

# MARXIST THOUGHT

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**regulation** The 'regulation approach' was first developed in the middle of the 1970s by some French economists with Marxist origins: Michel Aglietta, Robert Boyer, Alain Lipietz. At the time, it was a reaction against the structuralist orientation of Althusser's school (see ALTHUSSER, STRUCTURALISM). Whereas this insisted on the automatic, impersonal REPRODUCTION of capitalism, the new approach emphasized the contradictory character of capitalism, the difficulty of solving contradictions between expectations and the projects of agents, and the necessity for society to construct a compromise solving its contradictions for a period of time.

'Regulation' thus denotes the way a social system reproduces itself despite and through its own contradictions. The concrete modes of regulation are subject to variations over time

(through crises and social struggles). So capitalism experiences a succession of *patterns of development*, which should be analysed from three different angles:

(1) *As model (or paradigm) of industrialization*: the general principles governing the evolution of the organization of labour during the period of the model's supremacy.

(2) *As regime of accumulation*: the macroeconomic principles describing the compatibility over a prolonged period of the transformations in production conditions and in the types of use of social output.

(3) *As mode of regulation*: the way expectations and the contradictory behaviours of individual agents are adjusted to the collective principles of the regime of accumulation. These forms of adjustment may include cultural habits as well as institutional features such as laws, agreements, etc.

The regime of accumulation therefore appears as the macroeconomic *result* of the workings of the mode of regulation, based on a model of industrialization.

Using a term first proposed by Gramsci, regulationists labelled the hegemonic pattern of development after World War Two 'Fordism'. Its *industrial paradigm* included the Taylorist principles of rationalization through the separation between the planning and the execution of labour, plus continual mechanization. Taylorism thus achieved the 'real subordination' of labour to capital to an unprecedented degree. Yet regulationists believe that in a 'post-Fordist' model, the contradictions of the labour process could be solved through more negotiated workers' involvement. At all events, Taylorism led to dramatic gains in productivity, entailing the over-production crisis of the 1930s. The solution (increased wages) finally triumphed through World War Two, leading to a new *regime of accumulation*, characterized as follows:

(a) Mass production with polarization of skills, high productivity growth, growing capital-output ratio (in volume, but not in value).

(b) Constant sharing-out of value-added, hence the real income of wage-earners growing in parallel with productivity.

(c) Hence the rate of profit remained rather stable, with full employment of productive

capacity and the labour force.

In other words, the 'Fordist compromise' consisted in a match between mass production and mass consumption. But what forces could finally induce individual bosses to accept that compromise, which was in conformity with their middle-term interests? This was the task of the new *mode of regulation*, which included to a greater or lesser extent:

(a) Social legislation on increasing minimum wages, and a strong collective bargaining mechanism, inducing *all* the bosses to grant annual improvements in real wages parallel to gains in national productivity.

(b) A developed welfare state granting to nearly all the population the status of consumer, even in the case of temporary or indefinitely prolonged incapacity to earn money from one's work: illness, unemployment, retirement and so on.

(c) A credit money supply regulated by central banks, issued by private banks according to the needs of the economy (and not according to a stock of gold).

As may be seen, 'Fordism' is a national-based pattern of development. After they had studied (econometrically and historically) its 'golden age', regulationists studied the reasons for its breakdown. First, the Taylorist paradigm developed its own contradictions. Second, internationalization put the mode of regulation at bay.

Later, regulationists extended their work to international regulation, current attempts to establish new patterns, and so on. Their methodology was adopted by a growing stream of scholars worldwide, including geographers, sociologists, historians, extending it to new fields. That, however, led to some misunderstandings. The *result* of the first generation of research (the 'Fordist case') is often confused with the methodology of the regulation approach. The insistence that *some* mode of regulation should exist (for a pattern of development to be stabilized) led to the idea that the mode of regulation is a *functional* requirement of capitalism. In fact, social processes 'invent' new modes of regulation and new patterns in the same movement. The insistence of regulationists on the necessity of *some* social compromise led to the idea that they are reformists. In fact, the regulationists' political positions extend from moderate social democracy to Green movements.

However, as a methodology, the regulation approach appeared to have an application wider than simply within Marxist theory. In fact, 'regulation' matters the moment 'contradiction' and 'dialectics' matter, and that is the main improvement brought to Marxism by this approach. But in a situation where Marxism is in disarray, this has led many regulationists to give up Marxism . . . and keep 'regulation'.

#### Reading

Aglietta, Michel 1976 (1979): *A Theory of Capitalist Regulation: The US Experience*.

Boyer, Robert 1986: *La théorie de la régulation: une analyse critique*.

Lipietz, Alain 1983: *Le monde enchanté. De la valeur à la crise inflationniste*.

— 1985: *Mirages et miracles: Problèmes de l'industrialisation dans le Tiers Monde*.

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