



# **The Making of Global Capitalism: The Political Economy Of American Empire**

*Leo Panitch , Sam Gindin*

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The all-encompassing embrace of world capitalism at the beginning of the twenty-first century was generally attributed to the superiority of competitive markets. Globalization had appeared to be the natural outcome of this unstoppable process. But today, with global markets roiling and increasingly reliant on state intervention to stay afloat, it has become clear that markets and states aren't straightforwardly opposing forces.

In this groundbreaking work, Leo Panitch and Sam Gindin demonstrate the intimate relationship between modern capitalism and the American state, including its role as an "informal empire" promoting free trade and capital movements. Through a powerful historical survey, they show how the US has superintended the restructuring of other states in favor of competitive markets and coordinated the management of increasingly frequent financial crises.

*The Making of Global Capitalism*, through its highly original analysis of the first great economic crisis of the twenty-first century, identifies the centrality of the social conflicts that occur within states rather than between them. These emerging fault lines hold out the possibility of new political movements transforming nation states and transcending global markets.

## **The Making of Global Capitalism: The Political Economy Of American Empire Details**

Date : Published October 9th 2012 by Verso (first published January 1st 2012)

ISBN : 9781844677429

Author : Leo Panitch , Sam Gindin

Format : Hardcover 464 pages

Genre : Economics, Politics, History, Nonfiction



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## Diego says

Well this book was incredibly well researched. But not sure I would suggest this to just anyone to read. It's very dense and the writing is long winded and more complex than it needs to be. Could be written shorter and more concise.

Book ends very weak on suggestion to move forward; heavy belief on radical push for socialism. Writers believe this history is required to drive a complete change to global capitalism, but provide no realistic ideas for change. Weak sauce.

I took a lot of notes and folded a lot of pages. So I'm just inputting what I thought interesting:

- Post WWII history of American involvement with Europe and its capitalistic expansion with Americas internationalizing of finance and management styles after the New Deal. Created more competition back in America. - An argument is made that companies were forced to be more competitive due to labor unions and pension plans.
- Takes you through the rise of the US growth and profit through the 60s, into the decline of the 70s.
- The detachment of the dollar to gold, thus forcing foreign investors into the dollar, expanding the US Treasury and Federal Reserve responsibilities.
- Five transformations of the US that lead to the spread of global capitalism: relationship change between industry and finance, company outsourcing, the transition to high tech manufacturing, the growth of business services, and the weakening of the worker class.
- Europe's capitalistic rise was more about integration with US rather than an independent growth
- Same goes for Japan, their rise was more about the exploitation of their culture in the 70s. The 80s brought them to love Wall Street, which strengthened the dollar dramatically. Though the low yen - dollar exchange rate raised their exports and put pressure on local industries. Forcing the US to close the gap. Japan exploited the low rate, but wanted no part in taking over global financial leadership.
- Other countries relied on the US to help grow their internationalization
- Financial compartmentalism destroys an economy
- Book integrates the importance of NAFTA and WTO in the 90s
- US rules of law spread globally, aided in settling trade negotiations
- Liberalization is not the same as deregulation
- IMF provided financial support only when emerging nations rid of crony capitalism. Russia did not cooperate, thus defaulted on their foreign debt. Inflation was reduced 5% globally.
- Liberalization also led to dramatic economic crashes in emerging markets that could not handle the volatility. Though the conversion and risk was of magnitude worth the effort, as emerging markets exploded its gains
- It was this that the US needed to manage the crises. Mexico, Japan, whom helped Thailand. Though, the perception that the US was not involved created more panic
- International banks could not do much without push from the US Treasury
- Structural conditions for privatization was controlled by the US, thus impacted politics and regimes. Indonesia.
- Handling these crises through the big banks gave way to self regulation on "risk" scenarios, I find it kind of pathetic the Fed and Treasury thought the use of derivatives markets was too difficult to determine the risk, especially since banks were hypocritically competing with one another
- Income inequality increased despite economic growth due to new third uneven capitalist competition and development

- Great analogy of jet travel to global financial crises. They allow everyone to travel/access anywhere, but the crashes are more dramatic. Like federal regulations, there needs to be bankruptcy laws that address failures.
- Corporations that outsourced production to a network of suppliers contributed to the expansion of globalization. Though contributes to financialization.
- US federal reserve acted as the world central bank
- 2008: G20 summit after the crises: "importance of rejecting protectionism and not turning inward, refrain from raising new barriers to investment or trade, imposing new export restrictions"
- China: "the US is the epicenter of the global financial crises, but the US dollar is the monetary safe haven". Since 2008 China has been pushing to strengthen the renminbi globally.
- Stagnant growth in 2011 was due to: lack of company investment, reluctance of banks to lend, and low consumption
- Liberalization of finance and global capital movement was key to growth, but opened countries up to volatility
- Due to its internal political instability, the US is threatening to risk the stability of the world.
- No other country seems to have the immediate ability to displace the US as the world monetary stabilizer.

