

Capitalist Development and Crisis Theory: Accumulation, Regulation and Spatial Restructuring

Edited by
M. Gottdiener
*Professor of Sociology and Chair, Urban Studies
Program
University of California, Riverside*

and

Nicos Komninos
*Assistant Professor of Urban Planning
Aristotelean University of Thessaloniki*

4 Three Crises: The Metamorphoses of Capitalism and the Labour Movement¹

Alain Lipietz²

'A new revolution will not be possible without a new crisis, and the emergence of the former is as certain as that of the latter.' Two years after the *Communist Manifesto* and the failure of the European revolutions of 1848, Karl Marx published the elucidating and yet optimistic account of the *Class Struggles in France*. This exposition constitutes a prophecy, on which a century of subsequent millenarian rationalism within the labour movement is based. To demonstrate the inevitability of crisis was a rationalist attempt. To deduce from it the necessity of revolution was a form of millenarian faith.

Undoubtedly, this creative faith has been shattered in the labour movement — after the great depression in the late 19th century, and after the crisis of the 1930s, the present, third major crisis of capitalism (if one may consider that the events of 1848 mark the final point of a long transition, rather than a genuine capitalist crisis), there do not seem to be any revolutionary aspirations left today.

On the contrary, common opinion appears preoccupied with an optimistic and liberal version of Schumpeterian analysis: the thesis of regeneration of capitalism through its own crises, which corresponds to that of 'creative destruction'. Aborted revolutions and successful reforms did their part in convincing people (who had the option of either being delighted or regretful) that doubt may be quite a reasonable attitude. Similarly, in the beginning of the present century, the founder of Italian Marxism, A. Labriola (1899) referred to the first 'crisis of Marxism':

If there is no form of domination which is not met with resistance, there is no resistance which, following the pressing needs of everyday life, does not degenerate in a submissive way... For these

reasons, historical events viewed superficially as if through an ordinary monotonous narration appear to invariably repeat themselves, like the images seen through a kaleidoscope... There is no history in which these processes are genuine; this is translated in common language as 'history is an annoying song'.

In the complex dynamics of 'historical capitalism' (Wallerstein 1985), transformations 'internal to the system' seem to have prevailed over disputes *between* the 'system' and the 'anti-systemic forces'.

At this point, it is useful to look into the relations between the above two elementary 'dynamics', that is, between that which is internal to the system, and that which arises from the opposition of the system to the anti-systemic forces. Naturally, since the latter are by definition a part of the system, a connection between the two dynamics has always been acknowledged. So, the primary dynamic essentially concerns those forces which contribute to the maintenance of the fundamental relations of capitalism and its logic of accumulation: the dominant classes, the states, the firms and so on. With all the contradictions these entities face, they have learnt how to overcome their inevitable compromises so as to *continue* their domination. On the other hand, the contrast 'capitalism/oppressed workers' mobilises forces that, although internal to the system, do not take any advantage from its maintenance and would rather *move out* of it (according to the general Marxist wisdom).

This fictitious dichotomy is quite demobilising. It is fictitious because it induces the functionalist idea that, in the long run, system reforms result from self-regulation. This principle of self-regulation is supposedly immanent to the system, a sort of 'long-term invisible hand', which plays the role of the market forces in the short-range regulation of the micro-economic forces, thus resolving macro-economic and social contradictions. It is demobilising in the sense that it places the oppressed classes in a very difficult situation: either one cannot succeed (in periods of expansion), or one has to improvise (in periods of crisis), with the additional risk of falling from Scylla to Charybdis. So, the principle 'A bird in the hand is worth two in the bush' leads more surely to the conservative attitude, since 'acquired advantages' in periods of prosperity are tangible, and since experiences of 'moving out of the system' turned out to be quite unfortunate. This is the culture of the 1980s: the Wind of the West gets the better of the Wind of the East, contrary to Mao's hopes.

In any case, the 1970s have taught us several important points. First,

socialism is not 'outside' of capitalism. The words of Lenin – 'The corpse of capitalism cannot be nailed in a coffin and thrown into the sea: it is here, it is decomposed among us, and it is contaminating us' are joined by those of Mao – 'The revolution will take a thousand years, ten thousand years' – and are corroborated by the actual outcomes of the Russian and Chinese Revolutions. We have been convinced that we cannot move out of capitalism through a revolution as an innocent person leaves prison through the front gate: one can simply 'reduce' the oppositions which characterise it, and which only seek to reappear. On the other hand, the processes of 'reduction' do not constitute a continual, peaceful phenomenon: they implicate crises, wars, revolutions, and changes in political regimes. Furthermore, a retrospective analysis of capitalist growth has led some historically informed economists to show that capitalism has been subject to mutations, which have occasionally benefited wage earners as well.

This was the case of the analysis in terms of the regime of accumulation and modes of regulation (Aglietta 1976; Boyer and Mistral 1983; Lipietz 1979, 1985; Mazier *et al.* 1984). Through the continuous encounter of various contradictions of accumulation, capitalism has simultaneously developed in the privileged epochs separated by the 'major crises' firstly, a scheme for growth (regimes of accumulation), and secondly, forms of control with respect to these schemes (modes of regulation). Such mechanisms tend to resolve capitalist contradictions for some time, although not definitely. Moreover, these mechanisms resolve contradictions in a *different* manner each time. With the terms 'mechanisms' and 'controls' I underline the indirect way such a conception is connected with that denounced above: the idea of a principle of 'overregulation' helping capitalism pass from a mode of regulation or a particular regime of accumulation to another, whenever positive effects of preceding patterns are diminishing. This is a retrospective illusion, allowable since it is a deliberate one (an 'a posteriori functionalism'), in the sense that it illustrates a research programme: the identification of the forces and processes which have historically created these new patterns.

Disregarding the necessity for such a concrete analysis could lead some addicted to this kind of theorisation to introduce the temporal succession of regimes of accumulation and modes of regulation as an inevitable result of an internal 'dynamic', as if inherent in the genetics of capitalism. In fact, this succession is nothing more than a 'diachrony', the product of a concrete history. Elsewhere, the rational

eschatologism of the Marxist labour movement has tried to reduce the dynamic of history to an abstract conceptualisation of historical capitalism: the unavoidable development of a more and more exploited mass of people getting consciousness of themselves. To mistake for the self-regulated and finalising dynamic a process which is but the mark of hazardous times, involves the risk of inappropriate abstractions. The same holds even if it is legitimate to identify the *tendencies* characterising the structures we have defined as 'abstract' from the concrete. So, it would be of little use to be interested in crises, if they do not constitute the final crisis. They would just function towards the realisation of these tendencies, they would just be the necessary though anecdotal circumstances that follow a predetermined dynamic.

When I refer to 'two dynamics', that of the system and that of the confrontation between the system and the anti-systemic forces, I am simply taking literally the largely illegitimate dichotomy that considers two interlaced processes functioning in concrete time as autonomous.

In the present necessarily schematic and principally exploratory analysis, we will explore one hypothesis only: the articulation of the two 'dynamics' could permit a clarification of the first one. In other words, the struggle of the anti-systemic forces would play a crucial role in the transformations of the system itself. Under this general formulation, this is not an original idea. However, it may be interesting to elaborate on it in a way that involves the history of these forces, and the history of the modes of regulation and regimes of accumulation. In order to delimit the subject even further, we will essentially restrain ourselves to the consideration of one anti-systemic force, that is, to the labour movement. We will also deal only with a partial aspect of historical capitalism – the history of the norms of production and consumption, and the forms of wage regulation.

In the following, we will proceed to put the present crisis, as well as the preceding ones, into perspective. In the first two parts we will present the dichotomous versions of the two dynamics in caricature form: the labour movement facing capitalism on the one hand, and the transformations of capitalism on the other. In the third part, we will draft their interaction. In the fourth, we will examine the present crisis, and we will end our analysis by some concluding remarks on the history of capitalism and that of its more or less independent offspring (namely the labour movement).

It is not worth underlining the multitude of issues we are thus leaving aside such as the inter-capitalist and inter-country contradictions, and the contradictions between dominant and dominated countries.

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Let us start with an exposition of the two 'dynamics' – capitalism/labour movement, and internal transformations of capitalism – using the general *tendency* to stylise them when separating the former from the latter. This is a rather arbitrary exercise, as no author can strictly keep within such a dichotomy. It is a caricature that purports to underline the usefulness of bringing them into perspective.

