

export states of the periphery are concerned (and most peripheral states come into this category).

Insofar as it describes the *logic* of an international regime, it is contingent in that it is true only of one period. It is true of the period that stretches from the consolidation of territorialized capital spaces into nation-states in the mid-nineteenth century to the constitution of intensive regimes centred upon the growth of the home market in the mid-twentieth century. Insofar as it describes the old IDI as resulting from attempts on the part of an extensive central regime to resolve its contradictions, it is quite simply wrong. The central regime emerged as territorial economic spaces crystalized within an existing world capitalist economy. Its crystalization was one of 'History's chance discoveries'; it could have taken a different form, and it could have taken place elsewhere.

The 'Dependency' dogma's ability to explain why import-substitution did not really lead to industrialization in the 1950s is largely an illusion. An alternative explanation which concentrates upon 'internal causes' and upon the time lag between the success of Fordism in the centre and the appearance of 'incomplete Fordism' on the periphery is more likely to provide an explanation of the real dynamics involved. If that is true, the fact that the prognoses of the 'development of underdevelopment' dogma appeared not to be completely falsified by the real problems of capitalist industrialization on the periphery is not merely contingent. It is misleading. It led a whole generation of militants to deny the possibility – and even the reality – of relatively independent capitalist development on the periphery and to claim without further ado that the military men who had put an end to the early 'nationalist-populist' strategies for industrialization in dominated countries were simply '*gorillas*' and 'puppets of the comprador bourgeoisie'.³² What was worse, it meant that any strategy for national industrialization could be seen as a progressive attack on imperialism and as a step towards socialism. In the event, subsequent developments were to put the clocks right.

Towards Global Fordism?

When central Fordism was at its height in the mid-1960s, it seemed that the periphery's role of providing a market for manufactured goods was no longer decisive to the dynamics of accumulation in the centre. During this period, the share of exports in the manufacturing output of capitalist countries reached an all-time low. Most foreign trade took place within the centre, or within the continental blocs of the centre (USA-Canada, the EEC). Exports of manufactures to the periphery fell to 2 per cent of GDP in the EEC, and to 0.8 per cent in the USA. If the 'search for markets' for capitalist products had *caused* both imperialism and the enforced stagnation of the periphery, we can only conclude that the centre no longer needed the periphery.

At this time, the share of manufactures in imports from the underdeveloped countries to all industrialized countries was negligible (less than 0.2 per cent). It was, however, in this area that the periphery was to regain its importance.

We will look first at those tendencies that stimulated the resurgence of industrialization in the former periphery, which seemed to have been condemned to export nothing more than primary commodities. We will distinguish two main logics which express the tendency to extend Fordism's geographical base, and will situate them within the context of the crisis in the centre. We will then demonstrate the scale of the phenomenon, which is far from being restricted

to the famous 'NICs' or to the relocation of labour-intensive industries. We will thus see that a 'new division of labour' has emerged and has been superimposed upon the old; it has to be theorized with all the nuances and all the caution we applied to the old. Finally, we will attempt to identify certain forms of partial regulation within this quasi-international regime of accumulation. In this chapter, we will not, however, concentrate upon the overall conditions which allowed it to develop.

A Limited Extension of Central Fordism

The rising share of exports and imports in domestic production in the 1960s shows that the historical process of the international diffusion and integration of capitalist relations was once more under way. This was due to a combination of *two* series of factors: one having to do directly with the logic of central Fordism; the other, with the character of peripheral political regimes.

In the first case the internal dynamics of central Fordism in its emergent crisis phase led to new socio-spatial strategies whose clear forms can begin to be recognized in the early 1970s: the attempt to raise productivity by expanding the scale of production, and the search for cheaper wage-zones. The former tendency represents an authentic attempt to consolidate Fordism on the basis of its own resources. Insofar as rising productivity is, for Fordism, combined with an expansion of the market via an extension of mass production and economies of scale, the development of international trade *within the centre* leads to new productivity gains as capitalism becomes more centralized and as the developed economies become increasingly interdependent.