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## **Yngve Skogstad says**

Too often Marxist analysis lapse into obfuscating abstraction, tautologies and determinism. As a socialist who long steered away from Marxism for these exact reasons, I find this a sad waste of potential. A few recurring themes that have bugged me over the years follows: Referring to "capital" as if it possesses a will, "capitalists" as if they are a uniform entity, markets as if they are some natural phenomenon, as well as reading Marx's works as if they are Prophecies. Not only is it inaccurate, it also diminishes our potential as a mass movement, because it turns leftism into navel-gazing mysticism, inaccessible to people who haven't read up on the classics or like to pretend that they have (I haven't). If we are to formulate a manageable and inspiring pathway to socialism, it is paramount that we have a correct analysis of how we got to where we are today. Consequently, we must do the hard work of examining the data (I think with a particular focus on the state and how its institutions operate) and not just recite dead revolutionaries who lived in vastly different societies than ours.

What Leo Panitch and Sam Gindin manage in *The Making of Global Capitalism: The Political Economy Of American Empire* is doing what Marxism as an analytic approach should strive towards. They rigorously trace the historic processes that eventually lead to an American world hegemony under neoliberal capitalism; all the way from WWI up to the Global Financial Crisis (GFC). They demonstrate how there never was any predetermined inevitability to this expansion process, and that it certainly wasn't initiated by the capitalists themselves. No, the spread of American-style capitalism was from its inception a deliberate process under the auspices of the American state. The American capitalists, on their hand, were all too comfortable with their local monopolies, and had to be dragged along time and again during the initial stages of this process, but this reluctance eventually wore out after WWII, as links between capitalists of Europe and the U.S. were made. The internal contradictions of Keynesianism made way for a restructuring of class relations in the U.S. during the seventies, and a new form of capitalism – neoliberalism – was launched and swept basically the whole world. But this restructuring of course just brought to bear new contradictions, surfacing in the nineties in the form of several "emerging market crises", and finally, revealing its horrendous logic through the GFC of 2007-...

What was so peculiar was that this crisis has not (yet) lead to any structural changes, neither in production,

class relations or growth models. Nor have we seen the economic nationalist backlash of the thirties either, though we now have Trump talking tough. The same economic system is just limping along, enabled by enormous amounts of fictitious capital.

I don't want to spill all the beans here, but some of the myths that Panitch and Gindin thoroughly debunk in this book are: 1) the notion of the "weak American state", 2) that the U.S. Empire is crumbling, 3) That China is about to pass the U.S. as the leading economic power (no, we're not talking GDP numbers), 4) that international financial institutions are increasingly running the show, and undermining the U.S. 5) that capitalists are rational and know their class interests, 6) that there is a way back to the Keynesianism of the post-war decades.

This is the best and most pivotal book I've read in a long time, and something I will be revisiting for years to come. It is a fascinating and meticulous account of what is the most central aspect of the American Empire/Hegemony; not the covert and overt wars in third world countries, but the global economic system that emanated from the U.S. From what I understand, this book has been in the works since the nineties, and it shows. It is very well researched and referenced, something I personally appreciate immensely. I can hardly recommend this book enough, people! You are in for a treat, I tell you, but do take your time and absorb it.

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## **Malcolm says**

One of the great myths of contemporary politics is that the recovery from the most recent economic crisis (yes, myth one is that there has been a recovery) is the result of the withering away of the state (one of those clichés of the New Right, as we used to call them); more so that this withering away is essential for markets to be free and for unbridled prosperity to be ours. We hear repeated claims that the recovery would be even stronger were it not for red tape inhibiting small business – be that red tape 'imposed' by unions, state regulation (the ubiquitous health & safety man) or Europe. One of the depressing things about this myth is that it seems to have been believed by the liberal-left who see attacks on the public sector – schools, health, social welfare – as part of that diminution of the state by forces driving a neo-liberal agenda rather than a reshaping of the state to serve that agenda.

