

The Crisis of Fordism and the Crisis of Capitalism

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Introduction: The Crisis of Fordism, the Limits of Neo- Liberalism and the Promise of Post-Fordism

The disintegration of the state socialist regimes in Eastern Europe cannot be seen as an isolated phenomenon, for it is only the final and most dramatic manifestation of a process which has been unfolding over the past two decades throughout the world. The popular rejection of centralist bureaucratic and authoritarian regimes has been a common feature of political developments in both East and West. Stripped of its political labels, the crisis of state socialism can be seen as a moment of a broader crisis of the state, a crisis which undermined not only the state socialist and social democratic projects, but which can equally be seen in the ‘crisis of the dictatorships’ in Southern Europe, Latin America, South Africa and East Asia.¹

These developments cannot be seen simply as the results of a political movement, expressing the unquenchable democratic impulse of the human spirit which finds its necessary reflection in the freedom of the market and of the liberal democratic state. More fundamentally it has to be seen as an expression of the growing failure of the state to achieve the economic tasks which it set itself, a failure which has eroded the legitimacy of the interventionist economic strategies which supposedly necessitated the development of ‘corporatist’ state institutions. Correspondingly, the project which has been forced onto the political agenda by the crisis of the interventionist state has been that of constructing new political forms which can both articulate and legitimate alternative economic strategies.

Although it was the New Right which rode the political wave of the 1980s, it should not be forgotten that the New Left had articulated an equally powerful, and far more radical, critique of the state in the 1960s and

¹I am very grateful to Tony Elger, Syd Houghton, Bill Taylor and Graham Taylor for helpful discussion of the issues explored in this paper.

the 1970s. However the power of the New Left's critique was not matched by its provision of any coherent alternative to the discredited economic strategies of social democracy and state socialism to match the simplicity of the Right's appeal to the panacea of the market. The New Right's programme of liberalisation and privatisation, backed up by the vigorous enforcement of the 'rule of law', responded to the political pressures on the state by dismantling or privatising those apparatuses which had been the immediate focus of political unrest; secured its political base by the selective redistribution of income in favour of electorally strategic sectors of the population, and, above all, by engineering a military-Keynesian boom, fuelled by the explosion of credit in the metropolitan capitalist world, which enabled it to claim that it had performed the economic miracle which had so manifestly eluded the Left.

By the end of the 1980s the hollowness of this claim had become clear. The boom was no miracle, but only an old-fashioned credit boom, in which inflationary pressures had been kept in check by the selective character of the expansion and by the selective distribution of its rewards, with wages kept in check by high unemployment and aggressive management, and commodity prices kept in check by the credit squeeze on the third world. The crash of 1987 revealed the precarious foundations of the mountain of debt on which the 'economic miracle' had been built. The crisis of poverty in the inner cities and in the Third World showed how limited had been its achievements. The re- appearance of inflationary pressures faced governments with their all- too-familiar dilemmas, revealing the extent to which the expansion of credit had not been matched by the growth of industrial investment and productivity. Although a new wave of liberalisation in Eastern Europe and in the Third World throws out a lifeline to the New Right, and may provide scope for a renewed, if extremely uneven, expansion of global capitalism, it cannot provide a way of overcoming the limits of the neo-liberal strategy, whose ultimate failure is inevitable.

The promise of the ultimate failure of neo-liberalism opens up new possibilities for the Left, but if the Left is to capitalise on those possibilities it has to provide a convincing and effective alternative strategy, a strategy based on the economic and political realities of the 1990s. Much of the Left retains a nostalgia for the golden years of social democratic optimism, but recognises that there can be no return to the old social democratic model. This recognition does not imply a rejection of the past, for the old model supposedly served its purpose in its time. In the pink haze of the social democratic memory the 1950s and 1960s were years of growing prosperity and social

harmony, with the ‘Keynesian Welfare State’ realising the social democratic vision of a society which combines the economic dynamism of capitalism with the political values of socialism. The ‘crisis of social democracy’ was not a crisis of the vision, but only of the old model of its realisation, a crisis which was engendered by fundamental economic changes which rendered a model of socialism centred on a monolithic and bureaucratic state inappropriate to the regulation of new forms of capitalist enterprise. However, growing economic, social and environmental crises show that the neo-liberal model of de-regulation does not provide a viable alternative, even in its own terms. The central task which social democracy has set itself is that of constructing a new model, based on new modes of regulation appropriate to the new forms of production, through which to realise the old vision.

A range of new theories have emerged which try to articulate the strategic opportunities which economic developments are supposedly opening up for social democracy.² Despite considerable theoretical and political differences between the different theories they are all based on a sociological critique of the liberal theory of the market, asserting that the sustained accumulation of capital is only possible within a particular institutional framework of social and economic regulation which is able to reconcile capital accumulation with social harmony. None of these theorists explain *why* the competitive process does not work, nor how their proposed alternatives can replace it. Indeed their analyses are fundamentally incoherent. On the one hand, they betray the Keynesian confusion between micro- and macro-economic analysis in proposing to remedy the deficiencies of market mechanisms of *microeconomic* adjustment with *macroeconomic* mechanisms of social regulation. On the other hand, this is compounded by sociological confusion between qualitative and quantitative aspects of capitalist reproduction.³

These various theorists also agree in asserting that there is not an unique model of capitalist regulation, but a range of alternatives, each of which is more or less severely constrained by the conditions of the technical and economic co-ordination of the dominant forms of capitalist production. They

²The most influential such theories are French Regulation Theory, pioneered by Michel Aglietta and popularised by Alain Lipietz; Social Structures of Accumulation Theory, developed primarily by Tom Weisskopf, Samuel Bowles and David Gordon; and the theory of Flexible Specialisation, developed above all by Michael Piore and Charles Sabel.

³The most rigorous formulation of the theory is that of Aglietta, which I have criticised at length in ‘Overaccumulation, Class Struggle and the Regulation Approach’, *Capital and Class*, 36, 1988, pp. 59–92, reprinted in Werner Bonefeld and John Holloway, eds, , Macmillan, 1990. The most influential work is probably that of Sabel and Piore, devastatingly criticised in Williams et. al.

also agree that the post-war boom, and the emerging social democratic hegemony of the 1960s, was founded in a form of production characterised, following Gramsci, as 'Fordist'. The crisis of social democracy of the 1970s was accordingly an expression of the breakdown in the 'Fordist' modes of regulation, which was in turn a reflection of the limits of Fordist production. Finally, there is a growing consensus that the 1990s will see the forging of new modes of regulation, appropriate to new forms of production, which define both the constraints on, and the opportunities for, new political strategies. The characteristics of these new forms of production are not yet clear, and the precise modes of regulation appropriate to those forms have yet to be determined, but the contours of 'post-Fordism' are already emerging in the more dynamic sectors of production and in the more dynamic regions of the world economy.

These theories have proved extremely influential, and have rapidly come to dominate debate on the social democratic left. However this dominance does not rest on the rigour of their underlying theories, which indeed have become progressively less rigorous and coherent over time, but on their ideological appeal, which rests on the persuasiveness of the models of 'Fordism' and of 'post-Fordism' which they derive. Although the details of the models differ from one author to another, their essential features can be very briefly described.

Fordism is based on the mass production of homogeneous products, using the rigid technology of the production line with dedicated machines and standardised ('Taylorist') work routines which secure increased productivity through economies of scale, the deskilling and homogenisation of the labour force, and the intensification of labour. This gives rise to the phenomenon of the mass worker, organised in bureaucratic trades unions which negotiate uniform wages that rise in line with productivity increases, and represented by monolithic class-based parties. Homogeneous consumption patterns reflect the homogenisation of the working class and provide a market for homogeneous commodities, while wages rising in line with productivity provide growing demand to match growing supply. The overall balance between supply and demand is achieved through Keynesian macroeconomic policies, while the overall balance between wages and profits is achieved through collective bargaining, superintended by the state. The education, training, socialisation, healing and after-care of the mass worker is organised through the mass institutions of a bureaucratic welfare state. Together these institutions, which finally came together in the 1950s and found their purest expression in the social democratic project of the Keynesian Welfare State,

define a virtuous circle of rising living standards and rising productivity, rising wages and rising profits, economic stability and social harmony.

The limits of Fordism are technical, economic and social. The technical limits are defined by the exhaustion of the possibility of raising productivity by achieving economies of scale, by de-skilling workers and by intensifying labour. The economic limits are defined by the falling rate of profit which results variously from the rising organic composition of capital, rising wages in the face of declining productivity growth, or the limited market for homogeneous consumer goods as incomes rise. The social limits are defined by the growing pressure on profitability, on managerial prerogative and on public finances imposed by the growing demands of the mass worker.

The crisis of Fordism leads to economic, social and political fragmentation out of which a new 'post-Fordist' regime can be seen to be shaping itself. As Fordist production approaches its limits new methods of production begin to emerge in the attempt to find new ways of raising profits. The saturation of mass markets leads to a growing differentiation of products, with a new emphasis on style and/or quality. More differentiated products require shorter runs, and so smaller and more flexible production units and production relationships. New technologies provide the means by which such flexible production can be profitably undertaken, but these new forms of production have profound implications. More flexible production requires more flexible general purpose machines, and more highly skilled 'polyvalent' workers to set-up and operate those machines. Greater skill and flexibility requires that workers have a higher degree of responsibility and autonomy. More flexible production also requires more flexible and de-centralised forms of control of production, while more flexible production relationships require the dismantling of corporate bureaucracies and their replacement by co-operative networks of autonomous producers. The aspirations of the more highly differentiated labour force can no longer be met by the monolithic and bureaucratic 'Fordist' trades unions and political parties. Decentralised bargaining is required to negotiate more complex and individualised payments systems, which reward skill and initiative. Differentiation of the mass worker leads to the emergence of new identities, which may not be occupationally defined but which may be expressed in differentiated consumption, in life styles and in new cultural identifications, reinforcing the demand for more differentiated commodities, and eroding the old class basis of political identification. The welfare, health, educational and training needs of a differentiated workforce can no longer be met by the standardised forms of provision of a bureaucratic welfare state, but only by differentiated in-

stitutions which respond flexibly to individual needs. The balance between supply and demand in differentiated markets, and between wages and profits in differentiated production conditions, can no longer be achieved by macroeconomic regulation and a corporatist industrial relations system, but only by de-centralised and differentiated institutions.

For most commentators these developments are not inevitable. Although the ‘post-Fordist’ model promises to secure the conditions for economic prosperity and social harmony, and provides new opportunities for human fulfilment and democratic control, there is no inherent reason why such a utopia should be achieved. The realisation of the Fordist dream took the best part of fifty years, and had to overcome political opposition all along the way. Today there are social and political forces which remain attached to the old order, and which will use their power to inhibit its emergence. The leaders of the bureaucratic and centralised trades unions and class-based parties will not willingly abandon their power and privileges, any more than will industrial managers and civil servants. Short-sighted employers will always be ready to look for quick and easy profits by forcing down wages, intensifying labour, and cheating customers and suppliers. Investors will always be on the look-out for easy speculative profits rather than taking on the risky task of investing in new forms of production. Mass producers will respond to competition by tinkering with their products, seeking to create the impression of differentiation through marketing and packaging instead of through design and flexible production, and by forcing down wages and intensifying labour. Thus the model of ‘post-Fordism’ does not depict an inevitable future, but defines a political project. Nevertheless its ideological appeal lies in the fact that, lacking any significant social base, it can rest its claims on its historical necessity.

