

# The Changing Roles of States in Promoting & Resisting Neoliberal Globalization

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## Abstract

This article is concerned with the nature of neoliberalism and the different forms that it has taken in the last 40 years and its grounding in the nature of capitalism. After distinguishing four varieties of neoliberalism, it discusses the role of states at the local, national, regional, and global scales in promoting or resisting neoliberal globalization. It then focuses on the specific role of finance-dominated accumulation in contributing to the genesis of the North Atlantic Financial Crisis and its global contagion effects. It concludes with some remarks on the ability of neoliberalism to emerge stronger from recent economic, financial and political crises and what this implies for the future of neoliberalism.

**Keywords:** Neoliberalism; varieties of neoliberalism; financialization; crises of neoliberalism; the neoliberal state.

Neoliberalism has had an interesting trajectory. Initially formulated as an intellectual-cum-political project in 1938, it won growing acceptance as an economic and political strategy in the 1970s. A generation later, there were panic-stricken meetings in New York and Washington at the height of the global financial crisis; and, most recently, we are seeing a return to 'business as usual'. There have been many efforts over these decades to promote (or defend) 'neoliberal' institutions and practices as the best basis for economic, legal, political, social, and moral order in complex social formations – and many efforts to critique, resist, undermine, or move beyond it. My paper relates some of these issues to state efforts on local, national, regional, and global scales to promote or resist neoliberal globalization. It offers a baseline definition of neoliberalism; distinguishes four main types of neoliberalism from a critical political economy viewpoint and relates them to the world

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market, geopolitics, and global governance; reviews the contradictory aspects of neoliberalism in actually existing capitalism; and, finally, examines the above-mentioned roles of states.

## On Neoliberalism and its Varieties

Neoliberalism has different aspects and can be interpreted from many perspectives. Given the polyvalence of the core term, diverse typologies of neoliberalism exist. Mine is grounded in critical political economy and focuses on the economic and political dimensions of neoliberalism and its changing fortunes. It identifies four main forms of neoliberal regime that developed in the 'neoliberal epoch' beginning in the 1970s in reaction to the crisis of post-World War II models of capitalist development. These models include: Atlantic Fordism in advanced capitalist economies, import-substitution industrialization in Latin America and sub-Saharan Africa, export-oriented growth in East Asia, and, in another context, state socialism in the Soviet Bloc, China, and Indo-China. The four forms of neoliberalism that emerged in response to these crises constitute partially overlapping spaces along a continuum.

Most radical was the attempt at *neoliberal system transformation* in post-Soviet successor states. Even here there were different cases and outcomes (for example, Russia and Poland).

A second type is *neoliberal regime shifts*. Breaking with the post-war Atlantic Fordist settlements, based on a capital-labour institutionalised compromise, a committed and newly empowered elite alliance introduced the neoliberal policy agenda, namely:

- (1) Liberalization to promote free market (as opposed to monopolistic or state monopolistic) forms of competition as the most efficient basis for market forces or at least to promote more market competition where monopoly or state monopoly competition appear hard to eliminate, whether for economic or political reasons.
- (2) Deregulation, giving economic agents greater freedom from state control and legal restrictions, based on a belief in the efficient market hypothesis and the prudential, self-preserving instincts of companies and financial institutions.
- (3) Privatization of state-owned enterprises and the contracting out of public services to roll back the frontiers of direct or indirect public sector provision of goods and services in favour of the market economy and the efficient allocation of resources and dynamic innovative potential that free markets are expected to deliver.

- (4) Introduction of market proxies and/or user charges in the residual state sector to promote efficient, effective, and economical delivery of public services, thereby reducing the scope for non-market logics in the public sector, especially when combined with cuts in state budgets.
- (5) Reductions in direct taxation on corporate income, personal wealth, and personal income – especially on ‘entrepreneurial’ income – to boost incentives to earn, save, invest, innovate, create, and accumulate individual and corporate wealth rather than allow the state to govern the level and content of the national output.
- (6) Promotion of internationalization to boost the free flow of goods and services, profit-producing investment and technology transfer, and stimulating the mobility of interest-bearing capital, all with a view to completing the world market.

