

- industrial logic of mass production. See Hausman, *La Productividad...*
26. That is, the ratio of the unit volume price of Southern exports to Northern exports. Cf T.H. Nguyen, 'Trends in Terms of Trade', *Journal of Economic Studies*, vol. 8, no. 2, 1981. Nguyen even supplies statistics on price effects drawn from the countless studies devoted to the question. The example of Venezuela shows, however, that even though the terms of trade improved between 1972 and 1980 (thanks to the rising price of oil), the rising volume of imports of equipment goods was enough to strangle import-substitution.
  27. J. Mistral, 'La Diffusion internationale inégale de l'accumulation intensive et ses crises', in J.L. Reiffers, ed., *Economie et finance internationale*, Paris 1982.
  28. Boltanski, *Les Cadres*.
  29. Joao Manuel Cardoso de Mello, *O Capitalism tardio*, São Paulo 1982.
  30. M.C. Tavares, *Auge y declinacion del proceso de substitucion de importaciones en Brasil*, cited, Cardoso de Mello, *O Capitalismo tardio*.
  31. A summary of the debates between the evolutionists (the Rostowians), the *desarrollistas* (ECLA) and the dependency theorists will be found in Ominami, 'Aperçu critique ...'. F.H. Cardoso and J. Serra, 'Les Mé-aventures de la dialectique en Amérique Latine', *Amérique Latine*, 1, 1978 gives a clear account of the reasons for the break between Cardoso (and the Campinas school) and the dependency theorists (as personified by Ruy Mauro Marini). See also Marini's stinging reply in his 'Les Raisons de la nouvelle idéologie du développement', *Amérique Latine*, 2, 1978.
  32. In some cases they were of course 'gorillas' and 'puppets'. In both Chile and Argentina, the 'monetarist' policies of the military juntas did lead to a real deindustrialization. But this did not happen in Brazil. American historians have made the French realize that there is a certain continuity between the development policies of Vichy and those of Mendès-France, De Gaulle and Mitterrand. Perhaps we will one day have to look at the possible continuity between those of Kubitschek, Geisel and Sarney in Brazil.
- #### 4. Towards Global Fordism?
1. The theory of 'branch circuits' was originally developed with reference to inter-regional relations in France. See Lipietz, *Le Capital et son espace*, and 'La Dimension régionale du développement tertiaire', *Travaux et recherches de prospective*, 75, 1978. By starting with the *endogenous* dynamics of regions dominated by different modes of production and different hegemonic blocs, it was possible to identify a sequence of stages within the inter-regional articulation of modes of production. The final stage involves the establishment of Fordist branch circuits; in the case of France, most of them prove to be centred on the Paris area. For similar studies of Italy and Ireland, see M. Dunford, 'Integration and Unequal Development: The Case of Southern Italy', in A. Scott and M. Storper eds., *Production, Work, Territory: The Geographical Anatomy of Industrial Capitalism*, London 1985; D. Perrons, 'Unequal Integration in Global Fordism', *ibid*.
  2. E.P. Thompson, *The Making of the English Working Class*, London 1963.
  3. De Gaudemar, *La Mobilisation générale*, Paris 1979; *L'Ordre et la production*, Paris 1982.
  4. Salama and Tissier, *L'Industrialisation dans le sous-développement*.
  5. L.K. Mytelka, 'Direct Foreign Investment and Technical Choice in the Ivorian Textile and Wood Industries', *Vierteljahresberichte*, 83, 1981.
  6. The distinction between 'promotion of traditional exports', 'import-substitution' and 'export-substitution' was popularized by M. Myint, *Southeast Asia's Economy. Development Policies in the 1970s*, Harmondsworth 1972.
