

**Capital as Power: A Study of Order and Creorder**

Jonathan Nitzan and Shimshon Bichler

New York: Routledge, 2009, pp. xxvi, 438.

doi:10.1017/S0008423909990606

In *Capital as Power* Jonathan Nitzan and Shimshon Bichler address one of the oldest theoretical conundrums in the discipline of political economy—the theory of capital—with a view to supplying a more satisfactory answer to the question “what *is* capital?” While the work clearly fits into the tradition of radical political economy it is not easy to place it in any one school, and this for very good reason: Nitzan and Bichler are trying to create a *new* approach to political economy. The release of this highly ambitious book is aptly timed, for as the global political–economic crisis unfolds and existing theories and paradigms come into question, a space will be created in which new theoretical alternatives might be welcomed.

One way of classifying approaches to political economy is through theories of value. A theory of value is a metaphysical assumption about how prices are formed. Both neoclassical and Marxist approaches have a theory of capital and price formation that are derived from a utility and labour theory of value respectively. However, Nitzan and Bichler claim that both theories of value fail. They cannot explain what capital is, how and why it accumulates, *what* gets accumulated and, similarly, how prices are formed and why they fluctuate over time. In place of neoclassical marginal utility and Marxist abstract labour Nitzan and Bichler propose a power theory of value.

For the authors, “the secret to understanding [capital] accumulation ... lies not in the narrow confines of production and consumption, but in the broader processes and institutions of power,” the implication being that capital is not an economic category anchored in material reality, as both mainstream and radical theories maintain, rather it is a “symbolic representation of power” (7). “Power” in the sense they employ it does not mean “economic power” or “political power” but “organized power at large” (9). Most political scientists will likely find this problematic. Academic departmentalization and liberal ideology have tended to divide the study of society into separate, though overlapping systems. The “economic” system is different than the “political” in that markets and business are institutionally separate from the state and government. Each system operates according to its own logic, pursues different goals, utilizes different means, has its own discourse, and so on. In order to follow their argument, however, we must suspend this bit of conventional disciplinary wisdom.

They insist that instead of thinking of accumulation in absolute terms we should think of it in differential terms, and instead of approaching the business sector as a whole or capital in general we should focus on the largest firms at the centre of the political economy, what they call “dominant capital.” With these two operative concepts—dominant capital and differential accumulation—Nitzan and Bichler measure and map the quantitative patterns of capitalist development in the United States over the previous century with astonishing results. A key assumption in this approach is that “capital accumulation and the changing power of capitalists are one and the same” and since we can only understand force through its effects, capital only comes to have meaning by contrasting “the quantitative patterns of differential accumulation ... with the qualitative power institutions, organizations and process that underlie this accumulation” (312–13). This is a broad and highly speculative understanding to be sure, but their metaphysical premises yield precise categories for understanding accumulation. According to their framework, “differential accumulation is ... an ongoing struggle to restructure society against opposition. The form of the process is the quantitative redistribution of ownership, its content the qualitative transformation of power relations” (325). As the subtitle indicates, to create order or “creorder” is the ability to impose order against opposition and this ever-present tension

between force and counterforce means that change is institutionalized under capitalism. The architecture of prices, then, is the quantitative manifestation of this change and reflects a qualitative power process in which absentee owners (“investors”) engage in a distributional struggle over corporate ownership claims and their associated streams of expected future earnings.

Some will likely find their claims outlandish to the point of being conspiratorial while others might see it as a highly innovative paradigm shift in the study of society. At the centre of their analysis, acting as a lodestar, is “power,” a highly amorphous concept and one likely to be questioned by heterodox and orthodox readers alike. What cannot be called into question is the seriousness, scope or ambition of this work. Characteristic of their style, the authors combine deep historical perspective with a highly interdisciplinary approach to the study of society, as evidenced by references to figures as diverse as Galileo, Newton, Lavoisier, Orwell, Koestler and Marquez. Nor will the reader fail to be impressed by their quantitative work and their imaginative formation of concepts, which often find stunning empirical confirmation.

Though highly original and inventive in their thinking, Nitzan and Bichler have plenty of debts to pay. They rely heavily upon the work of Karl Marx, Thorstein Veblen and Lewis Mumford, to name a few. The book is geared towards heterodox political economists of all sorts, students of political economy and those outside the academy who are willing to engage with their work. For a subject that can often be heavily jargon laden, Nitzan and Bichler do a remarkable job of keeping their explanations and examples simple and clear. This book is attempting to be paradigmatic and even if it fails in this endeavour it is likely to cause a stir.

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### **The Liberal Project and Human Rights: The Theory and Practice of a New World Order**

John Charvet and Elisa Kaczynska-Nay

New York: Cambridge University Press, 2008, pp. *xii*, 434.

doi:10.1017/S0008423909990588

The place of human rights in international politics has long been a contentious issue. Do they represent universally shared ethical values or are they merely a Trojan horse for Western powers to advance that “standard of civilization” to which Gerrit Gong (Oxford: Clarendon, 1984) famously referred?

Despite the fact that it is made of three largely independent sections, each making a self-contained argument, the unifying theme of this book is a plea in support of what the authors have labelled the “liberal project” of international governance, with particular reference to the international human rights regime. Other than specifying the version of liberalism the authors adhere to, the first part clarifies the meaning of the liberal project as a coherent idea for a social and political order aimed at remaking the organization of international relations through the “transformation of the basic structure of the separate modern societies they together constitute, so that they all come to express liberal values” (5). The second part pulls together the arguments developed earlier to lay bare the liberal underpinnings of the UN human rights regime and other cognate instruments, which they see as the main application of the liberal project. This includes a detailed examination of the UN Declaration of Human Rights and the multiple regional charters created successively, the rights of women and the right to self-determination. However, the inclusion of the right to development may be seen as controversial as it still does not have the unanimous support of the international community.