

Thomas Marois

*States, Banks and Crisis: Emerging Finance Capitalism in Mexico and Turkey*

Edward Elgar, 2012

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Over the last three decades, as domestic and international flows of capital have played an increasing role for the emerging capitalist societies, a growing body of literature has investigated the relation between finance and development. Marois's book contributes to this literature by providing a critical study of states and banks in Mexico and Turkey. The choice of Mexico and Turkey is not an accident. Having increasingly integrated into the international financial system, these countries experienced severe financial crises with worldwide repercussions in the late 1990s and early 2000s. But strikingly, same two countries have been at the centre of attention due to the resilience of their banking sectors during the recent global financial crisis. This resilience to the financial volatility is attributed to the post crisis banking reforms in Mexico and Turkey, in 1995 and 2001, respectively. Marois challenges this claim by critically examining the implications of the financial reforms in these countries. In doing so, the author highlights the importance of shifting our attention away from mainstream esoteric assessments of bank rescues to the logic of state intervention during crises and the very important question of who benefits from such interventions. As such, he argues that state-led financial rescues have represented the deepening of the unequal social relation between finance and the working majority, particularly through the transfer of wealth from the labouring classes to the financial capitalists.

Marois effectively demonstrates that banks and states are embedded in a set of social relations and need to be analysed from a historical perspective. To that purpose, his book provides readers with a solid historical foundation and fundamental understanding of the characteristics of state and bank relations in emerging capitalisms. The core argument of the book is that transitions to neoliberalism in Turkey and Mexico since the 1980s have taken a finance-led form in the 1990s and later on have evolved into a new phase of accumulation and development which he refers to as 'emerging finance capitalism'. As the author puts it 'this phase of emerging finance capitalism is defined by a new form of state that represents the fusion of the interests of domestic and foreign financial capital in the state apparatus as the institutionalized priorities and overarching social logic guiding the actions of state managers and government elites, often to the detriment of labor.'

In relation to this point, Marois makes two further significant contributions to the literature on finance and development. First, he suggests that it is the class based social imperatives of neoliberalism rather than the own-

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*

Verso, 2013

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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