

## Post-Fordism and Democracy

---

*Alain Lipietz*

In a series of stimulating essays, C. B. Macpherson (1962, 1977) proposed a variety of different 'models' highlighting the connection between conceptions of democracy and socio-economic realities. The exercise was open to the charge of a certain reductionism. At any rate, if it usefully illuminated certain past political-economic configurations, it would be risky to extend its analysis to the future. Yet Macpherson's intuition, continuing a tradition that stretches back, beyond Marx, to Montesquieu, seems perfectly sound. There is indeed a 'common principle' which appears to govern both socio-economic realities and forms of democracy. No doubt this principle brings neither the one nor the other into being. Let us rather say that the evolution of these different processes is marked by a reciprocal influence, with moments of 'harmony' when a common principle of social identification seems to prevail. We shall call this principle (or rather, bundle of principles) a 'societal paradigm'.

When we turn to the future, it is no longer a question of 'discovering' this paradigm, but of promoting it, in the case of the political activist, and identifying competing paradigms, in the case of the researcher. In this chapter, we must first identify the paradigms which are currently

This chapter is a translation, by Gregory Elliott, of an article originally published in French as *Après-fordisme et démocratie*, in *Les Temps Modernes* (1990), vol. 524, pp. 97-121.

in conflict (let us name them straight away: 'liberal-productivist' and 'alternative'), and then sketch some of the economic bases which might correspond to the conception of democracy compatible with the principles of the alternative.

The first section will briefly summarize how thought derived from the 'regulation approach'<sup>1</sup> helps to illuminate the correspondence between the economy and the 'societal paradigm', thus underlining the relativism of conceptions of 'democracy'. The second section will, with equal brevity, summarize the 'correspondence' peculiar to the Fordist model of development, today in crisis. The third section will outline the 'liberal-productivist' paradigm, while the fourth will be devoted to the alternative paradigm. In the fifth section we shall emphasize a particular aspect of social identification in the alternative paradigm: the importance it accords to concrete, territorialized communities.

### SOCIETAL PARADIGM AND MODEL OF DEVELOPMENT

The reproduction of a capitalist market economy via its transformations is far from self-evident. Nevertheless, its transformations remain regular for extended periods, and accumulation and economic growth experience no major disruption. This kind of conjoint and compatible mode of transformation of the norms of production, distribution and exchange is called a *regime of accumulation*. This regime rests upon general principles of labour organization and utilization of techniques, which might be called a *technological paradigm*.

A regime of accumulation thus refers to an observed macroeconomic regularity. This regularity is a precious guide for economic agents. But their initiatives are nevertheless threatened by radical uncertainty as regards their aggregate coherence in the future. Regulatory mechanisms must therefore intervene. We shall call the set of norms (implicit or explicit) and institutions, which continuously adjust individual anticipations and behaviours to the general logic of the regime of accumulation, the *mode of regulation*. We might say that the mode of regulation constitutes the 'scenery', the practical world, the superficial 'map' by which individual agents orient themselves so that the conditions necessary for balanced economic reproduction and accumulation are met in full (Lipietz, 1985). The establishment of a mode of regulation, like its consolidation, largely depends upon the political sphere. Here we are in the domain of socio-political struggles and 'armistices', institutionalized compromises.

These struggles, armistices and compromises are the equivalent in the political domain of competition, labour conflicts and the regime of

accumulation in the economic sphere. Defined by their daily conditions of existence, and in particular by their place in economic relations, social groups do not engage in a struggle without end. *Social bloc* is the term to delineate a stable system of relations of domination, alliances and concessions between different social groups (dominant and subordinate). A social bloc is *hegemonic* when its interests correspond with those of a whole nation. In any hegemonic bloc the proportion of the nation whose interests are discounted has to be very small.

The fit between 'hegemonic bloc', 'regime of accumulation' and 'mode of regulation' becomes visible as long as the interests constituting the consensus on which the hegemonic bloc is built and reproduced are economic interests. But how are the 'interests' which legitimately demand satisfaction to be defined? How is the validity of, and respect for, the compromises which solder the hegemonic bloc to be measured? In the name of what do the conflicting groups within the bloc demand 'justice'? A 'universe of political representations and discourses' must be assumed, in which individuals and groups can recognize one another and express their identity, their interests and divergences (Jenson, 1989a). The very possibility of the hegemonic bloc depends upon the formation of this universe.

*Societal paradigm* is the name we shall give to a mode of structuration of the identities and legitimately defensible interests within the 'universe of political discourses and representations'. The regime of accumulation, mode of regulation, hegemonic bloc and societal paradigm are all four the result of a process of conflictual historical evolution. Each is a historic find, while their mutual compatibility within what we might call a model of socio-economic development is itself a quasi-miracle. Once discovered, however, this coherence certainly tends to be consolidated. But it is also undermined, on the one hand, by contradictions specific to the model and, on the other hand, by what has remained or developed 'outside' the model, ignored or repressed by it.

