GLOBALISATION AND LABOUR

THE NEW 'GREAT TRANSFORMATION'

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CONTENTS

TWO

THE 'GOLDEN ERA'

Capitalism as a stable mode of production seemed to come into its own in the aftermath of the Second World War. After this terrible, destructive period in human history a new vista of stable capital accumulation and harmonious labour relations seemed to be opening up. When British prime minister Harold Macmillan looked back in the 1950s and told people that 'we have never had it so good' he was not just politicking and he was not just talking for Britain. We need just recall that between 1950 and 1973 output per capita in the industrialised countries rose *three times* faster than the average of the previous 130 years. This new model capitalism created a new mode of regulation, which included Fordist production methods and the welfare state, at least for the advanced industrial societies. The first two sections of this chapter examine the basis of this unpredicted expansion of capitalism and its implications for the workers of the West. This was the heyday of national capitalism and *corporatism*, of the increased role of the state in economic affairs and in regulating labour–capital relations. But as the third section shows, the so-called Third World or developing countries did not partake of the synergy and apparently rosy prospects of the Golden Age. A new international division of labour incorporated these countries into its global capitalist economy but in a subordinate and uneven manner. The final section of this chapter examines the various versions accounting for the end of the Golden Age some time in the early 1970s. Our interpretation of the making and unmaking of the Golden Era, in the North and South, is specifically in terms of its implications for workers and the labour movement.

NEW MODEL CAPITALISM

The great crash of 1929 and the long Depression of the 1930s provided a salutory shock to the economic and political leaders of capitalism. Free-market forces would have to be tempered by state intervention if capitalism was to achieve a stable form resistant to such shocks in the future. The central feature of this new model 'managed' capitalism was a generalised 'acceptance of the so-called mixed economy – that is, a capitalist framework within which state enterprise was tolerated and the government held responsible for managing the economy'. Equally significant from the point of view of the present text, 'workers obtained certain rights and material benefits' (Armstrong et al., 1984: 193) from this dispensation. At least in the core capitalist countries, workers had jobs and even pay rises, received welfare services and could join trade unions. Economic relations are always mediated through social relations and in this new model capitalism, which consolidated itself in the post-war period, the labour–capital relation achieved a certain stability with consensus over its key parameters. In the so-called developing world, the 1930s' depression at the centre created the conditions for an import-substitution industrialisation for some countries. The post-war period saw the definitive surpassment of colonialism based on direct political domination and in its place the development of a neo-colonialism based on economic domination. The capitalist world was becoming integrated into a coherent whole, albeit unevenly, and excluding those parts of the world under the sway of state socialist *regimes* committed to endogenous growth.

John Maynard Keynes produced the macro-economic tools to prevent a recurrence of the economic destruction and mass unemployment of the 1930s. The Keynesian toolbox is quite simple: use of monetary policy by the state to slow down or stimulate the economy, use of spending and reverse to achieve the same objectives, and manipulation of the minimum wage/workforce levels (Lipietz, 1987: 38). This mode of regulation of the capitalist economy greatly facilitated the high and stable growth rates of the Golden Era. Keynes had, in his general theory of 1936, laid out the basis for this new institutionalisation of aggregate demand management, but it was only after the Second World War that the approach was actually implemented. The leaders of the capitalist economies in the West had noted a Soviet

Union industrialising strongly during the 1930s while they were in depression. Even the economic success of Nazi Germany was a salutory lesson to the depression-marked capitalist democracies. As Stephen Marglin puts it, 'the Western democracies were put under considerable political pressure to prevent output and employment from being regulated by swings in private confidence' (Marglin, 1990: 5). The 'animal spirits' of the capitalist were going to have to be tamed and the vicissitudes of the market controlled, at least to some extent. Workers in the West had come out of the Second World War strengthened. Unionisation had increased in quantitative terms but there was also a fundamental leap in confidence in the ability of the organised working class to run society for the common good.

It was the spectre of mass unemployment that was to haunt capitalist policy-makers as they moved out of depression and war into the Golden Era of capitalism. Pure laissez-faire attitudes towards employment were not credible after the catastrophe of the 1930s. The new countercyclical economic policies would have to have as a priority the achievement of full employment, or at least the avoidance of mass unemployment. A social compromise between capital and wage labour would have to replace the free-for-all of laissez-faire economic dogma. High growth rates would be matched by high employment rates and rising living standards for most workers in the advanced capitalist economies. Expansionary demand-side policies made sense to the capitalist elites, and workers granted the new 'reformed' capitalism a certain legitimacy. In retrospect, though, the commitment to full employment was storing up problems for the system. Michael Kalecki, the Polish economist who some assert came up with 'Keynesianism' independently from Keynes, had argued that

> The *maintenance* of full employment would cause social and political changes which would give a new impetus to the opposition of the business leaders. Under a regime of permanent full employment, 'the sack' would cease to play its role as a disciplinary measure ... 'discipline in the factories' and 'political stability' are more appreciated by business leaders than profits. Their class instinct tells them that lasting full employment is unsound from their point of view and that unemployment is an integral part of the normal capitalist system. (Kalecki, 1943: 140–41).

This, arguably, would be a factor in the later shift to supply-side and contractionary demand policies.

The international dimension was also crucial in ensuring the stability of world capitalism in the post-war period. This was centred around the so-called Pax Americana, a world system in which political and military hegemony was vested in one power, namely the United States. In the post-war period a return to a pure gold standard for international finance was impossible, so the Bretton Woods Agreement of 1944 established a 'flexible' gold standard. As the US dollar was the only convertible currency, this effectively made it equivalent to gold; as Webber and Rigby note, 'linking the dollar and gold was a boon to trade and the emerging post-war international financial system' (Webber and Rigby, 1996: 27). Restrictions in the full flow of goods would be removed, and trade would reinvigorate the capitalist world system. Bretton Woods created a system of fixed parities among the world's major currencies, to be adjusted through the new international body it set up, the International Monetary Fund (IMF). Though many of the 1944 agreements were never implemented, the Bretton Woods system created a certain degree of international financial stability until 1971, when it was unilaterally scrapped by the USA. The American 'peace' was also ensured by force, which included open or covert military interventions in Iran (1953), Guatemala (1954), Lebanon (1957) and the Dominican Republic (1965). Undisputed hegemony was, however, shattered by the ignominious defeat of the global power in Vietnam (1973), the effects of which were felt in the impunity with which the Organisation of Petroleum Exporting Countries (OPEC) raised the price of oil in 1973, thus hastening the demise of the Golden Era.