This story is certainly a beguiling one. But what basis do we have for believing that it is true? Even its staunchest advocates have been able to discover only a few isolated examples of the new system of production, to say nothing of the new forms of regulation which it supposedly requires, and they have to recognise that even these examples are but an imperfect realisation of their system, often associated with a wider production system which rests on a dualistic labour market involving the extensive use of the sweated labour of women and immigrant workers in numbers far greater than the few privileged white workers employed, and often associated with the most illiberal chauvinistic, racist and sexist values which place little

premium on human fulfilment and human liberation.⁴ ‘Post- Fordism’ is not a reality, but a promise.

Nor do the various proponents of ‘post-Fordism’ provide any coherent theoretical argument to justify the harmonious relationship between the economic, social and political institutions which they propose. The promise of ‘post-Fordism’ derives entirely from the claim that it is ‘Not-Fordism’, and so can overcome the limits of Fordism, which is supposedly doomed by its ‘inflexibility’. But this claim rests on the adequacy of the characterisation of ‘Fordism’ employed. In the first half of this paper I want to address the fundamental question: What is Fordism?

I will first look at the Fordist technological revolution, in order to question the above characterisation of the technology of Fordist production. The argument is that the general significance of the Fordist technological revolution was that it marked the culmination of the penetration of capital into production, and in this sense ‘Fordism’ is synonymous with capitalist production. On the other hand, Ford’s own application of the principles of capitalist production was marked by a degree of inflexibility, such as is indicated in the ‘post-Fordist’ model, but this inflexibility was not inherent in the system, and was abandoned by the end of the 1920s. The conclusion is that there is no reason to believe that Fordist production, in the general sense, is inflexible. On the contrary, the principles of Fordism have proved applicable in an extraordinarily wide range of technical and social conditions.

I go on to look at the Fordist revolution in consumption. The technology of Fordism made a new range of products available to a mass market. Thus Fordism, particularly in its application to the auto industry, precipitated a revolution in consumption. According to the theory of ‘flexible specialisation’ the inflexibility of Fordist technology, and the homogeneous tastes of the homogeneous worker, determined the undifferentiated character of this mass consumption as an essential moment of Fordism. By contrast I argue that the Fordist consumption revolution was quite the reverse, the flexibility of motor transport breaking through the rigidity of the railway age.

Fordism was not just a new technology. More fundamentally, the introduction of the technology required new forms of social organisation of the labour process, which I explore in the next section. The Fordist organisation of the labour process hinges on the question of control. However this organisation is not determined by the imperatives of technology, but by the re-

⁴Anna Pollert, ed., *Farewell to Flexibility*, Tony Elger, etc

quirements of profitability. The element of inflexibility derives not from the technology, but from the capabilities and aspirations of the workers, which motivates their resistance to the demands of the employer, both individually and through their trades union organisations. The constraint imposed by Fordist technology is not an expression of technological inflexibility, but of any capitalist employment of co-operative methods of production, which requires the forging of a 'collective labourer' under capitalist control. Thus the forms of organisation of the labour process are determined through a permanent class struggle over the social organisation and capitalist control of the collective labourer.

This struggle for control, which involves not just production but every aspect of the workers' lives, is necessarily a permanent struggle which can never be finally resolved, for it rests on a fundamental conflict between the workers' aspirations and the imperatives of capitalist profitability. Nevertheless the conflict has to be provisionally resolved if workers and capitalists are to secure their own economic and social reproduction on the basis of capitalist production. The development of the social organisation of labour is therefore a dialectical process, in the strict sense that it represents a resolution of the conflict between capital and labour, which expresses the constitutive contradiction of the capitalist mode of production, which in turn defines the social forms within which the struggle continues. Every resolution of the conflict is therefore only the basis for its renewal. In this sense the social organisation of the labour process cannot be explained as an expression of a particular technology, but only as an historically developed form of the class struggle.

As far as the capitalist is concerned the permanence of class struggle is not a necessary expression of the contradictory form of capitalist production, but of the intransigence of workers whose resistance prejudices their own prosperity in undermining the profitability of capitalist production. More broadly, as the organisation of the workers moves outside the sphere of production to make political demands, their intransigence threatens the financial and political stability of the state, and so the reproduction of society as a whole. While capitalists and politicians may recognise that workers have a distinct interest, they also insist that the workers' interests must be subordinated to the need to secure the expanded reproduction of capital and the stability of the state. The refusal of the workers to accept this subordination thus appears as the irrational expression of their intellectual and moral inadequacy. It is this perception which underlies the broader project of Fordism, which is not simply to create a new form of organisation

of labour, but to create a new form of society, built on institutions through which conflicts of interests can be rationally resolved, and a New Man, with the moral and intellectual qualities required by this new society. This is the Fordist sociological project.

This sociological project is necessary, giving ideological direction and a strategic perspective to the vain attempts of the capitalist class to resolve the class struggle. At the same time, if it is the case that capitalism is based on a necessary conflict between capitalists and workers, it is clear that the project, which aims definitively to resolve this conflict, can never be realised. In this sense the Fordist sociological project is a utopia. Again the Fordist sociological project is not a static project, but must develop dialectically as it continues to confront barriers to its resolution. This means that there cannot be one Fordist project, adapted to the structural requirements of Fordist production, but a range of utopias, each appearing in almost infinite variety, some of which may prove temporarily more successful than others, but none of which can ever be realised. In the next part of the paper I explore some of these utopias. The aim is not to provide a comprehensive comparative and historical account of the rise and fall of 'Fordisms', which would be no less than the history of capitalism, but only to give some historical depth to the argument that the 'Fordism' of the 1960s was no more successful in securing prosperity and harmony than had been any of the previous Fordist utopias, and so that its crisis no more spelt the death of Fordism than had any previous crisis.

In the last part of the paper I will indicate an alternative interpretation of the crisis of the 1970s, drawing on earlier accounts of the 'crisis of Fordism' and of the fundamental restructuring of capitalism which has been taking place through the 1980s, an interpretation which defines a quite different political agenda for the 1990s.

The Life and Works of Our Ford

The Fordist technological revolution

Where better to begin our quest for the truth of the Fordist gospel than with the technical revolution which Henry Ford carried through at the Ford Motor Company. The story is well known, and doesn't need much re-telling.⁵

⁵Hew Beynon, *Working for Ford*, Penguin, Harmondsworth, 1973, Chapter One gives a concise version of the story. Stephen Meyer III, *The Five Dollar Day*, SUNY Press, Albany, 1981 is very useful. Henry Ford *My Life and Work*, Garden City, New York, 1922

There was nothing original in either the detail or the general principles which Our Ford applied to the production of motor vehicles. The decomposition of tasks, the specialisation of tools, the assembly of tools into the machine, and even of machines into the machine system, were all typical of the transformation of craft production into large-scale industrial production, a process which had already proceeded further in the US than anywhere else, spurred on particularly by the scarcity and organised strength of skilled workers.⁶ The originality of Our Ford's project was that he applied these principles to a new branch of production, and he applied them with such a single-minded ruthlessness that he transformed the conditions of production of motor vehicles almost overnight.

Although Ford's achievement is popularly attributed to his introduction of the assembly line, and this certainly provided the most rapid and dramatic increases in productivity, this was only a small part of the revolution he carried through.

On the one hand, the introduction of the assembly line presupposed the mass production of standardised and interchangeable parts to a very high tolerance, which could only be achieved by specialist machines, which permitted both the deskilling of skilled work and the rigorous separation of production from assembly. Once this had been achieved the development of the assembly line was almost a formality. The most complex line, that of chassis assembly, took only six months to develop. Although this led to an immediate sixfold cut in the labour required to assemble the chassis, this only represented a saving of 10 hours of labour-time, or about two dollars fifty in wage costs, for a car which was selling for around five hundred dollars.

On the other hand, the development of an organic system of production internalised the sources of technological development. The fragmentation of tasks and of work processes meant that production bottle-necks were clearly and immediately identified, providing well-defined technological and/or organisational problems for Ford's engineers and production managers to tackle. It also meant that technological changes could be introduced dis-

is the sacred text.

⁶The general principles were first systematically expounded by Marx in his unsurpassed discussion of 'Machinery and Modern Industry' in *Capital*, Volume 1, a discussion which could apply, with barely a word changed, to Ford's project. In this sense Fordism is 'a shorthand term for the organisational and technological principles characteristic of the modern large-scale factory' (Charles Sabel, *Work and Politics*, CUP, Cambridge, 1983, p. 33), although, as we will see, these principles are applicable to all forms of collective labour.

cretely, replacing individual tools or machines or altering the organisation of particular shops, without having to transform the system of production as a whole. Thus Ford's revolution was not exhausted by the introduction of the assembly line. It did not mark a one-off technological change, but the internalisation of technological dynamism, and the incorporation of scientific and technical progress into the labour process. In this sense the Fordist fragmentation of tasks and standardisation of components introduced a new *flexibility* to the labour process which was the condition for technological dynamism, and so the culmination of the penetration of capital into production.

To avoid needless repetition the point probably needs to be emphasised once and for all: 'Fordism' broke down what had been an extremely rigid technology, and an equally rigid organisation of the labour process, into its component parts, in order to reassemble it according to the principles of its own rationality. While there is no inherent virtue in 'flexibility' for its own sake, and established methods may certainly become a barrier to further development, the constant technological dynamism inherent in the principles of Fordism implies a maximum of flexibility and adaptability of methods of production. Moreover, while Fordism deskilled large parts of direct production labour, it also created a need for new skills. On the one hand, to keep the line moving Ford needed a stratum of workers with 'polyvalent' skills to fill gaps in the line, overcome bottle-necks and maintain machinery. On the other hand, the dynamism of Fordism, which had to be sustained to maintain a plant's competitive edge, implied the constant development of new tools, dies and machines which could only be developed by highly skilled workers, using flexible and general purpose machines.⁷

Ford's project was associated with a number of further characteristics which probably were essential to his own achievement, but which introduced elements of rigidity which soon proved to be a barrier to the further development of Fordism. In particular Henry Ford saw the vertical integration of production and the standardisation of the product as essential elements of his revolution. Vertical integration was necessary in the first instance because of the need to apply Fordist principles to the production of all the component parts of the motor vehicle. However, once these principles had been adopted by component producers, vertical integration presented a barrier

⁷On the flexibility of Fordism see Karel Williams, Tony Cutler, John Williams and Colin Haslam, 'The End of Mass Production', *Economy and Society*, 16, 3, 1987, pp. 405–439.

to their further development because independent suppliers could achieve further economies of scale and of rationalisation by supplying identical components to a number of manufacturers.⁸ The issue of vertical integration, as opposed to sub-contracting or purely market relations, is a complex one, involving a range of advantages and disadvantages associated not only with technological constraints, but also with legal, financial, commercial and competitive considerations, as well as considerations of labour control. ‘Fordism’ requires the central co-ordination of the production process, and the integration of the parts into the whole, as moments of the expanded reproduction of capital. But in particular circumstances this subordination may be achieved as well, or as badly, through the anonymous processes of the market as by centralised bureaucratic regulation or by co-operative networks.

