

Mirages and Miracles: The Crises of Global Fordism by Alain Lipietz.
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It is generally recognised that the sociology of development, and particularly the neo-Marxist debates that dominate it, has been in some kind of impasse for some time. To the critics, there are two major concerns: one is that methodologically and theoretically the neo-Marxist theories have committed themselves to demonstrate the 'necessity' of economic and social patterns in relation to development and underdevelopment thus condemning themselves to a type of system teleology; and the second is that such theorising has great difficulties in explaining the emergence of the Newly Industrialized Countries (NICs). It is obvious that new concepts are needed to overcome such a theoretical impasse.

Lipietz proposes three main concepts. A 'regime of accumulation' describes the fairly long-term stabilisation of the allocation of social production between consumption and accumulation, i.e. a stabilised schema of reproduction materialised in the shape of norms, habits, laws and regulating networks. The set of internalised rules and social procedures which incorporate social elements into individual behaviour is referred to as a 'mode of regulation'. And when we have a regime of intense accumulation based on mass consumption, and that it is accompanied by a mode of regulation which combines strong productivity gains and rising real wages and increasing Keynesian state policies, it becomes 'Fordism'.

According to Lipietz, with the help of Taylorism, i.e. mechanisation and job specialisation using the methods of 'scientific management', the institutionalisation of Keynesian welfare state and collective bargaining, Fordism did enjoy for a period of time its golden age with increasing enterprise productivity and rising real wages providing for both intensive accumulation and expanding markets. Thus, despite, in the epoch of competitive capitalism, there was always a danger that underconsumption would generate a crisis of overproduction, such a crisis was resolved 'internally'. However, at a certain point, when it became impossible to maintain profit levels against the growing costs of mechanisation and higher purchasing power, productivity slowed with the strengthening of labour, and Fordism moved into crisis.

However, in Lipietz's view, this crisis does not result from a lack of markets, but from the declining productivity of capital in the centre. And since attempts to restore profits through an attack on mass purchasing power could only lead to a crisis of overproduction, it follows that any lasting solution cannot simply be a recovery of demand. Faced with declining profitability, Fordism in the centre could only set out in search of cheap, and weakly organised, pools of labour in the periphery. Such expansion thus created a geographical disjuncture and a 'new international division of labour' which allowed that the sources of monopoly (technological innovation) and skilled production remained in the centre, while unskilled assembly was relocated progressively further into periphery.

Such was the beginning of the first form of the new industrialisation which may be described as 'bloody Taylorisation'. It is Taylorisation because it involves mainly labour-intensive industries such as clothing or electronics, which employ women because of their young age or their having the necessary discipline in the service of profit. It is bloody because competitive advantage here has its

basis in super-exploitation and coercive work practices. This model of industrialisation obviously is very unstable socially.

But a more developed form of new industrialisation also emerged in the 1970s. It was the legacy of an earlier policy of import substitution or a long-standing mercantile capitalism, or the result of a sometimes 'miraculous' promotion of raw materials export, or else the sequel to a phase of manufacturing exports based upon 'bloody Taylorism'. Here, with a combination of autonomous local capital, a relatively sizable urban middle class, and experienced nuclei of a working class, 'peripheral Fordism' took shape. It is 'Fordism' because it is based on the coupling of intensive accumulation and expanding markets. Yet it is still peripheral because in the world branch circuits, the job and production processes corresponding to the levels of skilled production, and above all engineering, remain largely located in the centre. Moreover, its markets are typified by a combination of consumption by local middle classes, with workers in the Fordist sectors having only partial access to consumer durables, and exports of cheap manufactures to the centre.

