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Book review: Jonathan Nitzan and Shimshon Bichler *Capital As Power: A Study of Order and Creorder*, Routledge: London, 2009; 438 pp: 9780415496803, £22.99 (pbk)

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capital' (p. 75-6). The political choice that is presented is one of learning to live with this violence, or of adapting long-standing assertions of the right to the social ownership of common goods against the new enclosures of financial biocapitalism.

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Jonathan Nitzan and Shimshon Bichler
Capital As Power: A Study of Order and Creorder, Routledge: London, 2009;
438 pp: 9780415496803, £22.99 (pbk)

Reviewed by Vineeth Mathoor, JNU, New Delhi, India

Capitalism is the 'natural reality' of the day: we live in and with its beauty and perplexities. As of now, we seem to be helpless before its gigantic leap forward and submit ourselves to its power. The rules by which we abide, the morals we keep and the very life we love to cherish all sprout up, engage, adjust, fight in and with the different manifestations of capitalism, and owe much debt to its intricate legacies. But do we know what capitalism really is? And how do we know that what we know of capitalism is accurate? This book brilliantly examines and rigorously analyses these very old questions of political economy and the theoretical attempts to define capitalism in its political, social and philosophical sense, situating them in the classical political economy of the 18th and 19th centuries. Might it be possible to discover a different approach to the problem of political economy today? The authors of this book rightly propose that any attempt to re-examine classical political economy and to smash the intellectual fetters of our misconceptions about it must start by problematising the very theories of it. Thus from the outset, this book is not just a historical examination of the gyration of either political economy or capital in its economic sense, as understood by pre-20th-century political economists or their acolyte followers. This is a new attempt to re-read capital as a new theoretical concept coupled with its existence as a symbolic representation of power. Capital is treated no longer just as an economic category, which provides enough provocation for Marxists, although one is also reminded of Marx's beautiful explanation of the fetishism of commodities, which is symbolically reflected in the study of capital's having invisible power inherent in it (Marx, 1977: 76-7).

It appears that the spirit that made this book possible was the long absence and then sporadic appearance of discourses on capitalism. In the affluent First World, talk about the two binary dominant metaphors of modern scholarship, capitalism and communism, was virtually absent in the long 1950s and 1960s. Though this argument can be seen as an example of a Eurocentric outlook of the world (Said, 1978), that dichotomy is not rigidly used to treat the non-European world. However, the discourses on capitalism/Marxism came back into academic as well as public debates of

everyday life sporadically in the 1990s, and thoughts about its future manifestations have raised heated debates worldwide. As Rees (1998) argued, the mainstream media started to replace headlines characterising Marxism as irrelevant with headlines indicating its relevance (see also Choonara, 2009). As usual, the book argues, most of the critics of capitalism tried to examine political economy without knowing much about it. Therefore, this book is an attempt to understand why this 'comeback' from the thick, multi-layered walls of change occurred, and what circumstances provided the re-emergence of capitalism as a metaphor of discourse and as a strong material entity.

Divided into five eloquent parts dealing with political economy from a different standpoint, starting with history, *Capital As Power: A Study of Order and Creorder* offers a solid cross-examination of Marxist political theory, capitalism, dominant aspects of power inherent in capital, the social role of production and then the invisible, unspoken thread combining these factors. The book takes a straightforward and homogeneously rational approach to the power of capital. Theoretically speaking, the study begins by analysing the central dualities of political economy, politics and economics, to further show the historical reasons for such bifurcations. Thus Part 1 starts with a theoretical puzzle to show the possibility of understanding capital in its totality, and this also constitutes one of the central themes of the book. Reading on, one sees that capital is not simply a classifiable commodity but commodified power in itself. Hardly new in itself, this idea leads to a re-evaluation of the abstraction of labour or its value in categorical terms, and to reading these as capital in its totality. In this totality of capital, the 18th century is a remarkable period that produced the three pillars of capitalism: the rise of modern science, liberal politics, and capital accumulation (Braudel, 1992). The 18th century marked the death of God and the birth of science, simplifying the 'unnatural' god, in theoretical terms. In this new rational world, economics no longer remained an unnatural entity but deserved to be analytically understood in totality. The various attempts to comprehend the legacies of capitalism at various points proceeded further without much attempt to locate capital differently. Thus, the first part ends by showing the essential drawbacks of the theoretical underpinnings of the neo-classical, Marxist, and Frankfurt schools, and of the neo-Marxist approaches to capitalism and its variant forms. Strikingly, the book does not deal with other schools of economic thought such as the Austrian or the Virginia school of political economy.

Part 2, 'Enigmas of capital', examines the liberal and Marxist theories on capital in their 'essence'. Basically, this part attempts to critically reinvestigate the existing theoretical approaches to capital, profit and labour. In chapters six and seven, *The Marxist Entanglement*, and, respectively, the Marxist theory of wealth are critically examined, employing a soft approach to radical systems of knowledge. We must remember that when Marx argued that the commodified structure of capitalism is anchored in the labour process, he did not attempt to provide an analytical definition of capital, which he considered a comprehensive social relation. In this part, the role of production in determining the quantitative architecture of capitalism is analysed and the basic elements of Marxist theory are evaluated to show where Marx deviated from the actual facts in his examination of political economy. For instance, Marx started with three fundamental principles: the importance of struggles over surplus in human history; the concept that production and distribution are inseparable processes of class formations; and the creation of surplus as a product of labour.

