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INTERVIEW WITH ROBERT MEISTER

BY GIULIA DAL MASO

I first met Bob Meister in Sydney in 2013. I had just started my PhD on the topic of Chinese financialisation and I was struck by Bob's ability to articulate Marxist categories, techniques of finance, philosophical reflections and politics. I then had the opportunity to meet Bob in other occasions, academic conferences, activist laboratories in Italy and elsewhere. Over these last years, Bob's contribution has been essential to reflect on the transformation of capitalism in its financialised form. Bob not only encourages us to rethink the politics of justice through the spectrum of capital accumulation and dis-accumulation, but it offers way to use temporality and liquidity – the preferential tools financial capital use for its own reproduction – as a form of counterpower. In this interview, I asked him about his intellectual trajectory and how we can start approaching justice as a "financial option?"

GDM: Hi Bob, it is a great opportunity to be able to do this interview. I think everyone should know more about your work and become familiar with your argument that finance and the way finance works should be used to revise historical injustice and rethink new political actions. At this juncture, in which capitalism is increasingly financialised, the definition of new political perspectives is increasingly urgent.

To better understand this most recent development of your work, I'd like to start by exploring your intellectual trajectory, how you developed the argument for your first book *Political Identity: Thinking Through Marx*[1] and how much this was influenced by Marxism.

RM: *Political Identity* tried to learn from Marx himself, as someone thinking through the expansion of capitalism from within, rather than engaging with the Marxism that followed. I began it after graduating from college in 1968, demonstrating at the Chicago Democratic Convention, and moving to England as a draft resister; it went to press in 1989 as the Berlin Wall was falling. The intervening years spanned the global success of anti-imperialist liberation movements by the 1970s to the collapse in the 1980s of the Soviet-style communist states that had prevented those movements from being suppressed. By 1989, my project was to draw on Marx's own practice—as a writer and reader—to arrive at an anticapitalist politics from within the emergence and apparent triumph of capitalism's own self-understanding. So, I largely resisted pulling out of Marx a body of doctrines, conclusions, as though he were writing primary texts expounding "Marxism," as such. Instead, I grappled with the fact that Marx provides mainly secondary texts on the thought of Hegel, Bauer, Smith, Ricardo, Tocqueville, Proudhon, etc., which he reads—often in tandem with their critics--as the self-understanding of a situation that they purport to comprehend (as if they were doing so from outside). Marx asks through this approach what a situation (world) needs to realise or *confess* about itself in order to remain as it is. When and how could such confession, rather, constitutes a *critique*—demonstrating why it can't just keep on going, and politicising the changes that are already underway? When and how can following through on a critique transform a situation through *conversion*? In *Political Identity,* I see Marx's reading non-Marxist writers, often focused on their disagreements with each other, as effectively decoupling confession from critique, conversion—there by blurring the transformative potential of an emerging situation's understanding of itself. That was my starting premise.

GDM: Very interesting. I see how a dialectical approach prevails in this line of thought.

RM: My contribution was then to take Marx's sources (some of whom are now familiar only because he quotes them) as a basis for reconstructing the debates of the 1970s and '80s to make them available for a similar mode of analysis—Hegelian objects, as it were, that, when read together, reveal something more than what they say. I did this, first, with mid-twentieth-century philosophical literature on freedom as freedom of mind, which is largely about how the process of coming to get what we want is both undermined and enabled by the process of coming to want what we get. The 1960s Left critique of this ("liberation as consciousness-raising") resulted in various forms of standpoint theory, so I was able to reconstruct Marx's joint critique of Hegel and the Left Hegelians along these lines. My next topic was the democratic theory of institution-building—both normative and empirical—and, here again, I reconstructed the objects of Marx's critique (Hegel, Tocqueville) through mid-twentieth-century debates on pluralism, participation, and cooptation. Here, again, I showed how the transformative potential of democracy to mobilise demands for the reversal of historical injustice is converted into a machinery for manufacturing consent by making the confession of an evil past the precondition for decoupling interests from identities going forward. My last broad topic, following Marx, was the critique political economy—here attempting to reconstruct Marx's critique of Smith and Ricardo out of post-Keynesian account of the relation macroeconomics and international trade in the context of energy crisis, stagflation, cartelisation, and so forth. I didn't then have a theory of financialisation—its conceptual foundations were still being laid out in the '80s —but I ended up describing much of Marx's "economics" (for example, the labour theory of value) in the aftermath of Keynes as a critical theory of the accounting techniques necessary to instantiate a distinction become macroeconomic stabilisation and microeconomic (market) equilibrium.

