

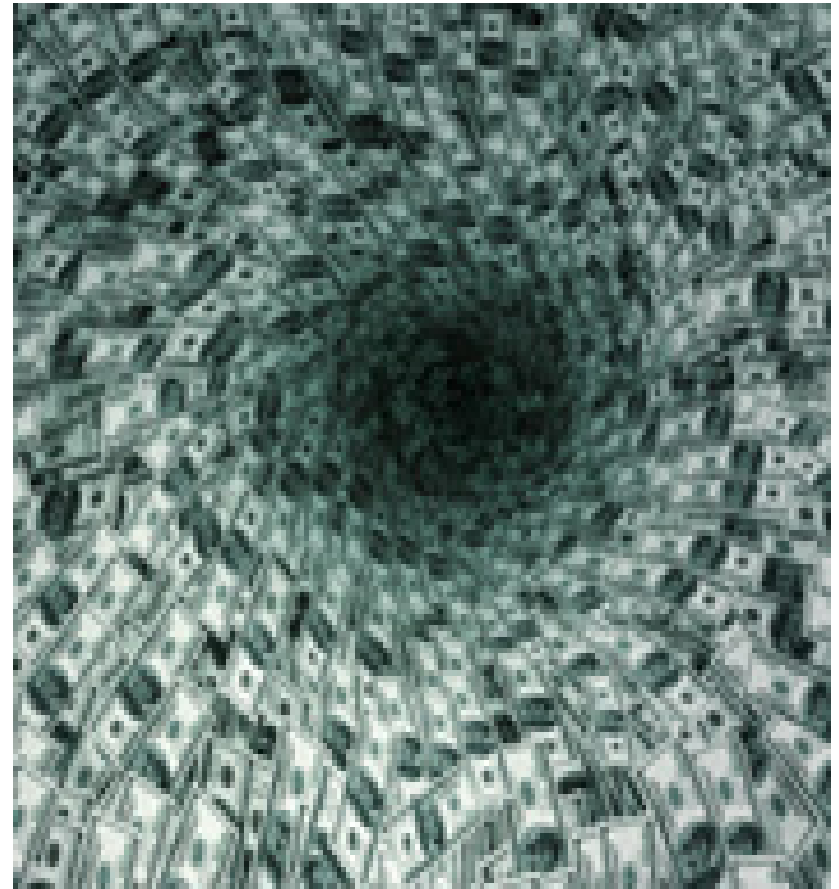
WITHOUT MONEY  
WE'D ALL BE  
RICH

**Debt goes Critical**

**Bob Jessop**

# Outline

- Critique of Political Economy
- Moral Economy as Critique
- *Ideologiekritik* and Beyond
- Substantive vs Formal Economics
- Modes of Profit Orientation
- Money, Credit, Debt
- Money Forms and Functions
- Crisis of Crisis-Management
- Conclusions



# The Critique of Political Economy

- A conceptual critique of the economic categories (and their place in ecological, economic and financial imaginaries) that frame **and co-constitute** the dynamic of differential accumulation in an expanding world market
- A logical-historical critique of the multiple structural contradictions, strategic dilemmas, and effects of the capital relation in terms of its ecological, economic, political, socio-cultural, and personal repercussions
- A strategic-relational view on possibilities inscribed in prevailing technical and social relations of production (scenarios) and in prevailing (dis)equilibria of forces

# Moral Economy as Critique

- Critique ethical and moral assumptions about human nature and sociality that frame the hegemonic ecological, economic and financial imaginaries (linked to effects)
- Develop counter-hegemonic ecological, economic and financial imaginaries based on a well-grounded, well-articulated set of alternative ethical and moral assumptions and assessment of conjunctural feasibility
- Often rooted in traditional wisdom rather than modern science, whether philosophically grounded (e.g., neo-Aristotelian concern with human flourishing) or based in folk-wisdom and common sense (e.g., *ben vivir*)

# Ideologiekritik and Beyond

## *First-order critique*

- Reveal fallacies, contradictions, incoherence, tensions, tacit assumptions, etc, in a given social imaginary