Similarly, the standardisation of the product was probably necessary at first in order to provide long enough runs to carry through the rationalisation of production and the standardisation of components. But once this was achieved standardisation of the product was a barrier to the further development of the technology of the factory. The massive growth in production of the model T, and the equally rapid growth of a second hand market, meant that the market for the basic car soon approached saturation. On the other hand, the market for more sophisticated cars remained too restricted to support Fordist production methods on its own. Ford’s failure fully to appreciate that the key to his revolution lay in the standardisation of components, not the standardisation of the product, left open the gap which General Motors immediately filled by diversifying their model range. In this sense ‘Sloanism’ cannot be counterposed to Fordism since it is only the development of the principles of Fordism, removing barriers erected by the limited vision of Our Ford. It was the application of the principle of using standard components for the production of a range of models, and even as parts of quite different commodities, which permitted the rapid diffusion of Fordist production methods.

If ‘Fordism’ is to be identified narrowly with either the technical and

⁸Thus the OEEC report on the development of the European motor industry after World War II warned against vertical integration on these grounds. The report is a fascinating glimpse of Proto-Not-Fordism, emphasising the decentralisation, multi-sourcing, sub-contracting of the US auto industry, and the centrality of the standardisation of parts to the ability of the industry to reconcile high productivity with a wide model range. Chrysler was typical in sourcing from 10,000 suppliers of auto parts in 42 states, 75 per cent of whom employed fewer than 100 workers. OEEC, *Some Aspects of the Motor Vehicle Industry in the US*, OEEC, Paris, 1952.

organisational achievements or the production philosophy of Our Ford, we have to conclude that Fordism had failed by the 1930s, to be replaced by more flexible forms of production, which alone made the wider diffusion of Fordist principles possible. However, these features are so clearly peripheral to the revolutionary significance of Ford's project that it makes much more sense to discard them, and to identify Fordism more broadly with the decomposition and recomposition of the labour process as the basis for the generalisation of industrial production methods and the internalisation of the sources of technological dynamism. In this sense we have to regard Fordism as synonymous with the general principles of capitalist production, as developed by Marx and first systematically implemented by Ford.

The Fordist revolution in consumption

Fordism involved not only a revolution in technology, but also a revolution in consumption, Ford's project depending on his vision of the motor vehicle as the basic means of transport. This revolution was by no means associated with a narrowing of choice, with the suppression of differentiation, or with the homogenisation of either products or consumers. Before the model T you could buy any mode of personal transport as long as it was a horse. Ford offered a more limited range of colours than could be provided by horse-breeders, but there was more scope for bolt-on additions than the simple horse-brass. With the generalisation of Fordist production methods other manufacturers soon moved into the mass market, offering middle class consumers a range of choice which had hitherto been available only to the ultra-rich. Moreover the standardisation of components, and improvements in vehicle technology, extended the benefits of Fordism, in terms of both price and reliability, to specialist luxury and custom producers. Although hitherto every horse, cart and carriage had been unique, physiological, technological and economic constraints meant that there had in fact been a very limited range of distinct models available.

The rapid reduction in the cost of production of motor vehicles transformed them from a luxury toy into the element of a new mode of mass transport, which restored the flexibility and individuality of personal transportation which the railway age had threatened to destroy, although the need for cambered roads meant that the car could never match the flexibility of the horse. The motor-bus cut the costs and increased the capacity of local public transport, enormously increasing the mobility of the working class in search of work and in pursuit of leisure.

The impact of the development of commercial road transport was at least as significant as the development of the private motor car. The growth of the railways had been an enormously powerful and pervasive lever of the concentration and centralisation of capital, not only in railways and the directly associated industries, but also in industries as varied as banking and finance, steel and coal, commodity dealing and wholesale and retail trade. This was not only an effect of the concentration and centralisation of railway capital, but also because of the rigidity of the railway system. The railways had opened the mass market, but had enormously narrowed and concentrated the channels of access to that market. The concentration and centralisation of capital in a whole range of consumer goods industries had led to competition based on the differentiation of homogeneous products and on the industrial processing of raw materials to provide a rapidly widening range of consumer goods, but at the same time the rigidity of railway transport confined such opportunities to the largest corporations, while restricting the distribution of their products. The development of road transport overcame this barriers, both extending the distribution of the new range of consumption goods, and providing smaller producers with access to the new mass markets.

The Fordist transport revolution transformed the relation between town and country. The revolution in production and consumption inaugurated by the railway age had been essentially an urban revolution, which largely passed by those communities which had no railway station. The growth of motor transport extended the revolution to the countryside, integrating the most remote hamlet into the single framework of capitalist reproduction, and laying the material foundations for the revolution in mass communications provided by the development of radio and then tv.

Finally, the generalisation of Fordism made possible an enormous diversification of mass consumption, as the standardisation of components made it possible to assemble an almost infinite variety of products without losing the benefits of mass production. In all these respects the 'revolution in consumption' acclaimed by contemporary proponents of 'post-Fordism' is directly or indirectly not a reaction against Fordism, but a development which was a direct consequence of the Fordist revolution.⁹

⁹There is no basis whatever for the assertion that 'economies of scope', whatever they may be, are incompatible with 'economies of scale'. Indeed it is much more plausible to argue that the latter are the foundation of the former. Chandler, 1990.

The Fordist transformation of the labour process

The Fordist revolution involved not only a technical revolution and a revolution in consumption, but also a revolution in the social relations of the immediate process of production. This revolution had, in the first instance, two elements.

First, the rigorous decomposition of tasks, including the rigid separation of skilled from unskilled tasks, permitted the rigorous differentiation of the labour force. This was both conditioned by and reinforced the existence of a 'dual labour market' composed of a small stratum of skilled workers and a mass of unskilled immigrant workers.¹⁰

Second, the transition from craft to industrial production threatened to reduce the labourer to a cog in the industrial machine. The industrial labour force no longer comprised a more or less co-ordinated mass of discrete individual workers and work-groups, each of which was under the direction of a skilled or supervisory worker. Fordism sought to fuse the labour force into an organic whole, a genuinely collective labourer, in which the productive contribution of each individual and group was dependent on the contribution of every other. The distinction between these two aspects of the development of the industrial labour process is essentially the distinction between 'Taylorism' and 'Fordism'. Taylorism decomposes tasks and assigns those tasks to individual workers, while Fordism recomposes the tasks by welding the individual labours into a human machine.¹¹

The 'flexibility' and 'autonomy', which are supposedly characteristic of the skilled craft worker, are certainly a barrier to the Fordist socialisation of production, whose full development depends on the worker performing his or her allotted task, however skilled or unskilled it might be, in the allotted place, at the allotted time. For this reason craft workers tend to resist the 'Fordising' of the labour process, the destruction of craft unions being a precondition for the full capitalist application of Fordist principles. However this is not a requirement imposed by technology, whether it be 'Fordist'

¹⁰The idea that Fordism creates a homogeneous mass worker, to be replaced by the dual labour market of 'post-Fordism' is patently absurd. Not only did Fordism create new categories of skilled manual worker, it also created a growing 'new middle class' of managerial, technical and supervisory workers, the cost of which by the 1930s threatened to bankrupt Ford, requiring, as we will see, new forms of labour organisation.

¹¹Christian Palloix, 'Le procès de travail. Du fordisme au néofordisme', *La Pensée*, 185, February 1976. Translation in the CSE/Stage One pamphlet, *The Labour Process and Class Strategies*, 1976. In this sense too Fordism is only the full development of Marx's characterisation of the development of the capitalist labour process.

or ‘Not-Fordist’, but by the capitalist subordination of technology, and the associated social organisation of labour, to the task of minimising labour time and accelerating the turnover of capital, a task which the capitalist neglects at his peril. Thus the extent to which the autonomy of the worker was in fact subordinated to the human machine was determined not by technology, but by a persistent class struggle, which in turn constrained the particular ways in which Fordist principles were institutionalised at different times and places.

In the United States employers had been able to exploit the mass influx of immigrant workers, and the very sharp sectional and racist divisions within the trades union movement, to destroy craft unions and, temporarily, to establish almost unchallenged capitalist control of production. In Europe the employers did not enjoy such favourable circumstances. Although they had broken the power of syndicalism by the mid-1920s, they still had to take account of the interests of skilled workers, and to organise the labour process in such a way as to reproduce and reinforce inherited divisions within the working class.¹² This in turn reproduced the differences in the skill composition of the working class and the institutional forms of class relations which distinguished Europe (and Japan) from the US. That Fordist principles could nevertheless be generalised is testimony once again to their flexibility.

The full ‘Americanisation’ of industry could only have been achieved by confronting shopfloor power to establish ‘management’s right to manage’, a right which skilled workers had never recognised. This was the primary consideration which underlay the resistance of European capitalists, as well as workers, to the ‘Americanisation’ of European industry right up to the 1950s and beyond. To the extent that Fordist production methods were established outside the United States before 1939, they had very largely been adapted to local conditions, whether the militarisation of labour in Japan and in the labour camps of the Third Reich, the fascist corporatism of Germany and Italy, the workerist productivism of the Soviet Union, or the more archaic industrial relations framework of Britain. While new technology could be introduced, and healthy profits earned, on the basis of negotiation within the existing framework, there was no incentive to change. In Germany, Italy and Japan even the destruction of the trades unions by fascism, war and

¹²Thus even Ford’s own attempt to import his methods to Europe was not completely successful, despite every attempt to prevent the development of shop-floor trades unionism. C.f. Beynon, *op. cit.*; Ferruccio Gambino, *Workers’ Struggles and the Development of Ford in Britain*, Red Notes, London.

occupation did not completely clear the ground for Fordism, not least because of the need in the period of reconstruction to ‘make the world safe for democracy’. In Britain it was not until the 1970s that employers sought to restructure skills and shop floor trades union organisation, a restructuring which was thoroughly Fordist, although facilitated by new forms of technology.

It is a commonplace that the development of new technology and the social organisation of the labour process are moulded by the wider context in which they take place. In this sense Fordism is a project (to subject the working class, and indeed the whole of society, to the technology of relative surplus value production) which can never be completely realised. The other side of this commonplace is that the technology has to be sufficiently flexible to be able to accommodate human imperfections and human resistance. Neither tasks nor workers can ever be perfectly standardised, so that a degree of flexibility has to be built into the industrial system to ensure that normal variations in the pace of work can be absorbed without bringing the whole system to a grinding halt. This may involve the holding of buffer stocks, reduction in the speed of the line, provision of a body of relief workers, permitting workers to move up or down the line, the breaking up of the process into discrete groups, etc. This in turn implies that the willingness and ability of the worker to perform his or her allotted task cannot simply be imposed by the technology, for the flexibility which has to be built in to allow for individual variations and interruptions can easily be exploited by workers, individually and collectively, to re-create a degree of autonomy and to relieve the burden of work.¹³ On the other hand, the benefits of the system for capital will be progressively eroded if the system is simply adjusted to the needs and aspirations of the workers.¹⁴ Thus the industrial system, far from providing a technological solution to the problem of regulation of labour, brings the problem of labour control to the fore.

The problem of labour control was by no means new. It has been capital’s fundamental problem since it first sought to establish control over produc-

¹³Thus Aglietta is quite wrong to claim that ‘workers are unable to put up any individual resistance to the imposition of the output norm, since job autonomy has been totally abolished’ (Michel Aglietta, *Theory of Capitalist Regulation*, NLB, London, 1979, pp. 118–9) so that ‘assembly-line work tends to unify workers in an overall struggle against their conditions of labour’ (ibid., p. 121).

