
Not flexible accumulation—contradictions of value in contemporary economic geography: 2. Regional regimes, national regulation, and political strategy

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Abstract. In this and a previous paper, work by geographers that is based on the idea that we are in a period of transition to an epoch of flexible accumulation, or post-Fordism, is examined. It is argued that this thesis relies on abstracting the technical and organisational aspects of current restructuring from its value relations. An account which includes value relations shows that the phenomena said to characterise flexible accumulation are more contradictory and unstable, more varied, and more open to struggle than is supposed in work in which a new epoch is assumed. In this second part of the study internal regimes of regions, the relations between regions, and regulation of national space economies are discussed. It is argued that the politics flowing from the flexible accumulation accounts oscillate between fatalism and utopianism, and that an approach based on value relations is able to provide a clearer basis for political struggle.

1 Introduction

In part 1 of this study (Gough, 1996a) I began a critique of theories of flexible accumulation (FA) in geography by examining capital–labour relations and interfirm relations; in this second part I look at the treatment of regional and national economies in FA theory. My argument, based on a Marxist approach, is that FA theory makes a false abstraction of use-value aspects of production from value aspects. It focuses on the technical aspects of production and consumption, the skills and initiative of workers, and the productive logic of socialisation, and ignores or plays down value in exchange, value as capital, the abstraction of labour, and the discipline of capital over labour (part 1, section 2). My method of critique is to take some of the patterns of economic organisation postulated by FA theory and to show their instabilities arising from contradictions between their use-value and value aspects. These patterns of organisation are therefore reflections of, and open to, continuing struggle and do not amount to a new epochal model of spatial-economic organisation.

In the rest of this introduction I set out the views of FA theorists on the nature of regional and national regimes of FA. There are differences of opinion among FA theorists about whether FA can be constituted merely at the workplace and interfirm level or whether regional and national regulation are also necessary; I first discuss this ambiguity.

1.1 Flexible accumulation: what spatial levels?

In some work, FA is seen as based on the workplace and firm level alone. Thus Scott (1988; 1991) argues for a regime of flexibility based on workplace, firm, and interfirm organisation; despite his protestations (against Lovering, 1990) that he relates this level to higher levels of coordination, these higher levels appear as essentially determined by the workplace and firm level: “what are these regimes but specific kinds of [firm level] accumulation strategies?” (1991, page 132). Similarly, as Brenner and Glick (1991) and Webber (1991) have shown, many regulationists in

practice locate the crisis of Fordism in a crisis of the Fordist *labour process*; the crisis is then resolvable at the workplace level.

Other accounts see FA as requiring a regional level of regulation, without necessarily needing a national framework (Hirst and Zeitlin, 1989;⁽¹⁾ 1991; Storper and Scott, 1989), or national coordination without needing an international framework [for example, Leborgne and Lipietz's (1988; 1992) view that Japanese and German 'success' is based on national regimes of FA]. Some authors have argued that regional regimes can be models for national regimes (Piore and Sabel, 1983; Storper and Walker, 1989, pages 221–223), without making distinctions between what regional and national regimes might involve.

Texts are often contradictory on this issue. Schoenberger (1989, page 99) argues that it is possible to assess the existence or nonexistence of flexibility in particular workplaces without assuming that it is becoming the norm. She also argues (page 101) that workplace flexibility is dependent on a wider regime; but in that case workplace flexibility cannot be assessed separately from that wider regime. Leborgne and Lipietz's (1988) discussion of their preferred vision of FA ('version C1') is similarly ambiguous: on the one hand, this regime is defined by its *inclusive* character, in producing benefits for the whole work force in the core by means of collective agreements and state regulation; on the other hand, it is instanced by the practice of isolated countries, regions, and even firms (General Motors' Saturn plant). Again, the required spatial level of the regime is unclear.

But it is a fallacy of composition to suppose that a generalisation of 'successful' examples of FA at the firm or regional level could result in a new long wave of expansion: the region is important for the firm, and the national economy is important for the region. First, high profits of individual 'flexible' firms and regions are often based on technical rents which are deducted from surplus value produced elsewhere; they therefore do not increase aggregate profitability (see section 3.2 below). Second, increases in productivity at the enterprise level can reduce the value both of wage goods and of elements of constant capital, tending to raise the rate of profit; but those methods may at the same time raise the organic composition of capital and lead to overaccumulation of productive capital as well as to disproportionalities. Thus it cannot be assumed that the increases in productivity enabled by FA lead to increases in the rate of profit (contradiction D; for a description of contradictions A–F, see section 2 of part 1 of this study). Third, flexibility at one spatial level may be achievable only through inflexibility at another, for example workplace versus interfirm levels (see part 1, section 4), or workplace versus labour-market levels (section 3 below). Fourth, flexibility at the firm and regional level raises questions about demand (sections 2.6 and 4.2 below). 'Flexibility', then, can only be assessed by considering all spatial levels together.

These connections between different spatial levels are not surprising within a framework of value analysis. Value processes are simultaneously micro and macro; they both define the nature and dynamics of individual firms and workers and make them commensurate with one another. Consequently, as we shall see, the same contradictions run through each of the different spatial levels (Gough, 1991a). What account, then, does FA theory give of regional and national economies?

1.2 Regional and national regulation

Institutionalist theorists picture the regional level as particularly important to the organisation of efficient flexible specialisation. The crucial structures are in or close to

⁽¹⁾ Hirst and Zeitlin, however, see a national incomes policy as necessary to increase the profit share of value added, at least in the weaker countries.

the realm of production itself—organisations of business and labour, organisations to coordinate firms and supply them with services, and traditions of business strategy. The regulationist view, however, links the organisation of production to the organisation of circulation within a 'regime of accumulation' (RA), and aims to link these to social and political structures of a 'mode of regulation' (MR). But although regulationists regularly refer to a new regime of FA they just as often protest that its features are unclear or unknown; the flexible RA is a Cheshire cat's grin, which on one page is a clear concept or fact and on the next vanishes into vagueness [in Cooke (1988), compare page 287 with page 286; in Scott (1988), pages 171 and 183 with page 175; in Esser and Hirsch (1989), pages 420, 423, and 425 with pages 421 and 433; in Leborgne and Lipietz (1988), pages 277 and 278 with page 263; in Schoenberger (1989), page 99 with page 106; in Moulaert and Swyngedouw (1991), pages 252 and 261 with pages 259 and 263; and in Boyer (1986), *passim*]. On the one hand, regulationists feel that there must be a structurally determined and determinate RA and MR in order for flexible production to be emerging; on the other this RA and MR is seen as subject to determination in the future through contingency and (in some versions) class struggle (Clarke, 1990). This confusion is bound up with the lack of clarity about the *spatial level* of FA, which I discussed above.

