

Reading the Conjuncture: State, Austerity, and Social Movements, an Interview with Bob Jessop

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This interview with Bob Jessop covers diverse issues ranging from the challenge of defining the state to problems of conjunctural analysis and political practice. It first explores the state and state power from a strategic-relational perspective and then addresses the relation between economics and politics in the context of a tendentially unified world market and a continuing plurality of national states. Attention then turns to the North Atlantic financial crisis and the Eurozone crisis and their relation to a variegated global capitalism organized in the shadow of neoliberalism. Financialization and the rise of political capitalism are seen as leading to a loss of temporal sovereignty, problems of crisis management, an assault on democracy, and the rise of the austerity state. Closing remarks address the role of left-wing social movements and parties, such as SYRIZA and Podemos, and the difficulties of periodization, conjunctural analysis, and lesson drawing as well as the prospects for radical democratic transformation.

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Mikkel Flohr and Yannick Harrison: Through your important work and numerous studies over the years, you have become one of the most prominent state theorists. At a time where social forces in the periphery of Europe have entered government at different levels and neoliberal forces have unleashed radical austerity policies elsewhere, the issue of the state seems unavoidable. Hence we take the liberty of posing the dreadful question, what exactly is the state?

Bob Jessop: That is the one question you should never ask a state theorist. Nietzsche (1997, 54) once wrote that “only something which has no history can be defined.”¹ In order to define something, you have to fix it in time. But if it is a historical phenomenon, such as the state, then fixing it in time is also to distort and freeze our perception of it.

The approach that I have developed over the years combines three elements. The first element is Niklas Luhmann’s (1989, 1990) definition of the state as the territorial

1. “All concepts in which an entire process is semiotically concentrated defy definition; only something which has no history can be defined” (Nietzsche 1997, 53).

organization of political authority. This does not entail that power exercised within a given territory always coincides with Max Weber's famous definition of the *modern state*—i.e., that there is a legitimate monopoly over the means of coercion in a given territorial area. Luhmann's definition also covers historical variations and developments of the state, starting with chiefdoms, passing through complex chiefdoms, kingdoms, empires and so forth, before ending—temporarily perhaps—with the modern state.

The second element derives from the German *Allgemeine Staatslehre* (general state theory), which seeks to define the state in terms of three of its formal features: that is, the combination of state territory (*Staatsgebiet*), a resident population (*Staatsvolk*), and a state apparatus (*Staatsapparat*). In short, for this tradition the state comprises a defined territory, containing a relatively stable population subject to the authority of the state and an ensemble of more or less coherent state apparatuses. To this I would add a fourth, ideological or ideational, dimension, which for me is just as important. Namely, there must also be some kind of “state project”: that is, an account of the nature and purposes of the state, which lends coherence to the activities of officials who work within the state apparatuses and justifies its authority elsewhere. This additional dimension helps to link this definition with Weber's conception of legitimate authority. It also provides a link to the Marxian notion of the state's role in articulating an “illusory 'general' interest” (Marx and Engels 1979, 47, 60) and to Gramsci's account of hegemony as “political, intellectual, and moral leadership” or, less ambitiously but still important, “passive revolution” (Gramsci 1971, 105–20, 261–9 *passim*).

And the third element, added to the other two, is the idea that the state is not a thing or a subject. Rather it is better understood as a social relation. The analogy is to Marx's (1996, 751) description of the unhappy Mr. Peel, who discovered that capital is not a thing but a social relation.² So if, following Marx, capital is not a thing but a social relation between persons mediated through the instrumentality of things, then state power—not the state as such—is a relationship between social forces mediated through the institutional structures and selectivity of the state.

So you can approach the state from a more structural side, a more ideational side, or a more relational side but, regardless of entry point, you never actually study the state in itself; you study state power. This requires you to move towards a more Poulantza-sian perspective, which is also Marx's perspective, Lenin's perspective, and Gramsci's

2. Marx (1996, 751) writes,

Wakefield discovered that in the Colonies, property in money, means of subsistence, machines, and other means of production, does not as yet stamp a man as a capitalist if there be wanting the correlative. The wage-worker, the other man who is compelled to sell himself of his own free-will. He discovered that capital is not a thing, but a social relation between persons, established by the instrumentality of things. Mr. Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and production to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working class, men, women, and children. Once arrived at his destination, “Mr. Peel was left without a servant to make his bed or fetch him water from the river.” Unhappy Mr. Peel, who provided for everything except the export of English modes of production to Swan River!

perspective. In different ways, they all understood that, when you investigate the state, you should look at state power. To study the state apparatus purely in its own terms is boring (at least for me), and it can easily lead to constitutional fetishism or state fetishism. What really matters in studying state power is the institutionally mediated condensation of a changing balance of forces that are oriented to influencing state policies, politics, and the form of the polity.