Thus we see two forms of struggle emerge. The first form concerns struggle, within the same paradigm, over differences about the equity or even the reality of the distribution of mutual benefits that are supposed to be guaranteed by the hegemonic bloc within the regime of accumulation. These struggles are directed against what are perceived as 'encroachments', 'anomalies', even 'overdue payments', and they aim at the implementation or improvement of regulatory mechanisms. The second involves struggle against the hegemonic paradigm in the name of another paradigm, alternative identities or other interests, that is, in the name of a different conception, past or future, of social life, involving another regime of accumulation, other forms of regulation and a different social bloc.

It is here that we encounter the ambiguity of the word 'democracy'. It manifestly refers to a procedural form of political regulation of these two types of conflict: the participation of citizens in the improvement of a paradigm or in arbitration within a paradigm; but, equally, the sovereignty of citizens over the choice of a model of socio-economic development. Now these are not the same thing, since the definition of 'citizens' itself, for example, depends upon the existing paradigm: do women, proletarians or slaves figure among the 'citizens'? The field of democratic regulation is likewise dependent upon the existing paradigm: is the organization of work, or the distribution of the fruits of growth, accountable to democratic sovereignty?

Now we see a different meaning slip in behind the word 'democracy', alluding to a graduated scale of substantive difference *between* paradigms and models of development. A model which enhanced the range of citizenship and the rights of citizens would be considered 'more democratic'. This is the traditional meaning of the 'Right/Left' opposition. Unfortunately, the list of the rights '*recognized*' within the 'universe of political discourses' precisely depends upon ... the reigning paradigm. Athens can regard itself as democratic despite the exclusion of women and slaves; the United States of America can in all good conscience exclude sexual equality from its Constitution and proclaim respect for 'managerial privileges' in companies; the Communist parties can declare themselves 'democratic' while accepting Taylorism (i.e. rigid and alienating rules of work).

The birth of a new paradigm, expanding democracy by rendering visible new identities which demand consideration of their aspirations, is the concern of radical social movements. Even in the second sense ('upgrading' between paradigms) democracy is not a sphere to be managed or enlarged. It is a continent to be discovered, from one century to the next. As an example, we shall start with the conception of democracy prevalent in the model of development which the regulation approach terms 'Fordism'.<sup>2</sup>

#### FORDISM AND ITS CRISIS

This model of development, hegemonic in the developed capitalist countries after 1945, stood on a tripod. One leg was a dominant form of labour organization, structured around the Taylorist separation of conception and execution and the systematic incorporation of the know-how of technical workers in the automatic operation of machines. These Taylorist principles theoretically excluded the direct producers from any involvement in the intellectual aspect of labour, but in reality implied a certain 'good will', a 'paradoxical involvement' disclaimed

on both sides (by management and workers). The second leg was a regime of accumulation, involving growth in popular consumption, and hence 'outlets', commensurate with productivity gains. The third leg was a set of forms of regulation inducing the conformity of employers and wage-earners alike to the model. In particular, the Fordist mode of regulation drew upon collection agreements and the welfare state, which guaranteed the great majority of wage-earners a regularly rising income (thus helping to sustain the levels of demand required by the mass production norm under Fordism).

The Fordist societal paradigm offered a conception of progress which itself rested upon three pillars: technical progress (conceived as technological progress unconditionally driven by 'intellectual workers'); social progress (conceived as progress in purchasing power while respecting the constraint of full employment); and state progress (the state conceived as guarantor of the general interest against the 'encroachments' of individual interests). And this triple progress was supposed to weld together society, by advancing goals worthy of collective pursuit.

From Rooseveltian intellectuals to West European Communists, this progressivist paradigm was dubbed 'democratic'; not so much in the first sense of the term (pre-war liberalism was often just as democratic - except that the right to vote was still denied to women), but precisely because of its 'progressive' character. The primacy of science and technology flattered a certain humanism built around technical progress - and all the more so since the regime of accumulation ensured a general redistribution of the 'fruits of progress'. Finally, through the role assigned to the state or other collective forms of non-market regulation, this paradigm appeared to limit the distortions to democracy introduced by the unequal distribution of wealth (democracy defined in the first sense of the term, i.e. the capacity of all to participate in the settlement of disputes). The progress of Fordist democracy could thus be defended by 'the forces of labour and culture'.

In retrospect, however, the term 'hierarchical organicism' is much more appropriate for this 'democratic' conception of social progress. It is 'organicist' in the sense that it does not, in principle, exclude anyone from a 'share in the fruits of progress' (in practice, there are, of course, always some exceptions). On the other hand, it systematically deprives poorly qualified producers of control over their activities, it excludes citizens from decisions about what is to count as progress (*vis-à-vis* consumption, public services, town planning and, more generally, the ecological consequences of progress) and so forth. Organised by the welfare state, solidarity assumes a strictly distributive and administrative form: a hierarchical, market solidarity.

This model entered into crisis throughout the entire advanced

capitalist world in which it was established. It was certainly an economic crisis: a crisis of the model of labour organization based upon the fragmentation of tasks, the division between 'conception' and 'execution' and ever costly mechanization; it was a crisis of the 'welfare state', and it was a crisis of the nation state, incapable of regulating an increasingly internationalized economy.