The second part of the book analyses this intellectual itinerary of Marxist thought to show the logical and empirical impossibilities of such deviations. The last chapter of part two, *Accumulation of What*, starts with an interesting comparison of political scientists being driven by physicists' emphasis on the five fundamental quantities. This chapter shows that political economy, though it identified certain fundamental aspects of capital, does not explain what is accumulated as capital. Thus an attempt is made to critically re-examine the political economist's consideration of capital as either 'utils' or 'abstract labour'.

Part 3, 'Capitalisation', begins with a historical outline of its beginning since the 14th century and extends to the 21st century. The roles of Italian merchants, the Church, and English goldsmiths are analytically interrogated to show how we reached the time of 'capitalisation of everything'. This part shows that 'capitalisation is an encompassing social process of valuation in need of a comprehensive theory of value'. The basic argument is also centred on the classification of capital into two 'types', actual and fictitious, and the theoretical soundness and deviations within this Marxist paradigm are explained. The last chapter of this part deals with the process of capitalisation and its elementary particles, arguing for a broad approach to capital by looking at it not just as a hedonic entity or a social amalgam of abstract labour.

Part 4, 'Bringing power back in', starts with a discussion of Veblen's model of considering industry and business as opposing realms of human activity with a negative link between them. In this part, chapter 13 is very important since it tries to provide a historical understanding of how the capitalist mode of production actually came to existence, and revisits some of the basic components of the capitalist mode of power. The *mode of production formula* is reformulated as *modes of power* to understand hierarchical social orders thus: 'every mode of power, whether based on slavery, feudalism or capitalisation, has its own particular configuration'.

Finally, Part 5, 'Accumulation of power', searches in its four chapters for a theoretical outlook to develop the concept of capital as power. Chapter 14 begins by considering historical society as a 'creorder', a word used to refer to the paradoxical fusion of being and becoming, state and processes, stasis and dynamism. Then the authors analyse the mechanism through which capitalist power is commodified, structured and restructured. As a result of a complex power game of differential capitalisation and ownership, a strong gravitation force, based on power, emerges, and finally the dominant capital is constituted. Chapters 15 and 16 deal mainly with the effects of such dynamisms of capital and its significance in the experience of the USA in the last century. Finally, Chapter 17 deals with differential accumulation under the liberal and Marxist regimes to show their respective roles in shaping capital as power, and the case of ME is analysed to illustrate the temporal spread and geographical integration of differential accumulation.

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Leo Panitch and Martijn Konings (eds.)

American Empire and the Political Economy of Global Finance, Palgrave: London, 2009; 334 pp: 9780230236080, £19.99 (pbk)

Reviewed by Eren Duzgun, York University, Toronto, Canada

The global financial crisis, which started in the summer of 2007, still continues. However, one thing has already become very clear: the expectation that the recent economic downturn would lead to a fundamental change in the form and organisation of the international political economy has proved to be frivolous. Leo Panitch and Martijn Konings' edition addresses the question as to how such an ostensibly unsustainable system of global accumulation has persisted. They assert the importance of attentiveness to the mutually reinforcing role played by the US state and US finance in integrating a wide variety of capitalist interests into a global economic system in which different social formations have become constitutive of a larger polity: the informal American empire.

The first part of this volume is devoted to laying out the outlines and historical sources of US imperial power. Panitch and Gindin's chapter seems to argue for two interrelated mechanisms through which the American empire has come to be constructed and reproduced. The first is US foreign direct investment (FDI), which, they assume, has resulted in the 'induced reproduction' of US capital as an internal affair of capital-receiving states; thus they eventually became dependent on the US state and capitalism for their own reproduction. The second mechanism is the US financial system, which has been fully exploited by the USA to sustain its imperial power since the crisis of the 1970s. In the face of double-digit inflation, rising labour militancy, large outflows of capital and a declining dollar, the USA freed the dollar from its post-war commitments and increased interest rates. These measures not only disciplined discontent through an 'induced recession', but also brought the world's savings to the USA, thereby putting Wall Street at the centre of a new system of global accumulation and reinforcing the USA's capacity to revive global capitalism (pp. 30-4). Konings's chapter further explores the historical background of the US financial system. He questions how the domestic institutional form of US finance has affected the way in which the American empire internationally manifested itself. The yeoman farmers who sought to retain their independence against the centralising tendencies of finance capital, on the one hand, and the state regulations that aimed to increase government debt without relinquishing reserve requirements, on the other, forced the US financial system to constantly increase liquidity in the financial market. This involved the extension of various forms of consumer credit, mortgages and the securitisation of asset-based wealth that eventually made US finance 'a potent instrument of hegemonic socialisation' (p. 54). Konings goes on to argue that this specific form of the US financial system, which went beyond the confines of 'high finance' and became the deepest financial market in the world as early as the end of the 19th century, enabled the US state to