Crises all around

Do recent predicaments and their responses imperil 'neoliberalism'?

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On 16 January this year, Statistics Norway (Statistisk sentralbyrå) published an article that reported a record trade surplus for 2022 of 1,574 billion Norwegian kroner, or about 160 billion US dollars.[1] The independent institution for the collation and publication of official statistics stated that this surplus was more than three times that of the previous year and that it chiefly stemmed from an increase in the price of natural gas, which accounted for more than half of the country's total exports. The head of their Division for External Trade Statistics explained further that the price increase was due to a reduced supply of Russian gas. It indicated that Norway's record trade surplus is connected to the war in Ukraine and the economic sanctions and other policy responses it has occasioned. She could have added that it also pertains to the ongoing transition from carbon-intensive forms of energy in response to climate change, which maintains the demand for natural gas. The resultant prices significantly contribute to the current inflationary pressures eroding people's purchasing power in many economies.

An indecent proposal?

These brief reports indicate how Norway's record-breaking trade surplus intimately relates to the plural predicaments – or indeed multiple crises – that affect lives and cause hardship worldwide. However, they also provide the context for a different yet related op-ed by six high-profile business executives, investors and asset managers that appeared shortly before in the Norwegian business newspaper *Dagens Næringsliv*. The text argued that the enormous, extraordinary, and unexpected revenues the Norwegian state indirectly receives because of the war in Ukraine should be set aside for a joint effort to facilitate future climate and energy security for Ukraine, Europe and the world at large. The authors estimated these revenues at 2,000 billion kroner just for 2022 and 2023. They pointed out that they stem from Norway's friends and allies, who pay exorbitant prices because of the war in Ukraine and Russia's use of energy as a weapon. They argued that the world's longstanding energy mix undergirds security threats from Russia and climate change.

A faster transition from fossil fuels to renewable energy is hence crucial for peace and security in Europe and the wider world. The authors maintained that the world's nature and food systems may also collapse and that investments in sustainable food production must accompany those in renewable energy. However, the problem is the shortfall in such investments, which must be made in markets with greater risk. Therefore, the authors urged the Norwegian state to use its extraordinary revenues to establish a guarantee fund to share and relieve this risk, thereby mobilizing capital from other states, corporations and philanthropists.

The fund these authors envisage would use public revenues to intervene in the risk-reward relationship of specific investments that would make them potentially more profitable and thereby desirable for public and private investors. As such, the idea is reminiscent of Harvey's (2006) account of how neoliberalism thrives on manipulating and managing crises for the privatization and financialization of public goods to facilitate redistribution from the lower to the upper classes. It furthermore recalls the bailouts conducted during and after the financial crisis of 2008 that turned private debts into sovereign debts, precipitating the Eurozone crisis and subsequent austerity policies (Bear & Knight 2017; Rakopoulos 2018).

However, this perspective is complicated by the fact that the notion of 'risk sharing' or 'risk relief' (*risikoavlasting*) is chiefly embraced in Norway by leftist politicians, union officials and environmental activists, who adapt the notion from the economist Mariana Mazzucato and her 'mission-oriented' approach, and the green industrial policy that she outlined for an initiative entitled Green Industry 21 – *Grønn Industri 21* (Kattel et al. 2021). The proposed guarantee fund hence also received support from politicians who typically do not align with corporate executives and financial actors. These included the Socialist Left Party (Sosialistisk Venstreparti), whose budget agreement with the centre-left government included setting up a humanitarian fund to support Ukraine and other countries affected by the war, and the Green Party (Miljøpartiet De Grønne), whose representatives had also proposed a solidarity fund of a similar kind.

One might object that leftists and environmentalists are no less immune to neoliberal thought and action. However, a sketch of the elements and relations surrounding and imbricating the op-ed proposal reveals a long history, where commercial corporations, financial markets and private profits are used for public welfare in Norway. It shows how these efforts involve discursive forms and democratic mechanisms that frame and extend from, yet also compromise and exceed, markets and prices. While these dynamics suggest that neoliberalism never was relevant for the Norwegian context, the ascendancy of similar notions and practices elsewhere raises the question of whether current predicaments and their policy responses also spell a crisis for this analytic.