You asked, originally, whether this book was influenced by Marxism. The short answer is that it confronts, in the spirit of Marx, a set of literatures to which most Marxists are politically and culturally allergic. That's what my new book does with the financialisation literature. So, in a sense, the earlier project continues.

GDM: So let's go through this gradually though, because there is a lot. I think is truly remarkable the fact that you've followed a strong continuity in your methods and reflections, but, at the same time, your work has always had the capacity to deal with contingency.

RM: Speaking of contingency, I've also learned some things since them. I absorbed Lacan and Bataille as a way of complicating my Marxist Hegelianism. I thought about the projection and introjection, transpersonal conceptions of subjectivity, read a lot of theology and psychoanalysis, studied law, and much later some sociolinguistics. Most importantly, perhaps, I've updated Marx's reading of political economy to incorporate, not only Keynes himself, but the broad approaches to financial theory that led from his concept of liquidity preference to the valuation of financial derivatives, and especially of options.

GDM: And all of these elements started appearing in your following book *After Evil.*[2] Here, you worked along the concepts of temporality and justice. The concept of transitional justice, in particular. Drawing from your influential teachers: Michael Walzer, John Rawls, Isaiah Berlin, Robert Nozick who worked around the issue of distributive justice, in way you reversed their analysis. So, can you speak about the temporality of justice and injustice, how you link it to the temporality of capital accumulation and dispossession and its perpetuation in relation to cumulative injustice, how do you employ these analyses in your most recent work?

RM: Sure. As a student, undergraduate and graduate, between 1964 and 1973, I was a witness to some major debates that define a liberal political thought 50 years later. One side, essentially, argued that *structural* justice could be reconciled with democracy only if historically oppressed identities were not mobilised to reverse their cumulative disadvantages, so that only forward-looking arguments against such gaps remain; the other side addressed historical injustice, but its remedy must be limited to direct compensation of victims by perpetrators without regard to ongoing beneficiaries, and thus to questions structure and democracy. These were the views my teachers and my presence in their classrooms, even then, was as a Marxist, concerned with the beneficiary question (class relations), and also with when and how confession of persistent and compounding historical inequality could become something more than an unburdening of democratic regimes from responsibility for injustices in the past. All of this eventually played out in *After Evil*, which compares the role of human rights discourse in the age of post-Cold War capitalist globalisation to earlier versions of the rights of man that created tension between the rise of capitalism and the promise of democratic revolution. In post-'89 humanitarian discourse, the apparent tension between resolving historical injustice and advancing structural justice disappears. Why? Because justice itself is now seen to have an essentially *transitional* (that of "transitional justice"), which is to enable moral consensus that the past was evil by imposing a political consensus that the evil is past. Here, the cumulative effects of historical injustice are no longer considered to be a structural problem subject to democratic challenge because the injustice itself is consigned to an earlier time. This means that beneficiaries of past evil who are no longer called up to justify it will be allowed to continue to accumulate the gains accruing from past evil without appearing to perpetuate it.

GDM: This is a strong, materialist turn in the development of your work. Could you please elaborate on this?

RM: So, here's what capitalism now claims to be: a period historical evil (originary dispossession) for which someone was to blame, followed by an extraordinary run of good luck, for which no one is to blame. What's left are cumulative benefits on one side, and residual trauma on the other. The beneficiaries of capitalism are free to recognise that unresolved trauma is disabling—it prevents capitalism's victims from making better, more realistic, choices going forward because they are still stuck in the past. And, because this psychic disability has no necessary link to their accretion of material advantage, acknowledging it can alleviate the anxiety of ongoing beneficiaries about having to disgorge their continuing gains as though they might as well have been perpetrators of the originary injustice. You then have a capitalism in which compounding inequality no longer seems to need a justification, provided that the persistent trauma that it leaves is confessed and, somehow, addressed. This is a main argument in *After Evil*.