Pax Americana also meant an unprecedented expansion of US business interests through the (in)famous 'multinationals': the barely 7,000 overseas affiliates of US corporations in 1950 had risen to over 23,000 by 1966. During the 1950s and 1960s, the growth rate of multinational investment increased dramatically and they became the main agents of capitalist internationalism. The initial wave of post-war international investment originated in the USA, which accounted for more than half of the global total of foreign direct investment. The US corporations invested in and dominated much of the oil industry, mining and agriculture across the world. In the 1960s they also set up behind protectionist barriers to engage in manufacturing – for example, in Latin America. Later, European and Japanese international firms would become major players on the global stage. Thus while the USA remained the largest overseas investor, its share of global foreign direct investment (FDI) dropped from around 50 per cent in 1960 to 25 per cent in the mid-1990s. Though there is the occasional 'multinational' from Korea (Daewoo) and Venezuela (the state oil company) in the 'top 100', the 'vast majority of MNCs and FDI flows originate within, and move among, OECD countries' (Held et al., 1999: 248). It is among the Triad of North America, Western Europe and Japan that real transnational power lies. In the post-war period, the MNCs became the main bearers of capitalist relations worldwide and arguably paved the way for globalisation after the collapse of the Golden Era and the neo-liberalism of the 1980s. They have risen to a position where they dominate the global production and distribution of many goods and services and are at the cutting edge of technological development.

The third pillar of the new model capitalism, after Keynesian macro-economic management and the US-led international financial and investment regimes, was undoubtedly corporatism. Subject to a multiplicity of debates and definitions, theories of corporatism assert that 'unions are organized by the state and that the conduct of industrial relations is structured through a system of compulsory arbitration' (Roxborough, 1984: 3). For trade unions in the West it made sense to seek political representation for labour within state structures. The class struggle could be 'managed' in the interests of labour as much as capital, or so it seemed. Representatives of the working class were at one and the same time fighting the capitalist system and striving for its continued expansion to the benefit of workers. Corporatism in some developing countries also allowed trade unions to 'punch above their weight', as they engaged in political bargaining on the basis of fairly meagre social weight. The state–capital–labour relation took many different forms, and the term 'corporatism' may well be too flexible to be useful. The main point, as Armstrong et al. make in their broad-canvas analysis of the making and breaking of the post-war boom, is that 'the right of workers to organised representation was ... [an] ... important feature of the consensus' (Armstrong et al., 1984: 199). Whether in the form of institutionalised collective bargaining as epitomised by Britain, the co-determination system of Germany, Bolivian miners' co-determination, French indicative planning or Japan's particular labour relations, there was a generalised belief in and consensus around the legitimacy of workers' representation and on the desirability of compromise over conflict.

It is important to note, for the purposes of this text in particular, that corporatism also took an international form. The International Labour Organisation (ILO) was formed in 1919 and was to become an integral element of managing labour–capital relations in the post-war world. At its origins it was a response of the Western powers to the perceived menace of the Russian Revolution. When US President Roosevelt presided over a major ILO conference in 1944 it signalled US endorsement of its role in terms of an international social policy. From its inception, the ILO reflected the principle of tripartite representation, with representatives from government, employers and trade unions sitting down together. Its commitment to trade-union freedom and collective bargaining during the Golden Era was part and parcel of US hegemony over the 'Free World'. Robert Cox, in a significant critical insider account of the ILO, argued that 'Tripartism can now be defined, in the perspective of the United States, as the reality of the corporative state veiled by the still vigorous myth of free enterprise' (Cox, 1996: 427). Parts of organised labour would be allowed to sit at the 'top table' with employers and governments but at the cost of excluding the majority. Corporatism at the international level shifted from an understanding that the class struggle needed to be institutionalised to a quite nonconflictual version of tripartism in which managerial ideologies of production would exist unchallenged. A bitter fruit of this ideology at its most extreme was the long history of the US AFL–CIO as a labour agent of US imperialism, especially in its Latin American backyard.

What the new model meant in terms of the world of work was, in the first place, a vast increase in the number of workers. In the advanced capitalist countries, total employment rose by 30 per cent between 1950 and 1970. This is a significant increase in the size of the working class, but the degree of proletarianisation is even greater if we take into account the decline from 30 per cent to 15 per cent of the self-employed as a proportion of those officially classified as in work (Armstrong et al., 1984: 236). The secular decline of agriculture and the rise of the new services sector marked a fundamental recomposition of the Western working classes. Increased mechanisation and technological development led to increased skill and educational levels. Proletarianisation led to an increase in unionisation as well, with trade-union members in the advanced capitalist countries increasing from 49 million in 1952 to 62 million in 1970 (Armstrong et al., 1984: 238).

Though a crude indicator at best of labour organisation, and not that significant in terms of 'class consciousness', trade unions became social organisations of considerable weight during this period. From there to argue that capitalism was 'creating its own gravediggers', as many Marxists believed, was another matter. The working classes and the trade unions in the West during the Golden Age could only but reflect the ethos of the time. Hardly a social or political movement, let alone a government, however left-leaning, would articulate a project fundamentally opposed to the new model capitalism whatever radical sounds might be made.

If we allow for a lag of a decade for the so-called developing countries, we can see a similar process of proletarianisation. Agriculture, once the main employer by far, declined in the 'upper middle income' developing countries from 50 per cent in 1960 to 30 per cent in 1980 and from 62 per cent to 46 per cent in the 'middle income' countries. The degree of industrialisation was not so marked, yet the percentage of the labour force employed in manufacturing increased between 1960 and 1980 from 20 to 28 per cent in the upper middle income countries and from 15 to 21 per cent in the middle income countries. Though very unevenly across what became known in the post-war period as the Third World, capitalist relations of production were making considerable advances. There were few signs of a 'social compromise' between capital and labour and the process was more akin to the bloody 'primitive accumulation' described by Marx, but it was the development of capitalism nevertheless. As Bill Warren once put it provocatively: 'Whatever the new world being created in Latin America, Asia and Africa is to be, nothing can be gained from a refusal to recognise the existence of the developing capitalist societies already there' (Warren, 1980: 255). With the development of a new international division of labour in the 1960s (see below), this development of a proletariat across the globe shifted from an extensive to an intensive mode. This was probably a necessary prerequisite to the development of globalisation in later decades.