The process whereby productive systems 'overstep' national boundaries leads to the emergence of major continental blocs and even begins to affect the 'first periphery': the under-industrialized countries of the Mediterranean area and the eastern fringe of Europe. The same phenomenon can be observed in the American South and in the area around Japan. We will return to this point in a moment. But it should also be noted that internationalization within the

centre also has the serious effect of weakening the regulation of growth; as each country strives to improve its competitiveness at the expense of domestic purchasing power, the world market as a whole grows more slowly.

For the purposes of the present discussion, extension to the 'first periphery' is more important, as it corresponds to the second objective of finding cheaper wage-zones. This in fact coincides with the objective of expanding the market by gaining a foothold in countries protected by high tariff barriers. In a sense, this is simply an extension of one of Fordism's intrinsic mechanisms: spreading 'branch-circuits' over several pools of unevenly skilled, unevenly unionized and unevenly paid workers.

From the point of view of the labour process, Fordism is, as we have seen, characterized by a disjunction, or by the division of activities into three levels: 1) conception, organization of methods, and engineering, all of which become autonomous; 2) skilled manufacturing, which requires a fairly skilled labour force; and 3) unskilled assembly and execution, which in theory requires no skills.

The possibility of articulating these three levels with a geographical distribution of the productive circuit within Fordist branches across three different labour pools is of course very attractive. The major differences between the labour pools relate to levels of skills and of exploitation, but there are also differences in terms of density of industrial network, proximity to major markets, and so on. The first experiments in relocating unskilled tasks took place in 'peripheral regions' within the centre,¹ and in the 1960s the process was extended to the countries of the immediate 'outer' periphery, that is, to Portugal, Spain, Eastern Europe (in some senses: Poland, Rumania), Mexico and the free-trade zones of East Asia, where hourly wage-rates were considerably lower and where the working class was less organized.

A *new, vertical division of labour* between levels of skill inside branches of industry was thus superimposed upon the old horizontal division between sectors (primary, mining, agriculture/secondary, manufacturing), and it was a way of expanding and reorganizing the regime of accumulation, rather than a change in its relations with the 'outside world'.

Once again, there were two reasons for this expansion. On the one hand, the object was to extend central Fordism's scale of production and therefore the market in which it was present, and tariff barriers designed to enforce import-substitution often meant that it was inevitable that the final assembly plants would be located in specific countries. The second factor was more important. Fordism was affected less by the absence of markets than by the strain on its rate of profit, and countries or regions with a high rate of exploitation allowed it to produce for the central markets at a low cost.

The countries (and regions) in question had to meet some further conditions, and this brings us to the *second series of factors*. If it was to expand, Fordism required the existence of political regimes whose ruling classes controlled a 'free' labour force and were prepared to play that card. Not all countries on the periphery met these conditions. A proletariat which is poorly organized but available for Taylorized (and *a fortiori* Fordized) labour is not merely a labour force which has recently been driven off the land. What E.P. Thompson calls the 'making of a working class' is a difficult process involving the mobilization and stabilization of industrial discipline.³ A local political regime's freedom to 'choose' this strategy is more limited than one might think. This regime must be autonomous in three senses.

First, the regime must be politically autonomous from traditional forms of foreign domination. We have already stressed that a nation-state is always potentially autonomous in the sense that the ruling classes of dominated countries are never simply 'puppets' of imperialism. The extent to which they choose to be puppets (because it reinforces their class or fractional interests) expresses the form taken by national and international class alliances.⁴

Secondly, the political regime must be autonomous from ruling classes connected with earlier regimes of accumulation in sectors connected with either the primary export economy or the growth of the home market. The development of an export-orientated manufacturing industry can conflict with the interests of *latifundistas* or with those of industrialists who have opted for import-substitution. Such contradictions are not insoluble, but a balance has to be

struck between the growth of an industrial waged labour force, an increase in wage levels, the requisite degree of competitiveness, priorities in allocation of capital resources, and so on. The Ivory Coast is a case in point.⁵

Finally, the regime must also be autonomous from the popular masses. This form of autonomy may be limited. There may have been, for instance, an earlier experiment with populism, and there may be trade unions to defend certain limited working-class interests, even if they are linked to the state apparatus (as in Goulart's Brazil or Peron's Argentina). Memories of the popular mobilizations that took place during the struggle for national liberation may still be alive.