Thatcherism and Reaganism are well-known cases of this form of neo-liberalism but similar shifts occurred in Australia, Canada, New Zealand, Ireland, and Iceland under centre-left as well as right-wing governments.

The third type comprises economic restructuring and regime shifts that were mainly imposed from outside by transnational economic institutions and organizations backed by leading capitalist powers and partners among domestic political and economic elites. It adopts neoliberal policies in line with the ‘Washington Consensus’ as a condition for financial and other aid to crisis-ridden economies in parts of Africa, Asia, Eastern and Central Europe, and Latin America. While policies in types two and three often overlap in the (semi-) periphery of the global economy, they involve analytically distinct roots, lessons learnt, and likely forms of resistance.

Fourth, neoliberalism can involve more pragmatic, partial, and potentially reversible sets of neoliberal policy adjustments. Not all of the six defining neoliberal economic policies listed under type two have been adopted in these cases. They involve more modest and piecemeal changes deemed necessary by governing elites and their social base(s) to maintain existing economic and social models in the face of specific crisis-tendencies and the challenges created by globalisation. Nordic social democracies and Rhenish capitalism exemplify such policy adjustments with Ordoliberalism more prevalent than Chicagoan neoliberalism. These adjustments can nonetheless cumulate over time and, combined with the growing internationalisation and, more recently, the contagion effects of the North Atlantic Financial Crisis, they become harder to reverse. This creates the paradox that an Ordoliberal Germany, which has made regular neoliberal policy adjustments to secure its neo-mercantilist export-led growth model, supports the austerity demands of transnational

financial capital that effectively impose a technocratic neoliberal regime shift on Greece and Spain.

Efforts to roll neoliberalism forward in the second, third, and fourth cases continued up to the global financial crisis in 2007-8. These efforts included flanking and supporting mechanisms and policies to maintain neoliberal momentum despite growing signs of failure and/or mounting resistance. Moreover, notwithstanding a brief period when the global financial crisis was construed as a crisis *of* rather than *in* neoliberalism, massive state intervention has since created conditions for a return to neoliberal 'business as usual' in the cases where neoliberal regime shifts occurred. In addition, in Continental Europe, where pragmatic neoliberal policy adjustments were common, the crisis has prompted Ordoliberal policy adjustments and efforts to maintain free trade, extend it to services, facilitate non-speculative capital flows, and find market solutions to climate change and other global challenges.

Despite the passing of the neoliberal highpoint and the 'blowback' in 2007-8 and its continuing effects, there are significant path-dependent effects from the crisis-tendencies associated with each form and their temporary confluence. The neoliberal project still dominates world society thanks to the path-dependent results of policies, strategies, and structural shifts implemented during its highpoint. These results are political and ideological as well as economic. This derives from the global weight of the US economy (including its pathological co-dependence with China) and the US state's role in shifting the contradictions of neoliberalism elsewhere and/or into the future. Thus neoliberal policies have shaped the forms, timing, and dynamics of economic crises (broadly understood) even in countries where they were *not* willingly embraced, coercively imposed, or unwittingly cumulated. These effects include the contagion effects of the North Atlantic Financial Crisis and political instability generated by the uneven impact of neoliberal globalization within and across local, regional, national economies and at higher scales up to, and including, the world market.