An additional difficulty was reported above, which is that as the labour movement is a part of historical capitalism, it is even more arbitrary to distinguish its performance as opposition to the system from its performance in the system itself. However, this relatively pertinent distinction is currently acceptable if it is thought of as a distinction between the labour movement 'for itself' and 'in itself'. Such a distinction, which brings Hegel to Sartre through Marx and Mao, in reality refers to the essence of the historical process. Within the latter, a certain pole in a dialectic (that is, one specified through its simple opposition to the other pole), can be transformed into an autonomous subject which is eventually contesting the relation which defines it. Being a questionable conceptual tool, this distinction manifestly points to an actual problem: if, according to Marx, people make history on the basis of conditions, and in accordance to a vision of the world inherited from the past and consolidated into the present, they may well adopt, under the pressure of these conditions, a group behaviour that aims at a consolidation or a reversal of the above conditions. As a result, there is sufficient room for two histories: one according to an objective dialectic, and another specified by the activities of actors operating 'for themselves' in their struggle to handle or destroy this dialectic.

Rationalist millenarianism

In 1842, young Marx pointed out in the *Contribution to a Critique of Hegel's Philosophy of Right* that the proletariat was the only force that had earned nothing from the French Revolution (a democratic, bourgeois one). He also suggested that the proletariat incarnates not only the ferment of reversing the existing order itself, but also, considering the universal character of its suffering, a class that cannot free itself unless the entire humanity is liberated. Marx expresses here rather clearly the mentality of the emerging labour movement, from the *babouvisme* to the circles of artisans who were to form the first communist groupings. If June 1848 marks the first invasion of this class

in the political scene according to autonomous political objectives, it should not be surprising that the militant generation, from the supporters of 'utopian' and 'scientific' socialism to anarchists and Marxists, who thought and lived during this first period of the labour movement (until the Commune of Paris in 1871), resembled in many ways the Christian sects from the death of Christ to the end of the 1st century AD.

In fact, most of these intellectuals and highly skilled craftsmen (and Marx himself in his youth) were 'radical democrats'. They were dreaming of 'their revolution' as a completion, in their life-time, of the French Revolution, considered as a failure. Later, Marx will fight against the confusion between 'bourgeois' and 'proletarian' revolutions, but at this stage the distinction was all the more unclear, as in most parts of Europe bourgeois revolution was far from being achieved.

Moreover, these prophets are intellectuals, or individuals in the labour class. The great majority of workers, including the organised ones, are just fighting for their place within the post-Bourgeois Revolution system and they are pure reformists (not even radical). The ambiguity will be permanent in the first grass-root structures of the labour movement, the Job Centres which both seek jobs within wage relations, and fight against these new relations, trying to create other, co-operative ones.

Yet, the 'prophets' will have a major importance, since they will contribute to define the official ideology of the future fully-developed labour movement. So, it is important to grasp their general idea of the relation between labour movement and capitalist reality.

According to an image well-favoured in 'utopian socialism' (notably Owen), capitalism appears as a Babylon whose prisoners are waiting for the collapse to (re)discover New Jerusalem. The militant vehemence and the ideology of the members of the movement, like the work of theologians, aim at either confirming or proving that the system is going to perish soon, that the partial struggle is just reinforcing the army that has camped at the foot of the city, that tomorrow it may rise for an attack, and that it is time to prepare the plans for a new city. Some are even ready to go away and create 'colonies' in the New World, according to the new plans. The conflict between the proponents of the scientific and utopian socialism essentially places the point of equilibrium between elements that, in capitalism, *push* towards socialism, and elements which, due to the 'dream that Humanity has in head', *pull* out of capitalism. Marx

quickly passed from the second to the first position, which he developed into rationalism, but without giving up eschatologism, even in the most analytical of his books, *Capital*. This 'rationalist millenarianism' considers itself as non-utopian and is presented as deductive, being based on an analysis of the *contradictory* character of the capitalist relations of production. Such a thesis appears in the famous *Preface of 1859 to a Contribution to the Critique of Political Economy*:

The bourgeois mode of production is the last antagonistic form of the social process of production – antagonistic not in the sense of individual antagonism, but of an antagonism that emanates from the individuals' social conditions of existence – but the productive forces developing within bourgeois society create also the material conditions for a solution of this antagonism. The prehistory of human society accordingly closes with this social formation.

The same idea is met in *Capital* (Book 1, p. 32):

The monopoly of capital becomes an obstacle to a mode of production that has grown and prospered through it and under its auspices. Socialisation of labour and centralisation of material resources have reached a point that they cannot fit under their capitalist cover any more. This cover is falling to pieces. The time of capitalist ownership has come to an end. The expropriators are expropriated from their course.

This conception of overcoming capitalism presupposes a certain unity of the elements in struggle: the two poles remain external to each other, and whatever establishes their unity also establishes the victory of the one over the other. In the case of the productive forces, the content of socialisation is independent from its form (a socialisation performed by the owners or exploiters). Of course, it is capitalists who have socialised the productive forces – however, the latter are socialist productive forces! The chrysalis has turned into a butterfly coming out of its cocoon, according to the prophecy in the *Communist Manifesto*:

The development of industry, whose involuntary promoter is the bourgeoisie, replaces the isolation of workers (caused by competition) by their revolutionary union (which is due to their association).... Above all, what the bourgeoisie produces are its

own gravediggers. Its fall and the victory of the proletariat are equally inevitable.

It is worth asking whether that external relation characterising the two adversaries in the structure of this dialectic does not have to presuppose or complement the neutrality of the productive forces. In this view, the latter are no more contaminated by their bourgeois form than the labour class itself. In some pages ('rediscovered' in the 1960s) Marx goes beyond the critique of the bourgeois character of the relation of properties, and goes as far as criticising the capitalist character of the productive forces themselves.³ But these pages are mere exceptions before the universality of the conceptions shared by the intellectuals of the movement, from Cabet to Lenin. A radical contest of the 'progressive character of the productive forces' can certainly be found in the words of the authentic artisans and workers.⁴ It can also be found in the work of Marx himself. However, it should be recognised that through its organisations and by its chanting the labour movement is not contesting the progressive character of the development of production as organised by the bourgeoisie; it is only contesting the distribution of outputs, and occasionally the management. Babylon provides the material basis for the construction of New Jerusalem.

It remains to clarify the arguments supporting the inevitable victory of the proletariat. These arguments encompass two tendencies: the reinforcement and automatic unification of the proletariat, as opposed to the weakening and increasing division of its exploiters. The second tendency reveals the importance of a theory of crises. Marx and some other theorists have played a key role in offering at least two types of explanation for past or future crises: one that is based on the fall in the rate of profit, and another based on the contradiction between production and realisation, that is, on underconsumption (or overproduction). However, that relates to the 'inner dynamics of the system' which we will discuss later. Let us now go on with the 'anti-systemic force'.

Strategies and tactics

Unfortunately, the growth of the movement, which at first seemed to unite the labour class (through the elimination of elements supporting 'pre-scientific' socialism), started to split up after the fall of the Paris Commune. Subsequent labour parties were constituted on a national

basis (although theoretically federated by the Second International), and were faced with the question: to camp against or to establish within Babylon. This debate did not prevent their consolidation during the major crisis in the late 19th century, though it initiated a genuine international split before World War II. Curiously, the theory of crises serves well the theoretical argument in question.

'On the right' are the proponents of *insertion*. These theorists based their hopes on the numerical increase of the proletariat and on the democratic vote, which would presumably bring social democrats into power one day. It was a long-term strategy that despised agitation. They emphasised the theory of the fall in the rate of profit and the possibilities of regular accumulation, provided that the state is able to temper the anarchy of the market. Similarly, the great theorists of this approach, Hilferding and Kautsky, thought that the inevitable residual of intercapitalist competition and international rivalry would be reduced due to the 'super-imperialist' concentration of capitalist power in the hands of a very restricted financial bourgeoisie. In contrast, 'on the left' were the proponents of *rupture*. These theorists strove to prove that crises are able to shake the structure of Babylon in the short-term, as rivalries degenerate into wars. Consequently, the proletariat should keep itself prepared; it should not infiltrate the existing order, but surge from beneath the ruins. Rosa Luxemburg, a representative of this position, is also a great theorist of crisis due to overproduction. Lenin was initially faithful to the ideas of Kautsky, as far as the fight against the Populists was concerned. However, he turned against the 'traitor' when the 'social-chauvinist' logic of the social democrats was being pulled into the inter-imperialist war.

