemination of narratives.

3 Defining Neoliberal Narratives

Stories Economists Tell

Having examined ideology, discourse, and the relationship between these terms, I now turn to the central concept of my thesis, narrative. I begin by contrasting narrative from discourse, a necessary step as narrative is often subsumed in Critical Discourse Analysis and other scholarly critiques under the heading of discourse, conversely obscuring its unique rhetorical and discursive characteristics. I have defined ideology is an idealized and limiting ‘common sense’ worldview, while discourse is the statements employed to accumulate power for this episteme and impress it upon social reality. As I have argued, discourse relies on an overlapping array of mediated communication, underpinned by experts and the apparatus that recognizes them, and circulating between ideology (belief) and practice (social reality).

In contrast to this, narrative refers to one style of communication for the specific purpose of making sense of events (external reality) for mass media consumption in a way that supports the hegemonic discourse, and thus the ideological program behind it. Where discourse is an ideologically based articulation of social reality, narrative is an interpretation of real events in line with a discourse and its episteme. I take this sense of narrative not from CDA proper, but from Roland Barthes and Richard Kearney. Roland Barthes (1977), coming from the French semiotic tradition, outlines a useful framework for going beyond the phrase where linguistics usually stops, to analyze the meaning of narratives. As for Richard Kearney (2004), his historical analysis of the structures and functions of what he terms ‘primordial narratives’ that

have influenced mankind since antiquity astutely reflect the pedagogic functions of neoliberal narratives.

In the context of the economic discourse I am studying, a narrative such as *Lost Japan* is a representation (or more often a re-presentation or re-interpretation) of events that depicts their significance in line with the hegemonic discourse promulgated by the teller. Narratives are thus the connective tissue created between events constructed to bring them to life as coherent and ‘common sense’ exegeses of phenomena. In other words, they open the ‘shared world’ of both disciplinary and hegemonic discourses to those untrained in the field, control thinking by reframing the significance of events past and future, and are thus the vehicle *par excellence* through which discourse is disseminated beyond members of the institution or field.

Even economists engaged in professional discourse refer to the use of narrative or ‘story’, implying that the distinction between discourse and narrative is an important one within the discipline of economics as well as for the outsider critic of Neoliberal Discourse. In Paul Krugman’s (1998) contribution to the initial academic articulation of *Lost Japan*, he evidences this importance of narrative when he writes, “Since the Depression is the main historical example of *Lost Japan*, and since one quite often hears similar arguments made about contemporary Japan, it is important to ask how financial intermediaries and monetary aggregates fit into the liquidity trap story” (156). Krugman’s ‘historical example’ is exactly the same type of analogy as Katz (2009) sees in *Lost Japan*, while the ‘story’ is the type of interpretation I term narrative. Krugman confirms this sense of ‘story’ when he writes, “...the experience of the 1930s itself has been reinterpreted, most notably by Milton Friedman and Anna Schwartz” (137-138).

Krugman's reference to Friedman and Schwartz's neoliberal interpretation of the Great Depression is telling, since Friedman and co-author Schwartz (1993) attributed the need for

'analytical narrative' as inspiration for their magnum opus, *A Monetary History of the United States*, in which their Depression interpretation appeared. Friedman and Schwartz wrote the interpretation of early US economic data that constitutes *Monetary History* at the suggestion of Walter Stewart, ironically a guru of reliable research methods and fraud-buster, who felt that "such a narrative was not available and would add a much needed dimension to the numerical evidence" (xxi). Friedman-Schwartz's reference to Stewart implies how the discursive agenda of narrative is constructed as a necessary compliment to empirical data in economics, especially when this supports Neoliberal Discourse. Indeed, Friedman-Schwartz also imply how narrative affects economic 'scientificity' when they aver that "Our foray into analytical narrative has significantly affected our statistical analysis" (ibid). Both Friedman-Schwartz and Krugman's comments suggest the epistemology of economics is a process of constant fitting facts and data to match a 'story' being told, of 'interpretation' of past events to 'make sense' of the world in which they happened in line with the episteme of its authors. This kind of revisionist history constitutes a large part of economic discourse, and thus in the case of Friedman-Schwartz imbricates the hegemonic Neoliberal Discourse of its narrators while validating the narrative as official disciplinary interpretation.

Indeed, Friedman-Schwartz's neoliberal narrative of the Great Depression has proven highly resilient in economic discourse. Before the financial crisis, the Friedman-Schwartz hypothesis was 'validated' by Christiano et al (2004 a) in an National Bureau of Economic Research paper, which later became a working paper under the auspices of the European Central Bank (2004 b)²⁰. Christiano and his collaborators used economic modeling to form a conclusion "consistent with the Friedman-Schwartz hypothesis" (2), and again after the crisis, economists

²⁰ Christiano et al's recycling of their vindication of the Friedman-Schwartz hypothesis testifies to both the neoliberal dominance of organizations (NBER and the European Central Bank), but also how these ideas circulate with little change or questioning.

Romer and Romer (2012) similarly used advanced economic formulae to conclude that “If this result holds up in other narrative sources, it would provide important confirmation of the Friedman and Schwartz monetary explanation of the Depression” (8)²¹. Christiano’s terming of ‘hypothesis’ what Krugman termed ‘story’ and both his and the Romer’s use of advanced economic modeling is another example of the use of ‘scientification’ characteristic of Neoliberal Discourse to validate the narrative’s claims and conclusions. As Roy and Steger (2010) adroitly point out, the ideas behind Neoliberal Discourse are not new (1-20), but have dominated the realm of economics since its inception, and it is thus not surprising that neoliberal narratives have been equally present and are equally re-used and retold. Yet the use of these narratives and their epistemological frames bring with them several issues concerning how they generate and exercise power over opinion, which I examine later in this section.

Narrative vs Myth

Another term that interferes with a clear concept of narrative is myth, as both are close enough categorically and etymologically to cause confusion, and so deserve some clarification here. Although both are ‘stories’, their structures and functions are markedly different. I have defined narrative thus far as the reinterpretation of events to support a discursive standpoint, and is used as a discursive technique²² by economists. Lost Japan is constructed to promote

²¹ Ironically, Romer and Romer (1989) also published a “Does Monetary Policy Matter? A New Test in the Spirit of Friedman and Schwartz” in the NBER Macroeconomics Annual. This recycling of Friedman-Schwartz’s interpretation of the Great Depression and attempts to use the ‘scientificity’ of economics to validate it imply both the defensive nature of hegemonic Neoliberal Discourse and the cognitive dissonance that impels neoliberals to project narratives that reflect their discourse and ideology onto historic events.

²² Economists like Richard Katz (2009a) present analogy as an analytical technique, as I examine below, but since the declaration of a crisis, selection of events to include in it, and their interpretation are more discursive

Neoliberal Discourse by defining the financial crisis and interpreting it in a way that promotes capitalist valorization through American culture. Myths are also used to support hegemonic discourse, but unlike narratives they are not linked to any specific event. Myths are rather generalized stories with lessons applicable to any circumstance. Like narratives, myths have been employed in economic disciplinary discourse since its inception, for example Adam Smith's 'invisible hand' of the markets. Quiggin (2010) notes that such neoliberal myths have been legitimized in the economic discipline under such scientific-sounding names as the Efficient Markets Hypothesis or Great Stochastic Equilibrium, and are deployed not only in disciplinary discourse, but as hegemonic Neoliberal Discourse through mass media via economic journalism. Neoliberal myths, such as the Trickle Down economics that became a watchword of Ronald Reagan (Roy & Steger 2010: 24), have entered the everyday lexicon, exemplifying economic terms jumping out into the everyday and dominating thought. Despite the shared discursive mediated function of the terms myth and narrative, the differences between these story forms affect their uses in several ways.

First, because the prerequisite for a narrative is a chain of events within a limited span of time, narratives appear, evolve and disappear alongside these events, while myths appear eternal and foundational. Since narratives are tied to the events that inspire them, their interpretations have a short shelf life as their inspiring events fade in public memory or new and conflicting developments come to light. Paul Krugman (1998) identified the Friedman-Schwartz interpretation of the Great Depression as a strong economic narrative, capable of blinding mainstream economists to phenomena such as liquidity traps (138), yet its hold weakened during the financial crisis, when the call to relearn Keynesian lessons threatened a return to socialized economics. To forestall this, Lost Japan was repurposed from its 1990's call for

manipulation than any sort of scientific analysis, I term it as purely discursive.

Japanese restructuring to a useful new analogy with the US that pushed this old neoliberal interpretation of crisis in a new guise. When Lost Japan has no further use or becomes dated, it will be discarded by Neoliberal Discourse, just as its initial 1990's form was recycled for the post 2007 financial crisis. Myth, on the other hand, can be applied as a rule of thumb at all times, and this presence has allowed the myths of Neoliberal Discourse to be examined by Quiggin and many others. Alternately, the transitory nature of narrative has escaped critical attention, yet its discursive power calls out equally for inquiry and understanding.

The corollary to this temporal difference between myths and narratives is that although a narrative may and often does contain myths to bolster its interpretation, a myth has use of a narrative only as a case study of its application that is discarded when it ceases to be timely. In the case of Lost Japan, the myth of American moral superiority takes centre stage, as I shall examine in following chapters. Quiggin (2010) identifies what is called The Great Moderation as the most resilient of Neoliberal myths, which he terms 'zombie ideas,' and writes,

“A zombie idea is one that keeps on coming back, despite being killed. In the history of economics, there can be no more durable zombie idea than that of a New Era, in which full employment and steady economic growth would continue indefinitely. Every sustained period of growth in the history of capitalism has led to the proclamation of such a New Era. None of these proclamations has been fulfilled.” (5)

As Irving Fisher's infamous pre-depression assertion of the stock market at a “permanently high plateau” (Quiggin 2010: 5) and 1970's Keynesian misplaced optimism indicate, the belief in a Great Moderation ushering in a Golden Era is widespread and as much a facet of human nature as of economic discourse, which makes it a reassuring myth to believe in. Looked at in this way, the 'utopian project' that Harvey sees in Neoliberal Discourse is more than just the dominant

episteme of economic disciplinary discourse, but one easily transposable to the ‘common sense’ of everyday people.

For the ‘utopian project’ of Neoliberalism, the ‘zombie idea’ of the ‘golden age’ or ‘New era’ of prosperity is the myth of an unattainable ‘Holy Grail’ that nevertheless inspires the neoliberal quest. This myth has remained foundational for Neoliberals, despite being debunked by economist Hyman Minsky, as James Galbraith (2009) explains:

“Minsky’s analysis showed that capitalist financial instability is not only unavoidable, but intrinsic: instability arises from within, without requiring external disturbances or “shocks.” There is no such thing as an equilibrium growth path, indefinitely sustained. Short of changing the system, the public responsibility is to regulate financial behavior, limiting speculation and stretching out for as long as possible the expansionary phase of the cycle.” (92)

When the myth evaporated in 2007, the Lost Japan narrative was called into being to bolster the questioned neoliberal status quo.

The second point is a corollary of the first - that narrative is very often a response to crisis à la Katz (2009), whether real or perceived, while myths operate diffusely over time to promulgate discourse. Put another way, narratives flourish in crisis while myths are imperiled by them. When a real event occurs that threatens the ideological project or the neoliberal myths used to advance it, an interpretation beneficial to the discourse or harmful to competing discourses is needed. This narrative response is more pronounced in times of crisis when specialist interpretation is demanded by the public as Guilbert (2011) affirms (26). It was the global financial crisis and the ensuing threat to the myths underpinning Neoliberalism it entailed that brought the narrative of Lost Japan to the fore.

Third, both narrative and myth are suited to mass appeal, but are structured and function somewhat differently. A narrative's origin in events means it has many 'moving parts' that require a specialist storyteller to make sense of, while a myth stemming from specialist discourse instead uses the simplistic images of phrases like 'Trickle Down Economics' to resonate with people of all backgrounds. This simplicity renders both narratives and myths particularly useful for disseminating hegemonic Neoliberal Discourse to non-experts and outsiders. As noted, these 'common sense' images are reinforced within the field of economics by specialist terms that denote the same idea. Princeton economist John Quiggin (2010) lists the Neoliberal myths that have played a role in the most recent crisis as The Great Moderation, the Efficient Markets Hypothesis, Dynamic Stochastic General Equilibrium, Trickle-Down economics, and Privatization (2). Quiggin attests that these technical terms let mythic 'zombie ideas' stay hidden as economic theories, attesting to how the 'scientificity' of economic discourse has allowed subjective and disproven Neoliberal Discourse to retain currency in the face of facts and opposition. Obviously, many of these dovetail with the neoliberal 'evidences' of Guilbert and Harvey, and have justly received critical attention. Just as neoliberal myths present themselves as theories, neoliberal narratives legitimate themselves as news stories, hypotheses, or predictive scenarios. However, the problems and power of narratives have escaped the same degree of scrutiny as myths, all the more reason for my research focus.

The Problem with Economic Narratives

Economists argue that recourse to narratives is a necessary technique for economists to grasp reality. In his contribution to the post-2007 Lost Japan narrative, Richard Katz (2009) writes,

“In periods of crisis, pundits and policymakers tend to scramble for historical analogies. In Japan in the 1990s, the primary problem was pervasive dysfunction in the economy, which caused a banking crisis. In the US, pervasive dysfunction in the financial sector has caused a deep recession in the economy as a whole.” (9)

Katz’s unquestioning acceptance of the analogical tendency of economists and pundits belies two problems with the reliance on narratives to explain crises.

The first problem is the assumption that such stories are harmless or neutral ‘historical analogies’. In reality, storytellers have their own interests, and through narratives communicate what is valuable to them. Richard Kearney (2004) illuminates how narratives always include the teller’s interests, which color the way they represent the world:

“History is always told with specific interests in mind, as Habermas observes, the first of which is the ‘interest’ in communication. This interestedness is essentially ethical in that what we consider *communicable* and *memorable* is also what we consider *valuable*. What is most worthy of being preserved in memory is precisely those ‘values’ which ruled the individual actions, the life of the institutions, and the social struggles of the past.” (154).

Thus Lost Japan is true neoliberal pedagogy, transmitting neoliberal ideas from the teller to the listener. In addition, the unquestioned acceptance of the practice of using analogies implies that this transmission is unconscious and automatic. In their examination of the Neoliberal narrative of the UK Baring’s investment scandal, Hudson and Martin (2010) state, “...the reproduction of

ideas and hegemonic narratives cannot be reduced solely to the interplay of interests, but should be seen as a much more mundane affair accomplished via everyday practices” (98). Thus the use of a narrative in economic journalism flies under the radar of critical thought and allows neoliberal values and worldview to be disseminated without opposition or reflection.

The second problem comes when this interpretation of events limits the individuals in the discipline’s ability to perceive or respond to reality. As Krugman (1998) asserts, Milton Friedman and Anna Schwartz’s narrative limited the episteme of the field of economics thereafter:

“...the experience of the 1930s itself has been reinterpreted, most notably by Milton Friedman and Anna Schwartz... To the extent that modern macroeconomists think about liquidity traps (the on-line database EconLit lists only twenty-one papers with that phrase in the title, subject, or abstract since 1975), their view is basically that a liquidity trap cannot happen, did not happen, and will not happen again” (137-138).

The orthodox economic denial of the phenomenon of a liquidity trap that now has become an accepted part of crisis discourse indicates the epistemic limits an accepted narrative can impose. Krugman’s mention of the EconLit database, the repository of specialist economic statements to which contribution and access is a badge of validation, further demonstrates the degree to which Neoliberalism’s myopic episteme dominates the economic field.

Just as macroeconomists were unable to conceive of a liquidity trap after Friedman’s ‘reinterpretation’ had redefined their episteme, the conceptual blinders of Neoliberal-influenced economics have resurfaced in the failure to foresee the events of 2008 despite the professed understanding of Japan’s financial bubble that constituted the initial academic wave of Lost Japan in the 1990s and early 2000s. This conceptual blindness is evidenced in statements like those made by Director of the Federal Housing Finance Board Allan Mendelowitz (2003), when

he diagnosed in neoliberal fashion that Japan lacked US style competitiveness, but followed with the assurance that “While it is not possible to predict the future with certainty, it is highly unlikely that the United States has entered a period of sustained economic stagnation” (1). Mendelowitz’s comments are doubly ironic considering his heading the housing financing that would play such a part in the financial crisis, and also considering how the analogy of Japan and US slumps has come to dominate the discourse about the US economy from 2008 to 2014.

Finally, besides limiting the episteme of economists, narrative also entails a redefinition of crisis in favour of hegemonic discourse, one that economic journalism via mass media extends beyond the discipline. The practice of reviewing and remaking history through analogy constitutes a heuristic, or problem solving technique, and as Andrew Abbott (2004) notes of social science research, "The central search heuristic is analogy" (113). Yet the problem of Neoliberal Discourse is not the financial crisis, which as Mirowski (2013) asserts is as good a time as any for for neoliberals to practice capital accumulation. Instead, the problem concerning the hegemonic regime (and economists by extension) is how to surmount the crisis of faith in the neoliberal doctrines that lead to the financial crisis, and mold people to accept neoliberal externalities of life, such as jobless recovery. Media focus on the manufactured financial crisis²³ thus allows this real crisis of Neoliberalism's economic system to be tackled under the guise of saving the American economy, garnering public consensus for defense of Neoliberalism. As Nassim Nicholas Taleb (2008) observes, “not only can the past be misleading, but there are also many degrees of freedom in our interpretation of past events” (188). Once again, this discursive positioning starts with Milton Friedman’s (1998) ‘RX for Japan’ , which fulfills a dual role as both reassertion of American economic dominance over a recently threatening Japan and legitimization of Neoliberal beliefs about the lessons of the Great Depression.

²³ I do not imply that the financial crisis was manufactured in the sense of illusory, but rather that it is the neoliberal system of capitalism that manufactures crises periodically, as Galbraith (2009) and others have noted.

The borrowing of qualitative-subjective analogical heuristic methods by economists dovetails with Neoliberal Discourse's supposedly quantitative-objective scientificity and use of math to promote its doctrines, doubling its discursive power to persuade. This irony is evident in the preface to Milton Friedman and Anna Schwartz's (1993) *neoliberal magnum opus*, *A Monetary History of the United States*, which states that "The object of the NBER²⁴ is to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner"(vi). The National Board of Economic Research has been central in presenting analogically-driven economics as science, regardless of the reality that its facts are carefully chosen and arranged, and interpretation by its nature cannot be impartial. Thus besides limiting epistemes, the promotion of discipline-sanctioned narrative as a problem-shaping scientific method for economists calls for serious scrutiny.

The Power of Neoliberal Narratives

The power of these Neoliberal narratives, like the Discourse that spawns them, is that they are presented as obvious conclusions that only experts can understand or question. As Guilbert (2011) avers, Neoliberal Discourse in news media presents itself as 'good sense' and 'rationality' (75). To be sure, Milton Friedman (1997) in his early contribution to the 'Lost Japan' narrative, rationalizes the fallacy of 'golden periods' of economic growth of Neoliberal Discourse when he writes, "The surest road to a healthy economic recovery is to increase the rate of monetary growth, to shift from tight money to easier money – to a rate of monetary

²⁴ National Board for Economic Research

growth closer to that which prevailed in the golden ‘80s’ (5). Friedman’s use of the superlative ‘surest’ cements the mythic power of neoliberal doctrine as the best way to put an economy on the right ‘road’, denying any alternative as is characteristic, while his reference to a rate that ‘prevailed in the golden 80’s’ reinterprets Japan’s speculative bubble period as an exemplar of neoliberal equilibrium, a state of grace from which Japan has fallen. Friedman also presents as ‘good sense’ the very same financial speculation that caused the untenable bubble: “The answer is straightforward: The Bank of Japan can buy government bonds on the open market, paying for them with either currency or deposits at the Bank of Japan, what economists call high-powered money” (5). The use of terms like ‘surest’ and ‘straightforward’ as direct appeals to common sense cement both Friedman’s authority and trustworthiness to the reader while constructing his conclusions as unassailable wisdom of an economic expert.

Neoliberal narratives do not only exert power in the field of economics, however. Thierry Guilbert (2012) refers to the title of Francis Fukuyama’s polemic *The End of History* as signifying the ultimate Neoliberal political narrative, the re-interpretation of the failure of Soviet-style Communism heralded by the fall of the Berlin Wall. Guilbert (2011) notes that with Ronald Reagan in the White House, the convenient timing of the end of the USSR allowed Neoliberals to present their economic system as the only one that worked, allowing them to supplant what the French call *histoire* (history), but at the same time preventing another new *histoire* or story (32). This of course ignored the fact that Socialism, Marxism and Capitalism are philosophies of ownership, not of governance like Communism or Democracy, but instead reinterpreted the failure of Soviet governance as both an economic and ideological neoliberal victory over Marxist economics. Guilbert also identifies in this example ‘inevitability’ as a major theme of Neoliberal narratives of the future, and cites Pierre Bourdieu and Noam Chomsky as among the intellectuals calling for resistance to this Neoliberal practice (32). It is no wonder that

Richard Kearney (2004) in his examination of the political and symbolic power of narrative, *On Stories*, also made reference to Fukuyama and how his ‘end of history’, constituted a false threat to narrativity in the modern information age (125). This ‘inevitability’ of Neoliberal narratives is also seen in ‘Lost Japan’, where the unavoidable ‘Japan-as-future’ theme was increasingly replicated in economic articles as the financial crisis continued (Madsen 2009, Schumann 2010, Ries 2010, Meyer 2011, Roach 2011, Duy 2012, Economist 2012 which, Ygleisias 2012). Unlike the 1980s Neoliberal ‘end of future’ that sought to solidify the hegemonic discourse and thus render people passively accepting, the purpose of ‘Lost Japan’s’ inevitable future is to move Americans into action to support programs such as bailouts as America’s economic crisis worsens.

Besides their disciplinary and media power, narratives have historically swayed people's hearts and mind long before digital communications or the advent of the term discourse came to encapsulate politicized human communication. This historical presence of narrative, and the scholarly attention devoted to it, is largely ignored in critical approaches to hegemonic discourses such as CDA, although it deepens the understanding of how narratives function pedagogically in shaping people’s worldview and opinions. To redress this oversight, I now turn to the implications of the historic-literary concept of narrative on studies of Neoliberal Discourse.

Richard Kearney (2004) explains that the study of narratives come from the very beginning of western philosophy:

“Hesiod tells us how the founding myths (*mythos* in Greek means ‘story’) were invented to explain how the world came to be and how we came to be in it. Mythos were stories people told themselves in order to explain themselves to themselves and others. But it was Aristotle who first developed this insight into a philosophical position when he argued, in his *Poetics*, that the art of storytelling – defined as the

dramatic imitating and plotting of human action – is what gives us a *shareable world*.”
(3).

Although Kearney is explaining the term story in its literary sense, his definition also impacts on the term narrative as I use it in relation to economic and Neoliberal Discourse. Kearney (2004) identifies three purposes of these narratives: to let their listeners see the world in a certain way, to build community, and to allow catharsis (4-12,). These three functions are evident in neoliberal narratives such as Lost Japan, as I now will attempt to show.

Neoliberal Narrative Worldview

The first use of narrative Richard Kearney (2004) identifies is its role at the center of turning representation into epistemology, in this case a mythic way of seeing the world:

“...*mimesis* is essentially tied to *mythos* taken as the transformative plotting of scattered events into a new paradigm (which Ricoeur calls the ‘synthesis of the heterogeneous’). It has little or nothing to do with the old naturalist conviction that art simply holds up a mirror to nature. Narrative thus assumes the double role of *mythos-mimesis* to offer us a newly imagined way of being in the world.” (12)

Thus Neoliberal narratives are not only a way of looking at the world, they offer a way of being in it, a shift and episteme and lifestyle that David Harvey (2007) and Thierry Guilbert (2011) have asserted is characteristic of Neoliberal Discourse. If one truly believes that the fall of Soviet Communism is the victory of Capitalism and not internal Russian social problems, and that FDR’s ‘New Deal’ had no effect on the Great Depression despite the hope and material

support it gave many Americans, then market libertarianism seems a ‘common sense’ way of seeing the world and guiding one’s actions.

This begs the question are such Neoliberal narratives true or false, which Kearney implies is a moot point given the nature of *histoire* as “...both the ‘narration of things as they happened’ and ‘a fabulous but credible story made up by an author’” (143). Since there is a storyteller, there is always an element of fabrication and of truth, and thus an imperfect view of the world. This is especially apt for Neoliberal narratives. Even fictional Neoliberal narratives, such as the story of the ‘titans of industry’ that create jobs and thereby uphold the economy as presented by Ayn Rand in *Atlas Shrugged*, are useful in spreading Neoliberal Discourse, as Slavoj Zizek (2013) has pointed out. As Kearney (2004) states,

“Far from being ethically neutral, each story seeks to persuade us one way or another about the evaluative character of its actors and their actions. And regardless of whether we embrace these rhetorical and moral situations, we cannot pretend that they are not at work in the text’s effect upon us. Stories alter our lives as we return from text to action. Every story is loaded.” (155-156)

Indeed, Neoliberal narratives like Milton Friedman’s myth of ‘Lost Japan’ and Eamonn Fingleton’s (2011, 2012) anti-narrative (or anti-discourse) of ‘Not Lost Japan’ are both coloured by the tellers’ interest, as is their choice and interpretation of factual events.

Slavoj Zizek (2013) points to this ambiguity of narratives and the literary link when he commented in *The Guardian* on the popularity of Ayn Rand during the 2008 crisis. Rand’s fictionalization of the libertarian ideology that birthed Neoliberals became the ‘shared experience’ libertarians craved. Zizek (2013) describes it thus:

One of the weird consequences of the 2008 financial meltdown and the measures taken to counteract it (enormous sums of money to help banks) was the revival of the work of Ayn Rand, the closest one can get to an ideologist of the "greed is good" radical capitalism. The sales of her opus *Atlas Shrugged* exploded. According to some reports, there are already signs that the scenario described in *Atlas Shrugged* – the creative capitalists themselves going on strike – is coming to pass in the form of a populist right. However, this misreads the situation: what is effectively taking place today is almost the exact opposite. Most of the bailout money is going precisely to the Randian "titans", the bankers who failed in their "creative" schemes and thereby brought about the financial meltdown. It is not the "creative geniuses" who are now helping ordinary people, it is the ordinary people who are helping the failed "creative geniuses". (1)

Thus Zizek points out the very contradiction of Neoliberal ideology of reduced state support and the libertarian practice of accepting it noted by Harvey (2007), Guilbert (2011) and others. This contradiction of ideology and discourse, when seen in the narratives, thus becomes the very mark of the neoliberal community.

However, considering that the interest of Neoliberalism is a dangerous dismantling of financial safeguards to advance capital accumulation without regard to social costs, and that Neoliberal Discourse has gained power over the field of mainstream economics, its narratives are more worthy of scrutiny. As Guilbert (2011) asks, "Peut-on comprendre le monde actuel si la seule représentation qui en est donnée dans les médias est justement celle du discours néolibéral ?"²⁵ (10-11). Just as the fall of the Soviet Union became a 'common sense' justification for unbridled capitalism instead of the result of corruption and resistance within the Soviet state, America's liberal financial markets become a 'common sense' reason why it has avoided Japan's problems up to present, instead of exactly the same kind of rampant speculation

²⁵ "Can we understand the actual world if the only interpretation given to us by media is precisely that of Neoliberal Discourse?" (My translation).

that created 'Lost Japan' in the first place. Thus the shared worldview of both the tellers and listeners of the Lost Japan narrative unite them in an ideological community.

The Storytelling Community

The second purpose of narrative that Kearney reveals is the creation of a community or 'body politic' through its use of story to give significance to events:

“It is, in short, only when haphazard happenings are transformed into story, and thus made *memorable* over time, that we become full agents of our history. This becoming historical involves a transition from the flux of events into a meaningful social or political community – what Aristotle or the Greeks called a *polis*” (4).

Neoliberal narratives are thus also a form of community building, witness the plethora of libertarian groups in the US and the complicity of average Americans in Neoliberal restriction of their lifestyles. Kearney's initial assertion that narratives give us a “shareable world” (3) is thus horribly useful for Neoliberal Discourse, which makes the market logic behind the story relatable in ways that reading pure ideology or even specialized discourse would not. However, neoliberal stories do not make a unified polis, instead they construct community of thought where the individual is taught their place through mediated subjectification as Kiersey (2011) has examined.

The texts featuring 'Lost Japan' also show that the neoliberal community linked by the narrative is not bound by time or space. Stephen Kirchner (2013) of the conservative Australian thinktank Centre for Independent Studies re-interprets Milton Friedman's (1997) narrative take in a

CIS publication gushingly titled “Milton Friedman Was Right About Japan.” Although Kirchner may not be in the same physical community as Friedman or Skousen, his re-affirmation of Friedman’s diagnosis 16 years after it was written evidences Guilbert’s (2011) concept of Neoliberal inevitability (32). Unsurprisingly, this narrative community also continues to find an audience at Friedman’s media outlet, *The Wall Street Journal*. David Wessel (2010) writes “Channeling Friedman,” a mystic title that lends the author power by implying special access to the deceased Nobel winner’s counsel. Indeed, Wessel runs through several simulations on what America should do about Quantitative Easing, and how Friedman would disapprove of bank bailouts (1).

Conversely, rejection of the ‘Lost Japan’ narrative also allows Neoliberals to see who are not part of their community, reinforcing the exclusive function of discourses. Friedman’s *Wall Street Journal* article on Lost Japan lacked academic verification of its formula and statistical references, and was thus understandably overlooked by the following academic discourse of Paul Krugman (1998) and those who followed him in contributing to the academic of the Lost Japan narrative. It is no wonder then that during the financial crisis, Paul Krugman (2010b, 2010c) wrote two posts for the *NY Times* responding to Wessel’s (2010) article and Friedman’s (1997) original interpretation of Japan’s slump. In his first post, Krugman concludes, “In fact, Japan’s experience is a key element of the case against monetarism. Just printing notes does not work when you’re in a liquidity trap” (1), refuting Friedman and Wessel’s case for QE on the basis that it did not help Japan because of exactly the same liquidity trap hypothesis that Krugman (1998) followed Friedman’s analysis with. Although it may seem that Krugman is offering a necessary opposition to Friedman’s conception of Lost Japan, the fact that he responded to it directly instead of dismissing it outright testifies to the power of narrative to occupy the discourse while denying alternate interpretations of events.

The series of authors who invoke the Lost Japan narrative form one community with the same 'shared world' or Neoliberal episteme, while the readers form an extended part of this community. It is this bond of community that allows the cathartic function of narratives to be employed.

Catharsis in the Neoliberal Narrative

In addition to creating a community and the myths that sustain it, the final use Richard Kearney (2004) sees in narrative is to provide a cathartic outlet for the community members in times of tension. He writes,

Narrative thus assumes the double role of *mythos-mimesis* to offer us a newly imagined way of being in the world. And it is precisely by inviting us to see the world *otherwise* that we in turn experience *catharsis*: purgation of the emotions of pity and fear" (12)

Fukuyama's (1992) Neoliberal narrative of 'the end of history' not only presents free market capitalism beloved of Neoliberals as a success, it also allays the unease of the fall of the Soviet Union, when the Cold War relationship that drove the Mont Pelerin Society's ideological struggle fell by the wayside, paradoxically ushering in the loss of a useful Cold War paradigm that had allowed them such power and success. The financial crisis 'Lost Japan' narrative both plays on the fear of losing US hegemony and following Japan into a protracted slump, as well as letting off steam with the Neoliberal myth that America's heightened competitiveness and innovation will allow it to forestall or avoid such a fate. I examine this reassuring nature of the

Lost Japan narrative in detail in Chapter Two and Three. Besides direct catharsis, Kearney adds that "...narrative imagination...also provides us with a certain aesthetic distance from which to view the events unfolding, thereby discerning 'the hidden cause of things.'" (12-13). This distancing is a dangerous side-effect of narrative that lets us complacently think we understand a phenomenon precisely because of the distance that keeps us from it. To counteract this sense of distance, narratives employ humanizing structures.

Additionally, for economic narratives to appeal to people without specialized knowledge of the larger forces at work, to allow the above community and catharsis to occur, a human element is necessary for them to sympathize. This too is a facet of primordial narratives, and as Richard Kearney (2004) notes, "...storytelling may be said to *humanise* [sic] time by transforming it from an impersonal passing of fragmented moments into a pattern, a plot, a *mythos*" (4). As Hudson and Martin (2010) note, in the Neoliberal narrative of the 'rogue trader' that dominated media reports of the Barings' case, the 'golden boy' trader fallen on hard times due to his own hubris was a draw. Although the Lost Japan narrative lacks a single 'human interest' like that Hudson and Martin (2010) identified as central to the media narrative of the Barings savings scandal (103), as I shall show in Chapter Three, Lost Japan instead humanizes its American readers by presenting a dehumanized Japanese Other.

I have argued that Neoliberal narratives like Lost Japan are staple epistemological tools of the economic discipline, but ones that come with problems of epistemic blindness and ideological bias. I continued by showing how Neoliberal narratives gain power by sharing the 'common sense' nature of the discourse that invokes them, and that Lost Japan increased its resilience by exhibiting such narrative functions as community building, providing a human element, and finally allowing catharsis in a tense moment of crisis.

Analyzing Narrative

With the increased academic interest in Neoliberalism in the wake of the financial crisis noted by Hilgers (2013), good work in analyzing Neoliberal Discourse has been done, but very little has focused on the narratives hegemonic discourse employs. Hudson and Martin (2010) examined how the Neoliberal narrative of the ‘rogue trader’ dominated media discourse during the Barings financial scandal in the UK, and although they give great insight on the media practices surrounding that neoliberal narrative, their selection of texts is short and fails to plumb the depths fully of the lexical construction of their narrative, which seems a lost opportunity. Meanwhile, Laura Kang (2012) questioned the narratives of ‘Asian crisis’ and ‘Asian miracle’ for their Neoliberal Discourse, especially regarding female workers, uncovering important discursive constructions yet taking narrative definition and details largely for granted. Guilbert (2011) gave a nuanced analysis of Neoliberal narratives such as Fukuyama’s ‘the end of history’ in his examination of Neoliberal Discourse in media reports of economic crises, yet narrative is not his main focus. Outside of academia, the meaning of ‘story’ for news media is as unreflective as that of economics, as evidenced in the PEW Project for Excellence in Journalism (2009) report which ranks the top stories as ‘bailout and banks’, ‘stimulus plan’ and ‘auto industry financial troubles, thus totally missing big narrative of Lost Japan that had already dominated media by that time. Considering the role narrative interpretation of events plays in both economic and media discourse, this is an oversight neoliberal criticism that needs rectifying.

One might ask why bother singling out narrative when Foucaultian criticism and Critical Discourse Analysis (hereafter CDA) have done so much with their focus on discursive

use of language and the relations of power it represents. However, although grammatical inflections and phrase-level rhetoric are adroitly handled in CDA, it largely glosses over the larger structures of narrative and their functions. In the seminal guide to CDA, *Discourse and Social Change*, Norman Fairclough (2011) presents the concept of narrative as linked to turn taking and social relations (151), a natural enough conception considering CDA's pedigree as an offshoot from linguistics, of whose limitations French semiologist Roland Barthes (1977) observes "On le sait, la linguistique s'arrete a la phrase"²⁶ (10). Barthes suggests that to understand the importance of narrative in promoting discourses and thus the ideologies behind them, it is integral to go "Au dela de la phrase"²⁷ (10) to examine how narratives function, and what type of narrative forms exist. Barthes also opines that a narrative (recit) is the accumulation of phrases that is more than the sum of its parts (10), and thus this overlooking of the importance of narrative in CDA and other analyses is also more troubling considering the role it has played and continues to play in the history of Neoliberalism.

Next, I turn to how the Neoliberal objects of Lost Japan can be teased out by the use of Critical Discourse Analysis (CDA) adapted specifically for the study of Neoliberal narratives.

Why Critical Discourse Analysis?

The Critical Discourse Analysis I take as my main method of research, as outlined in the work of Norman Fairclough (2001) and Teun Van Dijk (2005), thus allows me to uncover the ideological assumptions in both levels of Neoliberal economic discourse associated with 'Lost Japan', as it does from the narratives they include. Lest one think that the analysis of

²⁶ "Everyone knows it, linguistics stops at the phrase." (My translation)

²⁷ Go "beyond the phrase." (My translation)

language lacks any relevance, as Guilbert (2011) notes, choice of words is not innocent, but instead propose a certain reading of the world (6-7), one that shapes the world of others and thus exercises power over them. This is doubly true at the level of discourse, for as Pierre Bourdieu (1995) admonished social scientists, "...one must not forget that the relations of communications *par excellence* – linguistic exchanges – are also relations of symbolic power in which the power relations between speakers or their respective groups are actualized" (37). These 'exchanges' are none other than discourse and particularly narratives, whose power includes yet often surpasses phrases used to construct it.

Critical Discourse Analysis works equally well on the narrative level of discourse, as its examination of language can be applied to form of expression as well. As Guilbert (2011) notes, "...l'analyse du discours... considère qu'il est artificiel et erroné de dissocier « ce qui est dit » (le contenu) de « la façon de le dire » (la forme) ou, pour exprimer cette idée autrement, que « la façon de dire » dit quelque chose de plus sur ce qui est (réellement) dit et sur les représentations « personnelles » de celui qui parle ou qui écrit"²⁸ (24). Indeed, narratives are a 'way of saying' or 'form' that hold just as much significance as the words that form it and the discourse that informs the choice of these words. As I shall argue, this method is applicable for analyzing the neoliberal discursive structures of 'Lost Japan' as for any other narrative.

As Teun Van Dijk (2005) points out, CDA can serve to show the inconsistencies of dominant discourses and thus places where resistance can be mounted (302). Certainly, the market logic of the field of economics and practices of Neoliberal Discourse seem at times to be at odds. Economics praises efficiency, but as anthropologist David Graeber (2013) asserts, the

²⁸ "... the analysis of discourse... considers that it is artificial and erroneous to disassociate 'what is said' (the content) from 'the way it is said' (the form), or to express it another way, that 'the way of saying something' reveals more about what is (in reality) said and about the 'personal' representations of the person who speaks or writes." (My translation)

‘new economy’ created by Neoliberalism sacrifices this on the altar of control, and ironically comes to resemble the ‘creeping socialism’ of the USSR it was designed to combat:

“It’s as if someone were out there making up pointless jobs just for the sake of keeping us all working. And here, precisely, lies the mystery. In capitalism, this is precisely what is *not* supposed to happen. Sure, in the old inefficient socialist states like the Soviet Union, where employment was considered both a right and a sacred duty, the system made up as many jobs as they had to (this is why in Soviet department stores it took three clerks to sell a piece of meat). But, of course, this is the very sort of problem market competition is supposed to fix. According to economic theory, at least, the last thing a profit-seeking firm is going to do is shell out money to workers they don’t really need to employ. Still, somehow, it happens.” (10)

In the context of Lost Japan, iterations that turn their gaze back on America, such as Kasowitz and Devine (2011), similarly conclude that “Turning Japanese is beside the point. For most, being American will be bad enough” (1). Paul Krugman’s (2014) final word on Lost Japan, that “We’re *worse than Japan ever was*” (1), certainly drives the same point home. Critical Discourse Analysis supplemented with a finer understanding of narrative is my key for unlocking this contradiction between Neoliberal Discourse’s trumpeting of competitive American culture and the everyday practice of the ‘race to the bottom’ facing the American worker.

Problems with Analyzing Neoliberal Discourse

Analyzing the narrative of Lost Japan for its Neoliberal Discourse is problematic in several ways. First, as Springer (2012) rightly notes, the multilayered nature of Neoliberalism has split theoretical approaches of academic analyses and caused a paralysis among researchers. He writes,

“A discourse approach moves our theorizations forward through an understanding that neoliberalism is neither built from the ‘top-down’, as in Marxian understandings of ideological hegemony, nor from the ‘bottom-up’, as in poststructuralist notions of governmentality. Rather, neoliberalism is instead recognized as a mutable, inconsistent, and variegated process that circulates through the discourses it constructs, justifies, and defends.” (135).

Springer’s view of Neoliberalism as “circulating discourse” (139), a perpetual motion machine that must be addressed as such, matches the media moment of Lost Japan, which consisted of re-iterations of the narrative in both economic journalism and policy media outlets. For this reason, I selected a comparatively large corpus of texts for my analysis, and look at this corpus both contrapuntally as the narrative interpretations are mobilized and altered to better frame unfolding events in the interests of Neoliberal Discourse, and diachronically over the period from 2007 to roughly 2014 when the ‘discursive arc’ of this narrative was ascendant in its mediated defense of the neoliberal ideological regime.

The second danger in classifying and studying a narrative of Neoliberalism lies in what Pierre Bourdieu (1995) calls the theory effect – the danger that you will see your theory in everything, and apply it to all situations (133). Admittedly, the application of the term ‘neoliberal’ by sociologists is an attempt to exert power over nebulous Neoliberal Discourse and the actors that dominate the economic field, but since they consequently influence the social world in ways that are destructive to society as well as to individuals, I argue that there should

be no stigma in using neoliberal as an identifier. As Bourdieu (1995) says, “By structuring the perception which social agents have of the social world, the act of naming helps to establish the structure of this world, and does so all the more significantly the more widely it is recognized i.e. authorized.” (105). As I explained at the beginning of this chapter, this is also precisely why market libertarians and economists reject the term offhand, as it is a direct threat to their hegemonic worldview.

Yet it is not only researchers and the theory effect that ‘make’ Neoliberalism – it is neoliberals themselves. As Bourdieu also states, “The categories according to which a group envisages itself, and according to which it represents itself and its specific reality, contribute to the reality of the group” (133). Thus through practices such as creating organizations and disseminating myths and narratives in scientific guises, Neoliberals constitute themselves as a self-created coherent reality, and thus are an eligible object of study. Neoliberal Discourse has provided a shared vocabulary of story and images not only to its libertarian proponents, but also to its academic opponents. The construction of a Discourse allows people to identify themselves with a coherent ideology, identify allies who share this ideology, and exclude enemies who do not, but also allows the ideological workings to be quantified, and practices identified.

Furthermore, it is this reality behind the term neoliberal that has carved out neoliberals as a class for analysis by sociologists and constitutes what Pierre Bourdieu (1995) calls a practical group (232) and not a real one. This does not deny their existence, however, because ever such practical groups reflect the underlying social reality. In fact, Bourdieu also asserts that groups founded on capital distribution are stabler (232), an insight especially relevant to neoliberals. Unlike Marxist classes that Bourdieu deconstructs, neoliberals really do function as ‘class as action’, their mobilization marking them as real (251). Neoliberals are precisely those mobilized and active in denying the crisis, attacking state authority, and pushing deregulation,

and thus call for reaction by activists and social scientists. In fact, I see two competing theory effects here – the effects of the social scientist assertion that neoliberals do constitute a class, and the economic disciplinary refusal of the moniker for other terms such as market libertarian. These effectively cancel one another out when the evidences of Neoliberalism are studied as narrative in discourse.