  7. If we agree to use the term 'regime of accumulation' to refer to the *overall* transformations in both conditions of production and conditions of consumption within a national social formation, we can refer to sub-sets within those transformations as *components, elements of the regime or logics*. If, for instance, we take the case of postwar France, we see that a closer examination reveals that its Fordist regime was highly specific. In fact, until the late 1960s, the development of Department 1 was greatly accelerated by the speed with which Department 2 was brought into line with the Fordist norms imported from the USA (cf. Bertrand, 'Le Régime central d'accumulation ...'). This logic of 'transition to Fordism' was not so dissimilar to the logic of what we will term 'peripheral Fordism'. The logic of integration of small-scale agricultural commodity production accelerated the process still further (cf. Lipietz, *Le Capital et son espace*). Within Department 2 itself, a distinction should be made between the *endogenous logic* of the motor industry, where rising productivity supported rising demand and vice versa, and the *exogenous logic* of the construction industry, where rising demand was stimulated by the monetary transfer of surplus productivity originating in manufacturing industry. Cf. CEPREMAP, 'Redéploiement industriel ...'.
  8. See Patrick Tissier, 'L'Industrialisation dans huit pays asiatiques depuis la fin de la seconde guerre mondiale', and 'Conditions de travail et zones franches d'exportation dans quelques pays d'Asie', *Critiques de l'économie politique*, 14, January 1981; A. Gauthier, *Les Pays-Ateliers d'Étrême-Orient*, Montréal (France) 1982. As we shall see, the four Far Eastern NICs can no longer really be described as 'workshop countries'. On the other hand, the free zones of the 'Four' and of other Asian countries remain a real 'Gulag Archipelago'. Both Gauthier and Tissier describe the atrocious conditions of exploitation to be found in the zones.
  9. P. Salama, 'Recherches d'une gestion libre de la force de travail et divisions internationales du travail', *Critiques de l'économie politique*, 13, October 1980.
  10. Salama, 'Recherches ...'; P. Tissier, 'L'Industrialisation ...'; 'Conditions de travail ...'; G. Mathias, 'Transfert de technique et transfert des théories: du "dualisme" du marché du travail aux nouvelles formes de

- résistance ouvrière en Amérique Latine', *Critiques du l'économie politique*, 14, January 1981.
11. Textile factories in Hong Kong employ an average of twenty people, and are crammed into the floors of tower blocks. Two thirds of all Taiwanese textile factories employ less than ten people. The garments they produce are sold under the labels of 'central' companies. It is almost as though the whole of Sentier had been relocated (Sentier is Paris's garment area, and it employs a host of illegal and super-exploited immigrants).
  12. Salama, 'Recherche d'une gestion ...'.
  13. In 1978, labourers in the four Asian NICs earned an average of between £100 and £150 per month. In the centre, labourers earned between £500 and £900, but worked half as many hours per year. Indirect wages, which are almost non-existent in the NICs, also have to be taken into account.
  14. In 1982, the EEC placed strict restrictions on rising textile imports from both the 'Multi-Fibre Agreement' countries and the Mediterranean 'Preferential Agreements' zone. Imports from the Asian NICs were actually cut; the measures affected 45 per cent of all jobs in the Hong Kong textiles industry. The NICs reacted to the threat by accelerating their industrial diversification, by turning to markets in the South, or by reaching sub-contracting agreements with the 'preferential' countries. Cf C. Marty, 'Les Arrangements concernant le commerce international des Textiles', *Revue de la concurrence et de la consommation*, 3ième trimestre 1982.
  15. It should, however, be noted that, whereas ECLA's 1951 model of import-substitution was designed to construct an intensive regime of accumulation centred upon the production of equipment goods, the 'peripheral Fordist' model is explicitly predicated upon the assumption that mass consumption outlets can be increased either by winning a share of the world market or by stimulating home demand.
  16. I. Ramonet, 'Le Mexique sous le choc', *Le Monde diplomatique*, December 1982.
  17. R. Benabou, 'La Corée du Sud ou l'industrialisation planifiée', *Economie prospective internationale*, 10, August 1982.
  18. 1981 has been chosen as a reference point because it was then that the effects of the crisis in the centre began to be felt in the NICs.
  19. To be more specific, average per capita income in India was \$240 per month in 1981. This is equivalent to seven francs per day. This obviously means that two thirds of the population live in poverty, and that the 'new poor' of Europe cannot even begin to imagine their misery. But it also means that they depend for their survival on sectors which are barely touched by money relations. Cf. note 21 below.