Certain elements are, however, regularly cited by regulationists as parts of the RA and MR of FA. Demand, from both consumer and business, is changing from the standardised forms of Fordism and is becoming more quality conscious and socially and geographically differentiated, reflecting postmodern sensibility. For similar reasons, public services are changing from the universal, standardised forms said to be characteristic of Fordism to more differentiated forms, and the large 'bureaucratic' service units are being broken down and decentralised (Stoker, 1989). Keynesian state management of demand, seen as appropriate to standardised production and consumption, is ending. But there is an increasing economic role of regional states corresponding to the 'needs' of the regional production complexes.

Beyond these propositions there are important disagreements on the post-Fordist state (Tickell and Peck, 1992). The changes in public services just mentioned are seen by some as setting up a 'dual state' corresponding to the core-periphery dualism, an 'entrepreneurial' or 'Schumpeterian' state for the core, and a 'soup kitchen' state for the periphery (Jessop et al, 1988; Moulaert and Swyngedouw, 1989). Outside regulation theory, these changes are usually regarded as part of neoliberalism; how this fits into the regulationist picture remains unclear. In some regulationist accounts neoliberalism is the, or at least a possible, MR for FA (Hall and Jacques, 1989; Jessop et al, 1988; Lash and Urry, 1987; Scott, 1988), or at least an MR which could lay the basis for a flexible RA (Jessop et al, 1988; Moulaert and Swyngedouw, 1991). Other regulationists and institutionalists, on the contrary, propose that a state strategy of a much more interventionist or corporatist type is needed to be congruent with the new developments in production, though such a strategy is not as yet being carried out in any country (Best, 1990; Hirst and Zeitlin, 1989; Storper, 1989). Still other regulationists argue that a variety of RAs and MRs with quite different state roles are possible frameworks for FA (Leborgne and Lipietz, 1988; Lipietz, 1987b). The problem is sometimes avoided by proposing an expressive totality, as when Moulaert and Swyngedouw (1989, page 331) state that the coherence of the RA lies in "an all-encompassing flexibility" (also, see Hall and Jacques, 1989).

I now examine these views of regional and national coherence by discussing value processes at three different spatial levels. In section 2 I discuss the internal

coherence of core regions portrayed by FA theory; in section 3 I look at relationships between regions; and in section 4 I examine the way in which the space economy affects the achievement of a national RA or MR. I argue that the structures proposed by FA theory at each of these levels do not suspend the contradictions of value. In section 5 I draw out some connections between the theory and the politics of FA, and I conclude with brief remarks on an alternative approach.

2 Regional regimes versus regional contradictions

Most FA theorists argue that the strong socialisation of production within core regions and localities (henceforth 'regions') characteristic of FA rests on regional production linkages and wider social and political arrangements. In the strongest formulations, 'regional regimes of accumulation' are postulated (Esser and Hirsch, 1989; Storper and Scott, 1989; Storper and Walker, 1989). Storper and Walker (1989, page 215) argue that the concept of an RA can be applied equally at the regional, national, and international level. The notion of a regional RA or MR is commonly used in talking of 'Fordist' or 'post-Fordist' towns or regions, either as concrete places or as generic categories characteristic of the respective epochs (Esser and Hirsch, 1989). Some authors write of a post-Fordist local state (Esser and Hirsch, 1989; Stoker, 1989).

The relation between a region's MR and its RA remains controversial. But in some accounts the MR is directly and simply *functional to* the RA: Storper and Scott (1989, page 33) speak of the "habituation of workers into the local culture of production through associations, schools and universities, neighbourhood contacts, local media, and so on"—a remarkable functionality. Esser and Hirsch (1989, page 419) state that in general the "form" of towns "is determined by a complete method of regulation" and that with technical-organisational change in production "changing forms of political regulation of space are *required*" (page 423, my emphasis).

In this section I argue that these accounts of a new flexible regionalism underplay disruptions of regional coherence arising from the contradictory unity of socialisation and value production (contradiction C). In part 1 we have seen that there are disruptions arising from the strong socialisation of FA core regions: excessive strengthening of labour's bargaining power, problems of close subcontracting, and tensions of the regional socialisation of knowledge. But the problems go wider, into the sphere of reproduction of labour, gender relations, the management of infrastructure, and the regulation of demand.

2.1 Flexibility, the family, and gender

The treatment of the family in the regulationist account of Fordism is limited to viewing it as a unit of consumption of mass-produced goods, a realm of pleasure based on rising consumption of commodities, compensating for intensification of wage work (presumed to be men's). This has nothing to say about the unpaid work of reproduction, and ignores gender relations both within households and within waged production. This omission has been continued by FA theory, which, as McDowell (1991) has pointed out, has had little to say about gender (with a few exceptions, for example, Solinas, 1982). Yet gender divisions have been crucial to the construction of 'flexibility', and have in turn been changed by that flexibility. Women have been drawn into waged work partly by the wish for greater financial independence and by an increase in the number of nonfamily households (an extension of the trends of the boom), and partly by the long wave of stagnation. Stagnation has slowed wage and benefit rises or caused them to fall, eliminated many medium-wage jobs held mainly by men, and increased the need for dual incomes to meet family consumption norms.

In addition, employers have used women as a major part of numerically flexible and intensified labour. Flexibility here rests on highly inflexible, in fact oppressive, social relations.