Naturally, Lenin is especially remarkable because he was the one who, under the cover of World War I, succeeded in what all of the socialists (theoretically) were calling for — the Proletarian Revolution. He was not the only one that undertook it, and if he succeeded, it was probably not only for objective reasons. Why Russia and not Hungary? Probably, because of the 'Kuneries'.⁵ With Lenin, the sense of tactics breaks into the most radical version of the 'rupture' strategy. It begins with the introduction of a third term in the revolutionary dialectic, that of the 'centrist' forces. The latter are *for* the abolition of the past, but *against* the new order that the communists want to establish. The plurality of possible issues that emerged since the first *Letter from Afar* (March 1917) and the periodicity of crises that followed, structured the thought of Lenin, who was simultaneously a tactician and a theorist of the situation from February to October. His

thought served as an example to all 'Leninist' analyses of political crises that comprise retrospective expositions, like those of Mathiez on the French Revolution. The three-fold range of issues (reactionary, reformist and revolutionary), and the periodicity of the process of a crisis, are not in fact new ideas as they have already been mentioned in Marx's *Class Struggle in France*. However, these are now working concepts implicating tactics, which Lenin (and later Mao) mastered in a remarkable way: rapid displacement of the principal contradiction and of the alliances, consequently of the objectives and the demands. Confrontation with Babylon descends from mythology to Clausewitz.

Yet, this major conceptual progress is immediately threatened. First, owing, to the particular character of the Russian Revolution, it over-accelerated due to the question of peace or war. This over-acceleration surprised Lenin with the phenomenon of 'reaching the extremes', 'characterised by an exacerbation of the revolution and the counter-revolution, and by a "weakening" of the intermediate elements for a more or less long time' [*Three Crises* July 1917]. Some, including Lenin himself, never forgot about the existence of the intermediate elements, and tried to bring them into work until the last moment, mainly after Kornilov's *coup d'état*. We may dare to say that this possibility of splitting between the non-revolutionary issues of the crisis constitutes the big Leninist innovation. It is the lesson Lenin learnt from 'his' revolution to be used by the international labour movement:

The fundamental law of the revolution, confirmed by all revolutions and mainly by the three Russian Revolutions of the 20th century, is the following: if the revolution is to take place, it does not suffice that the exploited and oppressed masses be conscious of the impossibility of living as before, and that they claim changes. If the revolution is to take place, exploiters should not have the power to live and govern as before. This happens when 'those down below' *do not want*, and 'those high up' *can no more live in the old way*; it is only then that the revolution will triumph. Such a truth is expressed differently in these terms: the revolution is impossible without a *national crisis* (affecting the exploiters and the exploited) [*The Child Disease of Communism*, *Leftism*, April 1920].

This concept of national crisis retrospectively clarifies the historical analyses of Marx (and later of Gramsci), as well as Mao's practice. However, it is immediately weakened by the 'reaching the extremes'

phenomenon (that verified itself even in the Portuguese Revolution of 1974–75). This phenomenon tends to reproduce the simple opposition between Babylon and New Jerusalem. Such a reduction is encouraged by a weakness of the Leninist characterisations regarding the intermediate forces – 'the petit bourgeoisie'.

Leaders of the petit bourgeoisie democracy lull the masses with promises of the possibility of an agreement with gross capitalists. Putting the matter better, they obtain token concessions from capitalists for a very short period of time, and for the benefit of the higher ranks of the labouring masses. However, in all cases of significant issues, the petit bourgeoisie democracy has always been in the barge of the bourgeoisie, for whom it was a weak appendage [*The Lessons of the Revolution*, September 1917].

Moreover, Lenin subdued the leaders of the reformist tendency of the labour movement in the 'petit bourgeoisie democracy', a characterisation that was destined to find itself a symbol during the German Revolution: Noske, a social democrat and butcher of the Labour Councils.

From that moment, the labour movement will be divided into two parts, and even into three. Firstly, the Soviet Union poses as the New Jerusalem under construction. On its side, communist parties of the capitalist world pose as supporters of New Jerusalem, although working at the foot of Babylon. Lastly, there are those who hope for extracting more than 'token concessions' from Babylon – revolution against reform, Marxism–Leninism against social-democracy. For the Marxists–Leninists, the emergence of the colonial question, which we have left out of this exposition, does no more than formally affect the analysis, as it underlines the importance of the intermediate forces (that is the national bourgeoisie and the peasants), only to immediately reaffirm (through the propagation of the rule of 'reaching the extremes') the necessity of a proletarian direction in the democratic revolution.

Today, few people look up to the USSR as the New Jerusalem. The analyses diverge on the reasons for such a defection, ranging from those who see a deviation by treason on this or that date (under Lenin, Stalin or Khrushchev), to those for whom the worm was in the fruit from the beginning, with the Bolsheviks representing a path to capitalist modernisation – this was the position of those on the

European far left in the 1920s such as Pannekoek and Gorter. In between are those who have tried to analyse the process of deviation as a process without subject, one that has resulted from a series of historical, determinable mistakes conditioned by the circumstances, although rectifiable in principle.⁶ The revolutions that followed (in China, Cuba, Vietnam), have not yielded the expected outcomes. However, they modified for the first time during the 1960s, due to the questions raised by the masses (in a rather fleeting and ideological manner), what was presumed common knowledge in the 2nd, 3rd or 4th International: that Babylon provides at least the material bases for New Jerusalem. Such a radical contest of the neutrality, and even of the positivity of the productive forces remains the heritage, for the moment in limbo, of Mao and Che Guevara.

In the capitalist countries, communist parties and social democrats confronted the second major crisis of capitalism (that of the 1930s) under the worst circumstances. Communist parties concentrated on the tactics of 'class against class' (always in the name of 'reaching the extremes') and considered social democracy as 'the left side of fascism'. In doing this, these parties were not without reason, as we shall see when focusing exclusively on economic regulation. When the fascist threat forced the Soviet Union to recall the usefulness of the 'united fronts', the communists shifted to the opposite extreme: they made an alliance with Babylon against Assur. World War II ended with an attachment of East Europe to the Soviet system, the dispersion of Leninist seeds throughout the Third World, and the integration of powerful communist parties in their own national political life in France and in Italy. So, the 'communists in Babylon' found themselves reluctantly in the role of the social democrats.

Meanwhile, in the 1930s, some of these social democrats had started to realise, as in Scandinavia, that it was possible to establish within Babylon by extracting more than token concessions from capitalists, and for more than the 'higher ranks' of the proletariat. Gradually the social democrats in power, with or without the support of communists, were recognised as managers of capitalism, thus imposing norms of social democracy which their conservative adversaries would not contest for a while. When the French Socialist party took power in 1981, it was certainly the last to speak of a 'rupture with capitalism'. Unlike its northern counterparts it lost power after having only slightly transformed that society in a socialist sense.

Thus, the primitive ideology of the rupture seems to have been all burnt up, with the communist parties managing a Babylon they name Jerusalem, and the social democrats managing Babylon but guarding it

against rebaptising. After some initial ripples, the present third major crisis of capitalism, far from having opened the way for a new radical thrust by the labour movement, and far from having favoured a 'reaching the extremes' process, seems to oppose only the proponents of different ways of managing capitalism, thus becoming the 'closed horizon of our time'.

METAMORPHOSES OF CAPITALISM: STAGES, CYCLES, AND REGIMES

Capitalism is susceptible to a stage-by-stage evolution: theorists of the labour movement have recognised this long ago and have proposed various types of periodisation according to their vision of evolution. In *Capital*, for example, Marx proposed a periodisation of labour organisation according to the dichotomy 'formal submission/actual submission', and according to the stages of cooperation and automation. His successors emphasised various forms of regulating inter-capitalist economic relations such as competitive regulation, monopoly or state monopoly. However, most often periodisation emerges only as the result of an immanent tendency (law of increasing deprivation of the direct producer, and law of capital concentration). Shedding some light on the tendencies of the long period of capitalism, and referring them to its invariant structure are interesting research undertakings by themselves,⁷ on the condition that they do not reduce facts to these abstract laws, something that is not always avoided. More importantly, the mark of the 'rationalist millenarianism' can be seen in the recurrent assertion that the stage presently attained is the 'ultimate' one, immediately preceding the final crisis of capitalism, thus appearing as the ante-room of socialism.

Waves and long cycles

More academic in style, another Marxist strand that follows Parvus and Kondratieff introduces phases of a long duration regarding the movement of prices and revenues, thus setting off an important theoretical debate.⁸ That is, should these 'cycles' (provided that they are worthy of the characterisation) be interpreted in the same way as the classic crises of the economic cycle,⁹ or do they empirically manifest the trace of a more fundamental periodisation, each period marking a reorganisation of capitalism? Trotsky clearly refused to

consider phases as cycles. That led one of his present students, Ernest Mandel (1980), to propose a methodologically seducing distinction, though many scholars (including myself) may object to the concrete content of his analysis. According to this author, reversal of the tendency at the peak of a long wave should be considered as endogenous, that is, it results from contradictions inherent to capitalism in the course of an ascending economic phase. On the contrary, reversal at the lowest point is exogenous and involves new inventions, a significant moment in the class struggle. This is a promising idea, as the wavy appearance of a continuing process is transformed into a discontinuous succession of forms new to capitalism. Each of these forms is progressing towards its highest and then to its decline; however, moving out of this decline is not automatically guaranteed. Unfortunately, such a promising idea (like the intuitions of Trotsky) tends to be overshadowed by the idea that the contemporary major crisis can be overcome only by socialism or barbarism.