  20. For most rapidly industrializing countries, 1981 was a high point. The 'monetarist shock', which is discussed in Chapter 6, still lay in the future. In South Korea, however, it was in 1981 that the first recession occurred. The figures given are for 1982, when the recovery began.
  21. Cf. Chapter 2, note 21. Growth of GDP is not simply an effect of the growth of the *real* product. Insofar as it is a measure of *commodity* production, it also takes into account changes in the ratio between the 'commodity or even capitalist-economy' and the 'natural economy'. If communal life in an African village breaks up as a result of colonization and if, whilst most of its inhabitants are reduced to begging in shanty towns, some of them being reduced to wage-earning, GDP per head rises considerably, even if production techniques remain unchanged. The extension of the wage system is probably in fact the main driving force behind the rise in GDP throughout the Third World.
- Insofar as it is a measure of *gross* product, it also takes in changes in the ratio between 'net product' and 'amortization of fixed capital'. If, given constant labour productivity, peasants or artisans who used to work with their hands or with rudimentary tools are set to work on expensive but badly-used machines, GDP will again rise. The mechanization of the Third World is probably the second most important factor in its growth. The corollary of mechanization is the need to buy equipment goods, and the volume of equipment goods needed rises out of all proportion to the net product.
22. The manufacturing sector is defined as all industry, less mining (and therefore oil), construction, energy and other public services. It is, then, the sector which obeys most strictly the capitalist logic of producing commodities which compete on the world market. Growth in the manufacturing is measured here in volume terms; this index is not affected by the distortions noted above in GDP measurement.
  23. Kenya's growth has been the subject of intense debate amongst Anglo-Saxon economists. It is worth noting that the World Bank's *Report on World Development* for 1984 reclassifies Kenya as a 'low-income country'.
  24. This is not necessarily true of ship-building, which is a great NIC speciality (Portugal, Yugoslavia, Brazil, South Korea, etc.). Work organization in the NICs (in South Korea, for instance) sometimes involves principles which go beyond Taylorism (quality-control groups, etc.).
  25. On changes in world agricultural structures, see R. Green and C. Viau, 'Echanges agro-alimentaires: le poids de la CEE et des Etats-Unis', *Economie prospective internationale*, 1984; A. Mounier, 'Le "Pévil blanc". Les Agriculteurs des pays riches: une menace pour le Tiers-Monde', *Agricultures en question*, 6, 1984; L. Tubiana, 'Le Commerce mondiale des produits agricoles: de la régulation globale au fractionnement des marchés', *Economie et société*, vol. 19, no. 6, June 1984.
  26. Taking developing countries as a whole (UN classification), the construction industry achieved an annual growth rate of over 9 per cent between 1968 and 1979. In the developed countries, the growth rate fell to below 1 per cent over the same period.
  27. For a critique of 'mimetic bias' and an account of how suppliers pressurize the ruling classes of developing countries (including those of China and Tanzania) into buying heavy technology 'because' it is the most modern, see *Revue Tiers-Monde*, no. 100, October-December 1984.
  28. A whole range of intermediate situations does of course exist. At one extreme, high-pollution industries are quite simply relocated to, say, Puerto-Rico. At the other, basic industries can be created by 'climbing

- the technological ladder', as in South Korea. For studies of the problems involved in running fully-equipped factories in Algeria, and of their inefficiency, see R. Linhart, 'Le "Transfert de technologie" et ses contradictions: quelques aspects de l'industrialisation algérienne', *Revue française d'administration publique*, no. 4, October 1977; C. Palloix, 'Un Essai sur la formation de la classe ouvrière algérienne (1936-1978)', *Revue Tiers-Monde*, no. 83, July 1980. Brazil, an NIC in which 'import-substitution' plays an important role, distinguished itself in the field of 'upstream-substitution'; the dictatorship indulged in costly 'Pharaonic projects', but it is Brazilian democracy that has been left to pick up the bill.