Yet so long as free market economists resist the ideological assertion of the monicker Neoliberals by using euphemisms, they also resist the need for reform of the financial system and stymie necessary change in both the discipline of economics and the financial practices that brought about the crisis. This taboo language of economic discourse demonstrates what Bourdieu (1995) saw as the ‘strategies of euphemization’ common to all such specialized discourses, when a compromise is enacted as self-censorship through obedience to the form of the discourse (137). Whereas Bourdieu focuses on the adoption of names or categories, the refusal to use neoliberal is such a compromise. Neoliberals do not want to recognize the term because doing so would institute the term, in other words would legitimize others’ views of them as responsible for the financial crisis and the weakening of the US social welfare net and explosion of inequality. For this reason, critical analysis of Neoliberal Discourse must use the term freely or else be complicit with neoliberal strategies of euphemization.

Finally, academic reticence to brand neoliberals also points out the contradiction of academic research, which can only be resolved by action. Matthew Hilgers’ (2013) scholarly examination of the academic fascination with Neoliberalism is ironic in light of academia as the birthing place of neoliberal practices at places like the Chicago School of Economics (Harvey 2007; Steger & Roy 2010). Hilgers concludes that “In some places, academia is still a space of critiques and alternatives” (86), thus despite the academic origins of neoliberal thought, the

coherence of this historical moment and pervasiveness of its discourse conversely allows academic conception to oppose it.

4 Tools of Analysis

The history of economics, and as Pierre Bourdieu (1995) asserts of any cultural production in general, is made of hegemonic struggles and resistance to ideologies that gain power, with those high in the hierarchy defending and those left outside or excluded trying to overthrow it, both structurally and ideologically (82-85). In explaining the resilience of Neoliberal Discourse despite the glaring contradiction between neoliberal ideology and practice, Philip Mirowski (2013) notes that Neoliberalism is “a moveable feast” (1) and that Neoliberals adopt and jettison theories, theorists, or definitions as it suits them (1). The same is true of narrative, whose disposable nature I examined in the preceding section on narrative, but this disposability deserves more critical attention because of the flexibility and resilience it lends to Neoliberal Discourse's hegemony during crisis events. It is this lack of attention to the benefits of using neoliberal narratives like Lost Japan that I hope to contribute to the academic work on understanding and dismantling the neoliberal project.

To achieve my aim, I will need two tools. First, since I plan to take Barthes' words to heart and “go beyond the phrase” to look at the structure of narrative as precisely a “whole greater than the sum of its parts,” the first tool I need is an analytical framework capable of handling narrative as both part of discourse and discourse in its own right. My aforementioned addition of Roland Barthes' insights on the semiotics of narrative and Richard Kearney's work

on primordial narrative to the pre-existing framework of CDA should suit my needs. However, merely modifying the technical tools of analysis without changing to a more suitable theoretical framework would prevent conceptual understanding of my object of research. To ensure the conceptual matching of my technique and theory, I choose Theodor Adorno and Max Horkheimer's (1989) concept of the 'culture industry' to guide my analysis, since their formulation of capitalist culture as mass produced 'false identities' to facilitate conformity suits well the subjectification implicit in *Lost Japan*. I explain this theoretical framework fully in Chapter Three.

I will use these tools to examine the contradictions within Neoliberalism where Neoliberal Discourse tries to replicate the strength of its ideology, but does so inexpertly because narrative is the site of tension between ideology and the reality it seeks to shape through discourse. *Lost Japan* can only be 'common sensical' if you believe all its underlying assumptions about Japan, the events of the financial crisis, and America's relation to both. In terms of *Lost Japan*, Alan Mendelowitz (2003) embodies this contradiction when he lambastes Japan's zombie corporations and notes its need for openness and competitiveness, while at the same time giving the Detroit bailout as an example of an American success (1). As David Harvey (2007) and Thierry Guilbert (2011) also note, neoliberal ideology and discourse are often very contradictory on a global level as well. Harvey states that although the US and its erstwhile ideological rival China espouse free markets and thus Neoliberal ideology, in reality they engage in massive debt-financing while baselessly claiming that any recession is due to the incomplete nature of adoption of neoliberal policies. Harvey concludes, "The irony is that both have been behaving like Keynesian states in a world supposedly governed by Neoliberal rules" (152). This observation equally holds true for the narrative of *Lost Japan* and its contradictory damning of Japan for its 'socialist' economy while urging more response from the US

government. Writing in the *NY Times*, Hiroko Tabuchi (2009) employs her complex habitus as a Japanese insider economist and journalist to place this Neoliberal Discourse in the mouths of her countrymen: “The Obama administration is committing huge sums of money to rescuing banks, but the veterans of Japan’s banking crisis have three words for the Americans: more money, faster” (1). I study how narrative is used to push this contradictory neoliberal crisis response over the next two chapters.

Although these criticisms of Neoliberalism’s inconsistencies are valid to varying degrees, Neoliberalism’s critics have not offered much in the way of options. Margaret Thatcher’s ideological slogan ‘There Is No Alternative’ revealed this state of affairs in spite of the opposition to ‘Thatcherism’ by both the public and her fellow party members, (Steger & Roy 2010: 21). This is as true now as then, for as Galbraith (2009) notes, lack of alternative policies to Neoliberalism and knowledge of finance have been the greatest weaknesses of its opponents (89). Although I have neither the skill nor power to suggest or implement an alternative to Neoliberalism, by laying bare the working of neoliberal narratives, how they invisibly promote Neoliberal Discourse and the ideology behind it, I hope to allay the analytical academic paralysis of Neoliberalism and pave the way for a closer scrutiny of narrative and other overlooked tools in the defensive arsenal of Neoliberal Discourse.

Chapter Two

The Neoliberal Objects of Lost Japan

“Words – so innocent and powerless as they are, as standing in a dictionary, how potent for good and evil they become in the hands of one who knows how to combine them.”

-- Nathaniel Hawthorne (*Notebooks*, May 18, 1848)

1 The Financial Crisis and Narrative

I argued in the previous chapter that in hegemonic discourse, especially during a crisis, a narrative is constructed to give sense to events, thereby disseminating the discourse of the teller and serving the interests of the ideology behind it. Despite serious problems in the US economy from 2007 to 2014, American economic journalism of the time turned to the story of Japan's 1990's slowdown to explain to its readers the bewildering origins and flurry of panic alerts from the distressed financial sector during America's own financial bubble bursting.

During the US financial crisis, retellings of the analogy of Lost Japan in economic journalism and thinktank reports served Neoliberal Discourse by denying its role in the failure of the US economy, by laying the blame instead at the feet of the US government, by

forestalling financial regulation, and finally by appealing to American values to continue 'business as usual.' The analogy of Lost Japan-Turning Japanese thus recontextualizes the American financial crisis as a temporary dysfunction unlike Japan's longstanding slump, while at the same time depicting the US as similar to Japan in that only the application of neoliberal measures could promise recovery. This discourse was marshalled against the public upheavals and critiques of capitalism that fomented at that time.

The narrative propounded and contested during this period was actually the amalgamation of two stories, behind both of which neoliberal interests can be seen. First is the 'Lost Japan' narrative, what Eamonn Fingleton (2012) calls the "myth" of "basketcase" Japan (2). Before 2007, the story of Lost Japan had become a common sense reference, an automatic association that triggered thoughts and went unquestioned in much the same way as the rogue trader story examined by David Hudson and Mary Martin (2010). The tenets are that Japan lost its way economically in the 1990s with the bursting of real estate and stock bubbles that shunted it into the so-called Lost Decades of 'anemic' growth. American economists posited that Japan's fall came because Japanese official response was too slow, but more damningly because it was bound by debilitating politics and a crony culture of supporting 'zombie' firms. This view was first expounded in the late 1990's by Milton Friedman (1997) in *The Wall Street Journal*, and was expanded on and thus validated in academic and policy reports by economic luminaries such as Paul Krugman (1998), Ben Bernanke (1999), and a slew of other respected academics. Lost Japan thus became an incontestable 'common sense' narrative frame of the economics discipline that could be called upon to show America's correct trajectory of Neoliberal Discourse in contrast to Japan's lost path.

With the start of the unimaginable (to neoliberals) financial crisis in the US, the prefabricated discursive power of Lost Japan became an easy and automatic appeal to the

common wisdom around the Japanese predicament. Next, this ‘common sense’ assumption of Lost Japan was re-called to underlie a second story, the analogy of the US financial crisis with the Japanese crash that preceded it. This second analogical variation of the narrative, which could be called ‘Turning Japanese’ in reference to Michael Schumann’s (2010) *TIME* articulation of it, is equally the object of my research. This transformation of Lost Japan from the interpretation of individual economists to mass-mediated common sense is explained by Guilbert's (2011) observation of: “paradoxe entre sa signature et les arguments utilisés, entre une parole individuelle et une présentation collective, entre un point de vue particulier et l’utilisation du bon sens”²⁹ (56-57). Lost Japan, like the ‘rogue trader’ story before it, is precisely the ‘collective presentation’ that is taken as ‘common sense.’

The analogy between the US and Japanese economies at the heart of Lost Japan saw a discursive arc over the course of the financial crisis, wherein its usage evolved to serve several functions as the crisis unfolded. First, the narrative was used to reassure the readership that American style neoliberal capitalism could not suffer the same fate as Japan, then as these assurances proved false, Lost Japan was invoked to push for government bailouts of the US economy while stalling regulation. As the stimulus took effect the narrative was used to reaffirm to Americans that their neoliberal way of life was superior to that in Japan, then after the crisis passed Lost Japan was used to incite the fear of turning Japanese to reign in fiscal deficits incurred during the stimulus plans. Unlike the 1990’s economic discipline iteration of Lost Japan, whose academic validation made it sacrosanct, the post 2007 narrative was also fiercely contested in media texts as the crisis continued, eventually resulting in the questioning of the Lost Japan assumption that supported it. In this chapter, I thus not only look at the structure and

²⁹ “Paradox between their signature and the arguments used, between an individual’s statement and a collective presentation, between a particular point of view and the use of common sense”

Neoliberal objects of the Lost Japan-Turning Japanese narrative, I also examine how resistance to the *doxy* of these narratives was able to form.

To uncover how the narrative of Lost Japan-Turning Japanese served neoliberal interests, in this chapter I first review the crisis itself, then trace the structures of Lost Japan, going 'beyond the phrase' to see how it was constructed and employed, as well as its discursive arc. Next, I look at the four neoliberal objects this narrative promoted, namely critique of US response, denial of the crisis' scope, belying of financial regulation, and re-creation of American identity suited to Neoliberal practices beyond the crisis. I finish with an examination of Lost Japan as hegemonic threat to reinforce American cultural valorization of neoliberal-style capitalism.

Interpreting the US Financial Crisis

Although the US financial crisis is fresh in living memory, for the sake of the clarity of my arguments it would do well to review the salient events that precipitated it. Since the financial crisis itself is a series of events, it follows that it too constitutes a narrative every bit as constructed as Lost Japan. From my standpoint, there seem to be two conflicting interpretations of the crisis: the 'official' account of events, and the 'popular' version of events.

The academic and government analyses that constitute the official account of the financial crisis have largely constrained themselves to market events and policy responses. This tendency is evident in “The Financial Crisis: A Timeline of Events and Policy Actions” (2011) prepared by the St Louis Federal Reserve Bank. Although real economy effects may be

considered outside the Fed's mandate, neglecting even cursory unemployment or growth data shows a discursive disconnect between an institution that bills itself as 'Central to America's Economy' on its website but limits its episteme to financial and policy actions. The St Louis Federal Reserve Bank is a pivotal Midwest central bank whose duties include to " ... promote stable prices and economic growth... foster a sound financial system... provide payment services to financial institutions... support the U.S. Treasury's financial operations... advance economic knowledge, community development and fair access to credit" (http://www.stlouisfed.org/about_us/). The Fed's mandate marks it exactly as the type of free market-oriented state organ that David Harvey (2007) identifies as pivotal in Neoliberalism's long march (69), and thus the elision of real economic effects such as employment or housing in its timeline implies Neoliberal interests in the stimulus and Quantitative Easing it oversaw.

Although 2008 stands out in this researcher's memory as the beginning of the financial crisis due to the fall of Lehman Brothers, major market disturbances were felt much earlier. The Federal Reserve Bank of St Louis' timeline of events begins in February 2007, when the Federal Home Loan Mortgage Corporation (colloquially known as 'Freddie Mac'), a Government Sponsored Enterprise (GSE) for providing credit, affordable terms and stability in the housing market, reacted to tremors by refusing to buy subprime loans and risky securities. This would be the start of the 'housing bubble', forcing the Securities Exchange Commission (SEC) to prohibit 'naked short-selling', or selling without security, of Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, Freddie Mac and its sister GSE Fanny Mae in July 2008. Although both GSEs would require much rehabilitation involving being put in government conservatorship in September 2008, it is the above act by the SEC that heralded the shift from 'housing crisis' to 'credit crisis' as well. The deteriorating financial situation went public with the downgrading of several funds by Standard & Poor's in

June and July 2007, with liquidation of others by Bear Stearns also coming in July, and acquisition of Bear Stearns itself by JP Morgan in March 2008. By June 2009, the Federal Reserve would intervene to prevent the ‘disorderly failures’ of Bear Stearns and American International Group (AIG). The crisis had escalated from housing to the entire credit system in a little under two years.

As Paul Krugman (2008) has noted, White House response to the growing financial crisis was slow and uncertain. The actions in 2008 of the outgoing Bush Administration include signing the Economic Stimulus Act in February, followed by the Housing and Recovery Act in July, and ending its term signing with Congress the Emergency Economic Stabilization Act of 2008 in October, making \$700 billion in Troubled Asset Relief Program (TARP) money available. The newly minted Obama administration would find itself in a flurry of activity, requesting in January 2009 that outgoing President Bush make \$350 billion in TARP funds available to the new administration, then passing both the American Recovery and Reinvestment Act of 2009 as well as the Homeowner Affordability and Stability Plan in February, followed by the Helping American Families Save Their Homes in May. This high-profile political response overshadows concerted actions by the Federal Reserve and the Treasury Department. By August 2007 the Federal Reserve began extraordinary measures such as offering reserves and reducing its interest rate, while the Treasury created the HOPE NOW initiative’s alliance of mortgage investors and related experts. Both institutions would become increasingly busy during the crisis, both through their actions and participation in various committee hearings and initiatives. The timeline from the St Louis Federal Reserve Bank ends April 13, 2011, when the U.S. Senate Permanent Subcommittee on Investigations released its final report on its inquiry into key causes of the financial crisis. This endnote again signals the

episteme of policy events that overlooks the real effect on Americans that would continue for years after.

Although the official account is important, the effects felt on average people's life in America warrants special attention. During these years, life for everyday Americans exhibited upheavals that are invisible among the scrutiny of the above market trends or policy responses, namely exacerbation of the pre-existing deterioration of living standards caused by the shrinking of the middle class in the face of the neoliberal advance. Although the actual numbers of those evicted, made homeless or unemployed due to the crisis are debatable and would require more space than available here, Bloomberg News has compiled data from several sources that give an idea of the effects on average Americans, understandable from a media outlet whose mandate does include informing the general public on both financial and real economic conditions. According to Bloomberg Businessweek's (2013) infographics, the share of unemployed who were out of work for over 27 weeks increased from just under 20% in the First Quarter of 2007 to over 40% in the Second Quarter of 2010, a height it maintained throughout the next two years and is only receding slowly after 2013. Similarly, household income peaked at nearly \$57K Q1 of 2008, fell to over \$51K in Q3 of 2011, and has yet to return to appreciable levels. Finally, the nearly 5% of delinquent mortgages in Q1 2007 rose to nearly 10% by Q1 of 2010 (1). The twin shock of homelessness and joblessness thus exacerbated the precarious existence of many average Americans who had previously worked to make their world secure.

If anything, the financial crisis also increased perception of inequality in the US, where Boushey and Williams (2010) note in a report for The Center for American Progress that "The bottom 30 percent of American families try to get by on a median annual income of \$19,000, earning less than \$35,000 dollars a year" (ii), and that "The typical American

middle-income family put in an average of 11 more hours a week in 2006 than it did in 1979.⁸”

(1). Make no wonder that the period of crisis saw popular responses such as the Occupy Movement, who targeted the very disconnect between finances and everyday life noted here. It is in this context of stark realities for average Americans and growing mistrust of US financial establishment that ‘Lost Japan’ was revived and developed for defensive neoliberal purposes.

Mediated Discourse of Crisis

As the differing ‘official’ and ‘popular’ interpretations of the 2007 financial crisis imply, Lost Japan-Turning Japanese is part of a media discourse deployed to meet certain interests. As Hudson and Martin (2010) state in their examination of the Neoliberal narrative of the ‘rogue trader’ that dominated media coverage of the 1990s Barings trading scandal, it is at times of crisis when Neoliberal Discourse is under suspicion or scrutiny that the movements of the dominant ideological regime can be traced. They write:

“The role of crisis is important because it represents a moment when the limits of the liberal regulatory regime were exposed, but also one where the regime was subsequently secured and legitimated. Crucially, we argue, because the collapse was interpreted and narrated as the fault of a rogue individual rather than a consequence of more structural regulatory weaknesses, the existing regime was exonerated.” (97)

Indeed, just as the dysfunction of Barings and the practices it engendered were effectively hidden by the rogue trader narrative, the narrative of Lost Japan-Turning Japanese was used to

transpose the fault for the financial crisis of 2007 to causes other than the excesses of the US financial system.

This is not to say that narrative in the form of historical analogy is *a priori* misleading or serves Neoliberal Discourse, but as Richard Katz (2009a) observes, such an analogy is merely tool of policymakers and economists to try and understand a chain of events, and thus should be used with caution. The problem with Lost Japan is twofold. First, not only the veracity of its assertions based on GDP data with inherent neoliberal bias, but more importantly it denies other narratives and the potential to problem solve through them. In his first response to the financial crisis, Paul Krugman (2008) mentions Sweden and the Great Depression as well as Japan as historical lessons. As Lost Japan came to dominate public debate about response to America's crisis, it precluded any other useful analogical exercise. If we substitute 'Lost Japan' for 'rogue trader,' we see that the same type of mediated neoliberal narrative obfuscation examined by Hudson and Martin (2010) has taken place in the texts that use the Lost Japan-Turning Japanese narrative.

Criteria for My Corpus

In a very real sense, I did not select the texts of my corpus - they selected themselves based on the neoliberal narrative they constructed and disseminated. The precondition for inclusion of a text in my corpus was that it be from US economic journalism, and that it present the analogy of the current US financial crisis with that economic slowdown of Japan in the 1990s. My first criteria was title phrasing, a semiotic feature which Genette (1991) terms

'paratext', and which acts as a discursive identifier for content. Although title is not usually analyzed deeply in CDA, I see title as integral to understanding the positioning of narratives. As Genette explains,

“One does not always know if one should consider that they belong to the text or not, but in any case they surround it and prolong it, precisely in order to present it, in the usual sense of this verb, but also in its strongest meaning: to make it present, to assure its presence in the world, its "reception" and its consumption” (261)

Indeed, the texts I chose all presented themselves as the story of whether the US will become lost like Japan. Thus the use of the analogy of Japan in the title the text presents the assumptions of Lost Japan-Turning Japanese as a product to be consumed and not questioned, and this is a worthy marker of inclusion. My insistence on the paratextual phrasing for selection allowed me to cast the a wide net to find articulations of the narrative appearing both in mainstream journalistic publications such as *The New York Times*, economic journalism media like *The Economist*, but also finally in financial market advising sites such as *Investment Contrarians* which masquerade as news, a form of native advertising endemic to the economic journalism industry.

My second criteria for texts was journalistic hierarchy. I prioritized texts from top tier media establishments that asked the question whether America would become like Japan. By top tier I mean traditional print discourse leaders in economics such as the *New York Times*, *Washington Post*, and *Wall Street Journal*. Hudson and Martin (2010) note that journalism is hierarchical and that this represents power relations (106), and indeed these top tier organizations serve as discourse leaders whose ideas are repeated and recycled in aggregator sites and local newspapers. However, I also include several lower tier media as examples of

how the narrative was circulated and constructed for differing audiences, such as the financial investors of George Leong's (2013) "Why America Will Be the Next Japan" for financial advice site *Investment Contrarians*.

Although not a full criterion, I also paid special attention to extended discourses seen in the interchange between writers, which was a common feature of many of the texts in my corpus. Examples include the exchange of responses between Richard Katz (2009a, 2009b) and Robert Madsen (2009) in *Foreign Policy*; the responses between Eamonn Fingleton (2013a, 2013b) in *Forbes* and Paul Krugman (2013) and the *NY Times*; and the *The Economist's* (2012) anonymous response to blogs, among others. In fact, such exchanges and references are a large element of Lost Japan. Following these three criteria allowed me to gather a corpus of texts throughout the period of crisis that articulated the question in similar ways, but answered it differently. However, assembling my corpus this way has resulted in two problematic considerations - its size and genre.

On Corpus Size

Admittedly, the size of my sample or corpus is large, comprised of 29 texts from US economic journalism written between 2008 and 2014 that all reference Lost Japan-Turning Japanese in various ways. In his seminal paper on New Labour, Norman Fairclough (2001) uses one text, and this small sample size is characteristic of Critical Discourse Analysis (hereafter CDA) and its focus on language at the phrasal level and below. To look at narrative, however, one must see its reiterations and refinements over multiple texts as they are employed to

interpret unfolding events, a body of storytelling which I call the discursive arc of the narrative. Because this media moment consisted of re-iterations of a narrative, I need to view texts contrapuntally, or in relation to other texts, as well as diachronically, over the time period in question. This approach recalls Simon Springer's (2012) view of Neoliberalism as "circulating discourse" (139), a perpetual motion machine that must be addressed as such, i.e. over time and across several textual manifestations. As large as my corpus is, there were many more texts I left out. Although I originally examined American policy and French media texts as well, I have removed these from my main corpus to focus on Neoliberal Discourse situated in US economic media discourse. I do mention their replication of Neoliberal Discourse through the Lost Japan narrative where necessary.

I should note here that I do not analyze any articles from overtly right-wing media such as *Fox News* or similarly openly ideological sources. Since these news sources position themselves as pro free market and thus Neoliberal, their use of Lost Japan approaches propaganda and thus either is ignored or resisted by ideologically neutral or left leaning Americans, or wholeheartedly accepted by conservatives in an example of preaching to the converted. When Lost Japan-Turning Japanese and its Neoliberal assumptions are raised by more ideologically central or left leaning media, such as the *NY Times*, this is a clearer example of Neoliberal Discourse exerting dominance on collective representations of reality, thus acting on the level of discourse to influence public opinion without appearing to do so. By analyzing how Neoliberal Discourse is disseminated implicitly through narrative in such venues I hope to contribute to the labour of calling attention to Neoliberalism's advance such as that done by Norman Fairclough, Thierry Guilbert, Ruth Wodak, Teun van Dijk and many others.

Another consideration is the genre of texts in my corpus, which I identified in the first chapter as 'economic journalism,' and the styles they use. Questions of genre or style are

important to CDA as it denotes both the writer's episteme and his intended audience. However, the corpus of Lost Japan-Turning Japanese shows that the collocation 'economic journalism' is often a contradiction in terms, where the market logic of the first term blots out the supposed impartiality of the press implied in the second. Although financial reports bill themselves as 'news', the articles constituting Lost Japan-Turning Japanese mostly belong to the genre of editorial or commentary. As Thierry Guilbert (2011) states it, "les éditoriaux et chroniques sont des articles de commentaire, ils n'ont pas à faire preuve de neutralité"³⁰ (56). Guilbert further identifies the editorial as one of the main avenues of dissemination for Neoliberal Discourse (8, 25). Because they contain arguments more than figures or difficult equations, they are understandably now part of the daily reading regime of many Americans and thus are ideal locations for the creation and manipulation of public opinion. Opinionative articles of well-known economists, like those written by Paul Krugman for the *NY Times*, command a huge readership (footnote how many). In addition, many of these articles are from hybrid outlets, such as *Foreign Policy*, and thus double their discursive power by claiming both journalist and political insider status. Just as these texts belong to their own genre (economic journalism) and sub-genres (editorial, financial advice), narratives too have their own genre, and Turning Japanese goes through genres as it evolves, from the 'cautionary tale' of Tabuchi's (2009) *NY Times* article, to the predictive 'scenario' of Leong's (2013) financial advice column. I unpack this complex notion of genre in relation to my corpus in the next section.

The Rise and Fall of Lost Japan

³⁰ "Editorials and essays are articles of commentary, they cannot prove to be neutral." (My translation)

Upon deciding and reading my corpus, it became clear that the appearance of the Lost Japan-Turning Japanese narrative in US economic journalism texts traced a discursive arc that reflected the acceptance of its assumptions and application in relation to the socio-economic reality of the United States at the time. The discursive arc of the Lost Japan-Turning Japanese narrative went through three stages during the crisis period of 2008 to 2014. The first stage was unquestioning acceptance of the Lost Japan hypothesis as presented by 1990s academic reports. Starting with Levingston's (2008) *Washington Post* article "We're Not Japan", this allowed the scope of America's crisis to be denied and to reassure the public while the executive class prodded government to implement the 'Greenspan put' or stimulus and save their financial institutions. As the initial stimulus proved ineffective in returning growth to the economy, the second stage of questioning and heated debate over the presuppositions of Lost Japan began. This discursive shift away from belief in the Lost Japan hypothesis is marked by Eamonn Fingleton's (2011, 2012, 2013a, 2013b) series of articles questioning the 'myth' of Lost Japan, as well as responses from Krugman (2012a) and Yglesias (2013). The final stage, after Lost Japan had been thoroughly challenged and conditions in the US came to be perceived to be grimmer than could have been imagined, saw a view of America as worse off than Japan, especially in terms of 'suffering' or social effect. Although this 'worse than Japan' discourse was articulated earlier on by Richard Koo (Weisenthal 2011), after Fingleton's debunking of the 'myth' even holdouts such as Paul Krugman would reconsider, culminating in Krugman's (2014) 'apology' to Japan for his initial contribution to the Lost Japan thesis. A coda to this arc is the re-emergence of Lost Japan intact after its supposed debunking. Lost Japan still crops up with its presuppositions largely intact in second tier market reports from 'click bait' sites, and in pieces such as Leong's (2014) advice to investors in the face of a supposedly oncroaching

apocalyptic credit crisis. Although the interpretation of the chain of events may have been put into the question, the story and images of Lost Japan-Turning Japanese itself retains power and thus its use needs to be investigated.

Considering that the widespread acceptance of Lost Japan was a function of economic discourse, the overturning of the narrative can be considered a function of media discourse. The narrative of Lost Japan was situated largely in elite academic field, starting with Nobel laureate Milton Friedman (1997), and thus little opposition could be voiced or considered. Alternately, media discourse allows faster turnaround than the academic discourse that birthed Lost Japan, while controversy and opposing viewpoints sell better in competing media outlets than in a shared academic setting. This discursive arc of acceptance and rejection of the narrative of Lost Japan, at least in major publications such as the *NY Times* and *TIME*, lasted roughly from 2008 to 2014, after which other discourses such as sequestration³¹ or the Fiscal Cliff³² took over. This change of focus attests to the end of the utility of the narrative in media discourse, and mainstream publications such as *The Guardian* (Hill 2014) now admit the ‘fallacy’ of Lost Japan and pillory Krugman and other economist’s adherence to it.

Having shown the composition of my corpus and the issues its mediated discourse raises, I turn next to the structure of the narrative, especially the features that let it gather power - its hybrid genre, use of specialist discourse, language of fear, and appeal to American identity. I follow this with an examination of the Neoliberal objects of the narrative, namely state critique, crisis denial, forestalling of regulation, and the trumpeting of Neoliberal Discourse as an exemplar of American values.

³¹ Sequestration refers to automatic budget cuts to the US federal government that impact mostly federal worker salaries and social services. This was a major issue for the Obama administration in 2012.

³² The Fiscal Cliff refers to a combination of expiration of tax cuts and reduction in general government spending. This was a major issue for the Obama administration in 2012.

Power and Structure of Mediated Discourse

There are several reasons why the Lost Japan-Turning Japanese story was so dominant in media discourse during the US financial crisis. Its resilience is based on three things - the symbolic power of specialists, the hybrid genre of media, and the language of fear that characterizes the narrative.

Presenting The Experts

First, the texts of Lost Japan-Turning Japanese accumulate authority by taking the role of translator of specialist discourse for a mass audience. Writers of texts from my corpus are either speaking from a position of authority or referencing those that are. Paul Krugman's many articles are grounded in his authority as both Nobel laureate economist and progenitor of the Lost Japan thesis. Even Eamonn Fingleton (2012), who questions the narrative of Lost Japan, ironically touts his own authority as “an author who predicted the Japanese financial crash of the 1990s” (4). It is not surprising that the purveyors of Lost Japan post 2007 share academic credentials, since the interpretation of Japan’s economy was originally constructed in American academia in the 1990s, and adding its discursive strength to the Turning Japanese scenario ensures its domination of the crisis discourse featured in economic media debate.

Whereas Lost Japan-Turning Japanese shows us that economists like Paul Krugman with enough symbolic capital from their discipline can write for media outlets of mass dissemination, conversely journalists may not publish in economic journals, lacking what Pierre

Bourdieu (1991) calls the ‘habitus’ of education and social relations that is required for access to do so. David Harvey (2007) identifies how this Neoliberal habitus³³ and its hybrid nature has been created in the power nexus between fields:

“So how, then, was sufficient popular consent generated to legitimize the neoliberal turn? The channels through which this was done were diverse. Powerful ideological influences circulated through the corporations, the media, and the numerous institutions that constitute civil society—such as the universities, schools, churches, and professional associations. The ‘long march’ of neoliberal ideas through these institutions that Hayek had envisaged back in 1947, the organization of think-tanks (with corporate backing and funding), the capture of certain segments of the media, and the conversion of many intellectuals to neoliberal ways of thinking, created a climate of opinion in support of neoliberalism as the exclusive guarantor of freedom. These movements were later consolidated through the capture of political parties and, ultimately, state power.” (40)

Digital technology and greater access to media, policy body reports, and even academic associations have also allowed economic discourses to access peoples’ daily lives and influence thought and ‘common sense’. With these open channels and mobility between social spaces, economics and through it Neoliberal Discourse has come to dominate both the political and cultural sphere in the US.

Those journalists who lack the habitus of economists draw on reports from economics experts, a technique called ‘indexing’ which Hudson and Martin (2010) identify as a feature of neoliberal narratives. They note that indexing is “how journalists leverage and transmit the power of other voices in society onto a very public stage, and ultimately how they sustain sources of dominant discourse” (105). In the context of Lost Japan-Turning Japanese, there are

³³ I call ‘Neoliberal habitus’ is the formation of economists and self-professed libertarians that reinforces their neoliberal beliefs while placing them in the society of neoliberals, which determines to a large extent their relations and range of action.

instances of indexing in various publications from my corpus, such as Levingston's (2008) presentation of a report from Jessop in the *Washington Post*; Hilsenrath's (2010) parroting of Ben Bernanke's speech in the *Wall Street Journal*; and Weisenthal's (2011) article-cum-mouthpiece for Richard Koo in *Business Insider*.

In addition to journalists' freedom to borrow academic habitus through indexing, the definition of who is an economic expert, and thus who is validated to speak, has also become very fluid, as evidenced in my corpus. Both Nobel winning economist turned pundit Paul Krugman and hedge fund managers Sheldon Kasowitz and Ethan Devine (2011) wrote Lost Japan op-eds for the *New York Times*, a concurrence that shows that the net for 'magazine economists' is cast wide. This equivalence of experts also shows that in economic journalism, there is no fundamental difference between those who know about economic theory like Krugman, and those who know about making money like Kasowitz and Devine. The domination of media by Neoliberal Discourse's 'entrepreneurial spirit' is thus contained in a closed loop of moneymaking experts creating content to inform and shape other moneymakers. The term 'magazine economist' was used by Paul Krugman to describe himself and Joseph Stiglitz³⁴, and is prime evidence of the increasing media dominance of economics, and thus those who are accredited by it, since Milton Friedman's pioneering shift into magazines. Thierry Guilbert (2011) articulates a similar blending of authority between journalism and politics:

“De même, la fonction critique de la presse semble difficile à exercer tant les regroupements monopolistiques sont puissants dans les médias, tant la publicité met en cause la pluralité de l'information. En outre, il est aujourd'hui avéré que pouvoir politique et médias sont fortement entremêlés. Les origines socioculturelles, les parcours de formation, les modes de vie et la vision du monde des « grands

³⁴ See “A Conversation on the Economy with Joe Stiglitz and Paul Krugman” for the Institute for New Economic Thinking (<http://ineteconomics.org/stiglitz-krugman>). (http://www.youtube.com/watch?v=xd0Uz__ebzA) Retrieved February 17, 2013.

journalistes » et des hommes politiques, leurs habitus donc, sont souvent très proches. Ainsi l'information semble tourner en vase clos : produite pour ceux et par ceux qui en tirent un bénéfice direct. Comme toute marchandise. L'interaction politico-médiatique est si forte qu'il est souvent difficile de distinguer si l'information est créée par l'homme politique ou par le journaliste.³⁵ (10)

In *Lost Japan* we can see that the same principle of erosion of journalism's critical functions by political interests holds true for economic writers dominated by Neoliberal Discourse.

Hybrid Genre and Media Practices

Next, the fluidity of author identity evidenced by the authors of *Lost Japan*-Turning Japanese is paralleled by the blurring lines of the genre of journalism which defines their texts. Paul Krugman's prominent place in the narration of *Lost Japan* also implies how genre has become meaningless; Krugman has won the Prize for Excellence in Economic Writing, 1991 and Columnist of the year, *Editor and Publisher magazine*, 2002 (Krugman CV) despite having no journalistic training. One could ask if economic journalism exists, or if it is a contradiction in terms, a euphemism to mask the news-making nature of media dominated by Neoliberal Discourse.

As noted by Guilbert above, journalism is supposed to keep politicians and industry in check, while ostensibly following the will of the people. Yet the 'economic journalism' of

³⁵ "Likewise, the critical function of the press seems difficult to exercise since monopolistic organizations are powerful in the media, and since advertising implicates the plurality of information. In addition, it is averred today that political power and media are strongly mixed together. The sociocultural origins, the educational path, the way of life and vision of the world of 'great journalists' and political men, in other words their habitus, are often very similar. Thus information seems to be generated in a closed loop; produced for and by those who benefit directly from it. Like all merchandise, the political-media interaction is so strong that it is often difficult to distinguish if the information is created by the man of politics or the journalist." (My translation)

Turning Japanese narratives presents itself as journalism while reveling in the freedom of editorials. Of the 29 texts in my corpus, only 5 are clearly marked as ‘Op-Ed’ and another 2 as ‘essays,’ while the remainder are presented variously as ‘market Buzz,’ vaguely described as ‘features,’ or appear without any genre noted at all. Guilbert notes a similar genre in other Neoliberal texts he examines. He writes,

“La plupart des articles pris compte ici sont des éditoriaux et des chroniques, autrement dit des articles de commentaire. Ce genre journalistique particulier est logiquement moins soumis à l’exigence d’objectivité et a précisément pour fonction de délivrer le sens de l’événement. De ce point de vue, les éditorialistes et les chroniqueurs sont souvent qualifiés, à juste titre il me semble, de « leaders d’opinion ».”³⁶ (8).

I would term many of the stories of Lost Japan ‘aditorials’ – editorials made as advertisement for a financial product or system, such as Steven Levingston’s (2008) supposed ‘story’ “This Isn’t Japan” in the ‘market buzz’ section of the *Washington Post*. Levingston’s article consists merely of a report from Julian Jessop of Capital Economics aimed at reassuring investors, revealing how the *Washington Post* constitutes a mouthpiece for the financial services sector. Likewise, when two hedge fund investors such as Ethan Devine and Sheldon Kasowitz (2011) write supposedly journalistic articles about Lost Japan for the *NY Times*, they cut out the middleman and subvert the press directly to the entrepreneurial spirit of Neoliberalism.

Although my research centers on journalistic outlets, the resurgence of the Lost Japan narrative in policy writing further reveals the breakdown of the genre of ‘news’ in the face of weakening traditional print journalism and the concurrent rise of digital media. This ambiguity is seen in two bulletins from the right wing thinktank the Heritage Foundation, Derek Scissors’

³⁶ “The majority of articles examined here are editorials and opinion columns, otherwise called articles of commentary. This particular genre of journalism is less subject to the demands of objectivity and has precisely as function to give sense to the event. From this point of view, editorialists and columnists are often called, in a fitting phrase in my opinion, ‘leaders of opinion’.” (My translation)

(2009a) “Two Lost Decades? Why Japan’s Economy Is Still Stumbling and How the U.S. Can Stay Upright” and “Japan’s Economic Failure and America’s Economic Risk” (2009b). The term ‘bulletin’ usually refers to news articles, while the open download nature of Scissors’ writings gives a wider audience access to his partisan neoliberal priorities and free market ideology. Whether in journalism or policy fields, the problem of these hybrid genres is one of controlling interests. Neither financial experts like Kasowitz and Devine, whose purpose is to sell products, nor a right-wing thinktank member like Scissors, inculcated in his organization’s ideology, can be expected to provide the unbiased information implied by the genre of journalism.

This hybrid use of media and thinktanks to ensure Neoliberal dominance of public opinion is the latest development in Neoliberalism’s historical process of consolidation of power identified by David Harvey (2007), who notes:

“...the advocates of the neoliberal way now occupy positions of considerable influence in education (the universities and many ‘think tanks’), in the media, in corporate boardrooms and financial institutions, in key state institutions (treasury departments, the central banks), and also in those international institutions such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO) that regulate global finance and trade. Neoliberalism has, in short, become hegemonic as a mode of discourse. It has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world.” (3)

Lost Japan thus showcases how in a time of crisis discourse can effectively be dominated by this dual prong approach, and how questions of genre (i.e. journalism versus political statement versus financial advertisement) are ceasing to apply to the statements made in support of Neoliberal Discourse through the narrative reinterpretation of the US financial crisis.

The Language of Fear

Last, as many of the sensational titles of Lost Japan retellings indicate, capitalization on fear is a large semiotic feature of the Turning Japanese narrative. The escalating rhetoric of fear can be seen in the titles of Scissors' (2009a, 2009b) 'bulletins' mentioned earlier, not surprising considering the free market allegiance of the Heritage Foundation for which he writes. Yet this alarmist language is also clearly reflected in the three titles of Michael Schuman's series of pieces for TIME magazine, "Is America Turning Japanese?" (2010), "Is America Facing A Japanese Future?" (2011a), and "The Japan Syndrome: If the West wants to avoid further crises, it should learn from a long-lost nation: Japan" (2011b). Schuman's use of the interrogative broadcasts doubt to readers, while the creation of 'the Japan Syndrome' collocation constitutes a powerful mix of references to Asian crises both financial and nuclear. That the Fukushima disaster occurred earlier the same year and was written about by Harrell (2011) in TIME in similar terms ("Was Fukushima A China Syndrome?") attests to the power this image holds over public consciousness through fear. This discourse of fear is seen in two instances, after the initial 2009 stimulus was seen as a failure and public anxiety increased, and again after limited recovery after the 2011 stimulus allowed the crisis to begin fading from memory. Although expert discourse in economics ostensibly appeals to science and rationality, a claim often made by Neoliberal Discourse as well, the sensationalism allowed in media gives it discursive force and betrays its interests.

Even after Lost Japan-Turning Japanese began to fade from media discourse towards the end of 2013, the language of post Lost Japan narratives continued this rhetoric of fear. Tim Duy's (2012) "The Zero Bound: Japan's economy is stuck in a trap from which there is no clear escape. Is this what America's future looks like?" not only evokes the fear of emulating Lost Japan, in the article he employs the image of the 'fiscal cliff' and the ominous sounding 'sequestration' which immediately followed Lost Japan to promote his discourse. If nothing else, these are indications of the defensive nature of language use in Neoliberal Discourse's struggle to maintain dominance through fearmongering when contested. In addition to the language of fear, the image of Japanese portrayed in Lost Japan also works as a spectre, providing the salience and resonance identified by Hudson and Martin (2010) as part of neoliberal narratives (105). Although there was no individual figure to focus collective pathos on as in the Barings case, the Lost Japan narrative's polarization of an American "us" vs a Lost Japanese "them" or "Other" through the 'Japan syndrome' image also serves the identifying function of discourse and reifies American identity imperilled by the crisis. I elaborate on the structures and functions of this creation of the Japanese Other to America in Chapter Three.

I have tried to show that Lost Japan-Turning Japanese is fundamentally part of hegemonic discourse that validates itself by appealing to specialist authority, playing on popular fears, and setting up a relation of opposition with America's Japanese Other.

2 The Three Neoliberal Objects of Lost Japan

Object 1: Denying the Nature of the Crisis

On the surface, the texts that take up the Lost Japan-Turning Japanese narrative seem to be diverse in intent and content. Some promote the analogy between US and Japanese crises while others deny it; some employ it to argue for stimulus and others against; and some use it to foresee America's fall while others predict the US will avoid Japan's supposed fate. However, whether they claim to embrace or deny the interpretation of events, by virtue of using the same neoliberal narrative, all the texts to varying degrees contain its discursive objects, and present these unconsciously as common sense to support their arguments.

Specifically, four objects of Neoliberal Discourse are evident in the post 2007 narratives of Lost Japan and Turning Japanese – the assertion that there was no real crisis because the capitalist market system still functioned for the power class; the laying of blame for market dysfunction squarely on government and its regulatory failures; the suppression of regulatory talk in favour of stimulus; and the appeal to supposedly American values such as individual freedom and American exceptionalism.

Crisis denial especially underscores how, for Neoliberalism to do its work, its proponents first must have faith in the capitalist system as it exists, extending even to blindness to any conflicts with the reality around them its practices initiate. Obfuscation of economic crisis is a staple of Neoliberal Discourse, and even opportunity for its promotion. As David Harvey (2007) wrote of the 1990s recession in the US,

“True blue neoliberals will doubtless claim that the recession is a sign of insufficient or imperfect neoliberalization, and they could well point to the operations of the IMF and the army of well-paid lobbyists in Washington that regularly pervert the US budgetary process for their special-interest ends as evidence for their case. But their claims are impossible to verify, and, in making them, they merely follow in the footsteps of a long line of eminent economic theorists who argue that all would be

well with the world if only everyone behaved according to the precepts of their textbooks.” (152)

As we shall see, post-2007 Neoliberal discourse about Lost Japan is marked by ignorance of warning signs pre-crisis, downplaying of the severity during the crisis, and denial of its existence along with a shifting of responsibility afterwards, all based on unverifiable claims.