In short, my argument is that the state theorist's analytical object is not the state but state power. That means that one can never be a state theorist pure and simple. This is because state theory is always about more than the state; it is about the balance of power in the wider society, it is about struggles at a distance from the state as well as within the state, it is about struggles to transform the state, it is about struggles over where the boundaries get drawn in practice between the state and civil society, state and economy, state and church, and so forth. This leads to a plurality of boundaries, which might not coincide. For example, the boundaries between the state and market might differ from those between the state and the university system. It is potentially a very pluralistic system but can also be subject to attempts to impose state control through the kind of totalizing projects seen in the attempted Nazi *Gleichschaltung*—synchronization or, metaphorically, *switching onto the same track*—all apparatuses and organizations in the state, economy, and civil society.

Anyway, that is the easy question [laughter].

Flohr and Harrison: You already implied an analogy between state and capital. What is the relationship between the state and the economy in your analysis?

Jessop: Well again, that question cannot be answered directly and immediately because capital is a historically specific relation and the state as a generic form (statehood) is potentially a transhistorical social relation that predates and might survive beyond the capitalist mode of production. A further complication is that the state exists at the level of the social formation, not at the level of the mode of production. This holds whether we see the social formation as the ensemble of social forms characteristic of a given “society” (another problematic term) or as the articulation of modes of production and other forms of labor. Much work has been done on the articulation of the economic and political within the framework of the capitalist mode of production. But this does not tell us much about the relationship between the economy and the state in a given social formation. For, to begin with, large parts of the economy have little to do with capitalist relations of production. A feminist will ask you at once: what about unpaid domestic labor, what about informal labor, what about the gift economy, what about the sharing or care economy, and so on? You can theorize at a relatively abstract level about the conditions in which the commodity form can be generalized to labor power (so that it is treated *as if* it were a commodity) and then consider the political preconditions of that development, but this is quite different from theorizing the state at the level of social formations.

If you also affirm, with Marx, that the world market is both the presupposition and the posit (or outcome) of capital accumulation, then you cannot look only at the relation between *national* markets and *individual* states. The proper focus, as Marx emphasized, is the relation between the *Weltmarkt* (world market) and *Staatenwelt*

(world of states). There is no world state (*Weltstaat*) and never will be in a capitalist world society. To consider the relationship between economy and state, then, is to consider the relationship between the *Weltmarkt* and the *Staatenwelt*. That raises questions such as: What are the forms of geopolitical hierarchy and networks among states and empires? What are the relationships between sovereignty and claims to extraterritorial authority? Among hegemonic states (in a geopolitical rather than Gramscian sense), junior partners, allies, satellite states, vassal states, tributary states, puppet states, colonies, protectorates, dependencies, and so on? These issues are all relevant to accumulation on a world scale. In sum, rather than posing the question as you two have done—asking about the relation between market and state—we should examine the relation between *Weltmarkt* and *Staatenwelt*. Seen in these terms, not all states in a *Staatenwelt* are modern Weberian or Westphalian states. There are dynastic states, patrimonial states, military dictatorships, populist regimes, and so on; there are also many failed states—which are not necessarily a threat to capital accumulation but can sometimes be important factors in accumulation; and so on. Indeed, it is often beneficial to accumulation on a world scale that states in a world of states are *not* self-identical.

So you have to think not of *the state*—whether the capitalist type of state or the state in capitalist society—but of how *variegation* in the world of states relates to the possibilities of capital accumulation on a world scale. If every state were formally the same as every other, let alone if all states were substantively similar, there would be less accumulation than in the current situation when they have diverse forms. Uneven development and complementarities are key features of differential accumulation. Take the example of the coupling of China and the United States of America, which has led some commentators to refer to “Chimerica” as a key political-economic entity in the world economy characterized by economic, financial, and technological interdependencies that have pathological as well as benign effects. This illustrates the relation between the world market and the world of states.

This relation is a source of flexibility in capital accumulation because it creates more room for maneuver for different capitals and fractions of capital to pursue their interests in and across different territories, places, scales, and spaces of flows. Thus the tendency to complete the world market (far from finished, even with the multiple initiatives promoted to date—with more to come—by neoliberal economic and political forces) depends to a significant extent on uneven development within and across states in the world of states.

I realize that I have rephrased the question in order to attempt an answer. But this is necessary to avoid fetishistic ways of discussing the state, reifying it, and thereby examining the state as if it were a subject or a thing when it is a complex social relation that comprises more than a sovereign authority or set of institutions. Institutions matter. It is not just a changing balance of forces that is at stake because this is conditioned by the prevailing institutional matrix or ensemble. That is why social forces struggle over institutions, why there are struggles for state power. If institutions did not matter, there would just be struggles for power tout court. In sum, institutions are important because they influence the balance of forces, and changes in the latter can rearrange the institutions in a sort of never-ending cycle.