29. M. Arbella, 'Les Migrations de travailleurs d'Asie du Sud et du Sud-Est: questions de politique générale', *Revue Internationale du travail*, July 1984.
  30. Lemperrière, 'La Restructuration des échanges commerciaux', *Economie et société*, vol. 19, no. 6, June 1984.
  31. Tubiana, 'Le Commerce mondial ...'. To give a caricatural example: Volkswagen of Brasil produces both cars that can run on alcohol for the home market and Beetles for the world market. It also recently acquired 100,000 hectares of land for export-oriented ranching.
  32. See K. Vergopolous, 'Les Politiques de transnationalisation des aliments', *Amérique Latine*, July 1984; J.P. Bertrand, C. Laurent and V. Leclercq, *Le Monde du soja*, Paris 1984. It is becoming apparent that the new-style agro-export orientation adopted by some countries in the South has catastrophic effects on their ability to feed themselves. There is no mechanical connection between cause and effect, but it is mediated via the land question, as small-holdings once reserved for food crops are taken over for cash crops. Cf. Linhart's excellent *Le Sucre et la faim*, Paris 1984 (Linhart also describes the effects of the existence of 'centre-periphery' relations inside Brazil itself) and Coriat, *Alcohol*, Paris 1982.
  33. It can also take the form of an 'intra-tertiary' division. China, for instance, now translates software from one language to another for Californian firms on a sub-contracting basis.
  34. A new sub-contracting Level-2 industry is now rising from the ruins of Britain's old industries. It is dominated by American and Japanese electronics, machine-tools and by the motor industry. The 'wafer' industry in Scotland's Silicon Glen is a typical example. ('Wafers' are blocks of silicon used to make 'chips').
  35. A wealth of statistics drawn from UN, World Bank, OECD and IMF sources, and from CEPH's CHELEM data bank will be found in P. Judet, R. Chaponnière and A. Gaule, 'Les Nouveaux Pays Industriels dans l'évolution du commerce mondial', *Monde en développement*, no. 39, 1982; Lemperrière, 'La Restructuration ...', and Carlos Ominami, *Les Transformations dans la crise des rapports Nord-Sud*, Thesis, Université de Paris-X, 1984.
- Most of the statistics we will be using make no distinction between the state-capitalist countries of Eastern Europe and the rest of the 'North'. The state-capitalist countries have in fact only a minor share of world trade; their share of trade with the South is small and falls over the period under consideration here. Between 1973 and 1982, Eastern-bloc imports fell from 9.9 to 9.4 per cent of world trade; Eastern-bloc exports fell from 10 to 9.4 per cent. Eastern-bloc imports from non-OPEC developing countries rose from 0.8 to 1 per cent at a time when OPEC exports rose from 11.9 to 14.2 per cent of world trade; exports to OPEC countries rose from 1 to 1.2 per cent at a time when OPEC imports rose from 14.5 to 17 per cent of world trade.
36. Palloix makes this claim with an enthusiasm which could well have been devoted to better causes in his *De la socialisation*. According to Palloix, equipment goods exported to the developing countries are simply delivered and absorbed 'like any other commodity'. They will not function as fixed capital, because there is no 'collective social worker' trained to use them. On the other hand, the debts contracted by the countries involved have to be paid for in primary goods, or with emigrant labour. Thus, it is always the 'old division of labour', with primary goods being exchanged for manufactures! The fact that these manufactures have a theoretical use-value as means of production does nothing to alter the situation, according to Palloix: in macroeconomic terms, there is no difference between them and arms! This is an attractive argument, and it does contain a grain of truth. We have used similar arguments with reference to the difficulties involved in 'transfers of technology' and to the poor productivity of fully-equipped factories. But the reader must surely now agree that Palloix's position relies upon an unwarranted extrapolation.
  37. In some level-2 activities they are also competing within the North itself. South Korea's shipyards are now the second biggest in the world, and South Korea will soon be competing with Japan for sales of video recorders. Brazil is exporting executive aircraft to the USA (which represents one third of the world market for thirty-seater aircraft) and selling Xingus to the French military. The USA now has to protect itself against Brazilian cast iron and steel tubes, and has even bought a rolling mill from Brazil's Vilaes. All these developments are as yet marginal, but they do indicate the limitations of certain theorizations of the 'new international division of labour'.