Profits and benefits

The op-ed's public revenues reference stems from the 78 per cent taxes the Norwegian state levies on corporations licensed to extract oil and gas from the North Sea and the income and dividends that result from its involvement in these activities. These arrangements form part of a policy framework that aims to secure the super-profit or ground rent that arises from extracting a non-renewable natural resource in public hands. In accordance with the law, the resulting revenues are transferred to the Government Pension Fund Global (GPFG), which is managed by a division of the central bank entitled Norges Bank Investment Management (NBIM). Based on a mandate issued by the Ministry of Finance, NBIM invests this capital internationally in equities, bonds, real estate and infrastructure for renewable energy

At year's end in 2021, these investments had a market value of 12,340 billion Norwegian kroner or roughly 1.4 trillion US dollars.[2] It is a testament to the enormity of these revenues that GPFG largely retained this value a year later, despite suffering 14 per cent negative returns in falling financial markets, and reached record valuations in early 2023.[3] Owing to its size, GPFG has long been counted as the world's largest sovereign wealth fund, while NBIM ranks as the world's largest single shareholder, with equity investments in more than 9,000 companies located in 70 countries.

Despite its name, GPFG has no pension liabilities but is a fiscal policy tool that covers the annual budget deficit subject to resolution by parliament, *Stortinget*. A fiscal spending rule (*handlingsregel*) limits such transfers to the expected real returns of the fund, which the Ministry of Finance estimates at 3 per cent of its market value.[4] The spending rule aims to control the influx of petroleum revenues into the economy and ensure that the wealth benefits not only those who happen to extract and sell this non-renewable resource. The Ministry states: 'The fiscal spending rule provides for sustainable management of the petroleum wealth to ensure that it will also benefit future generations,'[5] and NBIM proclaims: 'We work to safeguard and build financial wealth for future generations.'[6] Transfers from GPFG cover about 20 per cent of the annual fiscal budget, funding an equal share of all state expenditures. These encompass expenses for healthcare, higher education, infrastructure, defence, diplomacy, development assistance and social benefits – including public pensions and support for Ukraine.

Against this background, I argue that GPFG involves a 'custodial finance' that meets multiple social commitments and has a duty of care to act with the Norwegian public in mind (Myhre 2020a). However, this public is not restricted by citizenship but entails entitlements based on labour participation and tax contribution (Myhre 2020b). The op-ed authors, in effect, endeavour to extend this, as they propose transfers beyond the *handlingsregel* to create a fund that will benefit the people of Ukraine and the world beyond. While the petroleum policy aims to capture the super-profit from oil and gas extraction, the op-ed proposal seeks to safeguard the extraordinary profits due to the Ukraine war. Furthermore, where GPFG and the spending rule manage the petroleum wealth for those who receive benefits and services financed by the fiscal budget, the op-ed proposal aims to guarantee the use of these extraordinary profits for those who suffer the consequences of the war in Ukraine and climate change. The proposal thus expands the range of social commitments involved in managing this wealth and extends the scope of those for whom one has a duty of care in the process.

Public and private

The account above reveals that the petroleum policy and fund construction involve complex interrelations between public and private or commercial entities. These rely on what I call 'productive incompleteness', 'where an actor enrols another to complete its efforts' (Myhre 2020c: 326). The Ministry of Petroleum and Energy and the Petroleum Directorate hint at this when they argue: 'The overall objective of Norway's petroleum policy has always been to provide a framework for the profitable production of oil and gas in the long term,' and add: 'It has also been considered important to ensure that as large as possible share of the value creation accrues to the state, so that it can benefit society as a whole.'[7]

More specifically, the framework entails that parliament legislates and the government regulates to mobilize commercial companies to extract oil and gas in exchange for high rates of taxation and state involvement. Meanwhile, the resulting revenues accrue in Norges Bank, which invests this sovereign wealth in publicly listed corporations to obtain returns that finance a fraction of the fiscal budget, supporting multiple public institutions and individual life projects. In each instance, one institution uses its specific capacities to enrol and enable another to deploy its abilities to complement the efforts of the other.

While GPFG has only existed for around 30 years, the arrangement has a precursor and model in the governance of hydroelectricity, which provides 89 per cent of Norway's power supply.[8] This mode of governance dates to the 'panic law' passed by the *Stortinget* in 1906 to stop private investors from buying up waterfalls from local landowners and the subsequent 'concession law' (*konsesjonsloven*) enacted in 1917 – both on proposals by a Liberal (Venstre) government. As the name implies, the law stipulated the conditions under which citizens and corporations could gain concessions to develop hydroelectric power-generation facilities in exchange for fees and taxes that at the time were inspired by Henry George's ideas of ground rent (Angell 2014). The conditions also included labour protections and social provisions, such as housing and sanitation, and facilities for social assembly, educational purposes, religious practice and medical treatment for workers. For larger settlements, they also required developers to provide land, plans and regulations for public roads, schools, churches, postal services, courthouses, jails and municipal offices.