We need to turn now to Fordism, the mode of regulation and the way work was organised during the 'Golden Era'. But first it is necessary to reiterate how uneven this undoubtedly dynamic capitalist period was. It was often in looking back from the bleak neo-liberal 1980s that this era looked more golden than it actually was. In a bold retrospective analysis of the long post-war upturn and its subsequent undoing, Robert Brenner (Brenner, 1998) has questioned in particular the harmonious capital–labour relations implicit in most versions of this history. Across the political spectrum there has been an assumption that workers were accommodated within the new regime of capital accumulation. For Brenner, on the contrary, it seems obvious for example that the post-war boom in Japan and Germany was 'premised upon the suppression of labour and its consequent acceptance of low and (relative to productivity growth) slowly increasing wages' (Brenner, 1998: 42) rather than on the consolidation of some capital–labour accord or compromise. Even in relation to the United States, Brenner is able to bring evidence to show that 'Contrary to received wisdom, there was never anything approaching an 'accord' between capital and labour ... at any time during the post-war period' (Brenner, 1998: 60). So at most we can place the labour–capital accommodation in relative terms (compared to the open class war of the neo-liberal era) and then mainly for Britain and Western Europe outside Germany. There is, of course, another side to the post-war boom, namely the peripheral Fordism of the developing world, usually instigated by highly repressive political regimes committed to no form of accommodation with labour whatsoever.

FORDISM AND WELFARISM

At the heart of the 'new model capitalism' lay the Fordist labour process and the welfare state. When Henry Ford began producing his famous *Model* T motorcars in Detroit in the 1910s he created a new work method. From the First World War, F.W. Taylor's so-called scientific management was introduced into most advanced industrial societies, based mainly around the separation between planning and execution in the workplace and the 'one best way' to carry out a task. Taylorism, as it became known, only came into its own when it was transmuted into Fordism. Ford pioneered the flow-line principle of the assembly line, where Taylor's 'time and motion' method could be vigorously applied as the machine now dictated the workplace. Ford also introduced a daily wage ('measured day work') to replace piece rates, along with the famous Five Dollar Day, to attract workers to his car plants. Antonio Gramsci, a contemporary observer of Fordism (as Lenin was of Taylorism), noted perceptively that its aim was 'To build up an organic and well-articulated skilled labour force or a team of specialised workers[, which] has never been easy' (Gramsci, 1971a: 312). Fordism was seen by Gramsci as eminently rational, with a trade-off between higher wages and the associated rise in living standards on the one hand, and a new labour process demanding an unprecedented expenditure of muscular and nervous energy on the other. From its inception, then, Fordism was a form of capitalist production but also a mode of consumption. As Gramsci put it in a striking way: 'Hegemony here is born in the factory…' (Gramsci, 1971a: 285). This new logic of social transformation was to have profound effects on the social institutions and wage labour–capital relations during the Golden Era.

Fordism may be taken as an 'ideal type' but clearly it had many variants across countries and across time. Robert Boyer refers appropriately to 'one model, many national brands' (Boyer, 1995: 27) in relation to Fordism. From this perspective he develops a typology of different national Fordisms, in a similar way to Tickell and Peck's model (Table 2.1). What is particularly interesting about this model is that it integrates the particular Fordist accumulation patterns with the Keynesian-welfare modes of regulation for each case. It is also a less Eurocentric model than those usually found in the industrial relations literature, with due attention being paid to 'peripheral Fordism' and the 'racial Fordism' typical of apartheid-era South Africa.

If there was one enduring legacy from the Great Depression it was the welfare state, that 'safety net' to catch those who fell through the formal wage-earning structures of capitalist society. In Britain's paradigmatic welfare state, the post-war Beveridge Report was premissed on the notion of a 'social minimum' of welfare based on compulsory social insurance. While the origins of welfarism can be traced back to the turn of the century, it was in the post-war period that it was consolidated and generalised, in a way that commanded cross-party support. Coverage of previous unemployment schemes was broadened beyond full-time industrial workers. In relation to the Western European countries, Armstrong et al. found that, 'Comparing the situation in 1975 with the year of introduction … the duration of benefits had doubled … the delay before eligibility had halved … and the period of disqualification had halved' (Armstrong et al., 1984: 196). Far and away the most radical innovation was the British National Health Service (NHS) based on need, as of right and universal. Certainly the welfare state never came close to eradicating poverty, even in the

TABLE 2.1 VARIANTS OF FORDISM

Regime	Characteristics	Examples
'Classic Fordism'	Mass production and consumption by social-democratic welfare state.	USA
'Flex-Fordism'	Decentralised, federalised state. Close co-operation between financial and industrial capital, including facilitation of inter-firm co-operation.	West Germany
'Flawed Fordism'	Inadequate integration of financial and productive capital at the level of the nation-state. Archaic and obstructive politics identified by some authors.	United Kingdom
'State Fordism'	State plays leading role in creation of conditions of mass production, including state control of industry. *L'état entrepreneur.*	France
'Delayed Fordism'	Cheap labour immediately adjacent to Fordist core. State intervention has key role in rapid industrialisation in 1960s.	Italy, Spain
'Peripheral Fordism'	Local assembly followed by export of Fordist goods. Heavy indebtedness. Authoritarian state structures coupled with movement for democracy, attempts to emulate Fordist accumulation system in absence of corresponding mode of social regulation.	Mexico, Brazil
'Racial Fordism'	Dualistic workforce. Privileged minority has North American-style working conditions and remuneration levels that rely upon authoritarian state structures and 'super-exploitation' of majority population.	South Africa
'Primitive Taylorisation'	Taylorist labour process with almost endless supply of labour. Bloody exploitation and huge extraction of surplus value. Dictatorial states and high social tension.	Malaysia, Bangladesh, Philippines
'Hybrid Fordism'	Profit-driven expansion based upon modified Taylorism. Truncated internal market, societal segmentation and underdeveloped welfare state. Indirect wage indexation.	Japan

Source: Tickell and Peck, 1995: 362.

advanced capitalist countries. It did, however, fundamentally reform the laissez-faire capitalism of the 1930s and provide it with a 'human face'. To some degree it was only in retrospect as the neo-liberal age developed that the welfare state acquired a more positive connotation. From the perspective of the developing countries, without even a rudimentary welfare state in most cases or at best a formal system which did not deliver, the Western welfare state seemed desirable indeed to workers and their families.

