PERIODISING CAPITALISM: PROBLEMS AND METHOD

The case of the Regulation Approach

Stavros D. Mavroudeas
University of Macedonia
Department of Economic Studies
Research in Political Economy vol.17

I. Introduction

The problem of periodising a social mode of production (m.o.p.) has always been significant for Marxism. Marx himself gave ample proof of this, without giving an explicit theory of periodisation of social m.o.p.’s. He did distinguish different periods within feudalism but, more importantly, he gave elements for periodising the capitalist m.o.p. (c.m.o.p.) as well (formal and real subsumption of labour by capital, absolute and relative surplus-value etc.). However, there are significant lacunae in the Marxian legacy on this field. Apart from the lack of an explicit theory of periodisation, capitalism - which was already fully developed during Marx’s time - passed through several phases and transformations since then.

In the 1970s a host of new approaches emerged, which have been branded as the newer non-orthodox middle-range (m-r) theories (see Mavroudeas (1990)) attempting to grasp the new features of capitalism. These approaches (Regulation Theory, Social Structures of Accumulation, British “Golden Age” theory etc.) broke decisively with the previously predominant monopoly-theoretical tradition on periodisation (Soviet Marxism, Monthly Review school, French Capitalisme Monopoliste d’Etat etc.) which neglected the dominant moment of production and laid emphasis on the types of intra-capitalist competition. For this tradition the Marxian regulation of capitalism through the interaction
between values and prices and via intra-capitalist market competition was substituted by monopoly pricing and political-power relations.

The newer non-orthodox m-r theories, under the influence of the Labour-Process Debate, justifiably refuted this perspective. But this turn was not unproblematic. They moved to the other side and almost separated the sphere of production from the rest of the total circuit of capital. Hence, they assigned an unwarranted special role to class struggle within the immediate sphere of production. On the other hand, political and institutional structures assumed a growing importance and, at the same time, were gradually autonomised from capital accumulation almost in a total degree. Then capitalism was periodised according to the type of articulation between regimes of capital accumulation and institutional structures. When they retained the competitive/monopoly distinction (as Regulation’s competitive - monopolist regulation or the similar distinction by the Social Structures of Accumulation), they used it as a secondary aspect, derived from these two new locuses.

This new perspective of periodisation was supplemented with a decisive methodological break. Whereas previous traditions periodised capitalism from within the framework of a general theory, on the basis of abstract general laws and tendencies, the newer m-r theories opted for a more conjunctural point of view. By adopting the m-r method they were based on intermediate concepts immediately identified with concrete historical aspects. In this way, reductionism - supposedly inherent in abstract theory - was, equally supposedly, avoided. These concepts had a multi-causal basis which again was presumed to avoid an ironclad determinism.

Regulation is the most popular of these theories. This study offers first, a critique of its approach towards periodisation and, second, an alternative perspective. Regulation Theory is criticised both for its m-r methodology and its subsequent periodisation of capitalism. It will be argued that this method, instead of facilitating a firm gearing of theory in history, leads to crude historicism. It runs contrary to the method of dialectical abstraction, as suggested by
Marxian theory, which remains - despite its admittedly reductionist deformation by certain theories - the only proper method for appropriating history theoretically. For this reason, the periodisation of capitalism cannot be based on m-r concepts and it is not a autonomous theoretical field. It must be a crucial part within the general theory, at a lower level of abstraction, and on the basis of abstract laws and tendencies.

Because of its m-r perspective, the regulationist periodisation of capitalism fails utterly to grasp the historical evolution of capitalism. It implicitly takes a particular historical period - which is defined on the basis of empirical perceptions which in turn are considered, without adequate proof, as irrefutable and crucial (stylised facts) - as the model. Then other historical periods are analysed according to the criteria and questions set by the model period. Regulation’s model-period is the alleged era of Fordism, which is supposed to have been generated by the 1929 crisis. The latter is conceived as a crisis of underconsumption. Three stylised facts have been considered crucial for that period: (1) changes in the labour-process which created mass production during the transitional period of the 1920s, (2) the creation of a mass market which solved the problem of underconsumption and, (3) the creation of institutional structures which enabled the coupling of mass production with mass market and altered significantly the functions of intra-capital competition and wage determination (mainly through an alleged social accord between capital and labour on the division of the benefits from the productivity growth). Then the pre-Fordist and post-Fordist periods are analysed accordingly. This quite elegant theoretical construction has crippling deficiencies, as it will be shown in the following sections. First, the creation of mass production has not taken place in the 1920s but earlier. The same holds for the creation of a mass market and the commodification of the working-class’ consumption pattern. Additionally, the underconsumptionist nature of the 1929 crisis is heavily contested. Third, the existence of the social accord is equally ambiguous and empirically unverified.

Behind these stylised facts lay certain crucial, non-admitted and problematic
theoretical theses. First, the conceptions about changes in the labour-process are related to an already mentioned unwarranted primacy on class struggle in the immediate production process (see Brenner and Glick (1991), p.58). Second, this is followed by an underconsumptionist crisis theory, at least for the 1929 crisis, which is related to the mass market argument. Third, labour-process and crisis tendencies are coupled with an autonomised sphere of politics and institutional structures. This conception of politics and institutions borrows extensively from institutionalism.

The unwarranted primacy of class-struggle in the immediate production process leads to an erroneous understanding of the total circuit of capital. The sphere of production is the dominant moment within any social m.o.p., since on the basis of particular relations of production arise particular modes of exchange and distribution. However, as Marx (1981, p.99-100) argued, mutual interaction takes place between the different moments and, hence, production is itself influenced by other moments.

Contrary to previous m.o.p.’s, in capitalism socio-economic relations - generated by the relations of production - appear as a coherent system mainly in the sphere of exchange. Production is subject to the individual spirit of enterprise and organised in autonomous production processes (individual capitals). Only in the market, when the products of these autonomous processes are exchanged, the systemic structuration appears; and this only indirectly. Exchange appears as the only social field in which the equalisation and distribution of commodities takes place and the outcomes - and the future prerequisites - of social production are regulated. Thus, the whole system appears in the form of exchange relations.

This formal separation is coupled with the equally formal divorce of politics from the economy. Again contrary to previous systems, in the c.m.o.p. the class differentiation engendered by the production relations is disguised under the form of political equality, irrespective of classes. Thus, the political-form is generated from the capital-relation, but appears as distinct. However, politics - the locus of political intermediation and state
(collective capitalist) power - has an overarching relevance to social production and reproduction. A proper periodisation of capitalism should bear in mind all the above determinations and express them in an appropriate hierarchical inter-relationship. It should began from the capital-relation seen as a whole (total circuit of capital) and then, in a unified framework, proceed to the political-form and their interaction. Class struggle is expressed in both areas.

Regulation fails utterly to do so. Its initial emphasis on class struggle within the labour-process is misleading. The moment of production is dominant but within the total circuit of capital; it cannot be separated from the rest of the process. The regulationists substitute this link with a juxtaposition of an empiricist view of the labour-process and a crypto-Keynesian emphasis on effective demand.

The first is empiricist because it is constrained to superficial and questionable observations of changes in the labour-process (from Taylorism to flexible autonomy etc.) and then it projects them arbitrarily to the whole economic process. Additionally, the initial class-theoretical perspective of the labour-process has changed to a more or less explicit functionalist/institutionalist description of the perpetuation of capitalist domination. In this Regulation tends to exacerbate the role of dominance and almost equates capitalism with previous social modes of production, where socio-political relations of dominance (expressed usually as brutal force) were fundamental for the extraction of the surplus by the ruling class. However, one of capitalism’s most significant characteristics is that there is no extra-economic force but only a subterranean, economic coercion based on the separation of the labourer from its means of labour. This is expressed as a voluntary relation.

Keynesian effective demand (and latent underconsumptionism) connects these views on the labour-process with the rest of the circuit of capital. Regulation Theory considers the lack of effective demand as the fetter to unhindered capital accumulation in the regime of extensive accumulation (based on the expansion of the scale of production). Then, in the
regime of intensive accumulation (based on the coupling of mass production with mass demand), it is the supply-side which creates the problems, since Fordist techniques reach an almost inexplicable limit in their surplus-value extracting ability. Finally, in post-Fordism the demand-side strikes back through the (post-modernist) differentiation of consumption norms and the subsequent necessity of small-scale, flexibly specialised production. In this not-so-consistent journey the main concern is the degree of adaptation of production to demand.

The net result is that Marxist Labour Theory of Value is substituted by power relations cum effective demand. Then institutionalism - as the main locus of power relations and compromises - conquers the commanding heights of theory. The initial emphasis on the labour-process shifts slowly towards institutions, ideology and discourse, always coupled with the problem of effective demand. This trajectory is evident in nearly all present discussions about post-Fordism.

As already indicated, a Marxist theory of periodisation should be conducted at the level of the m.o.p. and on the basis of contradictions within the capital-labour relation. This necessarily implies that class-struggle is present and operational at this level. Periodisation has to begin from transformations in the dominant moment of production which are dialectically linked to the other moments of the total circuit of capital. The most appropriate criterion for the periodisation of capitalism are the forms of production and appropriation of surplus-value which are closely related to the modes of socialisation of production. This double perspective is firmly based on Marxian Labour Value Theory and can grasp properly the unity of the total circuit of capital, without ignoring the primacy of production. The political-form should be derived from the capital-relation, taking into account the appropriate degrees of freedom.

The second part of this work studies the necessary foundations for a Marxist periodisation of social m.o.p.’s. The third part gives a critical overview of Regulation Theory and particularly of its periodisation theory and stylised facts. The fourth part disputes its thesis
about the commodification of labour-power after W.W.I and the creation of a social consumption norm. The fifth part rejects Regulation Theory’s stages of absolute and relative surplus-value. The last part proposes an alternative approach to periodisation.