## The Economic Significance of Neoliberalism

Neoliberalism is not co-extensive with the global economy. The latter takes the form of a *variegated* world market that is based on interaction within a space of flows articulated to regional and national 'varieties of capitalism' and other forms of economic organization. This raises crucial questions about the impact of neoliberal globalization on the variegated world market. Among other effects, it has reduced the frictions associated with national 'power containers' or analogous borders, strengthened the logic of profit-oriented, market-mediated competition within the world economy, and reinforced the influence of world market dynamics in world society more generally. These tendencies are particularly associated with the six main forms of neoliberal policy described above plus the efforts to institutionalize the priority of shareholder value. Together these policies and the shareholder value dogma benefit hypermobile financial capital and transnational profit-producing capital. They reinforce their global competitiveness and ratchet up their ability to displace and defer problems onto other economic actors and interests, other systems, and the natural environment. Yet this also enhances the scope for the contradictions and dilemmas of a relatively unfettered (or disembedded) capitalism to shape the performance of other systems, undermining crucial extra-economic conditions for accumulation (see below). This is seen in the wider geo-economic and geo-political effects of failed neoliberal system transformation and structural adjustment programmes and the uneven terrain on which struggles over the economic, political, and social effects of neoliberalism are being contested.

Neoliberalism and finance-dominated accumulation are connected in two ways in neoliberal regime shifts. Structurally, the connection is rooted in the neoliberal privileging of exchange-value over use-value and the fact that interest-bearing capital is the most abstract and general expression of exchange-value not only in the capitalist mode of production but also in capitalist formations. Strategically, the connection is rooted in the organization of the transatlantic neoliberal power bloc, its privileged position in the American and British states, the dominance of the USA in most global economic governance regimes, and the interests of global financial capital in exploiting the possibilities of regulatory arbitrage that exist between financial centres in the USA and in the UK.

Neo-liberalism tends to judge all economic activities in terms of the prevailing global average rate of profit and all social activities in terms of their contribution to capital

accumulation. It promotes the opening of the world market and reduces the frictions introduced by national 'power containers'. It reinforces the dominance of the *exchange-value* moment of the various forms of the capital relation, that is, their contribution to profitability, over their *use-value* moment, that is, their practical or substantive aspects; and it frees money capital as the most abstract expression of the capital relation to move relatively unhindered within the world market to maximize opportunities for profit. Neoliberalism seeks to open and extend the world market and reduce the frictions of national 'power containers' and weaken capacities to resist accumulation from within (class struggle) and/or in terms of alternative principles of societal organization. Combined with an emphasis on shareholder value, this particularly benefits hypermobile financial capital, which controls the most liquid, abstract, and generalized capitalist resource, reinforcing its competitiveness and reinforcing its ability to displace and defer problems onto other economic actors and interests, other systems, and the natural environment. Yet this will also enhance the scope for the contradictions and dilemmas of a relatively unfettered (or disembedded) capitalism to shape the operation of other systems and may thereby undermine crucial extra-economic conditions for accumulation.

## The Dominance of Financial Capital over other Fractions of Capital

At the level of the world market, which is the crucial practical and analytical horizon of contemporary capitalism, finance-dominated accumulation is the most important regime, shaping how other accumulation regimes are integrated into, and operate within, the world market. Above all, the spread of financialization tends to undermine the structured coherence of other regimes and their modes of regulation and, through its impact on the distribution of income and wealth, to undermine inherited institutionalized class compromises. It weakens the spatio-temporal fixes with which regimes based on the primacy of productive capital manage the contradictions between fixity and motion in order to produce zones of relative stability by deferring and displacing their effects. This can be seen in the impact of financialization not only in the circuits of Atlantic Fordism (including the Eurozone) but also in the export-oriented economies of East Asian and the viability of import-substitution industrialization in Latin America and Africa. The destructive impact of financialization is reinforced by the neo-liberal approach to accumulation through dispossession (especially the politically-licensed plundering of public assets and the intellectual commons) and the dynamic of uneven development (enabling financial capital to move on when the disastrous effects of financialization weaken those productive capitals that have to be valorized in particular times and places). It is also supported by the growing markets opened for the 'symbionts and parasites' of the

dominant fractions of capital in their heartlands.