But the (regional) gender relations are not simply functional to flexible production, as claimed in some regulationist accounts (Esser and Hirsch, 1989, page 276; Storper and Scott, 1989). Restructuring is tending to destabilise gender relations. The total working hours of working-class and many middle-class women have expanded through the increase in wage work, the erosion of welfare services, and the failure of men to increase significantly their participation in domestic work (Pinch and Storey, 1992). Yet this collides with expectations built up over the boom years and reinforced by the feminist movement. There is a tension between the (limited) shift in waged income from men to women and the intensified work burden of many women. Moreover, the instability resulting from numerical and wage flexibility both makes the heterosexual family more important as a source of income in lean times *and* disorganises gender (and age) divisions of labour within families.

These developments not only cause disruption within the family and reproduction, but may rebound onto capital. The quality of both male and female labour power may be undermined. The emergence of 'unemployable youth', for example, may be a function not only of youths' lack of work experience but also of the weakening of family discipline. Hadjimichalis and Vaiou (1989) have shown how the erosion of traditional family structures can weaken some types of flexible production. Moreover, the lengthening and intensification of women's work produces resistance to further cuts in welfare services and transfer payments.⁽²⁾ The family is thus failing for both capital and labour; there is no sign of a model, or models, of stable relations within the family and between the family and production, which could be part of a new RA—quite the contrary. As McDowell (1991, page 412) argues, "the new order's reliance on women's labour in both spheres makes it inherently less stable [than during the boom]". Here again, value relations are crucial, specifically the lack of direct control over reproduction by capital (contradiction F), and the restructuring of the labour force and of the capital-labour relation.

These problems increase the dependence of reproduction on commodity purchase and state services, a subject to which I now turn.

2.2 Core reproduction: not purely private

In much FA literature, the core work force is seen as being reproduced by highly privatised consumption and family life (Storper and Scott, 1989); only the peripheral work force depends on the state for subsistence, increasingly in the form of workfare (Moulaert and Swyngedouw, 1989). This parallels the view of core workers as being secure and content within production (see part 1, section 3.1). But core workers continue to rely heavily on state provision of higher education, roads, urban rapid transit, infrastructure and cultural facilities in the central city, and, in some countries, housing subsidies, continuing the classic patterns of the middle-class welfare state. Moreover, core workers consume a higher than average proportion of services; most of these (retail, leisure, culture) are in public locales, which often involve complex local socialisation and make great demands on transport infrastructure (Wolch and Law, 1989). Thus social and physical infrastructures and public

⁽²⁾ Here I differ from McDowell (1991, pages 408 and 412) who argues that labour power is being adequately reproduced for capital. The early work being done on 'gender regimes' (Duncan, 1994) suggests that there is no particular correspondence between such regimes and regulationists' periodisation of RAs and MRs.

spaces remain crucial to the reproduction of the core. It is therefore necessary to consider the reproduction problems of both core and periphery.

2.3 Inflation and investment in infrastructures

There is a tendency in the core regions to overaccumulation with respect to the physical and social infrastructures which are particularly crucial to these regions. Capital tends to underinvest in sectors of long turnover time and where there are free-rider problems (Gough, 1991b; Harvey, 1982), and this is exacerbated by the increased risks of a period of stagnation (contradiction D). This leads to a higher than national regional rate of inflation, and tends to provoke conflicts over congestion, development, and infrastructure provision. The inadequate reproduction of labour power then further strengthens the bargaining power of core labour (part 1, section 3.1).

High rents and inflationary wage pressures cause problems not only for the core sectors themselves but also for those local sectors which serve them, such as consumer services, building, transport and communications, and welfare services. The land market, rising prices of subsistence, and 'patterning' effects in the labour market cause rapid cost inflation in these services and difficulties in securing an adequate labour force. Thus land and labour markets in the core regions enforce a commensuration of sectors which they cannot sustain. This in turn elicits calls for state action; at the same time, inflation causes the costs of existing state services to rise, causing fiscal pressures.

2.4 Reforms in state services

FA theory often presents the currently dominant policies of privatisation and erosion of universal welfare services as giving greater flexibility in services provided and flexibility in the employment relation within these services, and thus as being a part of a new FA regime (Esser and Hirsch, 1989; Moulaert and Swyngedouw, 1989; Stoker, 1989). But the effect of these policies is to exacerbate inflexibilities in the supply of reproduction and infrastructural services. Privatisation of state welfare services and utilities tends to result in underinvestment, underprovision, and overcharging, particularly in core regions (Eisenschitz and Gough, 1993, pages 222–224; Whitfield, 1992, pages 227–230 and 253–267); this expresses the problems of infrastructure in capitalism just discussed. The delivery of welfare selectively to the poor, rather than universally, also ends up producing an undersupply of essential infrastructures, labour-market rigidities, and repoliticisation (Eisenschitz and Gough, 1993, pages 227–229). The quasi-privatisation of 'knowledge infrastructures' is particularly problematic for capital. Firms are reluctant to increase their funding of higher education and basic research. Direct links between university research and corporations tend to undermine basic research (Faulkner and Orsenigo, 1991) and politicise the allocation of state research funds (Neumann, 1991). This adds to the rigidities of knowledge production discussed in part 1.

The notion that the marketisation of state services originates in a search for productive flexibility takes neoliberalism's self-presentation at face value. Both the origin of the reforms and the problems to which they give rise should be understood as value relations. The reforms result from:

- (a) the excessive strength of labour in the public sector from capital's point of view (contradiction B);
- (b) the overpoliticisation of 'statified' services, their vulnerability to pressures from sections of both capital and labour, and the need for the state to resist these more strongly in times of falling profitability (contradiction C);

(c) the pressure for overaccumulated money capital, which arises from the period of stagnation, to find new avenues of investment.

In other words, reform of state services originates in class struggle and the value relations of crisis (Clarke, 1988b) rather than in some new, epochal, 'entrepreneurial state'. Accordingly, these changes can result in less rather than more productive flexibility. Neoliberalism attempts to impose value relations more sharply; it thereby tends to deepen value *contradictions*, including undersupply of infrastructures (contradictions C and D).