It remains to give a characterisation to the long phases, according to the factor contingent to recovery. According to most theorists following Schumpeter, specification of these phases is based on their technological characteristics. One may have:

- (1) a first cycle from 1789–1850, which ended in what I have called the 'final crisis of the transition', and was marked by the steam engine and the textile industry;
- (2) a second cycle from 1850–95, which ended in the first major crisis of capitalism (1873–95) and was marked by the steel industry and the railways,
- (3) a third cycle from 1895–1939, which ended in the second major crisis (1920–39) and was marked by electricity, internal combustion engines and the automobile,
- (4) a fourth cycle extending from 1940 to the present crisis, in which it is not clear what it is marked by the most — the automobile (still?), electronics (already?).

Based on this summary description, it is easy to pin-point the major difficulties facing the explanation of long cycles by 'major innovations': the arbitrariness of their specification and of their periodisation (are the 1920s an ascending or descending period?) and even their characterisation as recurrent cycles (the descending years of the fourth cycle were marked by a stagnation rather than a recession, and by an

acceleration of inflation).¹⁰ However, like the theory of stages, the theory of long waves, and especially the above variant, once again puts emphasis on autonomy of the movement of 'those high up', of capital. Here, the history of leading sectors and technologies is just substituted for the history of capitalist concentration. This may appear as a move backwards, because economic history is reduced to the evolution of a technological parameter which remains unexplained.

Regimes and modes

The dismissal of technological determinism, coupled with the need to understand the truly new elements when passing from one period of growth to the next, has inspired a third current of thought: the analysis in terms of regimes of accumulation and of the mode of regulation. Also initiated from studies of long periods (that of M. Aglietta in the case of the US and of CEPREMAP (1977) in that of France), they are specified in econometric terms and primarily refer to gaps in *correlations*. More particularly, they deal with the reciprocal determinants of prices, wages, profits, production and productivity, rather than with variations in the magnitude of these indices.

Clarification of these gaps through an analysis of the forms of industrial organisation and of the institutional forms leads to periods of growth characterised as *regimes of accumulation*. The latter ensure, over a long period, a compatibility between firstly, transformations in the ways of production (defined by the dominant type of labour organisation), and secondly, the orientation of social consumption. Accumulation has the potential of being either extensive or intensive, and is centred on the production of the means of production or that of consumer goods, allowing for exports to a certain extent. However, a regime of accumulation cannot be supported solely by its own coherence — institutional forms and norms of actor aspirations (*habitus*) are needed to ensure the convergence of expectations and of behaviour towards the regime of accumulation. These *forms of regulation* concern the organisation of wage relations, of competition, the management of the money supply, and state intervention.¹¹ Based on the articulation of these partial forms of regulation, a *mode of regulation* results, which is characterised as more or less competitive (absence of an *ex ante* anticipation of macro-economic effects on micro-economic adjustments), or monopoly (normalisation and exploitation of an *ex ante* estimation of macro-economic effects on micro-economic behaviours). Since 1850, the end of the capitalist

transition,¹² related analyses have generated the following periodisation:¹³

- (1) An extensive growth,¹⁴ based on the know-how of professional workers and centred on the means of production, with a competitive determination of prices, of wages, of the level of production, and with a 'circumscribed' state, strained by the depression of the late 19th century.
- (2) This depression, 'the first major crisis of capitalism', took the form of recurrent crises. These were simultaneously due to firstly, significant tensions in the labour market at the end of the booms, and secondly a fierce war of prices for the distribution of outputs. So, it could be characterised as a crisis of the regime of accumulation (insufficient extraction of relative surplus value during the extensive phase of accumulation) with, secondarily, a deficiency in regulation of the supply/demand contradiction.
- (3) It was succeeded by a phase of recovery thanks to the appearance of monopoly structures at the level of inter-capitalist competition (cartelisation and imperialism), and a tight stabilisation of the purchasing power of the labour class. To this 'improvement' of the mode of regulation was added a deep transformation of the regime of accumulation. If the latter remained primarily extensive and centred on the means of production, it contained the first effects of the Taylorist revolution at the level of the production process.
- (4) World War I, a war of redistributing the world, permitted above all the propagation of the Taylorist and Fordist methods of production, thus initiating an intensive accumulation which stumbled over the second major crisis in the late 1920s.
- (5) The time period from 1930–45 was characterised by a major crisis which was almost purely one of the global mode of regulation. The latter remained competitive in the sense that it was unable to incorporate a norm of growth of the consumption of wage earners into the regime of accumulation.
- (6) The victory of the 'democratic side' in World War II at last facilitated concentrated mass-production towards durable mass-consumption, thanks to a strengthening of the monopoly regulation of the whole economy: contractualisation of wage relations, indirect wages, credit money, and state intervention. That regime of accumulation is called 'Fordism'.

- (7) Finally, the present crisis is a combination, although in variable proportions according to researchers, of a crisis of the regime of accumulation and of a crisis of the mode of regulation. It is a 'mixed major crisis', possibly even more fascinating than that in the late 19th century. On the side of the regime of accumulation: the exhaustion of the gains of Taylorist productivity, and the increase in the composition of capital through Fordist processes lead to a fall in profitability (Lipietz 1986). On the side of regulation: its essentially national character is faced with the increasing internationalisation of production and circulation. Competition among states introduces a 'competitive stagnation'.

It is evident that the above conceptions are based on the same presumed methodology as Mandel's: moving into a major crisis is endogenous to the existing regime, it is the product of contradictions specific to *this* regime and to its mode of regulation. Interpretations about the reasons for the growth of contradictions within a regime may differ. Why these tendencies to a fall in productivity and to internationalisation? What is the importance of class struggles in these processes? The 'regulation school' is not unified about the answers. I gave mine in Lipietz (1984–85), emphasising the contradictions of labour organisation within core economies. But anyway, we think that the 'reasons for the crisis' belong to the history of the regime in crisis and must be understood within it. However, moving out of the crisis is a genuine 'finding', which is ignored by 'regulation theory' (despite ritual references to the effects of the social struggle on production and distribution). This is simultaneously the strength and the weakness of the above strand of research, which is content with depicting both new principles permitting stabilisation of a phase of growth, and new contradictions developing into a major crisis, and so on for every successive sequence, although without proposing a 'law' of the progression from each sequence to the next.

As a result, it is left to those interested to fill this gap. For instance, it can be assumed that there exists a permanent tendency (at the technological level, for example) and a permanent principle of accumulation, which periodically stumble over contradictions and have to search for a new regime and a new mode of regulation. In this conception, social struggles could only re-establish the unity of the system in a sort of 'inversed teleology' (in relation to the 'dialectic of rupture'). This would be an 'overregulation', a principle of long-term

conservation through the metamorphoses of the capitalist system, following a kind of 'order by fluctuations'.¹⁵ I am just as much sceptical about any 'regulating teleology of capitalism', as about the New Jerusalem eschatology. I do believe that social struggles could either lead to conservation or to deeper transformations of capitalism, may be out of capitalism. So, I now offer a consideration of the possible effects of that 'systemic anti-systemic force' (the labour movement) on the transformations of capitalism.