II. Foundations for a Marxist Theory of Periodisation

The first problem is that of the method and the criteria for periodising a social m.o.p. Second, since every social m.o.p. exists as specific and historically concrete social formations, how are the latter related to the former? The answer to these questions depends on a crucial methodological problem: is essence fixed or not? Marxist methodology is based on the distinction - inherited from Hegel and transformed by Marx on a materialist foundation - between appearance and essence. Every state of affairs is founded on its essence - the «cell-form» (Marx (1982), p.90), i.e. the necessary and sufficient conditions for its constitution - which is developed and expressed as an appearance. The expression of essence into appearance is effected via a dialectical spiral which, beginning from the more abstract essential relations, assumes more concrete determinations. In this sense it is a continuous movement from the abstract to the unity of the abstract with the concrete, from essence to its unity with appearance (see Zeleny (1980), Banaji (1979, p.17)). This process is supplemented with a movement from the concrete to the abstract. In this dual-way process the movement from the abstract to concrete is the leading or determining aspect (Ilyenkov (1982), p.138).

If essence is fixed, then the c.m.o.p. - as an essence - is non-transformable; hence, no structural transformations take place at this level. Consequently the evolution of a m.o.p. does not exhibit separate stages or epochs but it is a continuous trend. Then, any changes are not derived from the set of «internal-necessary» relations of the c.m.o.p., but are historically specific outcomes affecting external aspects - usually the level of appearances - of the m.o.p. These are considered as the expression of the historical process of class struggle. The latter is considered as entirely historically specific. This approach - whose structuralist
characteristics are more or less obvious - considers class struggle as separate from and external to the capital-relation. If class struggle is a functional subservient of the «iron necessities» of social structure then it follows obediently the course dictated by it: the course of history is almost pre-given. If, on the contrary, class struggle is self-determined then many historical outcomes are possible. In the first case a version of the old deterministic and mechanistic perspective is at hand. In the second, a variant of relativism and voluntarism emerges. Both are generated from the same framework, that of the (futile) controversy between structuralism and post-structuralism. Whereas the first version answers to the structure-agent riddle by positing a rigid determination of the agent by the structure, the second resorts to indeterminacy and agnosticism\(^1\).

On the contrary, if essence is dynamic and transformable, then periodisation should be conducted at the level of essence. In this case the capital-relation (i.e. capitalism’s fundamental relationship) generates and undergoes transformations. Then the c.m.o.p., rather than being a continuous field, is characterised by the emergence of different stages. Additionally, class struggle is an integral part of the capital-relation and of the course of capitalist accumulation. Marx followed this perspective when he posited class struggle at the level of the m.o.p. and exhibited that the proletarian struggle is generated by the process of production, exchange and distribution and affects them as well\(^2\), in a feedback relationship.

The problem of the nature of essence has been a contested terrain since the creation of Political Economy. Zeleny (1980, ch.3) has shown that “while for Ricardo essence is something qualitatively fixed and non-differentiable, Marx sees and investigates the alteration of that essence; he understands it as something historically transitory which proceeds

\(^1\) For the trajectory from structuralism to post-structuralism and their common relation to Althusserianism see Wood (1986, p.62). Anderson (1988, p.40-55), also, explained the theoretical and personal linkage of structuralism and post-structuralism.

\(^2\) Marx studied the Law of 1844 and the struggles concerning the duration of the working day as concrete outcome of the law of capitalist accumulation and of the class struggle. Therefore, he analysed them at the abstract level of the m.o.p. rather than that of a particular social formation (i.e.
through different levels of development and qualitatively changes”. Thus, Marx studied the dialectical unity between appearance and essence. On the contrary, Ricardo resorted to «formal abstractions» and a rigid separation between appearance and essence.

The second fundamental question on periodisation is whether it should be conducted at the level of the m.o.p. or at the level of socio-economic formation. The answer on this depends on the position taken on the problem of the nature of essence. Althusserianism is a typical example of the one pole of the controversy. It posits the social formation (i.e. a specific historical case where a number of different modes of production co-exist under the articulating dominance of one of them) as the only concretely tangible material. Therefore, it attributes to it actual historical time. The m.o.p. is a concept belonging to the sphere of theory; hence it is not appropriate for the periodisation of living history, but only for its logical analysis. Consequently, the theory of economic history should study only the actual social formations (which consist of several modes of production) and should have nothing to do "with the tendencies determined by the theoretical analysis of an isolated m.o.p." (Althusser and Balibar (1977), p.300). Poulantzas (1975, p.48)³ has overstated this argument by adding that «it is only social formations that can be periodized, since it is in them that the class struggle is enacted».

However, Marx’s perspective of periodisation is quite different. Fine and Harris (1979, p.104-5) have shown, following Marx’s periodisation of feudalism, that capitalism should be periodised as a m.o.p. in abstraction from specific social formations, since the laws of motion of the c.m.o.p. themselves give rise to distinct stages rather than continuous trends. Social

³ Poulantzas has changed partially his position in his last works. While in his main work he denied the existence of separate stages within the c.m.o.p., later he identified monopoly capitalism as a stage in the reproduction of the c.m.o.p.. In this sense, he considered that there can be recognised within this «imperialist stage» of the c.m.o.p. certain different phases which are not transformations of the c.m.o.p. but the historical outcome of class struggle (Poulantzas (1978)).

⁴ Marx (1982, vol.III, ch.47) distinguished three separate stages within the feudal m.o.p. and according to the form of appropriation of the surplus labour: rent paid in labour, in product or in money.
formations are the concrete appearance of development of the m.o.p. and their historical progress is the effect of transformations of the m.o.p. These transformations include the supersession of one m.o.p. by another, the articulation of different m.o.p.'s in the process of transition, transformations within a m.o.p. from one stage to another.

Consequently, the m.o.p. is based on a specific set of relations of production and forces of production which is class determined. The existence of this set requires a further constitution of social relations that are preconditions for economic reproduction (i.e. the integration of production-distribution-consumption). Moreover, this economic reproduction requires and necessitates the creation of social reproduction (comprising of political, ideological etc. relations with a particular structure of links between themselves and the economy). Thus, while m.o.p.’s are distinguished in terms of the fundamental relations of possession and control among producing and non-producing classes (not merely in their legal form, since this can be superficial and deceiving, but in their essential nature), stages in each m.o.p. are differentiated on the basis of the specific forms of these basic relations and their social reproduction. Therefore, the criterion for the periodisation of a social m.o.p. should be the evolution of the process of production and appropriation of surplus. This covers two crucial areas: 1) the way in which production is socialised (i.e. autonomous or separate individual production processes are related) and, 2) the method of appropriation of the surplus. In addition, the prerequisites of general social reproduction should be taken into account. In the c.m.o.p., accumulation of capital and the class struggle associated with it are the basic forces determining the transformation of this mode from one stage to another. In a more general perspective, accumulation and class struggle within this mode determine not only changes within it but also the contradiction-ridden movement from this mode to another. The specific criterion for the periodisation of the c.m.o.p., as Fine and Harris (1979, p.109) suggest, should be the method of producing, appropriating and controlling surplus-value. This is valid because its transformations are closely related with new forms of class struggle.
and are reflected in the transformations of the whole production process and, subsequently, to the whole economic reproduction. These, in turn, effect and, in many cases presuppose, changes in the social relations; changes in political relations and the form of the state, for example, being the prerequisite for the more fundamental transformations. Consequently, the form of appropriation and control of surplus-value encompasses the basic features of the total circuit of capital (production-circulation-exchange-distribution) as well as the general prerequisites of reproduction.

Therefore, the periodisation of capitalism should not be conducted separately from the general theory of capitalism but they must form a dialectical unity, as the dialectical conception of the relation between abstract and concrete and between reality and its appropriation by thought indicates. This approach is not divorced from history nor is it an autonomised product of the head. It reproduces history in thought not in the sequence of actual historical time but in its essential determinations which are no less real than the immediate appearances.

A third problem concerns the notion of the social formation. The Althusserian tradition defined the social formation as a concrete historical case where a number of different m.o.p.’s co-exist under the articulating dominance of one of them. Thus, two elements can be distinguished. The first is its historically specific character (i.e. that each particular social formation is the concretisation of a particular and different historical course). This specificity is attributed to class struggle, which is considered as separate from the essence of the m.o.p.. We have already dealt with this fallacy. The second element is that each social formation is considered as an articulation of different m.o.p.’s. This thesis is founded on the understanding of the m.o.p. as something pure and on the structuralist method of overdetermination.

The conception of the m.o.p. as a pure structure, non-existent in itself in actual historical time suffers from high doses of idealism and ends up with an almost Weberian model of «ideal-type». It cannot understand the Marxian concept of the essence (and the
method of abstraction) as a real category. Marx’s method does not separate logic and object (as the positivist "model-real world" dichotomy does) nor it considers abstraction as a mere conduct of the head. In the dialectical world, the object under investigation determines the path and the movement of logic, while the latter retains its separate identity. According to Zeleny (1980, p.23), Marx’s advance from Ricardo’s fixed essence to a new materialist relativist-substantialist logic has nothing to do with the relativism which disputes the possibility of perceiving objective reality correctly; it is rather a presupposition of true objective knowledge. Instead of a dichotomy between reality and its appropriation by thought, characteristic of positivism, Historical Materialism posits a dialectical relationship between them, which is grounded in reality. Marx’s analysis operates simultaneously on two levels, on the level of theoretical or logical development and on the level of real historical events. The level of theoretical development is not identical with but it is derived from real historical events. Activity on this level, insofar as it diverges from and runs counter to the actual historical events (and the level of immediate appearances), is not an a priori construction, but reflects the "life of the material" in its essence and expresses the essential and necessary relations of reality. There is, thus, in Marx’s works a continuous dialectical oscillation between abstract dialectical development and concrete historical reality. The Marxian system does not posit a simple, straight line from reality to the theory nor from appearance to essence. On the contrary, it relates them through a continuous spiral pattern: it oscillates from the one to the other, each time at more complex levels (assuming more determinations). In this sense, essence (and abstraction as the method of discovering the essence) is a category of the reality, though it expresses itself through the mediation of forms of appearance (see Ilyenkov (1982), p.33-34).

The m.o.p. is an essence, which requires abstractions from immediate appearances. However it is no less realistic than its immediate - and less «pure» - forms of appearance. Social formation is the concrete expression of the form of existence of a m.o.p. in a particular
historical society. In this sense it is a unity between higher (more abstract) and lower (more concrete) levels of determination. Class struggle is part of both these levels. Thus, we can distinguish stages within the general theory of capitalism and then see the evolution of particular social formations within or between these stages.