The problems which the weakening of state provision has caused, particularly in the core regions, have been increasingly recognised by capital in the past few years, resulting in renewed emphasis on state infrastructure investment. A striking example is the move towards more universal and regulated health care in the USA, a development which is incomprehensible in the FA framework. As that example shows, however, such a shift runs up against the continuing pressures towards neoliberalism.

2.5 Industrial and social heterogeneity of regions

The notion of a regional RA, as opposed to merely a regulated industrial district, rests on the idea that "social relations of the same kind spread across sectors in the same territory" (Leborgne and Lipietz, 1988, page 275). But the social relations of different sectors in a region are typically strongly heterogeneous, a result not only of their different technical and competitive conditions but of sectorally distinct struggles between capital and labour and among firms (see part 1). These sectoral differences inhibit the formation of a hegemonic regional politics, even in areas of strong accumulation (Saxenian, 1992).

Many cities and towns contain both core and peripheral sectors (in FA theorists' classification), reproducing socially and culturally differentiated neighbourhoods. According to Storper and Scott (1989, page 34) this differentiation allows a "more effective domestic existence" and creates a "legitimation and stabilisation of the socio-economic divisions". As they adduce no arguments for these statements, one is left with an implication, common in the FA literature, that differentiation, by virtue of its 'flexibility', is ipso facto functional to accumulation. But the deepening socio-economic divisions within towns and cities pose problems for capital. Proximity renders the class differences more clearly visible to peripheralised populations, a perception which can reinforce resistance. The social reproduction of the periphery is disrupted by inflation of land values generated by the core (Thornley, 1992). The introduction of selectivity in public services is the more difficult the greater the proximity of the respective populations (Eisenschitz and Gough, 1993, pages 227–229). Thus, increasing internal differentiation can *exacerbate* problems of regional reproduction.

2.6 Consumer demand

In FA theory the structuring of consumer demand plays an important role in accounts of national regimes. In regulationist views of Fordism the determination of wages and the organisation of credit are said to have enabled realisation to proceed smoothly; the absence of such structures was a key feature of the earlier 'extensive RA' (Aglietta, 1979). An obvious, but often overlooked, point is that consumer demand cannot play such a role in *regional* regulation. In the advanced countries, since the late 19th century at the latest, a major portion or majority of working-class consumption has been purchased from outside the region. At the very least, then, a 'regional RA' must be a qualitatively different *concept* from a national RA. Storper and Walker's (1989, page 215) conflation of RAs at the regional and

national level implicitly reduces an RA to those elements which are contained within regions and ignores the flow of consumer demand and the organisation of credit. Here again, current use of regulation theory in geography weakens the role of value.

This omission matters. The tendency to overaccumulation of regional productive capital with respect to demand (contradiction D) operates chronically, causing periodic strains and crises in the internal coherence of regions (Harvey, 1985). Ever-increasing internationalisation of trade, and the increasing specialisation of regions, exacerbate these disruptions. If the internationalisation of trade has been a major factor in the demise of national Fordist RAs (Schoenberger, 1988), then a fortiori it threatens regional coherence. Moreover, if, as FA theory suggests, core regions are tending to become more sectorally specialised, they become more unstable in the face of overaccumulation, as in diversified regions the staggering of cycles and crises in different sectors provides compensation [also, see Sayer's (1989) similar argument concerning specialisation by firms]. Thus, contrary to the assertion of Moulaert and Swyngedouw (1989, page 333), regional brittleness is not specific to 'Fordism'.

2.7 Crisis in the core

The problems outlined so far in this section have been noted in some of the strongest growth areas in the past few years (Crang and Martin, 1991; Tickell and Peck, 1992) and can result in the decentralisation of activities from core regions (Saxenian, 1983). But core activities are often not able to relocate, precisely because of their strong territorial socialisation. The problems are, then, not manifested in spatial shifts but rather in skills shortages, increased costs, and draining of revenue from leading sectors into land rents, higher wages, and sectors of capital which are usually not central to local growth, such as consumer services. Thus the high socialisation of the core regions on the one hand anchors them and on the other hand makes their problems of infrastructure, labour power, and inflation particularly sensitive.

The phenomena described as FA are thus disrupted by a wide range of value processes within the region.⁽³⁾ The analysis suggests that the understanding of urban investments and markets developed by 1960s and 1970s radical geography (Harvey, 1982; Lefebvre, 1991) could profitably be applied to the analysis of the FA cores. This would provide an alternative both to institutionalist theory, in which regional regimes can be described but in which their dynamics cannot be theorised, and to regulationist theory, in which it is assumed that new patterns of regional social life and politics must be functional to accumulation.

3 Interregional regulation and uneven development

If one widens the viewpoint from within the region to the relation between regions, one finds a further disturbance of FA. The radical geography of the past twenty years or so has tended to see uneven development between regions not merely as *systematically produced* by capitalism but for the most part as *advantageous* for capital. Work on the 'new spatial division of labour' has emphasised the benefits for capital in being able to split production between spatially distinct labour markets (Clark et al, 1986; Lipietz, 1987a; Massey, 1984) and to threaten strongly organised labour with relocation of production (Peet, 1987). Critics of this approach

⁽³⁾ It might be objected that the growth of regional economic interventions indicates the emergence of new regional MRs. But these are a response to value and class processes at the national and regional levels (Eisenschitz and Gough, 1993, chapter 10; Gough and Eisenschitz, 1996) and as such are unstable (Eisenschitz and Gough, 1996).

who argue for the importance of regional coherence see interregional differences as providing a milieu of varied socialisations which, in unpredictable ways, can enable innovative sectoral breakthroughs (Sabel, 1989; Storper and Walker, 1989). Though for different reasons, the implication again is that uneven development benefits capital. This perspective is continued in most FA theory, where it is assumed that new spatial divisions of labour must be functional to the new regime. Thus Moulaert and Swyngedouw (1991, page 244) argue that “the current spatial restructuring can be understood as the concrete way the crisis of Fordism *is overcome*” (my emphasis).

But uneven development created by capital does not simply benefit capital; in particular, the phenomena of FA generate forms of interregional uneven development which *disrupt* accumulation. I consider first some problems of uneven development arising from ‘flexibility’, and then how state intervention tends to exacerbate them.