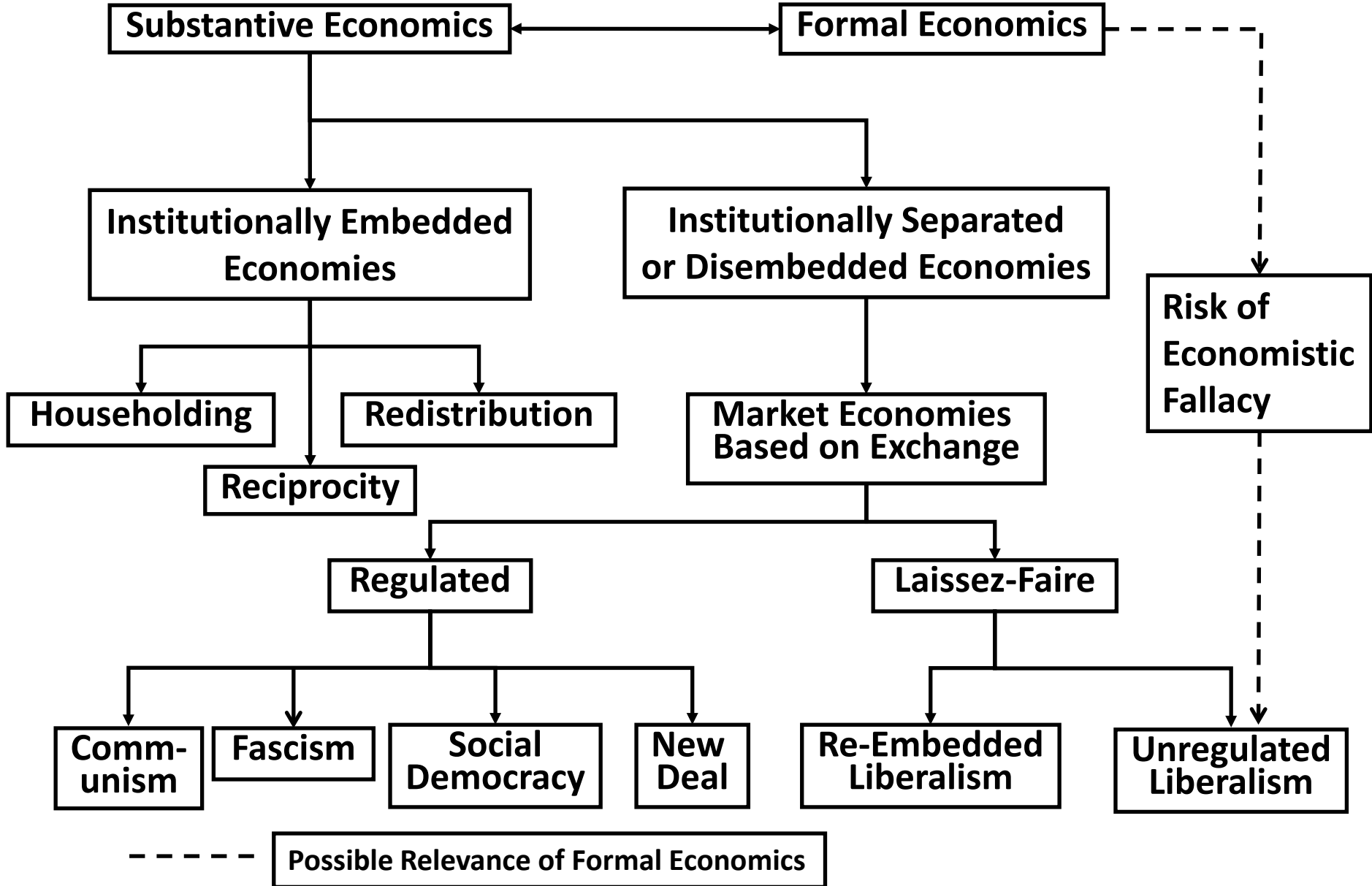
## *Second-order critique*

- Reveal ideal and material interests promoted by a social imaginary (including its fallacies, etc.) and its shaping of lived experience in specific conjunctures, longer periods

## *Third-order critique*

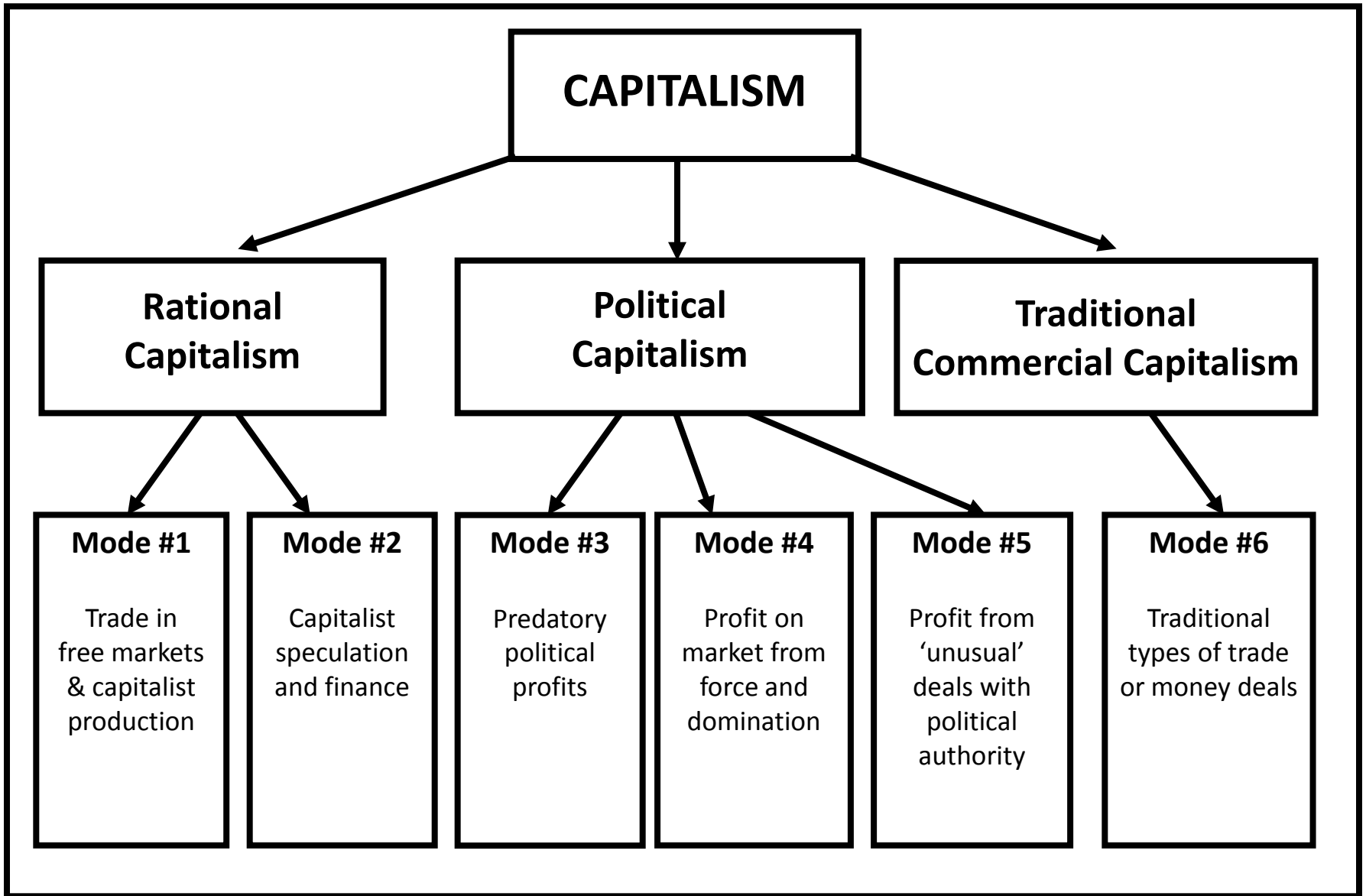
- *Ideologiekritik* connected to *Herrschaftskritik*, i.e., role of ideology in sustaining particular patterns of domination

