

# Notes

## Introduction

1. Noam Chomsky, *Language and Responsibility*, Harcourt 1979, pp. 175-176.
2. Walt Whitman Rostow, *The Stages of Economic Growth, A Non-Communist Manifesto*, Cambridge 1960.
3. For a summary showing the links between these currents, see G. Palma, 'Dependency: A Formal Theory of Underdevelopment, or A Methodology for the Analysis of the Concrete Situation of Underdevelopment', *World Development*, vol. 6, nos. 6-7, July-August 1978.
4. The terms are taken from Bill Warren, *Imperialism, Pioneer of Capitalism*, Verso, London 1980. Arghiri Emmanuel takes a similar position in his recent *Appropriate Technology or Underdeveloped Technology?*, trans. T.E.A. Benjamin, Chichester 1982. For a critique of Warren, see Alain Lipietz, 'Marx or Rostow?', *New Left Review* 132, March-April 1982, pp. 48-58.
5. C. Palloix, *De la socialisation*, Paris 1981.
6. André Gunder Frank, 'Asia's Exclusive Models', *Far East Economic Review*, 25 June 1982, p. 22. The initials NIC will be used here to refer to a purely empirical group of countries which have recently become industrialized and which are major exporters of manufactured goods.
7. For a savage picture of this stalemate, see Carlos Ominami, 'Aperçu critique des théories du développement en Amérique Latine', *Revue Tiers-Monde*, no. 80, October 1979. For a critique from a rather different viewpoint, see P. Salama and P. Tissier, *L'Industrialisation dans le sous-développement*, Paris 1982.
8. Pierre Bourdieu, *Leçons de sociologie*, Paris 1980.
9. The results of my work were presented at a number of international conferences and seminars. Particular thanks are due to Gustave Massiah, Ricardo Hausmann, Carlos Ominami and Patrick Tissier for

introducing me to so many problems and so much data, and for the rigorous but friendly manner in which they criticized my original statements.

The original papers I refer to are as follows: 'Towards Global Fordism', *New Left Review* 132, March-April 1982 (presented to the Symposium International de Sfax, April 1981); 'De la nouvelle division internationale du travail', *Espaces et Sociétés*, 44, 1984 (presented at the Modena Colloquium, 'Problèmes de la reprise européenne et nouvelle division internationale du travail', November 1982); 'Imperialism or the Beast of the Apocalypse', trans. M.-P. Allum, *Capital and Class*, no. 22, Spring 1984 (presented to the Ottawa Conference on 'Canada and the New International Division of Labour', January 1983); 'Sur les fordismes périphériques de l'Europe du Sud', *Poli ké Periphéria* (Salonika), no. 7, 1983 (presented to the Conference on 'European Integration: Urban and Regional Problems', Naxos, November 1983); 'Le Fordisme périphérique étranglé par le monétarisme central', *Amérique Latine*, no. 16, December 1983 (presented to the Conference on 'Vers un nouvel ordre mondial?', Paris, October 1983); 'La Mondialisation de la crise générale du fordisme: 1967-1984', *Les Temps modernes*, November 1984 (presented at the Conference on 'Development in the 1980s: Canada in the Western Hemisphere, Kingston, May 1984).

10. For an analysis of these state capitalisms from a kindred problematic, see Charles Bettelheim, *Les Luites de classes en URSS. Troisième Période*, Paris 1982; B. Chavance, *Le Système économique soviétique*, Paris 1983; D. Leborgne and Alain Lipietz, 'Est, Ouest: deux modes de régulation du capitalisme', *Reflets et perspectives de la vie économique* no. 4, October 1983. In more general terms, see the November 1983 issue of the same journal.
11. The 'happy few' will have recognized the words of William de Baskerville, the hero of Umberto Eco's novel *The Name of the Rose*, trans. William Weaver, London 1983, p. 492. This 'nominalist' position is basic to Eco's semiotics, and he expresses similar views in the opening pages of his theoretical essay *La Structure assente*, Milan 1980 (the title in itself is significant). Eco's remarks are not far removed from the distinction Louis Althusser makes between the 'real concrete' and the 'concrete in thought' in his reading of Marxist methodology in *For Marx*, trans Ben Brewster, London 1969.