In short, it usually requires a *dictatorship* to break the old balance and to use the state to create managerial personnel who can play the part of the ruling classes within a new regime of accumulation. A vast market and a labour force freed from its old peasant loyalties are not in themselves enough. Conversely, a strong and resolute regime can embark upon a strategy of 'pirating central Fordism' even if it does not have a strong home market, provided that it does have a labour force that can be mobilized cheaply.

The term 'pirating' (or 'grafting on to') can refer to a number of possible *strategies* for industrialization. These can be combined in specific ways with other strategies to produce a different regime of accumulation for *each* NIC. One combination might involve a new version of import-substitution; a different combination might lead to the promotion and integration of the old primary-export sector. It seems to me, however, that regimes of accumulation in the NICs are now characterized by the presence of what has been termed '*export-substitution*':⁶ this strategy implies a decision to break with the primary-export model and to develop exports of manufactures produced at level three of the tripartite Fordist division of labour (labour-intensive activities). This strategy may be articulated with other elements within the local regime of accumulation, with central Fordism, or with regimes of accumulation elsewhere in the periphery. This may involve a number of different logics,⁷ but two appear to be particularly significant: 'primitive Taylorization' and 'peripheral Fordism'.

From Primitive Taylorization to Peripheral Fordism

What are NICs? The OECD classification uses two pragmatic criteria: NICs are countries in which manufactured products represent 25 per cent of GDP and at least 50 per cent of exports. This gives us the following: Portugal, Spain, Yugoslavia, Israel, South Korea, Singapore, Taiwan and Hong Kong. Brazil, Mexico and Greece are usually also included in the list, presumably so as to give them a 'second chance'. Israel, on the other hand, should probably be deleted, since it is a settlement colony like Australia, whereas certain state-capitalist countries in the Eastern bloc (Poland) might be included. It is noteworthy that, according to these criteria, an immense agricultural country like India is not an NIC, even though in absolute terms its industrial and export capacities are as great as those of the official NICs.

Whilst all the classic NICs may well be industrializing in a new way, they do not all obey the same logic.

'Primitive Taylorization'

'Primitive Taylorization' refers to the transfer of specific and limited segments of 'branch circuits' to states with high rates of exploitation (in terms of wages, length of the working day and labour intensity). Most products are re-exported to the centre. In the 1960s and the early 1970s, the free trade zones of South Korea and Taiwan, and the workshop states of Asia (Singapore and Hong Kong) were the best illustrations of the strategy, but it is now becoming more widespread.⁸ Relocation occurs mainly in textiles and electronics. There are two reasons for describing this logic as 'Primitive Taylorization'.

1) It involves 'Taylorism' rather than Fordism. The jobs that are transferred are fragmented and repetitive, but they are not linked by any automatic machine system. The equipment is light and requires only one operator (sewing machines in the textile industry, microscopes and tweezers in electronics). In short, they are labour-intensive in the strictest sense of the word.

As Salama points out,⁹ even within these countries, there is a great contrast between the composition of capital in industries working for the home market and export industries. In South Korea (1974), per capita fixed capital was four times lower in export industries than in manufacturing as a whole; it was 23 times lower in 'electrical and electronic machines', and 192 times lower in the 'textiles and clothing' branch. Unlike import-substitution, 'export-substitution' costs local capital almost nothing in terms of capital goods. The 'mega-tools' required by the heavier segments of the branch circuit tend usually to remain in the countries of the centre, and in the hands of technicians and skilled workers. But there is no need for Ivan Illich to worry; micro-tools can, given the appropriate social relations, be perfectly suitable for the alienation and exploitation of human labour.

There is no difficulty in finding a labour force that can be Taylorized. The working class's relationship to material production does not make it the sole repository of skills. Since the dawn of patriarchy ('the most widely distributed phenomenon in the world', as Descartes would say), women's exploited role in domestic production has prepared them for the twin requirements of Taylorized industries: acquiescence in the goals of the labour-process, and complete involvement in the job. Even the body movements involved in basket-making and weaving are similar to those needed in the two key relocated branches: textiles and electronic assembly.