Table 1 presents a thought-experiment on the institutional and spatio-temporal fixes of finance-dominated accumulation that would be required for this regime to be relatively stable. It does not describe an actually existing regime but provides insights into the instabilities of finance-dominated accumulation. It depicts the relation between its different structural forms. The *principal* (or dominant) structural forms are money (as capital) and the (social) wage relation; the two other forms are subordinated to these in potentially destabilizing ways. This is amply demonstrated in the genesis and repercussions of the North Atlantic Financial Crisis. The primary aspect of money (as capital) in this regime is (world) money as the most abstract expression of capital and its disembedding in a space of flows (in contrast to the more territorial logic of Atlantic Fordism or a productivist knowledge-based economy). The primary aspect of the wage form is its recommodification based on labour market flexibility and precariousness. The secondary aspect of money (real assets) is secured through the neoliberal policy boost to post-tax profits. In practice, this is not always reflected in productive investment in financialized neoliberal regimes. Indeed, the neoliberal bias towards de-regulation creates 'unusual deals with political authority', predatory capitalism, and reckless speculation – all of which helped to fuel the global financial crisis. An Ordoliberal framework would provide an appropriate institutional and spatio-temporal fix, including the embedding of neoliberalism internationally in a new, disciplinary constitutionalism and new ethicalism. Needless to say, Ordoliberalism is absent in the UK and US cases. The secondary aspect of the (social) wage relation was handled via private consumer credit (sometimes called privatized Keynesianism) and the lean welfare state.

Table 1: A Stable Finance-Dominated Accumulation Régime?

Basic Form	Primary Aspect	Secondary Aspect	Institutional Fixes	Spatio-temporal fixes
Money / Capital	Fast, hyper-mobile money (+ 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	Disembled flows from national or regional state controls; grab future values
(Social) wage	Private wage plus household credit (promote private Keynesianism)	Cut back on residual social wage as (global) cost of production	Numerical + time flexibility; new credit forms for households	War for talents + race to bottom for most workers and 'squeezed middle'
State	Neoliberal policies with Ordo-liberal constitution	Flanking plus soft + hard disciplinary measures to secure neoliberalism	Free market plus authoritarian "strong state"	Intensifies uneven development at many sites + scales as market outcome
Global Regime	Create open space of flows for all forms of capital	Dampen uneven growth, adapt to rising economies	Washington Consensus regimes	Core-periphery tied to US power, its allies and relays

**Key:**

	Principal structural form
	Primary aspect of principal form
	Secondary aspect of principal form

	Secondary structural form
	Primary aspect of secondary form
	Secondary aspect of secondary form

In the short-term, financial accumulation depends on pseudo-validation of highly leveraged debt (or fictitious capital) but finance capital (let alone capital in general) cannot escape its long-term material dependence on the need for surplus-value to be produced before it is realized and distributed. Nor can it escape its material dependence on the performance of other institutional orders (e.g., protection of property rights and contracts, basic education, effective legislation, scientific discoveries). And, of course, it always remains prisoner of its own crisis-tendencies.

There is no space here for a detailed analysis of the genesis, aetiology, and path of



the NAFC. But we should note it is more than financial. It is a complex nexus of crises with interconnected technological, economic, financial, political, geo-political, social, and environmental aspects. This said, it can be summarized as a crisis triggered by growing problems rooted in a hypertrophied finance-dominated economy in which fictitious money, fictitious credit, fictitious capital played an increasingly autonomous role in economic dynamics (on these distinctions, Jessop 2013). The overaccumulation of interest-bearing capital enabled by its dissociation from, and indifference to, other moments of the capital relation was a crucial factor in the eventual bursting of financial bubbles around the world. Such bubbles have occurred before, of course, but the present crisis has a more specific, intense form due to the *hyper-financialization* of advanced neoliberal economies and, notably, to practices of de-regulated, opaque, and sometimes fraudulent financial institutions that benefit from a corrupt relation with political authority. This was facilitated by the effects of four decades of neoliberalism that had de-politicized monetary policy, interest rate policy, and regulatory policy by promoting the independence of central banks from direct government control and extending neoliberal policies that contributed to the de-politicization of economic policy. This created, as eventually it was bound to do, the implosion of the financial bubble, creating the conditions for debt-default-deflation, dynamics.