THE WORKING CLASS MOVEMENT, A SYSTEMIC ANTI-SYSTEMIC FORCE

To fill the blank that characterises the mystery of the end of major crises, we should evidently consider the intervention of social forces. The latter express themselves through specific propositions and struggles, thus setting off, consciously or unconsciously, issues which are never exactly as they were set at first. Fordism and Keynesian practices are not the clear or simple application of Ford's and Keynes' ideas having persuaded followers and adversaries alike. From the existing set of forces, at least three blocs (in the Gramscist sense of the term) can be distinguished: conservatives (who have benefited from World War I in the West), radicals (who won in Russia during the same time period), and reformists who can be either reactionary or progressive. Among the concurrent forces constituting these blocs, we will deal with the case of the labour movement.¹⁶

A shortcut: 'plan against plan'

A first simplistic approach, which nevertheless reflects well a part of reality, is to consider the class struggle directly in order to specify the great metamorphoses of capitalism. The way of Italian 'operaists', as manifested by the examples of Tony Negri or Sergio Bologna in the 1960s and 1970s, is typical. Their interpretation of recent Italian history is summarised below.¹⁷

Up to 1917, the labour class had been made up of professional workers possessing a certain know-how; big industry had not followed Taylorism yet. The Russian, Italian and German Revolutions were fought by the professional worker. Faced by the threat, capital reacted with Fordism, which destroyed the labour movement and substituted the professional worker with the 'mass-operative', thus undermining

the possibility of an elitist (Leninist) type of proletarian organisation. This 'massification' of production engendered the crisis of overproduction in the 1930s; then, the Keynesian State intervened to expand labour consumption. There were two advantages to this: avoiding labour pressure ('based on labour reformism'), and initiating the planning of capital under the auspices of the state. However, such a response was contradictory because the high level of the organic composition of capital, constituting a 'technological way towards repression', set off a decrease in the rate of profit, which was not compensated by an increase in the rate of exploitation. So, the battle of the mass-operative against the 'State-Plan' was fought with respect to wage levels: either the 'State-Plan' would maintain the way of accumulation (that of the age of Fordism), or the proletariat would 'ruin the plans of capital'. Therefore, the situation shifted towards a 'simplification of the class struggle': the ratio of profit to wages directly expressed the 'commanding power' of the capitalist state over the working class in a political manner.

During the 1960s 'reformism overflowed the flood plain'. The working class snatched the augmentations of wages which ruined the 'Italian miracle'; gains were spread over the 'entire proletariat' (such as the industrial-reserve army, the students, retirees and the unemployed). The 'class became proletarian over the entire social field'. The struggle shifted to the sector of public expenditures (capital of the 'factory-State'): budget reductions, abuse of absences due to illness, abuse of unemployment funds, and so on.

With the historical compromise, the Italian Communist Party proposed the reform of Keynesianism, which has by now become impracticable (for capital) and reactionary (for the proletariat). But the crisis triggered by capital is a genuine operation of destroying the productive forces, whose main target is the mass-operative engendered by automation. Such an operation of 'productive decentralisation' is seen as playing 'the society against the factory' through the increase in labour unemployment. By introducing even more automation and tertiarisation, it is faced with the generalisation of the 'social-operative'. When the 'movement' of students and 'under-employed' emerged in 1977, the 'Autonomous' following Negri have not hesitated to transfer the torch held by the Mirafiori worker in the 1960s to this incarnation of the social-operative.

Let's stop the film of this football match at this scene... We have already recognised a simple *juxtaposition* of the two separated dynamics considered previously. Capital endowed with reason and

working class endowed with goal are both caught in a titanic confrontation, where offensive follows counter-offensive, 'plan and counterplan' according to the title of an 'operaist' journal. The cyclic appearance of the confrontation undoubtedly results from the Clausewitzian principle that the defensive has a position superior to that of the offensive. The attempt to integrate the history of the labour movement in the history of capital is only imperfect or external.¹⁸ The centrist blocs (those who negotiate the compromises stabilising the relations of power, and organise the collaboration of classes), appear as simple traitors, who change sides during the game. But the basis of the problem (which Lenin posed well, although he resolved it in a rather weak manner, denying any *real* mutual gains), is to understand why 'the masses' in the long run show confidence to 'leaders' who betray them. The solution is certainly not to follow the proposition of Lenin in *What is to be done?*: let 'qualified intellectuals import revolutionary consciousness into the spontaneously trade-unionist working class'.

To overcome this obstacle, we must understand that the essence of the labour movement is expressed by two aspects. As a 'class in itself' in historical capitalism, it should rather survive and struggle to keep its place and secondly, as a class that mobilises against capitalist relations, it should try to destroy them.

These two aspects are inseparably connected: if the labour class were not reproducing itself within the relations of capitalist production, there would be no tendency towards a struggle against the system. However, at the same time, these aspects are diametrically opposed: it is not the same to struggle for more wages and for more control within capitalist society, and to struggle for the abolition of wage labour and for workers' power. To these correspond two strategies, two tactics, and two contradictory forms of organisation. The same holds whenever the two strategies are temporarily confounded in a single tactic, or whenever the corresponding tendencies fight for hegemony over the organisational structure of a single union. This is because the struggle between two goals is placed on a unique basis of the material conditions offered to the labour movement within historical capitalism. That is why Marx could write in *Wages, Prices and Profits*:

Unions are useful, provided that they are the centres of resistance against the infringements of capital. They partly miss their purpose if they do not make appropriate use of their power. They entirely

lose their purpose if they are constrained to fighting against the effects of the existing regime, instead of working at the same time towards its transformation, and towards serving their organised power like a lever for the definitive emancipation of the working class, that is, for the definitive abolition of wage labour.

In a similar manner Gramsci,¹⁹ who recognised a fundamentally positive element in the association of the proletariat when faced with the competition of the capitalist market, also recognised the material basis of reformism in the same association, without making any appeals to the 'treason of the sold leaders':

The objective of association and of solidarity becomes the essence of the labour class, because it changes the psychology and the behaviour of workers and countries. This objective is expressed with the creation of new groups and organisations; they serve as the point of departure for historical development processes, which lead to the collectivisation of both the means of production and of exchange. (*La conquête du pouvoir*, 12 July 1919).

And yet:

Workers feel that 'their' organisation has become such an enormous apparatus, that it has come to obey its own laws. These laws are implanted in its structure and in its functional complex; however; they are foreign to the masses who are conscious of their historical mission as a revolutionary class. They feel that their volition is not expressed in a clear and precise way through the present hierarchies of their institution [*Syndicats et conseils*, 10 October 1919].

From this point we should examine the role of labour organisations in the establishment of new regimes of accumulation and new modes of capitalist regulation. To this end, we will refer to two mutations successively by presenting the two major crises of capitalism whose outcomes we know already.

The union question and the crisis at the end of the 19th century

Summarising the period extending from the fall of the Commune to the beginning of World War I, W. Abendroth (1965) writes untroubled:

Existing labour parties at the national level had this in common, that, on the one hand, they wanted to transform the capitalist society of classes into a society without classes, and that, on the other hand, they were confronted with problems of a similar nature in their respective countries. They all wanted a democratisation of political power, improvement of work conditions and wages, security in the cases of illness, disability or unemployment. The forms of battle — union strikes and organisation of workers in parties and unions — were similar in the various European countries. In all cases, state interventions in social politics were considered as the means for action necessary for stabilisation, even within periods of economic crisis, of unions' successes in aligning worker standards of living with the rapid growth of productivity due to technical progress. State interventions were also considered necessary means for supporting those who had, even temporarily, quitted work because of illness or unemployment, or had definitely retired because of disability or old age.

Is this a retrospective illusion? An early identification of Fordism before World War I? Undoubtedly so. However, it is very interesting to understand why and how the labour movement unconsciously aspired to Fordism. Two theoretical and organisational debates took place before and after the first major crisis of capitalism, at the end of the 19th century, that can be clarifying in a useful way. Before the crisis, there was the struggle for union formation and the text *Wages, Prices and Profits* by Marx. After the crisis (and in fact after World War I), there was the triumphant recognition of unionism, and Gramsci's first critical writings in *Ordine Nuovo*. Between the two, there was a progressive stabilisation of labour purchasing power by indexing wages on prices, limitation of working hours, and the beginning of the struggle of capitalists for new sources of productivity.

In the processes of worker resistance and capitalist struggle for productivity, the history of capital and that of the labour movement are probably tied the most. As absolute surplus value cannot be augmented indefinitely (a day has no more than twenty-four hours), and as proletarians cannot live on air, capital cannot increase the rate of surplus if not by way of increasing productivity. However, individual capitalists tend to increase their *own* profit by underpaying or by over-utilising the work force, that is, by breaking with that which constitutes the essence of an 'agreeable' capitalist regime — established economic relations. Therefore, the declared struggle of the

labour class is like the struggle of a party complaining in commercial court so as to make its adversaries stop the 'infringements' by playing according to the rules of the game. Moreover, society is endowed with conscious means against the abuse of its own organism, that is, political organisation, and in this particular case, the legislation of work.

This illustrates a specific type of labour struggle which 'develops' the capitalist productive forces. Its direct purpose is to impose prices and the *normal* usage of the commodities sold. Its lever is action at the legislative level, which spreads the partial gains and mitigates the perverse effects of the competitive game. Its result is the development of capitalist productive forces:

Since the revolt of the working class forced the state to institute a normal day ... , that is, from the moment it ruled out increases in the production of surplus value by a progressive addition of working hours, capital has striven with all of its energy, and in full awareness, for the production of relative surplus value through an accelerated development of machinery [*Capital*, 1, Chapter 15].