# The Hierarchy of Concepts in Polanyi



# Significance of this Figure

- Focus on substantive economics, not formal economics: include house-holding, reciprocity, redistribution (and their moral economies) as well as exchange relations (which need not be subordinate to profit-maximization)
- Consider effects of the disembedding of profit-oriented economic activities from their traditional social integument, hence the removal of [moral] constraints
- Recognize limits of generalization of commodity form to land, labour-power, money, and knowledge – both in terms of its (damaging) effects and resistance it provokes
- Note limits of economism, risks of economistic fallacy



**Weber's Modes of Orientation to Profit (Based on Swedberg 1998)**



# Significance of this Figure

- Differential accumulation involves, at a minimum, all six modes of orientation to profit – plus capital's capacity to draw on non-capitalist 'modes of provisioning'
- Marx's work on the capitalist mode of production focuses on rational, profit-oriented, market-mediated production and free trade – to show that capitalist exploitation takes form of exchange (formally free labor market vs appropriation of surplus labor in production)
- Beware of limiting critique of formal economics and the economic fallacy to Marxist categories (even if they include dispossession, colonialism, parasitism, and so on)

# Money, Credit, and Debt

- Money, credit, usury, and debt pre-date capitalism: but CMP radically alters their place in economic relations, their relation to class powers, and their role in economic exploitation and social domination
- From a global (South) perspective, important to note the role of pre-capitalist forms of money, credit, usury, and debt (especially in terms of their personal and social impact) and their linkages to capitalist money relations
- Impact of debt is now driven by the logic, contradictions, and antagonisms rooted in a fully developed CMP in which credit relations (including fictitious money, fictitious capital, and fictitious credit) are dominant

# Money as a Social Relation

- Money is not a thing, it is a fetishized social relation
- Money is not a single social relation but a complex **and contradictory** assemblage of social relations: money as money, money as functioning capital, capital as property
- Displacement of money in simple circulation ( → common sense illusions) by credit relations in complex assemblage
- A proper account of money, credit, and capital relation requires attention to three *interrelated* dimensions:
  - the functions of money;
  - the hierarchy of money forms;
  - the tension between ‘national currency’ and world money and its reflection in contradictions of currency pyramid

# Money as [Functioning] Capital

When money is transformed into capital, it mediates the most fundamental social relationship of capitalism: the capital-labour relation. Money-capital expresses the capitalists' domination of the process of production and their power to organize and control labor-power. The emergence of money as capital reflects the transformation of a simple exchange economy into a capitalist monetary economy and a reorientation of the end and aim of social production, i.e., the accumulation of money in the form of capital. Furthermore, the transformation of money into capital lays the foundation for the modern system of financial markets and institutions (Marx, *Capital I*).

# The World Market

- “The most developed mode of existence of the integration of abstract labour with the value form is the world market, a place in which production is posited as a totality together with all its moments, but within which, at the same time, all contradictions come into play” (Marx, *Grundrisse*, 1853: 227)
- “The valorisation of capital founded on the antithetical nature of capitalist production permits actual free development only up to a certain point, which is constantly broken through by the credit system. The [latter] accelerates the material development of the productive forces and the creation of the world market ... [Yet it also] accelerates the violent outbreaks of this contradiction, crises” (Marx, *Capital 3*, 1894: 431-2)

# Categories for Analysis of Capital

Capital as functioning capital	<p>Productive capital (constant and variable) plus capital of circulation (commodity and money capital)</p> <p>Merchant's capital (commodity-dealing capital and money-dealing capital) has necessary functions</p>	<p>Division of <i>labour</i> plus division of <i>property</i> among productive capitalists</p> <p>Commercial credit reduces demand for capital</p> <p>Bank credit concentrates spare funds and savings of all classes in hands of money-dealing capitalists</p>
Capital as property	<p>Interest-bearing capital (titles of ownership or financial assets)</p> <p>Fictitious capital when viewed in terms of capitalized income streams</p>	<p>MMC employed neither in production or circulation - useless from viewpoint of capital, value set by capitalization of revenues relative to interest rates</p>
Fictitious capital (narrowly defined)	<p>Money lent as MMC directly or via banks to state (e.g., to finance wars, public expenditure, state activities)</p>	<p>Basis for exchange of money against ownership titles – can be multiplied many times over (leverage)</p>

# Functions of Money

Function	Definition	Crisis Dynamics
MMC	Means of circulation (exchange)	Liquidity crisis
MMV	Extrinsic measure of value (price)	Unstable price system
MH	Store of value (hoard, then capital)	Devalorization
MMP	Means of (deferred) payment, “money proper”, money as money	Excess credit, insolvency, generalized credit crisis
MMI	Money as interest-bearing capital Money as independent value, i.e., concentrated form of total capital	Contradictions of capital as function and capital as property
WM	World money as means of international payment	Gold shortage or over- supply of top currency

# Hierarchy of Money Forms

Form	Content	Validation	Role of state	Crisis
Commodity	Physical commodity	Has, contains, embodies value	State sets unit of price formation	Limited supply of money commodity
Commercial Credit	Notes, bills of exchange	Convertibility	Legal tender	Private debt
Bank money	Notes, bills of exchange	Convertibility	Legal tender	Private debt
Bank Credit	Fractional reserve loans	Convertible into money commodity, guaranteed by state	Banking policy Reserve ratios Guarantees notes	Liquidity and solvency crisis, excess leverage
Central Bank Credit	Lender of last resort	Convertible into bullion at CB and/or guaranteed by state	Central banking policy, may own or control CB	Excess leverage Solvency crisis Currency crisis
State Money	Fiat money Symbolic money issued by state	Taxation, coercion, legitimacy, credibility, or extractive power	Taxation, coercion, coinage, seignorage	Sovereign debt crisis, fiscal crisis, other state crises
World Money	Bullion	Bullion or relations among states	Imperialism, interstate relations, hierarchies	Bullion shortage, Triffin dilemma



# Robbing (central) banks

- Gangster Willy Sutton robbed banks because that's where the money is
- Now banks rob the central bank because that's where the credit is
- Willy Sutton used a gun because you cannot rob a bank with charm and personality
- Banks use bad debt and derivatives to rob central bank because CB is lender in last resort, backed in some cases by monopoly of coercion and taxation exercised by state
- But this willingness to bail out systemically significant banks is related to rise of forms of political capitalism

