
This volume considers the modern global restructuring of capital, the concomitant changes in the monetary sphere and in production, and the possible responses of the labor movement to these developments. Riccardo Bellofiore’s introduction summarizes the issues. The common thread running through all of the contributions is a critical position towards the hegemonic theories of globalization; both the orthodox technology-driven version and the heterodox post-Fordist version of the globalization thesis are disputed. The contributors question whether contemporary changes in the labor process are beneficial to society (as the orthodox version maintains) or to labor (as the post-Fordist version contends). Finally, the end-of-labor thesis is criticized. What unifies all contributions is the idea that the transformations of contemporary capitalism revolve around labor and are brought about by political strategies that require political responses from the labor movement.

The first essay by Bellofiore confronts what he accurately labels the new orthodoxy represented by the globalization–post-Fordism–end-of-work thesis. Bellofiore deconstructs the globalization myth by showing that what has occurred in the last few decades (a) is not a process of genuine globalization but a phase of increased internationalization which does not annul intra-capitalist rivalries but exacerbates them, and (b) is not unprecedented since capitalism at the end of the nineteenth century had reached even greater degrees of internationalization. Moreover, contrary to the post-Fordist assertions, the recent increased internationalization does not run counter to the previous so-called Fordist epoch but has its roots in it, since Fordism was in many respects more global than post-Fordism. Bellofiore acknowledges that the only area where globalization seems to reign is in finance. This has been the result of the neo-liberal policies of recent decades; but even in this case the internationalization of the nineteenth century is not surpassed nor is a single global capital market created.

Bellofiore also disputes the post-Fordist thesis, in particular its assertions about the benevolent nature of contemporary changes in the labor process. Contrary to the myopic post-Fordist belief that job enrichment predominates, modern capitalism exhibits contradictory processes of upskilling, deskilling and reskilling. Furthermore,
job enrichment doesn’t liberate labor, but instead leads to the intensification of work. Bellofiore reminds us that Taylorism and Fordism are not the same thing; that technical change involves organizational as well as technological innovation; and that the simplistic pairing of capitalist control with deskill obscures the fact (brought out by other contributors to the volume) that capitalist control can also be increased by work-enrichment.

Finally, Bellofiore contests the end-of-work thesis by showing that wage labor is increasing on a world scale despite increased structural unemployment in the developed countries. Contrary to the thesis, the evidence suggests that the reduction of legal working hours goes hand-in-hand with the increase of actual working time. Additionally, increased sub-contracting transforms many wage-earners into self-employed workers who are subject to the same, or greater, levels of control and exploitation.

The second essay by Gérard Duménil & David Lévy, one of the more interesting in the volume, compares the US and European evidence on structural unemployment and confronts the dominant explanations. They argue that recent high unemployment was not caused by rapid technical change and the concomitant growth of labor productivity — since these were not abnormally high — but by the slowdown of capitalist accumulation in the 1970s. The slowdown was caused by the erosion of some favorable features of technical change in the post-war period (not by an insufficiency of demand) that led to a decline of the profit rate. More specifically, Duménil & Lévy argue that it was the increase of the capital-labor ratio that caused the fall in the profit rate. The supposed rigidity of wages played only a minor part in that — and in unemployment: wages, sticky or not, stagnated but unemployment remained high. Furthermore, unemployment was exacerbated because neo-liberal policies focused on keeping inflation at bay, without regard to the impact on employment.

Europe and the US followed the same path from the early 1980s until about 1990, after which the US employment performance was consistently superior to Europe’s. For Duménil & Lévy the better US record does not reflect greater technological innovation, as orthodox theory would claim, but quite the opposite. They claim that the gap between Europe and the US has been narrowing, as witnessed by the evolution of the capital-labor ratio. Finally, they argue that there are signs in Europe of a recovery of the profit rate and of capital accumulation due to increased
economizing on fixed capital and improvements in information technology. Whether labor would benefit from this recovery depends upon how the class struggle plays out. I would take issue with two aspects of the analysis presented by Duménil & Lévy. First, I am not persuaded that the economies of the US and Europe are in fact converging; the behavior of the capital-labor ratio is not sufficient to settle the matter. Second, the role of information technology as a factor leading out of the crisis — an argument advanced by proponents of the so-called New Economy as well — is also debatable.

The third paper by Suzanne de Brunhoff contests the globalization thesis with particular emphasis on the financial dimension. She denies the existence of a single global capital market and argues that financial internationalization goes hand in hand with national segmentation. Current ‘financialization’, in the sense of imposing certain finance-linked standards on capital accumulation, shifts the balance of power against labor. De Brunhoff stresses that the US model is not the only capitalist model and that there exist alternatives, presumably with a more humane face. The re-regulation of finance in order to reduce speculative short-term capital flows is a necessary element of these alternative models. Hence, she calls for a different European Union than the one created by the Maastricht Treaty, one that would represent a more civilized model for European capitalism. This is a tepid conclusion. Of course there exist and there can be different capitalist models. But, as Carchedi’s paper in this volume shows, the foundations of the European integration project are deeply reactionary. The Maastricht strategy might change but this would not make the European Union more labor-friendly.