1A - Mystifying the Japanese Crisis

Admissions by US economists that they were caught unaware and unprepared for the financial crisis in their own economy, despite claiming to have learned lessons from Japan’s similar condition, is the first indication of how Neoliberal Discourse’s denial of crisis dominated the episteme of economists. Although the 1990s analyses that fixed Lost Japan in the consciousness of American economists proclaimed to understand both the ‘maladie’ and its neoliberal ‘cure’, as well as America’s immunity to such a crisis, their conclusions became questioned increasingly after 2007. As Nouriel Roubini & Stephen Mihm (2010) assert, the biggest *mea culpa* seems to be Alan Greenspan and Ben Bernanke’s admittance that they did not see the crisis coming (234), which attests both to the blindspot of neoliberal thinking as well as its domination of official US economic discourse. If the supposed experts in charge of American economic performance can be blinded by the narrative of Lost Japan, especially considering that Ben Bernanke was an early contributor to it (Bernanke 1999), it is no wonder that media and thinktanks would fall into much the same line of thinking.

In Hiroko Tabuchi's (2009) *NY Times* article "In Stagnant Decade, Cautionary Tales for America," the author puts her finger on the denial of crisis that comes with constructing reality around neoliberal principles, but at the same time reveals her own inability to see the need to regulate not only banks, but the international credit system behind the crisis. Tabuchi is both the only native Japanese and the only Japan expert on the list of authors, but her education in economics and journalism and prior experience at the *Wall Street Journal* makes her equally conversant in and limited by US economic discourse conventions. She writes,

"Many American critics of the plan unveiled Tuesday by Treasury Secretary Timothy F. Geithner said the plan lacked details. Experts on Japan found it timid — especially given the size of the banking crisis the administration faces. "I think they know how big it is, but they don't want to say how big it is. It's so big they can't acknowledge it," said John H. Makin, an economist at the American Enterprise Institute, referring to administration officials. "The lesson from Japan in the 1990s was that they should have stepped up and nationalized the banks." (3)

Her reference to the inconceivable size of the crisis to Americans once again underscores the blinders Neoliberal Discourse acts as for policy experts like Secretary of Treasury Geithner, to the detriment of US recovery. Ultimately, Tabuchi's metaphor of America's predicament offers few new insights, repeating the presupposition of both Japan's failure and America's ability to learn the lessons that will allow it to avoid the same outcome, echoing the conclusion of American inviolability established by former housing chairman Alan Mendelowitz (2003).

Although it may seem hard to show what Nassim Nicholas Taleb (2008) calls 'negative evidence' that Neoliberals misunderstood Japan's economic slowdown and missed the signs that led to the US financial crisis, Lost Japan contributors openly express their bewilderment at both. Writing in *The Wall Street Journal*, Jon Hilsenrath (2010) implies the limits of

neoliberal-dominated economic knowledge by showing examples of Bernanke's failed neoliberal advice for Japan from his contribution to the Lost Japan narrative (Bernanke 1999), such as buying longterm debt to finance tax cuts (1) or setting an inflation target (1). Based on these failures he concludes, "Japan's experience remains a puzzle" (1), a conclusion Hilsenrath echoes with a quote from Bernanke's research and writing partner, New York University professor Mark Gertler. Hilsenrath quotes, "I don't think any model would have predicted the degree of persistence of Japan's problem. It is pretty hard to account for" (1). Both Hilsenrath and Gertler's words imply a conceptual blindspot in the scientificity of economics employed in Neoliberal Discourse.

Hilsenrath's emphasis on the unknowable concludes with his examination of Japan's unexpected deflation spiral:

"Japan's deflation has turned out to be the deepest mystery of all. Economists expected that a little deflation would turn into an ever-more-dangerous spiral: As consumer prices fell, the burdens of rising real interest rates could worsen, damaging the finances of banks, households and businesses and sinking the economy even deeper, as happened during the Great Depression." (1)

Hilsenrath's use of the terms 'puzzle' and 'mystery,' paired with Gertler's abovementioned quote that Japanese deflation is 'pretty hard to account for,' ironically points to limits in the epistemic tools used by American economists like Bernanke, another example of the conceptual blinders of the field of economics. Thus the primary indication of the limiting effects of Neoliberal Discourse in Lost Japan is the expression of bewilderment at Japan's failure, which indicates a parallel denial of the neoliberal policies leading to America's emulation of Japan's slump.

Ironically it would be this blindspot that lead to the questioning of the assumptions of Lost Japan. In a series of responses to the thesis of Lost Japan, economist and Japan-watcher Eamonn Fingleton (2011, 2012) asserts that there is no mystery, but that instead Japan's real growth has been downplayed due to the myopic neoliberal obsession with GDP and growth to the exclusion of all else, an impression which he suggests the Japanese themselves perpetuate because of their penchant for understatement. In "The Myth of Japan's Lost Decades" for *The Atlantic*, Fingleton (2011) wrote,

"The fact is that the calculation of economic growth depends on a myriad debatable assumptions (value judgments are critical because most growth these days takes the form of better goods and services, rather than more, e.g. better health care) and, while most governments like to plump up the numbers, it is a simple matter to plug in ultra-conservative assumptions (3)

This myopia is what Fingleton believes prevented western analysts from predicting the bursting of Japan's bubble, at which he was a firsthand witness in Tokyo (3), and conversely made them susceptible to the story of 'basketcase Japan' at the time, the precursor to the 'Lost Japan' initiated by Milton Friedman (1997) and his academic successors such as Paul Krugman (1998) and Ben Bernanke (1999). It would be the experience of the US financial crisis that shook such confidence and demanded that the supposed lessons learned from Japan be re-evaluated.

Japan's Reassuring Failure

Besides bafflement at the misreading of Japan's 1990s economic downturn, another major tone of crisis denial in Lost Japan texts is reassurances that the US will avoid a similar fate. This tone is in keeping with the historic reassuring function of narrative that was mentioned in Chapter One. Nonfiction book editor Stephen Levingston's (2008) article "This Isn't Japan" for the *Washington Post* reports just such reassuring words from Julian Jessop, head of London economic consultancy Capital Economics. Written in April 2008 after more than a year of reduced liquidity in markets and intensifying Federal Reserve actions, the article's title implies a pre-emptive denial of the association between American woes and Japan's slump, validated by the indexing of specialist knowledge mentioned above. Appearing in the 'Market Buzz' section of the online paper, "This Isn't Japan" belongs to the sub-genre of neoliberal writing for neoliberals, those believers in free markets who have money to invest and to whom market fluctuations are just another investment opportunity. In this context, the article's downplaying of the extent of crisis in comparison to Japan and its presentation of weakened US currency as "increasing US competitiveness" and low stock prices as "attractive" (1) clearly demonstrate its Neoliberal Discourse.

From Levingston's title can be seen both his reassurances and an attempt to exert influence on public discourse. The subject pronoun 'this' of the title indicates a debate in progress which the reader is drawn into as a supposed equal by the informal verbal contraction 'isn't'. He continues, "Some doomsayers are drawing parallels between the U.S. credit crunch and the Japanese financial crisis of the 1990s. Julian Jessop, chief international economist of Capital Economics, an economic research consultancy based in Britain, is in the opposite camp" (1). With this phrasing, Levingston contextualizes the debate between 'doomsayers', whose fringe connotations he amplifies by marking them as 'some' individuals, versus a friendly-sounding 'camp' of optimists. Jessop's credentials entice the reader to join his 'camp'

of optimists, yet the reassurances Jessop gives sound similar to those head of US Housing Allan Mendelowitz (2005) would give 3 years before, and would prove to be equally misplaced. The creation of an opposition between ‘optimists’ like Jessop and ‘doomsayers’, with its lexical choices of positive and negative, is a rhetorical strategy that Guilbert (2011) observes is used often in Neoliberal Discourse to discredit its opponents (46).

Next, Jessop offers a list of items comparing US and Japan meant to reassure the reader, but which intimates a very neoliberal way of looking at the world, eliding unflattering US details but delving into Japan’s problems. Regarding the loss of stock value, Jessop comments that US stocks are “off about 15 percent from their peak and are beginning to look attractively priced” (1). Only for Neoliberals interested in capital accumulation regardless of social expense could the term ‘attractive’ be used for companies who have lost 15 percent of stock value, not to mention entailing decreases in wealth, pension values, and investment or consumer confidence. Jessop also refers to “Factional infighting” (2) which slowed official Japanese response, both echoing the cultural argument of the 1990s academic analyses, as well as Paul Krugman’s (2008) criticism of US government “dithering” later that year. Jessop praises Bush tax rebates that will begin to reach consumers soon, but which some point out have instead helped big business (Krugman 2008). Levingston also reports that “U.S. executives and policymakers have moved early and effectively to steer the country away from a prolonged, Japanese-style meltdown” (1). This claim of America’s quicker response would become a common assertion in Lost Japan texts, although from the beginning its validity would be questioned by Krugman (2008).

Levingston also continues his reassuring indexing of financial expert Jessop, quoting “Losses, as a percentage of gross domestic product, are smaller in the U.S. subprime crisis than they were during the Japanese financial crisis. They are also being disclosed much faster than

they were in Japan” (2). Once again the neoliberal standard of GDP is used as the barometer of economic ‘health,’ subsequently taking the focus away from the millions of homeowners who lost their residence during the crisis. Finally, regarding the US dollar, Jessop paints a typically neoliberal picture of opportunity: “the dollar has weakened for years, increasing U.S. competitiveness and setting the stage for an economic recovery” (2), but the threat of inflation and its effects on costs of living and doing business for Americans goes unmentioned. Overall, touting Jessop’s neoliberal reassurances in the face of mounting negative economic indicators not only puts Levingston’s article on par with Allan Mendelowitz’s (2005) misplaced prediction of the impossibility of a similar slump in the US, but also shows the inherent displacement from social reality of what David Harvey (2007) calls neoliberalism’s “utopian project” (19) to realize complete market liberalization at any cost.

Whereas Levingston’s purpose is to assure readers that America’s economic outlook is not as grim as ‘doomsayers’ would have it, in “Think Again: Japan’s Lost Decade,” written by Christian Caryl (2009) and appearing in the April 3rd issue of *Foreign Policy*, the author asserts that Japanese growth was far better than Lost Japan would have readers believe, and by extension America’s crisis is over-rated. Caryl himself is a Yale graduate, former head of Newsweek’s Tokyo bureau, and Senior Fellow at the Legatum Institute besides being a Contributing Editor at *Foreign Policy* magazine (<http://christiancaryl.com/about/>). Caryl’s intent to question the ‘common knowledge’ nature of ‘Lost Japan’ is evident in the subtitle to his article: “As the economic gloom deepens, many American politicians and commentators have invoked the recent history of Japan as a cautionary tale. But the comparison may be more misleading than helpful” (1). Caryl lists the major beliefs about Japan’s slump and debunks them in question and answer format, evoking the debate form used by Levingston (2008). As we shall see, this Q&A format surfaces in many if the texts about ‘Lost Japan’ as both a way to

replicate the debate for readers and simulate their inclusion in it, as well as give the appearance of balanced discussion.

Caryl first addresses the presupposition that “Japan’s economy collapsed in the 1990s” with “Not exactly” (1). Although he recalls the economic health’ metaphor when he calls Japanese GDP growth “anemic” (1), he also acknowledges that:

“Despite these troubles, though, Japanese GDP in the 1990s ultimately continued to grow at an average of about 1.5 percent per year, measured in real terms. That translates to a 10 percent increase in the size of the economy over the course of the decade, well lower than the much more robust rates of growth in many other industrialized economies during the same period, but hardly a Great Depression. What’s more, unemployment never rose over 5.5 percent -- a rate that would be considered quite an achievement in the United States or Western Europe.” (1)

Although Caryl’s focus on unemployment and the incomparable scale of Japan’s slumps and the depression of the 1930’s demonstrates his wider lens than the official neoliberal view of the crisis, he is still trapped by the neoliberal terms of discourse, namely of economic 'health' and GDP. By dismissing Great Depression comparisons, he is effectively cutting off any recognition of the severity of the crisis on solely American terms, as well as the necessity for immediate Keynesian measures to relieve the average person’s loss in livelihood or living standard.

The characteristics of Japanese industry that would be criticized by others are also reassuringly lauded by Caryl, who asserts,

“Even now, Japan is still the world's second-largest national economy. Japan boasts a highly skilled workforce and a powerful array of smart companies. Case in point: Companies like Toyota and Honda have slashed inventories as the demand for cars has plummeted. And yet, drawing on their ample reserves of cash, they've continued their funding of research and development for the next generation of green cars, extending an

already formidable lead. When the world's economy picks up again, they'll be perfectly positioned to benefit” (3)

Caryl's look at the bright side of Japan's economy also gives hope to America's recovery by analogy, and although Japan's spot as second largest economy would soon be supplanted by China, many of Caryl's observations would be echoed in Eamonn Fingleton's (2010, 2011a) repudiation of Lost Japan. However, the focus on Japan again ignores the possibility that 'no growth' and 'jobless recovery' have become the new American normal, especially considering US divestment of manufacturing and explosive growth of financial and services sectors under Neoliberalism makes US prospects and problems very different from those of Japan.

Richard Katz (2009a) also contributes to the reassurances in his “The Japan Fallacy” for *Foreign Policy*. Katz is one of the few Japanese economy experts participating in this discourse, having written two books on the Japanese economy (*Japan: The System That Soured - The Rise and Fall of the Japanese Economic Miracle* and *Japanese Phoenix: The Long Road to Economic Revival*), as well as ed-op pieces in the *Asian Wall Street Journal*, *Asahi Evening news*, and *Japan Times* (Katz bio), and thus his detailed knowledge of Japan precludes the easy comparison with the US espoused by some writers. In his article, Katz optimistically notes that although the analogy between the US and Japan is not perfect, it is the dire lessons drawn from it that are fallacious. He writes,

“Policymakers can draw many lessons from this comparison. First, the current U.S. crisis - like the Asian financial crisis of 1997-98 - has proved that even an economy with sound fundamentals can be thrashed when financial markets go haywire. However, the Asian crisis provides a more promising message: once financial markets are calmed and policy mistakes are reversed, economies recover” (2)

Similar to Caryl, Katz's assertion that America's neoliberal financial system has 'sound fundamentals,' that it merely went 'haywire,' and that recovery is possible makes the crisis seem unavoidable and unnatural, instead of a preventable and foreseeable part of neoliberal capitalism. This is a strategy of normalization of Neoliberal Discourse that Harvey (2007), Guilbert (2011) and others have noted.

In a second article responding to criticism from Richard Madsen (2009), Katz increases his reassuring tone. He writes,

"U.S. companies today are also in a far better position than were their Japanese counterparts on the eve of the lost decade. Back then, the ratio in Japan of corporate debt burden to total corporate net worth (financial and physical) was four times as high as in the United States today. Household debt has increased faster than household income, but again, so have assets. Despite a 16 percent record drop in wealth between the peak in September 2007 and December 2008, U.S. households ended 2008 with an average net wealth (assets minus debt) that added up to 4.8 years' worth of income. That is close to the average net wealth of five years' worth of income that has prevailed in the United States for a half century. Today's wealth destruction is a correction of bubble levels. U.S. households can adjust to this correction just as they did to the correction during the less severe dot-com bust -- so long, that is, as jobs stop disappearing." (7)

Katz's devaluing of household debt in the face of corporate debt, as well as his dismissal of wealth destruction as 'a correction of bubble levels,' indicates the Neoliberal Discourse of creative destruction, where burden on households is acceptable so long as companies profit. Additionally, Katz's caveat of recovery dependent on the unemployment trend stopping could not be met in the 'jobless recovery' that would come to characterize the post-crisis US economy.

A year after the first stimulus, neoliberal assurances of recovery would begin to falter. TIME writer Michael Schuman (2010) voiced reassurance of US inviolability when he wrote, “While I have little hope for Japan’s economic future, I don’t see the U.S. heading in the same direction. There are just too many differences between the two economies, differences that can work in America’s favor” (2). Despite his reassurances, in the same article Schuman also foretold the fatalistic thrust of his later articles when he wrote:

“I just don’t think that the level of denial is the same in Japan and the U.S. ...Yes, there is paralysis in Washington, with pointless ideological battles and political posturing. But there is also a national debate on what ails America to a degree that doesn’t exist in Japan. That gives me a bit more hope that the U.S. can more readily reform than Japan” (2).

Within a year, Schuman would write two follow up articles on Lost Japan-Turning Japanese in TIME that would signal a shift in tone towards despair at US political paralysis (Schuman 2010, 2011a). Schuman’s transition from reassuring optimism to pessimism about the US economy and its prospects reflects public sentiment during the crisis, which would require another shift in the prevailing media discourse.

1B - Different Types of Crisis

When the initial Bush and 2009 Obama stimulus plans did not work as expected and the effects of crisis could no longer be ignored, neoliberals next turned to differentiating the nature of the US and Japanese problems to deny the role of Neoliberal Discourse in the financial crisis. Differentiating crises is seen in Richard Katz’s “The Japan Fallacy: Today’s U.S. Financial Crisis Is Not like Tokyo’s ‘Lost Decade’,” which appeared in April 2009 in Foreign Affairs, a

magazine published by the ‘non-partisan’ US thinktank The Council on Foreign Relations (foreignaffairs.com/about-us). In his article, Katz (2009a) draws a wide line between the Japanese and US slumps.

“In Japan, the primary problem was pervasive dysfunction in the economy, which caused a banking crisis. In the United States, pervasive dysfunction in the financial sector has caused a deep recession in the economy as a whole. This financial dysfunction is not the result of structural flaws, as in Japan, but of grave policy mistakes. It is now being compounded by widespread investor panic.” (2)

Katz performs two manipulations here: first, disassociating ‘financial sector’ with ‘structural flaws’, then in the final sentence shifting blame from market libertarians who created the flawed policies to investors who reacted naturally to profit from them. Since, as he admits later, ‘powerful financial lobbyists’ had changed the structure of the US financial system by promoting deregulation (4), his dichotomy appears false. This impression is strengthened by his additional comment that, with regards to Japan’s slump, “The United States’ subprime mortgage fiasco of 2007-8, in contrast, was primarily the result of discrete, correctable mistakes brought on by ideological excess and the power of financial-industry lobbyists rather than intractable structural problems” (3). Here again Katz understates the case, terming ‘ideological excess’ the neoliberal program to accumulate capital regardless of societal cost, and terming ‘correctable’ neoliberal reforms and deregulation that will conceivably require much protracted effort to reverse, presumably under opposition from the same ‘power of financial-industry lobbyists’ that worked to pass them originally.

A response to Katz’s hypothesis would appear in May/June 2009 issue of *Foreign Policy* written by Robert A Madsen. Madsen is a senior fellow at the MIT Center for International Studies, bringing experience as a hedge fund manager, an oil company consultant,

writer of the Economist Intelligence Unit's Japan division, and advisor for various government agencies as well as private investment groups such as Soros Private Funds Management and Mickinsey & Company. He is also a Rhoades scholar and graduate with degrees in International Relations from Harvard, Asian languages and law from Stanford. ("Robert Madsen speaker's profile") In 2004, Madsen contributed to the genesis of Lost Japan when he wrote "What Went Wrong: Aggregate demand, structural reform, and the politics of 1990s Japan" as a working paper for the Berkeley Roundtable on the International Economy. The title of Madsen's paper touches on the Neoliberal keywords of creating 'demand,' pushing through 'structural reform,' and laying the blame with the state or Japanese 'politics.' Madsen's solution to Japan's woes in 2004 was increasing its capital flows abroad, a neoliberal tenet and one that seems counter-intuitive in light of the role that excess speculation had in the bursting of Tokyo's 1980's bubbles.

Madsen's Neoliberal Discourse regarding Lost Japan would resurface in his response to Richard Katz's "Japan Fallacy." Entitled "Worser and Worser," Madsen's title is an echo of Alice in Wonderland's 'curiouser and curiouser' which reflects the Neoliberal awe at a topsy turvy nightmare where neoliberalized America falls further down the rabbit hole of a liquidity trap in defiance of the free market libertarian faith in monetary solutions and the 'Friedman logic' behind them. Madsen's article comes pre-packaged with a response by Katz, providing an example of mutual rarefaction that empowers discourses (Mills 2004; 63), but also indicating the intimate web of practices and power relations of the interwoven journalistic-policy field that publication in *Foreign Policy* represents.

Madsen begins his downplaying of the the crisis with neoliberal euphemisms that repaint the financial manipulations leading to the crisis in a valorous light. He first describes the toxic assets that lead to the banking crisis as the more positive-sounding 'financial innovation,'

rebranding as 'innovators' those who pushed the derivatives and other financial products that drew real wealth out of the economy by speculation while injecting undeclared risk into the system. He further softens the impression by calling these 'innovations' 'largely unregulated,' the pairing of the descriptor 'unregulated' and the modifier 'largely' masking the freewheeling duplicity of the 'liar loans' central to the housing collapse. Finally, Madsen uses the term 'leverage' instead of the more negative 'debt', reflecting the myopic neoliberal focus on opportunity for profit instead of pragmatic concerns over costs:

“The extra capital generated in East Asia and the developing world was amplified by largely unregulated financial innovation and increases in leverage – a pattern that recalls Japan’s experiences in the 1980s. The money poured into the most liberalized markets, including the real estate sectors in Australia, Spain, the United States, and the United Kingdom. Households in those countries then used the appreciation in the value of their homes to finance additional consumption, effectively absorbing the surplus liquidity and providing the demand necessary to propel global GDP growth” (2).

The intended effect in the reader’s mind of Madsen's manipulations is much akin to Alan Greenspan’s famously understated use of ‘irrational exuberance’ to describe the greed and bubbles of the 1990s.

In addition to these local lexical modifications, Madsen’s neoliberal ideology is revealed in his assumptions that there are discrete ‘lessons’ to be learned from Japan’s example, that America is willing or able to learn them, and that these can be effective without closing the loopholes created by Neoliberalism. These assumptions are evident in his question: “Given that the world today suffers from a shortage of demand similar to that which afflicted Japan in the 1990s, what lessons can be gleaned from Tokyo’s attempts to recover?” (3). This question, which is central to the 'predictive analogy' which economists see in the Lost Japan narrative,

presupposes a positive answer that reaffirms Madsen's authority and the neoliberal assumptions behind it.

Next, Madsen's depiction of the damage done to the US lumps self-afflicted financial speculations with manufacture and unemployment, testifying to neoliberalism's insidious 'financialization of everything' and creating a false relation of equivalence.

“In the United States, the investment banking industry has been decimated, hedge funds and private equity groups are faltering, the automobile industry is in deep trouble, financial fraud has proved widespread, and an estimated eight million homes are now worth less than the mortgage debts associated with them. These factors, and the popular anxiety they cause, partly explain the sudden rise in household savings.”
(3)

By juxtaposing a detailed list of five financial damages against a single nebulous 'popular anxiety,' Madsen's analogy weights financial concerns more heavily, and thus both demonstrates his concern with neoliberal values and implies to the readers which one they should be worried about.

Richard Katz's (2009b) reply to Madsen, which appeared in the same issue of *Foreign Policy*, exhibits similar neoliberal weighting of financial effects over real economic ones. This tendency can be seen in Katz's list of what the financial crisis has destroyed, which is absent of any mention of working people who have lost their homes and livelihoods. Instead, Katz focuses on the middleclass Americans who are creators of the wealth he cites, but not necessarily its beneficiaries:

“...what has been destroyed is not real physical wealth -- buildings, equipment, infrastructure -- but the grossly inflated prices of financial instruments and housing. In the United States' dot-com bust, the stock-market value lost equaled 90 percent of U.S.

GDP, worse even than the crash of 1929. Yet the United States at the time suffered the mildest recession of the postwar era. What is most harmful today is not the crash of stock prices but the credit crunch.” (6)

This elision of market liberalization’s ‘creative destructiveness’ is staple of Neoliberal Discourse, as is Katz’s following critique of ‘a broken financial system’ without linking it to the practices it promotes. This practices are evident in Katz's assertion that “Excess borrowing was a manageable problem. What turned that problem into a catastrophe was that so much of the borrowing was funneled into worse-than-useless projects by a broken financial system that gave financial executives incentives to act like buccaneers” (6). Katz’s economic episteme prevents him from seeing that this ‘broken’ system worked fine by neoliberal standards, and the ‘buccaneers’ were merely adopting practices free market orthodoxy had encouraged them to do.

Proclaiming Victory & Easy Exits

After the initial crisis had passed and the US economy showed marginal signs of recovery following the stimulus programs, neoliberals could begin predicting the quick resolution of the crisis, ultimately denying its severity in the process. Linked to the discourse of denying the severity of the financial crisis is the assertion that it can be resolved quickly by Federal Bank action, as presented in Jon Hilsenrath’s (2010) *Wall Street Journal* piece about Ben Bernanke, “Fed Chief Gets Set to Apply Lessons of Japan's History.” Hilsenrath is a prize-winning journalist and chief economics correspondent for the *Wall Street Journal*, with a background in financial markets that amply reflects the neoliberal nature of his professional

formation. Hilsenrath (2010) writes, “Today, Tokyo's economic problems are more than academic for the Federal Reserve chairman. They are a window into his own situation as he stares at what could be a long period of slow growth, high unemployment and declining inflation in the U.S.” (1). Using the term ‘academic’ reveals Bernanke’s original (1999) conception of the Lost Japan narrative as merely a thought exercise based on orthodox economic beliefs, another model removed from reality.

Hilsenrath employs this re-evaluation of Bernanke’s academic analyses of Japan’s slump to reflect the neoliberal belief in an ‘easy exit’ from financial crises through monetarist policies as envisioned by free market economists such as Milton Friedman. He writes, “Ben Bernanke once criticized Japan's central bank, now heads America's. Just a few months ago, Fed officials were focused on how they would exit from their easy-money policies. Now, they are positioning themselves to do more to support growth” (1). By following the reference to the paired action and chronology of ‘easy-money policies’ of ‘just a few months ago’ with the parallel structure of ‘support growth’ ‘now,’ Hilsenrath sets up the idea of an orderly chronology of Federal Bank actions that have set America on a path to easy recovery, instead of a hasty enlargement of Federal Reserve action in the face of unexpectedly long crisis.

Additionally, Hilsenrath’s use of the term ‘exit’ testifies to an inability of neoliberal thought to handle the longterm dedication needed to solve real-world problems, as it is centered on short-term gains. In much the same vein, Federal Reserve vice-chairman Donald Kohn (2010) echoes the fixation on ‘exit’ strategy in January 2010 in a talk for the Brimmer Policy Forum, which operates as part of the American Economic Association web (aeaweb.org) and thus part of the web of relations that inculcates neoliberal thought. Kohn (2010) commented,

“The Federal Reserve will face a number of challenges in the conduct of monetary policy in the period ahead. I will discuss two of them: further exit from our

extraordinary measures, including the large volume of reserves, our outsized portfolio of MBS, agency, and Treasury securities, and our near-zero policy interest rate; and evaluating any lessons from the recent experience for the conduct of policy--in particular, the potential role of financial stability and asset prices in monetary policy formulation. Exit. I'm not going to discuss the technical aspects of an exit from our extraordinary measures; the Federal Reserve has kept the public apprised of the development of our exit tools, and the appropriate use and sequencing of these tools is under active discussion by the FOMC" (Kohn, 7).

Considering that Kohn is speaking a mere two years after the crisis gained momentum, his talk of 'exit' seems premature, and the focus on 'exit' instead of 'recovery' that marked Great Depression discourse is a linguistic marker of neoliberal thought. Kohn's refusal to give details on his exit strategy also parallels American neoconservative security discourse on withdrawal of US troops from Iraq and Afghanistan, with its discourse of premature 'mission accomplished' statement and endless 'exit strategies.'

Worse Than Japan

When promises of a recovery or 'exit' in media depictions of Lost Japan did not materialize so easily, this instead led to a questioning of the 'cautionary tale' Japan was supposed to be. The discourse of 'Worse Than Japan' began to appear in US economic media, in such places as Joe Weisenthal's (2011) "Wake Up, The US Is Looking Even Worse Than Japan" for *Business Insider*. Weisenthal extensively quotes economist Richard Koo on the US recession being worse than Japan's: "the rapid increase in unemployment (and rapid collapse in yields) has been taken by some as a good sign: That the restructuring and liquidation of society

has happening at a faster pace and that's good. But then this could easily be interpreted badly. Things are worse, and the market has therefore hit worse levels faster" (2). Koo's implication of 'unemployment' as the factor for re-evaluating the relative positions of the US and Japan would be taken up by Paul Krugman (2012a) and others who would continue the 'Worse Than Japan' discourse. As I show later, neoliberals would drop talk of unemployment from their discourse of recovery, as it contradicted the reality of the 'jobless recovery' that occurred.

The discourse of 'Worse Than Japan' would gain momentum in the writings of Eamonn Fingleton, an economist based in Tokyo whose byline often attests to his being one of the few who saw Japan's crisis coming. Although Fingleton had written about the 'myth' of Lost Japan before the crisis (Fingleton 2005), it would not be until after the US financial crisis that his thesis would be taken up in economic media discourse. In a *NY Times* article entitled "The Myth of Japan's Failure," Fingleton (2012) laid out the argument against Japan being lost, as well as why and to whom this perception is useful. Although Fingleton has a vested interest in Japan having lived there since 1985, in addition to writing articles and the book *Blindside* about an imagined Japanese comeback, his insights nonetheless do reveal some discursive aspects of the accepted narrative of Lost Japan. He wrote,

"Time and again, Americans are told to look to Japan as a warning of what the country might become if the right path is not followed, although there is intense disagreement about what that path might be. Here, for instance, is how the CNN analyst David Gergen has described Japan: "It's now a very demoralized country and it has really been set back." But that presentation of Japan is a myth. By many measures, the Japanese economy has done very well during the so-called lost decades, which started with a stock market crash in January 1990. By some of the most important measures, it has done a lot better than the United States." (1)

The description of Japan as ‘demoralized’ by a popular outfit such as CNN shows the extent to which the narrative of Lost Japan has become ‘common sense,’ much like the belief in American superiority it supports. Fingleton gives Japan’s superior life expectancy, its unemployment rate of half of America’s, its more numerous internet infrastructure, and its eating out culture (1) to name a few as alternate measures of social health that imply the way in which America lags behind due to Neoliberalism’s ‘hollowing out’ of the American middle class.

Fingleton places the blame for dissemination of this misperception squarely on neoliberals, which he describes thus:

“Economic ideology has also played an unfortunate role. Many economists, particularly right-wing think-tank types, are such staunch advocates of laissez-faire that they reflexively scorn Japan’s very different economic system, with its socialist medicine and ubiquitous government regulation. During the stock market bubble of the late 1980s, this mind-set abated but it came back after the crash.” (1)

Indeed, as we have seen, whether US economists agree or disagree with the analogy of Japan, their thoughts are shaped by the same neoliberal assumptions and values, and thus cannot conceive of American failure to dominate economics, or of Japan’s relative affluence in light of its discursively useful economic pariah status.

The closest thing to the final word on the undeniability of America’s crisis as depicted in ‘Lost Japan’ would come from Paul Krugman (2012a). Even though the discourse of the US being ‘Worse Than Japan’ did gain traction with Krugman, the narrative of Lost Japan to which he had contributed in the 1990s did not die easily. In a 2012 *NY Times* reply to Fingleton entitled “Japan Reconsidered,” Krugman (2012a) evidenced this dogmatic viewpoint when he asserted,

“What you see is that 1990-2000 really was a lost decade: Japanese output per potential worker fell a lot relative to the United States, when in the past it had been steadily rising. However, Japan made up most though not all of the lost ground after 2000. I think you can make the case that Japan should have been doing better in 2007. And even if you think that 2007 was where it “should” be, it spent a long time operating below potential. But Fingleton is right in this: the data don’t match the picture of relentless decline that is so widely held. And Japan did go through all this period without anything like the suffering, the human disaster, that America is experiencing. I’ve been saying for a while that when people ask whether we might respond to our crisis as badly as Japan did, they’re way behind the curve. We are, in fact, doing worse than Japan ever did.” (1-2)

Krugman here cannot see the inherent contradiction between the neoliberal economic episteme that dominates his professional self and the ‘conscience of a Liberal’ self he evidenced in his 2007 bestseller of that name. In *Neoliberal Discourse*, ‘should have been doing better’ and ‘relentless decline’ are the same thing, a confabulation that Krugman’s progressive nature make him incapable of accepting.

Fingleton (2013a) would take issue with Krugman’s half agreement, and would suggest that Krugman step beyond the episteme of GDP’s false scientificity and realize the subjective nature of American economic measurements. He replied,

“He [Krugman] still needs convincing that Japan has done better than the United States and provides a chart suggesting that, measured in real GDP per working-age person, the conventional wisdom holds. Fine. But, as he well knows, there are countless hidden and quite controversial assumptions in such a comparison. Given the rise of services as a proportion of GDP, not to mention the conundrums involved in accounting for qualitative improvements in electronic gadgetry, the inherent measurement problems are far greater these days than in former times when economic output consisted largely of fungible, easily countable items such as tons of coal and bushels of wheat. Moreover even with the best will in the world, the problems are compounded

where we are trying to make comparisons between nations so fundamentally different as the United States and Japan. In any case there are differing political agendas: in the US there is a strong imperative to make the numbers look as good as possible” (1)

Fingleton has put his finger on the neoliberal episteme that dominates economics through narratives such as Lost Japan-Turning Japanese, although for the questionable reason to show the real Japan, whatever that is. Yet just as the worsening situation in the US economy allowed the discursive leeway to question Lost Japan, and by analogy America's 'worse' situation, as I show below, when the crisis began to fade in public memory, neoliberals could resurrect Lost Japan to push their agenda once again.

The slow recovery of the US economy would eventually force Krugman to realize the futility of arguing whether ‘Lost Japan’ was mythic or not and whether the analogy was apt. In a television appearance on Bloomberg TV in 2013, Krugman underscored how his ‘Worse Than Japan’ discourse had only strengthened over time. He noted, “We already are Japan-like... We’re worse than Japan ever was... I hope that we recover sooner but we’re now 5 years into this slump... so we’re halfway to a ‘lost decade’ already and the human misery here is much worse than Japan has ever suffered” (Bloomberg TV 2013). The video was taken up by msn.com, huffingtonpost.com and businessweek.com, attesting to the symbolic power Krugman gathered by putting into words America’s slide into the pit to which its economic elite had relegated Japan, while also acknowledging the human element that GDP and other ‘scientific’ measures miss. Krugman’s words are intended to shock the listener, which is just what is needed to break through the myopia of neoliberalism’s common knowledge and American moral authority. Unfortunately, Krugman’s ‘hope that we recover sooner’ belies the fact that his self-proclaimed ‘liberal conscience’ comes burdened with a libertarian belief in the possibility

of ‘recovery’ of economic health in a capitalist system that causes suffering in the very society it feeds off of.

Forgetting America’s Crisis, Remembering Lost Japan

As the panic receded and the US economy started showing signs of growth, the events of the Great Recession as it came to be called could be dismissed as not a crisis, but just a fluctuation in the market. To facilitate this, the story of Lost Japan would be resurrected. Despite the debunking of Lost Japan by Caryl (2009) and Fingleton (2010, 2011a, 2011b), after the second stimulus in 2011 was followed by modest signs of economic recovery, Lost Japan was trotted out as if no discourse about it had happened. It reappeared in largely financial media outlets with lesser journalistic value, evidencing its utility to the financial sector and the Neoliberal Discourse that dominates it. Kasowitz and Devine (2011), self-described “managers of a hedge fund based on Asian markets” (1), chimed in with their version of Lost Japan that reheated many of the story’s underlying assumptions for popular consumption in the same *NY Times* where Fingleton debunked the narrative. They wrote,

“If you want to spook an economist, ask him about Japan. He will tell you of a ghastly place whose undying stagnation devours even the strongest stimulus. Quantitative easing, bank recapitalizations and fiscal spending all failed to revive the world’s soon-to-be fourth-largest economy.” (1)

Their use of the second person pronoun ‘you’ draws the reader into their assumptions and invites them to confirm the ‘spooked’ feelings of economists, which implies that the reader

should be afraid too. Considering that Fingleton (2011, 2012) and others have questioned the thesis of Lost Japan, the projection of this presupposition of Japan's 'scariness' to Kasowitz-Devine's readers shapes their opinions of Japan so as to cut off any consideration of what Japan did right, as well as its actual position among world economies. As of this writing, Kasowitz and Devine's prophecy of Japan slumping to fourth place still hasn't materialized, while intimations of Chinese economic instability have increased.

Two articles from *The Economist* would further cement the narrative assumptions of Lost Japan and ignore its debunking and the discourse of 'Worse Than Japan' that accompanied it. Both articles are posted on blogs supported by *The Economist* magazine, testifying to how hybrid or non-traditional media structures can allow the dissemination of Neoliberal Discourse in opposition to mainstream thought or debate. The first, attributed to R.A. (2012) , is entitled "The Japanese Tragedy," and consists of indexing blog posts by Brad Delong and Noah Smith. Delong cites the errors of the 'forecasting community' of economists and asks "What is the best way to think about this?" (1), evidencing an open questioning of the Lost Japan thesis. Alternately, Smith is referenced as stating that according to PPP there is no problem and Japan is "right where it should be" (2) according to 'real' GDP levels. As the texts of my corpus show, in the neoliberal conception, Japan is far from where it 'should be,' and so the author disagrees with Smith and concludes,

"I'm more than willing to accept that structural factors played a role in this shift (especially as a large, sustained output gap will, over time, erode potential). But this evidence strongly suggests that Japan's economy has significantly underperformed reasonable expectations over the past two decades, and that this is partially, and perhaps mostly, attributable to macroeconomic policy failures" (2).

The anonymity of the author on a blog under The *Economist's* heading testifies to the degree to which the precepts of Neoliberal Discourse have become accepted and unquestionable. The article reaffirms the assumptions of Lost Japan regarding the 'reasonable assumptions' of where Japan should be, according to neoliberal 'textbook assumptions,' but requires no named economist's authority to do so.

The second *Economist* blog article (Anonymous 2012) is also not given any author credit, and begins "Five years ago, things looked rosy" (1), a bit of revisionist history that reeks of the neoliberal worldview and its belief in olden ages. The article uses charts and scientificity to legitimize the writer's assertions, while the cinematic title "Seen This Film Before?" over the graphics resonates with readers as both a recurring nightmare and as a distant fantasy. The article's true object is government debt, since having the government bail out financial institutions during the credit crisis, neoliberals now turn to sounding the alarm about the debt they have incurred:

"During the first year, policymakers looked to Japan as a guide, or rather a warning. Japan's debt bubble had caused a "lost decade", from 1991 to 2001. Analysts commonly drew three lessons. To avoid Japanese-style stagnation it was vital, first, to act fast; second, to clean up battered balance-sheets; and, third, to provide a bold economic stimulus. If Japan is taken as the yardstick, America and Britain have a mixed record. The euro area looks as if it might be turning Japanese" (1)

Ironically, the article argues that the fast US reaction lauded by neoliberals in the early days of the crisis is now precisely the next problem that must be dealt with. The author continues,

"But although policymakers learnt some lessons from Japan, there are reasons to worry about the next five years. In Britain and America there are two main concerns. First, the fiscal stimulus may not be bold enough and in Britain is being withdrawn before the

economy is back on its feet. Having supported banks, governments are trying to cut deficits and have little to spend. Richard Koo of Nomura, a bank, reckons Japan's experience shows that governments should increase borrowing to mop up private-sector savings. Second, government bail-outs can have long-term costs. In some cases, broken balance-sheets are a sign of a broken business model; bankruptcy is then a better option, cleansing the economy of unproductive firms. Japan kept too many bad firms going. There are signs of that in America and Britain too. The American government's bail-outs ran to over \$601 billion, with 928 recipients across banking, insurance and car industries." (2-3).

The author's use of 'lessons' cements the US ability to learn from Japan's example, although his assertion that stimulus is being cut too soon and warning that it has 'long-term costs' evidences the contradictory demands of Neoliberal Discourse on the state's support of markets. The author also attributes to the Eurozone the same socialist tendencies that neoliberals insist wrecked Japan - 'zombification' of industry and indecision.

The recycling of Lost Japan to sound the alarm against post-stimulus debt would continue. In an article for *Foreign Policy* based on an IMF report, Tim Duy (2012) rehashed Lost Japan but added a fear-mongering tone to warn his readers of government debt. Duy's title, "The Zero Bound: Japan's economy is stuck in a trap from which there is no clear escape. Is this what America's future looks like?" revives all the old notes of Lost Japan for the present. Duy begins by referencing the World Economic Forum held that year: "it's sadly appropriate that the meeting will be held in Tokyo, because Japan's economy is the one we really ought to worry about -- and it's even more worrisome for the lessons it holds for our own" (1). Duy connects the World Economic Forum with its venue and the lessons the US can learn from Japan in a way that applies past knowledge to the present, a strategy Guilbert (2011) has noted in journalistic Neoliberal Discourse (17).

Duy does recognize the discursive nature of Lost Japan, but does so in such a way as to validate his assumptions. He notes,

“To be sure, never a year passes without dire warnings of financial collapse in Japan. The latest comes from economists Peter Boone and Simon Johnson, who see tragedy ahead. ... It is easy to dismiss such concerns, as they have been regularly voiced over at least the past 12 years and thus far proven wrong. After all, Japanese interest rates have not skyrocketed, so clearly the crisis has not arrived. Yet. “ (1)

The ‘yet’ at the end of Duy’s dismissal of Lost Japan presents him as objectively considering options, then leads his readers to the a foregone conclusion that the neoliberal bane of high interest rates will appear eventually, despite 20 years of waiting. Duy’s warning about debt is founded on the unverifiable claims so characteristic of Neoliberal Discourse, as seen when he comments on the unsustainable debt situation using GDP stats, but concedes their subjectivity: “(While there is no clear line at which debt loads become a problem, in October the IMF identified 100 percent of GDP as the threshold that will create political and economic pressure to reduce the debt.)” (2). Duy puts this concession in brackets to appear to be confiding to reader, yet his invocation of the IMF's authority in setting debt threshold instead implicates Neoliberal Discourse all the more.