## 1. Questions of Method

1. Warren, *Imperialism*.
2. Karel Kosik, *Dialectics of the Concrete: A Study on Problems of Man and World*, Dordrecht 1976.
3. Karl Marx, *The Holy Family*, Marx/Engels, *Collected Works*, vol 4, London 1975, p. 58.
4. Cited, Dognin, *Les 'Sentiers escarpés' de Karl Marx*, Paris 1977.
5. Marx, 'A la redaction de *Otetchestvennie Zapiski*' (1874), Marx/

- Engels, *Gesamtausgabe* (MEGA), Band 25, Berlin 1985, p. 117.
6. Frederick Engels, letter of 12 March 1895 to Conrad Schmidt, Marx/Engels, *Selected Correspondence*, Moscow 1965, p. 484.
7. For a more detailed discussion, see Alain Lipietz, 'Réflexion autour d'une fable', Working Paper CEPREMAP, Paris 1985.
8. Charles-Albert Michalet, *Le Capitalisme mondial*, Paris 1976.
9. Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, trans. Marjory Mattingly Urquidí, Berkeley and London 1979, p. 15.
10. Karl Marx, *Capital*, vol. 1, Harmondsworth 1976, p. 476.
11. Michel Aglietta, *A Theory of Economic Regulation: The US Experience*, trans. David Ferbach, New Left Books, London 1979; CEPREMAP, *Approches de l'inflation: l'exemple français*, Rapport au CORDES par J.P. Benassy, R. Boyer, R.M. Gelpi, A. Lipietz, J. Mistral, J. Munoz, C. Ominami, Paris 1977 (mimeo); CEPREMAP, 'Redéploiement industriel et espace économique', Rapport à la DATAR de J. Lafont, D. Leborgne, A. Lipietz, *Travaux et recherches de prospective*, no. 85, 1980; R. Boyer and J. Mistral, *Accumulation, inflation et crise*, Paris 1978, new enlarged edn., Paris 1983; Alain Lipietz, *Crise et inflation, pourquoi?* Paris 1979; Alain Lipietz, *The Enchanted World*, Verso, London 1985; B. Mazier, Basle, Vidal, *Quand les crises durent*, Paris 1984; Boyer et al, *Capitalismes, fin de siècle*, Paris 1985.
12. Bourdieu, *Leçons de sociologies*.
13. Benjamin Coriat, *L'Atelier et le chronomètre*, Paris 1979.
14. Concepts are malleable things. One might say that an economy is in major crisis when its mode of regulation can no longer ensure the stability of its regime of accumulation. But the world still goes on, even during a crisis (and it has been going on since 1973). There is, then, nothing to prevent us talking about a 'crisis regime' in the same way that other writers speak of 'dependent development'. The important point is knowing when to throw away worn out concepts.
15. I outline a critical survey of how these theories came into conflict in the early seventies in *Le Capital et son espace*, Paris 1977. I leave it to the reader to decide whether or not I then took the good advice I am giving here.
16. Fernando Henrique Cardoso, "Théorie de la dépendance" ou analyse concrète des situations de dépendance?", *L'Homme et la société*, nos. 33-34, 1974.
17. Cited, Palma, 'Dependency ...'.
18. Apart from the young Lenin's canonical work on *The Development of Capitalism in Russia*, *Collected Works*, vol. 3, Moscow 1960, which Louis Althusser used to say one should read before looking at any theoretical Marxist texts, the first contemporary works to make an explicit analysis of dominated countries in terms of specific regimes of accumulation and successive modes of regulation were Carlos Ominami, *Croissance et stagnation au Chili: éléments pour l'étude de la régulation dans une économie sous-développée*, Thesis Paris X, 1980, and Ricardo Hausman, *State Landed Property, Oil Rent and Accumulation in the Venezuelan Economy*, PhD Thesis, Cornell University, 1981. Studies by the same authors of their respective countries