But in France, for example, this crisis was exacerbated by another one which preceded the economic crisis: a crisis of the societal paradigm, in its adherence to the dominant conception of progress. While the common programme of the Left merely took Fordism's ideal of democratization (from above!) to extremes, new working-class and popular struggles (workers, peasants, employees) and the new social movements - regionalist, feminist and ecological - which flourished after May 1968 rejected the very model. A new star shone forth above the old tripolar progressivist constellation, expressing an ideal at once very old and very new: the desire for autonomy and initiative, individual and collective; and the ambition to 'take control' of one's own affairs, to 'see things through'. This 'fourth pole' contributed to breaking up the old triangle where modernists of the Right and Left met, and it posed new fundamental questions. Technical progress? Perhaps, but not at the cost of the impoverishment of work. Social solidarity? Perhaps, but not in the anonymous, bureaucratic mould in which the welfare state cast it. A state synthesizing social aspirations and obligations? Perhaps, but not a state of technocrats imposing their conception of the good and the beautiful, including sending in the army to enforce 'progress'.

It is thus scarcely surprising that the first two years of the Mitterrand presidency, when the parties of the Left worked to death trying to revive a model of development in crisis without gaining the support of the popular masses or intellectuals who no longer expected much from it, ended in virtually total failure.

#### LIBERAL-PRODUCTIVISM

When the state abandons its ambitions, when the money and the willingness to contribute to social solidarity run out, when one clings on to technological modernization and when one continues to rely on the initiatives of those used to taking them, what is left? Economic liberalism. On the ruins of the old model and the old ideals of the Left, the rebirth of initiative becomes the cult of the enterprise: the enterprise as it is, with one leader (or ten) who decides, while the rest obey - in accordance with the interests of the firm, if not the collective interest.

The clarion call of the Western intelligentsia in the first half of the 1980s was: we must be competitive! And to that end the initiative of entrepreneurs must be freed. And if the social consequences are unfavourable? Too bad. We must be competitive! To what end? Because free enterprise dictates that we be competitive. And so the story unfolded.

Previously, technical progress had been justified by social progress. Free enterprise was supposed to ensure universal well-being automatically. But 'liberal-productivism' is a law unto itself; it no longer requires social justification. 'Accumulate! Innovate! And look at Silicon Valley!' People look; but they do not see everything. They often ignore the fact that Silicon Valley is hardly the 'spontaneous' product of individual initiative, but was created forty years ago by Stanford University for its former students, and has essentially always lived off public military orders. But even so we observe that executives and technicians live there alongside female employees and refugee workers from Central America - female Martians serving men from Venus - at the two poles of a society without a middle class, with no hope of transferring from one planet to the other. This is an economy shaped like an hourglass, where those at the bottom survive on left-overs from the luxury of those above. The towns of the USA are being 'Brazilianized', and this 'hourglass' society is becoming global: at one end the overconsumption (on credit) of the rich; at the other the industrial gulags of the free enterprise zones. It is one possible future for capitalism.

However, no technological determinism ensures the final triumph of liberal-productivism on the ruins of Fordism. On the contrary, conceptual and empirical analysis of the outlines of possible new models of development (Leborgne and Lipietz, 1987) reveals their weaknesses in three respects: as technological paradigm, regime of accumulation and mode of regulation. The 'historical opportunity' for liberal-productivism was the breakdown of the Fordist paradigm at the end of the 1970s. Despite the economic and ecological problems that have become increasingly apparent since the 1980s, liberal-productivism is still sustained through the weakness of its competitor paradigms.

The liberal-productivist paradigm can be summarized thus:

- Intensification of the productivist technico-economic imperative - now rendered 'categoric', with the hollowing out of the idea of society as a democratic prerogative (we invest because we must export; we export because we must invest).
- Fragmentation of social identification, with the enterprise directly playing the role formerly allocated to the country (we must stick together against competitors).

- A great variety of forms of integration of the individual into the enterprise, ranging from sheer discipline to negotiated involvement, but always on an individual basis, to replace a previously class-based social individuality.
- A general decline of forms of solidarity of the administrative kind linked to membership of a national collectivity; 'civil society' (now, quite simply, the family) is supposed to assume responsibility for what the welfare state can no longer guarantee.

In other words, liberal-productivism deliberately and explicitly rejects the organicism of the Fordist model. But it accentuates its 'hierarchical' character, albeit a decentralized hierarchy. The entrepreneur is master of his<sup>3</sup> own domain; the 'winners' are masters of the market; if possible, the father of the family is master at home. 'Democracy' in both senses of the term thus retreats on every front. Debate and the vote are emptied of purpose by the omnipotence of the forces of the world market. The fraction of humanity in a position to influence its own existence is reduced.

The decline of organicism, that is, society's capacity to regard itself as a living whole, is immediately expressed in the development of social exclusions and the accumulation of ecological tensions and international imbalances. There is, however, a glimmer of hope: amid the imbalances, those nations and regions which have remained the most 'organicist' manage to extricate themselves. The machine-tool industry of Emilia-Romagna in Italy, the enduring strength of Germany and Sweden, the industrial hegemony of Japan, all demonstrate that, *even from a capitalist perspective*, the best course is to negotiate, to organize, to multiply the cooperative links between firms, local and regional collectivities and universities, and to mobilize workers through participation and union agreements. The superiority of organicism over liberalism is obviously insufficient to induce an alternative paradigm, since the *rewards* which citizens can extract *in return* from this superiority remain to be seen. (Japan and Sweden are manifestly not going in the same direction!) Thus, we must turn from observation to mapping out an alternative project to Fordism and liberal-productivism.