A final point must be cleared. Till now we have examined two opposing approaches to the problem of periodisation. Both of them are organised within a grand-theoretical tradition, i.e. a type of general theory requiring a coherent explanatory framework covering everything from the most abstract to the most concrete elements. This is obvious in the case of any approach attempting to periodise capitalism on the basis of a general theory of capitalism. It is equally obvious for the Althusserian approach which do not periodise at the level of the general theory but relates closely its approach with a general theory. The first attempt incorporates history (and struggle) to all levels of abstraction (from the higher to the lower) whereas the latter incorporates it only to the lower levels. The not-so-curious result, for the Althusserian approach, is that in this way struggle - always at a lower level of abstraction - can become quite indeterminate. When the «overdetermination» by a general theory of capitalism is set aside, then the same previously overtly deterministic framework becomes almost indeterminable and relativist. As we will argue, this is the case with the newer non-orthodox m-r theories. This position falls, then, entirely in the ground of good old historicism. History is almost beyond determinations and thus it cannot be studied and classified according to the evolution of a more or less given essence. Therefore, there are no general tools and concepts: every historical epoch must be studied on its own. Instead of abstract laws and tendencies, theoretical concepts are merely broad descriptive categories of general fields (labour-process, competition, monetary relations, institutions etc.) in which there are no general tendencies in operation. What links together these fields is solely the articulation (or disarticulation in cases of crises and transformation) of capital accumulation with institutional forms, since the newer m-r theories exacerbate the autonomy of the latter and put it,
ultimately, on an almost equal par with the former. Such an approach does not see dynamic (or fixed) essences giving (or not giving) rise to stages but recognises only historical epochs which are an aggregation (?) of autonomous and historically specific developments in each particular socio-economic formation.

III. Regulation Theory: a critical overview

III.A Method, theory and periodisation

Regulation emerged in the middle 1970s in France when certain authors (Aglietta, Lipietz, Boyer etc.) produced an institutionalist and historicist theory of capitalism. This was based on two key concepts: the regime of accumulation (RoA) and the mode of regulation (MoR). The RoA represents the form of distribution of surplus between capital and labour required in each period in order to co-ordinate production with social demand. It covers the essential economic conditions for the operation of the productive system (technology, organisation of the labour-process, relations between the departments of production). The MoR designates the necessary institutional forms and social compromises for the reproduction of the RoA. The RoA is posited at the level of the compulsory economic structures, whereas the MoR is less determinate, since it relies on concrete, historically specific institutional forms. More than one MoR can be implemented in a certain RoA. Which will prevail is a question open to the indeterminacy of history. However, not every MoR is suitable for every RoA.

Two types of RoA are usually considered. In extensive accumulation pre-existing production processes were incorporated into a capitalist framework without major changes. The traditional way of life - as expressed in the patterns of consumption - was not radically recomposed. The combined development of the two departments of production was

---

5 The problems of this autonomisation and randomisation of politics (and history) have been accurately pointed out by Anderson (1988) and Wood (1986).
achieved with difficulty and the pace of accumulation encountered recurrent obstacles. In intensive accumulation production was reorganised radically on capitalist lines. A new mode of life for the working-class was created by establishing a "logic" that operates on the totality of time and space in daily life. Consequently, a social consumption norm was formed which no longer depended on communal life but was stratified according to the divisions of social groups within the working-class. The two departments of production were integrated and, hence, the pace of accumulation became more regular.

Additionally, two MoRs are recognised. In the competitive MoR - which is considered more appropriate to extensive accumulation - there was a posteriori adjustment of the output of the various branches to price movements which were highly responsive to changes in demand; wages were adjusted to price movements so that real wages were either stable or rose slowly. In the monopolist MoR income distribution is socialised via a series of compromises between capital and labour (wage formation in relation to inflation and productivity). Market relations (pure pricing adjustment mechanisms) play only a minor role in adjusting social demand and production. This role is exercised mainly by a complex set of institutions, conventions and rules which constantly aim at developing effective demand at the rate of production capacities.

It should be noted that Aglietta’s (1979) first version of Regulation differs significant from the above formulation. In the former Marxism and its general laws of capitalism have an uneasy but also imposing presence beside his intermediate formulations. He started from the law of capital accumulation and then introduced the intermediate concepts. The first is the RoA - less abstract than the principle of accumulation - which is defined as a form of social transformation which increases relative surplus-value under the stable constraints of the most general norms of absolute surplus-value. Finally, regulation was defined not as an abstract economic law, but as the ensemble of institutions, compromises and intermediations

---

6 For an approving presentation see Norton (1988).
(whether economic or not) which are necessary for the reproduction of the RoA. On this basis, Aglietta recognised (a) the predominantly extensive regime and, (b) the predominantly intensive regime. No specific MoR was recognised since Aglietta (1979) implied a one-to-one functionalist correspondence between the RoA and the MoR.

This perspective was rejected in the CEPREMAP-CORDES (1977) collective paper that followed and set the standard formulation of the RoA and the MoR thereafter. The first was posited at the level of the compulsory economic structures (the "internal" level). The second was more flexible and less determinate, since it relied on concrete, historically specific factors and encompassed basically the historically given institutional forms (the "external" level). Consequently, their linkage became less determinate and the concept of the MoR more stochastic. Several MoRs can be coupled with one RoA. Which will prevail is a question open to speculation and the indeterminacy of history.

On the basis of the historically contingent correspondence between RoA and MoR, Regulation periodises capitalism as follows:

i. Primitive accumulation and capitalism’s establishment covers the era from the 17th till the mid-19th century. It is an indication of the regulationist theoretical shortcomings that neither a RoA nor a MoR has been coherently proposed for this extremely lengthy period.

ii. From the mid-19th century till W.W.I extensive accumulation accompanied by competitive regulation predominated. The big crisis at the last third of 19th century has an uneasy position within this period, since it is almost neglected and appears not to have any significant structural effect.

iii. The period between the two world wars was an unstable transitional phase characterised by the emergence of intensive accumulation (mass production - Taylorism) but without mass consumption. The 1929 crisis - perceived as an underconsumptionist cum institutionalist crisis - marks this period.

iv. After W.W.II, intensive accumulation is coupled with mass consumption and
monopolistic regulation. This is the era of Fordism, in which the working-class consumption has been commodified and provides the needed mass market for capitalist mass production.

v. Fordism enters a crisis in the 1970s and Post-Fordism is proposed as its successor. Emphasis is being put on the new information and communication technologies, small-scale production processes, the relaxation of standardised production tasks, the significance of the service sector, new life-styles as stimulants of consumption etc. However, the definition and the characteristics of this new configuration are far from clear.

Broadly speaking, Regulation Theory attempts to construct a dynamic theory of the crises and transformations of capitalism on the basis of m-r theory; a choice that compromised seriously its project. Its spinal column consists of a corpus of m-r method, stylised facts, and intermediate concepts. M-r theories, in contrast to the grand theories, reject abstract general laws and the necessity of an all-embracing theory. They construct intermediate concepts with an immediate identification with the most concrete phenomena. These intermediate concepts are based on empirical perceptions believed to be undeniable truths (stylised "facts"). Because of empiricism - and the subsequent immediate identification with the concrete - these intermediate concepts are of a pre-theoretical nature and negate the necessity for the approach of the essence via abstraction.

The newer non-orthodox m-r theories were born out of the crisis of radical theory after the 1960s. They started with elements of the previously dominant general theoretical traditions which were considered as needing elaboration and specific application to the periods and the transformations at hand. In addition, attention focused on specific historical periods (usually the period after W.W.II) - assuming that major transformations took place during them, which changed radically the nature and the operation of the social system thereafter. This led to the intentional relativisation and relaxation of the grand-theoretical

---

7 Regulation borrows the term "Fordism" from the literature on the labour-process and extends it to macroeconomic relations as a whole.
aspects and opened the way for the implementation of the m-r methodology. There was a recourse to the concrete and an attempt to discover within it the appropriate new theoretical tools by substituting "abstract general laws" with "intermediate concepts". With the relativisation of the concepts, there was a relativisation of the very scope and method of theory. The m-r methodology was, explicitly or implicitly, accepted as the scientific method par excellence and the need for even a detached and relativised general theoretical framework was discarded. "Essentialism" - usually in the form of economism - was denounced and "intermediate concepts" were based on a multi-causal framework unifying the economy with a number of other factors (politics, ideology, culture etc.).

This historicist approach took the form of institutionalism, which was supposed, first, to expose the inadequacy of neo-classical economics and, second, to capture the link between economics and politics. The majority of their "intermediate concepts" were based on institutional forms. The attractions of this were obvious. Firstly, institutions and institutional arrangements, widely proliferated in the period after W.W.II, seemed to encompass every aspect of life and the perceived transformations of that period. Secondly, the extensive implementation of institutional agreements appeared to provide the perfect explanation for the supposed buy-off and structural incorporation of the whole working-class or major sections of it within capitalism. Last, but not the least, the institutional forms provide, perhaps, the most appropriate material for the construction of their "intermediate concepts". Not only are they immediately observable, but they also have a high and impressionable profile. On the other hand, they are not a crude, simple factor but they are founded on a wide variety of determining parameters (such as the economy, culture, politics, ideology, legal forms, social struggles etc.).

Regulation’s historicism and institutionalism is underpinned by the philosophical trends of the times. It started with a relativised structuralism and then followed the familiar trajectory to post-structuralism and post-modernism (see Mavroudeas (1999)). Structural
forms are rejected or weakened and the whole conceptual framework is relativised. Projects and strategies, fragmentation of the collective agents (such as classes) into more fluid and less structurally determined factors (such as volatile social groups organised on a short or mid-term basis, firms and even individuals) became the regulationist key-words.

Regulation's intermediate and m-r concepts go hand in hand with its periodisation. Both are based on the m-r methodology and the set of stylised facts on which the former is applied. Moreover, the periodisation plays a circular role in the whole regulationist theoretical construction, as in most of similar m-r approaches. First, the set of stylised facts usually posits some key chronologies as landmarks of radical transformations of the studied object. Then, the intermediate concepts are produced, by applying the m-r methodology on the stylised facts. These concepts then are used in order to formulate and organise a proper, formal periodisation. In this way, the initial empirical intuitions are transformed in a theory, which in return justifies these intuitions. This specific type of periodisation is characteristic of the historicist m-r theories. Since there is no general theory, periodisation should be based on specific, concrete historical stages. Hence, to the extent that these theories have general-theoretical elements, periodisation is divorced from them or rather these elements are subordinated to it.