The power of this myth is one of the many things that make this excellent analysis of 20th century global political economy so welcome. Panitch and Gindin have impressive leftist credentials – academic activists, Panitch as editor of *The Socialist Register* for years and Gindin as former union activist but both now at Tornoto's York University. Central to their political economy is the role of the state in reformation of capitalism – this most emphatically is not a withering away of the state but a profound restructuring and reformation of the state as developer and guarantor of financial markets and as internationally coordinated across but not limited to the major capitalist states. They wear their political theory lightly, but there is a generous dollop of Ralph Miliband (rather than Ed or David) and Nicos Poulantzas woven through the analysis; this is not the Leninist state as the executive committee of the bourgeoisie but a more embracing and internationalist phenomenon.

Analysts of the emergence of the New Right and their neo-conservative allies' drive to make the state safe for often date it as a political force to Barry Goldwater's 1964 election campaign; Panitch and Gindin go back much further because they do not focus on the issue of neo-liberalism but are concerned with the political economy of American Empire (note, there is no article – this is not The American Empire, but a more diffuse sense of power and control). As well as exploring the role of the State, we see an argument built

on long term developments in the 20th century capitalism including the effects of changes in the institutions of the state during the Great Depression and more importantly in the effects of the Marshall Plan; crucially, American Empire is not built on capitalism in one country but was an internationalist strategy of global development (Pantich & Gindin do not fall into the trap of seeing ‘globalisation’ as recent, but a long term trend). The result is that they do not see or present globalisation as something beyond the state but as integral to and intimately linked to states and state power; this is a state that is being recast, not replaced or destroyed after all.

As political economists, they weave together class politics, state power and state institutions (broadly defined to include international bodies such as the IMF, which for much of their period seems to be an arm of, supplement to or complement of the US Treasury) as well as the instruments, often the technical financial instruments, of empire and financialisation (not in the obsessive, fawning way financial journalists do but as a political description to make clear what the instrument does). This combination can make the text, at times, dense but never impenetrable; the writing is engaging and clear, all the more so when they get to recent events, especially the post-2007 global crisis which is, as they note, entirely the product of developments in the US economy, and paradoxically a driver of US political and economic power.

There are several elements of the analysis that openly buck received wisdom, not on the basis of political assessment but on the basis of the character and quality of the evidence. They argue, for instance, that Chinese ‘challenge’ is less potent than often presented, mainly because of the extent of foreign direct investment (FDI), especially US investment, in China. They repeatedly make the point that although there are discussions of global capitalism, the vast majority of FDI is between OECD-type states, but note also that there has been a shift from empire extracting resources from colonies and spheres of influence to a growth on those areas of local but not national bourgeoisies. The key political point is that as American Empire’s capitalism has embedded itself globally the schisms are between classes within states, not between states. To me a key economic point is their critique of the distinctions made between the ‘real’ and financial economy, the backward looking fetishisation of the ‘mixed economy’: “Capitalist finance is in truth no less real than capitalist production – not just because of the way it affects the rest of the economy during both boom and bust, but because it is integral to capitalist production and accumulation as well as to the extension and deepening of global capitalism” (p338). To maintain the distinction, as people on both the left and right do, is to limit the economy about which we think matters to the production of stuff, and to miss the social relations of capitalism.

I’m sure there are many points where we could pick away at things, but I say all these things noting that this is not my field (I’m OK on the state, but my world of political economy is about labour processes and at the level of international economic dynamics I am well outside my realm of expertise) – but this seems a clear and compelling case; it joins Gabriel Kolko’s *Main Currents in American History*, now almost 40 years old, as my big picture reading for the structure of the US state since the end of the Civil War.

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### **Jan says**

Reading of this one has been fragmented, but will read again all the way through more thoroughly.  
Excellent!