According to a Malaysian investment brochure, 'Oriental women are world famous for their manual dexterity. They have small hands, and they work quickly and very carefully. Who could be better qualified by both nature and tradition to contribute to the efficiency of an assembly line? ... Wage rates in Malaysia are amongst the lowest in the region, and women workers can be employed for about US \$1.50 a day.'

In the free trade zones of Asia, which are the most typical examples of this type of 'development' (if it can be called that), women make up 80 per cent of the work force, and they are paid accordingly. They are also young; 90 per cent are under thirty and 50 per cent are under twenty. They do not work for long in the Gulag Archipelago of the free trade

zones. If these young women who have fled from poverty and forced marriages become pregnant, they are dismissed (or deported from Singapore in the case of Malaysian women). The reserve supply of labour is inexhaustible if we also take into account the NICS' 'hinterland' of Thailand, the Philippines, Indonesia and, now, the People's Republic of China.

2) This logic, like that of 'primitive accumulation' in Europe, is designed to extort as much surplus-value as possible, and no attempt is made to reproduce the labour force on any regular basis. Markets are sought wherever there is a pre-existing demand; primitive accumulation relied upon the revenue of the gentry, and primitive Taylorization relies upon that of central Fordism. At least some surplus-value is accumulated within the country, and it often provides the first major source for autonomous accumulation. But this, as we have already noted, implies "'bloody" exploitation' – 'bloody' in the sense that Marx speaks of the 'bloody legislation' which launched primitive accumulation in England at the beginning of the modern period. All too often, we can speak just as well of *bloody Taylorization*.

In their respective studies of Asia and Brazil, Salama, Tissier and Mathias,¹⁰ all come independently to the same conclusion: the implementation of an export-substitution strategy always implies the use of centralized measures (wage freezes plus inflation) to hold down or even to cut drastically the living standards of urban workers (as in Brazil after 1964). In general, the authors stress the role of the State in labour management: regulation (legislation, or rather the absence of social legislation, establishment of free trade zones), repression (the dismantling of autonomous trade-union organizations, police controls, company unions, use of torture, etc.), and regimentation (thanks to the war in Vietnam, South Korea acquired a veritable army of workers whom could be exported for public-works projects).

The results are as spectacular as the means used to achieve them. The rate of surplus-value rises sharply, whereas it remains stable in the central 'Fordist' regime. The rise is due to the opening of the 'scissors' between stagnant purchasing power and rising apparent productivity. Per capita production rises, not only in hourly, but in annual

terms, thanks to the lengthening of the working day and to the production of absolute surplus-value. In South Korea, 30 per cent of all women workers were working more than fifteen hours a day in the mid-1970s. Under these conditions, accidents become more common (disability resulting from work accidents has been rising at an annual rate of 17 per cent since 1970). It is not difficult to understand why firms discard their women workers when they reach the age of thirty; their hands and eyes can no longer meet the required norms. They then fall back into the 'traditional sector' or into prostitution.

This model of accumulation (or, to be more accurate, the dominant logic within the regime of accumulation) is extremely profitable, but it cannot escape its narrow limitations.

In world terms, these nineteenth-century enclaves in certain segments of twentieth-century branches can only temporarily increase the amount of surplus-value extracted from what are, after all, only tiny segments of world production. The foreign capital invested in these enclaves does increase its profitability, but it is usually a matter of multinational companies sub-contracting a link in their branch circuits to local capitalists.¹¹ According to Salama,¹² in 1974 Japanese conglomerates still controlled 40 per cent of South Korea's foreign trade, and 56 per cent of Taiwan's. In 1971, 80 per cent of Brazilian and 90 per cent of Mexican electronics exports represented 'captive trade' between contractors and sub-contractors.

But although this model helps to restore the profitability of the contractors in the centre (and to increase working-class purchasing power without increasing wages), it raises other problems for central Fordism. The relocation of certain branches of production does not increase world demand, and it may lead to (not very) well paid workers in the centre being replaced by women workers who receive minimal wages.¹³ In a branch like textiles, this is a zero-sum game in which the loser is employment in the centre. Hence the protectionist reactions which suddenly put an end to increased textile exports from the NICS.¹⁴

The local ruling classes, for their part, know only too well that they cannot remain warders of capitalist prisons for