This method originates in the Althusserian tradition and it follows from its conception of the m.o.p., which was inherited by Regulation Theory. Once Althusserian structuralism was set aside, the way was open for explicit recourse to historicism and the periodisation of capitalism according to immediate concrete historical reality. Instead of the supposed

---

8 Regulation has a subtle and contradictory relationship to Althusserianism. For certain rather short-sighted views (e.g. Elliot (1987), p.333) it represents an indication of the continuing productivity and vitality of the Althusserian research programme. In fact, Regulation emerged as a reaction against this trend. However, although it was organised as a critique of it, several important regulationists continued to declare a certain allegiance, at least in some facets, to the Althusserian tradition (for example Boyer and Lipietz on the theory of state). Regulation rejected the Althusserian concept of reproduction because it encompasses the notion of abstract, immutable structures and laws that are being reproduced without significant transformations and contradictions. The concept of "regulation"
reductionism of deriving the theory and the periodisation from a set of abstract laws, a historically informed multi-causal and multi-relational approach was chosen. Some, like the majority of the regulationists, kept the emphasis on the specific social formations (in the form of national states), whilst others rejected it in favour of a more globalist perspective. But for both periodisation was derived not from essential laws and tendencies but on the basis of empiricist and historicist m-r concepts. Consequently, it represented the crude aggregation of pre-theoretical empirical perceptions.

This method of periodising was, then, applied to the particular set of stylised facts that informed each m-r theory. In the case of Regulation Theory, there is ample proof of that. Jessop (1988, p.162) praises its concern with stages and phases of capitalist development rather than with the abstract laws of motion and tendencies operating at the level of capital in general. Noel (1987, p.327) supports Regulation’s drive for a theoretically informed understanding of time-changing empirical patterns, as opposed to the alleged inherent reductionism of general theories. But one of the most blatant examples can be found in Boyer (1987, p.6-8). Having castigated economic theory in general (Keynesian, neo-classical and Marxist) for maltreatment of history and empirical reality, he suggests as the road of salvation was advanced as an alternative. A dichotomy was proposed in order to found this alternative concept. The RoA, which is neither abstract nor immutable, provides a quasi-objective basis and operates at the level of compulsory general laws. Then it is coupled with the MoR which is a much more subjective and flexible concept, leaving space for contradictions and the primacy of the “struggle” over the “structure”. The critique of Althusserianism and of the concept of reproduction was milder in the initial work of Aglietta (1979, p.12-13), where the break with the Althusserian tradition, although already pronounced in essence, was not obvious in terminology.

The next step was an out and out rejection of the concept of reproduction (Foreword to the 2nd edition of "Regulation et crises du capitalisme", Aglietta (1982), cited in Boyer (1988), p.197198). However, the relations between structuralism and Althusserianism and the various proponents of Regulation are far from clear. Apart from their differences on the extent of rejection of the concept of reproduction, other important aspects of the Althusserian tradition are kept intact. For example, Regulation retains as the starting-point of the analysis the understanding of a concrete social structure as an articulation of different modes of production (Boyer (1988), p.71). Lipietz (1988, p.24) also adopts the notion of “overdetermination”.

9 Aglietta’s early works, Boyer and Mazier focus on national accumulation regimes and modes of growth understood mainly in terms of their economic determinations. Certain more recent works of Aglietta, Lipietz, Ominami (1986) and Mistral (1986) theorise the international economic dimensions of regulation. Beaud (1987) studies societalisation with emphasis on the international aspect.
the recourse to m-r institutional and historicist concepts. The most abstract concepts are left open to personal preferences and referential pluralism. There can be chosen from a number of different general theories (Marxism, Keynesianism, institutionalism) compatible with these intermediate concepts. Boyer’s (1988, p.112-8) method is revealing. He begins with concrete historical cases (basically specific historical periods of specific national economies) and focuses upon their institutional forms. Then he implements historiography in order to produce a periodisation of the institutional forms. He, therefore, searches for key-dates which mark significant changes in the institutional field and compares two phases: one during which the operation of the institutional forms (and the regulation by them of social relations) proceeds unhindered, and a second which is characterised by the crisis of the previous institutional forms and the transition towards new ones. Following, he defines the implicit logic of every institutional form (each one expressing and regulating a social compromise on a specific subject) and examines its applicability. In doing so, he reaffirms that there is no such thing as a general theory and that historical specificities are the primary determinants. Econometric tests are of paramount importance in verifying the degree of correspondence of these ideal-type models to the specific historical periods. The next step is the synthesis of all those partial regulations in an overall structure guaranteeing the reproduction of the whole system. This implies a macro-econometric modelling. Finally, the last stage requires the modelling of different RoAs, linked explicitly to specific (concrete) historical periods. This does not mean the creation of a new general theory, since Boyer (1988, p.118) aims to "an alternative to the traditional marxist conception, which considers accumulation as equipped with laws-tendencies which are ultimately enforced irrespectively of transitional and conjunctural factors". He specifically mentions that the time for the construction of "general hypotheses" will come only when a sufficient number of specific long-run studies of national economies has been gathered.
III.B Regulation’s stylised facts

For Regulation Theory the period after W.W.II marked some sort of **structural disruption of the system’s operation-as-usual**, resulting to a new state of affairs (Fordism). The period between the two world wars (and especially the decade of the 1920s) is considered as the gestation period and also the harbinger of Fordism. Thus, its set of stylised facts is derived by comparing the interwar years and the post-W.W.II epoch.

At the heart of this approach lies the notion of an **historically contingent correspondence** between the ways the production process is organised, the ways incomes are distributed, the institutional forms regulating the operation of the system nationally and/or internationally and the ideology legitimising it. Institutional forms assume an explanatory primacy, since these theories usually presume that they encompass and express the totality of all these historically contingent parameters. This historically contingent correspondence is not founded on any essential law of the c.m.o.p. but stands on its own. The determinations necessary to explain and theorise each one of these historically contingent correspondences have to be devised ex post.

Regulation perceives these purported historically specific structural transformations as indisputable empirical facts and organises them as stylised facts. But, in fact, these stylised facts represent an eclecticist reading of historical reality, underpinned by a hidden theoretical framework (organised on the basis of this historically contingent correspondence mentioned before). They, then, enable the creation of an explicit theory. This is based on a set of concepts (of intermediate status) and a periodisation of capitalism. As a consequence, these concepts and periodisation vindicate, in a circular way, the initiating empirical perceptions.

There is sufficient evidence of the hidden theoretical intuitions behind Regulation’s stylised facts. The crucial emphasis on mass consumption and the empirical perceptions about the forms, the extent and the timing of the commodification of working-class’ consumption are underpinned by the belief that - at least for the pre-Fordist period - the main
constraint in capitalism was the size of the market and the realisation problem\textsuperscript{10}. Similarly, the real sumbsumption of labour under capital is identified with the introduction of Taylorism. The regulationists believe, without any justification, that no mass production existed before and also that capital’s control on the production process was somehow restricted. However Marx but also contemporary research (see Brenner and Glick (1991)) has indicated that capitalist mass production and labour’s real sumbsumption under capital were created long before the 1920s. Collective bargaining and the alleged linkage of wage increases to rises in labour productivity are based on the notion that, whereas before Fordism the classical Marxian theory of the value of labour-power and of wage holds, after Fordism wage does not correspond to a bundle of wage-goods. Instead, it is institutionally determined through class struggle in distribution - rather than being determined primarily in production according to the division of labour-time in its necessary and surplus part, as in the Marxian theory. This institutional determination ends up in a process of wage formation more or less similar to that of Carey (wage is linked to productivity increases), which was explicitly criticised by Marx (see Mavroudeas (1990), ch.IV). Also, the alleged social compromise on which Fordism is supposed to be based, bears upon an institutionalist understanding of the relation between economic and political relations which autonomise the latter from the former. Finally, the emphasis on the role of credit money and the timing of its alleged establishment is underpinned by the belief that from Fordism and onwards - but probably not even before - the

\textsuperscript{10} Regulation has not a theory of crisis but a classificatory formalism (or a formalistic typology) very similar, in methodological terms, to that currently popular in neo-classical economics. Historically contingent factors play a decisive role and crisis scenarios are constructed (and demolished) according to the most immediate "empirical" elements and different types of crises are theorised (e.g. crisis of profitability, underconsumptionism, "classical" and "Kaleckian" types etc.). The unifying framework is provided by an institutionalist perspective. The sustainability or crisis of accumulation is judged by the degree that institutional forms can maintain the proportionality between the "macrostructure of production" and the distribution of total income. The economic mechanisms and causes underlying sustainability or crises vary with each author and for each epoch. Instead, crises are classified according to the extent of disfunctioning between institutional forms and economic relations. This eclectic and superficial formalism can describe everything (and it does so because it is essentially tautological, since a major economic crisis affects the institutional arrangements) and, in reality, does not explain anything since it does not analyse the cause, the mechanism and the forms of expression.
Marxian theory of commodity-money is not valid and money is institutionally determined via the state.

Regulation derives these theoretically informed empirical intuitions from the two periods mentioned before. Dumenil and Levy (1988, p.2), pointed out that a minimal set of factual observations lies at the basis of its historical interpretation of capitalism. Contrasts between three periods - before W.W.I, interwar, and after W.W.II (until the late sixties) - play a crucial role in its derivation. The main benchmark is the post-W.W.II period and most of the stylised facts are derived from this. On the other hand, the interwar period is treated as a transition era between the previous status quo and the new one. In this sense, it is of paramount importance. Because the post-W.W.II period is taken as the benchmark, the other periods are theorised neither on their own nor via a general theory but according to the principles set in, and by comparison with, the benchmark period. Consequently, the transitional period is essential in providing the links and also in operating as the measure for the application of those principles and the alleged specificity of the 1920s emerges in all its glory.

The following are the main regulationist empirical intuitions, which were assumed to predominate after W.W.II (Lipietz (1986, p.18), De Vroey (1984)):

- Fordist techniques in the organisation of the labour-process.
- Commodification of the wage-earners’ consumption and the creation of a social norm of consumption.
- Linkage of wage increases to rises in labour productivity and social accord.
- Collective bargaining and restriction of the competition among capitals in the labour market as well as the of conflicts between capital and labour over pay.
- Welfare System.
- Growth of the tertiary sector and generalisation of the wage relation to most activities of crisis.
Hegemony of credit money, implying that money was issued by the banking system according to the needs of accumulation and the movement of nominal prices.