To Lipietz, the emergence of 'peripheral Fordism' is far from just being decentralised workshops for the industrial heartlands. In fact, some of these countries are assuming more and more features of an auto-centred industrial capitalism, a scenario which can be seen as a 'North within the South'. There are three 'miraculous' conditions for the success of such new industrialisation. One is that Fordism was undergoing a productivity crisis in the centre, while it was still enjoying the vigour of youth in the periphery. The second is that despite the crisis of Fordism, the central states pursued a pump-priming policy which offered the NICs a share in a relatively and absolutely expanding market. Finally the existence of xenodollars (a term used by Lipietz to refer to petrodollars) strengthened and supported by a lax money-supply policy in the United States, West Germany and Japan, made credits so easily available for investment in the NICs.

Yet a crisis of peripheral Fordism was also generated. Against the already difficult background of population growth, increased protectionism in the centre and the appearance of more sophisticated new technologies, began a process of reverse relocation, e.g. the textile industry and an emergent trend in the electronics industry. At the same time, as growth in the centre became slow and the main market for mass production depended heavily upon the growth of wage income in the periphery, which unfortunately was held back by the need to compete both with the centre and other periphery countries, consumption therefore was restricted. Moreover, as more and more resources (land, capital) were devoted to the export sector, less and less available to promote self-sufficiency in food.

More significantly, there was the problem of the 'chaos of social relations'. It was obvious that such peripheral Fordist economies relied heavily on authoritarian structures to sustain the high rates of exploitation in their export sectors. Yet the rise of urban middle classes and independent unionism in factories also set up a tendency demanding democratisation. With further monetary interventions from the centre countries, i.e. the attack on wage income and the deliberate raising of interest rates in order to slow down the creation of credit money, xenodollars became more expensive and harder to find. At a time when the centre markets were contracting and repayments had to be made to service their investment loans, the debt trap had closed on the new

industrialisation, leaving some countries having little other alternatives but to suspend any repayment altogether. Suddenly banks in the centre found themselves suffering from all sorts of problems ranging from difficulties in cash-flow to massive losses. Some were even driven into bankruptcy.

The success and the financial crisis of peripheral Fordism, to Lipietz, have meant that the liberal-radical dependency theories are wrong in a number of places. For one thing, the 'old international division of labour' is much less rigid. While the Fordist economies in the centre still require a cheap labour force and raw materials from other poor countries, they certainly no longer need to keep the periphery in a state of industrial non-development, or non-industrial development, in order to flood it with their products. For another, in reality, the periphery was never a homogeneous entity. The periphery, contrary to the 'development of underdevelopment' theory, is able to industrialise, to achieve economic growth, and to compete with the centre even in the most modern branches of manufacturing industry. In fact, as peripheral Fordism developed, it offered a last opportunity for the world regime of accumulation to expand as the extension of the wage system and the rising purchasing power of the middle classes in the NICs helped to increase world demand. If there is any hope of 'economic recovery' in the old industrial countries, according to Lipietz, it lies in co-operation with the South, and not in driving out the new competitors who have emerged from the old periphery. The lesson to be learnt from all these is that we must not impose a rigid, mechanical, economist and productivist Marxist dogma on our analysis of the future of the periphery; nor should we put all the blames on the centre for all the difficulties, financial and cultural 'dependency' on the centre, the periphery have experienced. Apart from the extreme cases of countries whose extremely low level of capitalist and technological development has condemned them from the start to escape domination only by radically breaking away from the norms of so-called development, no external destiny or general law of capitalism can dictate to any country its place in some preordained division of labour. It is still people who make their own history.

Lipietz has produced a difficult book for his readers. His analysis, couched in Marxist and economic languages, often demands much concentration and effort. His provisions of economic events and case studies are both comprehensive and useful, frequently require serious attention and patience to digest. His use of Fordism as a central conceptual tool is not particularly original, but it is at least effective in getting around to the problems posed by the dependency approach of theorising. One can even say the attractiveness of it is that in giving centre stage to the concept of Taylorism, he gives a much more holistic approach to world-system analysis. His demonstration of using empirical evidence in dialogue with theory and theorising is much appreciated and applauded, but one remains uncertain of any realistic strategies for the development of the less developed.

Eagerly the impasse in sociology of development still awaits a breakthrough.

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