  38. IERI, *Rapport Annuel mondial sur le système économique et les stratégies*, Paris 1982; P. Judet, *Les Nouveaux Pays Industriels*, Paris 1982.
  39. Gauthier, *Les Pays ateliers*.
  40. A number of papers presented at the American Economic Association's 1982 Conference were devoted to the issue of the development of an endogenous technology in peripheral Fordist countries. See *Journal of Development Economics*, vol. 16, nos. 1-2, September 1984. These papers show that industrial growth in the NICs would have been impossible were it not for technological research into the adaptation of imported technologies. As a result of this research, the productivity of direct workers rose steadily. The presence of 'level-1' activities is essential if even a peripheral Fordism is to develop. The extent to which such activities are successful varies, but the need for local output to compete on the world market acts as a stimulus (this did not happen with early import-substitution policies). At a later stage, they can be exported or 'transferred' to less developed countries.

41. Benabou, 'La Corée du Sud ...'.
42. See, however, Ominami's remarkable, but by definition debatable attempt to provide such a typology in his *La Transformation dans la crise* ... Ominami identifies five model regimes in the South, and then discusses the *different* dynamics which led to the crisis within them.
43. Nicos Poulantzas, *La Crise des dictatures*, Paris 1975.
44. F. Frobel, J. Heinrichs and O. Kreyes, *The New International Division of Labour*, Cambridge and Paris 1980; D. Ernst ed., *The New International Division of Labour, Technology and Underdevelopment: Consequences for the Third World*, Frankfurt 1980.
45. A remarkable summary of these debates will be found in *Revue d'économie industrielle*, no. 14, 4ième trimestre 1980 (special issue on 'Vers une nouvelle division internationale du travail?'). W. Andreff's contribution represents a variant on the new orthodoxy, whilst Bernadette Madeuf takes a more qualified view. J.L. Reiffers stresses the *local* 'societal' changes that have to take place if the new international division of labour is to be established, and J.P. Angelier shows the limitations of the policy of simply relocating productive segments (and that this policy was being abandoned by 1975). In their contributions, J. Brasseul, P. Judet and A. Benachenhou stress the importance of state strategies in Brazil, Korea and Algeria respectively.
46. The following account is based upon the tireless efforts of research workers at the Centre d'Etudes et de Recherches sur les Entreprises Multinationales, and upon their numerous publications: Bernadette Madeuf and Carlos Ominami, 'Crise et investissement international', *Revue économique*, 5, 1983; Madeuf and Ominami, 'Nouvelle DIT et keynesianisme planétaire: la fin des illusions', *Economie appliquée*, vol. 19, no. 6, June 1984; Madeuf and Ominami, 'L'Accumulation internationale dans les années 1975-1980', *Espaces et sociétés*, no. 44, January 1984; Charles-Albert Michalet, M. Delapierre, Bernadette Madeuf and Carlos Ominami, *Nationalisation et internationalisation*; Ominami, *Les Transformations dans la crise* ...
47. The investment of minimal amounts of new money is not the multinationals' only contribution to the formation of fixed capital, as both they and local firms can obtain money by borrowing either on the spot or on the world market. See D. de Laubier, 'Les Investissements internationaux: quels changements pour les années 1980?', *Economie prospective internationale*, no 12, 1982.
48. C. Oman, *New Forms of Investment in Developing Countries*, Paris 1981.
49. *Fortune's* 'top 500' list for 1980 (companies are ranked in order of income) includes 32 Third World companies. Of the top one hundred, eight are Third World companies; they are all oil companies, with the exception of Korea's Hyundai. South Korean foreign investment reached \$235 billion in 1980.