GDM: So, from here can we move to the argument of your last book, which is *Justice Is an Option: A Democratic Theory of Finance for the 21st Century*.[3] So how shall we understand the claim "*Justice Is an Option?*" Can you elaborate on the double meanings it conveys focusing on the way the theory of options in finance can serve as an analytical frame to understand the development of financial capital accumulation. How can this break capital's tendency to perpetuate historical injustice… What advantage/ breaking point does finance offer here?

RM: Sure. *Justice Is an Option* spells outs what historical beneficiaries in *After Evil* ultimately got: it was political protection of the liquidity of the financial vehicles—the assets—through which their benefits can be cumulative. This protection can be described, and valued, in the language of options theory: maybe as a call option allowing them to harvest whatever financial upside attributable to inequality as such; maybe as a put option shielding them from downside risk to associated with political and financial volatility as such. Such options are *themselves* financial assets, adding value to a portfolio over and above whatever underlying assets they may be used to hedge or leverage. Their availability tends to have a ratchet effect on pre-existing inequality, widening it in periods of volatility that might otherwise tend to narrow it. So, in the *Justice* book, I return, for the first time in decades, to my liberal teachers and begin to talk about how they disregarded the value added by the optionality that allows accumulation to continue to compound. If the character and value of cumulative (historical) injustice can be described as an option, so too, can its remedy: historical justice. Hence, *Justice Is an Option*.

GDM: OK, for everyone to understand, I think it's important that we explain options theory by referring it to an historical event, which you did. Thinking about the financial crisis, you showed how option theory could have served governments to play against capital markets, by means of retaining the power on the assets we saved through public money and thus the wealth that was not adequately redistributed after 2008.

RM: Let me answer by contrasting my “option” view with the “loss/reparation” approach to historical injustice. The first is the view that historical injustice is essentially the *loss* (often traumatic) of something that you had for which you should be compensated. If the injustice could (except for trauma) have been extinguished by immediate compensation, we get the *reparations* view--that not paying compensation is a further injustice on which interest compounds--the more ancient the injustice, the more unjust it is due to compounding.

Now, what do I mean when I say that justice is an option? I mean is that the present value of the past is contingent on what happens next, and that it can fluctuate with how rapidly and widely things are changing, rather than simply increasing with the passage of time. So, unlike the passage of time, which always happens next, a change in volatility that affects options pricing is can be affected by what we do. The key chokepoint here is the liquidity of the asset markets through which wealth accumulates and compounds. And democracy can bring about capital disaccumulation by creating asset market illiquidity—which why democratic movements often pull back if they fear there will be no asset values left to redistribute were they to succeed. It also means, as I argue, that capital markets can suppress democracy by threatening to become illiquid unless political risks subside. So, liquidity crisis is now an autoimmune response to any threat we might make because capitalism threatens to destroy its own liquidity unless we give up. This is presently how capital market can benefit from the threats we pose to them, and my book proposes way for us to think about, and possibly to harvest, those gains.

GDM: Well, because there is the issue of capitalism shorting itself, right? So, betting on its own previsualised failure and take this to leverage further and future value. You wrote "shorting is the immune system of capitalism," which is very, extremely powerful definition.

