

Review of The Global Political Economy of Israel

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Dismantles neoclassical economic dogma and keeps radical economics honest by doing the empirical dirty work that most economic commentators sidestep. The example of Israel's political and economic history and global integration as explicated in this book gives more firepower against the neoliberal worldview than any other text I've read.

Nitzan and Bichler enfold several truly radical assertions into this work. After laying out the inadequacies of both the neoclassical and Marxist definitions of capital, the authors argue in favor of one in which the central determinant is power, which they posit can in turn be described as expected earnings beyond the average rate of return (referred to as differential accumulation).

Pulling figures from sources such as Fortune and Dun and Bradstreet, Nitzan and Bichler construct a record of differential accumulation by first the most global dominant capital groups and then those operating in and around the Israeli economy. The former analysis is more cursory (albeit still compelling on its own), while the second is exhaustive.

The findings offer up suggestions that fly in the face of orthodox econ. First is that the behavior of dominant capital owners attempting to sustain and raise their rates of differential accumulation has encouraged and likely been the principle cause of the oscillating periods of economic stability and instability observed throughout capitalism's history. Second is that, one way of inducing instability is by producing stagflation though collusion and intentional.

I think this book has enormous potential for bolstering the case against globalization in its current incarnation. It is the best tool I have found for making extremely intelligent free market fans have second thoughts because the evidence is so well compiled and laid out and the authors are not afraid to dispel prevalent myths amongst the left despite being self-described Marxists (they quarrel with his theory of value, not his more broad-ranging commentary).