3.1 Competition between core regions

The processes of overaccumulation of productive capital and premature devalorisation characteristic of competition between *firms* are both expressed in, and deepened by, competition between core *regions*. In the absence of coordination, sectoral investment in each region proceeds independently of others, with the eventual result of overcapacity (contradiction D). For given demand trends, the faster the technical-organisational innovation in the sector, the greater the overcapacity tends to be—that is, the more ‘flexible’ the sector the greater the problem. Business services, widely identified as a leading post-Fordist, agglomerating industry, illustrate this tendency well. The international mid-1980s boom, inflated by competition between cities, ended in a substantial overcapacity in this sector and in city-centre offices upstream from it. This resulted not only in sharp devalorisation in both these sectors but also in severe knock-on effects on the financial system and in an excessive aggregate investment designed to attract these sectors by city governments.

3.2 Uneven development between core and peripheral regions

Uneven development of core and peripheral regions can weaken aggregate national accumulation. In peripheral regions the capital–labour relation, the reproduction of labour power, infrastructures, and business culture can block moves towards higher value-added production (see part 1, section 3.2). This reinforces concentration in the core regions, exacerbating the overaccumulation within them, discussed in section 2 above.

FA theory focuses on productive linkages as the source of spatial uneven development and neglects flows of value; yet there is an interplay between the two (Harvey, 1982; Walker, 1978). Areas of strong socialisation, particularly those with a high knowledge intensity or which are integrative nodes, are able to charge technical rents (prices above the ‘price of production’) on the goods and services which they supply to other regions. This produces a transfer of value from peripheral to core regions (Forbes and Rimmer, 1984). The increasing spatial agglomeration of core activities identified by FA theory thus tends to increase interregional transfers of value and deepen uneven development (contradiction E). Meyer-Krahmer (1986, quoted in Hilpert and Ruffieux, 1991) found that in capital goods industries in West Germany in the early 1980s 70% of research and development (R&D) contracts originating in ‘agglomerated regions’ are placed within the same region, whereas this was true of only 37% of contracts in ‘old industrial regions’, and 20% in ‘peripheral regions’; between 50% and 80% of contracts given outside agglomerated regions go to other agglomerated regions and hardly any are received by peripheral regions. In Storper and Walker’s key text on regional agglomeration (1989) there is no mention of these

flows of technical rents. FA theorists in effect treat uneven development as a technical-organisational question, neglecting the commodity form of the product and its potential for oligopolistic pricing. This and the argument presented in section 3.1, then, suggest that the interregional uneven development of FA has penalties for capital as a whole.⁽⁴⁾

3.3 State policies for interregional relations

But can this uneven development be moderated by the state in the interests of overall accumulation, or, in regulationist language, is there an emerging interregional MR (Storper and Scott, 1989)? If anything, the state is exacerbating rather than moderating spatial uneven development. Spending in support of industrial renewal and 'high technology' now tends to concentrate itself on the strongest regions, as Neumann (1991) shows for France and Germany. Moreover, the trend in most countries to decentralisation of industrial, labour-market, and infrastructural powers to regional and local governments (Martinot and Humphreys, 1990; OECD, 1987) makes state support more strongly dependent on the local tax base and on local political consensus, both of which benefit already strong regions (Eisenschitz and Gough, 1996). Correspondingly, central government programmes of interregional industrial redistribution have been wound down since the 1970s (Albrechts et al, 1989).

We can understand these policy changes in value terms. In a period of stagnation of accumulation, the state expresses and deepens, rather than combats, the tendencies of capital itself. In times of fiscal stringency, the state is under pressure to choose low-risk, rapid-return options. This is a more grounded explanation than to characterise the regional policy of the boom as 'Fordist' and its demise as part of a new flexible MR (Moulaert and Swyngedouw, 1991).

Some proponents of flexible production have acknowledged that it tends to lead to uneven regional development and have proposed the need for redistributive measures by the national state (Sabel, 1989; Scott, 1992). But it is unclear how the fiscal pressures against such redistribution would be overcome. Nor does this perspective deal with the Marxist critique of earlier interregional policy—that state income redistribution cannot compensate for lack of control of investment (Dunford et al, 1981). More concretely, in the present period, interregional redistribution would jeopardise the ideology of regional control and autonomy which has been so effective in constructing depoliticised regional interventions: it would limit the scope of regional initiative, complicate the relations between policy at different spatial levels, and resurrect a form of policy which tends to elicit ever-increasing demands from both capital and labour (Eisenschitz and Gough, 1993, pages 186–189, and 257–259; 1996). The current weakness of interregional policy is thus not merely a quirk of neoliberalism (Gough, 1996b).

Thus there is no sign of a new MR to address the new problems of regional uneven development. Rather, we find policies propelled by weaknesses of accumulation and moulded by class tensions, which deepen rather than ameliorate the problems of spatial uneven development for capital.

4 The spatial economy and national regulation

Many FA theorists see an emerging paradigm which can be the basis for a long period of capitalist expansion at the national and international levels (though often

⁽⁴⁾ It might be argued that an uneven distribution of surplus value between regions might benefit overall capital accumulation, in that strong regions could drag others behind them, just as leading sectors may have propelled upward long expansions (Freeman et al, 1982; Mandel, 1978); for problems with this view, see Eisenschitz and Gough (1993, pages 268–269).

ambiguously: see section 1.2). Aglietta's (1979) original theorisation of Fordism was concerned with mechanisms which could transform, and temporarily suspend, some of the contradictions of capitalist development, and thus enable a long, though not indefinite, wave of expansion. In this approach, any post-Fordist RA would have to contain similar mechanisms. Are contemporary trends in the space economy developing such mechanisms?⁽⁵⁾ I shall look at three areas which Aglietta regarded as crucial to the constitution of 'the Fordist RA'—overaccumulation of productive capital, the role of credit, and the wage–price relation. For each I shall ask whether there are newly emergent mechanisms to deal with the contradictions with which Aglietta was concerned. Aglietta's theory is flawed by his failure to work through the fundamental contradictions up to the next level of historical concreteness, that of RAs (Bonefeld and Holloway, 1991; Brenner and Glick, 1991; Clarke, 1988a). Nevertheless, his theory has the merit of posing the question of the relation between forms of technique and organisation of production *and* processes of valorisation and capital accumulation, a concern largely lost in subsequent regulationist work (Clarke, 1992). It is therefore a useful starting point.