RM: Yes, so, in a way, this is my contribution to the Left's self-understanding of its own political failure, and of the possibilities for its future success. Now, let me now zero in on the relationship between optionality and liquidity at a conceptual level. The thing that we as Marxists need to understand is that, in a monetary economy (unlike a barter economy), the exchange of goods for money occurs in two ways: one is that it's a swap of liquidity for utility, where you're exchanging money that you happen to have for a commodity that some other person happens to have. Here, the market value of the commodity is supposed to be, on average, equivalent to the money price. OK. But, then, how does one get the money one doesn't happen to have —or, for that matter, the commodity? Either can come from an exogenous source, but, in capitalism, the source of each could also be, at least partly, endogenous: for example, the commodity purchase of the commodity could be financed by "borrowing" the money from the seller and pledging the commodity itself as collateral. And the seller could help the borrower to repay the loan by agreeing to repurchase the collateral at a discount (thereby collecting future interest) or at a premium (thereby locking in a future profit). Here, there is no difference between borrowing money and lending collateral—but the valuation of the commodity as collateral—how much you can borrow against it (or be paid for lending it) will almost always be different from its market price at any given moment, because it will reflect the volatility of that commodity price over time. Why? Because a lender against collateral, unlike someone raising cash by selling, must always be concerned with the variance (volatility) of prices rather than their present (or, even their average) level. The spread between pricing the commodity as collateral and the collateral as commodity is the liquidity premium of money relative to that commodity. And, in many markets, you can *pay* that premium as the price of an *option*. So, for example, you can finance the purchase of a car as a commodity by borrowing against it as collateral, but there will be a spread between the price you pay and how much you can finance. A money-back guarantee—the option to resell at its original price—will cost you more than you would pay for the car itself. My book extends this way of thinking (options theory) to macroeconomic aggregates. The literature on this suggests that a fully financialised macroeconomy would be one in which a purchase and sale of commodities on the one hand is also a purchase and sale of collateral on the other. For this to work, you would need a "derivative" market in options, seen as purely financial assets the pricing of which will fill in the gaps by allowing liquidity premium to be continuously priced and monetized.

GDM: And we have seen how the issue of collaterals has been at the centre of the re-purchase agreements (repos), shadow banking interchanges, flows of capital that have been at the roots of the financial crisis exchanged and that reflected the way in which money has been exchanged in very asymmetrical and hierarchical way, bypassing regulation, and taking advantage from the turbulence inherent to capitalism.

RM: My theoretical intervention in the new book is to focus on the liquidity premium as a macroeconomic that applies to government bailouts (guarantees) of major financial markets, and, indirectly, the financial system as a whole. It's all still based on the difference—and links between—exchanging liquidity for things and borrowing liquidity by lending things, which lies at the heart of finance. And financialisation is essentially the idea that the creation of money is the same as shorting collateral. What we learned in the financial crisis of 2008 was just that, or so I argue in the book.

GDM: Absolutely, and can you refer to this specific mechanism? I mean really retrace that moment of the financial crisis in which we witnessed what you are describing, touching on the public private divide and role, which is also at the core of this power struggle. Because, if we think that some of the assets of the banks that were threatening to blow themselves up like suicide bombers, weren't saved by the Fed, they wouldn't have survived, and no one would have survived… But the bailout (tax payers' money) in the end mainly benefitted and leveraged the value of the same capital markets assets that were doomed to fail; it went to the advantage of who created the crisis, perpetuating a condition of historical and cumulative injustice.

RM: This is where options theory is illuminating. What we are talking about, when we are talking about options theory, is the degree to which capital markets can be endogenously funded, which is to say the degree to which they are grounded in the purchase and sale of collateral—essentially long and short positions that are, in theory, reversible at a price. What was revealed in the financial crisis of 2008, and again in 2020, is the following stylised story: *If* (1) commodities have been assetised; (2) assets have been collateralised; (3) collateral is shorted to create liquidity to finance assert markets; *then* liquidity support of the financial markets becomes increasingly continuous with price support of the broader asset markets. In other words, this is very different from simply bailing out the banking system in particular—it's about capital accumulation as such, and who pays, and gets paid, for it to continue.