#### THE ALTERNATIVE

An alternative can be traced to the social movements which have been demanding change since the late 1960s - from the French May in 1968 to the German Greens in more recent years. What does the alternative counterpose to the old Fordist paradigm that is dying, and to a liberal-productivist paradigm that is trying to be born? Certainly not a rejection of technical progress, but a refusal to accept it as a value in its

own right. Three themes provide the yardstick for the alternative by which to measure any 'progress' and any policy: the autonomy of individuals and groups; solidarity between individuals and groups; and ecology as a principle binding the relations between society, the product of its activity and its environment. In sum, it represents a non-hierarchical organicism.

The alternative responds as follows to the crisis of the Fordist paradigm:

- Transformation of the relations between people in work, towards a greater control by the producers over their activity.
- Reduction of the amount of time devoted to wage labour, and hence a reduction of market relations in consumption and leisure in favour of free creativity.
- Systematic selection of the most ecological technologies (i.e. the least predatory *vis-à-vis* natural resources), the fullest possible recycling of the by-products of human activity, restoration of industrial and urban derelict land, etc.
- Transformation of social relations in the direction of a reduction of hierarchies, and respect for quality in difference - especially between the genders and between races.
- Transformation of the forms of solidarity within the national collectivity, from purely monetary distribution to subsidies for activities which are self-organized and of agreed social usefulness.
- Evolution towards forms of grass-roots democracy, which are more 'organic' and less delegated.
- Reopening of the whole question of unegalitarian relations between different national collectivities, and evolution towards mutually beneficial relations between self-determining communities.

As a new paradigm, the alternative paradigm is not located along the Right-Left polarization characteristic of the Fordist paradigm (when more or less democratic means 'more or less welfare state'). If the alternative attains the position of 'hegemonic paradigm' with respect to the political forces which might establish themselves twenty or thirty years hence, it will then have its own Right, Centre and Left, which will 'democratically' (in the first sense) settle differences. Yet as a new model of 'progress', the alternative takes over from the former 'democratic' movements. More significantly, its social foundation would gather the oppressed, the abused and the exploited, in revolt against alienating social relations, bringing together, thus, women, workers adversely affected by economic restructuring or degrading technologies, the unemployed and precariously employed, the multicultural youth of the conurbations, indebted or non-industrialized peasants, and so on. It thus succeeds and embraces all emancipatory

movements. In this sense (i.e. the historic sense), the alternative is a 'new Left', a 'democratic alternative': it discovers a wider scope to democracy.

What would be the economic foundation of the democratic alternative? What sort of technological paradigm, regime of accumulation, mode of regulation would it have? It is not enough simply to introduce 'some democracy' (in the first or second sense) into each dimension of the model of development. This new democracy must be 'constructed'. Further, the alternative needs to respond to the economic impasse of the old Fordism, now in crisis.

Let us recall that Fordism entered into crisis for two kinds of reason. On the one hand, the internationalization of production and markets came to disrupt the possibility of *national* regulation of the Fordist model of development. On the other hand, the dominant form of labour organization reached its limits. 'Paradoxical involvement' yielded only declining productivity gains for rising per capita investment. The results were a fall in profitability, a crisis of investment, a crisis of employment and a crisis of the welfare state.

Downward spirals in the international economy currently occupy centre-stage. But we shall not deal with them here. Assuming that there might be positive solutions to these problems, it remains to be seen whether there exists a 'democratic' way out of Fordism with respect to its internal spirals, which extend from the crisis of labour to that of the welfare state.<sup>4</sup>

#### *For a new social compromise on productivity*

At the root of the current economic crisis of labour is a crisis of Taylorism as a form of 'paradoxical non-involvement' of the direct worker. In themselves information technologies do not represent a solution to this crisis. This is why Japanese employers, the Dalle and Riboud reports on industrial relations in France, the theoreticians of the Harvard Business School and the initiators of General Motors' Saturn car project in the United States concur in condemning Taylorist principles. Direct operators should be able to involve themselves, with all their imagination, their capacity for innovation, qualifications and the know-how acquired in routine production, not only to refine the operation of the productive process, but also to socialize and collectivize their acquired practical knowledge: a task which Taylor reserved for the office of methods.

To put it bluntly, the workers' movement and all other democratic movements should take up the challenge to occupy the terrain of an

anti-Taylorist revolution. Not only by way of compromise, but as a first step towards historic goals: a more democratic, more 'self-managed' society, a step towards the 'humanization of humankind'. Fine, but it will *also* be a compromise. Doubtless any boss would be delighted to have employees working with enthusiasm, with all their intellectual abilities, for the greater glory of the enterprise! If Taylorism opted to forgo such possibilities, it was for political reasons - for micropolitical reasons to do with control of the factories, but also for macropolitical reasons, reasons of state. Indeed, a highly qualified and enterprising group of workers, proud of so being, risks challenging Taylorist managerial control over the intensity of labour, the sharing out of productivity gains and the usefulness of products. And a working class conscious of its managerial abilities might harbour ambitions as regards its capacity for political and social leadership.