Although Duy presents Lost Japan as mythic, his diagnosis hits the neoliberal notes of austerity and monetary action on the road to his objective, growth:

“Japan needs to close its fiscal gap, but has yet to find the political will to do so via tax increases or spending cuts. As Greek or Spanish politicians can testify, fiscal austerity is easy to say, hard to do; raising taxes or cutting spending would only deepen the malaise, just like it has elsewhere. If fiscal policy is off the table, it's up to central bankers to boost growth. But with Japan's economy now operating at the zero bound -- a situation

in which interest rates are extremely low and cannot be expected to go lower -- the Bank of Japan has fewer tools to counteract the recession.” (3)

Characteristically, whereas the pre-recovery discourse was of ‘more money, faster,’ once the economy had improved even slightly neoliberals try to reign in government spending. Duy links fiscal deficits with talk of austerity, compounded with mention of the impending fiscal cliff, all combined to heighten his readers’ concern:.

“The United States shares many similarities with Japan, including an economy operating at the zero bound for interest rates. And while the U.S. economy has avoided Japan-style “deflation by maintaining positive inflation rates, it's still plagued with similar large fiscal deficits. And while Japan's experience shows that high debt loads need not trigger financial crisis in the near term, a Japanese financial crisis would be a signal that debt cannot build forever, perhaps moving forward the day of reckoning for the United States. A similar story holds for Europe, which is already struggling to contain a crisis of confidence in sovereign debt. Japan's meltdown -- and the contagion scenario outlined here -- is not imminent or inevitable. The continuing period of low interest rates in Japan despite high levels of deficit spending suggests that U.S. deficit spending is unlikely to trigger a financial crisis in the near term. But a crisis in Japan would reveal that deficit spending has a limit. The United States and Europe should learn from the Japanese experience and plan for fiscal consolidation, supporting economic growth, and normalizing the interest rate environment to move off the zero bound. This may involve a greater degree of cooperation between fiscal and monetary authorities than either finds comfortable. But such cooperation would be preferable to letting the seeds of the next crisis grow, fertilized by a combination of weak economic growth, rock-bottom interest rates, and fiscal deficits as far as the eye can see” (3-4)

Duy’s reference to a ‘day of reckoning’ would not fail to resonate with his American readers, and the hypothetical limit of Japanese deficit spending becomes the new ‘lesson learned’ for the US and Europe.

George Leong (2013) would continue the reinterment of Lost Japan for the investing advice site *Investment Contrarians*. In the title of Leong's article, "Why America Will Be the Next Japan," we see the interrogative disappear and thus any questioning of Lost Japan's assumptions. This despite the whole debate and overturning of the Lost Japan thesis presented in major media outlets such as the *NY Times*. The reason is that with the immediate crisis passed, reassurance gives way to fear as a motivator for customers in the market. Leong refutes the main media discourses of recovery when he writes,

"The media is harping on about how the U.S. is well on its way to recovery. Well, I don't agree—the country's economy is slowing. In the fourth quarter, gross domestic product (GDP) growth based on the second estimate expanded at 0.1%; this is above the -0.1% reading in the first estimate, but nonetheless, it's below consensus, which estimated the economy would grow 0.5%. I'm not sure how the 0.5% growth was arrived at, but the concerns of the fiscal cliff in the fourth quarter clearly made consumers think twice about spending. Of course, the government also saw its spending curtailed due to the debt limit and pending sequester." (1)

Leong falls back on GDP, while referencing the menacing 'fiscal cliff' discourse that had begun to eclipse Lost Japan. His confidential tone is evident in such familiar language as 'harping on', which effectively discredits the media he describes. Simultaneously, Leong gains reader trust with the rhetorical aside "I'm not going to spin a good story for you to hear; I truly feel the country is in trouble" (1)

Having stoked the readers' debt fears and gained their confidence, Leong does give one ray of hope, significantly when he offers stock advice. He writes,

"The irony in all of this is that the situation we are seeing unfold in the United States is eerily similar to what has been happening in Japan for the past two-plus decades. America may be the next Japan. I advise staying out of Japanese stocks for now and

sticking with China, Taiwan, South Korea, and Singapore. While I feel America will face many difficulties on its way to full recovery, it will not be an easy venture.” (1)

To cement his assertions with readers, Leong ends with another appeal to fear: “The bottom line is: America will continue to face hardships over the next few years, and if Japan is any indication, it could take many more years to resolve” (1). This final question leaves doubt in the reader’s mind, doubt that can be capitalized upon to limit debt and, as I turn to next, critique the state.

Why Deny?

The great irony of the Neoliberal Discourse surrounding the Lost Japan narrative is that, although it must deny America’s crisis on one hand, it still uses the fear of crisis on the other to promote its interests and prevent things that oppose it. After examining the above neoliberal refusal to acknowledge the scope and severity of the US financial crisis, I would ask the question why bother denying the crisis? There are three reasons.

First, doing so obviates the need to change the fundamental neoliberal assumptions underlying the economic system, such as the belief in market equilibrium. If the crisis is merely the appearance of market cycles, then people need only wait until growth returns. Second, market libertarians and risky speculators can make money off crisis regardless. As the comments of Julian Jessop showed, what would be considered a disastrous drop in stock prices for people working in the real economy are ‘attractive pricing’ for market libertarians. Third, arguing against the evidence of crisis in the US economy is a refusal to face facts and thus a

form of denial or mental disconnect little different from what Festinger (1967) dubs the ‘cognitive dissonance’ or psychic discomfort of having one’s belief system contradicted by the events around them, or by the words of people trying to present this divergent reality. As the texts I examine show, whether the author agrees that America is going the way of Japan or not is immaterial – in either case, Neoliberal Discourse can flourish and, the Neoliberal tenet of an ‘easy exit’ from market cycles becomes another reassuring element in the narrative of Lost Japan.

As I have tried to show, it is immaterial whether an author agrees that Japan’s Lost Decade is a good analogy for US problems, like Tabuchi, or that it doesn’t apply as Caryl and Katz assert. Either stance is grounded in the same neoliberal narrative, and thus leads to the same conclusion - that the US financial crisis cannot be looked at on its own terms, but through an analogical frame mediated by neoliberal economic discourse. It is this frame that promotes denial of crisis, as the above examples demonstrate, by denying the scope of the crisis, offering reassurances that it will pass, expressing surprise at its appearance, and predicting an easy exit are all marks of the neoliberal narrative of crisis. When the experts’ predictions and prescriptions fail and denial is no longer an option, their only recourse is to portion out the blame. In the next section, I shall examine how the neoliberal critique of the state appears in the narrative of Lost Japan.

Object 2: State critique

The Government Blame Game

Along with the neoliberal downplaying of the scope of crisis, the next Neoliberal Discourse object seen in retellings of Lost Japan is critique of the state, namely government policy interventions into the economy in general and financial markets in particular. The arguments include the double-edged critique that the US government has done both too much and too little with regards to the economy; that the US government was to blame for the excesses of free market financiers; and finally that free market ‘radicals’ were to blame for the adherence to Neoliberal principles that lead to crisis.

It was unfortunate for US Neoliberals that the outbreak of the financial crisis coincided with the end of the Bush presidency, implicating its tax cuts, deregulation and corporate welfare as factors in the financial crisis. For a president whose Neoliberal thinking was demonstrated in his well-known response to the security crisis of 9-11 of advising Americans to go shopping, leaving a legacy of financial ruin was a sour endnote to George Bush's time in the White House, but which perversely let neoliberals harangue the government for its inaction leading up to the crisis. Although the Bush stimulus announced at the end of his tenure would fail to impress (Krugman 2008), both it and the change to a Democrat president who moved to provide stimulus did, however, provide many chances for the neoliberal critique of state intervention. Regardless of whether the state acted to save markets or stayed out of them as Neoliberal doctrine suggested, either course of action was fodder for Neoliberal Discourse during the crisis.

Policy Failures

'Policy failures' has been a watchword of the Lost Japan-Turning Japanese narrative from Richard Katz (2009a) to Paul Krugman (2014), and one that hides the neoliberal deregulatory advance. Richard Katz (2009a) argues, "In the United States, pervasive dysfunction in the financial sector has caused a deep recession in the economy as a whole. This financial dysfunction is not the result of structural flaws, as in Japan, but of grave policy mistakes. It is now being compounded by widespread investor panic" (1). Katz exemplifies this trend of blaming the state while absolving market libertarians and their 'investor panic' from fault when he identifies 3 US 'policy blunders' contributing to the crisis. He writes, "The first mistake was the U.S. government's refusal to regulate subprime mortgages... The second policy blunder was the U.S. government's failure to regulate the compensation of chief executive officers ... The third error was the virtual nonregulation of the derivatives market" (3-4). Making 'government' the subject of the first two sentences while making the third a passive sentence has the effect of denying the responsibility of the market libertarians who systematically dismantled the regulatory arm of US government institutions. The formation of these 'mistakes' into a list cements their discursive reality with readers.

The reasons Katz gives for these three policy failures also evidences Neoliberal Discourse. The phrase 'refusal to regulate' of the first mistake blames government while ignoring the whole process of neoliberal power accumulation and state disenfranchisement. Likewise, Katz's implication of CEO pay is such a common sense statement, especially in the age of the Occupy movement when popular ire is raised against corporations, that it goes unchallenged, as does the concurrent shift of responsibility away from neoliberal CEOs who created their culture of excess and entitlement to the government. Katz exhibits Neoliberal Discourse with his third reason when he continues,

“Derivatives should serve as a kind of insurance to lessen risk. Corn futures, for example, stabilize farmers' incomes, inducing them to plant more, which gives consumers more food at cheaper prices. Today's financial derivatives often turn the insurance principle on its head, causing shocks to be amplified and transforming derivatives into what the investor Warren Buffett has called "financial weapons of mass destruction." (2)

Katz's borrowing of the term 'weapons of mass destruction,' which gained notoriety during the Iraq war, puts readers on his side, as does the innocuous-seeming farm example. The assertion that derivatives are simply 'insurance' against 'risk,' however, begs the question who is being protected and whether such risks are reasonable enough to warrant protection or should foolhardy risk takers be allowed to fail.

Next, in his reply to Katz, Robert Madsen (2009) also intimates how ineffectual policy can be in the face of these larger neoliberal processes when he writes, “Bush & Obama's hesitant policies cannot stop deleveraging within the United States, let alone interrupt the more damaging global process” (4). He analogizes this state of affairs with Japan to depict government ineptitude when he concludes,

“The ad hoc policymaking and official vacillation displayed by the Bush and Obama administrations resemble nothing so much as the behavior of Japan's leaders in the early 1990s, even as the scope of this tragedy and the nascent protectionism it has engendered invite comparisons with the early stages of the Great Depression. With its arsenal of modern fiscal and monetary weaponry, today's world should be able to avoid a reprise of that debacle. Nothing done so far, however, inspires much confidence.” (5)

Madsen's conclusion, though meant to be a critique of the 'ad hoc' and 'vacillating' responses, also conversely implies how the unregulated credit flows beloved by neoliberals render

traditional state responses impotent. Once again, Madsen has displaced the responsibility for the dysfunction of the international finance system to America's leaders, not the deregulated capital flows which make one nation's use of monetary policy ineffectual.

Katz's response to Madsen is bounded by the 'health' metaphor with affective terms like 'painful purging', and accords with Madsen's views on the end of GDP growth:

“Robert Madsen presents the widely shared view that excess borrowing caused the current global economic crisis and that the crisis cannot end without a painful purging of much of this debt. I certainly agree with him that strong GDP growth will not return anytime soon. Having refused to apply the needed ounce of prevention, the U.S. government will have to reach for pound after pound of the cure. I also agree that so far the Obama administration's actions have been insufficient, particularly in curing the financial gridlock.” (5)

Once again, the reader is pointed towards government inaction as the cause of the crisis, with the organic metaphor for disease painting the state as a malpracticing doctor failing against a malicious but inhuman disease. The use of this metaphor absolves Neoliberals from their responsibility for shaping the system that rewarded speculation and pushed financial deregulation to the point where such 'financial gridlock' was an inevitable result of the bubble bursting.

If the US government is criticized for doing too little to prevent the crisis, it is equally criticized for doing too much in response to it. Paul Krugman (2010) spotlights this view when he writes,

“For the past few months, much commentary on the economy — some of it posing as reporting — has had one central theme: policy makers are doing too much. Governments need to stop spending, we're told. Greece is held up as a cautionary tale, and every uptick in the interest rate on U.S. government bonds is treated as an

indication that markets are turning on America over its deficits. Meanwhile, there are continual warnings that inflation is just around the corner, and that the Fed needs to pull back from its efforts to support the economy and get started on its “exit strategy,” tightening credit by selling off assets and raising interest rates ... But the truth is that policy makers aren’t doing too much; they’re doing too little. Recent data don’t suggest that America is heading for a Greece-style collapse of investor confidence. Instead, they suggest that we may be heading for a Japan-style lost decade, trapped in a prolonged era of high unemployment and slow growth” (1).

Krugman has put his finger several tenets of Neoliberal Discourse - the call for a quick ‘exit’ from Federal Reserve monetary action, as well as the obfuscation of increased unemployment, which I will show later is one of the fundamental discourses of the new post-crisis US identity.

Learning Japanese Lessons

Besides direct criticism of US policy on its own, Japan is also held up as a mirror projecting what the state ought to do or not do. The *NY Times*’ Hiroko Tabuchi (2009) adds to the state critique by accusing the Obama government of doing too little in light of Japan’s similar experiences. She quotes a Japanese expert,

“I thought America had studied Japan’s failures,” said Hirofumi Gomi, a top official at Japan’s Financial Services Agency during the crisis. “Why is it making the same mistakes?” Many American critics of the plan unveiled Tuesday by Treasury Secretary Timothy F. Geithner said the plan lacked details. Experts on Japan found it timid — especially given the size of the banking crisis the administration faces.” (1)

Although Tabuchi presents her indexing source Gomi as the voice of experience, the JFSA he is from is a right wing thinktank, and thus neoliberal in outlook. Gomi's admonition is an appeal to America's vaunted ability to be flexible and learn from history that marks early retellings of Lost Japan. Tabuchi concludes, "So far, the Obama administration's plan avoids the hardest decisions, like nationalizing banks, wiping out shareholders or allowing banks to collapse under the weight of their own bad debts. In the end, Japan had to do all those things" (2). This form of economic Darwinism is a staple of Neoliberalism, which renders a less destructive response unthinkable. Considering her neoliberal sources, the urging to nationalize banks is revealed as a move to secure markets, in keeping with Neoliberal Discourse, and not an antithetical push to regulate.

For his own part, Richard Katz (2009b) takes issue with the neoliberal critique of the state made by Madsen, but does so to suggest monetarist solutions in line with neoliberal thinking:

"To claim that "the ad hoc policymaking and official vacillation displayed by the Bush and Obama administrations resemble nothing so much as the behavior of Japan's leaders in the early 1990s simply ignores the fact that for years Tokyo denied that there was even a problem to be solved. The United States now has an activist president and an activist Federal Reserve chair, who, if one measure proves inadequate, will go on to another. Such activism is critical, and it was for Japan, too. I have long stressed that there was in Japan then a lot less real structural reform than advertised." (5)

Despite criticism that the Bush and Obama responses were too little too late (Krugman 2008), Katz's praise of the Fed chief with the word 'activism' takes a phrase from the lexicon of the Occupy movement and applies it to the financial-political establishment in a way that is at odds with the reality of crisis in America. By ending with a call for 'structural reform,' Katz returns

to Neoliberal Discourse and its belief in the power of the Federal Reserve's monetarist solutions, which John Kenneth Galbraith (2004) dismisses as an 'innocent fraud.'

Katz continues with a rejoinder to Madsen's critique of excess savings in Asia by pointing the finger of blame closer to home:

I completely disagree with Madsen's view that in seeking the source of the crisis, one must "first" look at the "threat" posed by excess saving in China, Japan, and the like, as well as his suggestion that these countries' excessive saving was somehow responsible for excessive borrowing and irresponsible financial machinations in the United States and elsewhere. Economists have long warned that excess saving was China's and Japan's Achilles' heel. But international imbalances in borrowing and saving were a secondary cause of the current crisis compared to the explosion of unregulated derivatives in the United States and globally and a U.S. housing bubble unconstrained by traditional lending rules (6)

Although on the one hand Katz's avowal of US unregulated derivatives and housing finance bubbles as causes of the global crisis is indeed a vilification of the neoliberal advance in the US economy, his refusal to address the problems of America's addiction to foreign debt stops his discourse from addressing the system that encourages both these excesses. Also, his mention of the ' U.S. housing bubble unconstrained by traditional lending rules' vilifies US regulators while eliding the neoliberal lobbyists that neutered them.

Although the writers of *Lost Japan* have purported to hold up Japan as a mirror for the US, in fact their focus on Japan reveals an inability or unwillingness to face the problems caused in US society by the advance of the neoliberal project, necessitating the invocation of the US government as a scapegoat. Michael Schumann is a correspondent on Asian economy for *TIME*, as well as former writer for *Forbes* and the *Wall Street Journal*, winning an award at this latter for his coverage of the 1997 Asian economic crisis (Schuman bio). On a trip to Japan

during the crisis, Schumann (2010) wrote “Is America Turning Japanese?” in which he heaps praise on the wealth and social cohesion he sees around him in Sendai. Schumann’s article is a scathing yet contradictory indictment of the USA and its government mismanagement:

“Our broken healthcare system is an embarrassment for a country as rich as ours, a drain on the competitiveness of corporate America and the wealth of the middle class. Yet efforts to change it have been stymied for almost as long as Japan. The government’s finances deteriorate as our politicians blissfully refuse to make the hard decisions on what the country does and does not need. Our airports belong in a Third World country. Our education system requires far more attention if the economy is to compete in the 21st century. And yet, these problems just linger on, getting worse year after year. “(2)

Schumann’s refusal to concede that the cuts in social welfare and deregulation that began with the Reagan administration have created the situation his country is in underlines how far Neoliberal Discourse has seeped into America’s core and created unquestionable norms. His branding of US politicians as those who ‘blissfully refuse to make the hard decisions’ both detracts from the deadlocking of the government’s ability to respond by competing corporate interests in the policy making process, while the evocation of ‘competition’ with regards to the US education system similarly plays to the reader’s sympathies while ignoring the neoliberal advance that put US education at the mercy of ‘competition’ and thus began its downward trajectory. The titular question he asks, although playing on American fears of the spectre of Lost Japan, instead ironically suggests that America would have better infrastructure, division of wealth, and education if it had become like Japan.

This debate over government role in the particulars of free market economics loses sight of the fact that this form of capitalism is inherently unstable, and that arguing about it is as

useful as rearranging deckchairs on the Titanic. As we shall see next, the vilification of extreme free market supporters would also become a part of the fabric of Lost Japan.

Blame the Fanatics

Finally, the critique of the state and its involvement in markets to either offering stimulus or strengthening regulations would continue largely unchanged, while the addition of critique of a ‘free market fringe’ within American finances aligned with government would signal an ideological schism caused by loss of faith in free market principles. Richard Katz (2009a) adds to the obfuscation of guilt and the blaming of the government when he writes,

“If powerful financial lobbyists waving the banner of faith in markets had not thwarted commonsense regulation, much of this would never have occurred. Democratic and Republican policymakers alike, from Treasury Secretaries Robert Rubin and Lawrence Summers to Federal Reserve Chair Greenspan, blocked attempts at reform in 1998. Then, in 2000, Senator Phil Gramm (R-Tex.) went so far as to virtually outlaw the monitoring and regulation of many types of derivatives by initiating the Commodity Futures Modernization Act. Just as deposit insurance now prevents massive runs on banks, the regulation of derivatives could have made this crisis less severe” (2)

This is one of the few instances of the word ‘regulation’ in the corpus of Lost Japan texts, and it is significant that it appears in a text that names names of government officials that supposedly blocked regulation while leaving nameless the ‘powerful financial lobbyists’ who ‘thwarted commonsense.’ Katz’s blaming of supposed ‘free-market fanatics’ who lead the US economy off course belies the fact that Neoliberal Discourse constitutes the mainstream discourse of US

economics, as James K. Galbraith (2009), Thierry Guilbert (2011), Nouriel Roubini & Stephen Mihm (2010), David Quiggin (2010) and others attest. Conjuring up the image of hated ‘lobbyists’ captures reader loyalty, while the image of ‘waving the banner of faith in markets’ has undertones of religious fanaticism and thus resonates with post 9-11 America. Naming American policymakers again implicates the state in these critiques.

Katz (2009b) reinforces this link between economic fundamentalism and government when he continues,

“Excess borrowing was a manageable problem. What turned that problem into a catastrophe was that so much of the borrowing was funneled into worse-than-useless projects by a broken financial system that gave financial executives incentives to act like buccaneers. *The New York Times* reported on December 27, 2008, for example, that top executives at Washington Mutual (WaMu) pressured loan officers to approve mortgage applications even when those officers warned of possible fraud. Pumping out lots of "liar loans" earned WaMu abundant fees, thereby generating high bonuses for its executives. Meanwhile, WaMu left others holding the bag by selling securitized mortgages to the pension funds of teachers and bank tellers. Both political parties share the blame, but this recklessness was openly endorsed by the Republican Party in its 2004 platform when it condemned down payments as "the most significant barrier to homeownership."” (6)

Katz's statement contains several seemingly innocuous assumptions. First, using the euphemism 'excess borrowing' for debt excuses the profligate financiers, as does calling their actions a 'manageable problem.' His explanation of the dealings behind 'liar loans' raises the reader's ire, which is then apportioned out equally to the state and fringe WaMu executives. In this way, Katz equates corporate and state culpability, negating the former's lobbying efforts to neuter state regulatory agencies.

Michael Schumann (2011) also plays the card of linking free market fundamentalism to the state, with the same logic leaps as Katz:

“One of Japan's biggest problems is its refusal to admit its economic system has failed. By the 1990s, Japan's model — government-led, export-dependent and manufacturing-focused — fell out of touch with a changing global economy as other Asian countries started catching up and challenging Japanese dominance in core industries. Yet policymakers in Tokyo still cling to this model today. The West risks similar inflexibility. The Europeans are attached to their welfare-state system even though it is burying them in debt. The U.S. is so devoted to its own version of the free market that Washington cannot build much-needed infrastructure because of a public aversion to state intervention. Recognizing that new realities demand new ideas is a significant step toward dodging Japanese-style stagnation” (52)

Schumann has inadvertently put his finger on the problem that ‘the US,’ in this case American culture and not only the government, has become ‘devoted’ to the promise of Neoliberalism. By this logic, Schuman blames Neoliberalism's failures on state ideology, instead of ideologue pressure on the state. Schumann’s use of the term ‘the U.S.’ is a synecdoche which implicates the state as promulgator of market libertarianism, while absolving the vested interests that have pushed the market deregulation and free market ideology to the extreme in the US. Additionally, Schuman extends his critique of the state to both Europe and America, paradoxically critiquing the former for too little Neoliberalism and the latter for too little.

As we shall see in the last section, this devotion to Neoliberal values is supported by appeals to American cultural values and belief in their superiority and the exceptionalism they engender.

Anything But Regulation

Another aspect of state critique visible in the discourse of Lost Japan-Turning Japanese is how it denies any calls for regulation, instead focusing attention on stimulus or austerity responses. While demands for stimulus first without strong enough regulatory conditions is akin to filling the bucket without fixing the hole in it, neoliberals would paint regulation as closing the barn door after the horse is gone. Neoliberals can still profit from stimulus, and it shortens the memory of the populace as the appearance of recovery kicks in, as Roubini and Mihm (2010) assert. Discursively, this is achieved by calling for stimulus first, then creating a false equivalence between those for and against stimulus which precludes discourse about regulation. Although these two extremes may seem at odds, in truth supporting both sides of the stimulus debate is better than allowing talk about regulation in the Neoliberal conception.

More Money, Faster!

Returning to Hiroko Tabuchi's (2009) *NY Times*' article, she begins the call for stimulus that overshadows the need for regulation. The title of her article, "In Japan's Stagnant Decade, Cautionary Tales for America," sets the tone of the debate, and indeed the words 'cautionary tale' would be used often in framing Lost Japan-Turning Japanese, appearing in texts years later (Krugman 2014 title). This 'cautionary tale' genre of Lost Japan is the key to understanding its discursive power, and so I examine it in detail in Chapter Three. Tabuchi

writes, “The Obama administration is committing huge sums of money to rescuing banks, but the veterans of Japan’s banking crisis have three words for the Americans: more money, faster” (1). The appeal to public anxiety is in the word ‘huge’, while the term ‘veterans’ evokes both the hardship, an external enemy, and secures the credentials of the Japanese experts she indexes. As stated above, the problem with stimulus first is that once the danger passes it gives no incentive to regulate or reform, but instead return to lucrative business as usual.

Besides shifting the focus to stimulus instead of regulation, Tabuchi also suggests what sounds like reasonable government intervention without ever referencing regulation. She writes, “So far, the Obama administration’s plan avoids the hardest decisions, like nationalizing banks, wiping out shareholders or allowing banks to collapse under the weight of their own bad debts. In the end, Japan had to do all those things” (2). The analogy sets up what the US will have to do, yet regulation is conspicuously absent. The contradiction here is that, as useful as these measures may be, they pale in comparison to the regulatory devices instituted after the Great Depression that kept the economy so stable (or as market libertarians would see it, boring) for so long.

Indeed, in *Lost Japan* the word regulation is uttered rarely and only in contexts where its implementation is doubtful. Richard Katz (2009a) evidences the link between blaming the state and the avoidance of regulation in a section he entitles ‘deregulation nation’ (1). Katz (2009a) scrupulously the word thereafter when he writes,

“... whereas Japan needed a thorough overhaul of its political and economic institutions and practices, a process that continues today, the United States simply needs aggressive reform of its financial architecture and ceo compensation system. President Barack Obama clearly understands the need for better regulation, and there is reason to hope that his economic advisers, many of whom are alumni of the Clinton administration, have learned from their mistakes. In October, former Treasury Secretary Summers, now

director of the National Economic Council, wrote in the Financial Times, "The pendulum will swing - and should swing - towards an enhanced role for government in saving the market system from its excesses and inadequacies." (2)

Katz seems unaware of the irony of expecting the same people who pushed deregulation during the Clinton presidency to learn from their errors under Obama. Also, as Philip Mirowski (2013) has noted, the neoliberal aim is to turn the state to their needs, thus the seemingly contradictory call for 'enhanced role for government in saving the market system' fits with the conspicuous lack of call for regulation accords in Neoliberal Discourse.

Each Side is The Same

Besides invoking a state role while avoiding any call for regulation, Lost Japan sets up a false dialectic between those who agree with and those who oppose the analogy and Tabuchi's urging of 'more money, faster.' As James Ledbetter (2010) asserts in his *Slate* article "No, We're Not Turning Into Japan: But here's why this annoying argument won't go away," despite growth in the US economy, the 'Lost Japan' narrative did not appear to be losing its dominant place in the national debate because it is inherently tied with stimulus arguments. Ledbetter was the editor of *Slate's* Big Money blog before moving in 2010 to be co-editor at Reuters, author of a book on military-industrial influence in US politics, as well as editor of a memoir on the Great Depression (Ledbetter bio). Ledbetter conjectures the reason, hyperlinking to the libertarian thinktank The Reason Foundation and Paul Krugman, who he sees at opposite ends of the spectrum:

“These days, how you use the Japan argument is really a proxy for what you believe about fiscal stimulus. Thus, the fear-Japan crowd splits into two basic camps: There are those who point to the Japanese experience to argue that stimulus by definition does not work—or is not worth the level of government debt that it creates. (This camp includes the Reason Foundation and just about any opinion published in the Wall Street Journal.) And there are those who think that we need to fear the Japanese scenario because Japan's stimulus was too little, too late. (Paul Krugman leads this camp.) It's almost comical to have advocates of two completely opposed financial strategies pointing to the same fearful scenario and saying, "We'd better not let that happen!" (1)

Ledbetter's article implies that for many it is easier to blame cultural cronyism, or banking cronyism, or political cronyism than the hegemonic Neoliberal Discourse that makes potent action such as regulation impossible to implement.

Once again without using the word neoliberal, Ledbetter singles out promulgators of Neoliberal Discourse as purveyors of the discourse around Lost Japan:

“Stimulus skeptics tend to be evangelists of private-sector virtue, yet they spend very little time discussing just how healthy the balance sheets of American corporations are. Yes, America's financial and auto sectors fell into near-death, but nonfinancial corporations have been delivering healthy, even record profits lately, and are not carrying much more debt than they ever have. (It would be helpful if they could create some high-paying jobs, but that's another story.)” (2)

The ‘evangelists of private-sector virtue’ Ledbetter criticizes for not being interested in real economics of non-financial companies are indeed part of the discourse, but so too is Ledbetter's own flippant disinterest in tackling unemployment, which we shall see as a feature of later financial crisis Neoliberal Discourse in the next section.

Similarly, Ledbetter next turns his gaze to the undisclosed scope of the financial crisis, yet again leaving any talk of regulation out of the picture:

“Another question is: Have America's banks really cleaned out their drawers—and did they use bleach and rubber gloves? In Japan's crisis, government actions may have been weak or even harmful, but bank behavior was truly unconscionable: They were poorly capitalized, they had fabulist bookkeeping practices, and they carried a gigantic number of bad loans.” (2-3)

Although Ledbetter attempts to show legitimate concerns about the disclosure of the crisis, his own admission of the discourse's politicized nature and his disinclination to discuss unemployment indicates the hegemonic Neoliberal Discourse that also takes regulatory talk off the table. For a journalist not to address this obvious response to crisis attests to muzzling of media by orthodox economic thought.

If regulation has become a taboo word in the discourse around Lost Japan, then the neoliberal favorites 'restructuring' and 'reform' have filled the void. This verbal jujutsu is evident in Michael Schumann's (2011b) assertion:

“The Federal Reserve's Operation Twist to stimulate the economy will have limited impact unless the underlying problems are tackled. That means a smarter restructuring of mortgages to repair the housing market and extensive job retraining for the unemployed. The euro zone, meanwhile, must undertake reform to break down remaining national barriers to form a true, Europe-wide common market to spur growth” (52)

Schuman scrupulously avoids the word regulation, even though it would seem a logical fix for the 'underlying problems' of the unregulated housing loans that precipitated the crisis.

Additionally, prescribing a free trade panacea for the EU, whose historically unprecedented common market has come with as many headaches as benefits, appears blatantly neoliberal.

The framing of American crisis response as ‘faster,’ ‘smarter’ and ‘better’ than Japan’s presents US neoliberal economic discourse as culturally superior, a strategy I examine in the final section below.

Object 3: American Freedom to Fail

Exceptional Americans

Although Neoliberal Discourse’s evocation of individual liberty is often given as a staple of its American manifestation (Harvey 2007, Steger & Roy 2010), Lost Japan demonstrates how appeals to other supposedly ‘American values’ can be used to press the neoliberal agenda. As confidence in American capitalism was shaken during the crisis of 2007, appeals to American values intensified, and the evocation of Lost Japan allowed a differentiation with Japan that would attract American readers. The main thrusts of this line of discourse were the appeal to American cultural exceptionalism, specifically the appeal to the efficiency of the American free market system in comparison with Japanese socialism and cultural inflexibility; the need to protect US hegemony through continued economic dominance; and the emphasis that average Americans could still become ‘elite’ winners in the economy. The analogy of Japan in media allows an invocation of American values and culture to offer

hope for a way out of crisis, but one that is ultimately dominated by Neoliberal Discourse and thus blind to its own failings.

The playing off of inferior Japanese values against superior American ones was a site of contradiction and tension in the Lost Japan narrative. In his articulation of Lost Japan, Schumann (2010) vilifies Japanese social characteristics and praises American ones:

“Excessive regulation has stymied entrepreneurship and competition, and policymakers have never done enough to encourage Japanese consumers, perennial savers, to spend. All Japan has ended up with is a dangerous level of national debt, even higher than Greece’s” (52).

Schuman doesn’t need to reference America here, for in the neoliberal lexicon ‘entrepreneurship’ and ‘competition’ are synonyms for his country, a fact which his readers intuitively understand. Whereas being ‘perennial savers’ might be thought a good thing, in this case it clashes with the neoliberal drive to free up credit and so Schumann uses it in a pejorative sense. The reference to Greece seals the depiction of Japan as hopelessly lost in reader minds, even though Japan’s sovereign debt is hardly comparable to Greece’s inability to repay foreign investments.

Schuman also blames Japan’s slump on its resistance to globalization, another neoliberal target:

“The U.S., with its antitrade mentality, could tumble into a similar trap. That’s why it’s good news that the U.S. Congress approved free-trade agreements with South Korea, Colombia and Panama in early October after years of politically motivated indecision” (52)

The critique of the US antitrade stance and praise of its free-trade agreements seems innocuous and thus easily accepted by readers. When taken in light of Joseph Stiglitz's (2006) critique of unfair US trade policies and its lip service to true, mutually beneficial free trade, it exhibits another neoliberal contradiction. Additionally, Schuman (2010) underlines the 'common knowledge' that "Japan Inc. has missed out on the globalization game; its companies, unable to adapt to a changing world, are losing global market share to more nimble competitors from South Korea or Taiwan" (2). He does not mention, however, how the US itself has moved further away from global trade as Neoliberalism transforms it into a service economy where outsourcing has stripped much of its manufacturing ability away.

Finally, whereas 1990's analyses focused on the 'cronyism' of Japan's 'zombie' banks, during the US crisis, this negative portrayal of Japanese culture characteristics would be juxtaposed with supposed American values of entrepreneurship and competitiveness that would resonate with readers and make consent for neoliberal policies, as well as a call to arms to protect American economic hegemony. Much like Schuman, Hedge Fund managers Sheldon Kasowitz & Ethan Devine (2011) also bring up the difference in cultures as a reason why America won't go the way of Japan. In their *New York Times* article "Is America Going The Way Of Japan?" they predict,

"The odds of the U.S. repeating Japan's experience are slim thanks to America's smaller bubble, inflationary policy and rapid productivity growth — not to mention younger demographics. Though it is aging, America is in the peak of youth compared to Japan." (1)

The optimistic assertion of America's youth ignores the fact that young American millennials have fewer job prospects than ever, especially in comparison with Japanese youth whose

post-secondary educations funnels directly into the workforce. Although the discourse of their own cultural superiority is appealing to Americans brought up in a country it beat both in the military conflict of World War 2 and the trade wars of the 1980's, in fact the Japanese workforce is more educated (Bernanke 1999), while those educated have less crippling debt and a higher chance of entering steady work than US university graduates. Despite having the experience of the worst financial crisis in US history since the Great Depression, Kasowitz and Devine's opinion is largely unchanged from the misplaced optimism of Allan Mendelowitz (2005) before the crisis.

The neoliberal appeals to American exceptionalism did not go unanswered, however. Writing in *Slate*, James Ledbetter (2010) points to another explanation for the discourse's popularity – the neoliberal plan to discredit Keynesian responses by offering 'Lost Japan' as a story where they failed.

“In Japan's crisis, government actions may have been weak or even harmful, but bank behavior was truly unconscionable: They were poorly capitalized, they had fabulist bookkeeping practices, and they carried a gigantic number of bad loans.” (1)

Despite being able to think past 'Lost Japan' in terms of its *raison d'être*, Ledbetter is still stuck in its discourse of American moral superiority over Japanese banking practices, which arguably staved off a worse crisis and seem misplaced compared to the criminal actions of Bank of America. Ledbetter seems to misunderstand that the arguments are not 'about Japan', they 'employ' Japan as a metaphor, and are ultimately speaking about America, or taking attention away from the connection between America's current reality and the neoliberal path that has brought about it there.

Protecting US Hegemony

Paralleling the media anxiety about America's economy, policy media would raise the alarm to protect US hegemony using similar imagery to journalistic depictions of Lost Japan. This call to protect US economic dominance is seen in Derek Scissors (2009a) writing for the Heritage Foundation. In a February bulletin, Scissors warns,

The U.S. has much more to lose: the loss of its long-standing global preeminence. Whatever the details, 17 years of net American economic stagnation would effectively end the post-Second World War era, with potentially frightening consequences around the globe. There is a heavy obligation to avoid such a development, perhaps equal in weight to the obligation to lift the American economy in the near term. (4)

This equation of the US desire to promote its own economic growth with its supposed 'obligation' to the world is a mythic form of *noblesse oblige* designed to convince readers of the necessity of staying on top, as well as the American ability to do so.

Additionally, Scissors also links this supposed *noblesse oblige* felt by US economists to the neoliberal cult of GDP growth. He writes,

"The issue is not just this year. The Japanese example shows clearly that American economic vitality is not guaranteed. There are potentially devastating domestic and international consequences if, paralleling Japan, the U.S. economy is the same size in 2026 as 2009. (3)

Once again, it is the Neoliberal discourse of unfettered growth that is on display, and the very idea posited by Richard Heinberg (2010) and others that reduced growth is the new norm

remains beyond consideration. Scissors' threatened revocation of the 'guarantee' of American exceptionalism uses hegemonic discourse to disguise his neoliberal market rationality and remake the 'common sense' of his readers. Besides dismissing Japan and its 'ineffective' government intervention, Scissors also introduces the status loss of hegemonic threats to spur his readership into action for neoliberal style reforms: "Japan has suffered over a decade of effective economic stagnation, a loss so great that it is in many ways no longer a regional economic leader, let alone a challenger for global economic leadership" (4). By invoking the loss of US leadership, a fear more culturally devastating to Americans than to Japanese, Scissor's has made 'Lost Japan' not only an economic parable, but a political and cultural one as well.

Scissors follows with the section "What Japan Should Have Done" (2), where he gives neoliberal advice for Japan that nevertheless implies a uniquely American response to crisis:

"Act immediately... be subject to ongoing, sharp, and completely open scrutiny to see what changes must be made... not use public spending to try to stop an economic contraction, as it will only stretch it out... everything must be on the table. Even some long-term strategies, such as Japan's export obsession, must be modified or reversed (2).

Scissor's urging of speed recalls Tabuchi's plea for 'more money, faster', but his opposition to 'public spending' betrays his faith in monetarist solutions. His proposal to 'put everything on the table' is ironic in light of the unfair trade practices for which America has been accused (Stiglitz 2006), while his suggestion of reducing Japan's export situation, labeled as an 'obsession' to suggest its irrationality to readers, advances interests of American 'rational consumers' subjectified in line with the market logic of Neoliberal Discourse.

Scissors concludes with a final plea to avoid the fate of Japan by embracing patently Neoliberal reforms instead of the more Keynesian ones inspired by Obama's response to the financial crisis, all under the imprint of the American value of competition. He writes,

“Unlike its Japanese counterpart, the U.S. government is considering sweeping, structural reforms. Unfortunately, these changes head in the wrong direction, threatening to make the American economy less competitive. The reforms being considered include imposing new distortions on energy and health care markets, economically destructive environmental policies, and implicit or explicit higher taxes on a wide range of businesses.” (3)

The use of the word ‘distortions’ paints the government’s reforms as unnatural in the sense of disrupting the market’s ‘invisible hand’ invoked by Neoliberals, while the objection to corporate tax raises reveals his corporatist agenda. Considering the popular opposition to corporatism at the time of the financial crisis, Scissor’s reference to ‘environmentally destructive policies’ as well as ‘energy and health care’ as an ironic appeal to US readers to protect areas that have traditionally suffered under the advance of Neoliberalism, and an example of how Neoliberal Discourse can gather popular support for measures that conflict with the people’s own best interests. Scissor’s plea is an adroit manipulation of Americans’ pride in their competitive spirit and love of their land for neoliberal ends.

Winning The American Lottery

Finally, Kasowitz-Devine's (2011) articulation of Lost Japan evidences the American capitalist discourse that promises everyone can be a winner as an antidote to the 'jobless recovery' that has been characteristic of the financial crisis. In response to Gallup data about the economic pessimism of average Americans, Kasowitz and Devine invoke the mythic neoliberal figure of 'elite' Americans to give the hope of American innovation as the way out of the crisis. They write,

“But globalization isn't zero-sum, and the market for truly innovative ideas is bigger than ever. These ideas are often born in the U.S., even now, and companies like Apple, Google and Facebook enjoy network effects on a global scale. This is a key advantage over Japan, and America's superstars will continue to profit mightily. Everyone else faces an uncomfortable reality: Unless you are one of the idea-slinging elite, then you are simply one of the many — competing for wages against not only countrymen but the entire world. The fact is that America is at much greater risk of continuing its own uneven growth than reliving Japan's lost decades. Turning Japanese is beside the point. For most, being American will be bad enough.” (2)

The authors' optimistic assertions in response to this popular anxiety about the economy reinforces the gap between economic expert and individual American thinking. Kasowitz-Devine's casual reference to the 'idea slinging elite' is naively neoliberal, the image of captains of industry more akin with the protagonists of Ayn Rand than the reality of US tech firms, which have recently shown a failure to innovate as they used to (Oremus 2014). Kasowitz-Devine's exemplars of American industry are noticeably captains of service industry, often with no physical products (i.e, Facebook), and mostly dependent on ad revenue. They personify the myth of Randian titans of industry, and capitalize on global inequality, such as the sweatshops Steve Jobs used to make his products, and indicate that due to non 'zero-sum' globalization, the whole world is on the neoliberal treadmill. Their defense of globalization is

also neoliberal, and especially telling after the weakness in America's financial system imperiled the global economy. The authors identification of "American pessimism" as a new prevailing discourse inverting the 'American optimism' of old is insightful, while the reference to elites as the solution is condescending and shows the profound disconnect of Neoliberal thinking with everyday life.

I have argued that the narrative of Lost Japan was employed during the financial crisis to forward the Neoliberal objects of crisis denial, state critique, stifling of regulatory talk, and cheerleading of American cultural exceptionalism. It is this final object that has required the creation of a new American self to inhabit the post-crisis US where 'regulation' is a taboo word and a jobless economy is the new normal for average Americans.

Chapter Three

Cautionary Tales and the Culture Industry

1 The Reassuring Orientalist Other

I have noted in previous chapters the media dominance of the analogy of Lost Japan during the US financial crisis, and how it was used to forward such neoliberal objects as state blame for the crisis and cultural depiction of capitalist values. In this last chapter, I show how the narrative structures work to promote Neoliberal Discourse. I start with a look at the Japanese Other at the center of the analogy and its Orientalist origins. Next, I view the 'cautionary tale' genre of story and how it is used to subjectification of Americans. Finally, I look at problems of criticism of Neoliberalism, and offer suggestions on how to get past them. I end with suggested directions for research based on my findings.