I'm not the only one who noticed this revelation. Three academic fields were created, or resuscitated, because of it. The *first* now calls itself "critical macrofinance." It sees that shadow banking, which was the source of the crisis, issuing money by essentially shorting supposedly "safe" collateral on a pre-refundable (repo-based) basis, and that had to be backed. The Fed did this by means of repo, which is to say that it was issuing liquidity by shorting its own debt, and thus acting as a shadow bank for the shadow banking system. A *second* academic field, "modern monetary theory," has taken on new life based on a similar analysis: it says that, if repo is what the Fed must do to back the shadow banking system (and it's been happening since before the Fed-Treasury Accord of 1951) why distinguish between the Treasury and the Fed? Or, for that matter, between government spending, government lending, issuing money (and then recapturing it through taxation and government borrowing)? Let's nationalise, rather than subsidise these functions, and then redirect them to promote GDP growth and other public goods. A *third* big field, entirely new since the Great Recession, is the set of ideas surrounding cryptocurrencies, which responds to the collapsing distinction between the Fed's liquidity support of financial markets and its support of asset values generally, and to the increased interdependence between central banking and shadow banking. Well, once the issuance of both cash and collateral have been reimagined as state subsidies for capital accumulation, the state's role can be further narrowed, provided that the secure payments system ostensibly protected by law can be better protected by cryptographic protocols.

Well, all of this is based on understanding, with varying degrees of clarity, that the sale and repurchase of safe collateral is indistinguishable from the issuance of money, and that the liquidity creation and collateral creation are the same thing. This was something that I gradually realised only after 2008, as I was publishing *After Evil*: that the *mechanism* by which the beneficiaries of past injustice get to keep their gains is state support of the asset market liquidity. Once we see the cumulative value of past injustice to be both accessible and vulnerable because it is held in assert form, the cost of maintaining its liquidity can be repoliticised so that historical justice is back on the agenda.

GDM: It's a very big deal! Linking to that, I'd like to talk about the role of the state. What should be their function according to your vision? As you were saying, after the GFC, they acted in the defence of financial markets to guarantee liquidity —by allowing the future appreciation of the frozen assets, and, in a way, states were the ones that were wrong in not claiming the premium for the people, yet they are the only institutions that could have the potential to do so. Do you see them as legitimate actors, and see their political legitimacy bound to their redistributive power? Toni Negri, Sandro Mezzadra and Brett Neilson,[4] think that the state is not powerful enough to confront contemporary capitalism and so it is time to reopen politically a perspective of radical transformation, what do you think about this?

RM: Yes, and noticing the extent of state support for the liquidity of appreciated assets is a powerful way of illustrating the weakened role of the state within capitalism. But there's a flip side to this, which is that state support for financial market liquidity is not automatic. It's contingent on democratic forbearance at precisely those moments when finance is most vulnerable to democratic challenge, and when it must threaten to lose confidence in itself if state is unwilling to pledge "whatever it takes" to restore that confidence. It becomes safe for financial leaders to confess that inequality and injustice will rise as a result, only after this acknowledgement of inevitable "pain" has been delinked from a systemic critique. Now this is a very big deal if you want to understand the relationship of class and capital to political insurgency.

GDM: Well, financial capital has financialised everything: state, first of all, politics, the very traditional political struggles have been financialised because, in some of your arguments, that was even Occupy Wall Street, other strikes, strikes against debt, in particular student debt. These events have been instrumentally used in capitalism, which has found way to leverage itself and bet against its own threats. All of this doesn't leave much opening for traditional form of politics, right? It seems that every kind of attempt would be deemed to failure. And, so, we need a new political reckoning, because the only way to get around this and to fight would be to use finance as a tool to fight against financial capital political domination, but aren't there some risks in thinking about resistance through finance? At the beginning of your book, you state that "the political resistance touches the heart of capitalism only when financial system itself becomes a site of struggle" and then you declare your intention to transform financial liquidity into an object of political contestation. This really points at the current process of financialisation. Could you expand on this passage? Maybe reflecting on this political momentum. Given that, so far, finance has been a tool for economic and thus political domination, isn't it hazardous to see it as one of the main tools we must manage to exert resistance?