If management seeks to reunite what Taylor separated (that is, intellectual and routine aspects of labour), what can it offer and, in turn, what might wage-earners demand in return? With regard to the latter, a first demand is obvious: *maximum stability of employment*. No wage-earner is prepared to display a cooperative spirit in pursuit of productivity gains which entail his or her own redundancy! The problem, of course, is that a firm cannot guarantee employment of the same kind beyond the medium term. Job security must therefore be a *dynamic* guarantee, involving both aspects internal to the firm and social aspects. This immediately raises the question of job 'mobility' and productive 'restructuring'.

Most wage-earners are unwilling to accept mobility between kinds of work and between regions. They are right. Work is only one aspect of individual and social life. Emotional and familial relations are the main component in the conditions for human development and happiness, and they require material conditions: stability of communities, linked to territories. The compromise should therefore embrace not only the 'right to work', but also the 'right to live and work in one's own region'. This implies the unions' collective involvement in the local dynamic of new job creation, as and when redundant jobs disappear.

The involvement of wage-earners in the issue of 'how to produce' leads on to the second question: 'what to produce'. Two imperatives must consistently guide the alternative's position on the restructuring of the productive apparatus. First and foremost is the *preservation and enrichment of know-how*. It is as humiliating as it is irrational not to acknowledge the acquired know-how of workers. This is why wage-earners must be involved in decisions about restructuring. They contribute their know-how and can demand retraining in return. This

right to retraining and control over the objectives of restructuring must form part of the compromise over dynamic restructuring.

The second imperative is the *democratic definition of the social needs to be satisfied*. A temptation for unions is to defend the existing jobs of their members. However, these jobs might be dangerous for the community (e.g. nuclear complexes), or of dubious social usefulness (e.g. old mines, the arms industry). This is why control over what is to be produced is a matter not only for existing workers, but for the whole of society. New forms of democratic planning, preceding any 'judgement of the market', must be invented. This can probably be done at the regional level, at the level of local labour markets. We shall return to this question later.

#### *Sharing the benefits*

First we must specify another aspect of the compromise. Assuming that the establishment of new professional relations, allied to the 'information revolution', entails a return to high productivity increases, who should benefit from them? At the very least, wage-earners should benefit as much as enterprises. If not, sluggish demand, contrasting with 'soaring' productivity, would result in overproduction and rising unemployment. However, the new model of development can resolve this problem either through an increase in the purchasing power of wage-earners (via salaries or the welfare state), or through an extension in their free time. In my view (and this is the essential point) the *compromise should bear mainly on an expansion of free time*, and less on an increase in purchasing power over communities. There are good arguments in favour of this option.

In the first place, a massive reduction in the length of the working week is the principal effective weapon for a rapid reduction in unemployment. Next, in our advanced capitalist countries (the situation is different in the Third World), the majority of the population has achieved, in quantitative terms, a standard of living in which the right to well-being is restricted more by a 'lack of quality of life' than a 'lack of possessions'. Even before the economic crisis, around 1968, the post-war model of mass consumption began to reveal its existential deficiencies. People need time to live with what they have; they need to experiment with new social relations and independent creative activities. Even the new commodities offered by the electronics revolution - hi-fi, video, home computers - take up time, whereas the typical Fordist commodities (cars, washing machines) were supposed

to be time-saving. In addition, logic suggests that, in the long term, wage-earners who are actively involved at work should also be active citizens in democratic life, with enough free time for cultural activity and improvement of educational levels.

Further, the generalization in advanced industrial countries of a new model based on high rates of growth of material consumption would imply a near unsustainable pressure on natural resources and on global 'sinks' for waste. As the Rio conference has shown, we have reached a situation where ecological constraints have become a determinant parameter for the choice of regimes of accumulation. Thus, while new technology may permit more growth with less consumption of energy, and a reduced greenhouse effect, it might be wiser to reserve these margins of material growth to less advanced countries.

Finally, a model of development in which full employment is based upon a slower growth of market relations and the expansion of free time, that is, of non-market relations, is less subject to the economic disruptions which derive from international competition. The 'consumption of free time' does not suck in imports, and protectionism is not required to ensure the possibility of making music or theatre, reading novels or making love. 'Accumulating in happiness' permits a more balanced growth and enhances the capacity for democratic regulation of national economies.

Now, a model of this kind most definitely involves other compromises on the part of wage-earners. Since there are minorities who are currently far from enjoying an acceptable standard of living in the society in which they live, compensation in wages for the reduction of labour time will, of necessity, have to be unequal. In other words, the range of the wages hierarchy will have to be reduced. Although new work practices based upon worker involvement could be less demanding in terms of per capita investment, fixed capital investment will still be required to create jobs. A large-scale creation of jobs through a reduction of the working week would thus be impossible in the short term, unless more wage-earners come to work in existing plants. To put it another way, the reduction of human labour time must proceed in tandem with an extension of mechanized labour time, and hence of shift-work. In the case of services, such work might be desirable to users, who are themselves essentially wage-earners.