In contrast to the thought-experiment in Table 1, Table 2 presents the actual features of finance-dominated accumulation in crisis. It indicates that this crisis inverts many features of the ideal-typical institutional and spatio-temporal fixes that might have provided some partial, provisional, and temporary stability for this regime. The neglect of investment in fixed assets and the emphasis on cost-reduction to increase shareholder value produced a rising antagonism between interest-bearing capital (Wall Street, the City of London) and profit-producing capital (conventionally identified with industrial capital but more extensive than this). This is reflected in the US and UK in increasingly urgent demands for infrastructural investment to support manufacturing (especially as current interest rates are effectively negative in real terms). Second, thanks to the credit crunch and rising unemployment or precarious employment, private Keynesianism is thrown into reverse, further contributing to the crisis through the effects of private financial de-leveraging. When coupled with neoliberal and neoconservative calls for welfare retrenchment and other austerity measures, this has reinforced the debt-default-deflation dynamic because it leads to recession, increasing the public debt to GDP ratio rather than reducing it. Indeed, recent econometric work by the IMF shows that the multiplier effect of government austerity is far greater than previously assumed and can prove counterproductive. This reinforces uneven development and is also likely to increase

popular resistance, prompting harsher financial discipline and police action. This is associated with the trend to ‘post-democracy’ or ‘authoritarian statism’.

Table 2: Finance-Dominated Accumulation in Crisis

Basic Form	Primary Aspect	Secondary Aspect	Institutional Fixes	Spatio-temporal fixes
Money/ Capital	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 effects	Protectionism in core economies, growing resistance to free trade from periphery
(Social) wage	Credit crunch puts private Keynesianism into reverse	Austerity reinforces D4, leads to double dip recessions	Growing reserve army of surplus, precarious labour	Global crisis and internal devaluation → Reproduction crisis
State	Political capitalism undermines Ordo-liberalism	Austerity policies meet resistance, harsher discipline	Crises in political markets reinforce “post-democracy”	Cannot halt uneven development at many sites + scales
Global Regime	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

**Key:** For the colour-coded key, see Table 1.

Despite the neo-liberal commitment to free trade and world market integration, the actually existing crisis of finance-dominated accumulation has promoted growing calls for protectionism in the USA, reflecting the pathological co-dependence of the US and Chinese economies, and for renegotiation of the UK’s relationship with the European Union (especially in the field of post-crisis financial regulation, which reflects a threat to the position of the City as the leading and remarkably de-regulated international financial centre for international financial transactions).

The crisis has also increased the reserve army of labour (the pool of unemployed

labour) and created conditions for stagnant or falling wages. It also creates pressures to reduce the social wage, which reinforces the debt-default-deflation dynamic in the absence of compensating public expenditure – a measure regarded as taboo by the neo-liberal power bloc. The measures needed to manage the economic state of emergency have reinforced the centralization of political power in the executive branch of government and independent financial institutions (national, European, and international), reinforced the tendency towards ‘unusual deals with political authority’ in the bailouts of too big to fail, too interconnected to fail, and politically too well-connected financial institutions.

This leads to loss of political legitimacy (reflected in the 99% mantra of the Occupy movement and declining support for mainstream parties) and to the growth of ‘post-democracy’ or authoritarian statism. Finally, I note that the crisis has weakened the legitimacy of the (post-)Washington Consensus, led to a search for post-neoliberal strategies in Latin America and elsewhere, and encouraged attempts to move to a more multilateral global order, based partly on growing economic, trade, and financial cooperation among the BRICS (Brazil, Russia, India, China, South Africa) economies.