RM: Well, here again, I go back to Marx as an example. He had a theory about how capitalism as a mode of production, and how production growth endogenously funds consumer markets—until it doesn't. He showed producing wage-earners how much of this in their hands, and how vulnerable it can be to collective action. I'm looking at capitalism as a mode of accumulation as well, and how it endogenously funds itself by supporting the valuation of assets as monetisable collateral. So, I am trying to develop a sense in which people's understanding of their power over the collateral in their hands creates a kind of choke point in the system that can potentially leverage capital's increasing ability to previsualise its own collapse. This is a potential site of political power, but only if and when we understand how potential actions affect the liquidity of assets that are always already pledged in financial markets. The collateralised student debt is something I looked at in 2011: there are many other examples.

GDM: What kind of knowledge/counter knowledge production does this political project entail? Do you think that to achieve this new struggle everyone should be financially literate? I mean… should we teach options theory in school? And then maybe social political movements should claim it to use it subversively? And how can we do that to make people aware?

RM: Well, Marx wrote *Capital*. It's a difficult book, at time quite academic, but it could be reduced to pamphlets that made people see that capitalism is a system in which the endogenous financing of mass production depends on them to finance mass consumption by selling labour power that cannot be pledged as collateral to get cash. So, *Capital* is a book that showed people what it looked like to economists for them to feel the way they do. But, in a sense, it also empowered them to subvert the liquidity of commodity markets, and thereby crash the market for producer goods. I'm trying to write a book that reveals the same thing to the objects of financialization. Now, Marx's *Capital* was pamphletised for the working class… And people don't read books today, so I guess..

GDM: So we are doing this interview….

RM: …we're creating blogs, we're talking about what it feels like to look like you're a market for financial products, rather than consumer goods, and how this relates to the creation of new asset classes. We both know Dick Bryan in Australia, who is talking about the unionisation of on-call workers focused on the assignation of their cell phone contracts for collective bargaining.[5] And, at a macrolevel, we know that critical macro finance now argues that the shadow banking system won't fund green development unless it can be turned into an asset class that can be fully collateralised by being politically de-risked. Some of them suggest that, if shadow banking can't finance green development, then we can't have shadow banking and must go back to the model of war financing by the state that brought victory in World War II. I would pose a more directly political question: what if the suicide bombers on Wall Street are holding the green development hostage until the shadow banking can politically ensure the assets it creates, thereby putting states on the hook for repressing demands for historical justice as to save the planet?

GDM: Thinking about Mark Carney's role in driving investments transition from brown (dirty) to green assets, the paradox is that sustainable finance has been created to rescue the financial system from the threats of climate change, and thus to translate climate risk into stability risk. In a way green assets have already been de-risked through premium mechanism, which is now called *greenium*…. Green bonds offer investors this *greenium,* so they already have a kind of added de-risking to them as financial instruments. But then green bonds lose their "greenness" feature by being collateralised as any other assets.

RM: We need to re-politicise what the endogenous funding of social justice and green development would look like. In parts of the book, I imagine a hypothetical justice-granting state that could extract the liquidity premium from financial markets threatening their own collapse by essentially taking a call on capital appreciation when they recover which could be reinvested to reverse inequality, investing in green infrastructure, and so forth. Leading thinkers on global macro finance has estimated the premium that financial institutions should have paid for their bailout from the Great Recession as well over $8 trillion, which could have been used to fund a call option on the recovery of asset values above a specific amount that might, but need not have been, capped. In 2018, Adam Tooze estimates the liquidity to have been a multiple of what was done for capital markets during the Great Recession—perhaps three times as large.[6]

Elsewhere in the book, I recognise that we don't have a justice-granting state, which is why the liquidity premium was given away rather than collected in 2008, and why nearly three times as much in asset price support was given away in 2020, no objections raised, because financiers were not to blame for Covid. How, then, can we harvest the liquidity premia that demands for historical justice generate in capital markets. Perhaps we can develop a kind of mutual fund of allied social movements that are all invested in the potential illiquidity produced by other. There is also platform socialism, and its close counterparts in the world of crypto. If I think back to some of my book on Marx, I now wonder whether we're at a transformational moment and how the issues of liquidity and valuation can be used here.