These considerations permitted Karl Marx to describe in an excellent way the place and the limits of the union struggle before the General Council of the International:

The periodic resistance of the wage worker against the reduction of wages, and the efforts he undertakes periodically to obtain an augmentation in wages, are inseparably tied to the wage system, and are provoked by the fact that work is assimilated into commodities, and is consequently subject to the laws regulating the general movement of prices. Concerning the limitations of the working day ... this is never regulated by anything different from legislative intervention This necessity of a general political action is the proof that in a purely economic struggle, capital is the strongest element. ... The general tendency of capitalist production is not to raise the average level of wages, but to lower, that is, to restore, the value of labour at its lowest limit. However, if these were the tendencies of the regime, shouldn't the labour class renounce its resistance to the infringements of capital, and abandon its efforts to eliminate the occasions presenting it with whatever could cause some amelioration of its situation? If it did that, it would degrade into a formless mass, crushed, starving for those it could not save any more. ... If the labour class retreated in its everyday conflict

with capital, it would certainly deprive itself of the possibility of the most consequential moves. At the same time, ... wage workers should not exaggerate the final result of this everyday struggle. They should not forget that they are struggling against the effects and not against the causes of these effects. ... They should understand that the actual regime, in all of its oppressive misery, engenders at the same time the material conditions and the social forces necessary for the economic transformation of society. Instead of the conservative demand 'equitable wages for an equitable working day', they should inscribe the revolutionary demand 'Abolition of wage labour' on their flags [*Wages, Prices and Profits*].

Before going on, let us remark that the above split is not between a 'purely economic struggle' and a 'political struggle', because the struggle for a 'normal' day, a necessarily political struggle, has indeed the same status as the struggle for wages. Marx talked about the struggle against the 'infringements', while Engels used the same word to define the relations between the capitalist state and individual capitalists. 'Infringe' — what does this mean? It is to violate the norms in order not to abolish them but to displace them with profit. This is the behavioural tendency of private actors in a world of competition. Naturally, only the resistance of market competitors and allies hinders the infringements. At the same time, the state can at most stabilise further, and thus guarantee the fixed norms. However, *resistance to infringements* is not a struggle against the system of norms. On the contrary, it plays a certain role in the game of the 'coercive forces' (the law of value is another one), which constrain capitalists to be true entrepreneurs and not *rentiers*. In brief, the labour class develops the productive forces of capital, insofar as it behaves as the capitalist merchant of its own labour force.

In this role, the labour class is just one of the elements in the structure of the mode of production: it constitutes a 'class for itself'. To this nature of class corresponds a specific *organisational form* (otherwise the class would be just a collection of individuals), the union, which is supplemented with a specific political representation, the social democratic party. Such a historical form of worker association is therefore a constrained form, which does not refer to a class trying to establish in a new world, but to one defending itself in a hostile world. And that is the form that stabilised after the major crisis of the late 19th century. This is explained by Gramsci in *Ordine*

Nuovo, where he opposes unions to councils and soviets (flourishing in revolutionary Europe from 1917–22):

During the present period, the proletarian movement does not exist but as a function of free capitalist competition. Proletarian institutions took certain forms not due to an internal law, but due to an external one under the formidable pressure of events and coercions deriving from capitalist competition [*La conquête de pouvoir*, 12 July 1919]. ...

In a certain sense, we can maintain that these organisations constitute an integral part of capitalist society, and that they constitute an inherent function of the private ownership regime. In the present period, in which individuals do not have value unless they are commodity owners and make profit out of their possessions, workers are obliged to yield to the 'iron law' of everyday needs, and they have become sellers of their only property: their labour force and their professional intelligence. As they are especially exposed to the risks of competition, workers have accumulated their property in ever growing 'firms' employing increasing numbers of personnel. These firms have become an enormous apparatus of concentration of manpower, they have imposed prices and working hours, and have disciplined the market. They have engaged from outside or promoted from their own rank-and-files a devoted administrative personnel, which is experienced in speculation, has the ability to dominate the conditions of the market, is capable of stipulating contracts, of evaluating commercial areas, and of introducing economically profitable operations. *The essential nature of unions is competitive and not communist. A union can not be an instrument of radical renovation of society* [*Syndicats et Conseils*, 10 October 1919].

His radical conclusion is: '*Unionism is revealed as a simple form of capitalist society, and not as a potential way of overcoming capitalist society*' [*Syndicalisme et conseils*, 8 March 1920].

To sum up, during the first major crisis of capitalism (which corresponds to the period of the 2nd International), the labour movement forces capitalism to acknowledge its existence as a unique social class, and the right to defend its interests. That would lead to further improvement of the labour situation within wage relations — but precisely, *within* these relations.

With no treason, mourning is without reason ...

The question of the state and the crisis of the 1930s

It remains to consider that, at the beginning of the 20th century in advanced capitalist countries, the unions had gained at most the indexation of wages on rising prices. It is an exaggeration to state that they have obtained an indexation of purchasing power on productivity. Simply, econometric indicators seem to show that after the first major crisis purchasing power did not fall during the depressions more than it rose during the booms (Boyer, 1977). Indexation on productivity is a different matter. Unions should not simply struggle against the 'infringements' of rising prices, they should also *anticipate* them in order to appropriate a part of productivity gains.

At this point, a theoretical parenthesis is due. Struggling against the infringements presupposes a norm of distribution of value added, and therefore a norm of value of the labour force. The two ways this norm can be defined are firstly, the value of what is normally bought by wages, and secondly, a normal fraction of value added (Lipietz 1983). If capitalists change the norms of production by increasing productivity, conservation of the first norm implicates a fall in the second (hence the appearance of relative surplus value). However, is there a Marxist theory of the norm of labour consumption?

This is a delicate question. There exist formulations in *Capital* suggesting the independence of the history of the norm of labour consumption (which is described in chapter VI as 'historically given'), from the history of productive norms. However, in the pages where Marx seriously discusses the question, he advances two mechanisms implicating a restitution, be it transitory or definitive, which leaves a part of productivity gains to workers. First, in chapter XII of *Capital* referring to the relative surplus value, Marx states that under competitive regulation an innovative enterprise should *lower* its prices to gain parts of the market, and that other firms should follow. As a result, the consumer, (perhaps a worker) has at least temporarily a profit from productivity gains. Marx does not propose any mechanism that would eventually re-establish former purchasing power. Undoubtedly, this explains why, as early as in the late 19th century, the labour class tended to obtain, in an *ex post* manner, a lasting restitution of productivity gains.

However, Marx, again in *Wages, Prices and Profits*, appeals to the possibility of *anticipation*. An increase in wages extracted *ex ante* by

the struggle leads to an enlargement of the market, to an increase in productivity, and finally to a fall in value of what is bought, consequently to an *ex post* restoration of the rate of distribution of value added. Marx was evidently carried away by the militant disposition of the text, however, he did not theoretically rule out that this mechanism of anticipation may become so widespread, that it can guarantee an increase in mass consumption according to potential productivity gains.²⁰

Yet none of this can happen, if intercapitalist competition prevents it. For anticipation of spread, and for the new norm to be established as a fixed rate of surplus value, it should be imposed equally on all competing enterprises. To put it another way, firm unions are no more sufficient, sectoral collective bargaining is needed, and state regulation is needed. But the emergent labour movement was against any state, and later the young 3rd International that considers the quite anarchistic *The State and the Revolution* by Lenin as a bible, does not expect anything good from the bourgeois state.²¹

'State integration of economic affairs, against which capitalist liberalism used to stand, becomes an accomplished fact. The existence of capitalism not only in free competition, but also in a situation dominated by trusts ... is impossible in the future. The question is uniquely one of knowing who the agent of state integrated production will be: the imperialist state or the victorious proletarian state'. Who is talking? — an 'operaist' or an extremist proponent of State Monopoly Capitalism? No, this is the 1st Congress of the Communist International (1919)! The same was repeated in 1928: 'The tendency of the various factions of the dominant classes to act cohesively opposes the large masses of the proletariat not to an isolated master, but to the entire class of capitalists and their state.' If genius is needed to identify the tendencies of social relations in their emerging state, the essence of subjectivism is to affirm every ten years that the tendency is finally realised, ignoring other aspects of the situation ... However, the subjectivism of the 3rd International still has a few things to teach us.

First, according to it, the interventionist state, being a state of capital, is necessarily a fascist state — the end of economic liberalism is going to join the end of political liberalism. Moreover, since the interventionist state often recruits its servants out of former 'left wing opposition' parties (social democrats in Northern Europe, the Democratic Party in the USA), the Communist International (CI) simply considers these parties as 'the left wing of fascism'.

