

ership structure (public, private, domestic or foreign) of the banking sector that needs to be altered so as to build a financial system that would serve a more progressive development agenda. Secondly, addressing a common gap in the literature, the author demonstrates how intensification of work in the case of banking sector employment has evolved as a response to crises and has shaped the long-term profitability strategy of the sector in both Mexico and Turkey.

Overall, Marois's book is a valuable contribution which improves our understanding of the complex issue of the relations between state, banks, labour and crises. It is also a timely intervention highlighting a number of important issues that emerging capitalist societies will have to revisit given the burgeoning controversy about the effects of rapid integration with global financial markets. I am pleased to see that the book is translated into Turkish shortly after its publication in English as it certainly deserves to meet a wider audience.

Costas Lapavitsas

*Profiting Without Producing: How Finance Exploits Us All, London*

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This book aims to provide a Marxist interpretation of the global crisis, putting it in the context of a new phase of capitalism, one characterised by 'financialisation'. There are many definitions and uses of this term, and the book's back cover claims that it is 'one of the most innovative concepts to emerge in the field of political economy in the last three decades, although there is no agreement on what exactly it is'. In Lapavitsas's view, it is the 'transformation of the conduct of non-financial enterprises, banks and households' (p. 4).

The book's 10 chapters cover a very wide range of material, discussing Marxist and mainstream literature and detailing financial market developments in four major countries, the US, UK, Japan and Germany. In that respect, it offers a very useful source of references. Another value of the book is that it discusses financial profit and the dollar as world money, topics that rarely get much coverage from a radical perspective. However, the approach to characterising modern finance is problematic from both a theoretical and an empirical point of view.

Most people are aware of the dramatic rise in the prominence of financial markets from the 1970s, and many other books have linked this to the breakdown of the Bretton Woods global monetary system in the early 1970s. Lapavitsas does not offer any new explanation, but instead aims to examine

how financial processes have changed over this period. In his view, companies came to depend less on banks for investment (loan) finance, so banks turned to financial trading and dealing with households to sustain their business profits. Meanwhile, households became more engaged with financial markets via mortgage arrangements, private pensions, consumer credit, etc. In Lapavitsas's view, the upshot is that financial profits are not simply a deduction from the profits of the productive capitalists; they also represent a deduction from the income of workers (p. 143). Hence, 'finance exploits us all'.

This conclusion will appeal to the many who have no love for banks. However, while the view of bank profits taking a share of workers' incomes might seem valid for Wonga's clients, it does not stand up to a closer scrutiny of value relationships in society. Workers do obtain some goods and services on credit, but the interest cost of that credit is more correctly seen as a deduction from surplus value produced, otherwise workers are getting paid below the value of labour power and that cannot be a systematic phenomenon. Ultimately, any 'financial profit' is a deduction from the profits of the productive capitalists, and in Marx's analysis it is an interest deduction from surplus value. It is not a normal deduction from the incomes of workers.

Another issue arises when Lapavitsas argues that the 'logic of theoretical analysis ought to run from the national economy to the world market' (p. 19). This goes against the usual Marxist tradition and one cannot understand 'world money', for example, unless one starts from a *world market* perspective. This approach also leads to a number of important omissions when assessing empirical evidence. The book does not discuss foreign investment earnings, nor those based on financial trading, except for capital gains. Even on a national level, the 'finance exploits us all' focus means he does not really discuss household receipts of financial profit and he omits the property assets that are the counterpart to mortgage debt.

Most jarring, however, for a book with a Marxist orientation is the author's concluding proposal to set up a public bank in order to control finance and reverse financialisation. In his view, 'public banks could support the provision of banking services to real accumulation as well as to households' (p. 324). Having made a distinction between the financial capitalists who exploit *without* producing and those capitalists who exploit *in the process of production*, the book gives the reader the impression that the latter is fine, or at least the lesser of two evils. Ironically, despite its critical view of capitalism, this book ends up as seeking to restore the health of the capitalist economy.