Flohr and Harrison: Departing from this analysis of the relationship between *Weltmarkt* and *Staatenwelt*, what do you make of the current global financial crisis, which started in 2007–8?

Jessop: It is commonly called the global financial crisis, but it really is not. When a crisis made in the United States broke out in Asia in 1997, Western commentators called it “the Asian crisis”—although some Asian critics refer to it as the “IMF crisis.” When a crisis made in the United States broke out in the United States, it was called “the global financial crisis.” Both labels provide an alibi: we’re not to blame. The fault lies in Asia or with global capital. I prefer to call it the North Atlantic financial crisis, which begins to point us towards the specificities of the crisis. It doesn’t help us to call it the global financial crisis. It is very much a crisis made in the United States thanks to quite specific forms of financialization or, better, finance-dominated accumulation initiated there but with global repercussions.

It may be a crisis within the context of a declining rate of profit (views differ), but above all, it is a financial crisis. At this stage of its development—remembering that a crisis is a process as well as an event—it is a crisis *in* finance-dominated accumulation. My argument is that when it first erupted, it was a crisis *of* finance-dominated accumulation, but thanks to the actions of the key financial and political institutions, financial capital was able to buy time and, through a combination of policies such as TARP (the Troubled Asset Relief Program), quantitative easing, near zero-interest-rate policies, and the bailing out of systemically important financial institutions (as well as those too well connected to be allowed to fail), a crisis *of* finance-dominated accumulation was transformed into a crisis *in* finance-dominated accumulation. I should add that the financial crisis was never a crisis *of* neoliberalism; it was a crisis *in* specific forms of neoliberalism. These financial measures, flanked and championed by bipartisan support and the mainstream media, have served to restore neoliberalism and, as in previous crisis conjunctures, reestablished its forward momentum.

Although its immediate and visible manifestation was the eruption of the North Atlantic financial crisis, this crisis is better conceptualized as the combination of five crises in one. The first is obviously the financial crisis, which is itself complex and heterogeneous and has systemically significant effects on a global scale. Another set of crises concerns specific sectors of profit-producing or commercial capital, such as the automobile industry, real estate, some aspects of retail, and so on. For example, when the North Atlantic financial crisis erupted, several measures were taken to bail out specific firms (e.g., General Motors and Chrysler) or to support particular sectors. A third crisis that has evolved over a longer period is that of U.S. hegemony in the postwar order, a crisis that emerged from the mid-1970s onwards. In the crisis of the 1930s (in the form of the Great Depression, with its global repercussions) the United States was an ascending power and could play an influential role in resolving the crisis, both domestically and, after the Second World War, internationally. Now the United States social order is experiencing its own multiple crises, and its elites are less able to exercise hegemony, thanks to multiple challengers on several fronts. The American state is obliged to rely more on domination, coercion, and corruption than on hegemony to impose solutions. In addition, whereas its postwar hegemony benefitted the global capitalist order as well as serving U.S. interests until the 1970s, now

crisis management is often more obviously self-interested and may undermine global cohesion. So you have the financial crisis in the context of the crisis of U.S. hegemony in the geopolitical sense. A fourth crisis, that has been developing more slowly but accelerating more recently, with much more serious long-term consequences, is the intensifying environmental crisis. The fifth crisis concerns the neoliberal economic and political project, especially regarding its legitimacy in the immediate aftermath of the credit crunch, liquidity crisis, and the financial crisis.

The very fact that the North Atlantic financial crisis has been widely characterized as a global financial crisis distracts attention from the more fundamental crises—notably, the environmental crisis or the longer-term impact of financialization and its association with finance-dominated accumulation. Prior to 2007, there was a lot of interest in zero-growth economies, the Green New Deal, and solving the environmental crisis, especially outside the U.S. With the North Atlantic financial crisis and the crisis of the *legitimacy* of the neoliberal model (which does not prevent its continued extension), growth becomes the priority even to the extent where the refrain becomes “drill, drill, drill” and “burn, baby, burn.” So the way out of the financial crisis is to worsen the environmental crisis. This shows how one aspect of power, citing Karl Deutsch (1963, III), is the ability not to have to learn from one’s mistakes.

Then you get the Eurozone crisis. Initially, the German economic and political elites downplayed the North Atlantic financial crisis and effectively said, “Oh, that is neoliberalism; it is financialization; it is not relevant here.” But of course, the world market is sufficiently integrated that contagion effects soon disturbed their *Schadenfreude*. The Eurozone crisis is certainly related to the North Atlantic financial crisis but has its own specificities and crisis dynamics too. This is related to what I call the pathological compossibility and gradually increasing latent incompossibility³ of the Eurozone, organized in the shadow of *das Modell Deutschland* (the German model), where the largely ordoliberal framework conditions of Germany’s continued export success increasingly seem to require the imposition of neoliberalism elsewhere in the Eurozone. Many conflicts have come out of that. And many serious mainstream commentators are now recognizing that mistakes were made in designing the Eurozone without providing a fiscal union, banking union, and solidarity union. The idea of a European monetary union alone without supporting and flanking institutions and more commitment to encouraging convergence was quite crazy.