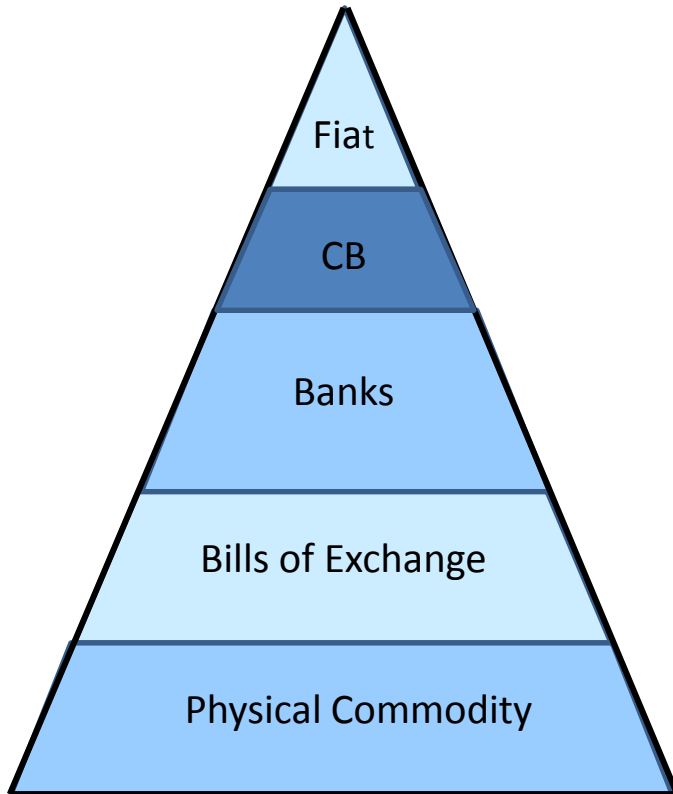
# Money and Derivatives

Function	Definition	Derivatives
MMC	Means of circulation (exchange)	??
MMV	Extrinsic measure of value	Commensuration (no standard of value)
MH	Store of value (hoard)	Hedging
MMP	Means of payment (reserves for deferred payment, buying capital)	Securitization, credit + interest rate swaps, etc
MMI	Money as interest-bearing capital Money as independent value, i.e., concentrated form of total capital	Securitization of capital as property, capital as function, arbitrage
WM	World money	Currency arbitrage

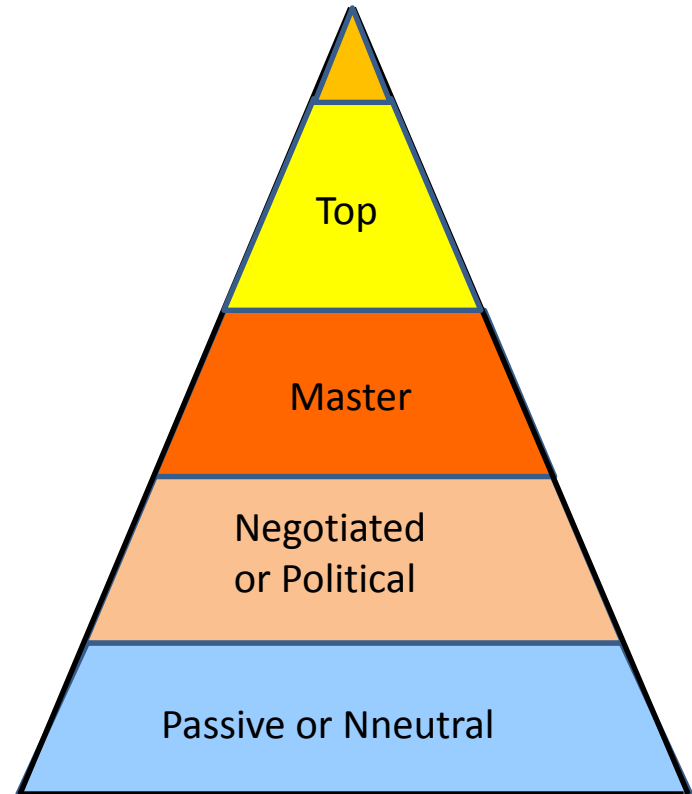
# Significance of derivatives

- Rise of derivatives generalizes, intensifies competition in relation to means of production, money capital, specific capitals as units of competition, and social capital
- Derivatives represent a form of *market completion* that:
  - overcomes frictions of national boundaries,
  - opens national economies to foreign competition,
  - helps to overcome clumsiness of production,
  - enhances the role of finance in promoting competition
- Completion of world market activates “all contradictions”