- Modifications in the circuit market-finance-production which allowed industrial firms to innovate technologically, while maintaining their prices in the obsolescent ones, by a rigidification of "mark-up" procedures.

- Increase of state intervention in the economy, mainly attributed not to policies of public investment but rather to its functions in the management of the reproduction of the labour force and of currency.

Dumenil and Levy (1988, p.4), taking the period before W.W.I as the basis of comparison, summarise the regulationist hypotheses as follows:

(a) the interwar years are supposed to be characterised by:

* a higher rate of growth of output
* a higher rate of growth of labour productivity
* a similar rate of growth of wages
* increased (and increasing) share of profits and rate of profit
* a lower (and diminishing) share of consumption

(b) the post-W.W.II period is an era of:

* a rate of growth of output even higher than in the 1920s
* a rate of growth of labour productivity similar to that prevailing in the 1920s
* a higher rate of growth of wages than in the 1920s and before W.W.I
* constant share of profits and rate of profit, at lower levels than in the 1920s and before W.W.I
* a higher share of consumption

They, then, tested these hypotheses with respect to the US. and France, for the interwar years and the period between the end of W.W.II and before the alleged crisis of
Fordism (in the 1970s)\textsuperscript{11}. They concluded that, although the French data confirm them, they fail utterly against the US. evidence. Especially with regards to the 1920s, none of the hypotheses concerning it is confirmed; thus, the alleged specificity of the 1920s is lost. On the other hand, the evidence produced by Dumenil and Levy denies not only the regulationist hypotheses for the interwar years but for the post-W.W.II era as well. Only one hypothesis (a higher rate of growth of wages) is confirmed unconditionally. Two others (a higher rate of growth of output, a higher share of consumption) are rejected outright. The rate of growth of labour productivity is found not similar but higher than that prevailing in the 1920s. Finally, although the share of profits and the rate of profit are found constant, they were not lower than those of the 1920s and before the W.W.I.

Dumenil and Levy’s evidence shows that most of Regulation’s stylised facts are far than conclusive. Indeed, the interwar period and the crisis of 1929 do not represent a transitional period in the sense that Regulation maintains. Furthermore, most of the elements that are supposed to constitute the post-W.W.II epoch were already in place long before. The extraction of relative surplus-value, mass production, rising mass consumption, the emergence of finance capital, credit money all date back to the 18th century. In addition, even their institutional counterparts (social reforms, monopolisation, economic power of the state etc.) had been developing slowly since the second half of the 19th century.

\textbf{VI. The consumption norm and the significance of the 1920s}

One crucial regulationist tenet is that there is a fundamental change in working-class incomes and consumption, which begun during the ’20s, was expressed in the crisis of 1929\textsuperscript{12} and was established for good after W.W.II. This is perceived as a significant modern

\textsuperscript{11} They used data for the whole economy, instead of just from the manufacturing sector. This is a justified stance since Regulation projects its conclusions to the whole of the economy.

\textsuperscript{12} Their position is, essentially, identical with the Baran-Sweezy claim for a secular underconsumption trend as the cause of the 1929 crisis. Keller (1975) has proved that the empirical
transformation of capitalism.

The penetration of capitalist production into the internal organisation of towns (urbanisation), which began at the start of the 20th century created the appropriate spatial structure for Fordism. Aglietta (1979) maintained that standardised housing (the privileged site of individual consumption) and the automobile (the means of transport compatible with the separation of home and workplace) were instrumental in the construction of the Fordist consumption norm during this crucial period. More recent works add other commodities and give a more qualified picture. Esser and Hirsch (1989, p.421-3) mention the car and electronics industries as the pivotal new mass industries. On the other hand, they recognise that Fordist urbanisation resulted in a contradictory social homogenisation and individualisation: "Supported by the large-scale imposition of the car, extreme spatial differentiations developed, characterized by suburbanism, the formation of satellite towns, the depopulation of the inner cities...". Florida and Feldman (1988, p.187-8) argue that the new forms of mass consumption were revolving around automobiles, consumer durables and other standardised industrial products. Moreover, they explicitly formulate the link between productivity and pay increases as institutionalised in a class accord between capital and labour. They maintain that housing was crucial for US Fordism, but they also purport that this was the result of unique historical conditions and that "neither mass production nor mass consumption were ubiquitous under US Fordism, and important segments of the working class were systematically excluded from one or both". Those marginalised groups were mainly non-unionised "periphery" workers and minorities. Finally, they propose that US Fordism’s suburban solution was not the only possible route and that other capitalist countries, with different constellations of political and economic forces, followed alternative ways.

evidence does not sustain this hypothesis. Also, Dumenil and Levy (1988) have rejected the Regulationist formula.
The underlying theoretical and empirical assumption is that before the '20s the reproduction of the working-class (or the wage-earners, for other authors) lay outside the sphere of capitalist control. This leaves two possible explanations - or a combination of the two - for how the workers sustained themselves. Either they acquired their means of subsistence from the sphere of petty commodity production and the agriculture sector (assumed as non-capitalist) or they themselves produced them. There is no explicit explanation provided by Regulation for this, apart from an off-handed remark by De Vroey (1984a, p.52), whose implausibility is obvious perhaps to everyone except its author, and which declares that till W.W.I the reproduction of labour-power took place mainly through domestic activities and wages only supplemented this reproduction. If this was the case then the question remains of why workers had to work at all and which classes were the outlet for the production of Dept.II? Were only the capitalists themselves, the petty-bourgeoisie and the landowners the clientele of Dept.II till W.W.I? Lipietz (1984a, p.96) adopts a more guarded and vague position, arguing that wage-labourers had "practically no access to capitalist products" in the regime of extensive accumulation. In general, the common regulationist dictum on this subject is that during the extensive RoA non-commodity relations were dominant over commodity relations in the mode of consumption of the working-class and, furthermore, those commodities involved were essentially non-capitalist products.

According to the regulationists, the coming of the intensive RoA without mass consumption, during the period of the '20s, aggravates the contradiction between the expansion led by Dept.I and the lack of outlets for Dept.II. This conflict culminates in the crisis of the '30s and is finally resolved after W.W.II with the emergence of Fordism (Lipietz, 1984b, p.703). Mass working-class consumption gestated during the first period and it is finally established in the second.

Commodification in general is not identical with capitalist commodification. This is
an important distinction, which certain regulationists tend to treat casually. De Vroey (1984a) is a typical example of this attitude. This confusion is made worse since he treats the RoA and the MoR as synonymous and distinguishes only between extensive and intensive accumulation, thus forgetting intensive accumulation without mass consumption. As a result extensive accumulation covers an unusually lengthy period (from the mid-19th century till W.W.I) and the interwar years are characterised simply as "transitional period". The characteristics of workers' consumption during the extensive RoA were the following: a) non-commodity relations were dominant over commodity relations, b) the reproduction of labour-power took place mainly through domestic activities, c) wages only complemented this reproduction, d) the greater amount of the commodities purchased were non-capitalist. This is a strong version, while Lipietz and Gouverneur (1983, p.179-193) adopt a weaker one. In the strong version the distinction between commodities in general and capitalist commodities is not important, since it is held that working-class' consumption as a whole lay primarily outside the sphere of commodification and otherwise comprised mainly of non-capitalist commodities. That leaves domestic production, petty-commodity production and non-capitalist agriculture as the possible providers of the workers' means of subsistence. On the other hand, the weak version side-steps the question of the extent of commodification of working-class' consumption and only asserts that the latter did not include capitalist products. In this case the distinction between capitalist and non-capitalist commodities is crucial, because it may be accepted that workers' consumption was commodified but the goods that entered it were non-capitalist commodities. There is, furthermore, a significant failure of both versions to define non-capitalist sectors that produced these goods.

The strong version has evident problems in accommodating historical reality. Commodification was an early comer as far as working-class' consumption is concerned. The separation of producers from their means of production cannot but result in them not
being able to produce the greater amount of their means of subsistence. During the early phases of capitalism, the bigger part of all their major needs - such as food, clothing, housing etc. - had to be bought. This was supplemented by their own production; or rather the domestic production of their family since it was impossible, especially considering the longer working hours of that period and the worse working conditions, for the working members of the family to work extensively and regularly in domestic production. Another significant factor - quite important in many newly industrialised countries, also - was the support of the extended family, who were peasants. Their support was usually in the form of either agricultural products or money. However, all these contributions had a complementary and irregular character and the worker had still to buy most of his means of subsistence.

The weak version proposes a less unrealistic though equally erroneous position. It is founded on three implicit assumptions. Firstly, Regulation has a simplistic understanding of capitalist commodification, derived from its conception of a specific society as the sum total of different m.o.p.’s, one of which assumes hegemony over the others and provides the unifying framework. An extreme example of this conception is Aglietta and Brender’s (1984, p.9-19) theory of capital as a mode of social communication and cohesion between different modes of production. Consequently, the regulationists cannot conceive how elements and remnants of previous m.o.p.’s can be integrated into the c.m.o.p. The functions of these remnants - which may retain their formal characteristics - alter radically by becoming operational parts of the c.m.o.p. and by ceasing to represent a different m.o.p. Their much acclaimed example of petty-commodity production is characteristic. Capitalism has assimilated elements of simple commodity production, such as craftsmen and family works, and has benefited from certain of their aspects as they provided at the same time a market for capitalist products as well as cheap complementary products and services. Many of petty-commodity producers’ means of production were capitalist products and many of the
services they provided were serving as side-products and complementary aspects of capitalist production (an obvious example being clothes repairs by tailors). Another typical case of these regulationist shortcomings is agriculture. It provided much of urban population’s means of subsistence and capitalist concentration and centralisation, in many countries, took place quite late. The majority of the agricultural sector was till late, and often it is still, comprised by small farmers. Despite that, it has become capitalist and has ceased to represent small commodity production since it was not surplus products that were exchanged nor was the main bulk of production for self-subsistence. Production for exchange had become the norm and the agricultural sector represented both a market for capitalist commodities (such as machines, certain materials, fertilisers etc.) and a provider of means of trade (as traders and merchants were the main retailing outlet of agricultural products). Additionally, waged labour was - at least during particular seasons - employed.