4.1 Overaccumulation of productive capital with respect to surplus value

For Aglietta, the central crisis tendency of capitalism is the overaccumulation of productive capital with respect to surplus value.⁽⁶⁾ This takes the form both of a long-term rise in the organic composition of capital, which was for Marx (1972) the central process generating a tendency for the rate of profit to fall, and of short-term overaccumulation and devalorisation, giving rise to the business cycle. For Aglietta, Fordism was above all a set of social relations which could mediate these crisis tendencies. Recent regulationist theory, including in geography, has for the most part dropped this interest in overaccumulation: in their reviews of the regulation approach, Moulaert and Swyngedouw (1989) and Tickell and Peck (1992) make no mention of overaccumulation in their discussions of crisis tendencies, and Dunford (1990, page 300) explicitly states that the tendency for the rate of profit to fall arises from working-class struggle. But forms of overaccumulation are central to crisis tendencies and can be perceived in the contemporary space economy.

Aglietta argued that Fordist production was characterised by a high and ever-increasing organic composition—the ratio of constant capital to the wage fund (see also Hargreaves Heap, 1980; Mandel, 1978). There is no reason to suppose that this tendency is any less strong either in the contemporary economy or in a putative, 'thoroughly post-Fordist', economy. *Circulating constant capital* can be reduced by improved coordination of stages of production to reduce stocks. However, the deepening specialisation of regions and countries and the consequent increase in trade—both features partly powered by improved coordination of stages—have the reverse effect. As to *fixed constant capital*, information and communication technologies have the ability to increase greatly, sometimes by an order of magnitude, the productivity of labour and thus reduce the weight of the wage fund in total capital;

⁽⁵⁾ In this paper I do not consider regulationist accounts of Fordism. My view is that at various times during this century forms of nonmarket regulation have played positive roles in accumulation; but the regulationist account of these is empirically incorrect, too stylised, neglects important variables, and underplays the pragmatic, contradictory and fast-changing nature of this regulation (Brenner and Glick, 1991; Clarke, 1988a; 1990; 1992).

⁽⁶⁾ Brenner and Glick (1991) have shown, however, how Aglietta conceived of the rising organic composition of capital as essentially a disproportionality between Departments I and II, and thus as a question of demand. This led regulationists subsequently to view the basis of crisis as inadequate demand plus tensions in the labour process, for example, Cooke (1988) and Schoenberger (1988).

whereas in the postwar boom such increases were concentrated in manufacturing, contemporary information and communication technologies are spreading them to many areas of consumer and business services. Leborgne and Lipietz (1988) argue that high-skill, task-flexible production has a lower organic composition than have neo-Fordist methods, and therefore that the former type of development is not subject to crisis tendencies from this source; however, the organic composition can still be high and rising in such sectors (Gough, 1992, page 40).

But the question of rising organic composition goes well beyond the labour process of particular workplaces and extends to infrastructures which have important spatial aspects often referred to as 'post-Fordist'. Fixed investments in communications infrastructures are becoming evermore important: the elaboration of the world division of labour is eliciting enormous investments in telecommunications, ports, airports, and transport equipment. Rapid spatial shifts require new infrastructural investments in the growth areas. The development of large cities as control centres elicits enormous fixed investments in building in the central business district (CBD), rapid transit, leisure facilities, and political-symbolic projects. Moreover, the increasing knowledge intensity of production requires expansion of 'knowledge infrastructures', particularly training and education; as these expenditures are made many years before their benefits are realised in production, they raise the ratio of dead to living labour and thus have similar effects to a rising organic composition (Gough, 1991b). All these investments in infrastructure, as well as other fixed capital installed by firms, are forms of the socialisation of production. Although they increase productive efficiency, they also increase capital committed relative to labour power exploited, thus tending to reduce the rate of profit (reflecting a link between contradictions C and D).

Overaccumulation is also expressed in the 5–8-year business cycle. The more rapid the change in process techniques and the greater the advances in productivity or product quality, the higher the rate of new investment and the greater the tendency to overcapacity. Thus in the early 1990s overcapacity has appeared not merely in 'sunset' sectors but also in some sectors of fast product-innovation regarded as 'flexible'. One expression of this competition is the intrasectoral competition between localities, which, as I argued in section 3.1, tends to deepen the business cycle. Whereas FA theorists see the contemporary intensification of localistic competition in a purely productivist framework, as contributing to the Darwinian evolution of local institutional forms, one can see here its contradictory effect of worsening overaccumulation.

Thus there is no reason to think that the tendencies to overaccumulation are any less than they were in the postwar boom. Crisis tendencies cannot be reduced to overt conflicts between economic agents: they can result from value processes working 'behind their backs'—even of the most flexible localities.

Aglietta argued that the Fordist RA postponed the effects of the tendencies to overaccumulation of capital through the wage–price relation and consumer credit. Can one see any similar processes emerging now?

4.2 The wage–price relation

In Aglietta's account of Fordism, a key mechanism was the regulation of wages such that they rose proportionally to productivity increases. This allowed consumer-goods sectors to raise their prices above the price of production and thus accelerate the depreciation rate of their fixed capital, countering the tendency to overaccumulation of productive capital. Both the historical record and the theoretical basis of this aspect of the theory have been challenged (Brenner and Glick, 1991; Clarke, 1988a).

But if one accepts the regulationist view that this was crucial to the Fordist RA (Moulaert and Swyngedouw, 1989, page 340), then a post-Fordist RA would equally need some such mechanism; yet contemporary patterns of wages diverge widely from the necessary pattern (Schoenberger, 1988; Tickell and Peck, 1992). Since the mid-1970s the average real wage in most OECD countries has risen more slowly than productivity, and in the USA has actually been static. Moreover, wage changes are becoming more cyclical, with wage restraint, wage cuts, and giveaways imposed in recessions, again in contrast to the postwar boom. Although this increases the rate of exploitation and thus tends to increase profits (a point missed by Schoenberger, 1988) it worsens problems of realisation.