Yet, at the same time that the CI notes the tendency of state capitalism, it insists on the obstacles to the realisation of this tendency. The more this model of state capitalism is realised in the USSR, and is presented as 'socialism', the more the persistent 'anarchy of the market' becomes the yardstick against which the deficiencies of western capitalism are measured. This is rather natural, since Marxism of the 3rd International definitely accepts Taylorism as the ultimate of social organisation within production units. Underlining the persistence of such an anarchy in the market became more urgent, as German Social Democrats adopted, under the influence of Hilferding in the Kiel Congress (1927), a conception of 'organised capitalism' as the necessary step towards a peaceful passage to socialism. According to this theory, the tendencies towards organising that are internal to manufacturing are propagated throughout the whole economy. They induce, thanks to the democratic game, a 'conscious regulation of the economy', which can 'overcome, on a capitalist basis, the anarchy of free competition inherent to capitalism'. Well, it is known that for Soviet economists the 'conscious regulation of economy' coincides with the definition of socialism!

The problem for the CI then becomes one of demonstrating that Social Democrats have not reached the point of imposing this 'conscious regulation'. For this reason, it emphatically underlines the failure of Roosevelt's New Deal, and mainly the failure of the National Industrial Recovery Act (NIRA), which was defeated by a coalition of private interests. At this point, it should be examined where such a critique comes from. Accusing capitalism for the failure of NIRA is like admitting that state integration of the economy is desirable, and that certainly capitalism cannot achieve it by itself. This theme can be found in an analysis of the New Deal by P. Baran and P. Sweezy (1969), and later in the German theorists of the 'derivation of the state'.

To put it in other words, at the height of the major crisis of regulation in the 1930s, the theoretical position of the CI, in view of the reduction of the anarchy of the market by the state, becomes unsupportable: 'The reduction has already happened, and it can only be fascist, and in fact it is impossible: only socialism can achieve it ...' However, this reduction of anarchy evidently conforms to a strategic goal of the labour movement — the liberation of the blind forces of competition and the deliberate mastery of social production — and to the immediate interests of workers (because, we should not forget,

capitalists can profit from competition among workers through decreases in wages, while workers have to suffer from intercapitalist competition through layoffs). Finally, this reduction of anarchy conforms to the average-term interests of capital, and that makes it just as possible as the increase in real wages.

It is true that between liberals and communists, two opposed versions of monopoly regulation were in competition in the 1930s. The first, thought of as 'democratic', respected the autonomy of professional unions and labour unions — this is the social-democratic, or Roosevelt's, way. Such a version triumphed, together with the regime of accumulation that was based on mass consumption. However, it had to face diverse variants of *corporatist regulation* ranging from fascism (Italy, Germany, Portugal and Spain), to populism (Mexico, Brazil and Argentina). This alternative mode of regulation, which stabilised social demand in a centralised manner without necessarily raising purchasing power in relation to productivity gains, supported socially polarised and militarist regimes of accumulation (of Hitler), and regimes of import substitution (of Cardenas, Vargas and Peron), the fascist states of Southern Europe being intermediate cases. The passage from the one version to the other remains quite possible, as in the case of the 'neo-socialists' (certain French technocrats), who followed the regime of Vichy.

We do not follow here the intense debate which finally initiated the conversion of the entire labour movement into a struggle for maximum monopoly regulation.²² In 1945, it was commonplace to proclaim that the institutions of the Welfare State, of minimum wages, of obligatory collective contracts, constituted 'social victory', (actually it was such), and even an 'introduction of socialist elements in capitalism' (which was quite contestable).

In reality, as in the case of recognising unionism, the struggle of the labour movement, in order to become enfranchised of some of the most disagreeable consequences of the functioning of the capitalist system, had established a new mode of regulation of the system in a more 'progressive' sense. Furthermore, the price paid for that was the abandonment of another strategic goal (after the abolition of the wage relation) — the destruction of the 'bourgeois state'. Finally, this price also included the renouncing of the struggle for 'taking over the tools, and taking over the machines', and the recognition of Taylorian methods.

THE PRESENT CRISIS AND THE QUESTION OF INVOLVEMENT

It is evidently impossible to analyse the present crisis in a retrospective discussion like the two precedent ones. We do not know what the outcome of this crisis will be, so we do not know its effects on the labour movement. However, the problems to be confronted can be pointed out. As the fall in the rates of profit of Fordism, and the international free-exchange competition will not permit a move out of the crisis by an increase in consumption,²³ at least the following problems will have to be solved:

- (1) increasing productivity, without accelerating the increase in the composition of capital;
- (2) affecting productivity gains (at the expense of investment, of public consumption, or of work time?);
- (3) solving the crisis of the Welfare State (by accelerating the socialisation of revenues, by lowering taxes, or by making productive use of it through public utility works?);
- (4) inventing forms of international regulation by reforming the monetary system, and by adjusting the rules of free circulation of commodities and the compatibility of social legislation among countries (by a certain protectionism, or by the introduction of transnational social legislation?).

The last three points pose enormous problems to the labour movement, although they are not completely new. The first point, in turn, implies a complete inversion of its tendencies, and we focus on this subject in the following.

First of all, the labour movement has not ignored the struggles over the question of labour organisation. The launching of the bourgeois Taylorist offensive has marked the great delaying battles from the professional workers such as the strike at Renault in 1913 or the 'strike of the needles' at Fiat in 1920. The anarcho-syndicalist or Leninist labour movement claimed emancipation of workers in the name of their ability to master the processes of production. The existence of a hierarchy of qualifications is not contested by Gramsci, but the entire productive force is considered as collectively possessing such expertise:

Each one is indispensable, each one is at his post and each one has a function and a post. However ignorant and backward the workers,

however vain and 'dandy' the engineers, they are all finally convinced of a certain truth based on the experience of factory organisation: they all end up by acquiring enough communist conscience to predict what progress represents [to] the communist economy in relation to the capitalist economy... The worker can not conceive himself as a producer unless he understands that he is an integral part of the whole system of labour, which proceeds towards a final product, and unless he realises the unity of the industrial process demanding the collaboration of operatives, of qualified workers, of those employed in administration, of engineers, and of technical managers [*Ordine Nuovo*].

For such a 'social productive bloc' to exist, its kernel, the professional workers, should not be squeezed between the 'backward' and the 'dandy'. This type of worker, due to his self-management capacities, constitutes the main basis of labour organisations, and the heart of social movements till the French strikes of 1936 included, 'the soul of our country', according to Arletty.²⁴ However, after World War II, when Fordism triumphed, the labour movement seemed to have deserted the struggle against the capitalist reorganisation of work.

There are specific reasons for that in each country (and we are based here on the French experience), but it seems that the 'Fordist compromise' was sufficient to disarm the critique against Taylorism. This was true at least at the union level.²⁵ Since the 1960s, spontaneous struggles against the alienation of parcelised work, against its intensity and against the tyranny of 'the scientific organisation of work' have multiplied. Yet such a diffuse revolt has always been settled with augmentations of negotiated wages (or by formal re-classification), conforming to the Fordist compromise. The agreement of Grenelle, which in June 1968 put an end to the biggest labour strike of all times, supported this compromise in a spectacular way. It gave the green light to employers on the organisation of work against the predominance of monopoly (and union) regulation of wage relations in their other dimensions, wages, time and licencing rules.

Dealing with this paradox, D. and R. Linhart (1985) have offered several explanations:

- (1) the acknowledgement of the index of purchasing power as the best measure of social progress;

- (2) the acceptance of the neutrality of the productive forces and of the technical superiority of Taylorism, which was supported by Lenin himself (Linhart 1976);
- (3) the thesis that the labour movement does not have to aid employers in managing production (this is the last instance of refusing Babylon, although the labour movement is already immersed in the collective management of society up to the neck!);
- (4) the sociological and institutional factors pertaining in contemporary France (employer intransigence on questions of power thought of as decisive, and absence of unions in enterprises).

Let me introduce still another explanation: Fordism has never totally eliminated the qualified worker, and the stabilisation of this kernel, which constituted the immediate basis of unions (in particular of the CGT), became part of the compromise itself. Compromise which, in fact, was also a compromise on *power*: qualified workers were partly entitled (even more directly than the dandies) to the responsibility of framing the non-skilled workers. Let us add to this that the dichotomy 'qualified workers/non-skilled workers' was often parallel to a gender and racial dichotomy. It is then understandable that union organisations did not integrate the revolt of the non-skilled workers against Taylorism.²⁶

In the case of non-skilled workers, the situation is more complex. There are 'savage' reactions against the organisation of labour. But during calmer periods, the conscious implication of workers, as much Taylorised as their job may be, is always required implicitly in order to make up for the unmanageable insufficiency of the directions of the Bureau of Methods. And there is a *consent* for it, because this participation permits workers to prove their dignity to themselves. It is also a way for them to prove the superiority of their know-how on Taylorist prescriptions (the so-called 'one best way'): a 'paradoxical consent', according to R. and D. Linhart. Such a clandestine know-how, and such an implicit participation cannot become systematised by the scientific organisation of labour. It cannot become mobilised for better management of the productive processes of the whole (because it is precisely individualised by Fordism), nor for a systematic improvement of machine operations. Now, the problems with the Fordist organisation of labour are precisely the 'constant flanery of capital' between two elementary operations (according to Zuscovitch), and the lack of flexibility in its chains of production.