Another example is the repercussions of the North Atlantic financial crisis and the Eurozone crisis in China or the other members of the BRICS (Brazil, Russia, India, China, and South Africa), because the world market is increasingly integrated. However, it does not mean that the crisis in the BRICS takes the same form as the North Atlantic financial crisis. Each case has its own specificities reflecting its

3. Gottfried Leibniz (1970, 662) noted that “not all possibles are compossible.” Translated from natural theology to political economy, this implies that, compared with the immense variety of individual elements of a social formation that are possible (or conceivable) when each is viewed in isolation, there is a smaller set of elements that can be articulated as moments of a relatively coherent and reproducible structure in a given time-space envelope. This has major implications for the study of varieties of capitalism in the world market. Relatedly, compossibility can be benign or pathological (witness the relation among varieties of capitalism in the Eurozone) and, in the latter case, reach a breaking point where exit is preferable to staying inside (Jessop 2015).

institutional histories, balance of forces, and insertion into the world market. One outcome is the crisis in commodity markets in emerging markets; another is the slowing demand for exports. Quantitative easing led to increased liquidity that could not be invested profitably in the so-called real economy in the United States, and liquid capital (or “hot money”) flowed instead into the Chinese stock market, commodity markets, and other forms of speculation. When the Chinese economy began to slow, however, its shadow banking crisis and other crisis tendencies led to capital flight, creating ricochet effects and destabilizing the world market.

Thus, rather than talking about *the* crisis, we have multiple crises, but this doesn’t mean that every crisis is the same or has equal weight. Regarding the financial crisis, to my mind, on a global scale, it remains a crisis of an unsustainable finance-dominated accumulation. This has been transformed temporarily into a crisis *in* finance-dominated accumulation in the USA and UK at the expense of domestic implosion and externalizing the costs of the larger global crisis until they ricochet back to these two leading neoliberal economies. This still affects crisis dynamics of other kinds of capital within the framework of a world market.

Flohr and Harrison: Could you summarize your analysis of the current European attempts at crisis management?

Jessop: You mean the current crisis *mismanagement* [laughter]?

Flohr and Harrison: Exactly, the current crisis mismanagement—and maybe the development of the associated austerity measures?

Jessop: Okay, there is a well-known threefold distinction in political science between polity, politics, and policy. I argue that, in order to understand contemporary austerity, one must distinguish between these three. Austerity is a common accompaniment to capitalism as part of the response to its recurrent crises, especially where the state is a significant economic actor; so when talking about austerity, we used to be talking about *conjunctural austerity policies*. These are based on the idea that if (or when) the economy heats up too much, as in the Keynesian period, policy makers put their foot on the brake by reducing demand and cutting public spending; and when the economy is considered under control, stimulus measures can be introduced. Such conjunctural policies are part of a boom-and-bust cycle.

Neoliberalism involves a *politics* of austerity, not just austerity *policies*. Reflecting the neoliberal emphasis on the exchange value side of different aspects of the capital relation, the politics of austerity treats individual wages as a cost of production and the social wage as an international cost of production. This entails a rather one-sided, shortsighted politics, but you don’t always have to learn from your mistakes in the short term if you are powerful enough. So you get the politics of austerity: the Third Way, the manufactured drama of falling off fiscal cliffs in the United States, the financial hysteria about how we can no longer afford the welfare state in Europe, and so on. This is more than policy: it is a politics oriented towards reorganizing the balance of forces in favor of capital, especially interest-bearing capital.

All of this has a cumulative effect. This leads me to suggest that we have now reached the stage of what we might call the austerity polity. It is no longer just policies, although they are still very much there, nor just the politics of austerity, which has increasingly

been entrenched and consolidated to the extent that, for instance, in the United Kingdom after Thatcher, New Labour, and five years of Cameron, there have been such fundamental transformations in the state that there can be no return to the Keynesian period—we have to start from where we are now.

There are two important aspects here. First, there is a shift, to use Max Weber's terminology, from profit-oriented, market-mediated accumulation to profit-oriented political capitalism. Weber (1968, 90–9, 164–6) distinguished three kinds of political capitalism: predatory capitalism, accumulation based on force and domination, and profits that derive from unusual deals with political authority. Finance-dominated accumulation did not develop from the spontaneous operation of market forces but had forms of political capitalism as its midwife, and it still depends on predatory profits and profits from force and domination. Where political capitalism becomes a key factor in differential accumulation, it becomes harder to maintain liberal democracy. Second, we can observe a growing popular disquiet with rising inequalities of income and wealth; the resistance to austerity in forms such as Blockupy, SYRIZA, Podemos, and other social and political movements; and government and media-fueled fears about threats to homeland security.