¹⁴Of course this did not apply to the deskilling and routinisation of work to match tasks to the abilities of the large reserve of immigrant labour, an adjustment to the restricted ‘needs’ and ‘aspirations’ of an oppressed group of workers which proved extremely profitable to Our Ford.

tion, and it has tried a wide range of different approaches, none of which has ever provided a lasting solution. But without appropriate forms of control of the labour force, new technology is useless to the capitalist, however much more productive it might be. Thus the resolution of the problem of labour control was a condition for the profitable introduction of Fordist technology.

The traditional method of controlling labour in craft production was through the payment of piece-rates, with supervision achieved through skilled workers, on the basis of internal sub-contracting and the gang or helper systems. Taylorism involved the rigorous individualisation of the piece-rate as the means of monitoring and regulating the effort of every worker. However such a method of payment was inappropriate to the new collective forms of organisation of labour in which individual productive contributions were subsumed under the whole. On the other hand, the technology could not in itself serve to impose a collective discipline on the workers. Thus labour control could only be based on a combination of the technical subordination of the worker to the machine, enforced by external supervision and reinforced by new methods of encouraging the worker's subjective motivation. I have already noted the constraints which impeded the attempt to export Henry Ford's methods to the different contexts of Europe and Japan. But even in his own plants Ford's dream was soon shattered.

The Fordist Regulation of Labour: the Five Dollar Day

The problem of labour control appeared in a number of different forms in Ford's plants: interruptions in production, deterioration in quality, absenteeism, sickness, labour turnover and the growth of trades union activity. All these problems threatened to undermine Ford's technical achievements. The first attempt to combat these problems, in late 1913, involved the creation of a new 'skill-wages' ladder, to reimpose a hierarchical structure on the labour force and to provide incentives, and a Savings and Loan Association, to combat insecurity, but this had little impact. In 1914 Ford introduced a much more radical scheme, which used higher wages and pervasive supervision in an extremely ambitious exercise in social engineering, the 'Five Dollar Day', which cut working hours and promised a more than doubling of pay, in the guise of 'profit sharing', for those who conformed to the standards set by Our Ford.

The Five Dollar Day involved a more radical restructuring of job categories, but more importantly it was used to set standards of morality and behaviour both on and off the job. Only mature workers with six months

service whose moral and personal habits passed stringent tests were eligible for the bonus payments. To enable them to pass these tests, Our Ford set up churches and established a welfare and education programme to provide moral guidance, to teach English, to inculcate American values and to build the American Way of Life. Workers who failed the tests were allowed a period of probation before dismissal. The Sociological Department was set up to develop, monitor and enforce the scheme.¹⁵ Needless to say there was no place for the mass worker, or trades unions, or full employment, or the welfare state in Ford's individualistic and family-centred vision.

The initial impact of the new scheme was dramatic. Absenteeism fell from ten per cent to less than half a per cent. Labour turnover fell from nearly 400 per cent to less than 15 per cent. Productivity rose so dramatically that despite the doubling of wages and the shortening of the working day production costs fell. However Ford could not afford to pay high wages for very long. While inflation eroded the wage gains, the market for his car remained limited, despite the continued fall in price, and Ford faced growing competition from those who had followed his lead, but who had taken his revolution further. General Motors offered a greater product range, while the growing second-hand market undercut the model T. Nevertheless it was Ford, not Fordism, that was too inflexible to respond to these changes. Ford remained convinced of the wisdom of his ways, and sought to meet growing competition by further cutting costs. However, technological improvements alone could not cut costs sufficiently to restore Ford's fortunes, the only alternative being wage cuts and the intensification of labour, enforced not by high pay, but by rigid and ruthless discipline, imposed by the re-named 'Service Department', with its private police force and its network of spies inside and outside the plant.

However Ford's increasingly repressive methods were not determined by technology, nor by economic conditions. Other producers had been developing alternative, and more economical, systems of labour control in the face of growing working class resistance. Ford's attempt to create a New Man (supported by a traditional woman) fit for his New Age bred only hostility and resentment, while incurring escalating costs of supervision and enforcement. While high unemployment enabled Ford to recruit labour through the 1930s, and he was able to use his wealth and power to keep out the trades unions, other employers were conceding union recognition and realising that new forms of industrial relations, built around collective

¹⁵For the details of the project see Meyer, *op. cit.*

bargaining, could reconcile labour control with industrial peace by trading acceptance of managerial prerogatives for better wages and working conditions. The development of more complex job classification and payment systems, including bonus, incentive and piecework payments, fragmented and divided the labour force, while providing a means by which individual workers could be subordinated to the discipline of their colleagues, reducing the costs of supervision. Such payment systems accorded the workforce a degree of collective control over the pace of labour, but at the same time, through productivity bargaining and the ideology of 'profit-sharing', institutionalised a common interest between the employer and the trades union, representing the 'collective labourer', standing above the daily conflict of interests between employer and individual workers or sections. Moreover the development of responsible trades unionism, with the ideological, financial and political encouragement of the state, proved itself a powerful force for political stabilisation in the face of growing working class political activity during the New Deal, a stabilisation which was threatened by Ford's continued virulent opposition to the unions. Nevertheless, it was not until he was forced to recognise the UAW by a massive strike in 1941 that Ford conceded the failure of his divinely- inspired mission.

It may well be the case that the full realisation of the Fordist project could only be achieved by the creation of Ford's New Man, but the project foundered on the resistance of real men and women. In this sense Fordism was an impossible dream, never realised even in Ford's own plants, and never even fully attempted elsewhere. On the other hand, absurd as it now seems today, Ford's dream was very real in its day, his utopia of human perfectibility capturing the imagination of millions, while for others it depicted the nightmare of totalitarianism gone mad.

Modernism, Americanism and Fordism

In the US the term 'Fordism' was soon used to refer to the industrial machine which Our Ford had created, with little reference to its wider social context. Ford's own utopia was intensely moralistic and individualist, the social regulation of the working class being secured by the Christian family, backed up by the church and the police. In Europe, on the other hand, the higher level of organisation of the working class, and the greater politicisation of the class struggle, made such a limited vision inadequate. In Europe Fordism was seen in the 1920s as a central component of 'Americanism',

which was itself hailed as the herald of Modernism. From this perspective Fordism involved not simply the transformation of production, according to strict criteria of technical rationality, but also the development of new forms of social stratification, in strict accordance with technical function, and corresponding new forms of morality and of personality, of socialisation and education, to ‘elaborate a new type of man suited to the new type of work and productive process’.¹⁶

The precise relationship between Americanism, Modernism and Fordism was a matter of fundamental debate. While some acclaimed all things American, others sought to draw on the American model more selectively, or even to reject it altogether. Some wanted Hollywood, Jazz and the Speakeasy, without the grime of industry, the vulgarity of a meritocracy and the greyness of a homogeneous working class. Others wanted the cleanliness and precision of the industrial and social machine, without industrial conflict or the immorality and degradation of gangsterism and ghettos. While the old ruling class was at best lukewarm about Fordism, both Communist Left and Fascist Right saw Fordism as the image of the future. This is the context of Gramsci’s famous discussion of ‘Americanism and Fordism’. This text is generally read, on the basis of a single sentence, as an attempt ‘to shift the superstructural analysis of hegemony back to its infrastructural origin in the factory’.¹⁷ Since most Gramsci commentators ignore what Gramsci actually wrote in this text (for understandable reasons), I will deal with it at some length.

Gramsci unequivocally identifies with the Fordist project, which in this sense is the heart of Modernism, at the same time disengaging Fordism from Americanism as the universal from the particular, so that the European adoption of Fordism does not imply the ‘Americanisation’ of European culture, ‘American’ culture being only a remasticated version of the old European culture (ibid., p. 317). The question Gramsci addresses is that of whether the Fordist project can be realised in a class society, and more specifically whether fascism can deliver its promise to modernise Italy by introducing Fordist production methods. His answer is that it cannot, be-

¹⁶Antonio Gramsci, ‘Americanism and Fordism’, *Prison Notebooks*, Lawrence and Wishart, London, 1971, p. 286.

¹⁷(C. Buci-Glucksmann, *Gramsci and the State*, Lawrence and Wishart, London, 1980, p. 76. C.f. J. Femia, *Gramsci’s Political Thought*, OUP, Oxford, 1981, pp. 29–31). The sentence is ‘Hegemony here is born in the factory and requires for its exercise only a minute quantity of professional political and ideological intermediaries’ (Gramsci, op. cit., p. 285).

cause the social implications of Fordism are such that fascism could only introduce it by dissolving its own class base. More generally Gramsci argued that the Fordist project cannot be realised in a class society because it relies on external coercion, high wages providing too limited a base on which to manufacture consent. Thus, for Gramsci, only communism can realise the Fordist utopia.¹⁸

Gramsci saw Fordism as deriving ‘from an inherent necessity to achieve the organisation of a planned economy’, the problems to which it gives rise ‘marking the passage from the old economic individualism to the planned economy’ (Ibid., p. 279). Thus Fordism represents the ‘ultimate stage’ (p. 280) of the socialisation of the forces of production, based on the subordination of financial to industrial capital and the creation of a new form of morality. The issue is thus that of the adaptation of the social relations of production to this ultimate stage in the development of the forces of production.

Fordism could arise in the United States because the US had already achieved a ‘rational demographic composition’, which ‘consists in the fact that there do not exist numerous classes with no essential function in the world of production’, so that industry does not face a mass of unproductive costs, and surplus value is immediately directed back into production. Attempts to introduce Fordism into Europe, on the other hand, have met with powerful resistance because ‘Europe would like to have a full barrel and a drunken wife, to have all the benefits which Fordism brings to its competitive power while retaining its army of parasites who, by consuming vast sums of surplus value, aggravate initial costs and reduce competitive power on the international market’ (p. 281). According to Gramsci this resistance to Fordism comes not from the industrialists or the workers, but from marginal, backward and plutocratic forces, which are precisely the popular base of fascism.

It may be that fascism can gradually introduce a Fordist rationalisation of technology and class relations, against the interests of the classes on whose support it depends, on the basis of its control of the state. The destruction of the working class movement means that the workers ‘are not in a position either to oppose it or to struggle to become themselves the standard-bearers of the movement’ (p. 293). However fascism has come

¹⁸It is ironic that our ‘New Times’ Communists still acclaim Gramsci as a political ancestor when his true political heir, Nicolai Ceauşescu, has fallen so dramatically from grace, leaving only the Great Leader, Comrade Kim Il Sung, pursuing his dream!

to power not as a positive renovating force, but as a negative repressive force, in response to the 'need for economic policing' (p. 292). Moreover Americanisation requires a competitive regime enforced by a liberal state, which fascist corporatism cannot provide. Rather than reducing parasitism, fascism has increased it, becoming 'more and more a machinery to preserve the existing order' (p. 294). Thus it is most unlikely that Fordism can be introduced by such a 'passive revolution'.

Fordism is a project which has by no means yet been realised, so that its class character is still to be determined. The elaboration of the 'new type of man . . . is still only in its initial phase and therefore (apparently) still idyllic. It is still at the stage of psycho-physical adaptation to the new industrial structure' (p. 286). In Italy the working class has certainly not opposed Fordism, indeed 'it was precisely the workers who brought into being newer and more modern industrial requirements and in their own way upheld them strenuously' (p. 292): the Workers Council movement had confronted capital with 'its own type of "Americanism" in a form acceptable to the workers' (p. 286), which Agnelli tried to co-opt, but which was crushed. On the other hand, in the United States the issue of the class character of Fordism has not even been raised by the working class. The resistance of American unions to Fordism has been in defence of 'craft rights', so that 'the industrialists' attempt to curb them have a certain "progressive" aspect' (p. 286). However, even in America the Fordist project is far from successful realisation, nor is it clear that the new Fordist morality can be realised in a class society.