- can be found in Boyer et al, *Capitalismes* ... We will see later how some authors from the Dependency school have evolved in a similar direction. See in particular, the recent works of J.M. Cardoso de Mello and Fernando Henrique Cardoso.
19. As we shall see, the connection between the two aspects has a variety of effects, not all of them negative, on the working population of both the NICs and the industrialized West. But while there may exist some peculiar groups of the West which profit from the famine in the Sahel, it would, however, be wrong to say that the states of the South are starving because their wealth is being plundered.
  20. Similarly, modern physics tends to refer to the 'locality' principle (according to which distant influences can only work via a local modification of the field) rather than to the Newtonian principle of 'forces acting at a distance' (a principle which has somewhat mystical origins).
  21. There are of course regional social formations, and, following A. Rist, I describe them in terms of 'regional armatures' in my *Le Capital et son espace*. Regional social formations are capable of generating their own internal dynamics and of negotiating with the state so as to ensure the preconditions for stability in their local compromises. Arguments which apply to small centralized countries like France certainly also apply to continental federations like India or Brazil.
  22. André Gunder Frank, *Dependent Accumulation and Underdevelopment*, London 1978, p. 82.
  23. Charles-Albert Michalet, M. Delapierre, B. Madeuf, Carlos Ominami, *Nationalisation et internationalisation. Stratégie des multinationales françaises dans la crise*, Paris 1983.
  24. I. Wallerstein, *The Modern World System*, New York 1974-80; Fernand Braudel, *The Mediterranean and the Mediterranean World System in the Age of Philip II*, trans. Siân Reynolds, 2 vols., London, 1972, 1973.
  25. In my early work on space ('Approches théoriques des transformations de l'espace française', *Espace et société* November 1975), I noted the variety, variability and relative independence of the topographies and 'spatialities' characteristic of various socio-economic relations and their articulations. At the same time, I relied upon a schema (regional armature/national social formation/multinational bloc) which was not dissimilar to the 'world economy' which Fernand Braudel uses in his *Capitalism and Material Life* (trans. Miriam Kochan, London 1973.) Unfortunately Braudel's admirers do not always display his caution and subtlety. The typical configuration of a world economy centred upon nineteenth-century England seemed, then, to provide a universal schema to which all future concrete situations had to conform, except perhaps during wars of succession.
- Rather than looking for the famous 'centre' that is supposed to exist somewhere between Japan and California, might it not be preferable to abandon Wallerstein and to go back to Braudel's *The Mediterranean*, or even to the 'age without Rome', when early capitalism's only backbone was a network of fairs in Champagne? Those who delight in prophecy would do well to meditate upon the following statement from the *Neue Rheinische Zeitung*: 'The Pacific Ocean will have the

- same role the Atlantic has now and the Mediterranean had in antiquity and in the Middle Ages – that of the great water highway of world commerce; and the Atlantic will decline to the status of an inland sea, like the Mediterranean nowadays.' Marx/Engels, 'Review', 31 January 1850, *Collected Works*, vol. 10, London 1978, p. 226.
26. In more general terms still, the whole of Latin America can be described as 'underdeveloped', along with Africa and Asia. But if an Argentinian thinks he has discovered underdevelopment when he reaches Mexico, what must a Malian think when he arrives in Buenos Aires?
  27. L. Boltanski, *Les Cadres*, Paris 1982.