# Credit/Debt and Currency Pyramids



A five-tiered money pyramid in [national] economic space



A five-tiered currency pyramid in international space

# Currency Pyramid

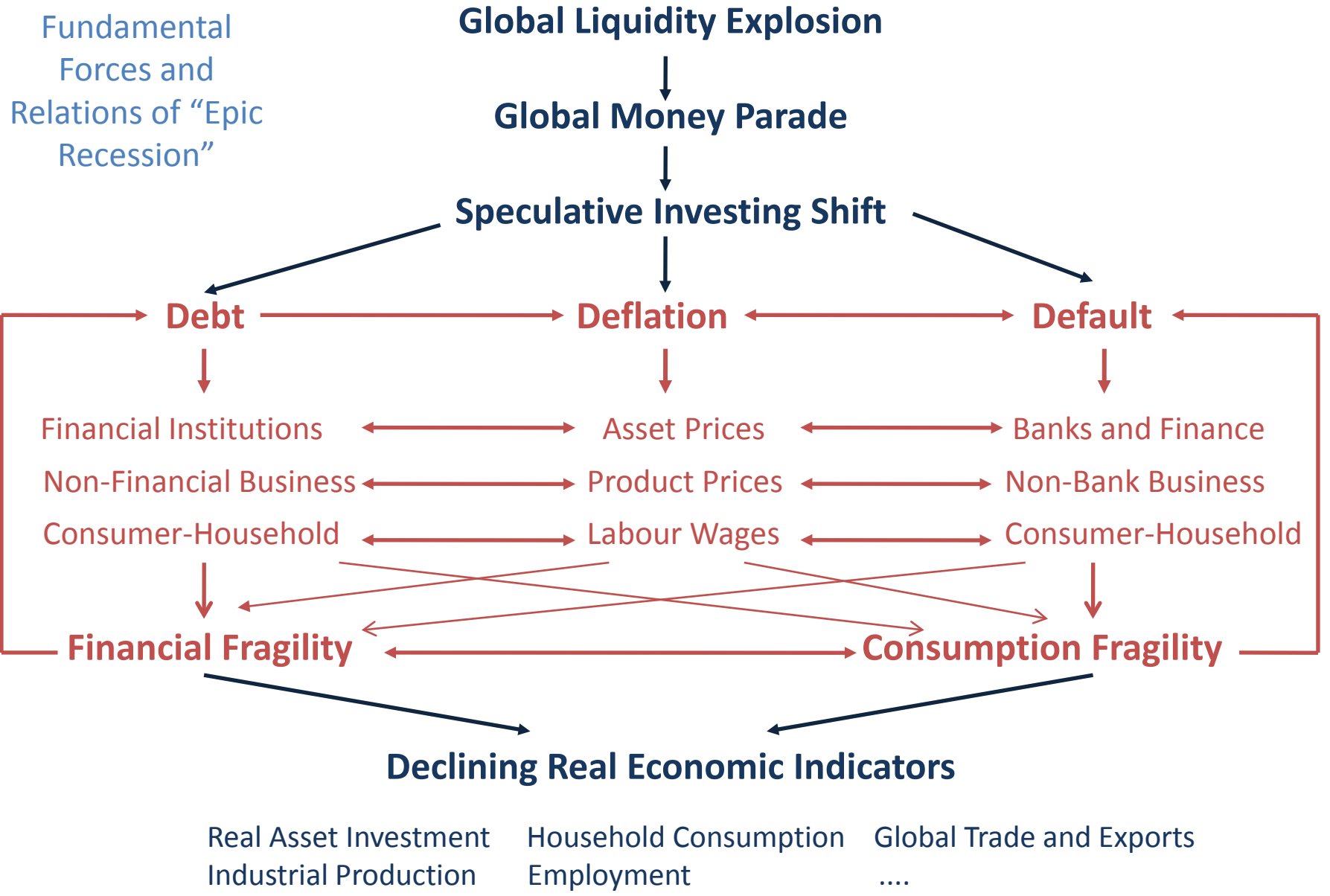
Form	Features	Crisis-Tendencies
<b>Top Currency</b>	Issued in the state that has world economic leadership , i.e., the predominant state in the world market (inter alia, gives power of seigniorage)	Triffin dilemma: if a national currency is also international reserve currency, possible conflicts of interest between short-term domestic and long-term international economic objectives
<b>Master Currency</b>	Circulates mostly in geo-political blocs, e.g., thanks to political dominance of issuing state (e.g., GBP, FFR, USD in protectorates)	Loss of hegemony and/or domination in geo-political bloc (contrast gradual decline of GBP and FFR blocs in 1960s-70s and rise of yen bloc in 1980s)
<b>Negotiated or Political Currency</b>	Based on international regimes with strong emphasis on mutual benefits rather than coercion	Euro suffers from emerging latent impossibility of EU economies and inherent design flaws of EMU
<b>Passive or neutral currency</b>	Circulates domestically, no major role in international regimes	Appeal may be limited, leading to adoption of other currencies

# Significance of Currency Pyramid

- Hierarchy of money forms/functions influences world market through its articulation to currency pyramid
- US central bank and state debt became *de facto* world money when USD de-coupled from gold as money commodity. Top currency status supports economic and political power
- Crises in USD are generalized to world market, imposing asymmetric costs (“USD is our currency but your problem”)
- Master currencies may provide buffer in context of world market organized along lines of blocs (e.g., GBP, FFR, Yen)
- Negotiated or political currencies vulnerable to political as well as economic crises (e.g., Eurozone crisis)

# Finance-Dominated Accumulation







# From Debt Crisis to Sovereign Debt – I

A conventional story (Reinhart and Rogoff) based mainly on empirical observation over long historical period (which does not capture critical recent shifts in financial system)

- *Private debt surges* are common before banking crises; states often contribute to this stage of borrowing boom
- *Banking crises* (domestic and/or foreign in origin) often precede and/or coincide with sovereign debt crises
- *Public borrowing speeds up markedly* ahead of sovereign debt crisis; governments often have big “hidden debts”
- Shift to *short-term maturities* is also common feature of sovereign debt, increasing liquidity risks for refinancing

# From Debt Crisis to Sovereign Debt – II

Another story (alternative and/or supplement):

- De-regulation, internationalization, shadow banking lead to excess credit created via fractional reserve banking and new instruments, such as derivatives, in search of high and quick rewards (financial speculation > financial intermediation)
- Much of excess credit was fictitious capital (capital as property rather than functioning capital) that bore little relation to growth potential of underlying 'real economy'
- Liquidity and solvency crises resolved via state fiat money (backed by tax capacities of states) and rise of public debt then leads via bond markets to demand for austerity politics
- Crisis generalized through contagion effects of crisis in top currency and euro as negotiated currency

# Economic and Political Crisis - I

- Financial and economic crises have more radical effects when there is a crisis in the state and political life and when crisis provokes challenges to state as well as economic forms
- Current crisis was not initially associated with a crisis in the state (i.e., dominant patterns of governance and government): instead, “market failure” led to “state rescue”
- Indeed, roll-out of free markets has been associated with extension of strong state at home and with new forms of transnational governance inaccessible to popular forces
- Both aspects limit scope for social movements to define the nature of the crisis and to shape responses

# Economic and Political Crisis - II

- State facilitated superficial return to financial “business as usual” (elements of “extend and pretend”) but there was uncertain, limited, halting recovery in “real economy”
- State rescue has transformed crisis in private finance into crisis of public finance and sovereign debt: this is being solved through austerity politics (there *are* alternatives)
- Austerity is generating political/state crises at rural and urban, regional, national, EU, and international scales
- There are obvious signs of “crisis in crisis management”, *ad hoc* muddling through, and incoherent responses; and this is provoking popular discontent and mobilization