The regulation of morality, and particularly sexuality and family life, is an essential part of the formation of the new man. 'The history of industrialism has always been a continuing struggle . . . against the element of "animality" in man. It has been an uninterrupted, often painful and bloody process of subjugating natural (i.e. animal and primitive) instincts to new, more complex, rigid norms and habits of order, exactitude and precision which can make possible the increasingly complex forms of collective life which are the necessary consequence of industrial development'. However these new norms and habits do not develop spontaneously, but have to be enforced mechanically from outside, before they become 'second nature' (p. 298), a process which has hitherto involved the brutal imposition of the new morality by a ruling class. On the other hand, the ruling class has not been willing to accept these standards as its own, so that 'crises of libertinism' regularly arise, affecting the middle classes and even a part of the ruling class.

In general such a 'crisis does not affect the working masses except in a superficial manner, or it can affect them indirectly, in that it depraves their women folk. These masses have either acquired the habits and customs necessary for the new systems of living and working, or else they continue to be subject to coercive pressure through the elementary necessities of their existence.' (p. 299) However, the 1920s saw a 'crisis of morals of unique proportions', affecting all strata of the population, as a reaction to the enforced repression of 'wartime life and life in the trenches', and the sexual imbalance in the post-war population. This libertinism comes into conflict with the new methods of production, which 'demand a rigorous discipline of the sexual instincts (at the level of the nervous system) and with it a strengthening of the "family" . . . and of the regulation and stability of sexual relations' (pp. 299–300). Gramsci insists that this libertinism is alien to the working class: 'the most depraving and "regressive" ideological factor is the enlightened and libertarian conception proper to those classes which are not tightly bound to productive work and spread by them among the working classes' (p. 300).

This crisis of morality raises the question of whether Fordism can be realised at all in a class society. Gramsci is strongly insistent on the progressive character of Fordism, at least as a transitional stage. Fordism and Taylorism 'represent simply the most recent phase of a long process which began with industrialism itself . . . a phase which will itself be superseded by the creation of a psycho-physical nexus of a new type, both different from its predecessors and undoubtedly *superior*' (303). Gramsci ridicules the critics of Fordist 'puritanism'. It is not the workers, but the upper class, who evade prohibition. The stable monogamy of the worker is no mechanised sexuality, but 'a new form of sexual union shorn of the bright and dazzling colour of the romantic tinsel typical of the petit bourgeois and Bohemian layabout' (304). However Ford's attempt to create a 'new type of worker and of man' failed, primarily because it was hypocritically and mechanically imposed from outside the working class simply to prevent the physiological collapse of the worker, rather than being 'proposed by a new form of society with appropriate and original methods'. Nevertheless the requirements of industrialism, reinforced by the offer of high wages, induce the workers to adopt the new morality, but this also means that a gulf is opening up between the sobriety and stable monogamy of the workers and the drunkenness, licentiousness and divorce of the upper classes, a gulf which 'will make more difficult any coercion on the working masses to make them conform to the needs of the new industry' (306). Moreover the high wages, on which

the Fordist project relies, can only be paid while American capital enjoys a monopoly, and even then only to a narrow stratum of the working class. The implication is that it is only under communism that the Fordist project can be realised.

Gramsci is clear that the future lies with the 'new man'. The 'humanity' and 'spirituality' of artisan labour is being destroyed, but this is precisely the archaic "humanism" that the new industrialism is fighting', so that the destruction of artisanal work and craft unionism is progressive. But the 'deskilling' of labour does not turn the worker into Taylor's notorious 'trained gorilla'. 'Once the process of adaptation has been completed, what really happens is that the brain of the worker, far from being mummified, reaches a state of complete freedom'. Just as one 'thinks about whatever one chooses' when one is walking, so the Fordist worker 'has greater opportunities for thinking ... Not only does he think, but the fact that he gets no immediate satisfaction from his work and realises that they are trying to reduce him to a trained gorilla, can lead him into a train of thought that is far from conformist' (309-10).

Gramsci was by no means complacent about the ability of a communist society to realise the Fordist dream. The influence of 'the petit bourgeois and Bohemian layabout' is a particular problem under socialism, 'where the working masses are no longer subject to coercive pressure from a superior class' (300), but have not yet 'assimilated "virtue" in the form of more or less permanent habits', and so are very vulnerable to moral corruption, precipitating a serious crisis. The crisis can only be resolved by the exercise of coercion by an *élite* of the class which can struggle against the libertarian conception, as Trotsky correctly understood. However Trotsky erred in proposing a purely repressive solution, through the militarisation of labour, rather than recognising the need for the development of self-discipline.

In the event Gramsci proved right. Neither Americanism nor fascism could realise the Fordist dream of creating the New Man. The hedonism of Bohemian layabouts proved to have a greater influence over the working class than Gramsci had anticipated, so that workers were not reconciled to their labour by sobriety, savings, safe sex and an early night, but demanded rising wages, shorter hours, welfare benefits and secure employment to give them access to a wider range of pleasures. In the end the corrosive influence of petit-bourgeois libertinism even undermined the attempt to create the New Man as the psycho-physical foundation of socialism in the Soviet block. Despite its best efforts to provide hard work and a frugal life, supported by edifying art, music and literature, with extensive facilities for healthy Fordist

sports, the state was unable to protect the working class from blue jeans, rock music, Coca Cola, modern art, fornication, homosexuality . . .

But hang on just a moment.

Maybe there is an alternative basis on which to build the New Man, which will protect him from the corrupting influence of degenerate modernism. Gramsci noted that ‘The new type of worker will be a repetition, in a different form, of peasants in the villages’ (p. 304).

Maybe we can find a new technology which can directly link the old and the new, which can turn the traditional villager directly into the New Man. Ceaușescu’s mistake was that he was blinded by Fordism, and so set out to destroy all the villages in which the ‘small town virtues, old-style familialism and deeply conservative social attitudes’, which the New Man must adopt, still persisted, precisely the values and attitudes which are most conducive to the success of the technology of ‘flexible specialisation’.¹⁹

Maybe Ceaușescu, like Gramsci, had just forgotten the principles of dialectical materialism, and its magical law of the negation of the negation. Maybe socialism is not the linear development of Fordism, which can never escape the moral degeneration of the mass worker, but the dialectical synthesis of Fordism and Not-Fordism.

Or maybe Gramsci’s dream is not so attractive after all. Maybe it must always involve repression and coercion, to impose the economic constraints of capitalism or state socialism on recalcitrant human beings. Maybe Aldous Huxley was right, and the Fordist project is the nightmare of an ultimate totalitarianism, which penetrates the last detail of private life and the deepest recesses of the body and the mind.

Maybe drugs, alcohol and sexual promiscuity are not, as Gramsci believed, a threat to Fordism. Maybe they are the condition for its realisation.

Maybe Gramsci’s dream is the ultimate horror, when the really efficient state of the *Brave New World* does not have to rely on physical coercion because Fordism has become ‘second nature’, the state controlling ‘a population of slaves who do not have to be coerced because they love their servitude. To make them love it is the task assigned, in present-day totalitarian states, to ministries of propaganda, newspaper editors and schoolteachers’.²⁰

¹⁹Paul Hirst, ‘After Henry’, *New Statesman*, 21/7/89, reproduced in Stuart Hall and Martin Jacques, eds, *New Times*, Lawrence and Wishart, 1989, p. 325. Is it a coincidence that these values and institutions in the German, Italian and Japanese show-cases of flexible specialisation are a legacy of fascism?

²⁰Aldous Huxley, *Brave New World*, Foreword to the 1950 edition, Penguin, Harmondsworth, 1955, p. 12.

But these crude methods achieve only the negative side of propaganda, in their ‘silence about truth’ (p. 12).

Maybe Our Ford’s sociologists were only the advance guard of an army of scientists who face ‘the problem of making people love their servitude’, which can only be achieved through a ‘deep, personal revolution in human minds and bodies’ requiring, among other things, improved techniques of suggestion, through infant conditioning and drugs; ‘a fully developed science of human differences, enabling government managers to assign any given individual to his or her proper place in the social and economic hierarchy’; less harmful, but more pleasure-giving, narcotics; sexual freedom, which, Huxley argued, tends compensatingly to increase as political and economic freedom diminishes; and as, a long-term project, which Huxley in 1951 believed ‘would take generations of totalitarian control to bring to a successful conclusion’, ‘a foolproof system of eugenics’ (pp. 13–4).

Maybe Not-Fordism offers not the culmination of Fordism, but an alternative to the Fordist nightmare, the basis of a community in which ‘economics would be decentralist and Henry-Georgian, politics Kropotkinesque and cooperative. Science and technology would be used as though, like the Sabbath, they had been made for man, not . . . as though man were made to be adapted and enslaved to them’ (p. 8). Huxley saw such a revolution as the result of ‘a large-scale popular movement toward decentralisation and self-help technology’, although he saw ‘no sign that such a movement will take place’ (p. 12).

But maybe Huxley was unduly pessimistic. Perhaps the smiling artisans of Emilia-Romagna have discovered the Philosopher’s Stone, or at least the personalised numerically controlled machine tool, which can set humanity free.

Maybe anything is possible if we struggle for it, but if all you want is the dream you can have it now.

It is time to stop dallying with ideas which would just be silly, if they were not so pervasive. Proudhon and Kropotkin made sense to nineteenth century artisans and peasants, and to the landed class whose privileges industrialism threatened to extinguish, and they may make sense to contemporary academics, playing at desktop publishing, anticipating a lucrative home-based consultancy, and voraciously consuming artisanal products from the four corners of the globe in the name of a solidaristic internationalism. But for once we can echo Gramsci, responding to an earlier (and rather more explicitly conservative) round of Proudhonist fantasising. ‘The term “quality” simply means . . . specialisation for a luxury market. But is this possible for

an entire, very populous nation? . . . Everything that is susceptible of reproduction belongs to the realm of quantity and can be mass produced . . . if a nation specialises in “qualitative production”, what industry provides the consumer goods for the poorer classes? . . . The whole thing is nothing more than a formula for idle men of letters and for politicians whose demagoguery consists in building castles in the air’²¹. It’s time to come back down to earth.

The Routinisation of Charisma: Our Ford and his Foundation

We left Fordism in the 1940s, with Ford recognising the UAW in 1941. Fordism had resolved its first crisis by developing quite different forms of labour control from those initially advocated by Ford, forms of control which abandoned the attempt to create the New Man, and which instead allowed a degree of negotiated autonomy to the workers’ own organisations. The development of a stable industrial relations framework at plant-level was closely associated with the development of industry-wide negotiating structures, and with the political recognition of the trades unions as the legitimate channel for the representation of their members’ interests. The Fordist utopia had collapsed, to be replaced by the new dream of the New Deal. Although the New Deal has superficial similarities to the social democratic vision of the Keynesian Welfare State, it is important to be clear of the distinctiveness of the New Deal as a populist, rather than social democratic strategy (the difference was reflected in the working class in the struggle between the AFL and the CIO). The Keynesian Welfare State was thus not a linear development of the New Deal, any more than the New Deal was a development of the original Fordist project.