Together these trends are undermining the theoretical claim about the relation of formal adequacy between capitalism and democracy and the historical correlation between them, at least in the age of mass politics in the “West” where, as Gramsci observed, state and civil society have often been in some sort of balance. Theoretically, for a century or more, you could say that—following Lenin—liberal bourgeois democracy has been the best possible political shell for capitalism. In Stanley Moore's (1957, 83) aphorism, “Where exploitation takes the form of exchange, dictatorship tends to take the form of democracy.” Increasingly, neoliberalism is associated with political capitalism—with the primacy of the political, especially in relation to crisis management in situations where economic crises are also associated with political crises and crises of hegemony. And there is increasing resort to fast politics and policy making that tend to weaken what remains of the authority of an elected legislature vis-à-vis the executive power. So the austerity polity is more than a recent manifestation of the “authoritarian statism” described by Nicos Poulantzas (1978) but can be interpreted as a new form of authoritarian crisis constitutionalism.

Ian Bruff (2013), Ingo Stützle (2013), Ingar Solty (2013), and I (Jessop 2015), among many others, have explored in our different ways the rise not just of authoritarian statism but of the austerity polity and politics too. Others have also tried to make sense of these transformations. Two well-known examples are Colin Crouch's (2004) notion of postdemocracy—which is just a late and poor version of earlier Frankfurt School work before and after the Second World War—and the idea of the consolidation state proposed by Wolfgang Streeck (2013), who has rediscovered Marxism *lite* over the last 3–4 years, to add to his debts to the work of Max Weber. But rather than engaging with these weak versions of well-known themes in Marxist political economy, one could draw directly from the highly developed Marxist literature from the interwar and postwar Frankfurt Schools (including Jürgen Habermas and Claus Offe), from the more sophisticated versions of state-monopoly capitalism theories, and from other critical scholars who have been working on these issues for a long time.

So, to recapitulate, while austerity policies come and go, the politics of austerity are part of the neoliberal project brought in by the Third Way. Now we are seeing a consolidated austerity polity, which is less and less democratic and spreading throughout Europe. Just think of what is happening to Greece! Effectively it is a country that is being governed by the Troika (the European Commission, European Central Bank, and the International Monetary Fund) or, as it has recently been called, “the Institutions,” which is yet another rectification of names that changes nothing substantial. And I fear that this is a general trend in advanced capitalist economies of moving towards an austerity polity that is inconsistent with liberal democracy.

Flohr and Harrison: What about the historical aspect? Is this a trend you see developing over the past thirty years or one that has come out of this particular series of crises?

Jessop: It is a trend that Poulantzas (1978) was already writing about in his book *State, Power, Socialism*, back in 1978. The fact that he could write about it in the present tense implies that it was already there in the seventies. But my argument would be that he was describing a crisis form of the interventionist state corresponding to the crisis of Fordism. Today we have moved beyond the crisis of Fordism to what you may want to call “post-Fordism” that is currently characterized by a crisis of political capitalism and the neoliberal state, which requires much more austerity, much more political intervention, much more surveillance. This partly reflects changes in the technologies of authoritarian control, partly the cumulative, systematic attack on grassroots mobilization, and so forth. Obviously, there are continuities over the last thirty years, but there are also some very interesting and important discontinuities. As with all changes, there is never a total rupture: it is always a question of whether the emphasis falls on continuities more than the discontinuities or vice versa. Partly that is a political judgment, partly a theoretical judgment, but I would say that the austerity polity is qualitatively different from what Poulantzas describes as authoritarian statism, which belongs, as I said, to the period of Fordist crisis. Now we are seeing the authoritarian statism of neoliberalism. It is the authoritarian statism of the Eurozone in crisis; of *das Modell Deutschland*, where the Germans are now effectively the dominant power within the European Union and imposing the conditions for the continued success of German exports (increasingly outside Europe) on other countries (Jessop 2014). You can observe that this creates a lot of additional tensions as France, which used to be an ally of Germany, became the spokesperson of southern Europe against Germany and now seems to be going down the same road of the austerity polity.

Flohr and Harrison: So it seems that, maybe in extension of these observations, one of the implications of the crisis is that we can no longer speak of the sovereignty of nation-states.

Jessop: Exactly. Insofar as we are looking at a *Staatenwelt*, the world of states, one can no longer speak of the national territorial state as sovereign. While every member state in the United Nations has its formal sovereignty recognized by every other state, this does not mean that all states are equal in the wider world of states or even within the United Nations itself—consider the permanent members of the Security Council and the capacity of powerful states to win or suborn votes from weaker states. And what does it mean to have national sovereignty? It means that you have the power

to legislate for your territory. The Greek Parliament passed the austerity measures imposed upon them. Does that mean that they are sovereign? Of course it does not. It means that sovereignty can be a purely formal feature of the state, signifying no more (but no less) than that, ultimately, a national state is formally responsible for its legislation, policies, and policy implementation. But whether it is substantively free to legislate, whether it has any real choice over what it legislates, is quite a different question. So rather than saying “no state has territorial sovereignty” or “every state has territorial sovereignty,” we must realize that some states are more powerful than others. It is much harder for the United Kingdom to tell the United States what to do, than vice versa. I would say that we are really looking at an international hierarchy of states with pressures on less influential states to acquiesce in policies determined elsewhere or, at least, to take account of the balance of forces when reaching decisions according to its own routines and procedures.

