

## Money as social power: remapping global capital flows

[Abstract for Developing Quantitative Marxism conference, Bristol, April 2008]

**Massimo De Angelis**

Economics-ELBS, University of East London, Longbridge Road, Dagenham,  
Essex RM8 2AS; [M.DeAngelis@uel.ac.uk](mailto:M.DeAngelis@uel.ac.uk)

and

**David Harvie**

School of Management, Ken Edwards Building, University of Leicester,  
Leicester LE1 7RH; [d.harvie@leicester.ac.uk](mailto:d.harvie@leicester.ac.uk)

A common feature of many empirical studies of globalisation is the identification of ‘peripheral’ or ‘marginal’ economies. For example, Peter Dicken notes the ‘unfulfilled potential’ of Latin America and ‘persistent economic peripherality’ of sub-Saharan Africa (2007: 47); Hirst and Thompson suggest that, in terms of trade and investment, ‘between a half and two-thirds of the world was still virtually written off the map’ (1999: 74); Kleinknecht and ter Wengel, focusing on the EU, find that ‘to the extent that trade [and investment] exceeds the frontiers of the European Union, the lion’s share of transaction still takes place among the rich OECD countries, notably with the US’ (1998: 638). The conclusion of these and other sceptics, such as Linda Weiss (e.g. 1997, 1998), is variously that the economic globalisation is a ‘myth’, is concentrated in the ‘triad’ of North America, Western Europe and Japan, or at least that its extent is exaggerated.

These authors make their claims on the basis of empirical evidence on trade and investment flows (FDI) which are presented in terms of US dollars. What their methodology thus neglects is the fact that the social power of money – although global – does not remain constant as we shift from one region of the planet to another. In particular, money when coupled with processes of primitive accumulation, tends to be more powerful in those very peripheral regions, where US\$100 can command far more resources – including labour power – than it can in New York, say.

Developing and extending previous work (De Angelis and Harvie forthcoming), here we remap flows of global capital, ‘recalibrating’ the dollar values using PPP and wage cost ‘deflators’. Our alternative mapping of the movement of capital shows that, once we consider money’s social power, few parts of the planet really are peripheral. We conclude with some preliminary remarks on using this methodology to explore the articulation between patterns of capital movement and class composition.

De Angelis, M. and D. Harvie. Forthcoming. Globalisation? No question! Foreign direct investment and labour commanded, *Review of Radical Political Economics*.

Dicken, P. 2007. *Global Shift. Reshaping the Global Economic Map in the 21st Century*, 5th edition. London: Sage.

Hirst, P. and G. Thompson. 1999. *Globalization in Question: The International Economy and the Possibilities of Governance*, 2nd edition. Cambridge: Polity.

Kleinknecht, A. and J. ter Wengel. 1998. The Myth of Economic Globalisation, *Cambridge Journal of Economics*, 22(5): 637–647.

Weiss, L. 1997. Globalization and the Myth of the Powerless State. *New Left Review* 225: 3–27.

———. 1998. *The Myth of the Powerless State*. New York: Cornell University Press.