# Some Brief Conclusions

- Critique has to be developed on several fronts
- Critique must target most crucial forms of money, credit, and debt, i.e., look at the hierarchy of money forms, increasing role of derivatives, and currency pyramid
- Critique ways in which different bases of monetary and credit relations enable those with economic and political power to displace private debt to sovereign debt
- Recognise social usefulness of money and credit in substantive provisioning (not differential accumulation)
- Restore social control over money and credit relations and over debt resolution



# Power and Learning Failure



- Power is the ability *not* to have to learn from one's mistakes (Deutsch 1963: 37).
- Elites may try to impose costs of their mistakes onto others
- Entrenched blocs, durable alliances, and/or temporary coalitions of the powerful may seek to allocate costs of crisis management/ adjustment and also shape learning processes



# Finance-Dominated Accumulation *en Régulation*

Basic Form	Primary Aspect	Secondary Aspect	Key Institutional Fix	Spatio-temporal fix
<b>Capital</b>	Fast, hyper-mobile money (including derivatives) as general form	Valorization of capital as fixed asset in global division of labour	De-regulation of financial markets, state targets price stability, not jobs	Free trade without national or regional state controls; grab future values
<b>(Social) Wage</b>	Private wage plus household credit (promote “private Keynesianism”)	Cut back on social wage as (global) cost of production	Numerical and time flexibility; new credit forms for households	War for talents plus race to bottom for most workers and “squeezed middle”
<b>State</b>	Neo-liberal policies with Ordoliberal constitution	Flanking plus soft + hard disciplinary measures to secure neo-liberalism	Free market plus “strong state” (authoritarian statism)	Endorses intensified uneven development at many sites + scales as market outcome
<b>Global Regime</b>	Create space of flows for all forms of capital	Dampen uneven development, adapt to rising economies	Washington Consensus regimes	Core-periphery tied to US hegemony, its allies and relays

# Finance-Dominated Accumulation in Crisis

Basic Form	Primary Aspect	Secondary Aspect	Key Institutional Fix	Spatio-temporal fix
<b>Capital</b>	Rising antagonism between “Main Street” and “Wall Street” (City, etc)	Epic recession based on debt-default-deflation dynamics (D4)	De-regulation → crisis of TBTF predatory finance + contagion effect	Protectionism in core economies, growing resistance to free trade in periphery
<b>(Social) Wage</b>	Credit crunch puts private Keynesianism into reverse	Austerity reinforces D4 and leads to double dip recession	Growing reserve army of surplus, precarious labour	Global crisis and Internal devaluation → reproduction crisis
<b>State</b>	Political capitalism undermines Ordoliberalism	Austerity policies meet resistance, harsher discipline	Crises in political markets reinforce “post-democracy”	Cannot halt uneven development at many sites + scales
<b>Global Regime</b>	Unregulated space of flows intensifies “triple crisis”	Multilateral, multi-scalar imbalances and race to bottom	Crisis + rejection of (post-)Washington Consensus	Crisis of US hegemony, BRICs in crisis and disarray

# Immediate Origins of the Crisis

- NAFC arose from “capitalist speculation and finance” rather than a type of “free trade in markets and capitalist production”
- Its was enabled by “unusual deals with political authority” (de-regulation of finance, rising income and wealth inequalities, etc) and “predatory political profits” (due to roll-out of neo-liberal regimes, “disaster capitalism”)
- Yet NAFC has specific form due to *hyper-financialization* of advanced neo-liberal economies, especially de-regulated, intransparent, and often fraudulent financial institutions
- NAFC has triggered crisis *in* neo-liberal, finance-dominated accumulation regimes in a world market that has been re-organized in the shadow of neo-liberalism

# Crisis Construals: True or Correct?

- Construals can be assessed in terms of **scientific validity**:
  - note distinction between theoretical and policy paradigms
  - note risk that scientific codes and programmes are applied in shadow of codes and programmes of other systems
  - note risk that scientific inquiries are distorted by scientists' own ideological assumptions
- Construals can be assessed in terms of **correctness**, i.e., capacity to transform conjunctural potentials into reality through guiding action (construal → construction)
  - correctness depends on limits set by objective nature of crisis conjuncture and power of strategic perspectives

# Private Debt and Sovereign Debt

- Interbank market (especially the increasingly important repo market) depends on collateral: sovereign debt is one form of collateral, hence can be rehypothecated
- Eurozone governments were the only actors with the mandate and capacity to stabilize the money-like function of sovereign bonds used in the EMU's cross-border markets for collateral. In Eurozone, the key stabilization mechanism was fiscal austerity.
- Following a short-term Keynesian boost and apparent return to “business as usual”, private debt was turned into sovereign debt crisis through the repo market. The key to this was difference among forms of money and the basis for confidence in them.
- In terms of currency pyramid, USD and EU are different: one is a top currency backed by imperial power, Euro is a negotiated or political currency – subject to political crisis.

# “Correct Construals”

- Initial variation of construals does not imply free choice among several, equally correct interpretations
- ‘Arbitrary, rationalistic, and willed’ versus ‘organic’ construals that are ‘correct’, i.e., offer adequate construal readily communicated to appropriate audience
- What is ‘correct’ logically (in reading conjuncture) and chronologically (in terms of prior appeal/imposition of reading) matters more for selection of construals than what is ‘true’. A ‘correct’ reading creates ‘truth-effects’
- Maintaining *semblance* of crisis-management depends on correct judgement on when to redefine crisis

# Mediatization

- Lived experience of crisis is necessarily partial, limited to particular social segments of time-space
- Sense of overall dynamics of crisis is heavily mediatized, i.e., depends on specific forms of visualization and media representations
- Different actors have different access to representations and narratives of crisis: mass media often present very different crisis accounts from specialized, insider media
- Crisis responses and learning reflect articulation of personal narratives, organizational narratives, media representations, and meta-narratives ....

# Policy Matters

- When crisis-management is reduced to issues of the best *policies*, defined through “governing parties”, then opportunities for more radical solutions are marginalized
- Limiting crisis-management to search for correct policies implies that crisis is due to incorrect policy rather than being rooted in deeper structural causes, linked to patterns of economic, political, and social domination
- This may be reinforced by “urgency” of crisis: contrast crisis of Fordism with crisis of finance-led accumulation. Policies will be develop differently with time factors.