Another aspect of sovereignty that I've explored over the years, which I discovered via Niklas Luhmann, is temporal sovereignty (Jessop 2002). As the world market becomes more integrated and increasingly crisis prone, states do not necessarily lose territorial sovereignty, because they can still make their own decisions and legislate, but they lose *temporal* sovereignty. They no longer have time to deliberate about what their policies should be. If you think that politics takes time, democratic politics takes even more time, so if one is suddenly confronted with a crisis, where fast action is required, temporal sovereignty disappears. Greece is a tragic example: its parliament was obliged to exercise its territorial sovereignty in July 2015 to pass the austerity measures imposed on them, including reversing policies made during the first period of the SYRIZA government, but they were told they had to make that decision in just five days in order to qualify for immediate support and negotiations over other debt-relief measures. An earlier example was the Emergency Economic Stabilization Act (EESA), which authorized the Troubled Assets Relief Program (TARP). This was introduced by the U.S. Secretary of the Treasury, Henry Paulson, and supported by the U.S. Federal Reserve Chair, Ben Bernanke, in the aftermath of a month of financial panic. Initially rejected by the House of Representatives on 29 September 2008, a decision that triggered the largest ever one-day drops in the Dow Jones Industrial Average, the S&P 500 Index, and the NASDAQ index, a modified version was passed by the Senate, returned to the House for forced passage, and signed into law on 3 October 2008. The EESA was reintroduced more or less with the argument that “if you don't pass this legislation today, the world market will collapse tomorrow.” This illustrates the loss of temporal sovereignty that comes with globalization and financialization, even in the heartlands of neoliberalism. In many ways I would argue that these twin processes are less of a threat to territorial sovereignty than to temporal sovereignty. It is the speeding up of capital accumulation and the associated time-space compression that deprive states of their sovereignty, not just the fact that markets are increasingly integrated. It is increasingly the rhythms of financialization that determine that “there is no alternative” and impose associated “policy imperatives.”

In short, if you think that it is only territorial sovereignty that is at stake, you are missing the importance of the loss of temporal sovereignty. Politics takes time; democratic politics takes more time; if the speed of capital accumulation is faster than politics, and much faster than democracy, democracy loses out. That is another reason

behind the attack on democracy: it slows the dynamic of capital accumulation. This is also why financial capital dislikes Tobin taxes and so forth, because it would slow the economy down to create space for democratic politics as well as hurt short-term financial profits. Since that is unacceptable to financial capital—indeed, to industrial capital—you have to attack democracy.

Flohr and Harrison: That has some wide-reaching implications for social struggles that are limited to the “national arena.” We saw that SYRIZA came to power and had the support of various Greek social movements, but—

Jessop: Yes, it means that they can be picked off individually. Especially in the case of Greece, which only contributes 2 percent of European economic output and, you know, the crisis in Greece has no impact whatsoever on the European economy more generally. But Europe can cause enormous problems for Greece. So unless there is a trans-national movement—which can ensure that attacking Greece will create problems in France, Italy, Spain, Portugal, and so on, which may also have repercussions for Germany and other states—a troublesome Greece will simply be isolated and starved financially and even literally into submission. Basically, if social movements do not mobilize in and against the most powerful states, or form alliances there, they will face real problems, because you just get [snaps fingers twice] picked off, one after the other. So it’s a sort of reverse domino effect. The domino effect argument, introduced by Eisenhower and taken up during the Cold War, was the idea that if Vietnam goes, then Cambodia goes, then Laos, then Southeast Asia, and then ... Now Greece is being picked off, in order to show Spain, Portugal, and other countries that there is no alternative. It is very demonstrative. The way to counter this is to anticipate it as a possibility and mobilize the Spanish, the Italian, the Portuguese, the French (and other) popular classes along with other social forces to defend Greece. Solidarity has to start way before you become the target. And it has to be across the board, it cannot be limited to a struggle within a national state.