The welfare state was probably not an unambiguous good for the working classes. A critical reading of the Keynesian welfare state, especially in its heyday, argued that it was designed to secure popular consent, to ensure the smooth 'reproduction' of the working classes. It was seen as one of the repressive mechanisms of the state, along with schools, housing departments and the family. It was perceived as part of the state along with schools, housing departments and the family: an 'ideological state apparatus' (see Althusser, 1971) to match the 'repressive state apparatus' of army, police, and so on. These were seen to work hand-in-glove to tame a rebellious working class, a case of an 'iron fist in a velvet glove', as it were. Even when writers did not see the welfare state as an unambiguous offence against libertarianism, there was a tendency (in retrospect) to overstress its negative elements. Ian Gough, author of an influential political economy of the welfare state, could argue as late as 1979 that the welfare state

> simultaneously embodies tendencies to enhance social welfare, to develop the powers of individuals, to exert social control over the blind play of market forces; and tendencies to repress and control people, to adapt them to the requirements of the capitalist economy. (Gough, 1979: 12)

As monetarism began to exert its grip on the Western political imagination, the welfare state began to be seen as an unaffordable luxury. As mass unemployment took a grip, it became harder to see a public health system and a welfare state 'safety net' as somehow repressive social institutions 'taming' a naturally rebellious working class.

If we now add up Keynes, Ford and Beveridge (the welfare state) we get the basic ingredients of the 'Fordist' social compromise which dominated across the advanced capitalist countries in the Golden Era. This KFB model not only dominated the economic scene, working relations and consumption patterns; it also shaped society as a whole and its particular post-war institutional arrangements. As Boyer puts it, 'An unprecedented conjunction of political and social forces led to this new order' (Boyer, 1995: 21). The rebuilding of war-torn societies took precedence over social and political differences, at least to some extent, and temporarily there was a paradigm shift. The Malthusian capitalist became a rational manager. The radical trade unionist took on board 'scientific management' methods. Above these new 'social partners' stood the KFB state setting up the necessary public infrastructure and maintaining the countercyclical economic policy to keep things going. Managers would be allowed to manage by labour, and workers could expect a share of productivity gains as Fordism matured and to be 'looked after' by the welfare state if necessary. The new production methods would be matched by new consumption patterns across the working classes, which helped legitimise the new order. The main point is that the KFB social order was an integrated whole, a seamless package with considerable synergies. As Boyer puts it, in summing up this virtuous circle, 'It can be shown that a rather coherent accumulation regime has been built upon this genuine social compromise' (Boyer, 1995: 22).

One way of taking a broader perspective on the particular post-war social dispensation in the West is via the concept of citizenship. T.H. Marshall, an early theorist of the British welfare state, developed a model based on the elements or aspects of citizenship:

- Civil – such as freedom of speech the right to justice, and the prerequisites for individual freedom.
- Political – involving the right to participate in the exercise of political power through local government and national parliament.
- Social citizenship – 'the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilised being according to the standards prevailing in the society' (Marshall, 1950: 10).

The language of Marshall may be a trifle arcane, his Eurocentrism was undoubted, and gender had not entered his discourse (see Lister, 1997). However, Marshall usefully highlighted the limitations of a purely political definition of citizenship. By introducing the social element of citizenship, Marshall recognised that civil and political citizenship under capitalism was at best partial without the essential rights to social and economic welfare. Marshall has been criticised for advancing an evolutionary view of the development of citizenship as some inherent characteristic of capitalism (see Mann, 1987). However, if we take a fluid reading of Marshall's account of the contradictory relationship between political democracy and the free market of capitalism, we can see its relevance in the era of globalisation and understand why oppositional forces in developing countries have adopted similar political paradigms in varied situations.

So how did the workers of the West fare under Fordism? We have already mentioned the quantitative expansion of the Western working classes and the development of trade unionism. Yet, as Armstrong et al. argue,

> The increase in output was out of all proportion to the growth of employment. The number of people classified as in civilian employment rose by only 29 per cent between 1952 and 1973. So most of the extra production represented an increase in output per worker. Annual productivity doubled. (Armstrong et al., 1984: 168)

This great leap forward in productivity was not due to longer hours worked, as these decreased steadily (albeit at less than 1 per cent per annum over this period). It was, rather, the quantity and the quality of the means of production that improved. There was, in essence, a veritable technological revolution during this period. According to Eric Hobsbawm,

> More than any previous period, the Golden Age rested on the most advanced and often esoteric scientific research, which now found practical application within a few years. Industry and even agriculture for the first time moved decisively beyond the technology of the nineteenth century. (Hobsbawm, 1994: 265)

The language used by Hobsbawm to describe the Golden Age equals that of Marx and Engels in the *Communist Manifesto*, who waxed lyrical on the capitalist revolutions of their day. It is well to remember, though, that if the means of production per worker doubled in the advanced capitalist economies, this also meant that effectively 'it was as though each worker was confronted by two machines where one stood before' (Armstrong et al., 1984: 168).

There was a debate in the 1970s around 'unequal exchange' between nations that also had implications for the position of Western workers in the global system. The original, if idiosyncratic, arguments for this analysis came from Arghiri Emmanuel (Emmanuel, 1972), who applied a Ricardian international trade model to derive the notion of unequal exchange: basically, unequal quantities of labour were involved in international trade to the detriment of the developing countries. The model involves the international mobility of capital and the international immobility of labour power. Emmanuel saw wages as an independent variable in this model (Marx's moral-historical element) which results in capital-intensive industrialisation at the centre and labour intensive methods at the periphery. The unequal exchange of their products in the international market results in uneven development. Other writers argued to the contrary that it was the uneven source of capitalism as a mode of production which led to wage (and productivity) differentials and not the other way round. Emmanuel was also criticised for the divisive implications of his political consideration that Western workers benefited from unequal exchange and thus were unlikely to engage in solidarity activities with their counterparts in the developing world. With hindsight, it is not so much the intricacies of the unequal exchange model which are interesting but the fact that there was a critical consensus that capital accumulation on a world scale was based on exploitation. Now the only consensus is that all must be part of the globalisation process and not suffer from exclusion.

Meanwhile, in the East workers were labouring under what has been called the 'Iron Age' (Lipietz, 1995: 355). Lenin had been a great admirer of Taylorism and he once infamously defined socialism as 'soviets plus electrification'. This was an industrial model of modernisation which owed a lot to capitalism in spite of a commitment to centralised planning as against market allocation of resources. In the 1950s it seemed from the prodigious Soviet growth rates, that the Golden Era had its Eastern counterpart. The drive to industrialise was paying off even if the system was inefficient and the human cost huge. Janos Köllö has characterised Eastern Europe's 'dark' Golden Age thus: 'Disorder with a "human face", not the strict Taylorian rule in the factory; anomie and slyness, not the Orwellian drill; informal bargaining and individual evasion of unfavourable local conditions, not the complete submission of workers' (Köllö, 1995: 291). In the resource-constrained economies of Eastern Europe there was a rapidly growing level of employment. This was an extensive rather than an intensive pattern of capital accumulation. Unemployment rates were very low and workers had considerable rights not only to a job but also to social rights in that job. By the 1980s, this model was in crisis and the East joined the West's race into the globalisation and deregulation new order. An interesting point is whether this crisis of modernisation was more akin to the West's Golden Era crisis (see later in this chapter) or to the South's debt-driven crisis of the 1980s (see Chapter 3). We can probably surmise a third way into crisis even if the end result was, on the whole, a 'Thirdworldisation' of the East.

