

Book Reviews

Money Power and Financial Capital in Emerging Markets: Facing The Liquidity Tsunami

By Ilias Alami.

Routledge: Abingdon, 2020. 245 pages, £115

Through *Money, Power and Financial Capital in Emerging Markets: Facing the Liquidity Tsunami*, Ilias Alami has set a research agenda for scholars interested in finance, history, labour rights and gender equality in the contemporary, crisis-ridden emerging markets. By using Brazil and South Africa as case studies, Alami has teased apart the volatile and often contradictory nature of financial capital and subordinate positionality of the Global South. Simply put, this book is about the “terrorism of money” (p 4) committed by the transnational capitalist class over the years. With a multi-disciplinary perspective, Alami has divided the book into three sections.

Chapter one of part one “Theory, History and Geography” explores the inherent political character of the various theoretical debates on cross-border finance management and in turn policy challenges faced by the various stakeholders in the Global South. Besides this, it raises questions regarding the beneficiaries of these policies and power relations created/reinforced by them. Chapter two is the continuation of the first chapter; more specifically, it highlights the co-dependence of the state and market on each other in a geographically uneven global financial market. For example, it highlights the interests of different domestic groups who, by removing a variety of regulations, have contributed to the expansion of capital accumulation on planetary scale. The author raises more questions about the formation of social relations and suggests the need for an alternative conceptualisation of cross-border finance management. The third chapter is by far one of my favorite, as Alami defines the cross-border finance management thoroughly but identifies the loopholes in it, namely the state and its ambitions when it comes to implementing various policies and overlooking the tremendous social power of money and finance. In other words, the state removes geographical barriers (i.e. capital controls etc.) to facilitate capital accumulation and manage class relations through monetary flows. In the last chapter of part one, the author explores “the *spatial logic* of the money-power of capital” (pp 70-71) especially with the collapse of Bretton Woods’ global monetary system. For example, the production of financial instruments and knowledge (i.e. emerging markets as exotic investment destinations) by the White, middle aged men in the Global North has only created a fetish for short-term investments and subjugation among international investors.

In the second part of the book - “Case Studies” - Alami takes us with him to explore the “concrete forms of realisation” (p 93) of state power in both Brazil

and South Africa. The chapters in this section, discuss the similarities and differences between Brazil and South Africa when it comes to claiming their respective place in the global capital markets. He provides detailed statistics and quoted different stakeholders from both the countries wherever necessary to support his arguments. Here in this section, the author could have given more space to the complicit attitude of the Black elite class in carrying out the imperial class project while disciplining the rest in South Africa. Likewise, the struggle between labour and other asset owning classes in Brazil could have been explored further.

Finally, in the last part – Towards a Unified Theory – the author masterfully provides a detailed comparative analysis of various policies adopted by both emerging markets, highlighting the hits and misses. He discusses how in both countries state managers and investors have created financial vulnerability which ultimately serves the capitalists in the advanced economies. In other words, the Global North is held as the standard when it comes to economic growth and financial innovation. Furthermore, he proves that the Global South serves as the site of policy experimentation, knowledge generation which is crisis-ridden. The last chapter of the book, “Third World countries with First World financial systems”, is another favorite of mine as Alami highlights that in the coming days it is the emerging markets with enhanced capital liberalization and appetite for risk and crisis who are going to actively shape the global financial markets among other things. Also, Alami suggests various research frontiers for scholars of finance, history, labour rights, and gender equality in the emerging markets. Thus, this book is an essential read for the scholars interested in understanding global finance and the place and power of the emerging markets in it.

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Work

By Bruce Pietrykowski

Polity Press: Cambridge, 2019. 180 pages, £14.99

Work, by Bruce Pietrykowski, is the first in a series of “What is Political Economy” books to be published by Polity Press. Pietrykowski’s goal is to explore the nature of work from a political economy perspective; and in doing so he draws from the traditions of Marx and Keynes, and contemporary feminist and institutional economics.

Pietrykowski’s premise is that the capitalist-wage system has come to dominate aspects of our lives that extend far beyond work. He contends that the nature of work affects the composition of families, the availability of leisure time, the quality of our lives and life expectancy, and that the magnitude of

these effects is felt more by some than others. He asserts that broadly similar patterns of change across the globe – i.e. rising female labour force participation, rising levels of part-time employment, declining unionisation and collective bargaining, rising precarity, rising share of services in total employment, and an accompanying decline in male manufacturing employment – compel us to examine the consequence of these changes for our political economy. Falling at the intersection of these changes, he selects inequality, gender, management and organisation, and technological change as major themes delineating the chapters of this inquiry.

To motivate the first substantive chapter on inequality, Pietrykowski reminds us that because labour cannot be invested independently of its seller, human effort is unsuited the application of standard investment appraisal techniques; yet the field of human capital economics has flourished in this very endeavour. Pietrykowski's opening argument is fundamental : if we are to accept that pay is determined by marginal (revenue) product, that productivity is determined by skill, and that workers are capable of optimising their lifetime earnings by targeting a level of education (endowing skill), *then who decides what constitutes skilled labour?* The question matters because the proposed causal link between skill, productivity and pay, is confounded by the subjective definition of skill itself – the assignment of value to the embodied labour of others. Consequently, Pietrykowski argues that far from being the outcome of underinvestment or sub-optimal decision-making, differences in earnings are additionally driven by social norms and values, and the type of judgments that persistently undervalue the labour of discriminated groups.

Continuing this theme, chapter 3 examines the intersection of gender and work. Here, the hidden and unpaid labour performed in making and maintaining home, family and community is typically invisible in the measurement of productivity and value. Pietrykowski discusses the value of care work, its unequal gender distribution and the related imbalance of bargaining power within households. His discussion challenges both the prevailing view of female specialisation in household labour, and the prevailing remedy of increasing access to reduce gender inequality.

Chapter 4 identifies three managerial strategies which, it is argued, determine the pace of specialisation, fragmentation and alienation at work. In contrasting various high- and low-road approaches to welfare capitalism, Pietrykowski acknowledges the difficulty of locating precarious and gig economy work within existing binary frameworks (insider/outsider, primary/secondary). His proposed third classification speaks to an unresolved debate between those who believe gig economy workers constitute a new social class – multiply excluded from secure employment, representation, training and safety nets – and those who view it as yet another adaption to post-Fordism. While chapter 5 explores other hybrid forms of organisation (cooperatives), Pietrykowski returns to his analysis of the consequences of technological change in his sixth and penultimate chapter. He concludes with a discussion of the future of work,

and a review of proposals (i.e. social wages and basic income) designed to reward non-market work and to respond to technological unemployment.

While an exhaustive co-presentation of mainstream and political economy approaches is beyond the scope of this book, Pietrykowski offers a faithful description of the dominant theoretical paradigm in each of the issues he addresses. His identification of intellectual shortcomings in some dominant paradigms goes beyond the familiar and superficial strawmen that often blight other, less faithful co-presentations of rival approaches in economics. Instead, Pietrykowski's critiques of the mainstream are intellectually incisive, and equip the chapters of this book with solid premises that compel attention. Pierworkski's gentle but insightful introduction to the political economy of work can be recommended to all inquiring minds.

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