GDM: Well, this calls for a very political rethinking, both to debunk the myth of crypto and to face the risks we incur to in imagining a powerful state.

RM: Well, yes. And the state we have is currently not powerful enough to threaten the liquidity of capital markets. During the period of stagflation in the 1970s, Minsky proposed an alternative to financialisation, before it happened: nationalising the capital markets. The most radical MMT people, like Hockett and Omarova, are basically recommending a return to this proposal after 40 years of asset market appreciation has occurred. I don't know what would have happened to the forces benefitting from financialising if another path had been taken forty years ago. To me, however, a more serious question is how to harvest and redirect the value that was created. And, first, we have recognised that it's not all fictitious, not in the same sense that nothing would be lost if it was gone. That said, there is nothing natural or inevitable about the widening spread between asset value growth and growth in output and income. You could call it fictitious, in the sense that its existence is contingent on political choices that could have been made differently. There is, thus, an opportunity for new responses in different times.

GDM: Yes, we should also create opportunities out of turbulence …. Related to that, can we have a few last reflections on the issue of labour? Labour has been deeply destabilized by financialisation in these last thirty years, in two ways: decoupled from the core of capital valorisation, finance, and, at the same time, re-coupled as one of its components, through financialisation of the personal revenue of workers and households. The new political subjects have been defined as speculative subjects; I am thinking for example about the work Michel Feher, Marina Vishmidt but also the recent book by Aris Komporozos-Athanasiou.[7] Can, in your own view, a new political subject be understood as a speculative subject, a subject able to take advantage of that political and social and economic contingency and turn capital into its own advantage?

RM: I think the question needs to be understood politically as a relationship between horizontal power and vertical power. I look back at the power of the labour movement to sabotage capital accumulation and threaten disaccumulation through a general strike that would crash the value of capital accumulated in the form of producer goods. A century ago, this called for an analysis of the vertical power of organised labour in forming or deposing governments, and how this bears on the power those governments can subsequently exert over capital.

But today's relationship between organised labour and the market in assets and credits is now completely different than it was for Marx, especially because wage labourers could not, in theory, finance consumption by borrowing against wage goods they had purchased or by collateralising labour they had not performed. Today, credit markets stretch aggregate consumption far beyond what present wage levels would support, financial products (such as loans and insurance) are an important component of household consumption budgets, and many wage-earning households rely more on credit generated from increases in the value of their homes than from on any hope of increased pay. Today, these various household debts are repackaged as collateral in credit markets, after having been themselves financed by bonds that are secured in other ways. Activists today need to be more aware of their impact on the securities market, and also of the degree to which it could be secured by political repression. At some point, there will need to be vertical activism to resist the degree to which the horizontal activism can be repressed.

GDM: Do you see also the possibility of creating collective ownership on assets? I mean, for instance, Corbyn was also talking about the possibility of creating collective shareholding of certain companies or corporations.

RM: I think such proposals are valuable insofar as they are subversive of accumulated wealth. But they can become alternatives to confronting the process of accumulation, rather than ways of leveraging it and subverting it. I look back to the literature in the '60s and '70s on the "development of underdevelopment" that indicated intensified levels of social interaction outside the economic system. The anthropologist Clifford Geertz called this "involution" and showed how it subsidised the export economy in post-colonial Indonesia. I'm concerned that in alternative economies, the creation of more demanding, more time-consuming, alternatives to paid jobs can function as implicit subsidies for the mainstream economic system and as drivers of financial accumulation, rather than as ways of subverting it.

GDM: Indeed, these local, bottom up, alternative economic activities often risk being subsumed. And, so, finding ways of subversion and hacking at the roots of the working of capital accumulation, using the opportunities that liquidity and money issuance offer, seems to me a more productive strategy.

RM: And, unfortunately, the alt-right, which is horizontally subverting democracy in many countries, especially my own, has now connected to a kind of vertical partisan politics, which is, at least partially, protecting it from being repressed. This is something that the Left used to be able to do more effectively than it now does. We must learn how to do that again.

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