In short, the 'new compromise' is not only between those 'above' and those 'below', between management and workers. It is also a compromise within the ranks of wage earners: an issue that raises the problem of solidarity, which, in the Fordist model, was embodied by the welfare state.

### *Resolving the crisis of the welfare state*

In the form that it took as a result of union struggles, the victories of social democracy in Europe and the recognition of macroeconomic and social demands by conservative or social-Christian governments, the welfare state appeared as a powerful, but very particular, form of solidarity.<sup>5</sup> Basically, it is a form of compromise between capital and labour, in the form of a compromise between citizens. A proportion of income is subtracted from the purchasing power directly allocated to individuals and assigned to a reserve fund. This reserve pays a monetary income to those who, for 'legitimate' reasons, cannot 'earn their living normally by working'. This 'norm' entails some schizophrenic, even Kafkaesque, consequences for the economically active and inactive alike.

The active - employers as well as employees - pay taxes and contributions to the welfare state to feed into 'reserves'. When this deduction of income becomes too heavy, they begin to protest that they are paying for 'layabouts', for people who do not wish to work. The reality is that such people would like to work, but cannot do so in exchange for a wage, and do not have the right to do so while in receipt of benefits. And they bear the psychological cost of this illogicality. If they have no occupation, they feel socially rejected, they feel like dependent children. If they have an activity (helping out neighbours, moonlighting) while collecting their benefits, then they are considered to be scroungers, swindlers; they can be prosecuted and deprived of their benefits.

The double schizophrenia of the Fordist welfare state can be avoided. This would involve the creation of a *new sector of activity*, restricted in its scope (to something like 10 per cent of the active population, or the prevailing rate of unemployment). Its workers, or rather the agencies which would have to pay them (let us call them 'intermediate agencies of socially useful work'), would continue to receive subsidies from the welfare state of equivalent value to unemployment benefit (which should, in any case, be consolidated into a genuinely universal benefit).<sup>6</sup> Neither the agency nor the employees would have to pay any more in tax contributions than the unemployed: the cost of the operation would thus be neutral for the welfare state. Employees in this sector would receive a normal wage from the agencies and be covered by the normal social legislation. The difference lies in the fact that the cost of labour would be very low for the agencies. Their activity would be devoted to socially useful work, such as:

- activities currently provided at a high cost (since unsubsidized) by certain

sectors of the welfare state itself (e.g. care for the sick, assistance to convalescents);

- activities currently provided by the unpaid labour of women;
- activities not performed at all currently because they are too costly (improvement of the environment, especially in poorer districts, etc.).

Given that this sector would be subsidized and exempt from taxes, its services would be inexpensive; and new activities might also be generated. It would not be in competition with other sectors (e.g. the private sector, government organizations), since the latter do not (or only marginally) take on these activities, either because they perceive no effective demand or because they dare not raise taxes to finance them. In fact the sector would only come into competition with the unpaid labour of women and with moonlighting: an excellent thing! And it would weigh no more heavily upon the welfare state than does unemployment, which in fact it will help reduce – on condition, obviously, that the size of the ‘third sector’ does not exceed the prevailing level of unemployment.

As can be seen, the development of this ‘third sector of social utility’ eliminates most of the faults of the Fordist welfare state. The critique of ‘schizophrenia’ disappears. The active contributors of the first two sectors would know what they were paying for: socially useful work. Those in the third sector would have a job which was more socially recognized and more rewarding for their self-esteem than moonlighting or precarious casual work. The microeconomy would be preserved by the development of jobs that were inexpensive for the remunerative bodies, but ensured a stable income for workers who would not come into competition with others.

But there is more. New ‘democratic’ social relations could be experimented with in this new economic sector. It could be organized into small, self-managed cooperatives, which could combine training and work, with the help of social psychologists and trainers. In addition, in its relations with ‘users’, it could innovate by searching for new contractual relations (not market, or patriarchal, or administrative) for the performance of services, with continuous audit by the recipients (municipalities, environmental protection agencies, health insurance funds, etc.) of the effective ‘social usefulness’ of the cooperatives.

Thus, this new ‘alternative’ sector could be a school for self-management, gender equality and democracy in the definition of tasks. Although immersed in the market and in wage relations (albeit protected by its connection with the welfare state), it could be a new step in the democratization of economic relations.

## INITIATIVE AND SOLIDARITY: THE COMMUNITARIAN SYNTHESIS

Compared with the alternative, the Fordist paradigm scarcely seems democratic (in the substantive sense), even in its left-wing versions! Indeed, it quite simply ignores the essential dimensions of democracy. Just as the economism of the account which I have just given neglects certain crucial components (such as the ethics of sexual difference – and not simple equality). In Fordism worker initiative was repressed equally by Taylorist management and a trade unionism hostile to ‘self-management’. The redistribution of the benefits of the welfare state was abstract, anonymous, formal and bureaucratic, and union participation in the management of social security agencies did not improve matters. This ‘abstract welfare’ gradually became a sour and constricting provider for contributors and recipients alike.