A related regulationist misconception is their implicit identification of capitalist domination of circulation of consumer commodities and retailing with the emergence of the multiple shops and the department stores. This is based on a confusion between capitalist dominance of this area and capitalist concentration and centralisation. Of course the latter, when it appears, is an undeniable proof of the former. However, this does not mean that the first did not exist in advance. As Fraser (1981, p.100-130) shows, till the 1860s the general store (small corner shop) was the centre of provision of almost all the necessities of the workers, which were mainly cheap mass-produced capitalist products. In the UK, a radical change in retailing took place between 1850-1914 with the appearance of multiple shops (chains), specialist retailers and all-embracing department stores and the progressive elimination of the small shop and the street-hawker. Multiple shops started to appear in the 1870s and were aiming at a working-class clientele. The 1850s saw the emergence of department stores. This change signified the arrival of capitalist concentration and centralisation. However, its effective dominance was established long before and the small
shop provided the vehicle for it\textsuperscript{13}.

Furthermore, the regulationists identify mass production (and more specifically Fordist mass production) with mass consumption. More accurately, they assume that Fordist mass production must come before mass consumption. This is a very neat and almost algebraic logical formulation. Notwithstanding, historical reality is often a very capricious thing and it tends to override logic formulas and take the most "irrational" routes. There is no reason whatsoever why mass consumption must follow mass production, let alone Fordist mass production. Indeed, there existed mass consumed products before the advent of mass production. On the other hand, the transformation of the methods of production in the strategic sectors (such as metal industry, textiles, food processing, means of transport, agriculture etc.) took place earlier than the 1920s. Moreover, the products of many of these sectors entered directly into working-class consumption. Many of the first capitalist industries were producing cheap goods for working-class consumption. Finally, mass market emerged long before the 1920s. Fraser (1981) puts the coming of mass market in Britain between 1860 and 1914. There was already in the 1850s and 1860s a mass-market for working-class ready-made clothing by shop tailors and from the 1860s and onwards its mass production began. Even in the crucial area of consumer durables - which may provide a last ditch defence for the regulationist argument organised around the notion of a consumer durables revolution - a mass market was created before the 1920s. Vatter (1967, p.9), confronting the Rostow thesis, shows that it was in a twenty-five year period in the 19th century (1844-1853 and 1869-1878) in the USA that the best candidate for a consumer equipment revolution can be found.

Finally, there is a noticeable lack of any empirical proof on behalf of Regulation in supporting their thesis. Although the choice of the automobile as one of the pivotal industries

\textsuperscript{13} For example, the local representative of Singer (hardly non-capitalist products) in an English provincial town in 1892, although having a shop, used market stalls (Fraser (1981), p.100).
tends to confirm their thesis since its mass marketing took place after W.W.II, housing is not a very suitable representative. The housing of the working-class was commodified even from the beginning (see Pugh (1980)). Often, especially in the province, it was part and parcel with the job (e.g. the mining communities in Britain): the company provided accommodation, usually at high rents. It was, therefore, directly part of the wage contract. It was also standardised, especially in the cities where the slums predominated. Finally, the expansion of home ownership and owner-occupier tenure after the '50s does not represent a qualitative change in the sense implied by the regulationists (i.e. that it transformed a previously non-capitalist commodity into a capitalist commodity). On the contrary, the expansion of individual home ownership limited, to a certain extent, the field of operation of land-owning capital since the individual home-owning sector - contrary to rented accommodation - is not directly engaged in the housing market. Last but not the least, it is worth mentioning that state intervention in housing in the USA after the Crash or even after W.W.II is usually highly exaggerated in the regulationist arguments. Contrary perhaps to popular belief, direct housing provision was rather limited and state intervention was mainly confined to financial and credit schemes; a fact admitted by Florida and Feldman (1988).

V. Stages of absolute and relative surplus-value?

Regulation’s tendency to push to artificial extremes the definition and/or the historical establishment of certain elements, in order to create the landmarks it needs for its equally artificial historical periods, is more than obvious with regards to the forms of surplus-value. Marx (1981, p.769) has argued that the very essence of the c.m.o.p. consists in the extraction of relative surplus-value:

In the second form of surplus value, however, as relative surplus value, which appears as the development of the workers’ productive power, *as the reduction of necessary labour time relative to the working day, and as the reduction of the necessary
labouring population relative to the population (this is the antithetical form), in this form there directly appears the industrial and the distinguishing historic character of the m.o.p. founded on capital.

Absolute surplus labour represents the older form of expansion of surplus labour and constitutes the general basis of the relative surplus labour. Marx argued that it is as old as human exploitation in general and is, therefore, a form of exploitation common to all class societies. On the other hand, only under capitalism the specificity of relative surplus-value emerges. The essence of the c.m.o.p. consists in the continuous revolutionisation of the social and technical conditions of the labour-process so as to push back the initial natural limits of necessary labour-time and, hence, progressively to extend the domain of surplus labour.

On the contrary, Aglietta maintains that an abnormally lengthy and rather vague historical period of capitalism (from its dawn till almost W.W.II) was based mainly on the extraction of absolute surplus-value with relative surplus-value as a mere residual. In the beginning, Aglietta (1979, p.51-6) supports explicitly the aforementioned Marxian position. He states that “absolute and relative surplus-value are thus indisociable from one another” and devotes a whole passage to the “significance of relative surplus-value”. This culminates to a grand declaration:

A regime of accumulation is a form of social transformation that increases relative surplus-value under the stable constraints of the most general norms that define absolute surplus-value... It might be thought from these arguments ... that absolute and relative surplus-value were two alternative modalities, forms that could be substituted one for the other in the production of a social surplus. This is no way the case. The

---

14 Marx, in this passage, uses the term «absolute surplus-value» in a broad sense (as the increase of the labouring time of the exploited classes), since the extraction of surplus-value is the type
distinction between these two forms denotes an articulation of social relations that induce different but complementary practices.

*Absolute surplus-value* ... is the effect in the homogeneous field of value of the wage relation as a general process of separation between individuals, and separation of the power of disposal over the means of producing their conditions of existence.

*Relative surplus-value* is the concept that defines the unity of the relations which structure the concrete organization of the production and reproduction of the wage-earners.

(Aglietta (1979), p.68-70)

However, he then proceeds to define the predominately extensive RoA and the predominately intensive RoA - and the careful choice of the word “predominately” (i.e. not pure) is indicative - on the basis of the form of extraction of *relative surplus-value* (Aglietta (1979), p.71). Later, though, the whole argument changes abruptly and the extensive RoA is the one where "absolute surplus-value predominates, the length of the working day is the principal means of extracting surplus labour" (Aglietta (1979), p.130). It is revealing - and somehow ironic - to compare this definition with the previous one: "The *predominately extensive regime of accumulation* is that in which relative surplus-value is obtained by transforming the organisation of labour; the traditional way of life may persist or be destroyed, but it is not radically decomposed by the logic of utilitarian functionalism" (Aglietta (1979), p.71). On the contrary the predominately intensive RoA creates a new mode of life for the wage-earning class by establishing a social consumption norm. It seems that at this previous stage of analysis Aglietta distinguishes his two RoA through the demand-side (and particularly the way workers’ personal consumption is structured). In the not-so-subsequent formulation it is the supply-side - i.e. the form of organisation of the labour-process and of exploitation befitting solely to the c.m.o.p.
production of surplus-value - that matters. Between these two distinct formulations no bridge
is rigorously provided.

The rest of the regulationists have a more light-hearted approach and simply reiterate
without further elaboration Aglietta’s last formulation\textsuperscript{15}.

Brenner and Glick (1991, p.50,54) criticise rightly the regulationist position on three
counts. First, that there cannot be a form of capitalism in which absolute surplus-value
predominaates. Second, they dispute the regulationist conception of a whole capitalist epoch
(extensive RoA) during which capital accumulation takes place without significant increases
in both the real wage and aggregate consumption. Third, they challenge Regulation’s
argument that the lack of institutionally insured levels of consumption (i.e. the Fordist social
compromise) is a fetter to the scope and intensity of capitalist accumulation. Brenner and
Glick (1991, p.54) argue, correctly, that «where capitalist social-property relations are fully
established, we can, all else being equal, expect to find: development on the basis of relative
surplus-value; long-term capital accumulation bringing about rises in wages and aggregate
consumption; and investment and cost-cutting technical change leading to, but not
necessarily conditioned by, growth of the mass market».

As said before, the extremely clean cut connection between different periods, on the
one hand, and modes of sumbsumption of labour under capital and extraction of surplus-
value is incorrect. The capitalist system, apart from its phase of gestation, was characterised
by the real subsumption of labour and the predominance of relative surplus-value.
Capitalism’s very essence consists in the continuous revolutionisation of the social and
technical conditions of the labour-process so as to push back the initial natural limits of

\textsuperscript{15} Several other theories (Fine and Harris (1979) etc.) tend, also, to periodise capitalism on the
basis of the extraction of absolute and relative surplus-value. Absolute surplus-value is identified
almost exclusively with the predominance of the formal subsumption of labour by capital and relative
surplus-value with the real subsumption. For Fine and Harris (1979) absolute surplus-value and formal
subsumption prevailed during laissez-faire capitalism, which lasted till the end of the 19th century. This
is contrasted to Regulation, which posits their reign for the whole pre-fordist period, which lasted till the
necessary labour-time and, hence, progressively to extend the domain of surplus labour. The processes of extraction of absolute and relative surplus-value co-exist and are interwoven from the first moments of capitalism. During its gestation era - which however does not constitute a separate period - there was a predominance of absolute surplus-value and the formal subsumption of labour. However, as soon as capitalism completes its emergence its is relative surplus-value and the real subsumption that assume primacy.