As I noted in Chapter Two, many of the texts of Lost Japan adopt a reassuring tone in the face of crisis. Some take the form of reassurances to market libertarians that even crisis conditions provide chances for capital accumulation, such as Julian Jessop's aforementioned words that deflated stocks were 'attractively priced' (Levingston 2008). Yet there is another form of reassurance hidden in plain sight in the texts that constitute Lost Japan, a reassurance for the average American Subjects of Neoliberal Discourse, and one that constitutes the nucleus of the Lost Japan narrative itself. This is the assertion that American freedom will win out and

and that Americans, despite their troubles, will never fall lower than Japan. This discourse is culturally based and is effectuated in the narrative by the construction of a Japanese Other.

The concept of the Other is often associated with imperialism, and thus it is hardly surprising that Neoliberalism's hegemonic project would use an Other in its narrative of Lost Japan. The Other is a narrative fiction created for the purpose of exercising power over both other lands as well as the episteme of those in the home country. Orientalist scholar Edward Said (1994) has stated,

“neither the term Orient nor the concept of the West has any ontological stability, each is made up of human effort, partly affirmation, partly identification of the Other. That these supreme fictions lend themselves easily to manipulation and the organization of collective passion has never been more evidenced than in our time” (xvii).

Although Said was referencing the anti-muslim turn of neo-conservative America and its recent military history with the Middle East, his observation is equally relevant for the narrativized depiction of Japan that is at the center of Lost Japan.

How does the construction of an Other work, and specifically how is it reassuring to the Self? Cultural theorist Stuart Hall (2005) outlines four views of creating the reassuring 'difference' implicit in an Other that are applicable to my analysis of Lost Japan. Hall draws the first two theories of Othering from the field of linguistics. In the first conception, meaning is relational and thus difference is essential, as no identity is possible without it (328-329). In terms of Lost Japan, America defines itself by what it is not or does not, such as the perceived Japanese sublimation of personal freedom to protect social harmony. For example, the term 'zombie banks' has been applied to Japan's financial institutions since Japan's crisis, and is a term resonant with such group cultural practices. Conversely, although the texts of Lost Japan

work on the precondition of similarity between Japanese and US crises, the term ‘zombie’ is significantly not applied to American institutions, while the use of terms such as ‘liar loans’ for America’s financial world reflects instead the Neoliberal Discourse conception of individuals free to make supposedly rational choices. In this conception, the reassurance of the individualistic American identity is why the refrain of ‘not turning Japanese’ is so resonant with Americans.

Secondly, Stuart points out that meaning is created through dialogue with the Other (329). After Japan’s 1990s economic slowdown, the reifying power of Neoliberal Discourse was promulgated by US economists who urged the neoliberal economic reforms later enacted by the Koizumi administration, even though Japan’s economic troubles stemmed from the bursting of neoliberal inspired credit bubbles. Additionally, the inclusion of Japanese economist Fumio Hayashida and Edward Prescott’s (2002) economic modeling in the initial academic articulation of Lost Japan helped cement its acceptance as coming from a ‘native’ expert. For the post 2007 crisis, contribution to the narrative of Lost Japan by Japanese economic writer Hiroko Tabuchi (2009) and progenitor of the Lost Japan narrative Paul Krugman (2008, 2014) similarly reassures Americans that they are hearing from ‘local’ or ‘inside’ sources who have learned the lessons from Japan and are putting America on the right path to recovery. The interpretation neoliberals ascribe to the financial crisis is thus stronger when supported by voices of the Other like Hayashida and Tabuchi, or American experts on the Other such as Richard Katz (2009) and Eamonn Fingleton (2011).

Hall’s third point comes from anthropology, and states that power relations between cultures hinge on the assigning of the Other to a category (329-330). Indeed, the initial 1990s conception of Lost Japan replaced the old Orientalist relation of American teacher-Japanese student touted by Endymion Wilkinson (1990) with the US economist ‘doctor’-Bank of Japan

'patient' hegemonic relation. This repositioning is evident in Milton Friedman's (1997) early articulation of Lost Japan, significantly entitled "RX for Japan", and as I showed in Chapter Two, continues in the post-2007 articulations of Lost Japan. This positioning is an example of hegemonic identity formed through the Other, putting America at the top despite its economic fall from the grace of the supposed Great Moderation or period of utopian economic growth touted by Alan Greenspan and others. Similarly, both in the 1990's analyses of Japan's slump and again after 2007, the category 'lost' would be assigned to Japan, consequently implying the reverse descriptor for the US, constructing a pairing of polar opposites that works on the reader's subconscious. Considering that the opposite of 'lost' can be such words as 'found' or 'winning', the discursive or symbolic power garnered by defining Lost Japan as the opposite of America is clearly considerable.

This inclination towards categorization is especially evident in the trope of hybridity often ascribed to Japan, for as Ian Littlewood (1996) observes, "The Japanese simply don't fit the categories into which we have divided the world, not even the obvious category of the oriental. As hybrids, they have no clear place in the human (i.e. western) scheme of things. They are alien to it, and alien to us" (11). Indeed, considering how the appearance of paradoxically affluent yet 'lost' Japan is overlaid on crisis America in Michael Schumann's (2011b?) conception, the uncategorizable image of Japan in this narrative operated on American perceptions to paradoxically raise their unease while reassuring them. Littlewood notes,

"Boundaries are a source of security; we need them in order to define the world. They are, literally, what the business of definition is all about. Without east there is no west, without natives there are no sahibs, without 'them' there is no 'us.' To define what we are, we depend on what is alien. To call Japan a paradox is really to say that it threatens the existing boundaries and therefore our definition of ourselves." (8)

The construction of Lost Japan is at the same time a reification of the etymological Western scientific project towards the East, specifically the 1990s economic diagnosis of Japan as ‘Lost’ and America as ‘healthy’, as well as the epistemic violence that the ‘business of definition’ entails. Categorization of Japan, regardless of the difficulty of the task, assuages the American psyche bruised by the media assault of crisis discourse.

Last, from psychology Hall takes the assertion that Subjectivity is formed through the unending attempt to internalize the Other (331). During the 1980s and 1990’s, Neoliberal America pushed Washington Consensus style financial reforms on Japan and other countries, while growing anxious about its own failure to achieve the growth and success promised in the theories of equilibrium that Neoliberal Discourse inspired. In the 1990s, the American economist authors of Lost Japan echoed this sentiment with their suggestions that Japan enter the global financial system more, and accusations that it still had not made the right neoliberal moves to end its slump.

Moreover, during the US financial crisis, mediatized Neoliberal Discourse mobilized a process of subjectification to prepare Americans for their new economic reality, as evidenced in the ‘Worse Than Japan’ discourse discussed in Chapter Two, and especially Kasowitz-Devine’s (2014) admonition that “For most, being American will be bad enough” (2). As Nicholas Kiersey (2011) states,

“We can speak, therefore, of the subjective conditions and effects of this sort of capitalism; basic capacities of the heart and mind have not simply been subsumed within capitalist production; we live in an era of capitalist 'biopolitics' where these capacities have achieved a new preeminence in the reproduction of social life” (38).

In this light, the process of Othering, the epistemological project that accompanies it, and the Subjectification of the Self can thus be seen as a form of exercising power. In the words of Stuart Hall (2005),

“We have established here a connection between representation, difference and power. However, we need to probe the nature of this power more fully. We often think of power in terms of direct physical coercion or constraint. However, we have also spoken, for example, of power in representation; power to mark, assign, and classify; of symbolic power” (338).

This symbolic power in Lost Japan is exerted both on the Other and the Self through language, as implied in the phrase ‘Lost Japan’ itself.

Usage and connotations of the English descriptor 'lost' in economic journalism shows the discursive nature and power of the collocation 'Lost Japan', especially in terms of Othering discourse. In the American conception of Lost Japan, the lexical ambiguity of the word ‘lost’ lets it denote both how Japan has ‘lost’ its place in the hegemonic struggle, has been ‘lost’ in the economic wasteland outside of the Neoliberal promised land of GDP Golden Ages, as well as representing how, in US eyes, Japanese have fallen into this trap due to being morally ‘lost’. While the narrative of Lost Japan leads the American gaze to this ‘lost’ Japanese Other, it surreptitiously redefines American Neoliberal Subjects as ‘winning’ the economic race for hegemony, ‘on the right path’ of Neoliberal Discourse, and morally ‘saved’ by free market fundamentalism. These definitions were conflicted everyday by the parlous state of the US financial system, a state of affairs that the narrative of Lost Japan helps conceal³⁷.

³⁷ The term ‘Lost’ has many connotations and associations in English, but the cognate most often used in Japanese media and academic is ‘ushinawareta’ (失われた), denoting lost in the sense of irreplaceable time. This term is applied in Japanese media and political texts to the decade in the term ‘lost decade’ or ‘ushinawareta junen’ (失われた十年), and is not applied to people or the nation directly.

These four tenets of Othering - defining the Self in relation to the Other, creating meaning through dialogue with it, categorizing it, and finally re-creating the Subject by attempting to internalize the Other, are all evident in Lost Japan. They constitute the discourse of Othering, which in turn is a vehicle for Neoliberal Discourse operating through the paradigm of narrative. I examine the particulars of this Othering discourse next.

A History of Japanese Others

In the neoliberal conception, the biggest shock of the US financial crisis is that it happened at all. As I showed in Chapter Two, the texts of Lost Japan, especially those from 2008 to 2009 when the situation seemed most dire, evidenced surprise that America could ever turn Japanese by experiencing similar banking and credit crises to those that characterized Japan's Lost Decades. For this new crisis of American capitalism dominated by Neoliberal Discourse, a narrative was needed to give sense to events that were, in the Neoliberal worldview, nonsensical. Every story needs characters, and Lost Japan is no exception to this narrative principle. In the media conception of Lost Japan, America constructed itself as the protagonist which must seek dominance, while Japan was made the Other who must be overcome, and which is made to stand in contrast to the Self. The Other is also singularly useful in Neoliberal Discourse to take attention away from the causes of the financial crisis, and instead draw focus on the differences of a supposed antagonist or rival.

Although the nation of Japan is a known quantity that produces reams of research and statistics on its geographic position, economic output, population, and other data, there exists

another Japan in American common knowledge, one seen completely through the lens of culture, and that is often painted in media reports very differently from what the facts or figures, or indeed Japanese people themselves, would say. These culturally-based discursive images are far from powerless, however, but are what Thierry Guilbert (2011) would call a ‘discursive reality’ (63) that is invoked by elites in politics and media to sway public opinion and build consent for their Neoliberal policies and practices. These images are constructed in the field of culture, but reappear in economic and political discourse, and as David Harvey (2007) asserts, cultural images are easily turned to Neoliberal ends (3). The ample number of these images, their common acceptance, and their malleability and thus utility in shaping public opinion are all reasons why they were used in Neoliberal Discourse during the US financial crisis.

The Lost Japan of the financial crisis is merely the most recent manifestation of a history of America's constructed Japanese Other, which continues a contrastive discourse of the Japanese Other vs. the American self by drawing on images and associations of previous incarnations. In the past century, Japan has taken its turn as America’s Other more than once. During the Second World War, Japan had served alongside Germany as the military Other for America to fight. With the weakening and collapse of the USSR, Japan Inc’s faceless business warriors provided an economically threatening Other paradoxically in the shade of America’s own security umbrella.

Since Neoliberal Discourse came to dominate American economic and daily discourse with the economic crises of the 1970s, culturally created images of Japanese have seen heavy use in American public discourse during three historic periods. First, during the 1980s, the rise of the Japanese economy to 2nd in the world constituted a hegemonic threat to the US and spawned the discourse of ‘Japan on top,’ as epitomized by such taxonomic texts as Ezra Vogel’s (1983) bestseller *Japan as Number One*, which consequently dominated media and economic

discourse, and which Ian Littlewood (1996) avers re-interred wartime images of samurai and kamikaze to create a menacing image of Japan Inc. This discourse spawned a genre of bestseller books like Ouchi's (1981) *Theory Z: How American business can meet the Japanese challenge*, which reflected the twin staples of emphasizing Japan's hegemonic threat, while offering an epistemic explanation of Japanese secrets that would allow the US to regain hegemonic momentum. In terms of Hall's four conceptions of Othering, such books served the purpose of allowing the US to internalize the Japanese Other by learning its secrets, while at the same time differentiating Japan and the US culturally and thus reassert the American Subject threatened by Japan's rise.

Second, as mentioned in chapter two, the 1990s saw the creation by American economists of the non-threatening 'Lost Japan' to reassert US economic dominance after Japan failed to meet growth projections, as evidenced by the suggestion of neoliberal reforms by Ben Bernanke (1999) among others, which were later enacted by the Koizumi cabinet in tandem with the Bush presidency (Teranishi 2009). At this time, the US discourse of Othering centered around dialogue with Japan, which stressed the power relations between US economics experts and the Japanese who had lost their way. Third and most recent is the object of my research from Chapter Two, namely the construction of 'Lost Japan' as invoked in US media texts during the US financial crisis to point out the ineffectiveness of Japan's government response to its crisis. Post 2007 US economic discourse puts Japan in the category of failure, such as the 'cautionary tale' of Tabuchi (2009), as well as Michael Schuman's (2011a?) assertion that Japan is "synonymous with economic malaise." By analogy these critiques are applied to the Obama stimulus plans during 2009 and 2011, when US media pundits, lawmakers, and policy experts debated how to respond to the financial crisis caused by disastrous economic effects of unregulated loans in the US.

Although this neoliberal narrative of the Japanese Other has seen significant historic variations, from the ideological Other of wartime to the cultural Other of Japan Inc., it is the focus on competition in this latter that Neoliberal Discourse is most evident. In the 1980s, Japan was used to spur America to learn lessons and compete. By the creation of Lost Japan in the 1990s, American conviction in its own competitiveness was reinforced by Japan's economic slowdown. To be considered an Other of America, Japan had to meet a number of criteria. First, the Other necessarily contains a threat to hegemony, which necessitates that points of similarity or difference to be articulated, conversely allowing the observer to define himself. Whereas wartime Japan and ascendant 1980s Japan constituted actual hegemonic threats to the US, the weakened Japanese Other of the financial crisis is merely a proxy for the threat posed to US economic hegemony by Neoliberal Discourse, as I explain below. A hegemonic threat entails the second point, that an Other must be of sufficient size or strength to invite comparison. Japan entering the top three economies testifies to its status, and the fact that US interest in Japan peaked during its bubble years is no coincidence. Finally, as a result of this interest, a sizeable and structured apparatus for studying the Other was established as interest waxes and dismantled as it waned or was displaced by another Other. This apparatus is the modern continuation of Orientalism, which I discuss in detail later in this section.

After Japan's slump and before 2007, America was left with imperfect Others. Eamonn Fingleton (2005) would mark US "media obsession" (1) with China, understandable considering US-China growing trade and investment ties, but China was depicted more as an inevitable partner than the rival seen in Japan Inc in the 1980s. Likewise, while the constant nebulous spectre of terror was played on to mask the financial instability of US financial sector compromised from within by neoliberal elites, it could hardly be as useful as a concrete, external Other. This partial vacuum required the creation of an external object as the threat to

American life, which became expressed in the form of academic interest in Neoliberalism, and the popular vilification of the neoliberal elite Other of Occupy protests. This Othering was doomed to fail, however, as its supporters lacked power over media means of dissemination, while sympathetic economists could not easily turn out neoliberals in their midst, as noted by James Galbraith (2009). Enter the post 2007 return of Lost Japan, in which the American gaze has been turned inward, and Japan has been recalled this time as merely a cipher for an equally lost America. As I show next, Japan would seem an unlikely candidate for an Other of neoliberal American, since it has gone through its own unique form of domination by neoliberal principles of growth and market subjectivation.

Inappropriate Other Japan

Although Japan offered a tempting repertoire of Orientalist-era images that could be ‘flipped’ for any occasion, from the menacing samurai redeployed during the 1980s to the unthreatening zombie banker of Lost Japan, this does not imply that the choice of Japan as Other is necessarily made in response to any external threat to the US posed by Japan, nor was it an entirely rational one. It is easy to see why Japan with its trade surpluses and US accusations of unfair practices became the focus of American discourse during the 1980s, yet its revival as ‘Lost Japan’ in the 1990s was less clear cut. The US analyses of Japan’s slump do not give the motivations of their authors, yet Ben Bernanke (1999) attests to the perceived importance of the issue when he writes, “The debate about the ultimate causes of the prolonged Japanese slump has been heated” (2). Considering that the rise of Japan a decade before was perceived as a

threat to US economic dominance, the 1990s creation of this ‘lost’ Japanese Other allowed a necessary recovery of American pride as Neoliberalism spurred what Joseph Stiglitz (2007) calls the ‘roaring 90s’ when the excesses of Wall Street were in high gear. A closer look at the historical manifestations of Lost Japan in the context of American Neoliberalism, as well as in the context of Japan's own form of Neoliberal Discourse, shows that because Japan’s economy and economic discourse was more similar to US Neoliberal Discourse than different, the construction is founded on many inconsistencies and contradictions.

The major contradictory aspect of creating the Japanese Other is depicting its economic system as opposed to the tenets of Neoliberal Discourse. This elision of Japanese Neoliberalism reflects the trend in Anglo-American scholarship on Neoliberalism to focus on its manifestation in western countries, and how these nations impose their will on others. Steger and Roy (2010) list as ‘first-wave’ Neoliberal world leaders Ronald Reagan, Margaret Thatcher, Malcolm Fraser, and Brian Mulroney (21), but their insistence on anglo-american linguistic and cultural parameters belies the limits of their examination. There is a distinct lack of insight on how Neoliberalism has been localized in Japan, starting with its advance during the time of prime minister Yasuhiro Nakasone (1982-1987). Considering that the above western world leaders operated during roughly the same historical period as Nakasone, and that Japan’s economy during that period was larger than any of the others on the list except the US, omitting Nakasone seems a serious oversight in the investigation of Neoliberalism. Although David Harvey (2007) does give some details on China as a Neoliberal nation, he too relegates Japan’s role in Neoliberalism to a passive one, with the US putting pressure on Japan to open its markets and let the world access its credit reserves (23).

Just as these first generation neoliberal political figures were followed by leaders who endorsed the continuance of Neoliberalism, such as George Bush after Reagan, Tony Blair after

Thatcher, and Stephen Harper after Mulroney, so to would prime minister Junichiro Koizumi (2001-2006) follow in the Neoliberal footsteps Nakasone had set out for him. The omission of Nakasone from the list and relegation of Koizumi under the heading of George Bush junior confirms the academic definition of Neoliberalism as an essentially Western conception. Since Japan's economy and influence is far greater than that of Mulroney's Canada and arguably the UK, I would argue for the enlargement of the pantheon of founding neoliberal nations by the inclusion of Japan, which would open discussion for future developments as other countries ascend economically and come under the sway of Neoliberal Discourse, creating local moments and variegated manifestations of Neoliberalism.

In fact, a major reason for the harsh criticism of Japan is, as James Galbraith (2009) notes, that Japanese Neoliberalism was seen as failed because it had proved as prone to crashes as the US brand. He writes,

“... in the late 1980s, Japan entered economic crisis for reasons of its own. Deregulation of the Japanese capital asset markets set off what was, and would remain until the NASDAQ, the largest speculative bubble in human history, combining speculation in stocks and speculation in real estate to an astonishing degree... The crash came in 1988, precipitating a deep recession in domestic demand from which the Japanese economy as a whole did not begin to recover for over a decade. This dimmed the luster of the Japanese model for American observers, even as they largely overlooked the obvious point: there is evidently no development path that an unfettered, liberated, free capital asset market cannot screw up.” (Galbraith 2008: 79–80).

The irony of the Lost Japan narrative is that more deregulation is exactly what the first wave of its creators, from Milton Friedman (1997) in economic journalism to Dick Nantos (2001) in US policy circles, ordered to set Japan back on track. Seeing a parallel of the Great Depression in Japan, it was the perfect testing grounds for Neoliberal Discourse's crisis narrative, inspiring the

late 1990's US economic discipline's interest in analyzing what went wrong and prescribing solutions. It did not hurt that Japan was rich with unexploited reserves of domestic capital supported by the indigenous financial discourse that valued personal savings and eschewed credit. The exploitation of these reserves were borne out with Junichiro Koizumi and his 'friendship' with George W Bush, just as Dick Nantos (2001) had suggested.

Contrary to Lost Japan's presuppositions, Japan not only had its own market-dominated ideology, it deployed its indigenous brand of Neoliberal Discourse to bring Japanese people under its sway. Whereas the communist ideology of the USSR as Other served as both the opposite to America's free market ideology as well as its geopolitical power, the same is not true for Japan. In fact, the meteoric rise of postwar Japan as an economic powerhouse is marked by practices that were blatantly neoliberal in nature and effect, if not in name. In her examination of postwar Japan's economy, Laura Hein (1993) notes that 'social deprivation' increased markedly in tandem with Japan's rapid industrialization, and that the focus on GNP growth fostered the inequality of urban land prices, at the same time enriching the 'billionaires' who own land over the average Japanese who never will (101-102). This pattern of enriching the top class at the expense of the middle is often given as characteristic of Neoliberal Discourse (Harvey 2007), as is the cult of GNP/GDP (Stiglitz 2007, Quiggin 2010).

Additionally, instead of opposing the US for influence in Asia and Latin America, Japan is a US client state under American military protection. The hegemonic struggle between the US and Japan thus implies that even nations with such similar economic values and ideological positions are, in terms of Neoliberal Discourse, engaged in hegemonic struggle between differing styles of Neoliberal Discourse. As Steger and Roy (2010) assert, it is more accurate to speak of many Neoliberalisms (xi), and although Japanese and American style Neoliberal Discourse may be the same species, they are very different animals. The spread of

Neoliberalism in Japan, although dealing with different local conditions, proceeded to bend people to its will in much the same way as in the US. As John Dower (1993) wrote, “Once ‘democratization’ was replaced by economic development as the overriding objective, most Japanese had little choice but to become socialized to corporate and national goals” (31). This is in keeping with the subjectification of Americans I examine later.

Moreover, the influence of Japanese Neoliberal Discourse on western thought during its period of economic dominance must be considered. The 1980’s American idolization of Japanese management techniques is understandable considering the trouble Ronald Reagan was having at the time with unions. Even after Japan’s economy would fall from grace in the 1990s, its management would still be praised, as in Bernanke’s (1999) comments during his contribution to constructing Lost Japan that “Japan’s basic economic strengths—including a high saving rate, a skilled labor force, and an advanced manufacturing sector—should not be overlooked” (2). The originator of the term ‘soft power’, Joseph Nye (1990), went so far as to muse “are we entering a ‘Japanese period’ in world politics? Japan has certainly done far better with its strategy as a trading state than it did with its military strategy” (154). Steger and Roy call assert that the Clinton and Blair second generation Neoliberalism, or “socially conscious globalism” as (50) they term it, reduced the neo-conservative militarism, nationalism, xenophobia and eco-neglect of the first wave typified by Reagan and Thatcher. This movement makes sense, seeing the benefits that Japan derived from not being responsible for its own military defense, which allowed it to focus on management and research. Additionally, their emphasis on technological progress mirrored Japanese technocracy. Although it is beyond the scope of my thesis to definitively show whether Clinton’s emphasis on ‘soft power’ over ‘hard power’ was inspired by Japan’s rise and 80’s dominance, or influenced Tony Blair’s ‘Third Way’ and its attempts to balance free markets and social welfare, the parallels are evident.

These questions are largely academic and far beyond the scope of my thesis, yet they suggest that the influence of Japanese style Neoliberalism on the west is also a subject that deserves discussion and thought.

US-Japanese Differences That Matter

This is not to say there were no fundamental differences between US and Japanese style Neoliberalism. A primary divergence of US and Japanese types of Neoliberalism is the founding rhetoric. US Neoliberalism began in the Cold War, and the response to perceived socialist excesses has always been at its heart. This Cold War ideological struggle between Communism and Democracy would become the initial justification for Neoliberalism by the Mont Pelerin society, one of whose aims was combating ‘creeping socialism’ (Harvey 2007). As Japan scholar John Dower (1993) noted, such a polar distinction was rejected in pacifist postwar Japan:

“The long third statement, signed by thirty-one intellectuals in the Tokyo chapter of the Peace Problems Symposium and twenty-one in the Kyoto chapter, dwelled on the flawed vision of those self-styled ‘realists’ who adhered rigidly bipolar worldview and anticipated inevitable conflict between ‘liberal democracy’ and ‘communism.’ The United States and Soviet Union both came under criticism, while the cold-war premise of the emerging US-Japan military relationship – the argument that the Soviet Union was committed to fostering world communism through military means – was rejected” (9).

Ultimately, although 'socialism' is a largely a taboo word in America's political circles³⁸, it has no such strong negative associations in Japanese political discourse because it reflects many Japanese socio-cultural values. Whereas Friedrich von Hayek (2001) cautioned against collectivism as the 'road to serfdom,' sublimation of the individual is part of the Japanese national narrative, a part used by conservatives post war to unite the country according to John Dower (1993: 30-32). The fall of the Soviet Union in the 1980s would allow Neoliberals to proclaim victory, a la Francis Fukuyama's 'End of History' discourse, which would pave the way for such neoliberal ideas as the Great Moderation Theory. It would also spell the end of the Soviet Union as the 'Other' by which America measured itself. Additionally, Japanese neoliberals hew to cultural and nationalistic discourses that obviate the need for Others, because all non-Japanese are automatically 'othered' as cultural outsiders.³⁹

Second, whereas US Neoliberal Discourse appeals to the cherished American freedom of individuals, Japanese society appeals to the obligation the individual is supposed to feel towards the group. Due to Japan's group orientation, unlike the supposedly collective Soviet Other that individualistic Americans could look down upon and fear to emulate, Japan offers an enviably tolerant form of social conditioning. As Koji Taira (1993) states,

“Ascriptive or conventional inequalities based on sex, education, ethnicity, and religion persist and are tolerated. The family structure and socialization process makes these inequalities acceptable to the Japanese in early stages of their life experiences. The Japanese firms structure and reward the work force by the family metaphor, replicating the familiar inequalities learned in the family by the individuals. This is a well-known story that has been told countless times in the literature on Japanese management.

³⁸ Although this may appear apocryphal, the fact that Bernie Sanders produced a video entitled “Why You Shouldn't Be Afraid of Democratic Socialism” (<https://www.youtube.com/watch?v=SsDSbgEZswY>) testifies to the popular unease with the term. The term 'socialist' has been a useful language of fear to neoliberals since von Hayek used it for the supposed enemies of freedom in his magnum opus *The Road to Serfdom*.

³⁹ That is to say, although Japanese discourse may employ an ideological or cultural Other in much the same way as US discourse does, there exists a default Othering mode of 'Japanese' (日本人) versus 'foreigner' (外国人) that overlays and often obviates the need for any other basis.

Critiques of the Japanese management system from the standpoint of egalitarian values can be found only in vastly outnumbered ‘radical’ publications.” (179-180)

Indeed, as mentioned in the previous section, such ‘literature on Japanese management’ dominated American economic and popular discourse during Japan’s ‘Bubble’ years in the 1980’s, possibly influencing the US and UK second wave neoliberals. Additionally, Japan's lack of ‘radical’ capitalist critiques such as the Occupy movement, despite undergoing a slowdown analogous to that of the US financial crisis, demonstrates the difference of subjectification between Japan’s conformist capitalism and the individualizing market libertarianism of the US.

These Japanese management tactics of appealing to the family and the center reflect Japanese conformist culture and give Japanese businesses a dynamic of control envied by the West. As Japanese economics specialist Koji Taira (1993) puts it,

“In Japan, unlike the individualistic and pluralistic West, there is apparently a strong centripetal orientation of values and aspirations. Everyone intensely desires to converge at the center, which also means ‘middle’ (chushin, chuo). Thus, in Japan it is relatively easy to aggregate and standardize individual feelings. Likewise, the Japanese can mobilize the national spirit for specific ends with relative ease and speed.” (183)

Whereas American Neoliberal Discourse draws on the individual liberty to promote policies and practices leading to inequality, Japanese Neoliberal Discourse calls on the values of racial harmony and consumer homogenization to do the same and ensure complicity and consent. Ironically, this socially constructed standardization has broken down as Japan’s social system becomes more Neoliberal and globalized – witness the anti-nuclear movement after the Fukushima accident and social unrest/crime as the family unit reduces in importance.

Japanese Neoliberal Discourse would capitalize precisely on the individual sublimation central to its social structure. As John Dower (1993) puts it,

“The corporate sector, for its part, made brilliant use of group pressures and ‘family) ideologies to reassert not merely the primacy of the group over the individual, but also the primacy of the family writ large (the corporation and the state) over the real nuclear family” (31).

This Japanese capitalist appropriation of social values shows Neoliberal Discourse as Thierry Guilbert’s (2011) ‘nomad concept’ (23) mentioned in Chapter One, able to capitalize on local circumstances. The result of promoting growth at any human cost, as well as engendering the crises that come with this worldview, are effectively the same regardless of country, as the analogy of Lost Japan implies. This is why the US-Japan analogy is appealing despite the huge differences in how both countries see themselves. In terms of their sublimation to Neoliberal Discourse, they are one.

This ability to harmonize social and economic goals while under Neoliberal Discourse has also allowed an accumulation of political power in Japan that would be unthinkable in the United States. Koji Taira asserts,

“Conservatives have been in power so long not because Japan is problem-free but because the LDP, business community, state bureaucracy, and conservative intellectuals have been flexible enough to co-opt critics’, opposition parties’, and protesting groups’ reform agenda for solving problems occasioned, from time to time, by the continued success of their main objective, economic growth.” (184)

Unlike America's inequality-inspired Occupy movement, Japanese opposition groups are victims of the country's own success, unable to mount opposition with such a high perceived standard of living as compared to wartime and immediate postwar scarcity.

A third result of Japan's social structure is the difference in how Japanese capitalists dealt with opposition, such as labor movements. At the level of heads of state, Japan would seem to have been equally subject to market dictated reforms. In the US, Ronald Reagan used strong arm tactics to break the air traffic controllers' union, while in the UK Margaret Thatcher advanced privatization of manufacturing to similar effect. Takayama's (2009) account of Japanese prime minister Yasuhiro Nakasone's Ad-Hoc Educational Reform Committee of the 1980's mirrors the Bush-Thatcher push towards privatization and liberalization. However, at the level of industry, a different way developed offering promotion of social harmony, admittedly to secure the government and its status quo. Taira (1993) also describes how Japanese leadership created a three-way partnership with government, industry, and the unions (181), as the hierarchical sub-contractor system in place already balances capital accumulation with modest labor gains (180). Add to this what Taira calls the "mind over matter" (183) manipulation of government-administered opinion polls to make most Japanese appear to be in the middle class, and a fairly different discursive picture begins to emerge from that of the US, but one that still fits the demands of Neoliberal Discourse.

Fourth, adherence to the economic measurement of GDP would also differ due to Japanese social pressure. Koji Taira (1993) states that even though the Neoliberal obsession with GNP existed in Japan, it was also countered by calls of 'down with GNP' as the social costs became evident (170). Taira's ruminations on the Japanese obsession with GNP are reminiscent of Joseph Stiglitz's (2007) warnings about GDP, and reflect the problems of using it as the measuring stick of a nation's progress. Taira (1993) writes,

“War can be won, even though millions perish. Likewise, GNP can be increased, even though millions suffer. This is the most unfortunate aspect of the GNP accounting method. Suffering from pollution does not reduce GNP. Instead, the producers, free of the expenses for pollution prevention, can invest the financial resources saved through their neglect and produce more, adding to GNP. If the victims of pollution use equipment or services to relieve their suffering, they create demand for such equipment and services, which adds to GNP. If polluters are required to prevent pollution, an industry to produce pollution control devices emerges and new investment opportunities open up. Destruction expands GNP. Nothing increases GNP faster than the ravages of war, according to Milton Friedman.” (171-172)

Taira’s comments on the vicious cycle of GNP in which Japan was trapped postwar is prescient, foretelling the ‘creative destruction’ that Harvey (2007) and others see as a characteristic of Neoliberalism. He is also astute in referencing Milton Friedman (1997), who in ‘RX for Japan’ would find Japan sickly by the yardstick of GDP growth and prescribe a return to exactly this type of unfettered GDP growth as the remedy for its ills. Taira’s further assertion that no other alternative measurement could be found (172) not only echoes Stiglitz’s call for others, but ironically echoes the Neoliberal ideological assertion of Margaret Thatcher that Neoliberalism allows no other way (Roy and Steger 2010). Taira's assertion that Japan’s response to its pollution and standard of living crises caused it to decelerate growth and increase regulation of industry (174) implies one sad reality of a society bound by Neoliberal Discourse – that it needs a crisis for positive social change to happen. As we shall see in my conclusion, this applies to the US as well.

It was this Japanese slowdown of growth in favor of social benefits that would turn Japan from a miracle to a lost soul in American economic discourse. In other words, when Japan was in the thrall of what Taira terms ‘GNPism’, it was a role model for the US. However,

when social costs became too much to bear and industrial incidents like the spread of Minamata Disease raised public opposition, the Japanese government staged a partial retreat from Neoliberal policies. It was after this small 脱成長 ('escape from growth') was put into effect that Japan became a model of a different sort, one of not adopting neoliberal economic practices enough. It is unsurprising that Fumio Hayashida and Edward Prescott (2002), whose thesis first linked the words 'lost' and 'Japan', cited as the factor for its slowdown the decrease in workdays, a very neoliberal way to interpret the reduction in poverty and better income distribution in the 1970s reported by Taira (179). Thus Lost Japan embodies a central contradiction; Neoliberals could, on the one hand, mock Japan for not embracing market values and propping up zombie firms, and at the same time idolize Japan Inc. for its control of people. American discourse was marked by praise of Japan's wealth but not of its standard of living, while adopting a poorer standard of living than in the US was considered acceptable at the time if profit could be maximized.

Fifth, whereas the disdain of government characteristic of American Neoliberal Discourse also incurs social instability by eroding the infrastructure that is supposed to hold a nation together, in Japanese Neoliberal Discourse the reverse seems true. Laura Hein (1993) states that Japan's prewar experiences, most notably the 1920s, shaped their postwar policies and limited the implementation of practices ascribed to Neoliberalism, due to the continuity of pre and post-war sovereignty. She writes,

"The ongoing debate through the first postwar decade between business leaders and bureaucrats about the proper role of the state in the economy revolved around the central prewar dilemma – maintaining stability. Although Japanese business leaders rejected the heavy-handed state interference in their firms that they had experienced during the war, they also feared a return to the chaotically competitive conditions of the 1920s... Their search for stability meant that the business community cast the state as

an ally as much as an ideological adversary; this was perhaps the most important prewar economic legacy to postwar Japan. Their prewar experience led Japanese government and business leaders after the war to resist American laissez-faire principles (though not technocratic ones), while the failures of the wartime economy soured the Japanese on strictly centralized planning.” (104)

This is a far cry from both America’s experience of war as a boom time. Additionally, Japan had not forgotten the lessons of the Great Depression, unlike Americans, who were led by Milton Friedman and Anna Schwartz’s (1993) critical re-interpretation of the government response to the crisis as a failure of Keynesian economics, and thus set the stage for Neoliberalism as the dominant discourse in American economics.

A sixth difference of Japan's indigenous form of Neoliberalism is how the nation sees and creates itself discursively as a player in the neoliberal game of globalization. A neoliberal nation like the US sees itself as a Subject and not an Object, and thus has no qualms about putting other nations in a cycle of debt, such as that which the Washington Consensus has foisted on developing nations like Chile and South Korea. Unlike these developing nations, Japan had already constructed its own form of capitalism appealing to Japanese cultural values and had begun exporting its products and practices to its neighbors. Gayatri Chakravorty Spivak (1993) defines the international division of labour as split between developed, ‘first-world’ countries who invest and ‘third-world’ developing countries which serve as both field of investment and supply the exploited cheap labour, as a holdover from the age of imperialism (83). Another holdover from imperialism is the Orientalist discourse from which the west draws on for images, and which situates Japan as part of the subaltern group, despite its pragmatic and economic place among the developed ‘Subject’ nations such as the US and UK. US commentaries on Japan’s low standard of living compared to its production and supply of high

technology notwithstanding, Japan is the ultimate comprador country in Asia – Asians outsourcing to other Asians to sell to Americans.

The spread of Japanese corporations was also determined by Japanese-style Neoliberalism. Although Japanese multinationals spread overseas as companies from the US and UK do, the Japanese discourses of nationalism and social unity mean they retain a stronger identification with their home country. Neoliberalism thus puts Japanese interests and discourses first, as these are more constrained to that nation due to its high-context culture and group-oriented socialization. In America, elites can go overseas easily, and so multinational corporations do not need to concern themselves about either American or local social welfare. Japanese multinationals still identify themselves as Japanese wherever they go, and thus maintain a concern for the social well being of the home country that US multinationals lack. In this light, Japanese industrialists feel the pressure to keep social unrest down back home. Despite Japan's indigenous form of Neoliberalism, it was still far enough from the US culturally that it could be created as an Other to the US to reaffirm America's place in the economic hierarchy, which the financial crisis had called into question. Lost Japan also validated American culture's capitalist valorization despite this repudiation of financial deregulation and free market economics during the crisis of 2008.

Japan would not only seek to impose its economic discourse on its developing neighbors, but has attempted to do so on the US. Politician Ishihara Shintaro's (1991) polemic *The Japan That Can Say No* is a Japanese declaration of Subjecthood, of not being a subaltern anymore, that could be made when Japan was economically dominant. It also sought to dictate terms and change America's hegemonic economic discourse through its suggestions for America, such as increased personal savings and reduced CEO pay (128-139). These suggestions are couched in Japanese values, ultimately an ironic imposition of Japanese market

practices on the US. Japan may be a subaltern in the US conception of the world, but it is one that speaks and thus shapes its own reality, both in its own language and English. Whereas epistemological violence is often carried out by a written word effacing the spoken, the West could not do this completely to Japan, for once the Other speaks with authority it is no longer subaltern.

Additionally, there exists an indigenous Japanese academic discipline known as *nihonjinron* (日本人論), or literally ‘Japanese person theory,’ which is Japan speaking and making itself. Japan’s history had already been recorded by the local Japanese taxonomic project, which is also a declaration of Self, and which implies subaltern status for all others. Although *nihonjinron* does not necessarily constitute a response to US-based Japanese studies and the taxonomic program they entail, at some level response to the West is implicit, and thus *nihonjinron* can be seen as Japanese localized resistance to Western hegemony by the utopian project of reifying a Japanese civilization.

If Japanese style Neoliberalism was at odds with the US brand, it was due to how Japanese society had shaped the underlying form of capitalism that had developed around it. This accounts for the cultural nature of the Japanese Other construction.

The Cultural Other and Narrative Framing

Considering that Japan was neoliberal in its own socio-culturally determined way, it could not serve as an ideological Other to the US as Russia had done before. From the start of the Cold War, American opposition to the USSR had been discursively linked with opposition

to the ideology behind Soviet collectivism. Frederich von Hayek (2001), the forefather of Neoliberalism, called his bestselling treatise about the perils of collectivism ‘The Road to Serfdom’, bringing the Neoliberal mistrust of socialism to a mass audience. To him and other neoliberals, government obeisance equaled loss of individual liberty, a thread of American Neoliberal Discourse that still thrives in the rhetoric of popular organizations such as the Tea Party. The failure of the Soviet Union and communist ideology would be taken as the victory of neoliberal ideology, but the continuing economic troubles of the postwar Reagan administration and the hegemonic threat it caused would need a new Other.

Into this vacuum of ideological Other, RAND Corporation consultant and author Francis Fukuyama (1992) foretold the Neoliberal American use of ‘cultural’ difference to create its Other when he wrote,

“... the persistence of... differences may mean that international life will be seen increasingly as a competition not between rival ideologies—since most economically successful states will be organized along similar lines—but between different cultures.”
(234)

David Harvey (2007:3) notes that Neoliberalism uses culture to further its ends, and thus Fukuyama’s replacement of ideology with culture sets the stage for the creation of the Japanese Other. The irony of Fukuyama, a Japanese American, presenting Japan as the next Other, is one of the many produced by the contradiction between Neoliberal ideology and practice. Just as the end of Communism weakened Russia and left it open for Neoliberal reforms that led to the rise of its oligarchs (Harvey 2007), Japan’s fall from GNP grace left the defenders of its economy weakened in the face of Bush administration-led calls for openness and access to credit, such as that by Dick Nantos (2001). Although Japan was strong enough to not capitulate totally, its Big

Bang series of structural adjustments under Koizumi attests to the pressure placed by America to open itself to free market forces. Indeed, it is because such Japanese neoliberal advances existed that Japan could not be a true ideological Other for US neoliberals, and thus would be largely posited as the cultural Other to America.

Additionally, the aforementioned Japanese control and mobilization of its workforce while normalizing inequality, all the while maximizing capital accumulation, contributed to Japan's selection as America's Other. Whereas the US could not adopt Soviet methods of control on ideological grounds, they chose Japan as the next Other, impressed by its practices of 'naturalization' of inequality that could be transplantable to the US and added to the process of capital accumulation there. Stuart Hall (2005) explains how practices of naturalization render difference unquestionable, much like Gramsci's common sense. He writes, "'Naturalization' is therefore a representational strategy designed to fix 'difference', and thus secure it forever. It is an attempt to halt the inevitable 'slide' of meaning, to secure discursive or ideological 'closure' (336). The practice of making and normalizing a simplified Other is a way to exert power over both the Other and internalize its strengths into the Self.

As can be seen from the above examples of the Soviet Union and Japan, setting the Other up allows the narrator to reframe events in term of the natural and artificial worlds. In the case of Lost Japan, Japan's slump is natural as implicated by the metaphor of 'malaise' used by Lost Japan authors, while the similar problem of the US is artificial due to 'toxic loans.' Guilbert (2011) cites the way crises are framed as natural or unnatural another 'evidence' of Neoliberal Discourse in media (76), a view supported by Hudson and Martin's (2010) examination of the neoliberal narrative of the Barings investment scandal. In the 1990s, Japan's slump was framed as natural using a contagion metaphor. This framing also limits imaginable solutions given in the wake of the 2007 financial crisis, which are invariably limited to tinkering

within the confines of the system (Roubini and Mihm 2010; Quiggin 2010) and not in any way an escape from Neoliberal capitalism that led to the 2007 crisis.

I have argued that the images of the Lost Japan narrative form a Japanese Other that is reassuring both to neoliberals but also to average Americans, who are told that American values of freedom and individualism will still help them succeed more than the group-oriented Japanese, despite suffering analogous crises. This Othering is not from Neoliberal Discourse itself, it is symbolic cultural violence perpetrated in the name of American market values. I now turn to the power of the images used to construct the Japanese Other, which resides in their familiarity and thoroughly unoriginal conception.