For Lipietz the 'Iron Age' model of Soviet labour–capital relations was a cousin to the Fordist one based on a menu of 'Taylorism plus tenure' which allowed it to compete with the West in the 1950s (Lipietz, 1995: 356). The extensive pattern of accumulation that ensued did not really require much flexibility and it was well placed to absorb a surplus of rural labourers. In the transition from a nonindustrialised to an industrialising economy this model was productive enough. Indeed, Leninism in the developing world generally took on as much the characteristics of a developmentalist ideology as those of a political philosophy. Wages grew only slowly and there was not a vast increase in mass consumption patterns, so that surpluses accumulated readily throughout this period. However, as Lipietz notes, 'the compromise of "tenure with low wage" appears then as completely stagnationist' (Lipietz, 1995: 356). There was a pressing need, even with the assumed parameters of the state socialist model, for more flexibility. With a considerable delay compared to the West, the demands of 'flexibility' nevertheless made themselves felt. So-called external flexibility – the right of managers to redeploy labour – meant the end of tenure. By the time this crisis in capital–labour relations came to the fore in the 1990s, the full-blown effects of political crisis were being felt. As state socialism collapsed, the social-democratic compromise of Fordism was no longer on offer and the workers of the East were brusquely introduced to the rigours of neo-liberal flexibility under the aegis of globalisation.

NEW INTERNATIONAL DIVISION OF LABOUR

If we take a global perspective on the long post-war boom in the West/North, perhaps the most noticeable transformation is the emergence of a new international division of labour. In the 'old' or colonial division of labour, Third World labour had been essential to the industrial revolutions in the West. Marx wrote about how Western capitalism came into the world 'dripping from head to toe from every pore with blood and dirt' (Marx, 1976: 926). This process of primitive accumulation led to plunder and forced labour across what was to become known as the Third World. The cotton industry of Britain, for example, was dependent on the slavery of the cotton-producing areas of North America. The growing mobility of capital – which began to penetrate all areas of the globe – was matched by mass migrations of labour, that unique and sometimes recalcitrant 'factor of production'. The keystone to capitalist 'development' was always labour. As Sydney Mintz writes in relation to the Caribbean, 'for most of the islands during most of their post-Columbian history, labour had to be impressed, coerced, dragged and driven to work – and most of the time, to simplify the problem of discipline labour was enslaved' (Mintz, 1974: 45). The sugar, cacao, gold, diamonds, wheat, beef and oil which fed the West's industrialisation and population created for the non-West a subordinate role in a colonial division of labour sustained for centuries by force of arms. Imperialism was an integral element in the development of capitalism and helped shape its economic, political, social and cultural characteristics.

The basic argument of the new international division of labour (NIDL) theorists is that the traditional colonial division of labour in which the Third World was relegated to the production of raw materials began to change in the 1960s. Decolonialisation, and then the 'economic imperialism' of the post-war period, began to generate pressures for change. For Fröbel, Heinrichs and Kreye three basic preconditions were required for this to happen:

1. The breakdown of traditional social economic structures in the Third World, which led to the emergence of a vast pool of cheap available labour.
2. The fragmentation of the industrial production process, which allowed unskilled sub-processes to be relocated to the Third World.
3. The development of cheap international transport and communications technology, which made this relocation possible (Fröbel et al., 1980: 13).

The NIDL is seen to have fundamentally restructured the relations of production in the Third World, with the emergence of a substantial manufacturing sector oriented towards the world market. The new 'world market factories' engaged in a process of 'super-exploitation' of their mainly female workers, recruited for their alleged submissiveness and 'nimble fingers' (see Elson and Pearson, 1981). This shift away from a purely agricultural and raw-materials-supply role, with all its limitations, was seen to create the conditions for the emergence of a classical opposition between capital and wage labour. For some of its most incisive analyists and critics the NIDL also 'contains the *possibility* of international solidarity between workers' (Fröbel et al., 1980: 406). We return later, in Chapters 6 and 7, to the issue of international labour solidarity but first we must examine the limitations of the NIDL theory.

The NIDL theory was not without its critics, even at the time (1970s) when it certainly appeared to reflect a changing global reality. Essentially it focused on the world market, the level of circulation, to the detriment of changes at the level of production. As with the dependency theory of underdevelopment, to which it related in many ways, the NIDL thesis neglected the role of the state in the Third World. It was almost as if the 'world market' had a life of its own and could impose its will across the globe. Furthermore, the NIDL thesis (at least as articulated in Fröbel et al., 1980) seriously underestimated the level of industrialisation that existed in the Third World prior to the 1960s. This led it to isolate the 'world market factories' and the famous free trade zones (FTZs) as the main, even sole, sites of capitalist development in the Third World. In fact, if we take a broader perspective on Third World social formations, their importance is relative. If we take a more historical perspective on Third World industrialisation, we also see that the 'old' division of labour was in crisis in the 1930s and had probably reached its zenith at the time of the First World War. A final weakness of the NIDL thesis is the assumption, at least premature, that labour was achieving the same level of mobility as capital. In spite of these qualifications a recast NIDL approach does direct us towards certain basic transformations in the global economy and the growing importance of Third World workers in the world system.

In reality we can point to at least two phases of the NIDL. The first was typified by the import substitution industrialisation (ISI) in the larger Latin American countries during the 1930s. For example, in Brazil the state had set up its first steel mill (Volta Redonda) and car plant in the early 1940s. This laid the basis for the expansion of capital accumulation in the 1950s, a process that acquired its own endogenous dynamic. State participation in fixed capital formation more than doubled between 1947 and 1960. It was only after this infrastructural basis had been laid by the national state that foreign capital became an important source of investment. By the 1970s, manufactured goods accounted for more than half of the total exports from Brazil. Some of these goods, like textiles and shoes, were relatively labour-intensive but there was also a major automobile industry, where the labour force was subsumed under Fordist methods of production. This pattern was typical of Argentina and Mexico too, but also, for example, in India. By the 1920s there were 4.5 million wage workers in the Indian manufacturing industry. By the 1960s, before the internationally generated NIDL was supposed to commence, these countries (and also the Philippines, for example) possessed internally generated industrial sectors based on production for the home market. To view the Third World as a whole as a simple reservoir of cheap labour (as the NIDL theories tended to do) neglects the dynamic development of capitalism in many areas.