The strategy of the New Deal could hardly be more different from Henry Ford’s project, in according full political recognition to the working class. However it rested on a naive faith in the compatibility of capitalism and industrial democracy, which was articulated by the populist sociological theories of institutionalism, which saw trades unions as the authentic representatives of the interests of the working class, and so as the bulwark of democracy within capitalism, but which failed to recognise any fundamental conflict of interests between capital and labour, so that a democratic

²¹op. cit., pp. 307–8.

political system could provide the framework for the rational resolution of class conflict. The viability of the strategy depended on the low level of development of the political organisation of the working class, on the limited development of trades unionism, and on the demoralisation of trades unions in the depths of the depression, reinforced by . Thus it was already running into difficulties in the wave of strikes and sit-downs in 1936-7, before it was given a new lease of life by the imperatives of war.

The limits of the utopia of the New Deal became apparent immediately after the end of World War Two. The victors had to superintend the economic, social and political reconstruction of the vanquished, but they also had their own problems of conversion to peace-time, and these were their first pre-occupation. These problems centred on the appropriate forms of institutionalisation of class relations once wartime conditions had passed. Employers sought to reverse the gains made during wartime by the organised working class, while workers sought to take advantage of relatively tight labour markets, high profits, and potentially booming product markets, to secure further advances. The result, particularly in the United States, was a period of sharp, if episodic and fragmented, class struggle and marked institutional instability, whose political risks were symbolised by the left leadership of a number of powerful CIO unions.

The problem of stabilising the system of industrial relations in the US was acute, but abroad it was even worse, not least because of the naïvety of the first US attempt to export the New Deal to the defeated powers by encouraging the growth of trades unions as the bulwark of democracy and guarantee against a resurgence of fascism. They did indeed prove to be bulwarks of democracy but not, in non-American hands, dedicated to the realisation of Fordism and the American Way of Life. The rapid growth of militant trades unionism, often under communist leadership, threatened to hand Europe and Japan to the Communists on a plate.

While trades unionism would have to have a place in any democratic capitalist utopia, so there could be no return to the crudity of Ford's original dream, it could not be on the terms of the New Deal and institutionalism. Trades unionism had to be de-politicised and shorn of its class character by reducing trades unions to the representatives of sectional economic interests, negotiating within the constraints of a legally regulated framework of collective bargaining, and represented politically only as interest groups within a pluralistic political system. Trades unionism had to be subordinated to the needs not of the working class, but of capitalism. It had to be rescued from the Reds and re-incorporated into the ideals of Fordism.

Once again it was Sociology that rode over the horizon in the nick of time to provide the strategic perspective for the post-war reconstruction of capitalist class relations on a global scale. Not Ford's defunct Sociology Department, but a much grander institution, the Ford Foundation, with intimate links with the US government, and particularly the CIA. In 1948 The Ford Foundation commissioned a study on future policy whose report (the Gaither Report) was enormously influential in determining both the strategy of the CIA in its 'liberal' phase of the 1950s and the development of the social sciences. The most influential single project which resulted from the latter part of the initiative was the 'Inter-University Study of Labor Problems and Economic Development', which first bid for funds in 1951, and submitted its final report in 1975.²²

The Gaither Report was concerned to identify those critical social problems 'where the gravest threat to democracy and human welfare lies'.²³ The report warned of the dangers of complacency, which arises from an identification of existing institutions with the 'spirit of democracy'. Thus anti-communism alone is not sufficient, it is necessary in the first instance to reform American institutions to give democracy the 'right to grow' (20-1), so as 'to rid ourselves of treason without jeopardising freedom' (28). The report stressed the importance of national defence and the dangers of isolationism, but it was scathing in its critique of the democratic pretensions of existing US institutions. It expressed anxiety about the inadequacy of a political system which tended to express special interests rather than reflecting the will of the people; it emphasised the importance of achieving high and stable levels of income and employment at home and abroad; it stressed the need for a 'more complete understanding of human behaviour' to determine the causes of industrial conflict; it reported an 'unusual degree of dissatisfaction' with the failure of the education system to offer equality of opportunity and to develop 'individual purpose, character and values'; it warned of the dangers of 'inadequate emotional adjustment' to 'vast and rapid changes ... with

²²The final report listed 35 books and 43 articles as products of the project. The programme is best known from its theoretical summation, Clark Kerr et al., *Industrialism and Industrial Man*, Heinemann, London, 1962. The original proposal was for a programme entitled 'Labor Relations and Economic Development', which sought to understand 'the position of the working class in a variety of societies' to assist 'the development of an effective American world-wide strategy'. The full story is chronicled in James L. Cochrane, *Industrialism and Industrial Man Revisited*, Ford Foundation, New York, 1979, which reprints the original proposal (pp. 61-73).

²³H. Rowan Gaither Jr., *Report of the Study for the Ford Foundation on Policy and Programme*, Ford Foundation, Detroit, 1949, p. 14.

resulting political, economic and social unrest' (44–6). But despite this chronicle of inequality, discontent, conflict and dislocation in the heartland, the report was clear that the defects of American capitalism and democracy were only superficial, and could be remedied with a programme of reform, guided by a comprehensive and ambitious programme of development of the human sciences, of which the 'industrial society' project, dominated by Kerr and Dunlop, was the most important and influential result.

We don't need to go over the familiar theory of industrial society, which is the meat of modern sociology, except to note that it defined an altogether more humanistic and optimistic Fordist project, which it was expected would sell better on world markets than Henry Ford's earlier offer of hard work and puritanical self-discipline. Kerr's was not a picture of industrial society as it is, even in the United States, but an 'ideal-type' of industrial society, in which a happy, multi-skilled, well-educated, individualistic, achievement-oriented, socially, occupationally and geographically mobile, culturally homogeneous, psychologically healthy workforce constantly adapted to rapid technical and social change, resolving its conflicts peacefully through the appropriate channels of conflict resolution, and in particular an appropriate industrial relations system. Although for Kerr the development of such a functionally integrated society was ultimately inevitable, there were many barriers to be removed along the way, and the primary task of the Sociologist was to show how to remove them. While Ford's Sociology Department taught the New Man to behave in ways which accorded with the will of God and human nature, Kerr's Sociology Department taught the Newer Man (no - he didn't have any women either) to behave in ways which accorded with the will of Mammon and the spirit of industrialism. Whether he (and his wife and two kids) liked it or not was irrelevant. Once he recognised its inevitability, he would accept it.

Strange Bedfellows: Ford and Keynes

It was one thing to draw up a blueprint of the new Fordist utopia. It was quite another to implement it. The Sociologists and the Department of Labour, the CIA, the AFL, the ICFTU, and any number of initials and acronyms could all do their bit, but the restructuring of industrial and political relations depended on the ability of the capitalist system to offer secure employment, rising wages and adequate welfare benefits, none of which it had been able consistently to deliver in the past. Nor was it clear how such

benefits could be delivered in the future, for there was a variety of diagnoses of the past limitations of capitalism, and a variety of panaceas for its reform. It is a commonplace of theories of Fordism that Keynesian-Welfarism is a central component of the Fordist model. Although the rhetoric of Keynesian-Welfarism has indeed been widely employed for half a century, the reality has been very different. Both in theory and in practice the framework of post-war reconstruction, and the foundations of the post-war boom, were provided by orthodox democratic liberalism. Far from a source of stability, Keynesian-Welfarism was a response to growing crisis, and, far from resolving the crisis, it was a response which only deepened and further politicised the crisis.

In the immediate post-war period the dominant progressive diagnosis and panacea was one or another variant of Keynesian-Welfarism. However it was not Keynesian-Welfarism which dominated post-war reconstruction and laid the foundations for the post-war boom. In the United States Keynesian-Welfarism was associated with the New Dealers, and it was the New Dealers who bore the brunt of the blame for the post-war resurgence of class struggle in the US and the advance of the Left in Europe and Japan, so that within a couple of years there was little to distinguish between Keynesian-Welfarism and Communism. In Britain there was a Keynesian-Welfarist strand in the Labour Party, but the primary emphasis of the latter was productivist. Welfare reforms were confined within the limits of production.

Although the initial post-war fear had been of a depression with a rapid rise in unemployment, it soon became clear that the primary danger was that of inflation, while the primary barrier to reconstruction and renewed accumulation was global imbalances in the structure of production, which underlay the dollar shortage and trade and currency restrictions. While Keynesian measures were widely used to check inflationary pressures, and Keynesian rhetoric was common currency, no government in the post-war decade was committed to Keynesian full employment policies at the expense of its commitment to contain inflation, so Keynes can hardly be credited with the prosperity and stability of the post-war boom. From 1947 the strategy of reconstruction was based unequivocally, both in theory and in practice, on the rapid liberalisation of international trade and payments, culminating in the restoration of general currency convertibility in 1958. It was this liberalisation, not Keynesianism, which fuelled the post-war boom.²⁴

²⁴The first post-war example of Keynesian expansionist rhetoric was the US Defence Department's argument at the beginning of the 1950s that rearmament would be costless in

The post-war boom certainly made possible, and in turn reinforced, a 'post-war settlement' between capital and organised labour which permitted, and in turn encouraged and then enforced, the generalisation of Fordist production methods. This post-war settlement included a greater or lesser growth of the welfare apparatus, whether publicly or privately funded, with the primary emphasis on contributory benefits for the best-paid and most secure sections of the working class, and markedly inferior provision for those without the necessary qualifying contribution record. However, these achievements were limited. In Britain and the US economic and social problems were mounting by the end of the 1950s: inflation, unemployment, pauperism, urban decay, racism, and an upsurge of class struggle pointed to the limits of the liberal achievement of the post-war decade. However for social democrats the achievements of the post-war years held out the promise of more: of more health, education and welfare, of better housing, of rising wages, and of a growth in democratic participation. By 1960 McCarthyism and post-war liberalisation had apparently cleared the stage for social democratic Keynesian-Welfarism to assume its historic role.

However it soon became apparent that these growing economic and social problems were not just a few loose-ends that needed to be tidied up, but were rather a symptom of the re-emergence of the crisis tendencies of accumulation. Johnson's dream of the Great Society lasted only a couple of years before it was engulfed by the Vietnam War. Harold Wilson's project of technological and social modernisation barely got off the ground before it was swept away by economic crisis. The story of the crisis of Keynesianism is a familiar one, which doesn't need much re-telling. As we know, far from resolving the economic, social and political problems, Keynesian solutions only tended to intensify them. The rapid growth of state expenditure imposed a growing unproductive drain on profits. Expansionary policies fuelled inflationary pressures. Growing state intervention encouraged popular political mobilisation and politicised economic decision-making. In short the relationship between Fordism and Keynesianism was about as close and

mobilising otherwise idle resources, an argument immediately falsified by the Korean War inflation. The first case of a government committing itself in practice to full employment at the expense of price stability was that of Britain in 1957, when Harold Macmillan overruled Thorneycroft's proposed cuts in public expenditure in 1957, and sought alternative means of combating inflation. On the whole question of Keynesianism and the State see Simon Clarke, *Keynesianism, Monetarism and the Crisis of the State*, Edward Elgar, Aldershot, 1988, paperback due 1990. On the liberal framework of post-war reconstruction see Peter Burnham, *The Political Economy of Post-War Reconstruction*, Macmillan, London, 1990.

stable as we can imagine the relationship between Ford and Keynes would have been!