With the advent of Mrs Thatcher, Great Britain, mother of social security, became the first country to bring to power a fanatical adherent of individualism. The Fordist Left has died because it did not know how to impart the spirit of initiative, or human warmth, to solidarity. For a long time it believed that it would impose solidarity upon capitalism solely via the state, from on high. It neglected the importance of direct initiative on the part of workers and citizens. And it has rediscovered a taste for autonomy only to make a present of it to enterprise. Out of the ashes, is it possible today to image a form of solidarity that would transcend the administrative kind? Can initiative be conceived in a form other than that of free enterprise?

Thinking through a new alliance between initiative and solidarity is no easy matter. The connection even seems contradictory. It presupposes face-to-face contact and negotiation at the base. In short, it privileges the local<sup>7</sup> as the site of democratic regulation in the first (procedural) sense of the term: a direct encounter between, on the one hand, resources, know-how, spirit of initiative, imagination and, on the other hand, the inventory of unsatisfied needs, the necessary compromises. This implies people sitting around a table on which sometimes divergent interests are put, but no longer merely as a matter of paying or making pay. It is known on whom each sacrifice will fall; the mutual benefits are also calculated. The fact that a factory which discharges waste creates jobs but pollutes a river, that a better-trimmed hedge yields more than a direct path for a tractor, can no longer be ignored. Behind monetary fluctuations, material and human realities are weighed up. An overall ecology replaces a financial economy, in rural and urban milieux alike. The welfare state becomes the welfare community.



Caution! Local development and local democracy are not a paradise where all are sisters and brothers. Oppositions persist. But mutual interest in advancement is no longer drowned in the hollow rhetoric of the 'collective interest'. The struggle for equality and justice is conducted more sharply: 'today you gain more than me, but I gain as well, and tomorrow I will remind you that you need me.' There is no longer an 'external force' (the central state) whose role is to settle all accounts. Each party becomes conscious that contempt for the other does not pay. Gradually, there is a transition from pure self-interest to genuine solidarity: a consciousness that one's own freedom of action, one's own well-being, depends upon advancement of the freedom, the success and the well-being of the person opposite.

We first came across the local, or the regional, when we evoked the new social pact (the dynamic guarantee of employment), when we emphasized the decisive role of partnership between unions, employers, local government and a system of local training. To the network of enterprises helping one another locally, sustained by a population which in return demands jobs and observance of ecological standards, we then added 'intermediate agencies' in the collective service of the local population. There should be no Chinese wall between these agencies and local private enterprises, set up with the aid of the collectivity: individuals may change sector; agencies of socially useful work which have become profitable in a particular 'niche' may become private, unsubsidized enterprises.

But who is going to define social usefulness? Who is going to assign it its domain, so as to avoid enterprises in the third sector 'eating into' unsubsidized activities? Who else, if not the users and the local authorities elected by them? Radical reform of the welfare state will thus involve radical decentralization as regards its management, even if financing it must remain largely national and even continental.<sup>8</sup>

But the risks of a local solution remain: a patchwork of subsistence activities; an inability to release funds to promote initiatives; the competition of other regions; the temptation to revert to the status of assisted consumer. Solidarity and local initiative will only be able to blossom by expanding their horizon to the whole world – and, in the first instance, to that site of the social contract where the rules of the game are decided, namely the national state, even if the latter is extended to operate at a continental level (without forgetting co-development agreements with the Third World). Without supraregional authorities which decide the rules of the game, the regions, the 'countries', risk finding themselves in a situation of 'free competition', one pitted against another to the detriment of the least well-off. There can be no local development without national and international solidarity. It is reasonable to assume

that for the foreseeable future the regulation of the rules of the game and the equalization of interregional finances will remain the preserve of representative (electoral) democracy – doubtless extended to a European scale – and that the establishment of a non-aggressive international order will remain the business of state power relationships and diplomacy.

But hierarchies are overturned. We no longer expect change below to come from change on high. Rather, people demand change above in order to consolidate and develop the results of initiative from below. In the words of an organizer of local initiatives for the regeneration of the 'Rustbelt' of the north-eastern USA, 'perhaps in ten years time we will be considered pioneers. Perhaps we will be swept aside by macroeconomic forces outside our control. But in any case, what we are trying to do seems to me to be the only honourable course in the current situation' (Jack Russel, quoted in Messine, 1987, p. 41).

## CONCLUSION

On closer examination, democracy proves to be a notion with two distinct registers. Within a given societal paradigm it takes the form of popular participation in the regulation of differences over supposedly established rights. Between paradigms it seems like a scale of value measuring the enlargement of real rights. Given that the scope of these 'rights' can be extended to spheres which were inconceivable within previous paradigms, democracy in this sense is an invention of each century.

The Fordist compromise, which was the summit of the success of the working class movement in Western Europe in the second half of the twentieth century, guaranteed a right to the 'organicist' redistribution of the fruits of technical progress. But it reinforced the hierarchical character of labour organization and society, by delegating power to technocratic castes. The crisis of Fordism opens the way to a regression which is just as hierarchical, but a lot less organicist: liberal-productivism.