The law furthermore required setting up one fund for the indigent and another for the support of workers and their dependants, while a third was at the discretion of regional and municipal authorities. It still decrees that up to 10 per cent of the power generated shall be handed over to local authorities for use by and for the good of the public, which at the time enabled the electrification of homes and industries, and now provides cheaper electricity in certain areas. Perhaps most famously, the law also encompasses a 'right of reversion' (*hjemfallsrett*), which decrees that waterfalls and all instalments revert without compensation from developers to the state at the end of the concession, usually after 60 years. Two-thirds of the facilities reverted to the state, while one-third fell to local authorities. The arrangement ensured public ownership, redistribution and decentralization, and means that municipal, regional and central authorities currently own 90 per cent of hydropower capacity.[9]

Historians point out that the emergent hydropower governance involved a democratic and political framing of capitalism, which enabled economic modernization under control and for the good of the public (Angell 2014; Slagstad 1998). Restated in the terms above, the legislative and regulatory framework allowed for the mobilization of private capital that the country lacked for the development of a natural resource in exchange for taxation and provisions that enabled both industrialization and employment and that – quite literally – built communities and public capacities. In contravention of the familiar tale of neoliberalism, these developments involved neither deregulation, liberalization and privatization nor the ideological elevation of market exchange as a primary value and guide for action and interaction (Ganti 2014).

Moreover, they did not entail the attendant adoption of free markets, competition and self-interest as a model for governance and are far removed from the 'creative destruction' described by Harvey (2006). By contrast, the arrangements ensure continued public ownership of resources, which private and commercial actors may develop and extract, but only on condition that they secure industrialization and employment and that the better part of profits remain in public hands for democratic distribution and use, which meet a multitude of social commitments. Markets feature centrally in these constructions, which nevertheless remain far removed from neoliberal policies.

One could fill in this history with the savings banks that emerged from the 1820s, which extended credit for enterprises but also supported a range of initiatives for 'the purpose of public benefit' – *allmennyttige formål* (Øksendal 2022). This still occurs through a 'gift-institute' (*gaveinstitutt*) that these self-owning entities developed as an alternative to dividends for distributing profits and accumulated capital, often in close collaboration with local authorities. The banks thus provided funding for social, educational, religious, cultural and infrastructural purposes, including electrification. In another instance of productive incompleteness, they thereby enabled the ser-

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1. https://www.ssb.no/utenriksokonomi/utenrikshandel/statistikk/utenrikshandel-med-varer/artikler/skyhoye-gasspriser-ga-historisk-hoy-eksport-i-2022.
2. https://tinyurl.com/gfpg2021
3. https://e24.no/boers-og-finans/i/LljJ4p/oljefondet-passerer-ny-milepael.
4. *St. meld 29* (2016-2017): 19.
5. https://www.regjeringen.no/no/tema/okonomi-og-budsjett/norsk_okonomi/bruk-av-oljepenger-/id449281/.
6. https://www.nbim.no/en/.
7. https://www.norskpetroleum.no/en/framework/fundamental-regulatory-principles/.
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13. http://manifesttankesmie.no/wp-content/uploads/sites/2/2020/03/Sp%C3%B8rsm%C3%A5l-og-svar-om-Gr%C3%B8nn-Industri.pdf.
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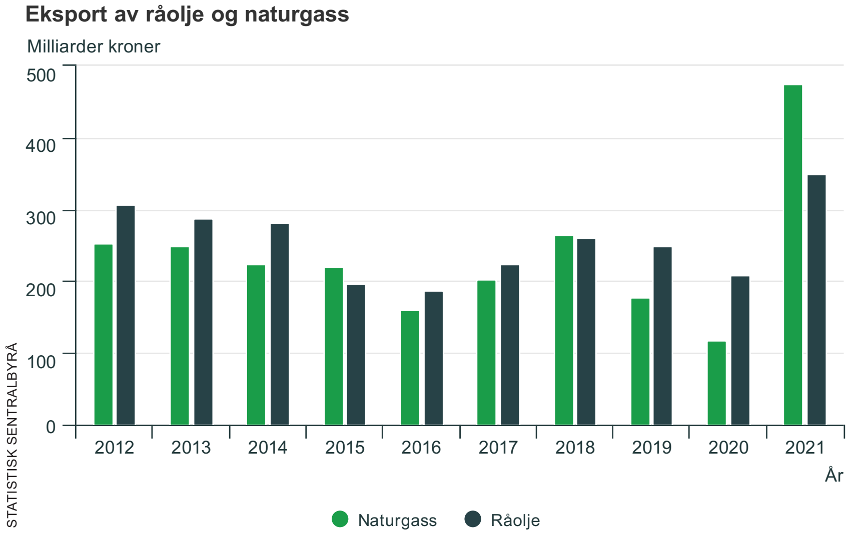

Fig. 1. *Diagram showing Norway's export of oil and gas. Source: Statistics Norway (Statistisk sentralbyrå).*
Figs 2 & 3. *Construction of Glomfjord power plant.*

vices for which hydropower developers provided land, plans, power and regulations.