# Forums also matter

- Powerful narratives without powerful bases from which to implement them are less effective than more “arbitrary, rationalistic and willed” accounts pursued by the powerful
- Even if insufficient access to leading global forums, there is scope for counter-hegemonic narratives and, notably, sub-hegemonic narratives, i.e., accounts that are widely accepted in regional forums and subaltern organizations
- This also requires concern with the architecture of global, regional, and national organizations and with opportunities to jump scales in order to pursue solutions at the most effective scale (or scales) of action and intervention

# Politicization

- Politicization enters through disorientation produced by crisis and, hence, space opened up to contest previously sedimented meanings
- This is a question of discursive contestation and can occur in many different fields on many different scales
- Insofar as immediate crisis-management and future crisis-avoidance and/or crisis-management involve the government or meta-governance co-ordinated by state, second-order politicization also becomes important
- This is where political as well as policy learning matter

# Crises of Crisis-Management

- Crisis of crisis-management: occurs when established crisis-management routines no longer work effectively and/or produce much worse side-effects or blow-back than usual
- Crisis of crisis-management due to:
  - Change in magnitude, quality, overdetermination of crisis
  - Change in capacities to deliver crisis management routines (e.g., too few resources, lack of legitimacy, no social base)
- Political dimensions:
  - – rationality crisis –
  - institutional integration
  - – legitimacy crisis –
  - representational crisis
  - – crisis of hegemony – crisis of
  - power bloc

# Crisis of Crisis-Management - I

- Pro-cyclical market mechanisms
  - Ponzi crisis
  - Debt deflation
  - Mark to market
  - Raw materials and commodities
  - Liquidity crisis
- Don't panic, but if you do panic, panic first!
  - September-November 2008
  - Exceptional measures

# Crisis of Crisis-Management - II

- From weakened state capacities ...

- Dissolution of expertise and crisis-management units → dependence on financial expertise from private sector

- Deregulation and liberalization → loss of steering ability

- Quantitative easing and problem of exit strategy

- Accumulated deficits and low interest rate policy

- To exceptional state triggered by economic crisis

- loss of temporal sovereignty

- loss of territorial sovereignty

- concentration of economic policy-making power

- problems of political paralysis

# Economic and Political Crisis - II

- State facilitated superficial return to financial “business as usual” (elements of “extend and pretend”) but there was uncertain, limited, halting recovery in “real economy”
- State rescue has transformed crisis in private finance into crisis of public finance and sovereign debt: this is being solved through austerity politics (there *are* alternatives)
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# Implications

- Derivatives as forms of financial innovation integrate production on world scale and, via their role in all functions of money, contribute to market completion in real time
- To put GFC in its place, study dynamics of *production* and *finance* in world market and, in particular, include all five functions of money in their relation to both aspects
- Money as means of deferred payment (Marx and Minsky) and as world money (Marx) are especially significant
- Both must be related to hierarchy of monies (commodity money, bank money, central bank money, state money, world money) and their roles in crisis situations without world state, world money, or hegemonic world currency

To make the **rich**

work harder you

**pay them more**

To make the **poor**

work harder you

**pay them less**

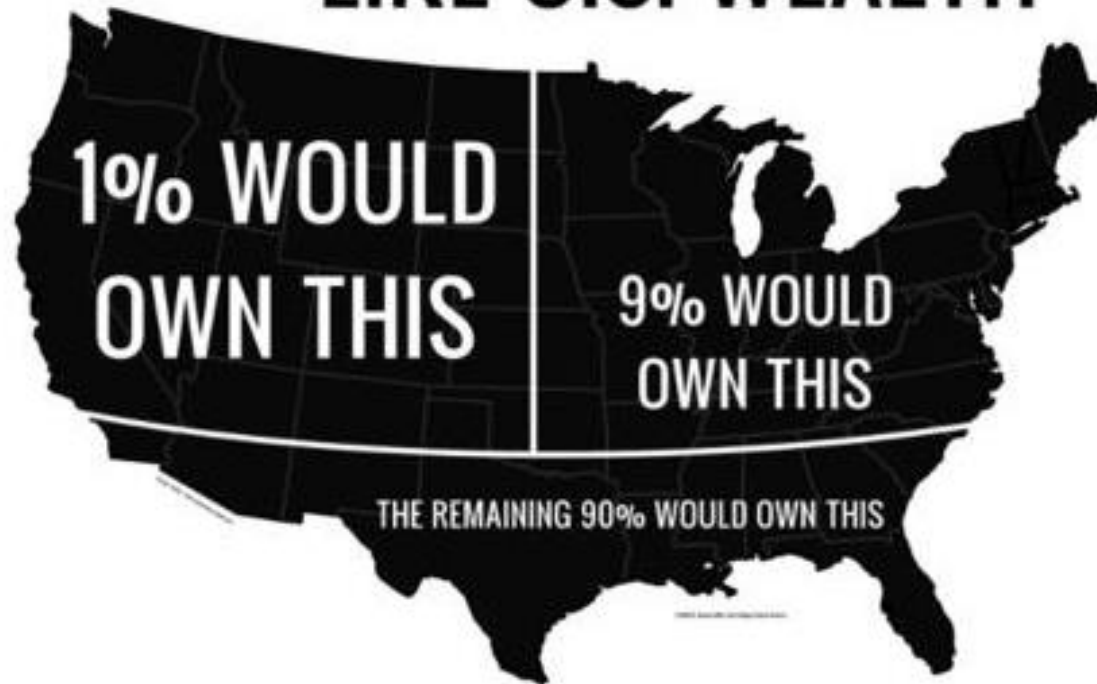


# Wisdom-Based Society

- Only after the last tree has been cut down
- Only after the last river has been poisoned
- Only after the last fish has been caught
- Only then you will find out that money cannot be eaten