There are two major reasons for the predominance of relative surplus-value. First, there exist definite limits to the increase of the total labour-time, under given production conditions. Beyond these limits the very existence of labour (of the worker as a human being capable of performing work) are endangered. This threatens the unhindered reproduction of the c.m.o.p. Even when there are no legal restrictions - as indeed happened for a significant period, until the introduction of labour legislation - capitalism as a whole cannot simply follow each individual capital’s disregard for the reproduction of labour. Hence, the non-existence of explicit institutions regulating the reproduction of labour does not amount to the absence of any such social mechanism. Philanthropy (as typically expressed in the English Victorian ethics), charities and other such voluntary activities - usually attributed to the «civil society» - played that role. Those supporting the existence of a period of absolute surplus-value usually point out that there was an unlimited supply of labour because of uprooted peasant populations which seek survival in the cities. But, as Marx and historical evidence suggests, this was the case in the era of primitive accumulation during which the foundations of capitalism were laid. Therefore, it does not represent as such a proper period of the c.m.o.p. Additionally, this era in no case covered such a lengthy historical period. Second, the working-class and its struggle - in all spheres of the total circuit of capital - is always present in capitalism, even where no explicit institutional forms exist (trade unions, workers’ parties etc.). Working-class’ violent resurrections - however spontaneous and without coherent political
direction - represented types of class struggle which the capitalist system as a whole could defeat but could not neglect. On this plain, Regulation Theory ends up with implicitly saying that class-struggle does not exist unless it is institutionally expressed. Since before Fordism there were no institutions regulating and incorporating in the system labour’s demands, then either class-struggle did not existed or it did not had any actual effect on capital accumulation. Therefore, ironically, the contradiction that destroyed pre-Fordism was the lack of effective demand from a rather passive working-class. In this story, capital energetically expanded production but, in a truly underconsumptionist manner, labour’s passivity did not expanded consumption accordingly. Indeed, this is a rather embarrassing position for a theory wanting to overcome structuralism’s passive agents.

In our opinion, what changes between different stages of capitalism is neither the predominance of absolute surplus-value nor formal subsumption. It is the balance between relations of extraction of absolute and relative surplus-value. This balance depends crucially upon the prevailing modes of organisation of the labour-process (always on the basis of real subsumption of labour).

**VII. An alternative periodisation**

Following the analysis of Section II on the foundations of a Marxist theory of periodization, the periodization of capitalism should be conducted at the level of the m.o.p., from a capital-theoretical perspective and in close relation - at a lower level of abstraction - with its general theory. The moving force of change – within the CMOP but also from this mode to another – are the contradictions of capitalist accumulation and the class struggle generated from them. Within the CMOP this struggle leads to distinct stages, which reflect differentiated modes of (1) production, appropriation and control of surplus-value and, (2) socialization of production. The mode of appropriation of surplus-value is closely related to the modes of socialization of production. Because the CMOP – contrary to most pre-CMOPs -
is fundamentally a ‘free’ decentralized system (private enterprises, competition, labor markets) the latter concern the way all these decentralized private economic processes are compounded in a unified socio-economic system. In this way they express the specific mode of existence of (1) the fundamental contradiction (capital – labor) and, (2) the secondary contradictions (intra-capitalist competition). The socialization of production is ultimately expressed in the form of the linkage of production-exchange-circulation-distribution. Since the CMOP appears as relations of exchange (despite its structuration as relations of production), its specific periods are expressed as different forms of exchange; which, however, arise out of different forms of production. Periodization should cover this unity of essence and appearance.

On this basis we can rank, in terms of importance, the following categories of relations which characterise each stage of the CMOP:

1) Labour and Production Process: It imprints the mode under which labour is subsumed by capital and it reflects also the balance between the two ways of appropriating surplus-value (absolute and relative).

2) Process of socialisation of production: This covers:

(a) intra-capitalist competition

(b) the formation of the general equivalent and the interrelationship between the different types of money (commodity, fiat, credit money etc.)

© State’s economic functions

3) Process of income distribution: Of particular importance is: (1) the division between wages (depending crucially upon the value of labour-power and the relevant bundle of wage-goods) and profit, (2) the division of total surplus-value in (industrial) profit, interest and rent. Both these divisions are influenced by monetary intermediation.

4) Forms of crisis: The c.m.o.p. is riddled with crises of overaccumulation deriving from the tendency of the rate to fall due to the increasing organic composition of capital.
However, although this is the fundamental cause of crises, they are expressed in different forms and through different mechanisms (stock-market crises, collapses of exchange rate systems etc.).

5) **Processes of political intermediation:** Transformation of the capital-relation are reflected in transformations of its political-form., although the latter retains a degree of autonomy.

6) **International system:** Capitalism is the first class system that acquired a global dimension. From its very first it created an system of international relations whose main characteristics are antagonism between capitalist blocs (backed by states) and relations of unequal exchange and exploitation between more and less developed countries. In sum, as implicitly suggested by Fine and Harris (1979), imperialism is not relevant only to the stage of monopoly capitalism (as maintained by Lenin) but the universal mode of capitalism’s international system. The structure of the international system - and specifically its main factors (which of capital’s main fractions (productive, money or merchant capital) are internationalised and predominate, what plays the role of international money, what are the forms of international competition, what supra-national politico-economic structures exist etc.) - change from stage to stage.

The cause for the transition from one stage to the other is a combination of limits to capital accumulation and subsequent limits set by class struggle. Capital’s desire for profits leads it to struggle against labour and other capitals. The struggle against labour is manifested in the increasing replacement of workers by machines through the mechanisation of production. Hence the type of technical change pertaining to capitalism is labour-saving. This increases both the productivity and the intensity of labour. His struggle of its individual capital against labour has meaning only if it is expressed, as a lower unit cost, in the (Intensified) competition with other capitals. Thus, intensified competition and the subsequent mechanisation of production lead to rising technical, organic and value
composition of capital. This increased composition produces a downward shift in the rate of profit even when the rate of surplus-value is rising faster than the composition of capital (Rosdolsky (1977), chs 16, 17). A crucial factor in this relation is that the worker has definite physical limits which fetter the continuous imposition of new combinations of increased productivity and intensity of labour, within a given technological pattern. Beyond these limits the increase of the rate of surplus-value (in its fundamental sense, as a change in the demarcation line between necessary and surplus labour-time) cannot continue and, consequently, it cannot counteract the increasing composition of capital. The decline of the rate of profit necessarily leads to a fall in the mass of profit signalling the beginning of a crisis. Crises of overaccumulation are surpassed through the devalorisation of capitals but above all through the deepening and the intensification of processes of labour exploitation. The latter is the crucial link in overcoming a capitalist crisis. The processes of labour exploitation - through the mechanisms of absolute and relative surplus-value - always have a historically concrete character and are expressed by the specific mode of organisation of the production process. As said before, every mode of organisation of the production process (technology, combination of absolute and relative surplus-value, processes of increasing labour productivity and intensifying labour) has definite limits beyond which the worker cannot be pressed. Surpassing these limits is destructive for the capitalist system as a whole - although each individual capital strives to overcome them - since it will destroy its very basis of operation, labour. On the ground of this strife for the change of the demarcation line between necessary and surplus labour-time, class struggle in production arises. The working-class - even in its more ‘molecular’ and less conscious form of struggle - strives against the deterioration (if not for the improvement) of the terms of sale of its labour-power and its conditions of work. When this resistance is combined with capital’s inability to continue efficiently its accumulation then it becomes obvious that capitalism’s modus operandi has to be transformed. The successful implementation of such transformations implies an increased
socialisation of production, since through this capitalist dynamics can be co-ordinated better and crisis-tendencies, although not avoided, can be managed easier.

The Marxian contradiction between production relations and productive forces is expressed through this process of accumulation - class struggle - crisis - transformation. The very development of productive forces (even in their capitalistically determined form) is fettered by its own production relations and on this ground develops both working-class’ struggle and capitalism’s need for transformation. Whether this outcome will be achieved depends crucially on the balance of class forces. The latter is at the same time ‘open’ and constrained. It is ‘open’ because the working-class’ conscious struggle can create history and lead to surpassing capitalism and open the process for socialist transition. It is constrained because this possibility is restricted by existing economic conditions (particularly the knowledge of collective labourer and his ability to direct the production process, the development of productive forces etc.). The working-class can revolutionise these conditions but it cannot neglect them.

A periodisation of capitalism

On the basis of the periodisation theory delineated above the c.m.o.p. has already passed through two stages, whereas from the mid-1970s a new stage appears to be in the process of creation. The first stage, laissez-faire capitalism, lasted till the end of 19th century. The second stage, monopoly capitalism, persevered till the mid-1970s. The second stage was divided in two sub-periods: (a) pure monopoly capitalism (rocked by the 1930s crisis and with a turbulent phase of transition that lasted after W.W.II), (b) state-monopoly capitalism (established after W.W.II). Finally the third stage that seems to emerge after the1970s is still under construction. This still open character makes problematic its christening. However, its fundamental structures and tendencies are already visible.

Laissez-faire capitalism was characterised by the limited dominance of relative
surplus-value, since capital was still in a position to employ extensively processes of extraction of absolute surplus-value. The only existing process of socialisation of production was through the market. The form of the simple firm predominates and capitalism expanded via mainly the concentration of capital. The centralisation of capital was quite marginal, although monopolies existed, but basically because of peculiar physical and technical conditions of an industry rather than because of an organic tendency of the system. The law of value was expressed almost exclusively through market intra-capital relations. The monetary sphere was based on commodity-money. State’s economic functions were restricted to the regulation of the monetary circulation and foreign trade. In the field of income distribution there was only the direct wage whereas the central form of appropriation of surplus-value was through market profits of the enterprise. Crises of overaccumulation were expressed mainly in the sphere of merchant capital as overproduction of commodities. The political-form was based on the restriction of the political and economic freedom of the working-class. Since only capital was systematically organised (through the state), class struggle was unmediated confrontation in the factories and/or in the streets. Finally, the international system was organised on the basis of colonial empires and it was mainly commodity capital that was internationalised.