## 2. The Fortunes and Misfortunes of the Central Regime of Accumulation: Fordism

1. Cf. Chapter I, note 11.
2. The latter can be further broken down into relations of 'property' and 'ownership'. Cf. my *Crise et inflation* ..., and *The Enchanted World*.
3. The 'transformation problem' is notoriously delicate. Statisticians studying 'conditions of profitability' are right not to linger over it. See *The Enchanted World*.
4. See, for example, H. Bertrand, 'Le régime central d'accumulation de l'après-guerre et sa crise', *Critiques de l'économie politique*, nos. 7-8, April 1979.
5. The notion of the articulation of modes of production was introduced by P.P. Rey in his 'Sur l'articulation des modes de production', in *Les Alliances de classe*, Paris 1969, in which he discusses 'centre-periphery relations'. The articulation of modes of production can go through several stages (external articulation, integration ...), and the concept thus allows us to further refine our analysis of regimes of accumulation. For an analysis of the articulation between small-scale agricultural commodity production and capitalism in the economic history of France, see Alain Lipietz, *Le Capital et son espace*.
6. C. Palloix, *Les Firmes multinationales et le procès d'industrialisation*, Paris 1973.
7. R. Boyer, 'La Crise actuelle: une mise en perspective historique', *Critiques de l'économie politique*, nos. 7-8, April 1979.
8. Relative surplus-value increases when the value of the commodities which establish norms of consumption falls because productivity has risen (the purchasing-power of wages remaining constant).
9. Coriat, *L'Atelier et le chronomètre*.
10. CEPREMAP, *Redéploiement industriel* ...
11. These concepts are statistical rather than theoretical. 'Apparent productivity' refers to the quantity of use-values produced per unit of concrete labour time in a given branch. It includes both changes in intensity and productivity increases in the strict sense of the term, though it is in fact difficult to distinguish between these two elements. 'Per capita volume of capital' is roughly equivalent to the Marxist con-

- cept of 'technical composition', which is difficult to quantify. See Alain Lipietz, *Crise et inflation*, and 'Derrière la crise: la tendance à la baisse du taux de profit', *Revue économique*, 2, March 1982 (to be translated in *Review of Radical Political Economics*).
12. A. Granou, Y. Baron, B. Billaudot, *Croissance et crise*, Paris 1979.
  13. For an algebraic and statistical description of this model, see Lipietz, 'Derrière la crise.'
  14. A discussion of how monopolistic regulation encouraged intensive capital accumulation is beyond the scope of this book. See *The Enchanted World*.
  15. Michel Aglietta and A. Brender, *Métamorphoses de la société salariale*, Paris 1984.
  16. Official definition of money supply (and, as we shall see, of the 'monetary base') are, of course, rather more technical. For a fuller theoretical analysis, see *The Enchanted World*.
  17. It will be recalled that I am not dealing here with the 'centralized economies' of Eastern Europe and Asia.
  18. G. Arrighiri, 'Une Crise d'hégémonie', in *Crise, quelle crise?*
  19. Europe is discussed here as though it were a bloc, but the member states of the EEC can be shown to coexist within a configuration of 'virtuous complementarity'. Very schematically, West Germany acts as a workshop producing equipment goods for France and Italy which, in return, sell Germany consumer goods. Mechanisms for adjustment are provided by prices (the changing exchange rate) and by volume (moderate 'cooling off' plans).
  20. We can speak of a 'World Economy', provided that we do not take the term to mean a true 'pyramid'. The reader has, however, been alerted to the need for scepticism in the use of concepts, and will realize that any term can be used to describe a 'configuration'.
  21. Why use only this industrial indicator to measure accumulation? Because it is both the most reliable and the most homogeneous. And because GNP (or GDP, which amounts to much the same thing) has no obvious meaning. It is precisely 'gross' (and therefore includes the cost of using fixed capital as well as value-added, which means that an increase in GNP can mean mechanization without growth) and measures primarily the intensity of commodity and wage exchanges. This leads to some well known paradoxes. Two young mothers who pay each other for baby sitting 'create GDP'; but if each looks after her own baby, or if the sitter is not paid, no GDP is created. If a man marries his housekeeper, GDP falls. This is no laughing matter. In both France and the USA, the number of hours of domestic labour performed by women was in the seventies greater than the number of hours worked by wage-earners. The transfer of domestic labour to the tertiary market sector in the developed capitalist countries during the crisis led to major changes in the regime of accumulation, but not necessarily to the emergence of a stable regime. And yet it certainly did lead to a rise in GDP. (The fluctuations to be observed in the USA in 1981-84 also show that this labour can rapidly be transferred back to the domestic sector). This phenomenon is even more marked in underdeveloped countries where the domestic economy is being destroyed, even