Hugo Radice’s paper surveys the UK experience from Thatcher to Blair’s New Labour and questions whether it represents a model for European restructuring.

The fifth essay by Guglielmo Carchedi studies the issue of globalization in connection with the European Union. Carchedi provides a concise and accurate analysis of the emergence of the European Union as an imperialist polar rival to the US and Japan. He shows how the mechanisms of the Economic and Monetary Union (EMU) reinforce Germany’s dominance while fostering the interests of capital in the other European states. Carchedi argues that the EMU imposes discipline on capital accumulation by narrowing policy options and compelling the extraction of greater surplus-value. Carchedi’s central theme is that while EMU policies appear to favor financial capital, they in fact boost the interests of productive (technologically
advanced) capital. He concludes by suggesting that the term globalization be replaced by imperialism, and that modern capitalism should be analyzed as a new stage of imperialism.

The next essay by Joseph Halevi compares the post-war development of the Pacific rim (and its dominant economy, Japan) with that of Europe (and its dominant economy, Germany). His main premise is that the US engineered post-war capitalist reconstruction by creating a triadic system with itself as the dominant power flanked by two autonomous regional poles, Germany and Japan. However, each one of the Europe and Asia followed different historical trajectories, which Halevi skillfully examines. He moves on to a discussion of how the situation, and US policy, changed after the American defeat in the Vietnam War. Halevi argues that the costs of the defeat led the US to permit full-scale Japanese industrialization and the transformation of East Asia into a hinterland for Japanese development. The American strategy was at least partially successful, since both Europe and the Pacific Rim ended up at the same situation — prolonged stagnation. For Halevi neither East Asia nor Europe is capable of generating sufficient demand internally; they both depend on net exports to the US, which however cannot accommodate both.

This well-informed and intriguing chapter follows in the best tradition of the Monthly Review school; however, it fails to respond to some well-known objections raised against the very foundations of this tradition. First, it is contestable whether the lack of demand is the basis of the present crisis. Moreover, how can this explanation account for the recent signs of a recovery? Second, Halevi’s analysis gives the impression of unchallenged US supremacy and relegates antagonisms to a secondary level. For Halevi, dependency on the US dominates every other aspect of European and Asian economic affairs. This might have been true during the Cold War era; but even then deep-rooted differences and antagonisms among these three poles were evident. The demise of the Eastern Block and the end of the Cold War made these antagonisms even more pronounced.

The seventh essay by Mark Perelman shows that the historical record refutes popular beliefs about the so-called Fordist regime and its supposed successor, flexible accumulation. The following paper by Carl Dassbach provides an excellent critique of the Japanization/lean production myth. Dassbach shows that instead of being beneficial to both capital and labor, the Japanese model has favored the former to the detriment of the latter. Lean production has led to the intensification of work, lower
employment and increased levels of stress and workplace accidents. The ninth paper by M. Parker pursues the same theme from a more practical and less rigorous perspective. He argues that new production methods lead to ‘management by stress’, and enhances management control and weakens union bargaining power.

Antonella Stiratti, Sergio Cesaretto & Franklin Serrano examine the relationship between innovation and employment. They reject both the neoclassical and the Schumpeterian view and support a post-Keynesian ‘long-period effective demand approach’: innovation may create persistent structural unemployment when the growth of effective demand cannot compensate for innovation-induced growth of labor productivity. The post-war European evidence, they argue, indicates that weak job creation was caused not by a boom in labor productivity (as the dominant neoclassical interpretations maintain) but by sluggish growth of aggregate demand. They maintain that recent technological innovations affected processes rather than products: process innovation destroys jobs, whereas product innovation can augment employment. (The argument that product rather than process innovation is more job-friendly needs further substantiation than the authors provide.) Finally, they suggest a range of pro-employment strategies, such as looser credit policy, income redistribution and working time reduction. The authors confine their critique to the neoclassical and Schumpeterian approaches; the interest of this essay might have been enhanced by an evaluation of the Marxian view (taken up by other contributors to the volume) that capitalist innovation tends to be labor-saving in the long-run.

The eleventh paper by Vittorio Valli analyzes the evolution of investment, employment and working time in the European Union. One development in the evolution of working time that is missing from Valli’s analysis is the fact that the average number of hours worked per employed person increased in the US and Europe during the 1990s. The twelfth essay by Giovanna Altiieri argues that the contemporary transformations of the Italian labor market have led to increased segmentation which particularly — and negatively — affects young people and women. Additionally, increasing unemployment is coupled with the degradation of employment itself. The last paper by Vittorio Reiser focuses on the segmentation of the workforce and the trade union movement in Italy.

This book swims against the current of orthodox assertions and offers a realistic theoretical analysis that support labor’s emancipation.