This is not the only path possible at the crossroads of the twenty-first century. A democratic alternative remains viable, reconciling organicism and the reduction of hierarchies, extending the scope of democracy to labour organization and social solidarity. It is based upon the collectively negotiated involvement of the producers, the dynamic guarantee of employment and the enhancement of free time. It implies a profound transformation of the 'welfare state' into the 'welfare community'. The forms of direct, and hence local, demographic

regulation will play a determining role. With his concept of 'participatory democracy', Macpherson (1977) came close to the same idea in the late 1970s.

But such an alternative could not be stabilized outside the context of a 'non-aggressive' global economic order, whose definition and character exceed the scope of this chapter and also, regrettably, the known framework of democracy.

## NOTES

- 1 The work of the 'regulation school' initially focused on the economy (CEPREMAP, 1977; Aglietta, 1979). An international conference in Barcelona in 1988 indicated the possible extension of the approach to other disciplines in the social sciences (e.g. Lipietz, 1988a). Here I shall be presenting the methodology developed jointly with Jane Jenson in the sphere of political science (Jenson, 1987, 1989a, b; Lipietz, 1988b, 1991).
- 2 For a brief account of Fordism and its crisis see, for example, Lipietz (1985).
- 3 Since the entrepreneur is usually a man, it makes no sense here to stick to gender-neutral formulations. The reality is *not* gender-neutral.
- 4 For a fuller presentation of the democratic alternative, including its international and globally ecological dimensions, see Lipietz (1989, 1993).
- 5 On the welfare state and the critique of it (left- and right-wing), see Rowbotham et al. (1979), Gough (1983) and Lipietz (1983).
- 6 On universal allocation (or basic income), see the debates in *Cahier du Mouvement Anti-Utilitariste dans les Sciences Sociales*, no. 23, 1987.
- 7 For the renewed importance of the 'local', see Chassagne and de Romcfort (1987).
- 8 On these 'contractual' relations, see Eme and Laville (1988).

## REFERENCES

- Aglietta, M. (1979) *A Theory of Capitalist Regulation: the US Experience*. London: New Left Books.
- CEPREMAP (1977) *Approches de l'inflation: l'exemple français*. Mimeo, Paris.
- Chassagne, M. and de Romcfort, A. (1987) *Initiative et solidarité: l'affaire de tous*. Paris: Syros.
- Eme, B. and Laville, J.-L. (1988) *Les 'petits boulots' en question*. Paris: Syros.
- Gough, I. (1983) Thatcherism, the New Right and the welfare state. *Cahiers de l'Association Canadienne-Française pour l'Avancement de les Sciences*, no. 16.
- Jenson, J. (1987) Gender and reproduction or, babies and the state, *Studies in Political Economy*, 20, 9-46.
- Jenson, J. (1989a) Paradigms and political discourse: protective legislation in the USA and France before 1914. *Canadian Journal of Political Science*, 22, 235-58.

- Jenson, J. (1989b) Different but not 'exceptional': Canada's permeable Fordism. *Canadian Review of Sociology and Anthropology*, special issue on comparative macrosociology, Winter, 69-97.
- Leborgne, D. and Lipietz, A. (1987) L'après-Fordism et son espace. *Les Temps Modernes*, 501, 73-114.
- Lipietz, A. (1983) Crise de l'état-providence. *Les Temps Modernes*, 448.
- Lipietz, A. (1985) *Mirages et Miracles*. Paris: La Découverte (translated into English as *Mirages and Miracles. The Crisis of Global Fordism*. London: Verso).
- Lipietz, A. (1988a) Reflections on a tale: the Marxist foundations of the concepts of regulation and accumulation. *Studies in Political Economy*, 27, 7-36.
- Lipietz, A. (1988b) La trame, la chaîne et la régulation: outils pour les sciences sociales. Paper presented at the Colloque international sur la théorie de la régulation, Barcelona 16-18 June (translated into English in G. Benko and U. Strumayer (eds), *Space and Social Theory*. Oxford: Blackwell).
- Lipietz, A. (1988c) Building an alternative movement in France. *Rethinking Marxism*, 1, 8-99.
- Lipietz, A. (1989) *Cholsir l'audace. Une alternative pour le XXI<sup>e</sup> siècle*. Paris: Le Découverte (translated into English as *Towards a New Economic Order. Postfordism, Ecology and Democracy*. Oxford: Oxford University Press).
- Lipietz, A. (1991) Governing the economy in the face of international challenge: from national developmentalism to national crisis. In J. F. Hollifield and G. Ross (eds), *Searching for the New France*. New York: Routledge.
- Lipietz, A. (1993) *Vert-Espérance*. Paris: La Découverte.
- Macpherson, C. B. (1962) *The Political Theory of Possessive Individualism*. Oxford: Oxford University Press.
- Macpherson, C. B. (1977) *The Life and Times of Liberal Democracy*. Oxford: Oxford University Press.
- Messine, P. (1987) *Les Saturniens*. Paris: La Découverte.
- Rowbotham, S., Segal, L. and Wainwright, H. (1979) *Beyond the Fragments*. London: Merlin Press.

Copyright © 1994 Alain Lipietz.