Hence, the exhaustion of productivity gains, hence an increase in the composition of capital at the root of the present crisis.

The 'electronic revolution' does not resolve these problems by itself, it just confronts capital with a choice. It offers the possibility of incorporating a substitute for the 'paradoxical consent' into the 'hardware' and 'software' (which are both constant capital), thus permitting a reaction against the 'flanery of capital' by rendering it more intelligent. This solution, applied at Fiat in a situation where consent had been destroyed, ended up with extremely costly solutions (Santilli 1985). It completed the alienation of immediate producers by endowing each automatic shop with the reliability of an astronautic module. *Alternatively* — and this is the way preferred by the Japanese (Aoki 1985) and envied by most capitalists in the world — the management may mobilise the existing know-how and put it in the service of the firm by rendering it more transparent and systematised.

In this case, the labour movement finds itself at a cross-roads. Not only has it resigned itself to living within Babylon by negotiating the fruits of its labour and by demanding that the bourgeois state ratify its compromises, but it is also asked to participate permanently and wholeheartedly in the perfection of Babylon, throughout the entire system of productive processes, by implicating itself in the struggle for productivity and quality.

It seems that once more the labour movement, not only due to its extreme weakness, is preparing to cross that threshold in France as well as elsewhere. All depends evidently on what will be proposed to it as compensation. And once again the acceptance of such a compromise may conform with the immediate interests of producers, which is not, this time, incompatible with the most strategic objective that the Founding Fathers have assigned to the labour movement (that is, regaining control over workers' own creative activity). However, this compromise may result in a definitive acceptance of the logic of the whole capitalist system. This risk is inherent in the double situation of that 'systemic anti-systemic force' — the ambiguity of any historical action in order to transform/improve reality.

'Three times Randolph Carter dreamt of the wonderful city of Kadath' narrates Lovecraft in *The Dream-Quest of Unknown Kadath* (1939). After escaping from all the ambushes and after defeating Nyerlathotep, the Khaos Reptile, he would face the marvellous city whose roofs would shine in the dawn as fountains of gold or purple, and there he would recognise Boston, the town of his childhood.

Is the labour movement condemned to have searched so intensely for New Jerusalem, and to recognise finally that it has done nothing but improve Babylon? Perhaps, but just as Boston enriched by the dreams of childhood is not real Boston any more, the same happens with the world that the labour movement can contribute to build. This world is not the ferocious one which, from Manchester to Sao Paulo, gave life to it through the dirt and the blood. It is a world that the labour movement will have remodelled through the sacrifice, the martyrs and the activism of its humble militants. Born from capitalism 'on the basis of given conditions inherited from the past', the labour movement, together with the feminist, anti-imperialist and ecological movements, can write human history without having to step out of it. Nevertheless, it is by its refusal of the existing order that it will be able to make progress.

To those who seem dissatisfied with the meagre progress so far, I respond that the 'progressive' compromises which may be planned in order to move out of the present crisis are no more granted than the victory of the social democrats over Fascism was in 1938, and that the principal risk is not that the labour movement is integrated further into the system but that it disintegrates. To those who think that capitalism will always find new forms of regulation and a new regime of accumulation, I respond that these new forms are not of equal value, and that in the name of the ethical criteria of solidarity and of free creation, which characterise the labour movement since its beginning, certain compromises may open the way to a better future, though other reforms may crush under a foot of iron the cry of the oppressed.

We do not believe any more in 'progressivism', the ideology that the bourgeois leaders of the 19th century and the builders of a brilliant tomorrow in Stalinist Russia had in common. We do not believe any more that the development of productive forces will necessarily entail more equitable, rational and liberating social relations. But we do believe that there exist progress and retrogressions, and that struggling for progress is a just cause.

NOTES

1. Based on a contribution to the Conference 'The Present Crisis in Relation to the Preceding Ones', Binghamton, 7-9 November 1985.
2. I thank Yves Bucas-Français for his very useful comments on a first version of this paper, and Olga Varveri for her translation.

3. For a discussion of this debate see Lipietz (1979, conclusion of section III).
4. See the work of historians like those represented by the journal *Revoltes Logiques*. As Y. Bucas-Français (1987) has pointed out, the socialist intellectuals praised the development of productive forces in a modernist way (Saint-Simon), or even in a totalitarian, Orwellian way (Cabet). By contrast, the genuine workers in the 19th century labour movements expressed their hatred against work as it was organised by the industrial capitalist revolution. Now, most workers (including these) were also in favour of 'better' machines.
5. Leninist characterisation of the political feeling of Bela Kun, leader of the Hungarian Revolution.
6. Charles Bettelheim in *Luttes de classes en URSS* first supported the third position in volumes I and II, *Le Seuil/Maspero* (Paris, 1974 and 1977) and later the second one (volume IV, 1984).
7. See, for example, Lipietz (1979).
8. Such a discussion can be found in Dockes and Rosier (1983).
9. These are the cyclical crises of an intermediate period (seven to eight years), called 'Juglar'. They correspond to a modality of regulation within the framework of competitive regulation, and should be distinguished from the 'major crises', which are the subject of the present paper.
10. Ironically, in this case the exception (at the fourth trial!) would confirm the rule. It is like throwing three times tails and one time heads and deducing that the coins fell on the side of tails.
11. The question of the state has been especially studied by Delorme and André (1983).
12. Naturally capitalism was dominant in the most 'advanced' countries before this date; however, the coincidences underlying the crises (called 'crises of the Ancient Regime') reflect the preponderance of weather conditions on agricultural production.
13. Besides the studies cited here, see for example Dockes and Rosier (1983), Beaud (1981).
14. Indicators often show rapid mechanisation, and clearly suggest intensive accumulation (such as in France of the Second Empire). However, a transition from the production of former artisans towards mechanised production should be distinguished from the actual intensification of the capitalist mechanisation itself.
15. This is explicitly the initial position of G. Destanne de Bernis (1977). However, traces can be found even in the alternation of the singular and plural form in the title of the book *Régulation et crises du capitalisme* by M. Aglietta (1976).
16. I relate here certain developments by Lipietz (1979) on the relation between social struggles and productive forces.
17. See Negri (1978). For 1977 and 1978, see the articles of S. Bologna in the daily *Lotta Continua*.
18. Despite their intention, Dockes and Rosier (1983) do not really go further in presenting the major crises as 'crises of a disciplinary order'. In the conclusion to his contribution to this volume, James O'Connor is

right in outlining the shortcomings, not only of the 'capital-logic' (roughly speaking: the dynamics of the system referred to in the second part of the present chapter), but also of the 'operaist' version of the crisis as a class struggle. He proposes to consider the social movements not only as forces of 'social disruption', but also of 'social reconstruction'. What I intend to do in the end of this paper is a study of the 'reconstructive aspects' of the labour movement during crises. As we shall see, it is more 'reformist' than James O'Connor seems to imply.

19. In what follows, we adopt the French translation (1976).
20. In this remarkable text (which dates from 1865), Marx proposes the first idea of a joint revolution of the norm of wages and productivity.
21. In the following, see Leclercq (1977).
22. For France, see Kuisel (1981).
23. See the French example in Lipietz (1984).
24. In an interview to journal *Télérama* (July 1985). In fact, they are the soul of the 'poetical and social realism' that this actress incarnates (films by Carné-Prévent and so forth).
25. Adoption of Taylorism by unions seems parallel to their conversion of the state. The 'reformist' unions, like the American unions (Nelson 1984) or the French ones (Moutet 1984), completely accepted it as a 'progress of rationality', and so as the source of future social progress, since the end of World War I. The revolutionary unions tied to the 3rd International kept their positions for a long time (due to the anarcho-sindicalist presence in their ranks), then, in the 1930s, they accepted Taylorism on the basis of the positions that progress cannot be arrested, and that this progress would destroy handicraft workers, who were considered as the basis of reformism (Ribeill 1984).
26. In contrast, unions in Italy tried to channel the movement through Gramsci's conception of 'professionalism'.

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