

The Wealth Effect: How the Great Expectations of the Middle Class Have Changed the Politics of Banking Crises

Veranstalter Max-Planck-Institut für Gesellschaftsforschung

Veranstaltungsort Max-Planck-Institut für Gesellschaftsforschung Köln

Termin 20.11.2019 17:00 Uhr - 20:00 Uhr

Lecture given by Jeffrey M. Chwieroth in Cologne

The rising wealth of middle-class households and voters has transformed the politics of banking crises. In his lecture, Jeffrey Chwieroth explains how mass political demand has contributed to rising financial fragility and political instability and discontent in contemporary democracies. He uses extensive historical and contemporary evidence to demonstrate that the politics of major banking crises have been transformed by the “wealth effect”: rising middle-class wealth has generated “great expectations” regarding government responsibilities for the protection of this wealth. He shows that crisis policy interventions have become more extensive and costly - and their political aftermaths far more fraught - because of democratic governance, not in spite of it. Using data from a large number of democracies over two centuries, and detailed longitudinal studies of Brazil, the United Kingdom, and the United States, Chwieroth explores the consequences of the emergence of mass political demand for financial stabilization.

Jeffrey M. Chwieroth is Professor of International Political Economy in the Department of International Relations and Co-Investigator of the Systemic Risk Centre at the London School of Economics and Political Science.

[Further Informations and Sign Up \(Link\)](#)