The second wave of the NIDL saw the emergence of the East Asian newly industrialising countries (NICs) in the 1960s, such as South Korea, Taiwan, Hong Kong, Singapore and Malaysia. The export-led industrialisation of these countries since the last 1960s has often been associated with the establishment of FTZs, the modern equivalent of the nineteenth-century mining 'enclaves'. By 1975, there were some eighty FTZs across the Third World, of which fifty were located in East Asia. There were, of course, many more 'world market factories' producing for the international market. Fröbel et al. estimate that by 1975 there were 725,000 Third World workers engaged in this internationalised production sector, of which more than half were based in East Asia (Fröbel et al., 1998: 307). The NIDL led to a wave of relocation of electronics and textile plants from the West to the NICs. Thus, in the textile sector alone we saw the Third World share of total exports rise from 15 per cent in the mid-1960s to nearly 25 per cent by the mid-1970s. The restructuring of the global electronics industry was even more dramatic, with the relocation of most semi-skilled manufacturing operations to the NICs. Through the 'global assembly line' of the textile and electronics industries many more Third World workers (especially women workers) became an integral part of the world working class. By the 1990s these economies had become a leading growth area of the global economy and had also experienced their own capitalist crises.

If we take a broad retrospective view of the countries which entered the NIDL in the 1930s and then in the 1960s, there are two major characteristics of note. In the first place, this was mainly a *state*-led industrialisation and, second, was part of a *national* development strategy. As Jong-Il You writes in relation to South Korea:

> The dominance of the state in guiding economic development ... is well documented. The state dictated the direction of production and investment activities with a variety of incentives and sanctions, thereby controlling and shaping the accumulation process. The state played an hegemonic role in shaping the capital–labour relations, too. (You, 1995: 17)

This would be a general pattern, with differences of degree and format only, across the NICs and the new NICs. The role of the state is important to note because it contradicts some of the *ex-post facto* neo-liberal myths about the East Asian NICs in particular. It is also well to recall when neo-liberal globalisation rules supreme, that the big advance in industrialisation of the developing world occurred under the aegis of mainly nationalist regimes, albeit often authoritarian or openly repressive. Today, when 'reform' is associated directly with the opening of these economies to the world market, we should stress the role of a certain degree of protectionism in the past. Indeed, all development theories until the 1980s, be they conservative modernisation theories 'made in USA' or the radical alternative 'dependency' theory originating in Latin America (but which spread widely), conceived of development as *national* development.

As to the labour process which emerged under the NIDL, there are two main variants. The first is what Lipietz has called Bloody Taylorism (Lipietz, 1987). This is a Taylorism for the era of 'primitive accumulation', a labour process guaranteed by repressive political regimes which maintained the regimentation of labour as much as the classical 'time and motion' studies inside the plants. There is little attempt to construct a hegemonic type of labour process where 'acquiescence' is achieved through a 'human relations' type of approach to workers. A premium is placed, rather, on the 'adaptability' of the work-force to the demands of the Taylorist process, with fragmentation of tasks and repetitive work routines at its core. The technological revolution in the West during the Golden Age led to a breaking down of the labour process, with less skilled elements being relocated in the Third World. While relative surplus value, according to Marx's criteria, is extracted from these workers, absolute surplus value is also important given the lengthening of the working day, the employment of minors, and the constant and direct compulsion by supervisors. As Lipietz writes,

> The results are as spectacular as the means used to achieve them. The rate of surplus-value rises sharply, whereas it remains stable in the central 'Fordist' regime. The rise is due to the opening of the 'scissors' between stagnant purchasing power and rising apparent productivity. (Lipietz, 1987: 76)

This regime of accumulation proved extremely profitable to the NICs but it could not escape the basic Keynesian constraint that the home market was only slow to develop within this logic.

In some developing countries a genuine, if peripheral, Fordist system did emerge. For Lipietz, 'peripheral Fordism' is a 'true Fordism' in so far as it involves both mechanization and a growing consumer market, but it remains peripheral in that the skilled jobs and production processes remain largely outside the South (Lipietz, 1987: 78–9). This model fits countries like Brazil, South Korea and Mexico. The motor industries in these countries, for example, were only sub-Fordist in the sense that autoworkers did not reap the social benefits of Fordist factory life in the advanced capitalist countries. At the level of the factory, though, the Fordist methods of the semi-automated assembly line and the intensified division of labour were fully implemented. Perhaps more typically 'sub-Fordist' would be the average Third World textile plant of the 1970s, which adapted Taylorist principles but made no attempt to achieve the social integration of workers. This Taylorist labour process was, however, complemented by more traditional means of extracting surplus value, such as virtually unlimited working hours. Either the most 'modern' textile plants in the developing world (and, of course, not exclusively limited to this part of the world, as we shall see in Chapter 5) are liable to practise subcontracting to small workshops, with outwork – once seen as a precapitalist labour process – finding a profitable niche in the late twentieth century. Such is the story of combined and uneven development in the lead-up to globalisation.

As the Golden Age became tarnished in the North during the 1970s (see section below), the South was going through an ascendant phase. This was the period which saw the work of the famous Brandt

Commission (Report of the Independent Commission on International Development Issues, 1981); it was also, in retrospect, a high point of international trade-union influence on global development strategies. This enlightened programme for survival echoed many of the demands put forward by Third World governments in the 1970s to promote a New International Economic Order. Countries would be taxed, on a sliding scale related to national income, to provide revenues for a World Development Fund. During the 1970s the unravelling of the Golden Era in the North did not immediately impact on the South due to these moves towards a global Keynesian policy and the recycling of the petro-dollar. Growth was uneven, but it appeared that peripheral Fordism would have as bright a future as its central counterpart had for the glorious thirty years since the Second World War. From a political economy perspective we can recognise, with Juliet Schor and Jong-Il You, that 'the 1970s were a decade of ascendancy rather than setback as far as the South was concerned; economic growth continued, Vietnam defeated the United States, OPEC successfully raised oil prices, and the New International Economic Order was on the agenda' (Schor and You, 1995: 5–6). It was only in the 1980s that the crisis became global as restrictive monetary policies in the North led to a massive increase in interest rates; this triggered the Third World debt crisis with its catastrophic social and economic consequences.