Recycling Orientalism

Where exactly do these images of Japan used in Lost Japan come from? The major source is the archive of Orientalism, or studies of Asia and the Middle East made by Westerners during the 19th and 20th century periods of empire-building and overseas trade expansion. Edward Said (1994) has called economists “recycled Orientalists” for their insistence that Arabs and other non-Europeans can’t assimilate into modern economic systems (108), a view not so far from the paternalism implied in the doctor-patient and teacher-student discursive elements of Lost Japan, which are a direct descendant of the colonizer-subaltern relation of Orientalism. Such Neoliberal depictions of Lost Japan in the 1990s as well as after the 2007 crisis are the latest manifestation of the construction of Japan for the western gaze by Orientalist or Japanologist ‘experts.’ The replacement of Orientalism’s philologist and ethnologists with

economists in Neoliberalism's epistemic program testifies to the dominance of market economics in all domains.

The claim of American economists that their 1990s analyses of Japan's failure to continue growth constitute an attempt to 'help' Japan out of its troubles is another Orientalist aspect of the Lost Japan narrative. As Gayatri Spivak (1993) suggests, "... the gravity of imperialism was that it was ideologically catchected as 'social mission'" (97), and the economic analyses of Japan's slump were positioned as such. This 'social mission' is evident in Ben Bernanke's (1999) contribution to Lost Japan, in which he states "Japan's weakness has also imposed economic costs on its less affluent neighbors, who look to Japan both as a market for their goods and as a source of investment" (2). Bernanke's invocation of helping 'less affluent' Asian nations by helping fallen rival Japan could be described as a type of neo-Orientalism. In a similar vein, the post 2007 renewals of Lost Japan often reverse this 'civilizing mission' by invoking American exceptionality and its supposed economic 'obligations' to other countries and the global financial system as a whole. This claim of a social mission while working towards the opposite outcome is characteristic of Neoliberal Discourse, and thus it is not surprising that many of the structures in the Neoliberal Discourse of Lost Japan share or borrow Orientalist images. As Sally Wyatt (2004) puts it,

"Imperialism and globalization have profound political and economic consequences, but our understanding of these processes could be enriched by consideration of the imposition of metaphors developed in industrialized capitalist societies in other parts of the world" (247).

Lost Japan is just such a metaphor, and its recall to discursive action since 2007 in the service of free market capitalism is thus as worthy of attention as the statements of Orientalism that preceded it, and that have been challenged by Said, Spivak and other post-colonial critics.

Since the beginning of relations between Japan and western countries, the Orientalist images of Japan that have accumulated in Euro-American common opinion represent a certain worldview, as well as the epistemic-taxonomic program behind it. In Yale-educated historian Endymion Wilkinson's (1990) *Japan Versus the West: Image and reality*, the author calls such images of Japan "...an arsenal of stereotypes founded on the shifting sands of indifference, ignorance, prejudice and fear, rather than based on the results of a serious effort to understand Japan" (xi). Ironically, Wilkinson's presentation of his book as the needed 'serious work' implies its part in the knowledge-gathering imperial epistemic program by the subject West, an attempt to fix the reality upon Japan the Object by ironically studying the images constructed by the west.

Orientalist depictions of Japan are thus a ready-made store of images that resonate with American readers who, raised on a media diet of US neo-colonialism in Asia and the Middle-East, are thus easily turned to neoliberal uses. Because of their familiarity to the Western speaker and their audience, these images normalize certain beliefs useful to promulgating Neoliberal Discourse, such as its inherent superiority of free market capitalism as an organizing principle of society trumping Japan's more socialist system. This dominant discourse also reinforces Neoliberal Discourse in the US, for as Edward Said (1994) has noted, colonialism also affects the colonizer. By extension, the American nationalist of 'My country right or wrong' easily becomes 'my economy right or wrong', and thus would prove useful in downplaying the role of Neoliberalism in the US financial crisis by making Lost Japan a 'cautionary tale' of a fate to avoid.

Neoliberal Epistemic Apparatus and Popular Impressions

Adding to the archive of Orientalism, another more recent source of images of Japan is the American apparatus for understanding the threatening Japanese Other. The US epistemic apparatus around Japan has evolved during its different turns as America's Other, resulting in such works as Ruth Benedict's (1946) *Chrysanthemum and the Sword* after World War Two, and Ezra Vogel's *Japan as Number One: Lessons for America* (1983) during Japan's 'bubble' economy. Texts like Vogel's and William Ouchi's (1981) *Theory Z: How American business can meet the Japanese challenge* and many others promised to unravel Japan's management secrets to allow the US to emulate its high GNP growth. This epistemic program was largely economics-based with a neoliberal outlook, and even Endymion Wilkinson's (1990) historical survey, *Japan Versus The West: Image and reality*, contributed to this neo-orientalist project by promising to show Japan's 'reality' and concentrating on current economic trends. The rise of Japan studies as an academic discipline also dates from Japan's ascendant period⁴⁰, while the shuttering of Japan studies institutes and organizations accompanied the cementing of Japan's status as lost.

The construction and deterioration of a similar epistemic apparatus amassing information on the Other, namely the USSR, was seen during and after the geopolitical rivalry of the conflict known as the Cold War. In his book *Know Your Enemy: The rise and fall of*

⁴⁰ Although a complete survey of the history of Japan studies is beyond my scope, a cursory look at Ivy League Japan studies confirms this assertion. Harvard's Resichauer Institute of Japanese studies was established in 1973, while at Oxford the Nissan Institute of Japan Studies began in 1981, this latter implying that besides being part of the American epistemic program, Japan studies can also be a means for dissemination Japanese discourses to the US as well.

America's Soviet experts, David Engerman (2009) traces how an epistemic apparatus called Sovietology was created in academia and thinktanks to study Soviet Russia, then blindsided and ultimately abandoned as the focus shifted to the next rival when the Berlin Wall ushered in the fall of the USSR. As Harvey (2007) and others have noted, the collapse of the USSR allowed the IMF to pressure the newly democratized Russia for market liberalization, leading to corruption and the rise of its oligarchy. Just as the end of the Soviet Union would end the viability of Sovietology, after the Japanese economic bubble burst this Japan-oriented apparatus also dissipated, and by 2007 Eamonn Fingleton (2005) would complain about the “continuing media obsession with China” (1).

Yet although the majority of texts produced by this epistemic apparatus only recycled or constructed images of Japan in the same unconscious way as Vogel and Ouchi mentioned above, towards the end of Japan's dominant period some researchers began to turn their attention towards the images themselves and the discourses they held. Two such texts, *The Idea of Japan: Western images western myths*, by Oxford-trained English professor Ian Littlewood (1996), and Wilkinson's aforementioned *Japan Versus The West: Image and reality* (1990) underline both the shifting nature of western images of Japan, as well as the different mode they take according to the political realities of the time. Littlewood notes both the antagonistic mode that still prevailed at the time of his writing and the use of images to resist Japanese economic and cultural dominance:

“In the 1980s and early 1990s, these images of brutality combined with the threatening reach of Japan's economy to reawaken all the old antagonisms. As the effects of the recession on Japan become more apparent, western perceptions will no doubt change again, but for the moment the samurai is firmly back in the spotlight” (207)

Littlewood's stances towards his object is thus academically distanced, regarding culturally based discursive images during a designated timeframe, which allows him to foresee that 'western perceptions will no doubt change again', as indeed they would when Japan's economic slowdown in the 1990s gave birth to Lost Japan. Alternately, Wilkinson's focus on 'the rise of Japan' as hegemonic threat to the US made him indulge in the Neoliberal belief of a Japanese economic 'golden age' of economic equilibrium and the US ability to learn lessons from it, a viewpoint shared by the writers of Lost Japan and the literature aimed at unlocking Japan's management 'secrets' to success mentioned previously.

Both Wilkinson and Littlewood's studies of western images of economically dominant Japan reveal how they are used in discourse. Littlewood's eschewal of Japan's 'reality' as well as its economic dominance allow him a more reflective and nuanced gaze, marked by his effort to disassociate himself from this imperialist epistemic project and the Othering it implies. He warns that

"to talk of 'the west' as a single entity is to lump together a vast range of disparate and conflicting responses. I have not tried to do justice to their complexity. My aim has been to select from them those images of Japan which recur most often and which have left the deepest imprint on popular attitudes" (xii).

Littlewood's explicit denial of an overt epistemic imperialist program like Wilkinson's and its Neoliberal overtones also allows him to see how wide the range of media used to disseminate these figures is, and how these figures take root in popular culture. He continues,

"Popular impressions of Japan owe little to historians or social scientists; they are more likely to have been scrambled together from a cultural miscellany of television programmes, bestselling novels, gadgets around the house and fading echoes of the Second World War. The great names of modern Japanese studies have no place here,

unless, like Ruth Benedict, they have worked their way into general currency. In this hall of mirrors, where the object of inquiry is the image rather than the reality, the ten-second advertisement can be more revealing than the expert's monograph, the casual reference more significant than the detailed survey. It is one where a book's cover sometimes tells us more than its contents" (xi).

Littlewood acknowledges that these images, though refracted through and from material reality, are instead firmly in the realm of cultural discourse, thus how reality is constructed. The fact that both works cite not merely cultural texts but political and economic sources as well indicate that such images are active in different fields of discourse, and thus worthy of analysis as discourse.

Alternately, Wilkinson's (1990) focus on the economic reflects many of the images and associations of Lost Japan. This stance is evidenced by the extracts from reviews featured on the cover of his text, starting with one from *The Economist* magazine, further situating itself squarely in the field economics, a positioning ratified by the text's inclusion in the Penguin Economics section. The front cover extract states of Wilkinson's presentation of US-Japan trade that "Neither side gets off lightly," (front cover), implying an objective stance. This is contradicted within the text by the chapter subtitle "Open Markets and Double-Bolted Doors," which juxtaposes American market liberalization with the historical image of Japan as a closed country, and by association the contemporary accusations of closed Japanese business practices. Likewise, the rear cover of Wilkinson's text features a quote from author Jurgen Eick, stating "Essential for anyone in economic circles who has any contact with Japan" (rear cover), rhetorically cementing the timeliness of the subject matter while further positioning it in the field of economics. There is finally a quote of praise from anthropologist Claude Levi-Strauss, further creating an impression of academic authenticity. Wilkinson's research project is thus emblematic of the economically dominated interest in competition with Japan at the time, its

claim to scientificity and timeliness, and the Neoliberal epistemic project with the free market beliefs that underlie it.

The Discursive Functions of Orientalist Images

The wide repertoire of images of Japan and their cultural currency allow broad discursive themes to be easily adapted to the events of the US financial crisis. Just as the Littlewood (1996) avers that the theme of the ‘inhuman’ Japanese would take the image of a samurai during World War Two, disappear with Japan’s defeat and rehumanization, then reappear again when US economic hegemony was threatened in the 1990s, this theme was reapplied in the narrative of Lost Japan with the image of zombie banks. Orientalist images, especially those applied against Japan, have this mercurial property that contrast strongly with the immutable themes they promote.

Littlewood (1996) and Wilkinson (1991) identify several ‘themes’ that reoccur in images of Japan. Littlewood divides his text about images of Japan into four thematic parts, ‘Aliens’, ‘Aesthetes’, ‘Butterflies’ and ‘Samurai’, each further divided into subsections that delve into Western myths about Japan that appear in Western discourse. Conversely, Wilkinson only treats Western images of Japan in his third chapter, ‘Japan as Seen by the West,’ which he further divides into four subheadings: ‘First Impressions’, ‘Early Contacts’, ‘Madam Chrysanthemum’, ‘Grave of the Merchant’s Hopes’, ‘Military and Colonial Power’, ‘Business Warriors’, ‘Model Managers’, and finally ‘The Most Paradoxical of People?’ Of Wilkinson’s eight subheadings, two are historiographic, three reflect business concerns, and only ‘Madam Chrysanthemum’, ‘Business Warriors’ and ‘The Most Paradoxical of People?’ refer to the images held by the West. This

prioritization of history and business contacts over the study of images belies both the imperial project of Wilkinson's text, as well as its submission to the market logic characteristic of Neoliberalism.

These images and the cultural perceptions they underlie would be updated for use in *Lost Japan* in two ways. First, the Neoliberal critique of government through analogy with the Bank of Japan would be seen in the image of Japanese as inhuman, thus irrational and not subject to market logic. This alien culture of Japan would be linked to its failure at the free market and juxtaposed against the 'superior,' competitiveness and innovation of the USA. Second, the denial of crisis is evident in the image of Japan as a fairyland would surface in Michael Schuman (2010) and other's incredulity at Japan's failure by Neoliberal markets terms without a failure of society.

Littlewood starts his examination with the section 'Aliens,' which traces the idea of Japan as a dangerously unknown quantity to the West from the colonial period. He begins the first chapter, entitled 'A Question of Category,' by noting that the Western imperialist taxonomic project was stymied with Japan because "the usual European distinction between savages natives and civilized Westerners became difficult to apply" (3). Littlewood sees this as an upsetting of the typical dichotomy of the civilized West and savage East of Orientalism as designated by Edward Said (11), and one that threatens the Western sense of self. Littlewood's observation is especially relevant for American identification discourse, for as he states "As long as differences are kept in opposition, they strengthen our identity; when they are allowed alongside, they become alternatives and weaken it" (11). For an America that had rebuffed the threat of 1980s Japan Inc by cleaving closer to Neoliberal economic doctrine, to fall into the same trap post 2007 blurs the distinction between economic successes and failures.

This weakening of identification accords with Stuart Hall's (2005) aforementioned concept of the Other as necessary for marking difference to define the self, and is especially

evident in the trope of hybridity often ascribed to Japan, and Littlewood continues, “The Japanese simply don’t fit the categories into which we have divided the world, not even the obvious category of the oriental. As hybrids, they have no clear place in the human (i.e. western) scheme of things. They are alien to it, and alien to us” (11). Indeed, considering how the appearance of paradoxical ‘Lost Japan’ is overlaid on crisis America as in Schumann’s (2010) conception, this image operated on American perceptions to raise their unease. Littlewood notes,

“Boundaries are a source of security; we need them in order to define the world. They are, literally, what the business of definition is all about. Without east there is no west, without natives there are no sahibs, without ‘them’ there is no ‘us.’ To define what we are, we depend on what is alien. To call Japan a paradox is really to say that it threatens the existing boundaries and therefore our definition of ourselves.” (8)

Japan is at the same time a refutation of the etymological Western scientific project towards the East, specifically the 1990s economic diagnosis of Japan as ‘Lost’ and America as ‘healthy’, and the epistemic violence that the ‘business of definition’ entails. Wilkinson confirms that hybridity and alienness are common tropes in western visions of Japan and Asia in general:

“At one time or another the Orient was felt to contain all that the West most lacked as well as everything it most feared. A mysterious region of wish fulfillment and guilt projection. It is often difficult, therefore, to tell whether an image of Japan has simply been derived from images of the Orient in general rather than from direct contact with Japan itself” (104).

This ‘region of wish fulfillment and guilt projection’ is exactly the Japan that Michael Schumann (2010) visited during the height of the financial crisis, one whose mix of luxury and lethargy would defy neoliberal categories of ‘competition’ and ‘profit’ and thereby enhance the dread of

the 'turning Japanese' narrative to which he contributed.

Following the establishment of images of 'Alien Japan', which provided the seed of the Japanese Other to the Subject West, Littlewood also examines the attractive Japan, what Edward Said (1997) would call the exotic Orient. Littlewood notes how the feminized and exotic images of the geisha was juxtaposed with the Ginza to create what he terms an 'aesthetic fairyland.' (61). Added to this is the idea that Japan is the reverse of the west, for as Wilkinson states, "Europeans and Americans never tired of writing that in Japan everything was antipodal, topsy-turvey and back-to front; an absurd, Alice in Wonderland world, not worth taking seriously" (110). The aforementioned need to displace Japan that marks Lost Japan post 2007 is the modern equivalent of fairyland Japan, one that is simultaneously 'topsy-turvey' for having the signs of success without growth.

This American marveling at Japan's economic fairyland is not new, for Littlewood references a scene from Michael Crichton's (1992) *Rising Sun* in which backpackers from the US stumble around Tokyo "Like ragged visitors from the third world" (Littlewood: 110). The more things change, the more they stay the same in economic discourse dominated by Neoliberalism, and in the 1990s conception of Lost Japan, Kuttner (2002) evoked the image of a lost economic fairyland while criticizing Japanese public works. He writes, "As many observers have stressed, traditional public works in Japan more closely approximate the building of pyramids in hinterlands, famous to macroeconomics undergraduates, than do those in any other OECD country" (538). The reference to 'many observers' and 'famous to macroeconomics undergraduates' places this statement as an appeal to common knowledge typical of Neoliberal Discourse. The temporal displacement in Kuttner's reference to 'pyramids', with its echoes of old empire re-replacing Japan as an economic empire past its prime with Ozymandian relics left behind it, would be echoed by Schumann (2010), who would reverse this critique in his admiration of

Japanese infrastructure in relation to the ‘crumbling’ edifices in his native country of the USA (1).

Schumann writes,

“There are still a few things the U.S. can learn from Japan. One is its commitment to energy-efficient public transport. Anyone who sniffs at Obama’s plan to invest in high-speed railways should join me on the comfortable glide back to Tokyo. But unfortunately, the main lesson Japan can offer the U.S. today has nothing to do with rapid forward progress. It concerns the perils of inaction.” (1)

This is a huge reversal from the origin version of ‘Lost Japan’ embodied by Kuttner’s article, in which public works were used to vilify Japan and its lack of free market principles, and which have become entrenched in US economic discourse and fixed in US economic education as “useless infrastructure projects” (Council for Economic Education 2010: 88).

Using personal travel to claim knowledge over Japan and gain the authority to displace it is epitomized by Mark Skousen’s (2002) excoriation of the Skyline highway. Ultra-libertarian Skousen starts his account with an anecdote:

“I witnessed firsthand this endless story of economic frustration when my wife and I spent a few days in Tokyo last June. The government has spent several trillion yen building a massive underwater highway called Aqualine. Now Tokyo residents have a fast alternate route outside the city. But the government charges \$50 one way to go five miles under water and, as a result, even the Japanese are reluctant to use Aqualine.” (4)

With just “...a few days in Tokyo” Skousen is able to see the ‘endless’ nature of Japan’s ‘economic frustration,’ not to mention understand how ‘reluctant’ ‘even the Japanese’ are to use it, despite presumably not speaking the language. The ‘even’ is telling, implying Japanese are usually inured to government white elephants and public works, except in the case of Aqualine,

where they match Skousen's reluctance. Edward Said (1994) has noted the tendency in Orientalism to take personal narrative of travels and turn them into authoritative account of their Object (15), and the Neoliberal displacement of Japan is similarly structured as a natural extension of travel to Japan.

After 2007's financial crisis, this Neoliberal trope of visiting 'Japan as ancient wonderland' with its awe-inspiring 'pyramids' is seen in Michael Schumann's (2010) *Time* article, where he laments the crumbling infrastructure of his own country while marveling at the public works he sees while visiting Japan. Although a market libertarian like Skousen could criticize public works and their Keynesian justification a decade before, by 2010 the cracks in America's façade had begun to show enough for Schumann's rendition of Japanese fantasyland. Schumann (2010) uses his position in Japan to depict the country as both 'lost' in the sense of not growing but also as an economic Shangri La that has the stability America lacks, with an America equally 'lost' its 'will and way':

I'm writing this post from the town of Sendai, north of Tokyo...While much of the (Asian) region is still hurtling along the path of development, a blinding whirl of frenetic construction and perpetual change, Japan is a vision of stability, a nation that has everything others in Asia want, and has already had it for decades. Money. Technology. Global brands. A seat at the table with the powerful countries of the industrialized world. Japan decided to catch-up with the West a century before anyone else in Asia got the idea. Those of us old enough to remember The Vapors will also recall that Japan used to scare the pants off Americans and just about everyone else. Back in the 1980s, Japan was the first of Asia's rising powers, a nation that seemed destined to overtake the U.S. as the dynamic force of the global economy. Management gurus and academics looked to Japan in search of guidance that could rejuvenate an America that, many thought, had lost its will and its way. (1)

Schumann's nostalgic trip to Japan resurrects what Littlewood (1996) identifies as the colonial

trope of ‘Japan as fairyland’ for the western visitor. It is the place where the trains still run on time despite over twenty years of economic stagnation and, to his eyes, signs of luxury are everywhere. Signs of Neoliberalism are also everywhere – ‘Money. Technology. Global brands. A seat at the table with the powerful countries of the industrialized world’ are Neoliberal status markers that America capitalism has traditionally valued. Schumann has overturned Skousen’s Japan in torpor to depict America in the same light, unsurprising considering the financial slump the US itself seemed to be sliding into at the time. The true irony of this discourse is that Japan’s infrastructure has deteriorated since the Bubble, with cuts and discontinuations of projects, not to mention disastrous failures of tunnels and fears of the inadequacy of Japanese roads before the Tokyo Olympics in 2020, something a ‘day traveler’ like Schuman would not know..

Schuman juxtaposes Lost Japan with a framing of the United States from the same vantage point. In this conception we also see the idea of Lost America, whose infrastructure and public works have fallen from its postwar heyday:

As I sit here in Sendai, looking warily across the Pacific at my home country, I shudder to think America is heading in the same direction. Everyone in Washington knows what problems the nation faces, but there is a Japan-like inability to take the action everyone knows is necessary. Our broken healthcare system is an embarrassment for a country as rich as ours, a drain on the competitiveness of corporate America and the wealth of the middle class. Yet efforts to change it have been stymied for almost as long as Japan. The government’s finances deteriorate as our politicians blissfully refuse to make the hard decisions on what the country does and does not need. Our airports belong in a Third World country. Our education system requires far more attention if the economy is to compete in the 21st century. And yet, these problems just linger on, getting worse year after year. (1)

Schumann adroitly uses the freewheeling rhetoric qualities of the essay to make several contradictory statements. The US is not frozen by its own ineptitude, but instead victim of a

‘Japan-like inability’ to act, while the ‘broken healthcare’ hurting ‘competitiveness of corporate America’ (never mind the suffering and death of individuals) is a result of neoliberal stymieing of efforts to provide universal health insurance.⁴¹ Similarly, the ‘government’s finances’ worsen with no mention of how they were decimated by corporate welfare of the Bush years and stimulus of Obama’s, just as the ‘Third World’ American airports and education are emblems of Neoliberal expansion into such public spheres. Unable to come to terms with these contradictions, Schumann has no recourse but to distance Lost Japan from Lost America by blaming political inaction while ignoring the vested libertarian interests behind the situation.

This selections of images represent the cultural framing used in Western discourse about Japan, without making any claims to their reality or market rationale, such as those based on growth figures or trade data, and thus are also largely free of economic positioning. This difference in the research projects of Littlewood and Wilkinson seems to accord with Edward Said’s (1994) distinction between true knowledge and Orientalist empirical projects:

“... there is a difference between knowledge of other peoples and other times that is the result of understanding, compassion, careful study and analysis for their own sakes, and on the other hand knowledge—if that is what it is—that is part of an overall campaign of self-affirmation, belligerency, and outright war” (xix).

What Said terms 'self-affirmation' is the Othering project through which, I have argued, America reifies its identity. Having discussed at length about character, I now turn to the story itself, how it was replicated through media and the structure of narrative it took.

⁴¹ Although this was written before the US adopted ‘Obamacare,’ the opposition and attempts to repeal or discredit it testify to the validity of my assertion.

2 Why This Form of Mediated Narrative?

Having outlined the construction of the Other that underlies Lost Japan and traced it back to the tradition of Orientalism and its successor apparatus, I now turn to why American neoliberals chose this narrative as a dominant media story during their own period of lost economic growth. I argue that the nature of the Lost Japan allowed useful discursive simplifications of the complexities of crisis, while the narrative form promulgated the subjectification of Americans to the neoliberal regime through education in its moral values.

The Unoriginality of Neoliberals

Neoliberals are fundamentally unoriginal. They inter discredited ideas, recycle hackneyed images of Others, and subscribe to a social Darwinian style of economics supposedly put to rest after the Great Depression. As historian Philip Mirowski (2013a) states, Neoliberal Discourse is a “moveable feast” (1) that adopts, adapts, and jettisons older ideas and ideologies according to its needs. Mirowski cautions that the reason social scientists have such trouble coming to grips with Neoliberal Discourse is precisely because neoliberals and Neoliberal Discourse have proved so mutable. As Roy and Steger (2010) note, the central neoliberal myth of Neoliberalism is the self-regulating market, which is already over a century old (2), but has repurposed endlessly for application to such disparate events as the US stock market and the opening of post-Communist Russia. The situation is the same in a narrative like Lost Japan, which was preceded by media obsession with the rise of China and followed by ‘sequestration’

and the 'fiscal cliff'. Narratives are constructed, deployed, discharged and resurrected interchangeably in Neoliberal Discourse. Such a narrative requires little or no effort during crisis to put pre-existing images into use, making it ideal as an automatic defensive strategy.

The mediated retellings of Lost Japan are exactly this type of easy to use narrative, and thus are far from what is commonly called a news story. Whereas a true news story is characterized by its developing character, Lost Japan is old news, consisting of largely indistinguishable reiterations which serve to validate the writer's opinions. As David Hudson and Mary Martin (2010) remark, ease of collection of stories is a mitigating factor in journalism (107), and Lost Japan is already collected, be it as references to its 1990s US academic construction or indexing of economic experts, like Paul Krugman or Ben Bernanke, who also contributed to Lost Japan in the 1990s. Hudson and Martin continue, "How a story has been told before creates a zone of comfort and familiarity which makes its retelling more acceptable" (109), and the reappearance of the old storytellers like Krugman heightens this acceptance.

This copying and pasting of stories in mass media journalism is a hallmark of the new neoliberal news media, which stays well within its comfort zone, as well as that of the corporate interests behind the news industry. The repeated and reiterated nature of Lost Japan and other mediated neoliberal narratives also marks them as products of what Theodor Adorno and Max Horkheimer (1989) term 'the culture industry,' their conception of how materialism marshalls media to promote conformity. They write, "the totality of the culture industry... consists of repetition. That its characteristic innovations are never anything more than improvements of mass reproduction is not external to the system" (136). As I elaborate later, Adorno and Horkheimer's conception fits many of the characteristics of neoliberal narratives like Lost Japan, and thus is useful in tracing how they work on their audience.

The Simplifying the Other and the Self in Lost Japan

Besides being a reassuring and wholly unoriginal conception, one that can be employed automatically and repetitively in the face of criticism of the neoliberal regime, the narrative of Lost Japan also offered a simplifying function whose use in media appeals to neoliberals. First, the simplifying function of the Lost Japan narrative works on the material elements of the analogy, using old images despite the existence of current data and analysis of the current shape of Japan's economy. Since Lost Japan is recycled from Orientalist images and the econometric 'evidences' of its 1990s incarnation, as well as the assumptions behind them and conclusions drawn from them, it obviates any need for analysis of either Japan or the United States. As mentioned, the western epistemic apparatus for understanding Japan existed previously and thus could be accessed instantly, while making a new Other would require a huge investment in time and resources. It also predominantly uses the unquestionable essay form, one that as linguist Thierry Guilbert (2011) notes is useful in media dissemination of Neoliberal Discourses because it requires little fact checking (8). For this reason, the simplification of journalistic process provided by Lost Japan prevents the use of other narratives that would require more evidence to hold an analogy, or challenge economic orthodoxy. Supposed Japan experts like Richard Katz (2009) and Lost Japan progenitors like Paul Krugman (2008, 2014) also lent the narrative a patina of ethnographic and economic verisimilitude with their contributions to it. If the reality of Japan is hidden in the narrative, so too was attention was taken away from troubling economic indicators in the US by focus on Japan's problems.

As Ian Littlewood (1996) states, images of Japan are deployed by western speakers to avoid facing the reality of Japan and its people, thus serving a reductive discursive function

(210). In these images we see the cognitive processes, attitudes, and narrative worldviews pass from cultural to Neoliberal Discourse. Post 2007, this also enforces power over average Americans. In the 1980s as in the war years, America had the myths of good old know-how and values to fall back on, while in the 1990s Americans could look down on Japan for not meeting the Neoliberal ideal of being competitive. In the 2000s, however, America does not know where to look for an Other that will reassure it in its dark times. The media dominance of Lost Japan shows conversely how lost the US is, concerned with its own loss of hegemony and possible change of hierarchy, which it responded to discursively by re-creating the narrative of Lost Japan.

Second, like other mediated economic narratives, the narrative of Lost Japan is tailored to human conceptual limitations, specifically the need to organize things as narrative and find a reason for events. As economist Nassim Nicholas Taleb (2008) explains,

“Our tendency to perceive- to impose- narrativity and causality are symptoms of the same disease- dimension reduction. Moreover, like causality, narrativity has a chronological dimension and leads to the perception of the flow of time. Causality makes time flow in a single direction, so to speak, and so does narrativity. But memory and the arrow of time can get mixed up. Narrativity can viciously affect the remembrance of past events as follows: we will tend to more easily remember those facts from our past that fit a narrative, while we tend to neglect others that do not appear to play a causal role in that narrative. Consider that we recall events in our memory all the while knowing the answer of what happened subsequently. It is literally impossible to ignore posterior information when solving a problem. This simple inability to remember not the true sequence of events but a reconstructed one will make history appear in hindsight to be far more explainable than it actually was- or is” (70).

Starting in late 2007, the events of the financial crisis unfolded quickly and in great number, more so than non-specialists could handle. With Americans' capacity to assimilate or understand

the developments in the news quickly overloaded, economic journalists naturally turned to Taleb's 'dimension reduction' to make the crisis relatable to its readers and simultaneously push its neoliberal worldview. In addition to the need to simplify the reality unfolding around people and in the media nightly, the form of narrative could be counted on to hold people's attention and give them reassuring causes and solutions to the problems that had appeared seemingly overnight. This desire for causes especially is a noted feature of media discourse. As Taleb states, "Whenever there is a market move, the news media feel obligated to give a 'reason' ... It happens all the time: a cause is proposed to make you swallow the news and make matters more concrete" (74).

However, this dimension reduction of crisis is not only a function of mediated narrative, it is equally a function of the 'scientific' side of economics pushed in Neoliberal Discourse as well. As Taleb phrases it,

"Both the scientific and artistic enterprises are the product of our need to reduce dimensions and inflict some order on things. Think of the world around you, laden with trillions of details. Try to describe it and you will find yourself tempted to weave a thread into what you are saying. A novel, a story, a myth, or a tale, all have the same function: they spare us from the complexity of the world and shield us from its randomness. Myths impart order to the disorder of human perception and the perceived 'chaos of human experience.'" (69)

The simplification of events effectuated by economic narratives like Lost Japan is thus doubled in effect by Neoliberal Discourse's reliance on economic 'scientificity', or soft science nature. The simplified narrative birthed from specialist economic discourse was also useful in presenting it to non-elite media consumers of Lost Japan.

Third, just as Lost Japan has dispensed with the logistics of actual data collection and analysis, and precisely because the mediatised narrative of Lost Japan evidences no specialist math or references, the form of narrative is suitable for simplifying specialist economic discourse to pass on to the public. Under the guise of the assumed objectivity of both journalism and expert economic analysis, Lost Japan's narrative is thus an effective way to inculcate the masses with Neoliberal Discourse. For instance, its emphasis on 'economic health' especially hammers home the single neoliberal point that Gross Domestic Product is the sole validated yardstick of economic performance, despite the criticisms of the measure by Nobel prize winning economists such as Joseph Stiglitz (2007) and Post Carbon Institute Fellow Richard Heinberg (2011). According to Hudson and Martin (2010)

“Objective ‘facts’ require interpretation even in news reports, and this allows considerable room for manoeuvre within the range of what is considered objective. In the Barings case, the arcane nature of the subject matter, and the need to explain a complex narrative of financial futures trading, allowed – indeed demanded – that the media played a heavily interpretive role in order to make the facts accessible to mass audiences. This gave journalists significant power to define the story, leading to efforts to frame the Leeson saga in a way which made it readable and relevant” (105).

This 'heavily interpretive role' extends not only to what facts journalists choose and how they frame them, but the economic criteria by which they judge them. Disciplinary criteria such as GDP reflect the epistemic assumptions of Neoliberal Discourse and thus are useful for validating it.

This 'interpretative role' of media as seen in Lost Japan belies the supposedly neutral or objective role of the media. In their examination of the Barings' scandal, Hudson and Martin questioned,

“the media’s role both as a broker in a marketplace of ideas and as the conscious interpreter of messages to public audiences. The underlying assumption is that the mass media do not form a neutral transmission channel between the sources of information and ideas and a wider public audience, but that they are a political actor . . . , consciously interpreting the facts at their disposal, and that in the process of transmission different versions of reality may emerge” (105).

Lost Japan is certainly readable judging by the high profile publications that featured it, though its relevance is debatable and its relation to reality is questionable. The political intent of the authors of Lost Japan, all of whom suggest policy reforms and solutions for America’s crisis, is undeniable. Still, their interpretation allows the complexity and scale of the financial crisis, which dwarfs any other since the Great Depression, to be relatable to a mass audience, although at the price of disseminating the same type of neoliberal assumptions that lead to the financial sector meltdown.

Besides hiding the interpretive and simplifying role of media behind a facade of neutrality, the utilisation of narrative by economists is presented as innocent, accurate and natural. This impression is seen in Richard Katz’s (2009) contribution to the Lost Japan narrative, which he starts, “In periods of crisis, pundits and policymakers tend to scramble for historical analogies” (1). Although Katz appeals to both the necessity and naturalness of such narratives with the time-sensitive connotations of the word ‘scramble’, these analogies are not innocent, but chosen and carefully scripted. The initial articulation of Lost Japan was not reliable in any sense, as economists did not start telling the narrative until over a decade into Japan’s slowdown, which they did not foresee coming, and from whose example they could not foresee America’s own impending crisis. Last, as a disciplinary technique for dealing with crisis it is far from natural, consisting of a chosen market episteme, besides being far from the

supposed ‘scientificity’ of economics. To rely on narrative as a technique alongside its scientificity debunks the myth of objectivity of economic experts, especially the ‘magazine economists’ who constructed Lost Japan.

Fourth, another supposedly neutral simplifying facet of Lost Japan is its bridging of distance between its audience and both the discursive and geographical disciplinary sites of crisis. Hudson and Martin note the usefulness of narrative in bridging distance in their own studies of the Barings’ trading fraud: “With its arcane jargon of futures trading in an overseas subsidiary, the scandal at Barings might have appeared too remote and impenetrable to appeal to anything other than a limited professional audience” (103). Although the financial crisis is equally if not more ‘impenetrable’ than the smaller Barings’ incident, its closeness to home for Americans conversely necessitated the creation of distance between the reader and crisis to avoid panic and gain support for policy responses. In this context, the choice of culturally and geographically distant Japan as the object of its narrative seems an entirely sensible media strategy.

The fifth simplification of Lost Japan is the reduction of the relationship between the US self and its simplified Japanese Other. Through this relational lens, both nations, economies, and their people are reduced to value-laden images or themes upon which Neoliberal Discourse can easily play, as well as shown their positions in the hierarchy. As I argued previously in this chapter, one of the ways Lost Japan has been discursively constructed is by putting Japan in the subservient position in its doctor-patient relationship with US economists, who takes the authority to define both economic health and the Japanese sickness that requires neoliberal reform to cure it. Conversely, references to ‘toxic assets’ in America removes the problems from the economic body, ignoring its structural flaws and thus making alternatives or changes impossible. When American readers of US media unconsciously accept the metaphorical

relationship of doctor-patient and the neoliberal concept of economic health behind it, this simplification naturalizes the Neoliberal Discourse it entails, both cementing the authority of economists and the Neoliberal Discourse they follow, while at the same time promoting acceptance of the financial system and its flaws. Likewise, focusing on a return to 'health' as measured by GDP alone promulgates the Neoliberal belief in a lost financial 'golden age' that can be recaptured. This simplifying medical metaphor also makes its way into the official US Senate (2011) report on the financial crisis, entitled "Anatomy of a Crisis", indicating that the possibility of change at the policy level becomes slimmer.

Another reductive relational theme is the invocation of the discourse of 'lessons', which stems from the US-Japan teacher-student relation. This allows American economists to continue claiming authority over economic matters, despite their failure to foresee the crisis and pushing of Neoliberal policies such as deregulation that precipitated it. Just as narrative has an inherent hierarchical function, creating the teacher-student relation depicted in Lost Japan conversely reflects and strengthens America's neoliberal self image and values by reducing those of Japan. This is ironic since, as noted, Japan is in many ways equally neoliberal, which is exactly why it crashed after its speculative bubbles which inspired the anecdotal comparison with the US. I also look at the pedagogic function implied in the discourse of 'lessons'. The narrative lens of Lost Japan and the relations it evokes anchor these themes and images.

I have argued that media depictions of Lost Japan have provided a simplified and simplifying way to disseminate Neoliberal Discourse to the uninitiated during the US financial crisis, which is used as justification for its narrative themes. I have tried to show that the simplifications of the analogy of Lost Japan, the ease with which it translates specialist discourse for mass dissemination, and how it reduces the complexity of US-Japan relations and Japan itself make it a potent vehicle for defense of American capitalism during its crisis. In the

next section, I consider exactly what kind of narrative Lost Japan is, and how its unique structures are used to promote Subjectification of Americans to the Neoliberal regime.

2 Lost Japan as Neoliberal Morality Tale

What Kind of Tale is Lost Japan?

As I have argued, although Lost Japan provided a ready store of simplifying images and associations to use, the very analogy between the events of Japan's own disastrous Neoliberal bubble and those of the US financial crisis makes it a nonsensical choice for Other on the grounds of defending capitalist ideology. Why then did American Neoliberals choose the form of narrative used in Lost Japan? To answer this question, I must first ascertain exactly what kind of narrative Lost Japan is, and thus what characteristics it holds. In her articulation of Lost Japan, Hiroko Tabuchi (2009) calls Japan's experience a "cautionary tale for the US" (1), a sentiment that would be repeated in other articulations of Lost Japan during and after the crisis, eventually culminating in Joseph Stiglitz's (2013) *NY Times* rebuttal entitled "Japan Is a Model, Not a Cautionary Tale." Although Critical Discourse Analysis does not differentiate between genres of story, cautionary tales have long been fodder in the discipline of folklore.

The cautionary tale is a genre geared towards educating the listeners, who are often treated as children, a dynamic which is replicated in the relationship of the economic specialist and media consumer. A cautionary tale is thus useful as social education, involving taboos and stories of rightful comeuppance. What better style of discourse than this taken from folklore to

construct the American subjects of Neoliberalism? Cautionary tales are horror stories, meant to scare the listener into following the status quo. Cautionary tales also include humor, and indeed Lost Japan also allows Americans a cathartic laugh at the fallen Japanese Other. A neoliberal narrative such as Lost Japan can thus be seen as performative cultural indoctrination, with a strong pedagogic function masquerading as simple story..

Folklorists Martha Sims and Martine Stephens (2005) identify three types of folklore, two of which correspond to the Lost Japan cautionary tale. By terming Lost Japan a ‘cautionary tale’ as Hiroko Tabuchi (2009) and others did during the financial crisis, economic writers have betrayed both their neoliberal uses of the narrative and provided a useful framework for analysis to critics. The texts of Lost Japan do confirm its conformity to the cautionary tale genre as defined in folklore studies. First, Lost Japan is an example of a textualized Verbal Folklore, which Sims and Stephens describe as “any kind of lore involving words, whether set to music; organized in chronological, story form; or simply labeling an activity or expressing a belief in a word or phrase” (13). With its concentration on ‘lore’ or knowledge, as well as ‘belief’ expressed through ‘word or phrase’, the discursive implications of this style of narrative are obvious.

Less obvious but more in keeping with its role as hegemonic Neoliberal Discourse, Lost Japan is also an example of what folklorists call Customary Lore. Sims and Stephens describe it thus:

“Customary lore, of the three broad genres, is perhaps the most difficult to characterize. A custom is a repeated habitual action, a usual way of doing something. For folklorists, custom refers to patterned, repeated behavior in which a person’s participation indicates involved membership. These practices may be situations that are stylized and/or “framed” by special words, gestures or actions that set them apart from everyday behaviors, or they may be as simple as gestures used in everyday communication within

an intimate group of friends. A fraternity's secret handshake is a customary gesture that indicates membership in the group and along with that expresses to other brothers the significance of maintaining the closed society and adhering to its values. Teenage girls' attempts to conjure up "Bloody Mary" during slumber parties are customary behavior as well. Many belief behaviors, such as crossing fingers for good luck, are examples of broadly practiced customary folklore" (16-17).

With the difficulty of definition, repeated practice that become 'habitual' or common sense, and use of language to frame situations, it is easy to see Customary Lore's parallels with Neoliberal Discourse's construction of the Subject through everyday practices. In this light, studying neoliberal narratives as cautionary tales using insights from folklore and literature seems rewarding, and Critical Discourse Analysis' inability to do the same seems a serious drawback.

Twin Problems Facing My Analysis

My view of Lost Japan and other neoliberal narratives as performative cultural indoctrination is faced with a double difficulty. First, as stated above, Critical Discourse Analysis is ill-equipped to deal with this approach and the close reading of structure and functions of narrative it demands. As mentioned in Chapter One, the formal linguistic origins of Critical Discourse Analysis as practiced by Norman Fairclough or Teun van Dijk reduce narrative to turn-taking, ignoring fine genre definitions such as cautionary tale, while denying insights from literary and folklore research. Stories are the oldest form of social education, and thus need strong analysis drawing on literature and folklore when useful. When narratives are subsumed under the wider category of discourse, analysis is often unsatisfactory or unwieldy.

Although Hudson and Martin (2010) do identify the morality tale aspect of neoliberal narratives, by not looking further at its folkloric nature they miss out on how this structure promotes subjectification under hegemony.

Besides the difficulty of examining Lost Japan as mediated morality tale, second comes the challenge of grasping it as an example of the Neoliberal Discourse of subjectification. As I have mentioned, analysis of Neoliberal Discourse has stalled with the Marx-Foucault dichotomy referenced by Springer (2012) and Kiersey (2011). Both Springer and Kiersey assert that the 'either/or' dialectic of Foucault or Marx as tools for analyzing Neoliberal Discourse that dominates the field has been less than rewarding, providing tepid analysis or instilling paralysis in researchers. In this case, I turn back to Theodor Adorno and Max Horkheimer's (1989) *Dialectic of Enlightenment*. Originally published in 1949, a mere four years after Hayek's *Road to Serfdom*, these postwar insights on fascist brute power coincide with the rise of mass culture power in the name of materialism that would later form neoliberal ideology. Contemporary analyses of Neoliberal Discourse are often bogged down by the myriad forms and places where Neoliberalism manifests, and thus devolve into a wild snipe hunt. Adorno and Horkheimer's insights, although dated and risible in other respects like their disdain of escapist theater, are useful in their examination of mediated narrative as capitalist subjectification before the Neoliberal program began to consolidate its discursive media apparatus. Viewing concepts anchored in this pre or proto-neoliberal period are like looking at a virus in its original form before it mutates to see its primary functions.

