

The York Department of Political Science

Invites you for a seminar:

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## Contours of Crisis *Fiction and Reality*

BY

Jonathan Nitzan

There are many explanations for the current crisis, but they all seem to share one thing in common. The view of most observers is that this is a *financial* crisis, a crisis that originated in and was amplified by the financial sector.

Of course, when theorists speak about a financial crisis, they don't speak of finance in isolation. They speak of finance in relation to the so-called real capital stock. The current crisis, they argue, happened not because of finance as such, but due to a "mismatch" between financial and real capital. According to this view, the world of finance deviated from and distorted the real world of accumulation; and since there is no such thing as a free lunch, the ensuing crash is the price we all have to pay for failing to prevent the distortion.

This *mismatch thesis* – the notion of a reality distorted by finance – is broadly accepted. It is the basic premise of liberals, it is endorsed by Marxists, and it guides policy makers.

There is only one problem. The mismatch itself does not – and *cannot* – exist, and for the simplest of reasons: the very distinction between "real" and "financial" capital is entirely fictitious. . . .

Jonathan Nitzan teaches political economy at York University in Toronto. Most of his publications, including this paper, are freely available from *The Bichler & Nitzan Archives* (<http://bnarchives.net>)

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**Monday, October 26, 2009**

**2:30 – 4:30 pm**

**Verney Room, S674 Ross  
Keele Campus of York University**

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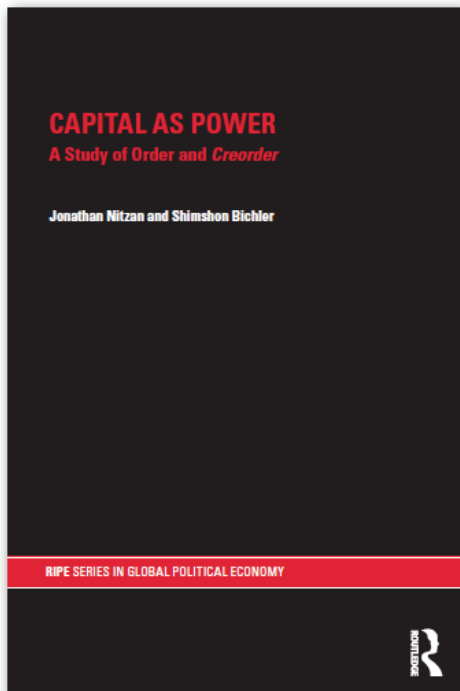
The lecture will be followed by a  
launch of Jonathan's newly co-authored book:

**CAPITAL AS POWER**  
**A Study of Order and Creorder**

# Faculty of Liberal Arts & Professional Studies & York University Bookstore

Invite you for a book launch:

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## **CAPITAL AS POWER** **A Study of Order and *Creorder***

BY

**Jonathan Nitzan and  
Shimshon Bichler**

Conventional theories of capitalism are mired in a deep crisis: after centuries of debate, they are still unable to tell us what capital is. Liberals and Marxists both think of capital as an “economic” entity, which they count in universal units of “utils” or “abstract labour,” respectively. But these units are totally fictitious. Nobody has ever been able to observe or measure them, and for a good reason: they don’t exist. Since

liberalism and Marxism depend on these non-existing units, their theories hang in suspension. They cannot explain the process that matters the most – the accumulation of capital.

This book offers a radical alternative. According to the authors, capital is not a narrow economic entity, but a symbolic quantification of power. It has little to do with utility or abstract labour, and it extends far beyond machines and production lines. Capital, the authors claim, represents the organized power of dominant capital groups to reshape – or *creorder* – their society. Written in simple language, accessible to lay readers and experts alike, the book develops a novel political economy. It takes the reader through the history, assumptions and limitations of mainstream economics and its associated theories of politics. It examines the evolution of Marxist thinking on accumulation and the state. And it articulates an innovative theory of “capital as power” and a new history of the “capitalist mode of power.”

Jonathan Nitzan teaches political economy at York University in Toronto. Shimshon Bichler teaches political economy at colleges and universities in Israel. Most of their publications are freely available from *The Bichler & Nitzan Archives* (<http://bnarchives.net>)

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**Monday, October 26, 2009**  
**4:30 – 6:00 pm**

**Political Science Lounge, S655 Ross  
Keele Campus of York University**

**Food and refreshments will be served**