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The Jury for the Stein Rokkan Prize for Comparative Social Science Research 2020 has unanimously decided to honour Jeffrey M. Chwieroth and Andrew Walter in recognition of their book “The Wealth Effect: How the Great Expectations of the Middle Class Have Changed the Politics of Banking Crises”, published by Cambridge University Press. In this book, the prize winners have set themselves an important task: to compare and explain policy interventions after major banking crises over the last 100 years. The book argues that there have been major changes over time, and that these changes, in turn, are the consequence of increasing financialized wealth accumulation of the middle classes in democracies.

During the first decades of the 20th century, *Bagehot* policies have prevailed, where even systemically relevant banks were allowed to go bust. In contrast, since the 1980s, banks are being increasingly bailed out at large fiscal costs. Chwieroth and Walter argue that the change of policy is a result of the “great expectations” of the middle classes, who expect the state to protect their wealth. Whereas in the early 20th century, middle classes barely owned any financial assets, this has changed since World War II and especially since the 1970s. Even in less advanced democracies, middle classes have started to accumulate wealth. At the same time, as banking crises are always messy to sort out, middle classes are rarely satisfied with crises resolution. They blame governments for not having prevented crises to begin with, and for not being fast enough to sort them out. What is more, bailing out the banks fuels further financial instability. The result is a new policy trilemma, “raising serious concerns about the ability of contemporary societies simultaneously to sustain democratic politics, rising financialization and financial stability over time” (p. 501). This trilemma further exacerbates existing social polarization and fuels populism.

This book is an impressive example of comparative scholarship. It masterfully weaves together an amazing wealth of historical, statistical, and narrative evidence, combining the analysis of long-term historical trends in policies and public opinion, correlational analyses of middle class expectations and policy changes, and historical process tracing of policy responses to systemic banking crises over more than 100 years in three countries, the US, the UK and Brazil. As the authors state: “A long historical perspective generates significant analytical pay-offs, enabling scholars to uncover trends and forces that might otherwise be overlooked but which have fundamentally altered the conditions shaping policy choices and political outcomes” (p. 486).

Its focus on finance will change the way how we look at comparative politics, and its focus on the interests of the middle classes will change the way how we look at the causes and resolutions of major financial crises. The book’s final warning that “[g]reat expectations thus appear destined to produce great disappointments” which “are increasingly shaping politics and policy in hitherto stable democracies” (p. 504) is a strong message to political scientists to engage with effects of

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wealth accumulation in their reasonings about democracy, and to policy makers that something has to urgently change.