Towards the end of the last century, a yet 'newer' international division of labour impacted on the countries and workers of the developing world. There is no longer a unified North and South, if there ever was. We cannot even distinguish a centre, semi-periphery and periphery as world-system theory did (see Wallerstein, 1983). While the new global economy is highly integrated, it is also extremely diversified. The network of the global information-led economy has integrated various parts of the world and its workers into its web. This is not done, however, by integrating national economies which have become increasingly disintegrated. Thus, as we saw in Chapter 1, we can talk of the 'Latin Americanisation' or 'Brazilianisation' of the United States or other once unproblematically designated advanced industrial societies. Pockets of development coexist with broad swathes of 'underdevelopment' and human misery. Uneven development has always been a characteristic of capitalism, but what is striking today is the degree of development, on the one hand, and the utter disconnection of other parts of the globe, on the other. This newest division of labour certainly relegates whole regions as surplus to requirements. Globalisation has sharpened the process of social exclusion in all societies and has simply excluded some regions from even the dubious privilege of exploitation. Before we can turn to the effects of this new regime of accumulation on the workers of the world (Chapter 3) we need to unravel the precise nature of the crisis of the Golden Era.

CRISIS OF THE MODEL

We now live in a post-Fordist, post-welfare-state, post-interventionist-state, post-class-compromise era. The end of the Golden Age in the 1970s had far-reaching effects, leading to the hegemony of neoliberalism and the birth of the era of globalisation we are now living under. A critical understanding of how and why the post-war model of accumulation came to an end is crucial to a proper understanding of the new dispensation. Most analysts are agreed that the 1970s and 1980s were different from the 1950s and 1960s, but no clear paradigm has emerged such as that of the 'Golden Age'. Many momentous events occurred in this period, such as the collapse of the Bretton Woods system of international finance in 1974, the big increase in oil prices in 1974–75, the rise of Reaganism–Thatcherism with their neoliberal economic policies in the early 1980s, and the collapse of state socialism at the end of that decade. It was also out of this period that the basic parameters of globalisation emerged, to flourish fully in the 1990s. Where there is little agreement is on the pattern of causality in this set of events, and we will seek to clarify some of the contending explanations in this section. The importance of this crisis probably grows in significance as it become clearer that the 'great transformation' which began after the crisis of the 'Golden Age' of post-war capitalism continues to change the world around us in ways that are still uncertain.

At one level the crisis which affected the advanced capitalist economies (ACEs) at the end of the 1960s and early 1970s is clear enough. The falling rates of profit in the ACEs between 1968 and 1973 were a clear indication that something was fundamentally amiss: profit rates in the USA, Western Europe and Japan were down one-third from their previous peaks. There was a wave of strikes across Europe between 1968 and 1970 that seemed to exacerbate this capitalist crisis of confidence. The expansion of the early 1970s was based in a massive US deficit and was fuelled by a rapid rise in inflation rates. As the economists of the time put it, the economies of the West were 'overheating'. When the crisis point was reached in 1974 it coincided with a round of increases in oil prices by the OPEC countries between 1973 and 1974. 'Greedy oil sheiks' looked the likely and handy culprits. Certainly, as Eric Hobsbawm puts it, 'one of the reasons why the Golden Age was Golden was that the price of a barrel of Saudi oil averaged less than $2 throughout the entire period from 1950 to 1973, thus making energy ridiculously cheap, and getting cheaper all the time' (Hobsbawm, 1994: 262). This was undoubtedly one of the conjunctural factors triggering the crisis but it was only part of a broader configuration of structural and conjunctural factors leading to a collapse of the post-war model. The Golden Age had begun to lose its shine some seven years before the 'oil shock' hit it.

Another common explanation of the crisis, both on the right and on the left, was the profit squeeze due to the power of workers to impose wage demands on capitalists. For Stephen Marglin,

> There was ... well before the oil shock, a general 'full-employment, profit squeeze' throughout the OECD countries. This was not a phenomenon associated with business 'cycles' ... but the result of a long period of sustained growth, rising wages, high employment, and increasing security for working people. The full-employment, profit squeeze had a direct effect on accumulation. (Marglin, 1990: 19)

So the warning by Kalecki (see above) that full employment would remove fear of the sack and ultimately jeopardise accumulation seemed to be coming true. Certainly it is easy to see how a combative labour movement can in certain countries and at certain periods put a curb on profit rates. From there to deploying this argument as a full-blown explanation of the crisis is excessive, however attractive a class-struggle perspective might be from a labour standpoint. For one, the timing is wrong and it can be shown that the wave of labour militancy in the ACEs during 1969–74 was more a response to the crisis of profitability which had caused employers in the West to unleash a wages offensive on 'their' workers. Even in general theoretical terms, though, as Brenner argues, it is hard to see how the full-employment, profit-squeeze thesis 'could account for an economic crisis, meaning a long term reduction in the profit rate that produces a secular system-wide economic downturn' (Brenner, 1998: 18).

For Robert Brenner, in his commanding account of the crisis of the Golden Era, workers' action 'may certainly reduce profitability in given locales, but it cannot, as a rule, make for crisis because it cannot, as a rule, bring about a spatially generalised (system-wide) and temporally extended decline in profitability' (Brenner, 1998: 21). The crisis of the Fordist model extended into the 1980s, when the onslaught of the monetarists had successfully curbed even defensive workers' action in most of the ACEs. It is simply implausible that workers' action across the ACEs for a decade or more successfully thwarted all capitalist strategies for restructuring to escape the looming crisis. The political conclusion from that thesis argued by some, namely that trade unions had become 'too powerful' and that their rigidities were hindering techological innovation, is also lacking in credibility. An alternative explanation of the long boom and its demise would focus on inter-capitalist competition and its dynamic. The dense narrative and analysis advanced by Brenner focuses precisely on the uneven development of capitalism and the particular situation which emerged in the 1960s with the consolidation of German and Japanese exports to the USA. This was no longer as self-contained an economy as it had seemed and the 'latecomer' national blocs of capital were to become successful competitors. The outcome of declining profitability across the board would be a useful lesson for present-day gurus of 'competitiveness' at all costs, a remarkably short-sighted growth strategy.