# Wealth Inequality USA

IF U.S. LAND WERE DIVIDED  
LIKE U.S. WEALTH



# Governance Crisis in EZ or ...?

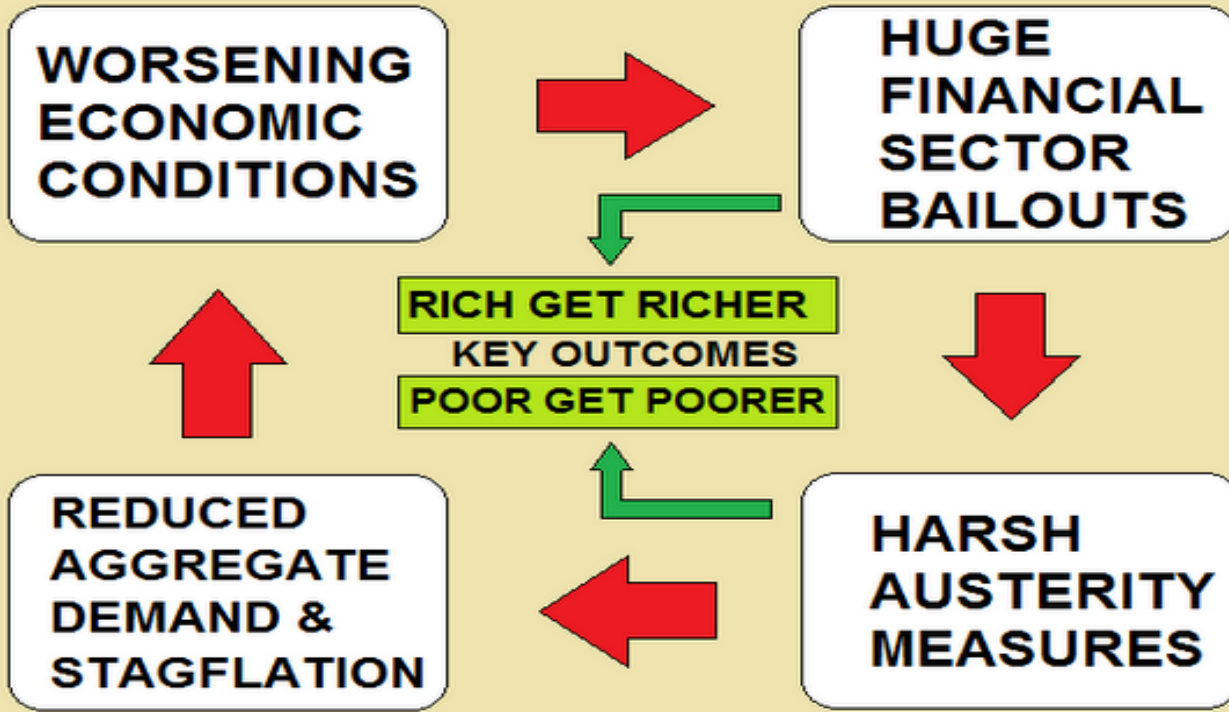
- Symptomatic data do not *explain* the origins of credit, sovereign debt, and competitiveness crises in Eurozone
- Four main readings:
  - Crisis of governance or international regime(s) resolvable through better economic governance mechanisms and/or deeper fiscal and political integration
  - Economic crisis due to lost competitiveness in the PIGS, resolvable through neo-liberal policies and austerity
  - Debt-default-deflation crisis, partly rooted in some cases in a Minsky crisis encouraged by first ‘benign’ years of EMU
  - Structural crisis of latent impossibility (of one kind or another) between most or all Eurozone members

# ... Debt-Default-Deflation Crisis?

- Eurozone crisis is not just another recession due to financial bubble collapse nor just another crisis of competitiveness in individual economies – for both, there are routine crisis-management responses
- Crisis has evolved into epic recession, based on financial and consumption fragility, that is creating a debt-default-deflation trap (already well under way in Eire, Greece). This aggravates credit and competitiveness crises in EU
- Rigidities of EU and Eurozone plus strong interdependencies create pathologically compossible variegation, impossible choices, and threaten to turn EU into an impossible dream

# A Miracle for Whom?

## A NEOLIBERAL "RECOVERY" PLAN FOR THE EUROZONE



# The Capitalist Mode of Production

- **Wealth** appears as immense accumulation of **commodities**
- **Commodity form** generalized to **labour-power** (which is a fictitious commodity but treated **as if** it were a commodity)
- Duality of labour-power as **concrete labour** and **labour time**
- A political economy of **time** (note especially the constant rebasing of *abstract time* → treadmill effects)
- Key role of **money** as social relation in mediating *and modifying* **profit-oriented, market-mediated** accumulation process
- Essential role of **competition** in dynamic of capitalism
- Market mechanism **cannot** secure all conditions of capitalist reproduction (even ignoring labour process)

# Political Economy of Power

- Capitalist 'social relations of production, exploitation, and extraction of surplus-value' have distinctive political and ideological moments as well as economic moment
- **Economic moment:** differential distribution of the economic class powers of ownership and possession
- **Political moment:** grounded in relations of authority in *labour process* (eg factory despotism, bureaucratization)
- **Ideological moment:** manual-mental division in *labour process* and role in *assujettissement* (subjectivation) and lived experience in the economic region

# Forms of Class Domination

- Economic class domination
  - Struggle for dominance in the wage relation and in structuring and regularizing modes of growth (including wage relation): economic moment of differential accumulation
- Political class domination
  - Struggle over state formation, state policies, both within and at a distance from the state (including form and content of representation, institutional architecture, form and content of intervention): juridico-political moment of differential accumulation
- Ideological class domination
  - Struggle over means of mental production, specific ideological forms, and specific imaginaries: ideational moment of differential accumulation



# Martin Wolf on Crisis-Management

As long as policy investigations are conducted around the question of how to 'keep UK financial services competitive', they will produce the wrong answers.

There is no appetite to grapple with the UK's 'strategic nightmare [of having] a strong comparative advantage in the world's most irresponsible industry

"Errors have been made.  
Others will be blamed."



# Bond Market Reincarnation

- *I used to think if there was reincarnation, I wanted to come back as the president or the pope or a .400 baseball hitter. But now I want to come back as the bond market. You can intimidate everybody.*

James Carville (*Wall Street Journal*, February 25, 1993)