50. Michalet, *Le Capitalisme mondial*.
51. Michalet et al, *Nationalisation et internationalisation*. North American companies explain their direct investments in similar terms. D. Nayyar, 'Transnational Corporations and Manufactured Exports from Poor Countries', *The Economics Journal*, March 1978, shows that in

- almost all countries, us multinationals have less than an 8 per cent share in exports of manufactures. However, his data only goes up to 1974.
52. Madeuf and Ominami, 'Nouvelle DIT ...'.
53. In the case of the 'new inter-regional division of labour', it would be correct to say that it is primarily determined by the internal division of labour within branches and branch-circuits (within firms, and between firms and sub-contractors). A Thomson assembly plant in a town in the west of France has no particular relationship with the regional market. See *Le Capital et son espace*.
54. CEPREMAP, *Redéploiement industriel* ... See R. Prud'homme, 'Les Investissements des multinationales de l'automobile dans le Tiers-Monde', *Revue d'économie industrielle*, no. 29, 3ième trimestre 1984.
55. J. Perrin, *Les Transferts de technologie*, Paris 1983.
56. I.e. the super-profits an individual capitalist can make by using more productive technology, provided that wage-norms do not vary. The extra surplus-value is absorbed by falling prices or rising wages. Under peripheral Fordism or primitive Taylorization, it is divided in varying proportions between: rising profits for exporter firms (in the South), higher margins for importers (in the North), increased purchasing power for end clients (in the North), and increased purchasing-power for producers (in the South).
57. C. Palloix, 'L'Economie de crédit international', in *La France et le Tiers-Monde*, Grenoble 1979.
58. Ibid., cf. CEPRII, 'Vers des limites financières à la croissance'; de J.C. Barthélemy, D. Besnainou, A. Brender, P. Fwencyzyk, *Economie prospective internationale*, no. 3, 1980; C.-A. Michalet, 'La Dimension monétaire et financière du capitalisme mondial', in *Les Eurocrédits: un instrument du système bancaire pour le financement international*, Paris 1981.
59. It might be objected that they had no choice, but China and Albania completely refused to adopt this strategy. India did not fully adopt it. The main point, and we will return to this, is that not all ruling classes 'chose' to borrow the same things.
60. OECD, *Endettement extérieur des pays en développement. Etude 1983*, Paris 1984.
61. In the case of export credits, the bank also prevalidates the output of the export company. As credits are usually guaranteed by a state institution in the exporter State (Coface in the case of France), we could even say that the commodities exported are pseudovalidated. In other words, it has found a 'provisionally definitive' social validation.
62. More complex combinations are also possible. See H. Hirata and J. Humphrey, 'Economic Crisis and the Sexual Division of Labour: The Case of Brazil', *Capital and Class*, no 24, Winter 1985.

## 5. Peripheral Fordism in Southern Europe

1. Poulantzas, *La Crise des dictatures*.

2. Initially, the internal bourgeoisie gambled on the possibility that the dictatorships would change from within; this seemed most likely to happen in Spain and Portugal, which had the oldest dictatorships and were, moreover, originally supported by a very different social bloc. This was the political meaning of the shift from Opus Dei to Arias Navarro, from Salazar to Caetano.
3. It is significant that, in an interview with *Libération* (22 February 1985), South Korean opposition leader Kim Dae-Jung also referred to the West German model.
4. For France, see the works already cited; for Italy, see the writings of the *operaista* current (Panzieri, Tronti, Negri ...).
5. Cf. Braudel, *Capitalism and Material Life*; Wallerstein, *The Modern World-System*.
6. It will be recalled that when Gramsci advanced the notion of 'Fordism', he linked it with 'Americanism'.
7. CEPREMAP, *Redéploiement industriel*; Alain Lipietz, *L'audace et l'enlèvement*, Paris 1984.
8. France, Japan and Italy had an advantage over the future NICs in that they were old industrial powers (during the 'war of the English succession', France and Japan had even challenged the hegemonic ambitions of Germany and the USA respectively). And as their elites had lost the Second World War, they found themselves under the leadership of 'developmentalist' technocrats who were themselves American-influenced. For a possible explanation of the differences between Italian and Portuguese fascism, with comments on the difficulties facing the dictatorships in postwar Greece and Turkey, see G. Arrighi, 'From Fascism to Democratic Socialism: Logic and Limits of a Transition', in G. Arrighi, ed., *Semiperipheral Development: The Politics of Southern Europe in the Twentieth Century*. Beverley Hills 1985.