Flohr and Harrison: So even if we commit to some Poulantzasian strategy of dual power, it remains limited if it retains a national form?⁴

Jessop: Yes, to repeat, the world market is both the presupposition and the posit (outcome) of capital accumulation. So if you think of capital accumulation solely in a national framework, you have already lost the battle. Because, if worst comes to worst, you are picked off politically and marginalized economically in the world market. Recognizing that the world market is the horizon of capital accumulation, the world market has to be the horizon of struggle. But that doesn’t mean that everybody’s struggle is the same. Struggles must be adapted to local conditions, and you have to explore and communicate how your struggles relate to other people’s struggles, to debate the limits of solidarity, to work out a spatial and scalar division of labor. But you cannot organize everything on an international level, so sometimes it has to be what Fritz Scharpf (1994), a German political scientist, has called negative coordination. On the assumption that there are shared goals, locally or regionally differentiated, this

4. Nicos Poulantzas argued for a dual strategy of simultaneously working within the state to achieve democratic change there *and* developing alternative institutions outside of it, which could eventually replace it. See Poulantzas (1978, 251–61; 2008).

would involve the principle that “we will not do anything in our struggles that would undermine your struggles.” In other words, we do not have to coordinate every single step, but we must be aware of the effects of our struggles on the capacity of others to engage in struggles. In other areas you may need a unified front. This would be the case, for instance, with struggles around the environment. Conversely, the defense of particular national forms of pension or health service will be much more local, but solidarity would still be in order to prevent a race to the bottom in the world market regarding the social wage and social protections.

But you must always keep the demands of negative coordination in mind and make sure that you do not block others while pursuing your own struggles. So, for instance, seeking privileges for a national labor aristocracy, which undermines the conditions for workers elsewhere, is in clear opposition to this principle, whereas struggling to introduce a minimum wage in your country, while immediately limited, may at the same time set a precedent for having minimum wages elsewhere. The situation requires a lot of political calculation.

Flohr and Harrison: Arguably the two most successful forces that have pursued such strategies are Podemos and SYRIZA. Are there any parallels you can draw between them and eurocommunism?

Jessop: Eurocommunism had both left and right wings and corresponded to the era of Fordism. We are now living in a “post-Fordist” era. Basically, Fordism existed to the extent that wages could be treated as a source of demand within a relatively closed national economy: the risks of inflation and unemployment in the national economy could be managed through national monetary policy, growth could be secured through rising productivity and reinvestment of the profits of enterprise, and the conditions existed for a class compromise between organized labor and profit-producing capital. Eurocommunism emerged in this context and remained strongly tied to this national form and the attempt to rebuild the conditions of postwar growth but oriented them towards democratic socialism rather than social democracy. Its European character partly reflected a contrast with the Soviet bloc (especially in terms of its commitment to a dual strategy of parliamentary and direct democracy) and partly the will to coordinate European movements to generalize the desired model to Europe as a whole.

So there is a similarity, if you like, in that SYRIZA and Podemos represent the left wing of the contemporary European Left (albeit, perhaps, with their own left and right wings within this context). They are also very locally rooted, as all struggles have to be. But they also aim to mobilize wider support for their own actions and build trans- and supranational alliances. But the conjuncture is totally different. This is no longer occurring in the context of the crisis of Fordism, whether at its core or its European semiperiphery, but in the context of a crisis in a dual economy in Europe, subject to intensified competitive pressures, the effects of finance-dominated accumulation, and organized in the shadow of German neomercantilism. This starkly limits the national room for economic and political maneuver in the face of foreign creditors, the constraints of membership in the Eurozone, and governments that have hitherto embraced neoliberalism. This makes it much harder for national struggles to succeed on their own. There are a few continuities but they are more

than outweighed by the discontinuities. So you might learn something from the history of eurocommunism, but the lessons will need to be recontextualized in terms of what's happening now.

Flohr and Harrison: Now you've mentioned the necessity of combining local struggles with international struggles—a time-consuming project. How is that possible when time sovereignty is simultaneously being eroded by the very processes that these struggles are supposed to be contesting? Do you see any possibilities or alternatives emerging?

Jessop: That is a very difficult question to answer—not just for me but for anyone, and I am not sure that you (or I) will be happy with the answer, now or in the near or distant future! I find it very troubling. For in times of crisis, time speeds up. You can get long periods where nothing seems to happen, and then, suddenly, you get ten days that shake the world.⁵ I think that what is happening is that during periods of crisis—and we're still in a crisis; it's not over, no matter what optimists say—it is very hard to draw lessons because time speeds up and the economic, political, and social environment is very turbulent. You can only draw lessons if the environment is relatively stable and, even then, it takes a lot of time. Where crises are unfolding at a rapid pace, it sometimes seems better to avoid trying to draw any lessons since they will be out of date by the time they have been drawn. The challenge is the pace of change. Two years ago, who would have thought that Greece would be where it is today? SYRIZA enjoyed a meteoric rise to political power and was largely crushed within eight months. And any lesson that you could have drawn back in the first three months of 2015 would already be irrelevant today without taking the different conjunctures into account. Right now (in August 2015) it is possible that a Grexit occurs within six to twelve months, even though the Greek Parliament and people appear dedicated to staying in the Eurozone.