The crisis of Keynesianism and the rise of neo-liberalism was particularly traumatic for social democrats and for the battalions of Fordist Socio-Therapists, who were threatened with demobilisation into the reserve army of Sociologists. They had to come up with a new Fordist utopia, but one which cut all ties with the discredited past. How better to do so than to abandon all the old certainties, and to resurrect the Proudhonist fantasies of the nineteenth century artisan.

Fordism as an ‘Ideal Type’

The post-war period now extends back almost fifty years. The idea that the whole period can be characterised as ‘Fordist’, in any sense other than that Fordism is simply fully developed capitalism, is absurd, and can only be based on the most profound ignorance. There were certainly very considerable changes in the 1980s, and in particular a decisive and fundamental shift in the balance of class forces on a world scale. But there were also very considerable changes in the 1940s, the 1950s, the 1960s and the 1970s. Changes so rapid, indeed, that developments which Huxley imagined would take 600 years to come about have already been realised.

However, we cannot finally dismiss the analytical usefulness of the category of ‘Fordism’ without considering one last argument. It may be that all the different institutional variants of Fordism which can be observed from one period to another, and from one country to another, represent more or less successful, and more or less complete, attempts to realise the One-True Fordism. In that case Fordism would constitute the ‘ideal-type’, the Fordist utopia, as attested by the most sophisticated Sociologists, while the world would be littered with its deformed offspring: blocked Fordism, peripheral Fordism, global Fordism, flawed Fordism, bloody Fordism ...²⁵ Finally, the crisis of the 1970s and 1980s might then be qualitatively distinct from previous crises in being the crisis not of this or that inadequate variant of Fordism, but as being the crisis of Fordism itself.²⁶

²⁵This was precisely Clark Kerr’s approach, distinguishing the universal ‘logic of industrialism’ from the imperfections of its implementation determined by historical residues and by the character of the ‘industrialising elite’, an approach which can always cover its inadequacy by recourse to the contingent.

²⁶Thus reproducing the hoary old stories about the ‘post-industrial society’. I am aware of only two coherent explanations for such a crisis of Fordist production. One,

While this kind of analysis is fashionable in today's Sociology Departments, it has to be said that it is the most insufferable nonsense. It has the merit of trying to take account of the variety of institutional frameworks within which modern methods of capitalist production have been developed, and may even account for these differences by relating them to differences in the institutional forms of class relations, reflecting different class structures and differences in the balance of class forces.²⁷ However, to explain these variants as failed versions of one ideal-type implies that the latter is in some way more real or more fundamental than the former. In other words it implies that there was an unambiguous answer to Henry Ford's problem, that there was an institutional, cultural, psycho-physiological and what-have-you framework within which his dream of a stable, prosperous, secure and harmonious capitalism can be realised. The implication is that the failure to realise this dream is nothing to do with the inherently contradictory and crisis-ridden character of the capitalist mode of production, which even compelled Our Ford himself to turn the Sociology Department into the Service Department, and to call in Pinkerton's exorcists to teach the workers what was good for them. The failure to realise the dream is to be explained instead by the pig-headedness, short-sightedness, corruption, prejudice, ignorance and folly of those in power, and of those who have had the power to obstruct its realisation. But surely the lesson of the last three quarters of a century is that none of the myriad variants of Fordism can overcome the contradictory and crisis-ridden tendencies of capitalist accumulation which underlie the permanent necessity of class struggle.

When it comes to 'post-Fordism' the situation is even worse, for there is not even minimal agreement among its proponents over the characterisation of this new utopia. There is only agreement that the 'crisis of Fordism' must

often associated with the 'law of the tendency for the rate of profit to fall', refers to the technological exhaustion of the possibilities of surplus value production. (In the case of Aglietta and Palloix this argument rests on a peculiar notion that the production of relative surplus value can only be achieved by the intensification of labour - 'filling the pores in the working day'). The other is much less coherent, but refers to the collapse of the market for Fordist industry. Since I am not aware of any evidence to support either of these hypotheses I will not consider the issue further. Indeed, since we are still experiencing the longest sustained Fordist boom in history it would seem implausible to argue that there is any kind of a crisis of capitalist *production*, although it is clear that there is a serious crisis of capitalist *accumulation and reproduction*.

²⁷Although it can get no nearer an explanation of these variations than to offer the familiar eclectic combination of a technological structural-functionalism, which defines the ideal type, and a voluntaristic reference to 'politics' or 'class struggle', which explains the variants.

give way to some new institutional nexus which can reconcile social harmony with economic prosperity to give social democracy a new lease of life, even if we do not yet know what it is. At best the theorists of post-Fordism offer a partial and eclectic characterisation of contemporary social and political developments. At worst they offer the most absurd fantasies which have no connection with the realities of a capitalist world.

The Crisis of Fordism and the Crisis of Capitalism

Capitalism has undoubtedly been going through a profound crisis over the past two decades, in response to which capital and the state have undoubtedly launched a sustained offensive to secure a profound restructuring of capitalist economic, social and political relations. There is nothing new and unusual in these developments, in the sense that the contradictory tendencies of capitalist development determine that the course of that development is necessarily one of permanent crisis-and-restructuring.²⁸ If we don't like talking about capitalism no harm is done by calling this a 'crisis of Fordism', but there is no evidence whatever to indicate that the outcome of this period of restructuring will be a fundamentally new kind of capitalist society, which is able to overcome the contradictory tendencies of capitalist development by harnessing the miraculous powers of modern technology to spread peace, prosperity and harmonious co-operation.

The crisis has certainly pushed the question of fundamental social change to the front of the political agenda, but the direction of that change is determined neither by new forms of technology nor by utopian projects, but by the class struggle, a struggle which necessarily has its roots in the struggle over the appropriation of the creative powers of labour by capital. Ironically, this was the sense in which the term 'Fordism' was first introduced into contemporary debate by the Italian autonomists in the early 1970s, and then taken up by Palloix and Aglietta.²⁹

The autonomists stressed four aspects of the crisis which are still relevant today. First, the roots of the crisis lay in the class struggle over production, in which the appropriation of surplus value was threatened by the demands of the 'mass worker'. This meant that the central focus of the class struggle was the restructuring of the social relations of production, in which capital sought to 'decompose' the working class by fragmenting and dividing workers

²⁸ JHoll

²⁹ refs.

from one another, while the working class sought to realise its essential unity. Second, the politicisation of the class struggle over the reproduction of capitalist social relations undermined the attempt of the Keynesian welfare state to plan the accumulation process on the basis of capital. Third, the established forms of working class trades union and political representation presented a growing barrier to the attempt of the working class to realise of its aspirations in confining their ambitions within the limits of capital. Fourth, the class struggle necessarily developed on a global scale.

The decomposition and recomposition of the working class

Mass production industry had led to the formation of the mass worker, above all in assembly line production. Although this was an expression of the technology of large scale production, it was not a spontaneous development, but the result of the struggle of workers to forge a unity on the basis of the demand for a general rise in wages against the attempt of capitalists to divide the workers through differentiated payments systems and sectional bargaining which tied wages to productivity. The growing militancy of the working class in the 1960s not only undermined capitalist profitability, but also forged a widening class unity which challenged the subordination of labour to capital.

‘Fordist’ mass production was based on the formation of a ‘dual labour market’, with a decreasing minority of the labour force comprising relatively skilled and well-paid workers and a growing minority comprising unskilled low-wage workers. The possibility of Ford’s initial revolution was created by the formation of such a labour market through mass immigration to the United States, and its extension to Europe was conditioned by the dissolution of internal pre-capitalist forms of production.³⁰ However the reproduction of this form of production depends on the reproduction of an appropriately structured labour force, on the ability of capital to maintain the subordination of the labour process to the imperatives of surplus value production, and on its ability to confine the growth of wages within the limits of profitability. All three aspects of the reproduction of the capitalist labour process are undermined by the formation of the mass worker, as workers in struggle overcome sectional divisions to recompose themselves on a class basis, and as workers resist the degradation of labour, demand and acquire higher levels of technical qualification, and demand minimum

³⁰Palloix, ‘The Labour Process: From Fordism to neo-Fordism’

standards of health, welfare and social security.

Following Palloix, we can identify three aspects of the immediate capitalist response to this challenge. First, from the very beginnings of the post-war boom capital encouraged a renewed wave of immigration from the periphery to augment the reserve army with unskilled workers with restricted aspirations, whose cultural and ethnic distinctiveness provided a basis on which to seek to reproduce the fragmentation and decomposition of the working class. Similarly women workers were recruited on the same basis, at an accelerating rate as it became clear that their recruitment incurred far fewer social overhead costs than did that of male immigrants. In the current period this dual labour market is increasingly being constituted on an international basis, so affecting the internationalisation of capital and the international division of labour, and binding the working class to the movements of global capital. Second, capital systematically separated the processes of 'conception', 'production' and 'realisation' of commodities from one another, leading to the rapid 'tertiarisation' of the advanced industrial economies. This process had two fundamental implications. On the one hand, the separation of the processes of conception and realisation, which are central to the capitalist *control* of commodity production, removed the locus of the struggle against capitalist domination from the social relations within the productive enterprise to the relations between enterprises. Thus capitalist constraints on the form of production were imposed externally, by the demands of banks, commerce, scientific and technical institutes. On the other hand, it provided a basis on which capital could seek more systematically to divide unskilled and semi-skilled production workers from the more highly skilled designers, administrators, scientific and technical workers. Third, capital began to re-locate certain labour-processes, which relied predominantly on unskilled labour, in peripheral regions.

However this immediate response did not resolve the barriers to capitalist reproduction. The strength and militancy of the core industrial workers provided both an example and a point of condensation for the struggles of other sections of the working class. Immigrant and women workers, as well as workers in the tertiary sector soon began to organise on their own account, and through their struggles began to forge solidaristic links with the working class as a whole. The working class responded to the internationalisation of capital by developing international solidarity. It responded to the growing socialisation of production concealed behind the superficial autonomy of its separate moments by mobilising beyond the workplace, recomposing itself on a class basis in giving its demands an increasingly class character. Thus

the crisis only deepened through the 1960s until it reached breaking point in the early 1970s.

The crisis could only be resolved on capital's terms if capital could destroy the emerging unity of the working class. This could not be achieved by a frontal assault, which would only serve to polarise the class struggle even more, but only by a more selective offensive which would secure the decomposition of the working class by opening new sectional divisions. Such an offensive would have to offer carrots, as well as administering sticks, and so had to secure the increased production of surplus value out of which to pay for those carrots.

The conditions for this offensive were not created by the miracles of new technology, for the subordination and decomposition of the working class was a condition for the investment which would introduce such technology, but were created by the recessions of 1974–6 and 1979–81, which devalued capital on a massive scale, but also forced the working class onto the defensive and compelled individual capitalists to restructure production relations on pain of extinction. The outcome of the ensuing struggle was by no means pre-determined, as is shown by the limited success of capital in the wake of the first recessionary wave, requiring a second, and more intense, recession. However the cumulative impact of defeats suffered by the organised working class, and the increasingly ruthless suppression of spontaneous working class resistance, was sufficient to permit capital to regain the initiative, restructuring the labour process and developing new payments systems based on new forms of sectional, decentralised and even individualistic wage bargaining so as to recompose the working class on a sectional and fragmented basis.³¹ The decomposition of the working class also effectively opened the way to alternative cultural, ethnic and gender bases of identification and mobilisation, both among the lower paid and unemployed, and among the scientific, technical and administrative strata.