- though the extent to which social relations have been monetized tends to be under-estimated because of the informal nature of much of the commodity economy.
22. CEPII, *Economie mondiale: la montée des tensions*, Paris 1983.
  23. See especially, CEPII, 'Dualité, change et contraintes extérieures dans cinq économies dominantes', *Economie prospective internationale*, nos. 13-14, 1983. Amongst other things, this article discusses the different conditions under which surplus productivity is divided between the manufacturing sector, which is internationalized, and the tertiary sector, which is protected.
  24. R. Boyer, 'Déterminants et évolution probable de la productivité et de l'emploi: un essai de synthèse des travaux récents', CEPREMAP, *Couverture orange*, no. 7922, 1979 (mimeo).
  25. For this whole discussion see Alain Lipietz, 'Derrière la crise', and the comparative international statistics given in C. Lapiere-Donzel, 'Le Partage des revenus, la formation du profit: comparaison entre les cinq grandes économies', *Statistiques et études financières*, Série orange, no. 44, 1980.
  26. *The Enchanted World*.
  27. Coriat, *L'Atelier et le chronomètre*.
  28. Recent works on what lies beyond Fordism are based upon this more basic consideration. See *Emploi-Formation*, no. 8, 1984 and *Sociologie du travail*, no. 4, 1984.
  29. CEPII, 'Dualité, change ...'
  30. When the gold pool was abolished in 1968, the dollar became a world currency; it had to be accepted in final payments, and could no longer be exchanged for a 'more real' currency like gold. On 15 August 1971, all reference to gold was officially dropped, and from March 1973 the dollar was left to find its own parity against all other currencies. The Jamaica agreement of January 1976 made this change official.
  31. It will be recalled that in 'classic economic thought' there are two views as to the meaning of an increase in ground rent. According to Ricardo, it reduces capitalists' profits. But as we shall see, oil rents were recycled into investments. According to Malthus, on the other hand, it leads to an increased effective demand for 'luxury' goods. He was correct about the rise on oil rents; warplanes are the modern equivalent to carriages. The 'oil shock' in itself did not, then, cause the crisis; at most, it brought out the latent contradictions.
- ### 3. The Old Division of Labour, or What Did Capitalism Want With the Periphery?
1. We have, then, to be very careful when we use long-term statistical data to assess the importance of foreign trade with the periphery for what are *now* central countries. Quite apart from the fact that French and Russian agriculture and handicraft production were largely 'outside' capitalism in those countries during the nineteenth century, one could say that a large part of what is now industrial Europe (and of

- Russia, until 1917) was then part of British capitalism's periphery.
2. V.I. Lenin, 'A Characterization of Economic Romanticism', *Collected Works*, vol. 2, Moscow 1960.
  3. Lenin, *The Development of Capitalism ...*
  4. V.I. Lenin, 'Once More on the Theory of Realization', *Collected Works*, vol. 4, Moscow 1960.
  5. Rosa Luxemburg, *The Accumulation of Capital*, London 1951.
  6. Lenin, *The Development of Capitalism ...*, p. 594
  7. Rey, 'De l'articulation ...'.
  8. C. Palloix, *L'Economie mondiale capitaliste*, Paris 1972.
  9. Samir Amin, *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism*, trans. Brian Pearce, Hassocks 1972.
  10. Amin explicitly refuses to dissolve these social formations into the transnational articulation of all the modes of production in the world. He stresses that they are relatively autonomous, but from the outset he does articulate them with a 'world capitalist system'.
  11. The English cut off Indian weavers' thumbs so as to be able to flood India with textiles from Manchester. One hundred and fifty years later, they were setting their descendants to work and flooding the high streets of the North with cheap clothes.
  12. See, for example, Arghiri Emmanuel, *Unequal Exchange: A Study in the Imperialism of Trade*, London 1972, Bettelheim's 'Theoretical Comments' in Appendix 1, and the ensuing debates. Very schematically, 'unequal exchange in the broad sense' occurs when the transfer of value results from price mechanisms (because of the mechanisms of the equalization of the rate of profit, or because the industrial producers of the North and the agricultural producers of the South do not have the same 'market power'). 'Unequal exchange in the narrow sense' occurs when the transfer results from high wage differentials (why the differential should be appropriated by capitalists in the North rather than by the ruling classes in the South remains somewhat unclear). There are two difficulties with this debate. Firstly, is there such a thing as an international value which can be transferred? And, secondly, does not the productivity gap between North and South compensate for wage differentials and thus equalize the value of labour power? It is easier to answer these questions at the level of inter-regional relations. See Lipietz, *Le Capital et son espace*.
- Afficionados of mainstream mathematic economics will find a very interesting transposition of this debate in the *Journal of Development Economics*. See especially G. Chichilnisky, 'North-South Trade and Export-Led Policies', *Journal*, vol. 15, 1984, pp. 131-160.
13. In 1984, Antenne 2 broadcast the famous *Vive la crise!* (scripted by Michel Albert and presented by Yves Montand), in which we were told that we owed our past prosperity to the colonies, and that the crisis resulted from the end of the subjugation of the Third World. Not even the Third Worldists were happy with that argument. The productivity of French workers has been rising at an annual rate of 5 to 6 per cent for the past twenty years. The Centre d'Etude de l'Impérialisme estimates that the value transferred from the South was equivalent to 4 per cent of GDP in 1972. The transfer therefore cannot have had any great