One could also add the Norwegian notion of *dugnad* that the op-ed authors use to describe the joint effort they envisage and that Green Industry 21 employs for its initiative. *Dugnad* is an Old Norse notion that concerns a mode of unpaid voluntary work that is both a mode of organization and a social value, constituting a longstanding common experience in Norwegian life (Myhre 2020c). Policy-makers, furthermore, used *dugnad* for measures introduced in response to the COVID-19 pandemic, which included a loan-guarantee facility that also involved productive incompleteness, and that resembles the guarantee fund proposed in the op-ed. Using *dugnad*, these authors and activists thus embed their proposals in recent policy initiatives and shared notions, practices and experiences with longer histories.

Publics and subjects

The above-mentioned phenomena constitute different instances where commercial corporations, financial markets and private profits are mobilized in democratic contexts for public welfare. As legislation and regulation play crucial roles in each case, it is neither incidental nor insignificant that the guarantee fund was proposed in an op-ed article in a national newspaper. The article constitutes a discursive intervention outside the marketplace that deploys ordinary language rather than prices or contracts. More specifically, it construes and taps into a public which, in Warner's terms, 'enables a reflexivity in the circulation of texts among strangers who become, by virtue of their reflexively circulating discourse, a social entity' (2005: 11-12). Stated differently, the article constituted the business executives and financial operatives as 'subjects' in Devereux's sense: 'that is, beings that address themselves to a world' (Stengers 2005: 997). As subjects, they exceed their roles and capacities as market participants to foster reflexivity and debate, aiming for a consensus to extend and reshape the linguistically constituted and mediated public or world they address.

Perhaps unsurprisingly, this, too, has an essential precursor in GPFG and its management, which is deeply implicated in democratic deliberations and bureaucratic processes (Myhre 2020a). Of particular importance in this regard are the 'company dialogues', which, together with voting at annual shareholder meetings, constitute NBIM's exercise of ownership, forming part of its 'responsible investment'. This, too, occurs on a scale that matches the size of GPFG. In 2022, NBIM conducted 2,911 such meetings with 1,307 companies and voted on 117,392 resolutions at 11,616 shareholder meetings.[10]

Central to the company dialogues are nine short 'expectation documents' that express how NBIM expects its portfolio companies to address children's rights, climate change, water management, human rights, tax and transparency, anti-corruption, ocean sustainability, biodiversity and ecosystems, and human capital management. Through the company dialogues and voting, the expectation documents are means to influence corporate activities and ensure that the world's publicly listed companies address substantively the pressing problems – or indeed global crises – of our time. In NBIM's own words: 'We have published expectations of how companies in our portfolio should address global challenges in their operations since 2008.'[11]

Elsewhere, I describe how NBIM grounds its expectations in characteristics that render sustainability an immanent issue for GPFG and how the documents result from collaborative relations between a multiplicity of actors that are also marked by productive incompleteness (Myhre & Holmes 2022). Another text explores how the documents redeploy a particular concept of 'expectation' to address different future-oriented practices and processes of the corporation and await responses that manifest in activities, documents and relations of different kinds (Myhre & Holmes n.d.). It considers how these documents operate as platforms of interaction and tools for reflection that facilitate changes to fundamental notions and practices by persuading board directors, corporate executives and employees to imagine the corporation beyond the present in ways that recast it and the economy around new issues and concerns. The expectation documents thereby mobilize the corporation and its capacities by means of established notions and practices to address acute challenges of the contemporary economy and the world at large.

As NBIM uses these documents to address more than 9,000 corporations in over 70 countries, its expectations effectuate a mode of globalization through communicative formations and linguistic exchanges that surpass trade and markets. These corporations most commonly compete and relate through contracts and markets, so neither they nor others tend to regard them as one constituency or community. By contrast, the expectation documents address them all as one and as facing the same challenges, allowing them to regard each other as actual or potential collaborators with shared concerns. NBIM hence states: 'We support initiatives that bring companies together to find common standards for sustainable business conduct,' and it organizes events and efforts that summon investors and corporations as discursive and reflexive subjects.[12] As such subjects, they act and relate in ways that exceed markets and their calculations, thereby departing from the 'entrepreneurial freedoms' that Harvey (2006: 145) equates with neoliberalism.

