

**Highlights from Alan Freeman's review of Nitzan and Bichler's
Capital as Power: A Study of Order and Creorder
Eastern Economic Journal 39 (3, Summer), pp. 415-417.**

(Excerpted by Shimshon Bichler and Jonathan Nitzan, June 2013)

Freeman's full review: <http://www.palgrave-journals.com/eej/journal/v39/n3/full/eej201128a.html>
Nitzan and Bichler's *Capital as Power*: <http://bnarchives.yorku.ca/259/>

The setup:

In an iconoclastic reconstruction of social theory, Nitzan and Bichler (N&B) set out to correct what they see as an irredeemable distortion of social knowledge. This, they argue, arises from a false conceptual separation between political power and the economy, and manifests itself in a systematic failure to define capital meaningfully as an outcome of production. In clinging to such unworkable concepts, economists, like priests, "spread . . . the faith by building 'elegant-seeming arguments in terms which they cannot define' and searching for 'answers to unaskable questions'."

Critical economists beware:

[A]ny economist will benefit from following their journey into the labyrinth of economic doctrine. The critical economist may be disappointed, however, to find that N&B have in effect dynamited the exit. . . .

The new dogma:

[A] closer study reveals a disturbing underpinning. Their premise is that their answer must be right, because no other is possible. They offer not a theory but the only possible theory of power. This is not an end to dogma, but a new dogma. . . .

Ignoring Marx:

N&B make their job no easier by ignoring economics' best-known definition of "power": Marx's *Arbeitskraft* or labor power, defined as human capacity to transform nature and society. . . .

Trickery:

N&B's failure to acknowledge the concept of "use value" mimics another trait of doctrinaire economics, which dismisses inconvenient challenges by disguising them as something else.

Disregarding the non-equilibriumists:

N&B choose to ignore a basic empirical fact: in every branch and field we find, side by side, an orthodox canon that presupposes equilibrium, and heterodox traditions that do not. . . . [The fact that N&B misrepresent the latter non-equilibriumists as equilibriumists] provides ample evidence that [N&B's] scandalous misrepresentation is unsustainable. . . . They thus adopt, unreconstructed, the catechism on which rests the very doctrine they seek to overturn: there is but one method, equilibrium, and its critics are its prophets.

What is to be done?

N&B's ideas can develop in one of two directions. The best would be to engage seriously with non-equilibrium economic theories. They cannot do this if they rule such theories out of court a priori, as they do in this work. They will therefore have to drop the claim to have the only possible answer and recognize that economics offers a range of theoretically coherent alternatives. They have something to bring to such a pluralist engagement: the question "why is Tobin's Q not equal to 1" is legitimate and important. Their alternative is to offer, just at the moment when cracks in the existing economic dogma are finally beginning to show, yet another dogma to replace it.