## **The Limits to Finance-Dominated Accumulation**

The logic of financialization, especially the accumulation of fictitious capital, restricts the primacy of productive capital only in the short- to medium-term. Eventually this primacy re-asserts itself and triggers the re-imposition of the unity of the circuit of capital through the destruction of fictitious capital, deleveraging, and deflation. Indeed, the longer financial capital dominates the circuits of capital (and their extension into social fields previously free from the profit-oriented, market-mediated accumulation), the bigger the fall and the more negative the effects of its failure.

Nonetheless, this tendency for finance-dominated accumulation to cause more problems for other economic regimes than they can cause for it, is contingent. It depends on the specific properties of the other accumulation regimes and modes of regulation, the nature of other non-economic systems in its environment, and specific conjunctural features. Other systems and their actors will be more or less able to limit or resist commodification and to steer economic activities by imposing their own systemic priorities and modes of calculation on the economy. The rise or re-emergence of globalization, especially in its neo-liberal form, expands the scope for accumulation to escape these to constrain its operations. For these efforts are more effective where the operations of capital can be confined within territorial boundaries controlled by national states. Yet,

paradoxically, the greater the mobility of financial and profit-producing capital, the more it undermines the ability of capital and the state to provide crucial extra-economic conditions for accumulation.

## The Role of States in Promoting and Resisting Neo-Liberalism

Allow me to redefine the state for the purposes of this section. The state is conventionally defined as an apparatus that successfully claims the legitimate monopoly of organized violence in a given territory and, on this basis, can impose its will on the population in that territory. This definition is useful for many purposes but not for the purposes of this paper. Here I want to introduce and to modify Antonio Gramsci's more comprehensive definition of the state in its inclusive sense. This is that the state = political society + civil society. He also described the state as 'the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance but manages to win the active consent of those over whom it rules' (Gramsci 1971: 244). This is an important qualification because it asserts a link between state power and class power. I want to build on this expansive definition to suggest that the state comprises 'government + governance in the shadow of hierarchy'. This definition highlights the role of governance regimes promoted and orchestrated by the state in extending the reach of state power beyond the resort to coercion, law, and money – to include the exercise of power at a distance from the state through forms of governmentality (cf. Foucault).

Seen in these terms, state power in its different aspects has been a crucial element in the development of neoliberalism in all its phases:

- (1) In the genesis of neoliberalism, it was private organizations that prepared the intellectual war of position that enabled neo-liberal ideas to be pre-positioned to exploit the economic and political crisis of the late 1960s and 1970s and to make neo-liberal solutions appear to be 'common sense'.
- (2) Public authority, usually elected government but, in some cases, such as Pinochet's Chile, dictatorships, then played a crucial role in neo-liberal regime shifts by *rolling back* the institutions, policies and institutionalized compromises that had characterized the post-war settlements in different types of economic and political regime – this is reflected in the six typical economic policies of neoliberalism identified above.
- (3) In neoliberal system transformation, national states were supported by the leading imperial states (notably the USA and, to some extent, the EU) and, even more

significantly, the Bretton Woods international institutions (notably the IMF, World Bank, and WTO) to undertake neoliberal shock therapy – although this was coupled in many cases with kleptocratic practices and many unusual deals with political authority that operated against all proclaimed neoliberal principles. Something similar occurred in the case of neo-liberalism imposed through structural adjustment policies.