I think, in a certain sense, during periods where a massive crisis changes form all the time, drawing lessons may be counterproductive. So there's got to be a lot more muddling through. You know, letting people learn locally, regionally, nationally what works and communicate about that, as in the case of Democracy Rising.⁶ And what lessons can you draw from Democracy Rising? People disagree. So if they can't even agree what the lessons are in Greece, how could we even ponder generalizing them to Spain or Portugal?

So it is a real problem, but we have to avoid fatalism—i.e., the notion that we cannot achieve anything or draw any useful lessons from the past. In order to understand what is going on and draw lessons that might be valuable, perhaps we need a division of labor: groups looking at the overall global conjuncture, groups looking at particular national conjunctures, groups looking at the transnational conjuncture—looking to see what is transferable and what is not, while remaining alert to the fact that the

5. This is a reference to the American journalist John Reed's (1977) famous book *Ten Days That Shook the World*, which details his experience of the October Revolution.

6. "Democracy Rising: From Insurrection to Event" was a conference organized by the Global Centre of Advanced Studies, which gathered activists and academics from a range of different countries in Athens. The conference started the day after the SYRIZA government passed the austerity measures dictated by "the institutions" and saw some heated exchanges on this subject.

conjuncture is constantly changing. Social movements and radical parties should establish a real dialog, or series of them, and not get caught up in dogma or believing that one group or movement has all the answers. But, as I noted earlier, deliberative politics takes time. And if the crisis is constantly changing and the environment is turbulent, how do you draw lessons? Sometimes you just have to recognize that capital is on a strategic offensive, and the most you can do is to mount strategic defensive actions. This is a point that Poulantzas (1974, 1976) makes in his work on fascism in the interwar period and the crisis of the dictatorships in southern Europe in the 1970s.

Poulantzas argued that, in any conjuncture, either the bourgeoisie or the working class is on the offensive, or there is a catastrophic equilibrium of forces. If the bourgeoisie is on the offensive, it is not a moment where the working class can mount an immediate strategic counteroffensive. If you get it wrong, he wrote, it can have disastrous consequences. For example, because the leaders of the Comintern believed that the rise of fascism was a sign that capitalism was in terminal crisis, its priority was to ensure that the social democrats did not win out when fascism collapsed. So the communists did battle with the social democrats (whom they condemned as “social fascists”) when they should have been natural allies against national socialism (Poulantzas 1974, 36–54, 148–56). So knowing how to read the conjuncture is crucial. But that is a collective effort of analyses, struggles, and ongoing dialog. He also analyzed the transition to democracy following the collapse of the military dictatorships in southern Europe in similar terms, highlighting the priority of consolidating this transition rather than struggling at once and directly for national liberation and the overthrow of capitalism in favor of democratic socialism (Poulantzas 1976, 66–7, 87–9, 134–62).

Without claiming direct parallels with either situation, I think that—in Greece and elsewhere in Europe, the transatlantic region, and the world market—we can say that transnational capital is on the strategic offensive. SYRIZA tried to launch a strategic counteroffensive based on mobilizing social movements, and it won office without winning power. It was then forced into a tactical offensive, notably through the referendum. But it was easily brushed aside because the Troika, other financial institutions, and other European states controlled the purse strings and could shut down the logistics of the money supply and credit creation. Because SYRIZA’s tactical offensive failed, it has been forced to take tactical defensive steps, seeking to maximize medium-term political gains from implementing austerity. But the conjunctural possibilities will differ elsewhere, and it is important to explore the possibilities of linking up strategic and tactical offensive and defensive measures. Reading those national and local conjunctures and their potential for struggles and linking them with struggles oriented to the transnational conjuncture is the real task ahead of us.

Flohr and Harrison: A final question: what are you currently working on?

Jessop: I’ve got three projects on the go and one in mind, so that when I get stuck with one I can move on to the next [laughter]. Ngai-Ling Sum, my partner, and I published a monograph on cultural political economy (Sum and Jessop 2013). But we consider it too long and demanding for most readers, so we are writing an introductory text on the same topic. That is the first project. My second research project concerns the North Atlantic financial crisis and its relation to the Eurozone crisis. I’ve published over fifteen articles and book chapters on this topic, and the next step is to provide an

integrated account of crisis dynamics, as well as thinking about how to read conjectures and draw lessons from crises, crisis management, and crises of crisis management. The ideas that I have just presented are preliminary remarks that will need much more work. A third project is to pursue the idea of the austerity polity on the basis of the critique of political economy and strategic-relational state theory. And fourth, when I eventually retire from paid mental labor, I hope to work on a challenging vanity project: the three missing books of Marx's *Capital*. According to his 1859 outline, he would complete six books on capital, landed property, wage-labor, the state, foreign trade, and the world market and crises (Marx 1987, 261). There is a lot to be done here, and it is obviously a long-term project—the others are more routine, short to medium term, and more manageable.

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