The defeat of the working class, and the consequent restructuring of the social relations of production to secure the recomposition of the working class on the basis of capital, certainly means that the old forms of struggle

³¹Palloix and Aglietta certainly did not see this restructuring as prefiguring a new 'post-Fordist' society, firmly rejecting 'the illusions spread by bourgeois ideologists in the supposedly liberating character of the new types of work organisation' (Aglietta, *op. cit.*, p. 112), insisting that 'neo-Fordism' is no more than 'an adaptation of Taylorism and Fordism to new conditions of struggle in production' (Palloix, p. 63), and an extension of Fordist principles to the tertiary and state sectors in the struggle to appropriate a growing mass of surplus value.

cannot simply be taken up anew, but it equally certainly does not mean that the class struggle is a thing of the past, to be replaced by the fragmented and ad hoc struggles of the 'new social movements'. The primary lesson of defeat must be that the formation of the 'mass worker' through the struggles of the 1960s and early 1970s rested on too narrow a base, in trying to generalise the forms of struggle and the demands of the white male assembly-line worker to the working class as a whole, and so failing to take sufficient account of the different conditions and different aspirations of women and black workers, part-time and casual workers, intellectual and service sector workers, and equally failing to link struggles over production to the broader struggle to secure control of the social reproduction of the working class. In this sense the struggles of the 1970s, however broad they became, never managed to get 'beyond the fragments'. The narrowness of the struggle, however pervasive it may have been, also underlay its failure to develop adequate political forms through which to challenge capitalist state power.

The crisis and restructuring of the state

The crisis was not only a crisis of capitalist production, but also a crisis of the capitalist state. The politicisation of the class struggle, even within the limited framework of a reformist social democracy, politicised the processes of state planning which were supposed to secure the expanded reproduction of capital, making them the object of class struggles in which working class aspirations would not prevail, but had to be taken into account. The attempt to secure the 'rationalisation' of production was compromised by the workers' need to defend the source of their livelihood. The attempt to plan the health, education and welfare services in accordance with the needs of the reproduction of a labour force for capital was compromised by the demand of the working class for universal guaranteed provision of adequate and rising standards. The attempt to regulate the pace of accumulation in accordance with the needs of capitalist reproduction was compromised by working class demands for full employment. The effect was that the state was unable to perform its planning functions for capital, while it provoked the growing politicisation of the class struggle, the radicalisation of which it could only keep at bay by increasing public expenditure and by staving off recession by inflationary means, so provoking the dual crisis of inflation and the fiscal crisis of the state, which in turn imposed fiscal and political pressures on the state which further compromised its own reproduction.

The crisis of the Keynesian Welfare State undermined the social demo-

cratic project, as it became clear that the precondition for the realisation of the social democratic dream was that social production should be brought under social control. However, despite the unifying tendency of the class struggle, the failure of this tendency to find a clear organisational form in the face of the continued fragmentation of the working class allowed social democracy to monopolise the political stage, providing a purely formal unity to the movement which the crisis soon revealed to be a sham. The crisis of the state was accordingly also a crisis of social democracy, and a crisis of the political representation of the working class, leaving the way open for the provisional resolution of the crisis of the state by the neo-liberal programme of the New Right. Although this programme involved the extensive dismantling of state apparatuses, the privatisation of large sectors of public enterprise, the subjection of the residual state machine to the rationality of financial accounting, and the rejection of state planning, it certainly did not represent an anachronistic reintroduction of the freedom of market, but rather a systematic reinforcement of the despotism of capital. The primary purpose of the neo-liberal restructuring of the state was to remove the powers of both capital and the state from any form of democratic review, and so remove them from the constitutional arenas of the class struggle.

Nor should the neo-liberal project be confused with the 'withering away of the state'. The rhetoric of neo-liberalism has been that of de-centralisation, to return decision-making powers to private individuals and to lower tiers of government, which even some on the left have seen as a progressive moment of neo-liberalism in rolling back the state to create more space for 'civil society', holding out the possibility of empowerment by a social democratic version of the 'post-Fordist' state. However the reality of neo-liberalism has been a massive concentration and centralisation of power, in the hands of multinational financial and industrial conglomerates, 'independent' central banks and the 'independent' judiciary, executive agencies and supranational bodies. The result is that the 'decisions' of decentralised bodies are so severely circumscribed as to be virtually meaningless. The 'withering away of the state' refers to the abolition of the repressive powers of the state as the state is transformed into a democratic institution, organically integrated into civil society, which can co-ordinate social production. The neo-liberal state is the antithesis of this project, in reinforcing the separation of the state from civil society, placing its co-ordinating functions strictly under the control of capital, and expanding its repressive powers without limit.

Trades unionism and the limits of social democracy

The triumphalism of capital in the face of the collapse of the state socialist regimes of Eastern Europe cannot conceal the fact that the re-imposition of the rule of capital has by no means abolished the crisis-tendencies of capital accumulation. The ultimate barrier to capital is not the working class, but capital itself. As the military- Keynesian credit boom of the 1980s draws to a close it becomes increasingly clear that the accumulation of capital cannot be sustained without a much higher level of state intervention than that which has prevailed through the 1980s. It is moreover clear, despite the fog of 'post-Fordist' fantasies, that this intervention cannot be confined to the level of the locality but will have to take place on a national and supra-national scale. However it is equally clear that these functions cannot be achieved by a resurrected social democratic form of the state, without reproducing the crisis of the 1970s. Thus any attempt to resurrect the social democratic project will face concerted capitalist opposition.

Social democracy is not only discredited in the eyes of capital, it is also discredited in the eyes of the working class. The rise of the New Right was not the mere result of a capitalist conspiracy, but of electoral success. Its critique of the bureaucratic trades union leadership and of the social democratic state resonated even amongst organised workers, for whom the attempt of trades unions and the state to confine the aspirations of the working class within the limits of capital, in the name of a spurious class compromise, had served as the immediate barrier to the realisation of their aspirations. It was not the neo-liberal state which fostered divisions within the working class, to provide the essential complement to the capitalist strategy of re-composition of the working class in production, it was the social democratic state, backed up by the bureaucratic trades union leadership who were its last allies. It was the offensive of the self-proclaimed leadership of the working class against the living working class movement which prepared the way for the rise of the New Right. The resurgence of social democracy owes nothing to the re-emergence of popular mobilisation against capital and the state, which it still does all in its power to suppress, and everything to the state, whose own offensive against spontaneous opposition complements the efforts of the social democratic leadership to impose its authority on the labour movement. While social democratic parties may come to power, the social democratic project is dead.

The Italian autonomists increasingly celebrated the spontaneity of working class resistance in the face of the increasingly authoritarian official lead-

ership of the working class, a celebration which is repeated in a different form by those who look to the ‘new social movements’ or to a ‘rainbow coalition’ for an effective political force. But the lesson of the 1970s is surely that these are the virtues of fragmented oppositional movements, but not a basis on which to build an effective movement with a positive project which can set the political agenda. The only basis on which such a movement can be built is that of class organisation, and the heart of class organisation can only be the trades union movement. For all their faults, the trades unions, unlike most other oppositional groups, have survived the offensive of the 1980s because workers cannot do without collective organisation. Many trades unionists have learned the lessons of defeat, and have realised the need to reconstruct the trades unions as a cohesive, democratic and unifying force which can articulate the aspirations of the working class not only in the immediate struggles of the work place, but in society as a whole. The priority must surely be to build a trades union movement which can overcome the divisions within the working class, not only between workers, but also within every worker: between the worker as worker, as consumer, and as citizen. Such a movement will express the organic unity of the working class as a collective subject, and so will not be content to allow the purely formal representation of that unity by any opportunistic political party.

The class struggle on a world scale

The accumulation of capital is, and has always been, a global phenomenon. The production, appropriation and redistribution of surplus value takes place on a global scale, so that the struggles of workers in any one country have implications for workers everywhere else in the world. With the destruction of pre-capitalist forms of production on a world scale, with the enormous reduction in the costs of sea and air transport, with the enormous increase in the speed of communications, the mobility of world capital and the speed with which prices tend to equalise on world markets, means that these implications today are profound and immediate. Thus we have to recognise that national boundaries have no more reality for the working class than they do for capital: the class struggle is fought out on a world scale.

This is not just a utopian dream, it is the reality of the struggle. The restructuring of class relations after the war was a global project not only in the sense that the US state launched a global offensive to make the world safe for democracy by ‘Americanising’ European and Japanese industry through

the introduction of advanced technology and ‘modern’ industrial relations systems, but also in the more profound sense that the success of the project in any one country depended on its success as a global project, for it was only the increasing pressure of international competition which turned a choice into a necessity. This was even more clearly the case in the 1970s and the 1980s, when the US no longer enjoyed the dominance which would enable it to carry out such a global project on its own initiative. In the 1960s national governments enjoyed a freedom to manoeuvre in response to working class pressure, which enabled them to resort to inflationary means of preserving political stability by avoiding class confrontation, leading to a global inflationary crisis. The US finally took the initiative in 1973 by provoking a sharp world recession, but rapidly had to reverse its domestic policy in the face of political opposition and impending elections. However, to the extent that capitalists in other countries, most notably Germany and Japan, managed to recompose the working class, to invest in new technologies, and so to build their competitive strength, so the competitive position of capitalists in the less successful countries was eroded, while the state in the latter countries found itself under growing financial pressure, intensifying the crisis to the extent that it was forced into pursuing deflationary measures and attacking the working class, whatever its political complexion. It was by such anonymous economic mechanisms that the balance of class forces on a world scale was reflected in the form of constraints on individual capitalists and individual states, so that by 1982 the working class had been recomposed on a global scale.

The fact that the global character of the class struggle is imposed on individual capitalists and nation states in the form of foreign competition and the demands of foreign financiers lays the ideological foundations for a nationalist response to the crisis. Such a response is double-edged as far as capital is concerned. On the one hand, nationalism has proved the most powerful means of dividing the working class and deflecting it into class collaboration. On the other hand, protectionist policies have proved the most serious barrier to the global accumulation of capital. Thus it is in the interests of capital and the capitalist state to foster nationalist ideologies in the working class, while at the same time ensuring that nationalist aspirations are confined to harmless channels. This is clearly the perspective which has underlain the development of the international state system since the war, in which the liberalisation of international economic relations is embodied in international treaties and enforced through supranational organisations, while the trades union and political representation of the working class is

rigourously confined to the national level.

The appropriate response of the left to this situation is not to seek vainly for ways of restoring the powers of the nation state, as though global accumulation could be brought under national control, but to develop internationalism within the working class movement by sponsoring solidarity action and international links and by developing a class perspective on the globalisation of capital. This is not just a purist luxury, it is a political necessity. The stability of global accumulation rests on the ability of the international financial system to finance growing global imbalances. Should a world financial crisis strike it is unlikely that the balance of class forces would be such as to permit the deficit countries to respond with savage deflationary policies, so that a protectionist response, centred on the formation of blocs, is likely to provide capital with the only viable alternative, as it did following the crashes of 1873 and 1929, both of which led inexorably to global war. While the likelihood of such a crash cannot be predicted, particularly in the face of the opening up of Eastern Europe, it is essential that the left is ideologically prepared for the possibility, ready to propose an alternative internationalist and class response to such a crisis.