The international financial dimension is also a crucial part of the 1968–74 story. Pax Americana and the Bretton Woods system were cornerstones of the post-war dispensation. US hegemony in political, economic and military terms (not to mention the 'cultural' dimension) was essential to global regulation. Now not only was that hegemony being contested and the once all-mighty dollar seriously weakened but the demands of the system were also changing. While Bretton Woods worked effectively in relation to monetary circulation, it was unable to control the new international credit system, which was emerging in a more 'private' and unregulated way (the 'Euro markets', for example). As Altvater puts it, 'Unregulated global credit was a factor of erosion of the (political institutional) regulation of the whole Fordist system' (Altvater, 1992: 37). The United States inexorably pulled back from full convertibility of the dollar to gold as per Bretton Woods and this whole institution was then unilaterally abandoned by the USA in 1971. What this signalled was also the abandonment by the USA of its leading international aggregate demand role. Though mild by subsequent standards, a real crisis of confidence in the international financial order ensued. The forces moving towards deregulation of the international financial markets were gathering force. This chapter, though, ended in 1974 with another oil price rise by OPEC which, as Marglin notes, 'triggered a new round of inflation which in turn catalysed doubts about the international order amid fears of a total collapse of the dollar-based financial system' (Marglin, 1990: 24).

After the immediate impact of the 1974 crisis, Fordist–Keynesian policies continued to be implemented but without solid Fordist institutions to sustain them. The 1970s were thus in some way a transition period; an interregnum in which the old had ceased to be effective but the new had not yet cohered. With the breakdown of the Bretton Woods system a two-decade-long process began in which the private financial market achieved its hegemony over state regulation. One indication of this battle is the simple fact that by 1989 international bonds and inter-bank deposits totalled $4.75 trillion, which was six times the total foreign exchange reserves of the central banks (Webber and Rigby, 1996: 29). Finance capital was beginning to cut loose from the realm of production and the 'real' economy. The other side of the coin was a concerted attack on organised labour, which also had to be disorganised to the benefit of the new capitalism. Thus the 1980s were marked by a consensus that Keynes was the 'demon of profligacy incarnate' (Marglin, 1990: 34). Supply-side economics completely obliterated any notion of demand management. Workers bore the main brunt of the monetarist onslaught but vast layers of society were affected by the rollback of the welfare state. There was even a return to an aggressive US foreign policy, with the invasion of Grenada, destabilisation in Nicaragua, the invasion of Panama, the bombings of Libya and Iraq and so on, marking the comeback of the terrorist state.

With the neo-liberal onslaught of the early 1980s, a new regime of growth began to emerge in the ACEs. The era of organised capitalism – the large organisation – gave way to a new-found faith in the operations of the free market, and a 'disorganised' (in the literal sense) capitalism ensued. The organisations of the corporations, of the government and even of civil society had mainly enabled the market in the past, while being based on rational organisational principles themselves. Now, the logic of the market was not only to dominate but to exert its logic over all sectors of society. Trade unions were not immune to this logic, and began to articulate the need to review their objectives to prioritise more the 'services' that affected their members as individuals. Deregulation and marketisation of all aspects of social and economic life could not but have a profound effect on workers. For Aglietta, author of one of the classic studies of Fordist regulation, this new growth regime *leads* to uncertainty and instability:

> Increasing numbers of employees cannot find their place in the division of labour ... That is a measure of the depth of the malaise which has gripped wage societies in these trying times. The very principle of the integration of labour into the corporate structure, the progressive force behind the post-war boom, is now under threat. (Aglietta, 1998: 72)

It is not a question of donning rose-tinted spectacles when looking back at the Fordist Golden Era, but some social relations do become clearer with the benefit of hindsight.

After Fordism one gets post-Fordism, it would seem, but that equation is a bit too neat. In the ACEs there were a number of alternative wage-labour/capital relations emerging after Fordism but they cannot be given a clear 'post-Fordist' label because no such dominant new paradigm has emerged. The policy of liberal flexibility in the era of global competitiveness has marked the domain of production as much as elsewhere. What seems to be emerging in many parts is a neo-Taylorism which is very much in the classical mould but without the social institutions and social compromise that went with high Fordism. At the other *extreme* is what Lipietz (1995) has called Kalmarism, referring to the labour relations that prevailed in the now defunct Volvo plant in Sweden, which pioneered a negotiated involvement by the workforce. However, as Lipietz writes, 'collective involvement of the workers is unlikely to emerge if there is no solidarity about goals between the forms and the workforce ...' (Lipietz, 1995: 353). Certainly there is a range of possibilities (see Chapter 4 below), and the 'Japanese model', or Toyotaism as it has become known, lies somewhere between neo-Taylorism and the Swedish model that was. The main point to make in concluding this chapter on the Golden Age of capitalism is that after Fordism this mode of production has not been able to generate a hegemonic paradigm to organise production and capital/wage-labour relations in its central or core regions.

For the developing world, work after Fordism definitely did not mean post-Fordism. This is true equally for the South and for the East, which is rapidly becoming a developing capitalist area of the world system. In many ways, the after-Fordism shock is greater here because the state-led model of industrialisation with extensive deployment of labour was so dominant. Central planning and national development plans, typical of the East and the South in the Golden Age, are now defunct strategies. For Lipietz a likely paradigm for the developing East is a form of 'Taylorism and liberal flexibility', especially given that Taylorist principles were arguably never applied to their limits there (Lipietz, 1995). Some involvement of the Kalmarian type may be possible in pockets of development in the South but are hardly likely to become prevalent. As we shall see in Chapter 5, a whole range of possibilities are opening up in the South. With demilitarisation in South Korea, for example, we saw a transition from 'bloody Taylorism' to a stunted but nevertheless real peripheral Fordism. It is hard to conceive of a democratic South Africa imposing a rigid anti-worker liberal-flexibility regime on the trade unions and their members, who were at the forefront of the anti-apartheid struggle. In short, the future is still open in the after-Fordist era of globalisation.

Back in the 1960s, a capitalist from Detroit become US government functionary once declared (in)famously that what was good for General Motors was good for the USA. If somewhat blunt, this statement had a ring of truth about it. There was a certain synergy between transnationalist capitalist expansion and national capitalist state development. After the Golden Era, with the era of globalisation taking shape and expanding, this position has not even got that 'truth' to it. As Tickell and Peck put it, there was a growing 'contradiction between globalising accumulation and national regulation, or, more particularly, between the emerging unregulated global credit system and the fiscal integrity of the Keynesian welfare state' (Tickell and Peck, 1995: 372). What had been a virtuous circle involving the national and the international, accumulation and welfare, capitalist and worker, production and consumption, had now turned into a series of vicious circles. Monetarism was a response to this but also a symptom of the crisis, and ultimately unsustainable. For the new accumulation regime which emerged in the 1990s, based on accelerated internationalisation, there would still be a need for a global regulatory order. This seems unlikely to emerge smoothly, at least from the evidence of the debacle of the WTO meeting at Seattle in 1999. It is this search for global regulation to meet the economic and political disorder which underlies the next chapter and which forms a key horizon for the international labour movement.