- effect, even if some of it was clawed back by rising oil rents in 1973. See, CEDETIM, *L'Impérialisme français*, Paris 1978.
14. S. Latouche, L'Impérialisme précède le développement du capitalisme, *Les Temps modernes*, no. 434, September 1984.
  15. Braudel, *Capitalism and Material Life*; André Gunder Frank, *World Accumulation, 1492-1789*, London 1978.
  16. Amin, *Unequal Development*.
  17. The metaphoric 'application' of the thermodynamics of dissipative structures to society was popularized by I. Prigogine and I. Stengers, *La Nouvelle Alliance*, Paris 1979. In the foreword to *Crise et inflation*, I happily borrowed metaphors of this kind from Prigogine's early work, and I even saw them as illustrating dialectical materialism. Since then, the debate has shifted considerably. Thom and Prigogine, whom I regarded as theoreticians of the discontinuous and of global non-determinism, now disagree as to the statute of 'attractors' (stable equilibria). It is, however, clear that all the formalized models inspired by Thom and Prigogine are highly determinist, even if they include cases of a continuity of causes generating a discontinuity of effects. Thom now has the courage to admit this and takes a determinist stance, whereas Prigogine denies it, as he wishes to defend indeterminism. See, *Le Débat*, nos. 3 and 6, 1980. For my part, I do not think it is by 'determinism' that capitalism finds one or another solution to its contradictions; in each case, the solution is a real 'discovery'. Within the reified world of the history of capitalism, however, it does no great harm to behave as though what happened had to happen, or to show that what happened did solve a problem of historical dynamics raised at a particular time by the structural constraints of social relations. Which is not to say that it was the only solution.
  18. Latouche, 'L'Impérialisme ...'.
  19. Lenin, *The Development of Capitalism*, p. 25.
  20. *Ibid.*, p. 65.
  21. François Partant, *La Fin du développement*, Paris 1983.
  22. V.I. Lenin, 'Imperialism, The Highest Stage of Capitalism', *Collected Works*, vol. 22, Moscow 1964, p. 241.
  23. For broad historical studies of Chile and Venezuela using these methodological conceptions, see Carlos Ominami, *Croissance et stagnation au Chili: éléments pour l'étude de la régulation dans une économie sous-développée*, Thesis, Université de Paris X, 1980 (mimeo); Hausman, *State Landed Property ...*; Ricardo Hausman and G. Marquez, 'Accumulation et crise dans une économie pétrolière: le cas vénézuélien. Crise du bon côté du choc pétrolier', in Boyer et al, *La Régulation ...* Venezuela is of particular interest in that it is an OPEC country; the crisis in import-substitution therefore cannot be explained in terms of 'deteriorating terms of trade'.
  24. It is because the market became 'monopolistic' so early in Chile that the phenomenon of 'stagflation' appeared so rapidly. The countries of the centre did not experience this until later.
  25. It is therefore not enough to say that import-substitution failed to generate mass production 'because the market was too small'. At a deeper level, there was a contradiction between the logic of trade and the