The great crisis at the last third of 19th century in combination with the increasing resistance of the working-class (formation of trade unions and workers’ parties, class struggle that was stamped by the Chicago demands for the division of the day etc.) marked the end of this stage. However, pure monopoly capitalism failed to produce a more long-lived solution, despite W.W.I, and was rocked by the 1929 crisis. The eruption of imperialist rivalries led to W.W.II. It was through this process of violent devalorisation of capitals, accelerated technological and organisational changes and, foremost, pressure on the rate of exploitation of labour that the foundations for the post-war ‘Golden-Age’ of capitalist accumulation were laid. Then, the second sub-period, state-monopoly capitalism, was established.
Monopoly capitalism involved an even greater change of balance towards relative surplus-value based on the continual re-organisation of the labour-process. The new production process entailed a greater mechanisation of production and the introduction of new methods of control and direction of labour via the sophisticated Taylorist systems. The increased socialisation of production was based new forms of intra-capitalist competition, monetary intermediation and state economic functions. Intra-capitalist competition led not only to increased concentration but also centralisation of capital. Monopolies arise not only because of physical and technical peculiarities but mainly through the very operation of intra-capitalist competition. The type of joint-stock company predominated. Furthermore, the credit system (banks etc.) acquired a enhanced significance since production’s financial prerequisites were increased (augmented centralisation of capital etc.). In the area of monetary intermediation, fiat money was more loosely linked to commodity-money. Additionally, credit money’s role was extended. The state started regulating the general framework of production (Factory Laws etc.) although it did not intervened directly in production (with the exception of abnormal war periods which, however, represented primitive experimentations with state-monopoly forms). The operation of the law of value was crucially affected by the private credit system. In general, there was an enhanced socialisation of productive forces which was reflected in the socialisation of production relations in the labour-process (separation of ownership and control), in the «accounting» process in the sphere of realisation (monopolies socialised the formation of prices and allocation of markets) and financial control (money capital was socialised with the development of private credit through finance capital). In the sphere of distribution interest assumed a dominant position as form of appropriation of surplus-value. The Tendency of the Rate of Profit to Fall and credit relations induced increasingly violent crises. The political-form was marked by bourgeois...
social reforms aiming on crisis management. Workers’ parties and trade unions (grounded in the socialisation of production and concentration of wage-labour) were legalised and vote and election rights universalised. Parties changed from clubs to mass organisations and there was a process of combined repression and containment of the working-class (through reformism and clientele relations). The international system was reorganised on purely imperialist lines, thus acquiring its proper capitalist character and leaving behind old remnants. Money capital was internationalised mostly through trusts and cartels. Capital exports took mainly the form of commodities and loans rather than direct investment).

Monopoly capitalism’s second sub-period (i.e. state-monopoly capitalism) while sharing many features with the first, differed in the further socialisation through direct state involvement in the circuit of capital (through state enterprises, taxation and state credit). State control of the credit mechanisms played a crucial role. Capitalist control of the economic process took new forms and taxation became important in the appropriation and distribution of surplus-value. This signified a decisive turn in the relationship between economy and the political-form, since their formal separation became less distinct.

It is generally agreed that most of the crucial operational variables of the capitalists system have exhibited a dismal course after the 1973 crisis. Profitability, growth rates (output, productivity etc.) are faltering. Although a great crisis (similar to those of the end of 19th century or the 1930s) has not erupted, there is a series of recessions (1973-75, 1979-82, 1991-92) and after them upswings cannot restore capital accumulation to its pre-1973 levels. In a sense it seems that capitalism is passing through a period of prolonged but also latent - to a great extent - crisis. The concomitant restructuring of capital - despite the significant victories against labour, induced by the neo-conservative policies of the 1980s and 1990s - is still in search of a steady and secure configuration. On the other hand, significant transformations have been made or are under way which represent a radical departure from the old operation-
as-usual of the system.

The labor and production process is changing towards so-called flexible labour. The introduction of information technology - although with dubious effects in labour productivity itself and with a better record for circulation activities - plays a significant role since it enhances capitalist control of the labour-process and, therefore, achieves an increase in the rate of exploitation. At the same time, it enables vital economies in the use of constant capital. In this sense, flexible labour - contrary to the m-r theories’ belief about its open character and the possibility of progressive scenarios - represents an extremely reactionary restructuring of the labour-process. Flexible labour enables a new balance between absolute and relative surplus-value. It is probably the first time after a long period that capital attempts not simply to increase both absolute and relative surplus-value but also to change the balance between them. During the recent years processes of extraction of absolute surplus-value have been systematically strengthened. A direct method is through schemes for a reshuffling of total labour-time, which violate the eight working hours (sometimes with a reduction of the total working hours per week or per month). An indirect method is through wage reductions which lead many workers to supplement their income through a second - in many case illegal - job. Hence, although typically the total working hours per week are reduced, the actual working hours have increased for the majority of the working-class. This increased significance of absolute surplus-value does not, however, challenge the predominance of relative surplus-value.

Subsequently, new processes of socialisation of production are being explored. In intra-capitalist multi-sectoral monopolies assume an increasingly significant role. There is a contradictory enhancement of the tendencies of concentration and centralisation of capital. Whereas under the pressure of crisis the average firm has tended to become more ‘lean’, there was considerable increase of the weight of constant capital (both because of wage reductions and the cost for introducing new technologies). The centralisation of capital on the
one hand increased, through successive waves of mergers and acquisitions. On the other hand, however, increased the sub-contracting of peripheral activities. What many studies - mainly on the Just-in-Time system and ‘new competition’ - have shown is that, contrary to certain beliefs, there was a centralisation of all the critical processes whereas secondary activities were sub-contracted but under the almost direct control of the central firm. Thus, essential control was restricted to even less centres and sub-contracting, in the cases that resulted to a proliferation of the operating firms, are more or less appendages of the central firm.

In monetary intermediation, credit money is enhanced further and new forms of money (electronic etc.) appear. There appears to be a reshuffling in the financial system towards a greater role for the stock-market (the ‘Anglo-Saxon’ model) as opposed to banks (the ‘Japanese-German’ model). There is also a change in the banking system where there is a move from traditional activities (deposits and loans) towards new financial intermediation activities (securities, mutual funds etc.). But, foremost, this is a turbulent period because since the collapse of the Bretton Woods system there is growing instability in international relations.

State economic functions also change. Contrary to neo-liberal sermons there is not a withdrawal of the state but a new role for it. It leaves certain productive activities to private capitals (becoming itself more ‘lean’) through privatisations. It adopts private-economic criteria for the operation of the remaining public enterprises (thus, increasing the rate of exploitation in that segment of the working-class that have remained somehow protected the previous period). But, on the other hand, it becomes the general staff of capitalist accumulation by assuming even greater responsibilities in the socialisation of production. Many of its functions become increasingly de-politicised, and thus unaccountable, as the trend towards independent Central Banks. This move does not signify a retreat of the state but a retrenchment of its crucial functions in deeper and more untouchable to political pressures centres.
In the sphere of income distribution, concerted assaults on wages have taken place. It is being ventured to form a new value of labour-power, lower than what contemporary working conditions and modern needs dictate, by establishing a new working-class' consumption pattern. Furthermore, it is attempted to push wages even lower than that value. Significant pressure has been put on the indirect wage, through cuts and direct and indirect privatisation of the social security system.

Crises of overaccumulation acquire indirect sensors in the financial system which seem to express and warn in advance incoming crises. Thus, the post-1973 era is riddled with crises of the stock-market and the mechanisms of exchange rates.

The sphere of political intermediation is in continuous turmoil. However, it appears to be a move away from the mass and also unified parties of the previous stage towards loose party formations, without mass organisations and riddled with internal differentiations on the basis of particular interests and lobbies. This move is supplemented with the realignment of all parts of the official political spectrum around neo-conservative policies, making conservative and social-democratic management almost indistinguishable.

Finally, the international system is undergoing a monumental transformation. The internationalisation of productive capital - following the previous internationalisation of commodity and money capital - and the increasing importance of multinational multi-sectoral corporations marks this era. This is supplemented by a liberalisation of international capital movements and the frantic push of schemes of transnational economic integration. However, this rapidly growing internationalisation of capital has not led to an abolition of the centrality of the nation-state, as the globalisation thesis maintains.

REFERENCES


Anderson, P. 1988, *In the tracks of Historical Materialism*, Verso

Banaji, J. 1979, "From the commodity to capital: Hegel’s dialectic in Marx’s Capital" in Elson D. (ed.), *Value: the representation of labour in capitalism*, CSE Books

Beaud, M. 1987, *Le systeme national mondiale hierarchise*, La Decouverte

Boyer, R. 1988, *The theory of Regulation*, Exantas (Greek edn.)


CEPREMAP-CORDES 1977, «Approches de l’ inflation: l’ exemple francais»

De Vroey, M. 1984a, "A Regulation Approach interpretation of the contemporary crisis", *Capital and Class* no.23


Dumenil, G. and Levy, D. 1988, "What can we learn from a century of history of the U.S. economy", mimeo, Barcelona Conference on Regulation Theory


Robertson


Ilyenkov, E.V. 1982, *The dialectics of the abstract and the concrete in Marx’s Capital*, Progress


Jessop, B. 1988, «Regulation theory, post-Fordism and class struggle», *Capital and Class* no.34

Jessop, B. 1990, "Regulation theories in retrospect and prospect", *Economy and Society*, vol.19 no.2

Keller, R. 1975, «Monopoly Capital and the Great Depression: testing the Baran and Sweezy’s hypothesis», *Review of Radical Political Economics* vol.7 no.4

Lipietz, A. 1986, "Behind the crisis: the exhaustion of a Regime of Accumulation ", *Review of Radical Political Economics* vol.18 no.1and2

Lipietz, A. 1984a, «Imperialism or the beast of the apocalypse», *Capital and Class* no.22


Lipietz, A. 1988, "La trame, la chaine et la Regulation: un outil pour les sciences sociales", CEPREMAP working papers


Mavroudeas, S. 1992, "Relations between the Two Departments of Production and the Problem of the So-called "Motive Impulses", *Spoudai* vol.42 no.2

Mistral, J. 1986, "Regime international et trajectoires nationales" in Boyer R. (ed.)

Capitalismes fin de siecle, Presse Universitaire de France


Ominami, C. 1986, Le Tiers Monde dans la crise, La Decouverte

Poulantzas, N. 1975, Classes in Contemporary Capitalism, New Left Books

Poulantzas, N. 1978, L’Etat, le Pouvoir, le Socialisme, PUF

Pugh, C. 1980, Housing in Capitalist Societies, Farnborough

Rosdolsky, R. 1977, The making of Marx’s «Capital», Pluto

Vatter, H. 1967, «Has there been a twentieth-century consumer durables revolution?», Journal of Economic History vol.xxvii no.1