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## RK-isme says

I set out several months ago to answer a number of questions that I had about the nature of neo-liberal globalized capitalism. Since the economic crisis of the last decade, I felt adrift in what I saw. What was the nature of the beast such that a housing crisis in the US could bring the entire world to the brink of disaster? Why was it that governments were willing to put up hundreds of billions of dollars to save those greed driven banks and corporations while letting individuals at the bottom of the economic ladder lose their homes, their jobs, their families - everything such that they would never manage to get on their feet again? What has happened to the once strong labour movement? I had grown up in the 50s and 60s and lived a free-wheeling life in the 70s and realized that those values had disappeared, but why and where? Indeed, after spending much of the 70s living in remote areas of Canada's north, I was shocked by the greed and consumerism of the 80s. What happened in 2007 left me reeling. I have read several books on the subject over the last few months and found partial answers. Then I found *The Making of Global Capitalism: The political economy of American Empire* by Leo Panitch and Sam Gindin. Leo Panitch was a familiar name because he is well known as a much respected, leftist academic in Canada. The book has not only answered my questions, but has also disabused me of many of my misconceptions, raised new questions and given me more answers.

I spent many hours reading the book and constructing the model they were presenting. I also spent a great deal of time with Wikipedia. This was all due to my lack of economic knowledge. Anyone lacking a good knowledge of world, and especially US, history over the last century would be well advised to spend some time on that before reading this as the authors do not spend a great deal of time giving background, or we should have a four volume tome. Let me stress that this is well worth the effort. I will also point out that despite the Marxist background of the authors, this book contains few hints of that. It only in the short concluding chapter that it really comes out. By that time the reader is ready not only to forgive that but, perhaps, agree. The analysis is fact filled and not given over to either anti-Americanism or overt anti-capitalism.

First, the Introduction sets the stage as to where the book is going. This is followed by a short history of the growth of capitalism in America up until the Great Depression in the 1930s, the New Deal and the entry of the US into World War II. It is at this time that the germ of an idea was developed that was to lead the world to where we are today:

"In May 1942 the editors of Fortune, Time, and Life magazines jointly published a statement entitled 'An American Proposal,' the product of a series of "Roundtable" discussions between prominent businessmen held under Fortune's auspices since 1939. It began with the premise that 'America will emerge as the strongest single power in the postwar period, and ... it is therefore up to it to decide what kind of postwar world it wants.'" The proposal, to quote the published statement, to replace the old style imperialism with "a new American 'imperialism,' if it is to be called that, will -- or rather can -- be quite different from the British type. It can also be different from the premature American type that followed our expansion in the Spanish war... American imperialism does not need extra-territoriality; it can get along better in Asia if the tuans and sahibs stay home ... nor is the US afraid to build up industrial rivals to its own power ... because we know industrialization stimulates rather than limits international trade ... This American imperialism sounds very high-minded. It is nevertheless a feasible policy for America, because friendship, not food is what we need most from the rest of the world.". To put it simply, the drafters of this proposal were suggesting that what was good for America was good for; ;the rest of the world, and vice-versa. The US administration had already accepted the plan and was taking steps to implement.

Interestingly, and left unstated by the authors, is that, just as the US saw itself, and continues to see itself, as

the missionary for the true 'democracy' in the world, so it was the missionary of the true 'capitalism'. It was with this missionary zeal that the US has set out to give everyone the gifts of 'America'. And to a large extent they have succeeded, except that not every country has shown itself as being up to achieving the model. Nor did the US perceive itself as becoming the 'World's policeman' in the process. But I digress from the book.

The first step after the war was to convert Western Europe to the US model. Keep in mind that the US was still working under the provisions of the New Deal which were then kept in place by the strong labour movement. This was important because most Western European states were politically under the sway of socialist workers parties wanting to rebuild their countries in a new way following the economic pressures of the Depression and five years of destructive war. Thus the US plan was initially built on their own New Deal, which was meant to assuage the concerns of European workers.

It needs to be stressed that the new US policy was that of the administration initially and was not strongly supported by US capital. Thus, when investment capital was not forthcoming in support of the rebuilding Europe, it was necessary for the administration to step in with the cash, hence, the Marshall Plan. This model of the US state stepping in to create and maintain globalized capitalism has remained a benchmark of the system. Without US state funding, the model never would have gotten off the ground or would have perished in one of the crises that have struck the international financial system over the decades.

I shall not trace the step-by-step creation of globalized manufacturing and financial systems. Only to say the US administration, in particular the Federal Bank and the US Treasury, have played an extremely active and dynamic role in insisting upon other states accepting US structures and laws in order to implement and maintain the US model, either directly or through the US controlled International Development Fund or the World Bank. The US Congress has usually been a side player in all of this, often in direct opposition to administration policy even looking to bring protectionist measures that would have put the whole system at risk.