This problem is exacerbated by the increased *differential* in incomes, widely seen as a functional part of FA. Rapidly expanding high-income consumption has a problematic composition. A part of it is not wage income but revenue from surplus value and individually appropriate capital gains; if this 'luxury consumption' has increased as a proportion of surplus value, as seems likely, then this leaves less capital available for accumulation. Moreover, high-income consumption is disproportionately spent on sectors with chronically low rates of productivity increase: domestic servants and other personal services, marketed labour-intensive services, housing, and manufactures made by craft methods. This demand is therefore weak in stimulating the productivity increases which are essential for raising the rate of profit (Durand, 1992). Much urban and cultural theory has regarded some spectacular aspects of the mid-1980s boom—the cultural revival of CBDs, the boom in designer goods, and niche consumption spaces—as symptoms of a new regime of FA (Gottdiener, 1989; Mulgan, 1989); but this ignores their value aspects. These trends in income distribution have resulted from the stagnation of accumulation and from consequent changes in class relations and in luxury consumption (see Gough, 1986; also, see part 1, section 3). But this result of crisis is not therapeutic for capital. This is recognised by Leborgne and Lipietz (1992); but the development these authors see as most likely, a combination of core and peripheral economies, does not escape these problems of realisation.

An argument frequently encountered is that greater variety in products achieved by FA makes regulation of overall demand less important than it was under Fordism (Hirst and Zeitlin, 1991; Piore and Sabel, 1984; Schoenberger, 1988). This would imply that current stagnation is a result of a lack of product choice leading to excess consumer saving; but savings have actually tended to fall. The premise of increased product variety is itself dubious (Curry, 1993; Hampson, 1991). Even if we accept it, the problems of realisation for $2x$ products are no less severe than those for x products, and no less severe for short runs than for long ones (Solo, 1985). Realisation problems *are* particularly acute for firms and economies with high amounts of fixed capital, as then capacity utilisation is more sensitive; but we saw above that high capital intensity is just as prevalent within FA as within Fordism (for the resulting problems, see Gertler, 1988; Williams et al, 1987).

4.3 Credit money

According to Aglietta, the expansion of consumer credit in the postwar period further strengthened and stabilised effective demand and thus facilitated the depreciation of large fixed capital outlays. FA theorists have considerable difficulty with the role of credit within the newly emerging regime (Boyer, 1986). Some see credit, and money capital more generally, as having greater importance or power within FA than it had within Fordism (Harvey, 1989, page 164); this dovetails with the idea of a postmodern era typified by the fictitious nature of asset values, the insubstantial

nature of speculative gains, and the fantastic spaces of the financial markets. On the other hand, other FA theorists focus exclusively on production and either ignore the problems of its relation to finance (Dunford, 1990; Moulaert and Swyngedouw, 1989; Storper and Walker, 1989) or assume that in flexible specialist localities locally dedicated banking can emerge which will be sheltered from the vagaries of international finance (Brusco, 1982; Leborgne and Lipietz, 1988). Thus, in FA, money capital is seen as dominant over productive capital *or* as subservient to production *or* as presenting no significant problems for production.

This puzzle can be unraveled if we understand the contemporary role of credit as a part not of a new regime but of a period of stagnation in accumulation. On the one hand the low rate of productive investment and its high risks produce an enormous pool of money capital which seeks valorisation through loans or speculation. The increased international mobility of money capital is an expression of these pressures rather than of a generalised trend towards flexible markets. On the other hand, company and consumer demand for credit tend to increase rapidly during the upswing of the business cycle, owing to a combination of restricted income and heady expectations; at the same time governments increase their borrowing in the face of weak tax bases and pressures for tax cuts. There is thus an explosion of lending and speculation, but it has little to do with flexible production.

The effect of this has been different from Aglietta's account of the credit expansion of the boom. Rather than enabling accelerated depreciation of capital, credit expansion in the 1980s preserved fixed and commodity capital from devalorisation, fueled speculation, and thus actually increased the value of productive, commodity, and fictitious capital. Thus, far from ameliorating the overproduction of capital, it exacerbated it and thus deepened the crisis. The result was the severe world recession which started in 1989, and which starkly revealed the disfunctional effects of the 1980s credit binge. Investment was distorted by the bias of credit towards what were perceived as low-risk sectors such as commercial property. The credit binge exacerbated the inflationary tendencies of the core local economies (see section 2). The overhang of debt has inhibited investment by firms and purchases by consumers. The collapse of fictitious capital values, particularly in property and shares, by restricting the capital base of the financial system, has further restricted the availability of credit. Last, financial liberalisation, together with international uneven development of productive capital, of the business cycle, and of inflationary or deflationary conditions have produced highly unstable interest and exchange rates, disrupting the role of money as the measure of value and hence its relation to productive capital. The role of credit in the recent period is thus both in the logic of accumulation *and* disruptive to that accumulation. This is missed by regulationists, in part because their focus is a search for RAs which are by definition relations functional to accumulation (Aglietta, 1979).

4.4 Summary

Examination of these three aspects of a national RA, then, suggests that contemporary developments, including spatial and urban developments, show no signs of constituting the value relations which (early) regulationist theory regarded as necessary for a long wave of expansion. Neither is another key aspect of an RA—capital–labour relations conducive to continuous productivity increases—in place (see part 1, section 3). If the phenomena discussed here are not an emerging RA, they may, however, be understood as value contradictions of a period of crisis.

5 The theory and politics of flexible accumulation

5.1 Abstraction, contradiction, and variety

I have argued that the central theoretical problem of FA theory is its abstraction of technological-organisational processes from value relations. The efficiency of regionally concentrated production districts is abstracted from regional crisis tendencies arising from overaccumulation and from the attempts by neoliberalism to impose value relations more sharply. The focus on the productivity of workplaces, firms, and regions abstracts from contradictions of value transfers, realisation, overaccumulation, and credit at the level of interregional relations and national and international reproduction.