9. Braudel, *The Mediterranean*; *Capitalism*.
10. Emigration from Greece during this dark period strengthened the *Koiné*, the transnational community which is scattered throughout the Atlantic world and the Middle East. The *Koiné* was subsequently to prove a source of strength.
11. On the development of heavy engineering in Portugal, see F. Patriarca, 'Taylor no Purgatorio. O Trabalho Operário na Metalmeccânica Pesada', *Analise Social*, no. 2, 1985.
12. It should be recalled that, in terms of the 'old' international division of labour, Portugal was *also* a metropolis with a colonial empire.
13. The only countries in which 'textiles and clothing' have a higher share of exports than in Greece (17 per cent) are Portugal (27), Bangladesh (49), Pakistan (37) and India (22), Tunisia (18), Korea (29) and Hong Kong (17). Bangladesh, Pakistan and India export relatively little; Tunisia, South Korea and Hong Kong export over 39 per cent of their GDP.
14. Cf. Table 4. The following comments are partly based upon the more detailed account given by F. Freire de Souza in his remarkable *Contrainte extérieure et régulation macroéconomique dans les économies semi-industrialisées; le cas de Portugal*, Thesis, Université de Paris-I, 1983 (mimeo).
15. Similarly, it will also buy different amounts at different times. 'International value' is to spatial disparities what 'volume' is to diachronic developments. The 'theory of indices', however, is much more complex. See 'Comparaison en valeurs réelles des agrégats du Système Européen de Comptabilité', *Eurostat* (Luxembourg), 1977.
16. This does not simply mean that Portugal's position in the inter-European division of labour had deteriorated. The loss of a colonial empire also has to be taken into account. When it lost its empire, Portugal also lost a guaranteed market for its 'bottom of the range, and middle-range' manufactures.
17. The fact that the ratios remain constant over both sub-periods masks the fact that real wages rose rapidly after 25 April 1974 ... and the fact that they were 'normalized' after 25 November 1975.
18. Greek unit wage costs were also increased by political events, and were rectified by devaluation a year later. Expressed in 'international currency', they rose by 13 per cent in 1974, when the colonels were overthrown, and by 11 per cent in 1982, when PASOK came to power. See *Economie européenne* (Luxembourg), No 5, March 1983.
19. Freire de Souza, *Contrainte extérieure* ...
20. Portugal's inter-regional structure resembles the old inter-regional division of labour, but the uneven distribution of forms of exploitation does not mean that we have to retheorize supposedly explanatory 'centre-periphery' relations within the Nation-State. As J. Ferrao and C. Jensen-Butler point out in their 'The Centre-Periphery Model and Industrial Development in Portugal', *Environment and Planning*, vol. 2, 1984, observable structures are the result and not the cause of development. This is of course always the case.

## 6. From the Configuration of Success to Crises in Peripheral Fordism

1. For this notion of transformation within the world configuration, see Michel Aglietta, 'Capitalism in the Eighties', *New Left Review*, no. 136, November-December 1982.
2. Lipietz, *The Enchanted World*.
3. In both countries, the level of manufacturing productivity is lower than in the USA, but in terms of wage purchasing-power, they are catching up. But as CEPUI, 'Dualité, change ...' points out, it is well known that productivity gains in American industry (which were in any case slight during this period) were eroded by rapid growth in the sheltered tertiary sector. Even though the dollar was under-valued, Europe could therefore compete reasonably well.
4. CEPUI, *Economie mondiale 1980-1990* ...
5. This is, it will be recalled, the best available index of organic composition. It indicates the ratio of value-added to fixed capital, both expressed in volume terms. If, then, productivity gains in both Departments are broadly similar, changes in the capital coefficient will be very similar to changes in the value ratio between value-added and