The pressure on both historically capitalist states and developing nations to conform to the new international norms is tremendous. Everyone needs to be playing by the same rules. When crises arise, and crises are inevitable in the capitalist system, everyone needs to pull together under the direction of US coordinated institutions such as the G20.

I have learned the answers to many of my questions and more through reading this. How did we get to where we are in terms of a globalized, financialized, rather fragile economic system? The Americans built a system and the rest of us joined in. Although the US has held the reigns, other states have willingly joined in, changing their laws to comply with the model, overcoming internal dissent to free trade deals and the loss of national industries, curtailing social programs after 1980 to meet the needs of the system and freeing up capital.

What happened to the labour union movement which was once the defender of these programs? After the economic crisis of the 1970s and early 80s, a number of large industries needed bailing out. As part of the deals putting government money in place to stave off bankruptcies, unions were forced to take cuts to salaries and benefits. The union movement was then seen as obstructive to national well being and has lost power ever since. Union membership in most developed countries has dropped considerably in the last thirty years.

What happened to the values of the 60s and 70s that saw the replacement of the 'love and peace' hippy with the Volvo and investment portfolio owning yuppie? That same economic crisis at the end of the 70s saw governments curtailing social programs and shifting tax loads onto the middle class. At the same time, the

.com bubble started to grow and values shifted to electronic stuff. The new good for middle class citizens of the developed states became what you owned.

Why did governments opt for bailing out the banks instead of the home owners? Why did the banks collect trillions of dollars in the end that kept them afloat while millions of Americans and Europeans found themselves being pushed out of society, never to return? In fact, this was nothing new. Governments had learned that their role was not to run the economy but to support it in times of crisis. Crises were inevitable and governments had to be prepared to step up and put everything back on course in the economy. The first step was to prevent the collapse of financial institutions. Several minor crises had been dealt with by government interventions in the past. Indeed, in many cases, for example when the Mexican and South Korean economies were on the verge of collapse, the US Treasury secretly funnelled hundreds of millions of dollars to the other governments to staunch the flow of money out of those countries.

At the time of the 2007 crisis, the US Treasury not only pumped hundreds of billions into US financial institutions but more hundreds of millions into European banks. This commitment to globalized trade and open money markets (however one defines that) on the part of the US is almost religious. It is the current basis of the 'American Dream'. For many Americans, and others, it still seems to be within reach.

In their Conclusion, Panitch and Gindin show their Marxist roots. They make it clear that predictions of the pending collapse of the American Empire are not likely to occur in the near future. The entire globalized economy is dependent upon US stability. Better to continue to buy up US debt than to kill the goose. China depends upon US markets for future growth, as do the rest of us. The US dollar will remain the dominant monetary basis for the foreseeable future. The Euro is in no position to replace it.

At the same time, other institutions central to the dream, such as collectivised services and democratic institutions, are beginning to suffer. I can only suppose that as more and more middle class find themselves pushed out of the economy, there will be repercussions for the entire capitalist system, perhaps much as Marx predicted, but probably the Marxist dream will not materialize. I suspect chaos is more likely. There is no longer a labour movement to provide stability. If one looks at the factionalism in the US today, as order seems to be slowly breaking down into various versions of 'them and us', I cannot imagine any one group being able to bring back stability. Perhaps it will be the BRICS nations that will survive and save us all.

Good book. Changed my understanding greatly. If you are willing to put in some time and effort, or have a good sense of economic language, this book is worth it.

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### **Peter Harrison says**

This is a superbly argued dissection of the growth of both global capitalism and American power over the last 70 years since the second world war. It is tightly argued, with a strong sense of underpinning theory, and plenty of empirical evidence. Their key thesis is that the American state has in practice been the driving force behind the expansion of global capitalism. During and immediately after the war the key actors in the American state pushed set out on a strategy for America to secure and lead the capitalist world. There was a realisation that a growing global capitalist economy was in the overall interest of America, even if it was not in the interest of specific US sectors or individual firms.

This has often lead the state into conflict with the more parochial elements within American state and society. Despite change and crisis over the course of the following decades, this has remained the American

state's goal. Panitch and Gindin outline clearly how modern financialised capitalism is the outcome of this process - a world economy more than ever open to trade with free financial flows.