Adorno and Horkheimer's (1989) concept of the culture industry reconciles both the mediated and moral subjectification dimensions of neoliberal narrative in mediated crisis discourse. To them, capitalist culture provided a 'false identity' to consumers through production of standardized goods in the form of popular mass entertainment (121). This culture

was inherently conformist, and exclusionary to anyone who refused it (132). Although one may argue that their focus on media discourse precludes such considerations as narrative genre, in fact Adorno and Horkheimer remarked a similar emphasis on morality and narrative in their conception of the culture industry. They noted, "The morality of mass culture is the cheap form of yesterday's children's books" (152). Indeed, news media morality tales like *Barings* or *Lost Japan* have supplanted books as pedagogy for adults, who are repeatedly reminded how ignorant they are of specialized economic discourse, and thus reduced to children requiring the simplification examined earlier. Furthermore, Adorno and Horkheimer identify the tragedy inherent in morality tales as central to how they work, noting that "the culture industry assigns tragedy a fixed place in the routine" (152). It is this recurrent theme of tragic fate in popular culture, they aver, that leads to resignation to the dominant regime. They write, "Culture has always played its part in taming revolutionary and barbaric instincts. Industrial culture adds its contribution. It shows the condition under which the merciless life can be lived at all" (152). In this respect, a narrative forestalls crisis (ie uprisal against capitalism) with other crises (ie financial or military) as smokescreens. This dovetails with Neoliberalism's post 2007 crisis of faith, the media smokescreen use of *Lost Japan* to reassure Americans, and return to business as usual after the US financial crisis. Adorno and Horkheimer's culture industry thus serves as a flexible and fruitful conceptual framework for how these stories are put to work and why.

As stated, Neoliberalism has many definitions, from political theory, to free market ideology and the discourse promoting it, to method of social organization just to name the few most common. Analysis of Neoliberal Discourse stalls when it fixates on one definition and thus constrains the theory it uses for its generalizations, which become either too nebulous or conditional. Instead, researchers need to go after manifestations of Neoliberalism with the right conceptual tools for the job. Going after narrative with an approach or method centered on the

phrase is limiting and self-defeating, while an approach that can explain the workings of genres such as cautionary tales offers greater rewards. If we go after generalizations, better to use criticism of Neoliberalism's base form via the concept of the culture industry than grasp at theoretical straws for each diffuse and elusive instance of hegemonic defense.

The Cautionary Tale as Media Moral Panic

Apart from its folklore origins, the cautionary tale receives wide usage in modern media. Criminologist Sarah Moore (2014) points out that in mediated cautionary tales about crime, there is a 'moral panic' characterized by coverage that is disproportionate to the threat, while this threat itself is exaggerated. Such moral panics include lists of precautionary behaviour, and victims are made responsible for their own negligence (123-124). Crime is arguably a form of crisis in the legal structure, and so Moore's description of moral panic accords with mediated neoliberal crisis discourse and the presupposition of the rationality of the subject, whose actions are immoral in the sense that he should have rationally known better. As mentioned in Chapter Two, a major theme running throughout the texts articulating the neoliberal narrative of Lost Japan is the supposed American moral superiority over the collectivist and secretive Japanese, which parlays American 'rational choice' of US-style capitalism a moral imperative. Similarly, Hudson and Martin (2010) describe just such a moral panic in the media depictions of the UK Baring's scandal, which "became a morality tale devoured by the media across three continents." The narrative of the 'rogue trader' they examine is thus revealed as an old Faustian tale of corruption, and this moral dimension draws readers more than dryer debates of

economists, while also having the pedagogic value of cautionary tales. The appeal to superior American morals over ‘lost’ Japanese cultural values served a similar public appeal during the financial crisis, as I explain in the next section.

The utility of invoking morality to change the focus of media attention away from actors to moral scapegoats is also evident in these neoliberal narratives. In the United States, media focus on the analogy with Japan quickly eclipsed reflection about what exactly was wrong with American style capitalism and replaced introspection with moralistic judgment of Japan's flaws. A similar move was seen in the Baring 'rogue trader' narrative, where Hudson and Martin noted, “While the furore surrounding him [the rogue traitor] as an individual dominated contemporaneous accounts by the media, ... the main actor in the drama was the bank rather than its ‘innocuous’ employee” (100). Additionally, these kinds of directed and limited narrative representations of reality eventually prove unsatisfying. As mentioned, *Lost Japan* makes several simplifications of both Japan and the US that allow the narrative to be accepted more easily, although by doing so moving further away from accurately representing reality. A similar phenomenon appears in other neoliberal narratives, and as Hudson and Martin explain of their examination of the Barings scandal,

“much more was going on than the wild gambles of a desperate individual in bringing the saga to its disastrous climax. Significantly, there has also been little documenting the motives for Leeson to act in the manner that he did – beyond of course those implied with the label of rogue trader: greed and criminality. Ultimately the rogue trader discourse was unsustainable as an ‘accurate’ representation of reality” (100).

If this is true for the Barings’ case, it is all the more so for *Lost Japan*, where the representation of America as better off than Japan was untenable and was eventually challenged and debunked,

as shown in Chapter Two. However, the intact reappearance of Lost Japan afterwards also implies the resilience of the narrative structure and its moralistic element in particular.

Another characteristic of cautionary tales identified by Moore is their slow burning nature. She continues,

“What also distinguishes the cautionary tale is that it is relatively slow-burning. Unlike a moral panic, which erupts and disappears suddenly, a cautionary tale tends to circulate for a number of months, sometimes years. Its existence in media and formats outside of formal news reports aids in this, of course. That it refers, in part at least, to possible future incidents is also an important reason for the cautionary tale’s longevity; certainly, it means that the story’s continuance does not require fresh incidents. Beyond this, the staying power of a cautionary tale probably has much to do with its reiteration of entrenched social ideas about, for example, female freedom and foolhardy victims. Indeed, the cautionary tale offers moral instruction and enjoins the reader or viewer to heed advice or suffer the consequences. In this respect it might fruitfully be seen as a form of moral regulation” (125).

As I showed earlier, the cautionary tale of Lost Japan is not news but a similarly ‘slow-burning’ story, disseminated through non-formal media outlets as well as major publications, and by its nature is far from ‘fresh incidents’. The original 1990s Lost Japan was also ‘slow burning’, with the first installment of Milton Friedman’s (1997) “RX for Japan” appearing in the *Wall Street Journal*, a full seven years after the 1991 stock market crash that heralded Japan’s ‘lost decade’. The narrative’s ‘entrenched social ideas’ about the individual’s responsibility for their success or failure are also present in Lost Japan.

Lost Japan is a thoroughly unoriginal conception that nevertheless is easy to use and be accepted, with recycled images and attendant themes of morality. As I shall show next, this appeal to morality is behind the push for subjectification of Americans to the neoliberal regime during the financial crisis and the opposition to capitalism it entailed.

Pedagogic Function of Narratives

In her examination of neoliberal narratives, Barbara Johnstone (2001) distinguishes between 'narrative' as the representation of past events and 'story' as "narrative with a point" (639). I make no such distinction here - all narrative is framed by the storyteller, who has a 'point' or agenda in the act of narrating, which he or she carries out through narrative choices such as genre, which events to focus on, and what meaning to ascribe to them. In the case of a genre such as cautionary tale, the moralizing point and the relation of events are thus inseparable. This is especially true for cautionary tales in media, which have a motive of promoting social change via dissemination of moral regulation. Hudson and Martin describe the Barings 'rogue trader' narrative as a "classic morality tale" (106), which comes with a neoliberal lesson about the greed of the individual, while taking attention off the systemic and capitalist culture problems at Barings that allowed the scandal to germinate. This reveals what Hudson and Martin call "the symbiosis between a dominant idea and its modes of representation" (101). Certainly, as noted, the post 2007 discourse of Lost Japan is filled with reference to 'lessons', either those that the US has learned successfully or has yet to learn. This emphasis on 'lessons' implies that Lost Japan has a marked pedagogic function. But what 'dominant idea' exactly is it used to teach?

Besides reassuring both neoliberals in their crisis of faith and average Americans who saw their lifestyles imperiled by a nebulous financial crisis, the narrative of Lost Japan was constructed to reimpose Neoliberal Discourse on Americans after the financial crisis and its

attendant crisis of faith in Neoliberalism had passed. It did this by promoting everyday practices and a conception of the individual that matched the new conditions, encapsulated by such terms as 'jobless recession'. As Nicholas Kiersey (2011) notes, "mainstream debate over the causes of the financial crisis has turned on a discourse of good citizenship, delineated in terms of economic responsibility, and moral courage" (24). Ironically, *Lost Japan* presents the Japanese Others who 'lost' their economic competitiveness and thus morality by not conforming to Neoliberal Discourse, so that American readers can reify their identity in opposite ways, conform to the neoliberal regime, and supposedly avoid the same fate.

This subordination to the capitalist system is precisely the point of *Lost Japan*, and complicity in the hegemonic system is the 'good citizenship' that the Neoliberal Discourse of crisis is invoked to engender. Nicholas Kiersey (2011) describes the objective thus:

"The imbrication of power with modern governmental knowledge was not intended simply to evoke the possibility a regime which would classify subjects as worthy of inclusion, or as requiring disciplinary management or exclusion, but was, rather, also about the technologies of the self that produced power's willing partners." (30-31).

Cautionary tales in particular excel at making 'power's willing partners', ones who learn the lessons of the tale to protect themselves from the punishment of the story. Kiersey classifies this type of self-regulation as a Foucauldian 'technology of the self' which

"thus produces a very complete form of domination or subordination. As the individual now voluntarily turns to another, expert individual, for guidance on the proper way to live and think, there is a sense in which the everyday life of that person is now subject to evaluation relative to a set of conformist criteria" (32).

Indeed, caution breeds conformism and complicity to the regime, and just as cautionary tales are meant to instill trust in authority in children, Lost Japan reaffirms the authority of the economists who constructed it.

By disseminating its conformist discourse in this way especially, media acts in the interest of the ruling class. According to Hudson and Martin (2010),

“The concept of media and information providers operating not only as channels for the political messages of social and governmental forces but also as social participants in their own right is an integral part of daily experience... Media power is also a contested concept, on the one hand, representing a fulcrum of ‘contending voices’ and, on the other, largely following a neo-Marxist perspective, subordinate to and reproducing the dominant ideology of an already powerful political and economic elite” (104).

Furthermore, Kiersey elaborates that the individual’s interaction with the premise of the market is what determines not only his success, but his very survival:

“What neoliberalism seems to bring to this history is the use of the market itself as one such technology. Indeed, neoliberalism, as discussed, is acutely aware of the fragility of homo oeconomicus and the need to instill its desires and habits within the subject. In this sense the market seems to have a pedagogical function. Foucault does not explicitly refer to the market as a technology of the self, but to the extent that neoliberals themselves have commented on this, it would seem clear that they do believe that the market is a key pastoral agent... What is of crucial importance, though, is the way that the subject responds to this governance: if it accepts the premise of the market, it will make decisions that result in the development of its own human capital in order to better survive and prosper; however, if it refuses to make such choices, it will experience some measure of discomfort, thereby allowing the market to correct the subject's choice calculus. In this sense, the hegemony of neoliberal life appears to foreclose the possibility of any alternative mode of existence. Relying on the market as a tool of

governmentality, the neoliberal regime would seem to evoke Deleuze's (1992) concept of the society of control" (36).

In this way, neoliberal narratives shape daily life in America, now become a 'society of control', and the often voiced drive to be Number One now becomes a matter of individual survival that eclipses the American Dream in which all were formerly invited to share. Adorno and Horkheimer noted the advance of this conformity to the system of production in postwar America's culture industry, stating that "Anyone who resists can survive by fitting in" (132). They also aver that this discourse has always been a market technique, noting that "as for the market's freedom, in the high period of art as elsewhere, it was freedom for the stupid to starve" (132). Neoliberals have merely taken this old market logic and recycled it as the American style of Neoliberal Discourse touted by the culture industry.

This self-regulated socio-economic Darwinism is a fundamental change in the way Americans construct themselves, and is reflected in the weakening of social welfare and the 'war on the poor' of US popular conservative discourse as examined by Loic Wacquant (2009).

Kiersey identifies this as the new era of American neoliberalism:

"We can speak, therefore, of the subjective conditions and effects of this sort of capitalism; basic capacities of the heart and mind have not simply been subsumed within capitalist production; we live in an era of capitalist 'biopolitics' where these capacities have achieved a new preeminence in the reproduction of social life" (38).

Mediated narrative thus reifies and supports this subjectification process, ending in what Adorno and Horkheimer see as a cultural monopoly, ironically particular to the developed democratic nations that impose free market practices on others. They write, "Significantly, the system of the culture industry comes from the more liberal industrial nations... its origin in the

general laws of capital" (132). This particularity is especially true of free press, which the USA and UK among other developed nations had boasted as a pillar of their democracy, Thierry Guilbert (2011) articulates this role:

“le fonctionnement actuel des démocraties dites modernes repose sur trois piliers qui forment un triangle interactionnel. Les trois sommets de ce triangle, les trois pôles, sont le pouvoir politique, représentant théoriquement les citoyens, les médias, représentant théoriquement le contre-pouvoir dont on vient de parler, et l’opinion publique, représentant théoriquement ce que pense l’ensemble de la population.”⁴² (9).

Guilbert concludes that the critical function of the press has been crippled by multimedia pressure, and that political power and media are inevitably linked nowadays (9). During the neoliberal advance, news outlets have withered under deregulation, defunding, and the advance of global digital technology to become a prop of orthodoxy, as the prevalence of Lost Japan indicates. The continued existence of the press is conversely ensured by its complicity in this market subjectification, for as Adorno and Horkheimer assert, "Since all the trends of the culture industry are profoundly embedded in the public by the social process, they are encouraged by the survival of the market in this area. Demand has not yet been replaced by simple obedience" (136).

Life after Neoliberal Subjectification

⁴² “...the actual functioning of what is called modern democracies rest on three pillars that form an interacting triangle. The points of this triangle, its three poles, are political power, theoretically representing the citizens, media, representing the counter-power I just spoke of, and public opinion, representing theoretically what the whole of the population think” (My translation)

What is life like subjected to this neoliberal regime? Kiersey (2011) states, “To live and survive in a market-based society is thus to reproduce this understanding in the practice of one's daily life” (40). This survival at the daily level brings subsumption to every aspect of that life. To support his assertion, Kiersey references *Empire*, the seminal 2001 study of globalization's political order by Michael Hardt and Antonio Negri. Kiersey writes,

“In considering the ways in which the ongoing financial crisis is driven by everyday phenomena, Hardt and Negri's identification of the linguistic and communicative nature of neoliberalism's hegemony would seem to be of seminal importance. In keeping with the broad ontological power of neoliberalism which Foucault hints at, Hardt and Negri frame *Empire* as a project of 'subsumption' of the creative potential of human capital. Under conditions of subsumption, every form of activity, from the household to the schoolyard to the family doctor's office to the university, is now accountable to metrics of behaviour determined by capitalist rationality” (37).

Life under the neoliberal regime thus comes to resemble a factory society. It is not the pan-opticon of Foucault, where the centralized authority watches the inmates, but rather the factory where you punch in your own time card, and regardless of where you go, there is no private space not under observation or self-scrutiny. Once again, it is Adorno and Horkheimer (1989) who show us the proto form of neoliberal life in American discourse. In a quote well known to social scientists they write,

”Here in America there is no difference between a man and his economic fate. A man is made by his assets, income, position, and prospects. The economic mask coincides completely with a man's inner character. Everyone is worth what he earns and earns what he is worth. He learns what he is through the vicissitudes of his economic existence. He knows nothing else. The materialistic critique of society once objected against idealism that existence determined consciousness and not vis versa, and that the truth about society did not lie in its idealistic conception of itself but in its economy;

contemporary men have rejected such idealism. They judge themselves by their own market value and learn what they are from what happens to them in the capitalistic economy. Their fate, however sad it may be, is not something outside them; they recognize its validity. A dying man in China might say, in a lowered voice: Fortune did not smile on me in this world. Where am I going now? Up into the mountains to seek peace for my lonely heart. I am a failure, the American says--and that is that" (211)

Adorno and Horkheimer's insight rings true on an individual level, but also foretells the inequalities of present-day USA, a neoliberal nation where hard-working Americans are left unemployed or homeless by dysfunctions in a financial system beyond their control or ken. This coincides with Kiersey's identification of the 'homo oeconomicus' at the heart of how Neoliberal Discourse shapes daily life. The fact that Adorno and Horkheimer could foresee this in the postwar America suggests that far from being a neoliberal invention, this is merely another unoriginal neoliberal borrowing and amplifying of pre-existent American traits to promote acceptance of the uneven neoliberal status quo.

To facilitate the creation and moral auto-regulation of the American capitalist subject in this factory society, the Lost Japan narrative serves as a form of epistemic programming to regulate what and how the individual perceives reality. The Subject sees only the 'lost' Japanese Other or the temporarily affected but morally superior Self, and fails to perceive the actual structural flaws such as deregulation that allowed the financial sector to fail. This shifting of attention is visible in other neoliberal narratives, and as Hudson and Martin (2010) explain,

"Ideas are also part of the structured environment in which actors find themselves. This context only makes sense to them through discursive representations. In such situations actors make use of their already existing knowledge about the world in order to interpret new events. The choice to employ a 'rogue trader' discourse rather than alternative methods of minimising commercial damage/ systemic risk or maximising newspaper sales is a reflection of pre-existing ideas that suggested this route. For instance, the

discourse of hyper-individualism that is already present in the financial markets was especially acute in the Leeson case. The plausibility of a rogue trader discourse depends upon the prior construction of a sovereign individual. Thus, the image of a rogue trader is the other side of the coin to that of a star trader. (102)

The established narrative of Lost Japan and the traditional framework of the cautionary tale thus become an inescapable episteme that supplants other more useful frames, ones that could reveal the mechanics behind the crisis and assign blame for the mishaps. Instead, culpability is rendered out of the question, and as of this writing no one has been charged with any financial misdealings. In terms of Lost Japan, the Neoliberal Subject shoulders the burden of dysfunction because that is what individual Americans do.

Consequently, a major aspect of neoliberal subjectification is the emphasis on the individual. Adorno and Horkheimer's culture industry terms this the "methodological idolization of individuality" (140). During times of crisis, this isolated individual is conversely never far from the retellings of the neoliberal narratives narrative in media, whether it be Lost Japan or the headline domination of Hudson and Martin's 'rogue trader' narrative. This ceaseless reiteration of narrative constitutes what Adorno-Horkheimer call "the necessity inherent in the system not to leave the customer alone, not for a moment to allow him any suspicion that resistance is possible" (141). Indeed, when both major and minor media outlets share the same story, no resistance is possible since no alternative is given. The ultimate effect, is the creation of what Adorno and Horkheimer call an "eternal customer, the object of the culture industry. Not only does it make him believe that the deception it practices is satisfaction, but it goes further and implies that, whatever the state of affairs, he must put up with what is offered" (142). Although Adorno and Horkheimer were referencing the effect of popular

entertainment here, their observation applies equally well to the moral 'satisfaction' of neoliberal cautionary tales in media.

Furthermore, this individual once created is separated from his fellows, creating a society of sociopaths lacking the empathy to function as community. Adorno and Horkheimer (1989) note,

"Men have become so utterly estranged from one another and from nature that all they know is what they need each other for and the harm they do to each other. Each of them has become a factor, the subject or object of some practice or other, something with which one no longer need reckon" (253).

This turning of individuals against each other produces a new type of American, who sees his fellows as only business connections to help him or her climb the ladder or hapless marks to be profited from. This new American type is seen in the fiction Bret Easton Ellis' *American Psycho*, whose existence was corroborated by psychologist Robert Hare's (2012) discovery of ten times the normal rate of psychopathy among Wall Street executives. The effect of these de-humanized and antisocial individuals on society is summed up in Adorno and Horkheimer's assertion that "Only the cunning power that knows how to survive has any right on its side. This power itself is once again only against nature; just as the whole sophisticated machinery of modern industrial society is nature bent on tearing itself apart" (253). This is an ironic reversal of the neoliberal insistence of the 'naturalness' of its ideology, whose own practices then proceed to tear nature apart.

Making Good Neoliberal Citizens

As I have argued, it is the construction of this obedient market-conformist Subject that Lost Japan is deployed to facilitate. Kiersey states that “contemporary governmentality pursues the development of a subject of economic life” (32), but what is the US ideal subject of Lost Japan? The answer lies in the reified Self that is contrasted to the Japanese Other. Unlike the supposedly timid Japanese ‘good citizen’, who saves instead of consuming, who gives his life for the company instead of being an ‘idea slinging elite’, the American ‘good citizen’ is someone who consumes actively and has access to credit when savings are gone, and who can then speculate and leverage this credit courageously based on faith in the market to increase his own worth. Kiersey explains this US cultural manifestation of Neoliberal Discourse thusly:

“[it] appears to eschew the idea of a government-led economic pedagogy in favor of a far more universal solution. This is the more American brand of neoliberalism... associated with Milton Friedman and the Chicago School. According to this strand of neoliberalism, the inculcation of the confessional ideal should happen exclusively through the instrument of the market. The market is a perfect instrument of governmentality insofar as, for the latter neoliberals at least, every facet of social life can be read as an ostensibly market-based interaction. Key to this market-based pedagogy is the rejection of the... separation between the realms of social and economic activity. How are non-economic activities to be read as economic? The key move here is the theory of human capital, or the idea that all labour, including wage labour, can be understood as a voluntary investment or entrepreneurial activity carried out in the individual pursuit of some sort of surplus value, future return, or wage... As a result, economic analysis can be applied to almost any form of social activity: marriage, parenting, discrimination, education, fertility, population growth, crime and punishment, addiction, and even insanity. That is, any activity which involves "substitutable choices" or the application of a "limited means to one end among others" (34).

Although it is the individual who makes ‘suitable’ (i.e. rational) choices to increase his worth as ‘human capital’, according to Kiersey, it is the market itself that is in charge of this subjectification. The market directs the process of subjectification, injecting itself into all facets of daily American life, and as I shall argue in the final part of this chapter, this self-regulation suggested in *Lost Japan* forms the nucleus of a new alienation from labor in the Marxist sense.

As Kiersey asserts, this market logic applies equally to the financier as to the worker, applying itself to both the macro level of the elite who base their decisions on these ideas, and the micro level of the everyday workers who are conditioned to accept market values. The US lifestyle is based on free access to credit (i.e. debt) driving consumption, an important facet of their culture that is juxtaposed in *Lost Japan* with the importance of personal savings to the Japanese. Discourse analysts especially need to be aware of this cultural reality, for as Kiersey warns,

“it is not for scholars, critical or otherwise, to determine the metric of what may be said to count as a legitimate way of facilitating credit in a society. Instead, the goal should be to explain the role of conventions and norms of social practice in shaping the horizon within which actors pursued strategies to secure their own well being. While taking on vast quantities of debt might appear irrational today, there were intersubjective understandings at work which made these practices to some extent intentional and rational” (29).

In the end, American Neoliberal Discourse promotes cultural norms that necessitate individuals to pursue self-enriching practices, such as financial speculation and leveraging that can be socially and individually destructive, and discourages such practices as excessive savings and fiscal caution that, they claim, halt consumption and growth. To those profiting from it, whether

from ideology or conformity to the normative discourse, the ‘irrational exuberance’ of such a bubble economy thus makes perfect sense.

Indeed, for Lost Japan to be effective as moral regulation and epistemic programming, the assumptions it is based upon must be taken as common sense. The idea of Lost Japan presented after 2007 is so entrenched in economic and media discourse that economists do not have to prove it or argue it, it is accepted so much it only has to be stated to have power and resonance. The fact that Orientalist statements and images have accumulated illocutionary force and underlying general belief through repetition and familiarity is their main use to discourse. These Orientalist ‘topoi’ accord with the view of Thierry Guilbert (2011) on Neoliberal Discourse in media, namely that:

“Pour persuader, la rhétorique utilise des arguments ou topoi : des « principes généraux qui servent d’appui au raisonnement ». Ces topoi comportent trois caractéristiques : (1) « ils ne sont jamais assertés » mais « utilisés », (2) « ils peuvent être créés de toutes pièces », (3) ils sont la plupart du temps « présentés comme allant de soi ». L’argument utilisé/créé agit comme un « prêt-à-penser » qui vise à constituer les opinions individuelles, tout comme l’« utilisation/constitution de la doxa ».”⁴³
(108-109)

Thus, while the 1990s-early 2000s versions of Lost Japan were required to have the sheen of rationalism given by numbers and calculations, the invocation of Lost Japan in media reports and thinktank editorials post 2007 need only be presented as self-evident to lead readers to their inevitable conclusions about the impermanence of business cycles, government culpability, and America’s ability to rebound because of its cultural characteristics.

⁴³ “To persuade, rhetoric uses arguments or topoi, ‘general principles that serve to influence reasoning.’ These topoi have three characteristics: 1) ‘they are never asserted’ but (used.) 2) ‘they can be created from beginning to end’, 3) for most of the time, they are ‘presented as taken for granted’. The argumentation used/created works as a ‘pre-supposition’ that aims at constituting individual opinions, all as a ‘utilisation/continuation of the doxa’.” (My translation)

As a prime example of this self-evident quality, writing in *Time* magazine Michael Schumann (2011b) called Japan a 'long lost nation' and opined, "The situation is so dire that Japan is now a dirty word in economics, a synonym for neverending malaise and decay" 52). Schuman has no need of proving this statement, which in one swoop confirms the analogy with not just the US but the entire 'West,' and testifies to its unquestioned acceptance of Lost Japan as a 'dirty word' in the economic discipline, which further binds Japan in metaphors of 'malaise' which in turn frames this sickness as the natural condition of Japan. Such images of Japan are already culturally established as 'common sense' depictions of reality. As Harvey (2007) notes,

"What Gramsci calls 'common sense' (defined as 'the sense held in common') typically grounds consent. Common sense is constructed out of longstanding practices of cultural socialization often rooted deep in regional or national traditions. It is not the same as the 'good sense' that can be constructed out of critical engagement with the issues of the day. Common sense can, therefore, be profoundly misleading, obfuscating or disguising real problems under cultural prejudices. Cultural and traditional values (such as belief in God and country or views on the position of women in society) and fears (of communists, immigrants, strangers, or 'others') can be mobilized to mask other realities." (39)

Japanese are thus the 'Others' whose mobilized image creates a masking of the need for regulation and regime change in the US, and reification of the market logic that drives the American self. This flexible and wide repertoire of still active images of Japan has indeed become an unquestionable 'common sense' – the tyranny of doxa.

Lost Japan thus established allows what Thierry Guilbert (2011) calls 'virtual opinion', a view of reality to be changed into 'real opinion' or doxa (66-67). The 1990s analyses set the rhetorical vocabulary for the elite discourse about Japan while creating the doxa of economists.

Efforts to question this, notably by non-Americans such as by Eamonn Fingleton (2010, 2011a, 2011b), were drowned out in the chorus of US media that it mustn't become like Japan, which drew on cultural arguments to push their agenda as 'common sense'. This rhetoric did not require explanation or proof as Japan is also at a remove both culturally and geographically, thus is harder to fact check and thus easier to establish as the Other of American common sense. As Guilbert states,

“De ce point de vue, les procédés rhétoriques sont des procédés de l'évidence : ils disent sans dire, c'est-à-dire sans se montrer tels qu'ils sont, sans dire explicitement ce qu'ils disent. Les arguments utilisés ou *topoi* sont ainsi présentés comme des principes généraux acceptés par la collectivité, l'important étant qu'ils soient « caractérisés par leur plausibilité inhérente, qui se communique aux discours dans lesquels ils entrent ». Il s'agit donc de présenter un discours plausible et « rationnel », donc de jouer, à nouveau, sur l'aspect ou l'apparence du discours.”⁴⁴ (108)

Lost Japan thus suits the Neoliberal demand for a 'plausible' story that appears 'rational,' a self-evident truth for the epistemically conditioned American subject.

Ironically, the cognitive dissonance when this *doxa* is conflicted by reality is also visible in the surprise that marks the narrative of Lost Japan. As seen, surprise is a reoccurring element in descriptions of both 1980's Japan Inc and 1990's Lost Japan, and just as economists could not imagine Japan's rise and the fall of its Bubble, bewilderment marked the blindsiding of the US economy in 2007 attest to the limits of this *doxa*. The view that American-style Neoliberal Discourse is inherently dominant, makes sense, and is the right form of social

⁴⁴ “From this viewpoint, rhetorical advances are advances of evidence: they say without saying, that is to say without showing what they are, without saying explicitly what they mean. The *topoi* or arguments utilized are presented this way as general principles accepted by the collective, the important thing being that they are 'characterized by their inherent plausibility, which is communicated in the discourses they enter. It is thus a matter of presenting a plausible discourse that is also 'rational', thus to play, once again, on the aspect or appearance of discourse.” (My translation).

organization signals an attempt to exercise epistemic control not only over Japan, but by extension the USA.

In this chapter, I have argued that Lost Japan is an example of a mediated neoliberal narrative, one that uses its resonant cautionary tale structure to make readers complicit in their own subjectification to the renewed Neoliberal regime after the crisis of 2007-2014. I have argued that Lost Japan is a powerful narrative because its construction of the Japanese Other reassures Americans about their economic system when they arguably should worry; it is simple to use and simplifies complex events and attendant phenomena; and is structured as a cautionary tale to enact moral regulation under capitalist mass culture. In the next section, I look at the situation of the field of neoliberal research, the problems with examining narrative, and how I cope with these.

3 Reconsidering The Field of Neoliberal Research

The question is, what next? Despite the optimism during the crisis that Neoliberalism's moment seemed to have come to an end, like Lost Japan its discourse has reasserted itself. In fact, it never went anywhere, or as Kiersey (2011) puts it, "The great impasse of the crisis today is that the government 'stimulus' strategies being set in place are oriented towards refloating precisely the status quo of this empty, 'Ponzi' model of an economy" (40). Although the contradictions of Lost Japan spurred debate and the eventual questioning of the US-Japan analogy, after the crisis passed Lost Japan was refloated unchanged in US financial media. How can what John Quiggin (2010) calls a 'zombie idea' like Neoliberalism be combatted, and equally important, how should a 'neverending story' like Lost Japan be engaged? To achieve this,

researchers need to know the pitfalls in the field of neoliberal critique and limits to the techniques commonly employed there.

In this section, I examine three things which may help us tackle Neoliberalism and the stories used to keep us bound by Neoliberal Discourse. First, I look at both integral and field-specific problems with researching Neoliberal Discourse. Second, I turn to the unceasing nature of narrative, which requires flexibility of researchers. Last, I show how my adapted method of CDA plus narrative works to overcome these issues, and offer suggestions on how scholars can offer new insights on narrative subjectification within Neoliberal Discourse.

The Neoliberal Studies Methodological Clash

Neoliberal Discourse is both an easy target for researchers and an exceedingly difficult one, a characteristic that was especially evident during the financial crisis. Due to its variegated nature, it attracts criticism as easily as it shrugs it off, and nothing seems to entirely discredit it, partly due to its own mercurial nature, but also partly due to the disarray in methods of its critics. Scholarship on Neoliberalism and Neoliberal Discourse has had to contend with what Simon Springer (2012) calls its nature as 'circulating discourse', shuttling between ideology and practice, which stymies both Foucauldian governmentality and Marxist hegemonic discourse approaches. Nicholas Kiersey (2011) echoes Springer with his own dichotomy between International Political Economy Constructivism and Foucault's notion of crisis subjectivity, both of which show the difficulty of understanding Neoliberal Discourse from a fixed viewpoint. As Ben Fine (2002) asserts, the emergence of the porte-parole of 'social capital' is just as bankrupt

as the scholarly obsessions with postmodernism and Neoliberalism before it. None of this critical conflict nullifies the importance of the work, for as Kiersey states,

“Yet we must acknowledge even here the value-added of a positive ontology of social reproduction. If a debate emerges between Constructivism and this latter, Foucauldian strain of thinking then, it concerns just this: the extent to which capitalism today functions through an expropriation of the social or linguistic nature of production” (41).

The agreement on the importance of the linguistic manifestation of Neoliberalism, in other words Neoliberal Discourse, seems to be the only connecting tissue for many researchers. In Chapter One, I noted that 'neoliberal' is rejected by free market elites. Instead, using the word is more of a badge of allegiance for researchers than a uniform for market libertarians, and should be embraced as such. It is also a de facto heuristic, the iteration of Neoliberalism allowing the contradictory theories and practices that constitute to be problematized and thus offer a possibility of solutions and resistance. Researchers of Neoliberalism need to stress this common goal instead of stymying in debates over primacy of theory or method, since Neoliberal Discourse has no such scruples about the theories or methods it employs.

Another way to look at the apparent wearing off of the 'magical' power of both Marx and Foucault against Neoliberalism is Clifford Geertz's (1973) warning that game changing 'big ideas' are often overused as heuristics (3-4). This does not mean they are useless, but rather their utility has transformed from panacea to reliable stock options in the repertoire of scholars. This is why it is important to realize the limits of newer concepts while acknowledging the utility of older theory like Adorno and Horkheimer, as useful ideas are often eclipsed by the later trends. As I have argued, the concept of the culture industry fits the subjectification through Neoliberal narratives more satisfyingly than that of Marx or Foucault, although the former's view of

production and latter's deconstruction of power do ground this interpretation. Until the next theoretical 'philosopher's stone' comes along, if it ever does, it is by the minute advances of a wider range of theories old and new that researchers will advance their fight against Neoliberal Discourse.

Not only have Marxist critiques and Foucauldian analysis been at loggerheads, the simplification of what narrative is and how it works on people has stymied a close reading of its accumulation of social power. Hudson and Martin (2010) opine,

“Analytically speaking, we need to be concerned less with the overall structure – as it appears in toto – than with individual elements, the props. It is in these props, these instances of worldviews, that an idea exists, where it is more material through existing and ongoing practices” (111)

This is in certain ways the opposite to Springer's admonition - it suggests looking at and rooting out the trees of neoliberal narrative instead of mapping the everchanging forest of Neoliberal Discourse. These considerations are not mutually exclusive, in my opinion, and although the bigger picture is important in discerning the motivations and social mechanisms behind Neoliberal Discourse, knowledge of the props it uses helps us take them away. As I have tried to show, the narrative props of neoliberal stories is what keeps both neoliberals and the unaligned subject conditioned to its mutating dictates.

Refining Our View of Narratives

Critical analysis of Neoliberal Discourse has rested primarily at the level of words and phrases, as mentioned in Chapter One. If the choice of words imposes a worldview as Thierry Guilbert (2011) asserts (7), then choice of a narrative and the events it includes or excludes is even more of an imposition. Much has been written on the benefits of stories, how they help us cope with reality through dreams. Much less has been written on how stories can snare us in their constructed dreamworlds, and how we can escape these discursive realities. Neoliberal narratives like *Lost Japan* ensnare not only average people, but also elite economists themselves. As mentioned in Chapter Two, for a seemingly liberal economist like Paul Krugman to resist Eamonn Fingleton's debunking of *Lost Japan's* assumptions attests to the sway a good story can have. To resist our own inclination towards stories, we must do two things.

First, we must recognise the power of story in the traditional or primordial sense of the word. Norman Fairclough (2011) in his seminal guide to discourse analysis, *Discourse and Social Change*, dismisses narrativity as 'turn taking' (151), an understandable decision considering his background in formal linguistics and pragmatics. This definition characterizes much of the Critical Discourse Analysis done on Neoliberal Discourse by analysts such as Fairclough, van Dijk, Wodak and others. However, defining narrative as mere 'turn-taking' does a disservice to the rich and complex phenomenon we know from literature and folklore, and leaves us open to its discursive power. Richard Kearney (2004) hints at the social pedagogy of what he calls 'primordial' narratives when he states,

“Primordial narratives were thus essentially recreative. And myth, the most common form of early narrative, was a traditional plot or storyline which could be transmitted from one generation of tellers to the next. It generally had a sacred ritual function, being recited for a community in order to recall their holy origins and ancestors” (8).

Neoliberalism's 'holy origins' in the fight against Communism, its veneration of such ancestors as Friedrich von Hayek and Milton Friedman, its traditional 'unoriginality', the 'rituals' of academia and the Nobel prize, as well as its 'sacred' nature as validated economic discourse, all attest to its adherence to a definition of narrative much more complex than reductive linguistic turn-taking. Add to this the nature of storytelling itself as 'ritual', which Pierre Bourdieu (1995) asserts is necessary for performative discourse (99-100), and the recognition of primordial narrative becomes essential.

Narrative must thus be studied on story's terms, with an understanding of how both its mimetic and historical aspects function together. In particular, we must recognize that history and story are, as Kearney (2004) asserts, interwoven, and cannot be distinguished easily (13).

“What both historical and fictional narratives have in common is a mimetic function. From Aristotle to Auerbach, it has been recognized that this involves far more than a mere mirroring of reality. When Aristotle defines mimesis in his *Poetics* as the ‘imitation of an action’, he means a creative redescription of the world such that hidden patterns and hitherto unexplored meanings can unfold. As such mimesis is essentially tied to mythos taken as the transformative plotting of scattered events into a new paradigm (what Paul Ricoeur calls the ‘synthesis of the heterogeneous’). It has little or nothing to do with the naturalist conviction that art simply holds up a mirror to nature” (12).

This 'mimetic function' is as characteristic of economic narratives as it is of any other story, and puts them out of the realm of 'science' claimed by economic practice and firmly into the realm of discourse. As James K Galbraith (2005) stated, “to be right and useful, one must accept a continuing divergence between approved belief -- what I have elsewhere called conventional wisdom -- and the reality” (1). Acceptance of this historical and fictional co-existence in narrative is a necessary corollary to Springer's admonition to tackle Neoliberalism as a

‘circulating discourse’, as narratives are one major manifestation of this discourse in circulation between reality and fiction.

Researchers of Neoliberalism must also recognize that the danger of this interweaving of narrative history and fiction lies in how it can be used for subjectivation of people to the intellectual regime behind the story. As Kearney states,

“Narrative thus assumes the double role of mimesis-mythos to offer us a newly imagined way of being in the world. And it is precisely by inviting us to see the world otherwise that we in turn experience catharsis: purgation of the emotions of pity and fear. For while narrative imagination enables us to empathise with those characters in the story who act and suffer, it also provides us with a certain aesthetic distance from which to view the events unfolding, thereby discerning the ‘hidden cause of things’” (13).

Whereas the Lost Japan narrative of the 1990s offered true reassuring distance to readers in its Other of faraway Japan and its decade long slump, the recycled 2000s provides a false yet reassuring distance for Americans embroiled in their own deteriorating economic life. The pity for the Japanese in the American economic analyses of the 1990s would be replaced with self-pity and fear after America fell into what it perceived as the same ‘trap’ in 2007. This necessitated the marshaling of narrative to reassure and remake the American psyche to continue capitalist valorisation in the face of a jobless and increasingly unequal financialised reality. Also, since readers respond to the plausibility of the story, not the ideology behind or discourse it inhabits, they are coerced by it unknowingly. Critics must therefore tackle narrative as ‘moral regulation’ in story form to effectively combat it.

Next, to achieve this critics must also challenge the status of elite storytellers, not only nebulous Neoliberals, but also named authors in economics and journalism, and the social capital that gives them the right to speak and be heard. As Kearney observes,

“as anthropologists Levi-Strauss and Mircea Eliade have shown, one of the earliest roles of the shaman or sage was to tell stories which provided symbolic solutions to contradictions which could not be solved empirically. In the process, reality itself would find itself miraculously transformed... Thanks to an imaginary break-through, reality follows suit. Nature imitates narrative.” (6).

Economists and economic journalists thus can be seen to act as shamans or sages telling their stories to construct a discursive reality that covers the contradictions inherent in modern capitalism. This is not to say they do it out of evil intent, but in their belief in the ‘cargo cult’ capitalism⁴⁵ of Neoliberal Discourse. Understanding the history-fiction divide of narrative should dismantle the empirical claims of economists to the validity or usefulness of their narrative-driven predictions.

Additionally, not tackling stories directly also means that many neoliberal assumptions of economic discourse go unexamined. Neoliberal Discourse is critiqued on the economic data it uses, theory it espouses, and semiotics of its statements, but its narratives are left intact. Since stories are repeated, they replicate their discourse endlessly, another reason they should not go unchallenged. The comeback of Lost Japan is a characteristic culture industry move of repetition to break down resistance, as Adorno and Horkheimer explained. This narrative edifice

⁴⁵ Theodore Schwartz’s (1973) pioneering anthropological work identified rituals that were believed to bring material wealth, hence the collocation ‘cargo cult’. The neoliberal beliefs in such myths as trickle down (voodoo) economics or the market’s ‘invisible hand’ all mark it as reliant on ritualistic beliefs about capitalism, hence I use the term ‘capitalist cargo cult’. In this context, Neoliberalism could easily be studied from an anthropological standpoint.

is starting to crumble, however, as the work on assailing neoliberal narratives I referenced by Hudson and Martin (2010), and Barbara Johnstone (2001) shows.

This brings us to questioning the reliance of economics on stories itself. Richard Kearney (2004) notes, “as we enter the cyber-world of the third millennium where virtual reality and digital communications rule, we find many advocates of the apocalyptic view that we have reached the end not only of history, but of the story itself” (10). If History has ended as Neoliberals like Michael Fukuyama (1992) have claimed, why do they still need story? Practically speaking, the need for narrative in economics comes from the fact that economic calculations and modeling are off from reality, and that these instruments are also difficult to grasp for the uninitiated. This reflects both Guilbert’s (2011) view of the pseudo-scientificity of economics, which is underlined by Katz’s (2009) invocation of analogy as economic praxis. As noted earlier, a narrative like *Lost Japan* is useful in disseminating Neoliberal Discourse to the non-elite because of the accessibility of story. In a larger sense, a hegemonic discourse like Neoliberalism needs narratives because history never ends, and movements either emerge, stay dominant, or are consigned to the dustbin based on their response to events. However, they do not go without a fight. So it is with Neoliberalism and its control of economic discourse and narratives to shape a discursive reality favorable to capitalism.

As a final consideration of narrative, critics must not only try to make our way out of the discursive realities (ie dreamworlds) they give people, but also do so for the right reasons. Unlike Eamonn Fingleton waiting for a ‘Japanese comeback’ that never materializes, we must not swap one story for another. Stories especially are such an integral part of being human, of making sense of the world, that we must question their motives. Human beings are weak to stories, they listen unreflectively and uncritically, like children lulled to sleep by the reading of a picturebook. The sleepers must awaken, question who is reading the story and for what

purpose. Since these stories are constructed, disseminated, and recirculated through journalistic outlets, the media is another point to consider.