Beyond neoliberalism?

Like the op-ed article, the expectation documents constitute a public, which extends from the parliamentary debates and bureaucratic processes that underpin the law and mandate for GPFG and its responsible management, as well as from the drafting processes of these documents, which enrol stakeholders who contribute competencies of different kinds. These relations also recall how the op-ed suggests collaborations between states, investors and philanthropists, as well as how Green Industry 21 endeavours to 'bridge climate activists, industry, and the labour movement' under the auspices of a think-tank that involves academics 'to explore Norway's possibilities for reducing emissions globally in a way that builds green industry nationally'.[13] As the initiative conjoins persons, institutions and capacities from the private sector and civil society to inform public policy, it also manifests productive incompleteness. Meanwhile, its concern for 'future employment, value creation, and welfare' recalls both the hydropower governance and petroleum policy framework and the use of GPFG, as well as its investments that afford employment, tax contributions and public services in hosts of countries.

The expectation documents and company dialogues entail that NBIM employs politically enabled market-based investor relations to capacitate corporations as entities that can read, speak, listen and reflect, and hopefully agree by means of a richer language than prices. In these processes, they recognize and mobilize multiple actors, who reside and operate far beyond the marketplace and its practices, and who thereby question accounts and notions that scholars commonly link with neoliberalism. They, for instance, appear to counteract what Carrier calls 'virtualism', where people act on and follow concepts and models of formal economics, and thereby construct the world 'as a social, cultural and political featureless plain, populated only by abstract economic actors and commodities' (1998: 15).

Combined with the use of GPFG to meet a multitude of social commitments, this means that NBIM's documents and dialogues also resist the 'fast-capitalism' that Holmes describes as 'a corrosive "productive" regime that transforms the conceptual and the relational power of "society" by subverting fundamental moral claims, social distinctions, and material dispensations' (2000: 5). By contrast, the documents and dialogues engender reflection and response, which presuppose and precipitate notions, statements and engagements that require and rejuvenate a society of subjects. It is underscored by NBIM building its documents on established international conventions and agreements and the multilateral efforts these entail.

As NBIM extends these in dialogue, they resemble Stenger's diplomats, who conduct consultations that suspend the habits that make us believe that we know what we know and who we are and that we hold the meaning of what makes us exist' (2005: 1003). In this way, they slow down corporations and their actors in ways that countervail Eriksen's (2016) 'overheating'. Perhaps most broadly, they subvert what Tsing considers the alienation of capitalist commodification, where 'things are torn from their life-worlds to become objects of exchange' (2015: 121).

Such approaches draw on Karl Polanyi's investigation of the processes whereby land, labour and money became commodities and on Marxist and feminist analyses of the transformations whereby human capacities and material objects emerge and enter market exchanges as commodities bereft of their affording relations. By contrast, however, GPFG embeds in democratic and bureaucratic deliberations and processes, while NBIM emplaces corporations in landscapes populated by other social formations and subjects, which they expect to speak and interact with in ways that exceed the market and its relations and operations.

In this light, neoliberalism appears ill-fitting for describing the Norwegian experience and situation. While one might expect and accept its limited relevance for this social democratic periphery of Europe, it is more surprising to find initiatives elsewhere that frame and compromise markets, trade and prices in related ways. These include the recent US Inflation Reduction Act, which deploys 370 billion US dollars in tax credits and subsidies to enable investments in clean energy while also 'creating shared prosperity, making the nation more resilient to growing threats to health and well-being, and driving critical economic investments to historically underserved communities'.[14] This turns on 'domestic content requirements' that aim to create opportunities for US-based suppliers and workers and that recall the concession law and its stipulation regarding the use of Norwegian workers and materials.

Media report that these requirements cause European anxieties regarding market access, but also relate efforts to circumvent EU rules on state aid in response to the US policy, the pandemic and the war in Ukraine, and how this threatens the common market. On top of this comes the ongoing 'decoupling' from the Chinese economy amid rising security concerns from recent experiences, where supplies and infrastructures have become subject to nefarious use. In this regard, General Secretary of NATO – the economist and former Labour Prime Minister – Jens Stoltenberg recently argued that this decoupling and the economic sanctions against Russia mean that we renounce profits, returns and growth in the short term for longer-term security. The implication is a change in the time horizon and concerns of economic actors, which better accord with those of GPFG and NBIM.

Recent predicaments and their responses fragment markets and compromise their attendant relations and rationalities in ways that call into question the concept of neoliberalism. Is it time to let this analytic go? ●

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