The 2007-9 (and ongoing) crisis has demonstrated as clearly as ever leading role America retains in this system as leader of its global empire. Despite theories of its decline, in fact America continues to take the lead in setting, making, and enforcing policy globally. The American economy, and the primacy of the dollar as the global reserve currency, remain central to the world economy. Even rising powers like China are demonstrably operating as integrated parts of the global whole mediated by America.

What has changed is the end of distinct national bourgeois elites, which have grown together into something which is far more globally homogenous - national elites have used the transnational institutions to overcome local opposition to the imposition of policies which support their own accumulation.

This is a dense, well argued un-picking of the development of US reach and power over the last 70 years. It closes with no answers to no answers to how things might progress as we move on from the crisis - although it provides an interesting entry point to work such as Paul Mason's Postcapitalism.

Superb, required reading for the current state of the world economy.

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### **Aidan Darnell says**

If you, like many millions of people around the world, think of the United States of America as an empire in line with the British, Roman, and Mongolian, this book is an insightful read into showing you just how wrong, and right, you are.

The centerpiece of the argument, from two very well read men from York University in Toronto, Canada, is this: the American Government was and is very much involved in building and maintaining an empire, but it is completely unlike any that has come before it. The American empire is inextricably linked to the spread of capitalism in the 20th and now 21st centuries, and it is that spread of American financial and economic modes that defines the American empire.

And that argument is explained quite aptly through the course of the book. Whereas most books on America's influence around the world focus on military matters (Iraq, Vietnam, Afghanistan, etc.), this one gets to the core of what's truly determined today's geopolitical environment: money. It's at quite a high level, and if you aren't comfortable reading about securities markets, trade deficits, wage inflation and the like, it can be quite daunting. But the point is clear, and even unimpeachable to a certain extent – America operates as the linchpin of the global economy, and at the heart of that is the American state, particularly the Federal Reserve and US Treasury.

The authors take a linear walk through history, starting in the 1800s and ending with analysis of the today's current economic crisis and uncertainty, and for the most part it works quite well. The ebbs and flows from a more laissez-faire capitalism in the 20s through the Keynesian 40s through 60s and on up to the present day are documented clearly, and always within a global context that fits the subject matter of the book.

Most importantly though, the book does not fall into conspiracy theory territory, claiming that everything that has happened in the last 100 years is the work of the United States government. Far from it. Panitch and Gindin make quite clear the contradictions and differences of opinion that existed within the US government

over the past century, as well as squarely limiting the scope with which the government operated and exercised its power. They clearly stress that the United States does not act with one head, pointing in one direction at all times, merely that on the whole, and with increasing directness in recent decades, their many heads point to a global capitalism based on the American model of consumerism and clear class distinctions.

My gripes with the book are few, but significant.

First, in terms of style, the book does almost no hand holding. If you don't know the history of the Argentinean sovereign debt crisis, the authors do absolutely nothing to provide you with much background. It's necessary to keep an already long book from becoming absolutely epic, but it does distract those with less than a perfect memory of world events when they have to constantly retreat to Wikipedia and Google. The only times they do provide a backdrop is when that backdrop contributes to their overall theme of American government interaction directly causing an international incident. Which leads into the second point.

Secondly, while the key point is well made, it is made consistently over and over again, sometimes to the detriment of the overall argument. There are several times where the authors seek to connect some minor far flung event to the Treasury and Fed, sometimes straining credibility as well as exaggerating the strength of those two institutions. It's not a major problem, but it comes up often enough that it distracts from the stronger points made throughout.

Thirdly, and most importantly, is the political undertones to the entire book. From the one sentence bios on the back jacket of the book (and the names of the writers plugging for it), it's clear this book is a product of traditional leftist thought. In that sense, it is very much stuck in traditional leftist understandings of political economy: namely Marxism. I don't see it as a problem, in fact considering Marx was perhaps the greatest economist of the classical era, having economists versed in his theories helps to illuminate many of the aspects of American empire that other schools of economic thought would never touch on. The problem is twofold:

1. They never come outright and state their issues with American-led globalization of capitalism. Instead of explaining clearly why they believe it to be a bad thing, they tend to reveal their own politics in small asides halfway through a paragraph describing the Volcker shock's effects on third world economics in the 1980s. It's not until you get to the very end, in the last few paragraphs of the conclusion, that they resolutely call for a traditional Socialist overthrow of capital-owned means of production. Which brings us to point 2...
2. They do not express an alternative. At least not a realistic one. Those few paragraphs in the conclusion would have been realistic perhaps in the 70s, most certainly in the 50s and 30s, but never really at any other point in time. Traditional Marxism-Leninism, which calls for an immediate democratization of the entire economy, is completely untenable politically, logically, and even intellectually. Yet the writers seem to feel it is a defensible rallying cry, a point of view which is still, unfortunately, quite palatable in the far left of modern political stripes. Instead of taking the chance to produce a new take on an ideal solution to the modern challenges of capitalism and the feeding, clothing, and provision for seven billion people, the writers are content to retread old ground.