- (4) In the case of pragmatic neoliberal policy adjustments, governments had a key role but this was more part of the normal play of politics and policy-making than a ruptural shift in the form of state. But, as noted, there was a ratchet-like effect as these pragmatic policies cumulated over time.
- (5) Public authority also played crucial roles, together with financial capital and profit-producing capital, in rolling forward neoliberalism, that is, in taking advantage of the rolling back of institutions, policies, and institutionalized compromises from previous regimes. Capital exploited the spaces that this had opened up. This occurred on an increasingly global scale thanks to the push to roll out neoliberalism on a global scale.
- (6) It is important to note that, without unusual deals with political authority facilitated by campaign finance, lobbying, and revolving doors, the 'deregulation, desupervision and de facto decriminalization' (Black 2012) of finance would not have developed so easily, if at all. This in turn enabled predatory financial practices such as mortgage fraud, foreclosure fraud, the sale of interest rate swaps, the manipulation of LIBOR and other interest rates, foreign exchange markets, gold and silver sales, and other false markets, front running trades in dark pools, and so on.
- (7) Another aspect of the role of 'government + governance in the shadow of hierarchy' is the continuing attempts of the political executive (i.e., without serious and informed consent from parliaments or electorates) in conjunction with transnational capital to establish non-accountable economic and legal regimes that would consolidate the power of transnational capital vis-à-vis national governments. There is no need, here in Japan, to mention the TransPacific Partnership in this regard; the same holds for the Transatlantic Trade and Investment Partnership. Although rhetorically justified in the name of trade, the real motive and the bulk of the proposed treaty measures are intended to put the activities of transnational capital beyond sovereign control of national states. Yet it is national states that promote this – which suggests the need to adopt a Gramscian rather than narrowly juridico-political account of the state and state power.

Finally, within the limits of a necessarily brief paper, I want to address the scope for resistance to neoliberal globalization. There are successful examples of short- to medium-term resistance in the semi-periphery where economies are not vital to the overall

development of the world market and where there are important popular bases of support for such resistance (e.g., Bolivia, Venezuela, Iceland, Malaysia – I invite seminar participants to name more). But where an economy is part of the core and/or controls strategic resources vital to imperialist interests, then the scope for resistance is much more limited and a wide range of hard and soft power is used to bring governments back into line with so-called neo-liberal imperatives. The case of the Syriza government in Greece in the last two months (at the time of writing, namely, March 2015) illustrates the limits of resistance – even the four-month breathing space that it has won from the European Union provides little scope for making real improvements to living conditions, let alone for escaping from the grip of financial markets and neo-liberal institutions.

Indeed, it seems that the crises induced by neoliberal financialization are means to reinforce its dominance in the world market. This exemplifies the problems with a largely conventional account of neoliberalism. For this neglects the bigger picture of relations of hegemony and domination and enables those with power, in the words of Karl Deutsch (1957: 111), not to have to learn from their mistakes. This is what enables the dominant forces to declare a state of emergency and to use exceptional measures to restore their power, privileges, and wealth. Which is what we see today.

## Conclusions

Outside Germany, neoliberalism has rarely been realized in the form envisaged by its initial Ordoliberal advocates because of the greater global influence of the Chicago School of neoliberalism and Washington Consensus and, more significantly, to the capacity of financial interests to shape economic and political strategy following the crises of different post-war modes of growth. Following the highpoint of neoliberalism in the 1990s and the global financial crisis, there is even more recognition of the need for close regulation plus flanking and supporting mechanisms to ensure that market failures and the effects of 'blow-back' neoliberalism do not undermine the market economy and threaten the cohesion of market society. Yet it is evident that less regulated variants of neoliberalism have survived in the Anglo-American heartlands thanks to the continuing domination of finance-led accumulation in the process and practices of crisis-management. And that this capacity to survive, even at the expense of increasing inequalities of wealth and income and the deterioration of economic infrastructure and social welfare, is shaping the development of the world market and world society well beyond the societies where neoliberal regime shifts have occurred.

## The Changing Roles of States in Promoting & Resisting Neoliberal Globalization

In short, even after neoliberalism's contradictions became evident in, inter alia, the global financial crisis, neoliberal logic still dominates world society through mechanisms such as the path-dependent effects of policies, strategies, and structural shifts that occurred during the neoliberal highpoint, continuing attempts to impose that logic despite its failures, and the measures taken to restore finance-dominated accumulation and renew global neoliberalism after the crisis. given the weakness of resistance in the heartlands and the economic, political, and military power of the ailing US hegemon, it is a terrible prospect that its onward march will be ended only by environmental catastrophe rather than effective social mobilization.

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