As Barbara Johnstone (2001) asserts, this work of understanding narrative is gradually coming to be seen as more important by discourse researchers. She writes,

“As we continue to think about the uses of narrative in human life, we are paying increasing attention to the political effects of narrative, seeing storytelling not only as a way of creating community but as a resource for dominating others, for expressing solidarity, for resistance and conflict; a resource, that is, in the continuing negotiation through which humans create language and society and self as they talk and act. We see narrative more and more as a way of constructing “events” and giving them meaning, as we pick out bits of the stream of experience and give them boundaries and significance by labeling them” (644).

The narrative of Lost Japan hits several of these notes, especially its use in dominating media reports of US crisis with stories of a distant and older Japanese crisis, while reconstructing the US crisis as reassuringly incomparable to the Japanese lost decades. The usefulness of narrative to Neoliberal Discourse should continue to make it a fruitful approach for scholars, and enlarge the structural linguistic definition that has constrained it up to now.

Media's Mutating Role

As much as understanding how stories function in replicating Neoliberal Discourse is an integral part of repudiating them, researchers need to understand how media amplifies and

reconstitutes their discursive effect. Hudson and Martin (2010) touch on this during their examination of the media portrayal of the 'rogue trader' narrative during the Baring's scandal:

“How ideas are represented is crucial to our understanding of which ideas dominate, and how, when and why certain discourses persist. Not only was the Leeson story highly mediated – in a way not always so visible in issues of financial regulation – but the media's role was crucial in that, at the moment of crisis, the fragility of the neoliberal discourse was exposed but not challenged. The possibilities for contestation were stifled” (103).

Similarly, although Lost Japan itself became the site of debate between various authors, after 2013 it has re-emerged in its original form as if the contest over its validity showcased in Chapter Two had never happened. I credit this discursive resilience precisely to the simplicity of use and common sense nature of Lost Japan presented earlier. There are three ways academics need to address media's role in disseminating neoliberal narratives.

First, scholars must take issue with the media practices that keep a story like Lost Japan in circulation to keep the regime dominant. As Hudson and Martin phrase it,

“In a case such as Barings, these practices appear to militate against both discursive change and counter-hegemonic narratives. On the grounds that change and revolution are themselves ‘compelling narratives’ and the basis of good, dramatic stories, this would appear to be an unlikely hypothesis. Yet we take the above arguments to show that journalistic praxis, with all its chaotic self-contradictions, dominated the characterisation of Nick Leeson as a ‘rogue trader’, producing a discourse of individual aberration rather than of the Barings saga simply being a reflection of ideology and elite interests” (110)

The final depiction of Leeson as an ‘aberration’, much like the depiction of Japan as ‘lost’, takes away from the inherent structural problems of the capitalist system as it exists. Specifically, the

analogy of Japan with America implies that crises and financial dysfunctions are part and parcel of free market, and as Kiersey states, are produced by the financialization of the media industry itself (39).

Next, researchers should recognize that Neoliberal narratives in the media also function as an extension of the practice of modeling that leads the economics discipline mentioned previously. This is especially true for the mediated narrative of Lost Japan, whose foundations were set in academic analyses using advanced theoretical modeling, such as Hayashi and Prescott's (2002) "The 1990s in Japan: A Lost Decade." As Hudson and Martin note,

"the media ... is central to the process of reflexive self-understanding by which reality is defined and constantly reconstituted. It is both a channel for ideas, beliefs and discourses and a producer of accounts of social reality which make sense of and also force a perpetual reinterpretation of the outside world. The media are at the heart of a 'mutually preoccupying web of relationships which is at the centre of the new political system' a form of psychiatric therapy where we can play out international politics by providing self-fulfilling prophecies in a virtual world. 'By second-guessing and rehearsing arguments endlessly real policies never have to be implemented or tested, they can just be talked about.'" (102-103).

Lost Japan is thus a mediated virtual world where strategies can be tested, but like economic modeling, these often do not match reality. As noted, this heuristic use of narrative also allows Neoliberals to focus the media lens on the financial crisis while working to resolve the crisis of faith in their discourse.

Consequently, critics need to start looking beyond ideological motivation and seeing the media practices that contribute to the dominant discourse. According to Hudson and Martin, this is important because "we need to understand how media choices about possible competing

interpretations are made, in order to reveal how certain ideas are sustained and others are marginalized” (98). This is especially true in times of crisis, and as they assert,

“it is important for studies of ideas to integrate the media as a significant order/genre of discourse which helps determine how ideas are presented and represented. The media’s influence over discursive formations is particularly acute at moments of potential rupture, when discourses are placed under very public examination and contestation and where the media’s power as both channel and political actor is implicated. Typically, however, this influence over discursive formation and the interaction of the empirical sociology of journalism and the power of ideas has been less investigated than the media’s role in influencing the ‘end game’ of political outcomes... the media’s ability to disrupt or perpetuate ideas should be seen as the result of professional practice as much as of ideological motivation” (112).

We see again the importance of definition of the term narrative, as well as the role of the media practices of ‘cut and paste’ journalism that keeps narratives in circulation without necessarily any ideological motivation behind the practice. In this light, media practices and economic narratives form overlapping orders of discourse that amplify each other's power and replicate Neoliberal Discourse.

Finally, the mediatised cycle of crisis narratives that shape the popular worldview must be challenged. This requires the examination and revision of media story-collection practices, the question of analogies as an unassailable economic prediction technique in economic journalism, and more looking at data and real effects, regardless of cost or difficulty. Especially, economists need to question the orthodox ideas that originate in these booms or busts, and step outside of this cycle of partisan economics. Along with this, ways of halting or reversing the media role in the neoliberal subjectivation of people need to be explored. Kiersey says, “To live and survive in a market-based society is thus to reproduce this understanding in the practice of

one's daily life" (40). When media reinforces this orthodoxy, it becomes inescapable. To counteract this process of subjectification, a way must be found for giving space to counter-narratives that question neoliberal assumptions about people's subjugation to the market, and change the practices that keep Lost Japan and its successors in circulation.

Hacking Neoliberal Studies

In response to the above problems with analyzing and assailing Neoliberalism's mediated stories, there are some promising directions that research into Neoliberalism could take, as my experience in examining Lost Japan has shown. First, methods can be developed and adapted to the particularities of narrative in media, and if need be can be imported from traditions outside those that Critical Discourse Analysis and neoliberal studies have traditionally been based on. As explained previously, I have added literary and folkloric concepts to CDA, which allow me to move between levels of discourse seen in phrases or words to the level of narrative that contains and goes beyond them. Tapping into literature or folklore may seem unnatural to the linguists who develop and practice Critical Discourse Analysis, but so is attempting to distill the power of a narrative in the limiting definitions of formal linguistics or the vague form of discourse. Although CDA founder Norman Fairclough (2011) refers to different genres of jointly-developed 'conversational narrative' (149-151), these are far from the one-way transmission of narrative in the sense of Lost Japan. Fairclough (2001) has also referred to traditional narrative under the CDA category of 'whole-text language organization' (241) and gives the example of the implicit sequential ordering of cigar ads (243). This

incongruity highlights the need for a more nuanced understanding of narrative. Such an enlarged understanding could be found outside the anglophone tradition of linguistics from which CDA originates. For example, the French critical tradition exemplified by Roland Barthes (1977) acknowledges and engages narrative on other levels, as I showed in Chapter One. CDA practitioners would gain much by learning from the work of French and other language group researchers on narrative in discourse.

Furthermore, Fairclough (2001) states that CDA is "inherently interdisciplinary" (230) but warns that the semiotic and grammatical aspects of CDA are largely inaccessible to non linguists (Fairclough 2004: 6). In limiting the practice of CDA to linguists, he buys into the scientificity of the discipline, itself an offshoot from English studies. In fact, neoliberal studies is dominated by many disciplines besides linguistics. Witness geographer David Harvey (2007), whose *A Brief History of Neoliberalism* was a groundbreaking look at Neoliberalism, one that is still cited by scholars today and heralded a trend in human geography continued by Simon Springer (2012) and others. In addition to the dominant presence of linguists and human geographers in Neoliberal studies, contributions have been made by Cultural Studies experts like Stuart Hall; economists like Simon Clarke (2010) in his *The Neoliberal Theory of Society*; International Relations scholars like Nicholas Kiersey (2011); historians like Philip Mirowski (2013b) in his *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*; and sociologists like Loic Wacquant (2009) in his *Punishing the Poor*. Author and Activist Naomi Klein's (2007) *The Shock Doctrine* also shows that studying Neoliberal Discourse is not solely the province of academics, nor should it be since it affects people regardless of profession. Changing discipline is a heuristic against Neoliberal Discourse that should be encouraged for the unorthodox and unexpected insights it can bring.

However, while the study of Neoliberal Discourse profits from the diverse skillsets, methods and theories of these authors, it must be admitted that in terms of narrative in as discursive fiction, their backgrounds can be less than rewarding. Yet narrative-centered scholars from literary or folklore studies are largely absent from neoliberal studies. Although Rachael Greenwald Smith (2015) has studied Neoliberal Discourse and its idolization of the individual as it appears in US fiction, to my knowledge no literature scholar has applied their critical skills to Neoliberalism's discursive fictions as they appear in society. To me, this seems a missed opportunity to fill in the narrative holes of semiotic studies of Neoliberal Discourse, especially considering many literature or folklorists have the required structural knowledge to begin practicing CDA, as well as familiarity with Marx and Foucauldian critical theory.

Besides improved methods, new intellectual talent need to be nurtured and tapped. The abovementioned researchers are employed in academic production, and are therefore to varying degrees both part of the status quo and free of direct pressure from the regime. Instead, the armies of liberal arts majors deemed useless by Neoliberal Discourse could be enlisted to fight it. Neoliberalism, as the press reminds us, has created an army of unemployed or unemployable liberal arts majors (Flaherty 2015), with the English major the leitmotif of this story according to Rebecca Schuman (2013). A battle needs an army, and thus this resource of trained critical analysts fundamentally opposed to the neoliberal regime by their exile from academia and stable employment should be tapped to combat it. Living lives in the spaces between capitalism, excluded from security in their chosen discipline, these voices could challenge the pragmatic aspects of Neoliberalism from the ground level of their precarious lifestyles, instead of the increasingly diminished height of the ivory tower of academia. It would be a delicious irony if among the mass of critics that upended Neoliberalism was created by its own social practices and capitalist valuation.

Just as I add my background in literature and critical studies to my analysis, I bring my experience as an academic outsider estranged from research for many years, and so too should other scholarly traditions and life spaces be encouraged to contribute to dismantling neoliberal narratives. If neoliberal studies in general and Critical Discourse Analysis in particular get locked into an orthodoxy of accepted specialists, it will betray its claim to multidisciplinary nature while ironically replicating the specialization and scientificity Neoliberalism researchers critique in both economics and Neoliberal Discourse. Creating a venue where outsider critics can be trained, be encouraged and flourish would ensure their contributions in the project to halt the neoliberal advance.

Going Beyond My Work

This call for improved methods and various voices in neoliberal criticism does not mean to suggest that my ideas should be the final word, or are in any way the only response to neoliberal narratives. These thoughts are merely stepping stones, some sure, some less so, towards a greater understanding of how narratives further the neoliberal utopian project. There are some questions that have arisen during my research that still require investigation.

First, besides demanding different modes and methods of analysis, the peculiarities of narrative as separate from discourse also deserve a new conceptualization, as I have argued. Whereas a speech act or text is a statement, a narrative contains statements that are direct retellings of both events and previous interpretations of events. This makes it a multilayered phenomenon in its own right, not just as an element of discourse. There is consequently also a

need to trace narratives through their historical reiterations back to the meta-narrative that inspire them. Researchers need to answer why a narrative crops up, disappears and reappears, while they also need to show how the change of dominant media narrative reflect the regime's positioning in response to historical events, changing circumstances, or hegemonic threats.

Although I have not achieved it, there also seems to be the need for a better articulation of the nexus of media, narrative, and Neoliberal Discourse. I believe the answer or some answers lie in visiting seemingly unrelated scholarly traditions such as folklore and literature, where I have found insights. Although not all such unorthodox borrowings will bear fruit, I hope that my research has in a small way opened discussion of alternate ways and resources to use against Neoliberal Discourse. Similarly, there is also a need to unlock the abovementioned Marx-Foucault deadlock of theory. Although my borrowing of Adorno and Horkheimer's concept of the culture industry served as a useful conceptual model of mediatized neoliberal narratives, it provided few suggestions on how to halt their process of subjectification. Perhaps further borrowings from less commonly used theories, for example Max Weber's instrumental reason or George Lukac's on reifying consciousness, or an amalgam of the ideas of Bourdieu or Foucault with the concept of the culture industry will offer insights on mounting resistance to it. Although I have not accomplished much practically in this endeavour, I hope that my work and the ideas behind it contribute to a widening of the fields involved in the grand oeuvre of analyzing, understanding, and upending Neoliberalism's utopian project.

Finally, a direction that I would like to advance in hereafter is the idea of narratives as heuristics. Such narrative heuristics often have a gap between the problem they purport to handle, and the actual threat the regime employs them to handle. The problem Lost Japan is trying to solve is not the financial crisis, it is rather the crisis of faith in Neoliberal Discourse that accompanied it. This distinction is integral for Neoliberal Discourse researchers, and

mistaking the explicit purpose of a narrative for its actual *raison d'etre* is a serious danger for researchers of Neoliberal Discourse in media as well as in its stories.

Conclusion

Towards A True Analysis of Narrative as Discourse

The dominance of the 'Lost Japan' analogy in economic journalism during the US financial crisis was due to several factors. The economic disciplinary practice of analogizing crises lead back to the recycled Orientalist Other of Japan, in the form of a prepackaged and ready made narrative of financial incompetence that reassured American readers that their own situation was better in comparison. Next, media practices favoring cut and paste journalism led to its replication, allowing refinement of the story to incorporate unfolding events such as the stimulus plans as they occurred. As the US crisis continued, the assumptions of the Lost Japan analogy would come under criticism, but even its debunkers inadvertently confirmed the narrative assumptions by its use.

Yet it is the cautionary tale structure of the Lost Japan narrative that indicates other reasons for its promulgation in the face of dissent. By framing the crisis morally through the creation of a Japanese Other, a Neoliberal Discourse of how Americans should behave during crisis was created and disseminated. This discourse effectuated the re-creation of an American Subject adapted to the post-crisis realities such as a jobless recovery, amid the discourse of reform without talk of regulation. The burden for success or failure in this harsh climate was placed on the individual, whose rational 'choice' was to be a worker or an 'idea slinging elite'. This discourse of American identity was a response to the questioning of Neoliberalism and its discourse that accompanied the financial crisis, which constituted a crisis of faith in Neoliberal Discourse. Ultimately, the true motive of using Lost Japan is not to 'learn lessons' that will help

the US out of the financial crisis, it is instead the re-apply conformity to the Neoliberal Discourse of American individualism in response to the popular anxiety that constituted a crisis for the neoliberal economic regime.

In my thesis, I have demonstrated that in the case of Lost Japan, neoliberal narratives can be far more powerful than the discourse surrounding them because they purport to represent reality while pandering to the human need for an explanation of crisis. Additionally, I have shown that critical analysis of Neoliberal Discourse often overlooks the process of subjectification that narrative entails. In response to this, I have added the critical facilities of literary and folklore studies to the pragmatic and structural linguistic approach of Critical Discourse Analysis. My adapted method is only a first step in the direction of a better understanding of the hegemonic structures and functions of such discursive narratives⁴⁶, but in order to challenge the domination of neoliberal narratives, critics need to rethink their conception of narrative in the following ways.

Besides adopting or extending my suggested modifications to Critical Discourse Analysis, academics must also change their ways of thinking about narratives to rewardingly grasp their discursive functions. First, academics must remember that the telling or retelling of a neoliberal narrative always carries its hidden assumptions and discursive intent. Narratives have a point, and this point or discursive agenda is more evident as the regime is confronted and mobilizes resources to defend itself. When a news ‘story’ like Lost Japan contains nothing new but is just the retelling of a chosen set of events based on the same neoliberal assumptions, its agenda deserves attention. Academic critics of Neoliberal Discourse all too often see neoliberals as elites advancing their utopian plan, while as the corpus of Lost Japan also shows, the

⁴⁶ Whereas Milton Friedman (1983) calls these interpretations of events ‘analytical narratives’, as I have shown such interpretations are not as objective as Friedman’s term would imply, but instead push the discourse of the storyteller. In this light, the term ‘discursive narrative’ may be more apt and useful for academic critics of Neoliberalism.

promoters of such a neoliberal narrative are varied, with some like Paul Krugman who present themselves as ‘liberals’ opposed to Neoliberalism. The insidiousness of Neoliberal Discourse is that it can be inadvertently promulgated by those expressly opposed to it. Just as Kiersey (2011) noted that those who freed the regulations of the US housing market were not neoliberal true believers, but instead promoters of greater opportunities for homeownership (29-30), promulgators of the narrative of Lost Japan and its neoliberal assumptions were not all explicitly neoliberals, but economists trying to figure out the world with the available tools of their discipline. In this respect, historical analogy serves as epistemic frame of economics, heuristic to solve interface problems between reality and ideologically based economic theory, as well as the subjectification of its readership for true believers in Neoliberalism. In light of this muddled identity of promoters of neoliberal narrative, it is prudent to focus more on the stories themselves through a better form of narrative analysis. Just as the point of Lost Japan is not anything about Japan, but rather the subjectification of Americans, my thesis is not just about the Lost Japan narrative, but how the process of narrative behind it attempts to shape social reality.

Next, it is necessary to view narrative as more than part of a simple discursive statement. Discourse is the practice of attempting to impose the ideological utopian vision on consciousness, while the deployment of narrative indicates that a discourse is interacting with or reacting to events in the real world. Consequently, there are other important structural and functional differences between discourse and narrative that should be considered. Discourse stems from elite ideological believers and their interchanges, with counter-discourses and oppositions, often involving specialist knowledge, and is thus two-way communication. Narratives are by nature one-way communication for the masses, with simplified concepts and vocabulary, and thus are more aimed at subjectifying the average folk. Whereas discourse may

seem easier to refute because it conflicts with reality, narrative appears harder to debunk precisely because it uses reality as its materials. It is because of these complex differences in the nature of discourse and narrative that better narrative analysis is needed.

It seems a fresher conceptualization of the relationship between discourse and narrative is thus needed. Instead of subsuming narrative under discourse, I have demonstrated that researchers can see them both more rewardingly on a spectrum between ideology and reality. On the wide end is discourse, or statements promulgating an ideologically based view of the world. Discourse is thus more comprehensive, but is also at a remove from reality. At the narrow end is narrative, employed for interpreting events and thus closer to reality, but at a remove from ideology (see Figure 1). Like discourse, the mediated process of narrative never stops, and Lost Japan saw many refinements during its crisis tenure, before being replaced in the media spotlight by other narratives, such as the financial cliff and sequestration. More neoliberal reinterpretations of events will undoubtedly arise, and researchers will be inadequately prepared for their special characteristics if they simply continue to subsume narratives under the heading of discourse.

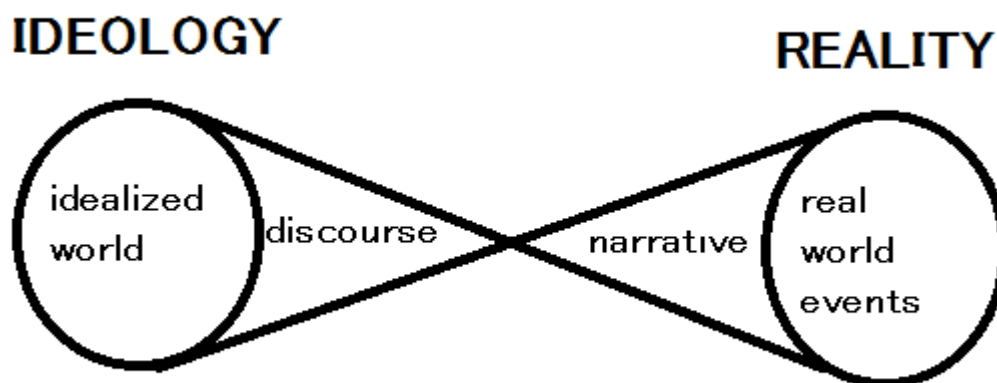


Figure I

Finally, to facilitate this questioning of narrative as more than a subset of discourse, researchers must not stick to one method or methodological camp. Neoliberal Discourse does not limit itself to certain tools or ideas, so neither should those opposing it. Questioning the old theoretical dichotomy of Foucault-Marx as Springer (2013) and Kiersey (2011) have is a good first step, but analysts also need to question the assumptions of their own methods, like the formal linguistic definition of narrative that limits CDA. Critics of neoliberal narratives must not be afraid of borrowing from literary or folkloric studies, as their understanding of discursive power is immense and useful in a world where distinctions between fact and fiction have little meaning. Also, as the deadlock between Foucaultian and Marxist analyses mentioned in Chapter Three indicates, social scientists have a tendency to overvalue recent or popular knowledge over older or more obscure ones. Neoliberals have no qualms about the age or obscurity of the ‘theories’ they invoke to push their ideology, and so opponents of their ideas should range far to find useful theoretical insights, such as my adaptation of Adorno and Horkheimer’s *Dialectic of Enlightenment*.

This is not to say that such alternate theories should be accepted without question or modification to suit the needs of the current situation. For instance, although I found the concept of the culture industry articulated by Adorno and Horkheimer to be useful, it is limited by its dated nature, narrow focus on popular entertainment, and curmudgeonly tone of opposition to popular culture. For example, although Adorno and Horkheimer (1989) eschew ‘rubbish’ movies (121) and praise ‘intelligent’ journalism (228), the lines between these two separate entities are blurring in terms of genre conventions, controlling interests, and audience reception. Adorno-Horkheimer note that the fusion of music & TV had not occurred because the “interested parties have not reached agreement yet” (124), while nowadays televised news now

uses cinematic techniques like rousing musical cues and iconography, as seen during the triumphant martial music and American flags that accompanied US Iraq war coverage on FOX News. In terms of the news and entertainment markets, media mogul Rupert Murdoch's News Corp owns both press and entertainment outlets, counting as assets both the New York Post and Washington Post, as well as Twentieth Century Fox Films movie and numerous FOX television studios⁴⁷. Adorno and Horkheimer's warning against the "fusion of all art into one work" (124) has already been largely realized on technical and industry levels, and so any theoretical insight drawn from the *Dialectic* needs to be updated to account for this new reality.

Conversely, Adorno and Horkheimer also did not foresee other developments of the culture industry, such as how the entertainment industry and American comedy in particular would latch onto US social ills as a source of laughter, ironically recalling Mikhail Bakhtin's (1994) notion of the carnival or satire as the place where the people laugh at the oppressive official mouthpieces of the controlling elites (201). This is reflected in the 2014 Brookings report finding that American viewers believe Comedy Network's *The Daily Show* more trustworthy than MSNBC (Jones 2014: 36). Based on these observations, it is easy to see that the concept of the culture industry thus needs revision and update for this complex modern age, including consideration of technological effect on media dissemination, enlarged focus on the consolidated media apparatus employed in Neoliberal Discourse, and a more dispassionate tone that views all forms of media discourse objectively and not in Adorno-Horkheimer's limiting terms of 'high' and 'low' culture. However, this renewed conception must never be taken as

⁴⁷ *The Columbia Journalism Review* untangles the assets after the split in 2013. FOX holdings are here (http://www.cjr.org/resources/?c=21st_century_fox) and News Corp holdings (<http://www.cjr.org/resources/?c=newscorp>).

final or complete because circulating Neoliberal Discourse based in an evolving media landscape is always evolving along with technological advance⁴⁸.

In addition to questioning their own assumptions about the relation of narrative and discourse, academics need to focus more on the ‘analytical narrative’ of Milton Friedman as a tool of economics that comes with unavoidable neoliberal tendencies. As noted in Chapter One, Friedman’s ‘analytical narrative’ comes with assumptions that need questioning, which is all the more evident when one contrasts Friedman and Schwartz’s (1993) assertion that such narratives were not available when they wrote their re-interpretation of the Great Depression in the 1960s (xxi), with Richard Katz’s (2009a) statement on the ubiquity of ‘historical analogies’ during the financial crisis in 2009. The contrast of these two statements imply that the rise of narrative as a dominant yet unquestioned tool for analysis by economists has occurred hand in hand with the neoliberal advance, translating its dominance of economic discourse into stories that shape the world through the policies they suggest and the media dissemination to and formation of neoliberal subjects. Analytical narrative has thus pushed out other more difficult to use yet possibly rewarding tools and approaches, thus weakening the analytical practices of economists by reducing the discipline’s repertoire of techniques. Economics is a young discipline, just over a century old, and for it to see the world through stories on the one hand while claiming the authority of science and statistics on the other is a dangerous contradiction.

Additionally, analytical narratives are not limited to economics, but show up as Neoliberalism advances into other domains and aspects of life. Loïc Wacquant (2009) examines the political discourse surrounding of forced work programs for welfare mothers (59), yet the anecdote of the welfare mother who is not fit to raise children is equally a narrative

⁴⁸ Although this assertion is well beyond my scope, a quick look at the proliferation of libertarian imitation news sites, Youtube channels, and blogs should suffice to convince the reader the need to examine this aspect of Neoliberalism.

promulgating the Neoliberal Discourses of Rational Choice Theory and class inequality through the lens of a simplified case study. Similarly, Neo-conservative Discourse floods media with stories of terrorists, which are often seen as political rhetoric or discourse, but have not been sufficiently considered as narratives. Seeing such discourses as simultaneously containing narratives and their hidden assumptions could broaden academic analysis of the Neoliberal Discourse they contain.

Challenging Narrative's Pedagogic Function

Academics should especially increase their critical attention of the pedagogic function of neoliberal narratives examined in Chapter Three, as it is the capitalist subjectification this entails that spreads and continues Neoliberal Discourse in the life of everyday Americans. The mediated invocation of the Japanese Other was pregnant with cultural significance, and was deployed to give birth to the post-crisis renewed American Self in synch with a reduced American Dream of equal opportunity. During Neoliberalism's advance, the American dream has gone from a 'ticket to ride' society where great wealth accompanied equal opportunities to all comers, to a highly uneven concentration of wealth among the financial elite as unions were eliminated and social welfare was drained, while CEO pay and bonuses skyrocketed and 'corporate welfare' tax cuts became the order of the day. Narratives such as Lost Japan are deployed to promote acceptance of this inequality of opportunities that has accelerated with the retreat of the state from market regulation and education. The economic orthodoxy behind this 'lottery chance' mentality of modern American capitalist culture was foreseen by Theodor Adorno and Max Horkheimer (1989), who observed that "Ideology conceals itself in the

calculation of probabilities" (145). The Neoliberal Discourse of good citizenship and individual choice is part of promoting the acceptance of this precarious social reality.

As stated, *Lost Japan* floats the idea that if you want work, be one of the 'idea slinging elite,' otherwise there is no guarantee in life. This is a new alienation of the worker, one from which the social trend of unpaid internships and the political Republican 'War on the Poor' are natural results. Mihm and Roubini (2011) reflect the complacency expected of the neoliberal subject when they note, "At this point, it's tempting to assume the worst is behind us.

Unemployment may continue to climb and housing prices could resume their downward slide, but a consensus holds that we've weathered the storm." (238). Indeed, for the 'us' of economic elites like Mihm-Roubini, economic and political consensus may be reassuring. Yet for the American worker faced with less work this situation can hardly be considered having 'weathered the storm', in which they are still left unprotected by work or state intervention. If left unchallenged, this Neoliberal Discourse of alienation extends not only from the means of production, but from the act of production itself, and thus prevents the worker from access to the means to improve their economic position, or at least escape to a less precarious one. For the individuals trapped in the neoliberal regime without the means to work their way out, or even support themselves, this would be a real crisis, an apocalypse for workers. As I stated in my discussion of the Japanese Other, it is sadly only this type of crisis that seems to provoke lasting and meaningful social change.

Academic criticism especially needs to examine how the pedagogic function of neoliberal narratives like *Lost Japan* thus hasten the corrosion of the state and individual link that Neoliberal Discourse has already accelerated, and now present a greater alienation of workers than even Karl Marx (2003) foretold. Kiersey (2011) uses Foucault's notion of governmentality to show neoliberal pedagogy in the management of people and their

sublimation to the political economy by using of the market as the metric of governmental success and driving a wedge between the state and the life of the individual (33). Without the intervention of the state to safeguard employment, the American self as constructed through Lost Japan evidences the latest type of capitalist alienation - the alienation from work itself. John Quiggin (2010) traces the term 'jobless recovery' back to the 1990-1 and 2000 recessions (24), an indication of its normalisation and increasingly immutable status. When Karl Marx (2003) stressed that the very existence of the worker was determined through his relation to the means of production (8), he did not envision the 'jobless recovery' that divorced production from labour via financialization that Neoliberalism would create. It is the promotion of this turn of events as 'the worst is behind us' that the pedagogy of neoliberal narratives promotes, and that academics must challenge.

Besides addressing how neoliberal narratives dominate both the disciplinary episteme of specialists while spurring the subjectification of Americans through critique of the state, academics must also question how these neoliberal stories dominate the definition of crisis, thus affecting efficient response to them. In its mediatised form, Neoliberal Discourse reels from crisis to crisis, financial meltdown to fiscal cliff, all petit apocalypses that justify neoliberal policy reform and the re-formation of the subject to adapt to changing (more often than not worsening) circumstances for average Americans. Indeed, although the financial crisis has been proclaimed at an end by the American media, these expressions of relief have engendered a return to the financial conditions that initially lead to the financial collapse. As Kiersey (2011) notes, "we are left with the impression that newer 'experiments' will unlikely reflect major changes from the status quo ante" (30). There can be no change from Bush to Obama administrations because of the need to experiment financially and free up credit in line with the capitalist valorisation of American culture.

Because it is dependent on crisis to promulgate its discourse, Neoliberalism uses fundamentally apocalyptic narratives to promote its ends. Neoliberalism is often termed by David Harvey (2007) and others as a utopian project. When the utopian vision fails to materialize, then crisis, another word for apocalypse, ensues. The neoliberal proclamation of the End of History and the subsequent belief in the economic Golden Age of equilibrium that I examined in Chapter Three pervades Neoliberal Discourse and directly leads to an apocalyptic scenario when reality refuses to cooperate. Americans need to escape from this 'apocalyptic view' that birthed Lost Japan on two levels. First, they need to divorce the economic discipline and financial sector from this 'boom or bust' mentality, and ask themselves which they value more, stability and equality or risk and reward. This change in mentality will not be easily achieved. As Quiggin states, "An approach to economics that has been dominant for more than three decades will not go away simply because its predictions are inconsistent with the facts" (206). Challenging these utopia-to-apocalypse discourses via the media practices that promulgate them is a first step to ending this cycle.

Second, as noted above, the erosion of the supportive role of the state in the lives of individuals in order to subsume government to the needs of the market must not be allowed to continue. This shift in the state role has in turn lead to a transformation in the image and story of apocalypse to a 'market meltdown', displacing perception of the 'social meltdown' that Neoliberalism engenders. This shifting meaning of apocalypse dominates economic thinking; although Mihm and Roubini (2011) excoriate the financial practices that lead to the financial crisis, they exhibit the apocalypse mindset of Neoliberal Discourse when warning of future crises. They write, "when you begin to worry that your government cannot credibly guarantee bank deposits, it's time to buy a gun, ammo, canned food, and gold bars, and hunker down in a remote log cabin in hopes of surviving a global meltdown" (296). For the economic elite like

Mihm-Roubini, losing government support of the market is the apocalypse they fear. For the majority, who cannot afford gold bars, much less a cabin, their apocalypse is one of keeping body and soul together. This reduction of society to isolated individuals in a Darwinian battle for survival is the result of Neoliberal Discourse, and limits orthodox economic thought to a Randian response⁴⁹ where financial titans can hide away until the chaos dies down. The focus on individual survival over compromise and cooperation to build a better economic system needs to be unveiled as a neoliberal scare tactic, one that is broadcast in the clickbait headlines of neoliberal financial media websites⁵⁰.

Opposing Neoliberal Narratives

The task that remains for academics is to affect the change away from the utopian-apocalyptic narrative of markets and the fatalistic subjectification it entails. As Norman Fairclough (2001) states, one way of opposing Neoliberal Discourse is to identify and target the contradictions and gaps between its ideology and practice (220). Narrative is precisely the nexus of ideology and practice, and thus deserving of more nuanced critical attention. As shown in previous chapters, choosing a historical analogy to guide economic policy decisions is a largely unconscious reaction of economists during times of crisis, but it is neither innocent nor without

⁴⁹ This is in response to Ayn Rand's *Atlas Shrugged*, which depicts the retreat of financial titans from their 'support' of society in the face of calls for democracy. *Atlas Shrugged* is also a neoliberal apocalypse scenario, which as noted gained popularity during the financial crisis. The fallacy in Rand's conception is that society will collapse without these dynamic titans, while during 2007-2014 they caused the collapse.

⁵⁰ On the internet at sites like The Motley Fool (www.fool.com) and Newsmax (www.newsmax.com), as well as YouTube one will find a plethora of such narratives, usually involving calls of meltdown or apocalypse along with invocation of an expert such as Warren Buffet.

bias or contradictions. Since economics is where these narratives and their discourse are generated, identifying and questioning the neoliberal assumptions of the analytical narrative practices of economics is a necessary step towards reforming its professional practices.

Yet there is a limit to how much better criticism can do, and so lasting change must come from economists themselves. The first step is convincing economists to recognize the phenomenon of Neoliberalism, naming the cancerous ideology that draws economics away from efficiency, focusing their critical faculties on it, and adding their voices to the progressive work of other social sciences. As noted, even reflective economists such as John Quiggin (2010) who criticize ‘undying’ neoliberal myths, and Stephen Mihm and Nouriel Roubini (2011), who sounded the alarm against Neoliberal practices before the financial crisis, refuse to name their critical targets as Neoliberalism, all the while accepting its libertarian apocalypse scenario. Adopting the term and concept of Neoliberalism, thereby accepting its discursive reality, is a first step towards reflection in the economics discipline. James Galbraith (2009) remarks how this denial of Neoliberalism affected his father’s work on alternate economic doctrines, *The New Industrial State*, which was ignored by the status quo of economics:.

“A huge popular success when it appeared in 1967, this book was the target of a sustained and largely successful assault by mainstream economists, and it disappeared from view during the neoliberal revival. It represented a vast threat to their modes of thought, for it sought to replace (in part) an economics of markets with an economics of organizations—of corporations, governments, unions and other parties, with the focus on internal structures of governance, countervailing power and the efficacy of group effort toward shared objectives.” (93)

This adoption of the term Neoliberalism alone is not a recipe for change, but if economists step up to unmask its methodologies, its interpretations of history, and the junk theories behind them

that dominate their professional discourse, they can inform the social science examinations of their discipline to bring about weaning from Neoliberal Discourse and increase the certainty of change.

Another pressing neoliberal 'gap' in economics to start would be with re-conception of the subjectified Americans at the heart of economics, those 'homo oeconomicus' expected to be unfailingly rational and thus best left alone by the state to make their own decisions, according to Neoliberal Discourse and the narratives it deploys. Kiersey (2011) sums up the Foucaultian view of Neoliberalism's subjectification of Americans thus:

"the concept of the market... starts to achieve a certain autonomy by becoming an indicator or metric of the success or performance of government. Man is here understood not as the container or vessel of a soul... but, rather, as a creature of economic rationality, or an homo oeconomicus. As such, there is a certain congruence identified between the natural activities of man which, when taken as an aggregate phenomena at the level of the population, tends to produce a greater good. But this is only true if government leaves man alone to a certain extent. Thus... we find ourselves in the era of Classical Liberalism, where the success of a government is deemed in large part to be contingent on its ability to "cut out or contrive a free space of the market" for the expression of man's utilitarian impulse (33).

To promote a view of people as people and not economic automatons, new tools are needed in economics, starting with a rethinking of the Rational Choice Theory so central to free market economics and the characters of the stories it tells. Quiggin (2010) introduces the Bounded Rationality Theory that lost out to Rational Choice Theory as one option. Bounded Rationality states that "people were only boundedly rational. That is, rather than considering every possible contingency and formulating an optimal plan, people make decisions on the basis of simplified views of the world and 'rules of thumb' " (96). Similarly, if using GDP as the Holy Grail lumps

nations into 'lost' and 'successful' camps, a new measure needs to be enforced that give all a sense of progress while reflecting real economic and cultural values. Such robust alternative economics exist, according to James Galbraith (2009), who asserts,

“there is a considerable, rich, promising body of economics, theory and evidence, entirely suited to the study of the real economy and its enormous problems. This work is significant in ways in which the entire corpus of mainstream economics—including recent fashions like the new “behavioral economics”— simply is not. But where is it inside the economics profession? Essentially, nowhere.” (95)

Putting these new ‘real’ economics at the center of the revitalized discipline, with freedom and speculation carefully regulated, needs to be the objective of both economists and other social scientists.

Next, the mediated cultural claims of Neoliberal Discourse need to be questioned, especially the economic fatalism that separates Americans into individuals with no stake in or concern for each other save as customers. This can be achieved through the separation of capitalist values from American values. If Neoliberalism drapes its financialization of everything in the American flag, so to speak, this cultural disguise needs to be taken away to reveal the naked ambition beneath. As Nicholas Kiersey (2011) notes,

“Financialisation thus appears to foreclose any understanding of the source of capitalist value as occurring anywhere other than in the brain and body of the individual. However, as we have seen, the extension of techniques of capital accumulation into the non-economic sphere, via the recruitment of such nonlinear capacities as care and intuition, bespeaks the extent to which accumulation today is in fact heavily reliant on social production” (40).

If 'Lost Japan' teaches anything, it is that its Neoliberal Discourse redefines what Americans mean by 'American values' on all levels, from national to individual. Just as free market doctrine sets unrealistic aims of growth that sacrifice social welfare for GDP, the rational American individual is supposed to aim for 'idea-slinging elite' or else suffer a life of precarious labour uncomplainingly under the motto of competition. American economic discourse has mapped a narrative topography of incomplete Neoliberal adherence onto Japan, simultaneously promoting a fatalistic cultural acceptance of America's own precarious economic reality by utilizing these mediated images of the Japanese Other to cover up America's own structural problems. The accepted images that make up the Japanese Other are adapted for use in Neoliberal epistemic violence not only against Japan, but the US as well, supplanting any real examination of problems with unquestionable common sense conceptions of how Japan and the US are. It is this common sense nature of 'Lost Japan's pre-suppositions that should be questioned, and in particular removed from US economic education, lest it continue to blind Americans from what needs to be done to restore their country's social vitality.

Finding or devising counter-narratives that deconstruct the 'homoe oeconomicus' of neoliberal narratives should thus also be the task of academics. To achieve this, different voices outside professional fields should be allowed and encouraged to contribute to the criticism of neoliberal narratives and the discourse behind them. Quiggin's (2010) unveiling of the 'zombie ideas' of Neoliberal Discourse that continue to bedevil the US economy after the Global Financial Crisis relied on the use of crowdsourcing to generate ideas outside of his personal circle (vii), and thus push the boundaries of the economic discipline. As I mentioned in Chapter Three, Neoliberalism has produced an army of underemployed (in their chosen fields) liberal arts majors with great critical skills. These unheard voices could create different stories to

counter neoliberal narratives, since they see events from different angles than economic elites, and draw different lessons from them. The only defense against neoliberal narratives is to not believe them unquestioningly, and these disenfranchised minds have experienced the reality of the ‘social apocalypse’ that Neoliberal Discourse displaces with its fictitious ‘financial meltdowns’. Among these disenfranchised academics, Neoliberalism has inadvertently strengthened a demand for social justice and protection of society and the environment, as only the powerless can truly understand the need for social justice, or indeed its true meaning, from their experience with inequality. The initial student nucleus of the Occupy movement constituted just such a vocal component. The powerful financial elite have never felt inequality in the same way, only meted it out through neoliberal valorization, and are thus ignorant to the true meaning of social justice. Combating America’s culturally-sanctioned inequality requires a monumental effort, both in terms of individual resistance and dismantling of the economic media apparatus. Enlisting unaligned or opposed voices could be a vital step in turning the tide of Neoliberalism.

Finally, academics must be wary, however, of thinking that Neoliberal Discourse can be put back into its Pandora’s box by re-application of what preceded it. As Quiggin (2010) asserts,

“New Keynesian macroeconomics has been tested by the current global financial and macroeconomic crisis and has been found wanting. could be saved by a reapplication of the Keynesian measures that followed previous crises. This does not mean a return to the mechanical Keynesian models of the 1950s and 1960s. Rather, we need a newer Keynesianism.” (121).

Quiggin’s replacement of ‘new’ Keynesian for the ‘newer’ model misses the fact that Keynesianism has proved not to be the answer to economic stability. Whereas Neoliberalism runs from crisis to crisis, Keynesianism runs from revamping to revamping, scaffolding

patchwork regulation that is neither permanent nor infallible. This merely sets up the pendulum of liberalism-Keynesianism for another, perhaps more extreme swing next time. Instead, new generations and paradigms besides Keynesianism and Neoliberalism need to be generated to escape from this cycle. Enlisting a chorus of critical voices from within and outside academia may lead to the critical mass of perception that can lead to change and re-assertion of social justice. The only other option is to wait for the apocalypse to arrive and wipe away neoliberals and the disenfranchised alike, but with no promise of history not repeating itself.

Narrative and New Directions

Finally, a greater academic focus on neoliberal narratives also promises new directions in a field of criticism marked by the deadlock of Marxist-Foucauldian thought and apparent failure to popularly implicate Neoliberal Discourse as the driving force behind the recent financial crisis. Widening the definition of narrative as I have done opens up many lines of questioning. By accessing literary and folkloric traditions, social scientists can explore other genres of narrative besides analogy and cautionary tales, such as national narratives, founding myths, and parables to name a few. These concepts all have analogues in discourse, which can often be overlooked in the formal linguistic focus of current discourse analysis techniques. Ultimately, a questioning of any neoliberal narrative should lead back to Neoliberalism's meta-narrative, from which can be derived counter-narratives that question and disassemble the Neoliberal Discourse behind it. If these counter-narratives can be disseminated in media, this will not only extend social science research beyond the limits of academic critical discourse, but

also allow media to at as a tool of social good instead of the clarion call to a neoliberal
apocalypse.

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