And that, really, is the greatest shame of the book. With so much detailed and spot on research, information, and analysis in the book, it never takes the last step into greatness by positing any new ideas regarding the central problem: if the American empire exists, what should it do to ensure the greatest good is provided for those seven billion people who find themselves under its reign?

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## **Andrew Feist says**

fantastic

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## **Kyle says**

A

extremely well researched and laid-out book on the intertwined history of globalization, capitalism, and american empire. lots of political economy, so steer clear if not your thing, but by no means dry. full of great theoretical insights, mythbusting, historical narrative, and juicy insider quotes. will keep you thinking about its claims, not like some books where the main arguments slip out of your head after a week or two. i'd quibble with a small section of the conclusion where they get into a critique of the current left that ends up giving what i think to be a shallow reading of anarchist alternatives, taking the most liberal anarchist currents as representative of the whole, and seeing the seizure of state power as the ultimate goal of any movement. however, this is a minor quibble. i'd recommend this book to anyone, marxist, anarchist, liberal. great at demolishing some of people's most tiresome myths about globalisation, us empire, and the economy today.

i don't feel like writing more so here is my disjointed thoughts about some of the best and most central arguments of the book in point form:

- us debt now integrated into imperialism through treasuries, trade deficit not sign of weakness but strength
- globalization and restructuring usually not imposition on sovereignty but imperialism helping state ruling classes do what could not on their own due to weakness of class position
- the BRICs, like China before them, are not poised to overtake US as hegemon. US benefits derive from their responsibilities for keeping capitalism flowing open and functioning, thus require being world's fiscal firefighter and military intervention. japan in the 80s like BRICs today is in no way close to having capacity for this global role and for the moment are more than happy to abdicate to US, proven clearly in their actions. like US in the 30s not stepping in for abdicating britain
- keynesianism is done for, cannot be returned to. surpassed by capitalists due to its internal contradictions regarding finance, wages, inflation, etc. neoliberalism was not a shift in ideological thinking but structural shift at economic and political level to allow explicit systems to catch up to what capitalists were doing and wanted help with on the ground level
- as imperial hegemon us interventions are largely not done on the grounds of specific us corporate benefits but keeping regions open to international capitalism in general
- globalization has not created transnational capitalist classes, international level is for coordination and discussion between capitalists but capitalism remains national
- the state, specifically the US state, has not been captured by capitalist interests, but is the coordinator for capitalist action
- as they put, not imposition but "imperialism by invitation"
- globalization as an ongoing coordinated effort since the 1880s or so, we can see the success in the great recession's lack of tariffs and capital controls as pressured by hegemon and depth of internationalised finance's centrality to capitalism today compared to 30's response
- financialisation is \*NOT\* deregulation, but reregulation. privatization and financialization require massive

regulations in order to combat the inherent risks and volatility of the system. the confusion simply comes from the fact that these regulations are no impediment to financial accumulation, but rather designed to help aid accumulation, as regulators see the finance industry as vital to the continuing globalization of capitalism.

anyway read this book

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### **Constantinos (Gus) Kalogeropoulos says**

Panitch and Gindin provide a very nuanced and well researched look into the unique role the American state has played in the promoting of capitalism in the world since WW2, and how it has taken it upon itself to be the guarantor of the global capitalist order. Challenging both the view of American imperialism and the decline of the state in the era of globalization as too simplistic, and drawing on numerous other works - not least of which is the work of Nicos Poulantzas and Ralph Miliband - they paint a picture of the American state which is worth learning as it provides a very sophisticated analysis of the world we live in.

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### **Ferhat Culfaz says**

Nice overview of history of capitalism from US perspective initially from the end of the 19th century to the present day. Formation of Bretton Woods, to collapse of it in 1971, as well as the causes and implications of the recent financial crisis. Very detailed, and assumes one has background knowledge to the general history of those events.

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### **Joshua Cho says**

A very dense book that presumes a strong background in US history, economics and finance to be fully understood. While I was able to grasp the main arguments by the authors, a lack of formal education in these fields prevented me from grasping the nuances of particular points made throughout the book. Gindin & Panitch's book is a difficult, but highly informative examination on the centrality of the American state in maintaining and developing the global capitalist system we have today. It changed my understanding of the world economic system greatly.

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### **Mark says**

First of all I am in no way qualified to review this book and it should only be approached by those who are postgraduate in the field of economics. I try to review all my books to the best of my ability so I will attempt it. This history of capitalism is the product of a decade long work and is released at an apt time in the midst, still, of a global financial crisis. It tracks this history of capitalism and its inherent contradictions and is deeply couched in the language of the subject while occasionally drifting into the sometimes equally jargonish historical materialism of Marxist philosophy. All of which is a preamble to the present crisis and a deconstruction of how we arrived at this point where structural adjustment has now been placed upon developed countries while developing countries have been begged, urged and threatened into opening their own economies for foreign direct investment while at the same time restricting their own consumer societies

from emerging and cannot pick up the slack dropped in economically advanced populations through wage restrictions, pension cuts and high unemployment. This is just the present contradiction of a system that creates enough wealth to feed and clothe the entire world but chooses not to through a combination of greed, malice and automation. The book reads well if you are familiar with the terms and the authors do a splendid job of deconstructing the new American Empire of capitalism piece by piece. I cannot comment on the accuracy of the detailed information within but where I think the book falls down slightly on its failure to emphasise just how important force was in developing this American 20th century, and early 21st.

Developing countries have been compelled, often at the barrel of a gun to undertake adjustments in their own economy to get a foot on the ladder of exploitation. Much is made here of the capital controls that were surrendered by nations but without pointing out that these concessions to the US were begrudging at best, at least on the part of the civilian population then it legitimises the process. The authors may view this as a different aspect of the story but imperialism, a word they use frequently, cannot be fully understood without the whole panoply of tools it utilises in seeking its goal. That said, purely on the subject of economics I doubt you would find any more in-depth coverage of the last 100 years from of monetary history.

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### **Tara Brabazon says**

A powerful and convincing monograph that demonstrates the role of the American state in the making of global capitalism. The consequences of (re)making global capitalism in the model and interests of the United States - with the ambivalent configuration of the state in the market - was well revealed.

Also, I am very impressed by the deep and dense history configured in this book. Importantly, instead of looking for the 'easy' strawman and woman (Reagan and Thatcher), Panitch and Gindin return to the 1960s and Kennedy to show the transformation of the state, and how the disappointments of the 1960s initiated many of the crises that were to follow.

Recommended. A fine work of strong scholarship.

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### **Scriptor Ignotus says**

This is a dense read, especially for someone like me who wasn't familiar with all of the economic terminology, but it is well worth it if you take the time to read it carefully and grasp the main thrust of their arguments. The book is very ambitious in scope, covering the rise of the American economic and financial system over the course of the last century or so, and the transposing of American capitalism onto a new global economic system. Each chapter is full of references and citations, and it is clear that Panitch and Gindin did an extraordinary amount of research in writing it.

Their basic argument makes two main points. Firstly, the United States IS the central hub of an "empire" that spans the globe. This is not an empire in the traditional sense; American Empire is not interested in acquiring land or plunder. Rather, it is concerned with the stewardship of a global capitalist system that is guided by and dependent on American auspices, and is constantly expanding by penetrating economic and financial spaces. The keystones of American Empire are the regulatory institutions of the American state, as well as the role of the US dollar as the world's primary reserve currency.

Secondly, Panitch and Gindin set out to refute the notion that global capitalism, through the much-talked-

about process of "globalization", is somehow transcending the state and taking on a life of its own as a stateless entity. They argue instead, with great effectiveness, that global capitalism was precipitated by the strengthening of the states that create the institutions on which it depends in order to function. Since the United States is the leading economic power of the world, it follows that global capitalism has a distinctly American flavor, as it was largely put into place at the behest of the American state. Panitch and Gindin provide a fascinating account of the development of modern capitalism in the United States itself, and then of the process through which the institutions put into place by the New Deal and its aftermath were applied to a new, postwar global economy.

These two premises are a good starting point, but they hardly do justice to the scope, subtlety and comprehensiveness of this impressive book.

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