These value relations are expressed at *different spatial levels*. We have seen how the contradiction between the initiative and discipline of workers by capital appears in capital's relations with core and peripheral workers in the workplace, in regional politics, and in interregional policy. The contradiction between socialisation and valorisation appears in core workplaces, in subcontracting, in regional infrastructures, and capital's relation to the family. The tendency to overaccumulation not only occurs at the national level but also underlies problems of knowledge appropriation and of regional and interregional regulation. Rent transfers cause tensions in inter-firm and interregional relations. Value analysis thus links tensions at these different spatial levels.⁽⁷⁾

The core problem in regulationist accounts is one of abstraction: although reference is made to contradictions of the mode of production, an account of historically specific epochs (for example, of FA) is understood as being based on a *distinct* set of generative processes. Moulaert and Swyngedouw (1989, page 330), for instance, distinguish crises of a mode of development from "crises *resulting from* fundamental contradictions in the capitalist mode of production itself" (my emphasis). But crises of a mode of development should be understood as, at least in part, concrete forms of fundamental capitalist processes. It is not enough, as Dunford argues, to look for "regular [proximate] causes" (1990, page 310).

Different resolutions of the contradictions between the technical-organisational and value aspects of the space economy to a large extent account for its enormous empirical variety. They also often underlie the contrary accounts of contemporary phenomena given by FA theorists, which fasten onto particular sides of these contradictions; I have examined this empirical and theoretical variety in the capital-labour relations, the geography of networking, and the role of money capital (see part 1, sections 3.3 and 4.3; this paper, section 4.3), and I look below at different accounts of neoliberalism. In contrast, FA theory has responded to the discovery of diversity by positing different varieties of post-Fordism, existing in different countries or coexisting within the same country or region (Benko and Dunford, 1991; Leborgne and Lipietz, 1988; Rustin, 1989), just as regulationists now posit different 'Fordisms' (Lipietz, 1987a; Tickell and Peck, 1992). But the specification of 'post-Fordisms' remains descriptive unless the common underlying contradictions giving rise to them are investigated. Moreover, the way in which the different post-Fordist regimes in aggregate add up to, or fail to add up to, an overall coherent system of accumulation needs specifying if one is to maintain the original notion of an RA.

⁽⁷⁾ Harvey is inconsistent in this respect. In his book *The Condition of Postmodernity* (1989) he stresses the instabilities of capitalist regulation arising from value relations, but his treatment of FA (chapters 9–11) substantially abstracts from these.

5.2 Oscillations on neoliberalism

At various points in these two papers I have touched on the contradictory nature of neoliberalism: it attempts to use a sharpened imposition of value as disciplinary therapy for the crisis; but in doing so it undermines productive socialisation (contradictions B, C, and F; also, see Clarke, 1988b). Because FA theory does not look for such contradictions but rather for more or less stable structures, it focuses on either the one side or the other of neoliberalism (see section 1.2). On the one hand, neoliberalism is presented as a stable basis for FA (Jessop et al, 1988, chapter 8), or key elements of neoliberal policy such as state reforms are interpreted as part of FA (Moulaert and Swyngedouw, 1989; 1991). On the other hand, neoliberalism is argued to be incompatible with FA because it undermines productive socialisation (Hirst and Zeitlin, 1991; Tickell and Peck, 1992); FA must lead to *increased* nonmarket regulation (Moulaert and Swyngedouw, 1989, table 1; Storper and Scott, 1989). Both these approaches miss the contradictory unity of value discipline and socialisation. Other FA approaches simply dodge the difficulties of analysing neoliberalism: it is not mentioned (for example, Hilpert, 1991a; 1991b; see Gough, 1994) or it is mentioned but its roots are underestimated and presented as historical chance (Cooke, 1988; Storper and Scott, 1989). Alternatively, it is presented as a nonproblematic *context* for FA (Scott, 1988), missing the way in which the interclass and intraclass struggle which is neoliberalism is also the *substance* of the processes called FA. The approach I have used shows how the logic and the weaknesses of neoliberal strategy are an expression of value contradictions and are central to understanding the phenomena called FA (also, see Eisenschitz and Gough, 1996; Gough, 1996b; Gough and Eisenschitz, 1996).

5.3 The choice of a 'good' post-Fordism

FA theory is bound up with a certain perspective for the left: an abandonment of socialism as an aim, and a consequent interest in a durable mode of capitalism which will revive accumulation on the basis of good jobs, a degree of worker participation, and redistribution to those left out (Best, 1990; GLC, 1985; Lipietz, 1987b). The possibility of choosing this path follows from the variety of post-Fordisms on offer, allowing choice according to political-moral values (Boyer, 1986, pages 128–129). Strategies are proposed to strengthen the productive moments of capital and to reinforce socialisation against disruption by markets and capital mobility, based on, and eliciting, unity between capital and labour through a common interest in productive efficiency. Productivist strategies are particularly appealing in regions and countries where deindustrialisation is severe (Hirst and Zeitlin, 1989; Scott, 1992; Storper, 1989).

This project leads to the forms of abstraction discussed above. The political counterposition of production and socialisation *to* markets and mobile finance leads to a focus on the technical-organisational aspects of the economy, seen as potentially class-neutral and progressive. The social relations and crisis tendencies specific to capitalism are taken as politically unchallengeable; they can thus be theoretically abstracted from.

The notion of being able to choose a progressive version of FA is problematic. We have seen that value contradictions, as well as technical differences and territorial histories, give rise to great variety in forms of organisation, including variety in their benefits for labour. But this variety is not indefinite. Capital may operate with more or less cooperative or disciplinarian relations with labour; but capitalism everywhere and chronically produces both of these aspects (see part 1, section 3). Moreover, as we have seen, versions of FA involving a high degree of socialisation

and a core work force are no more exempt from crisis tendencies than are other versions, and moreover exacerbate uneven development. Nor are its weaknesses limited to the external shocks of international competition (Leborgne and Lipietz, 1988, page 271): they arise also from internal contradictions. Productivist strategies implicitly assume that capitalism is in essence rational-efficient; but value relations render it not so (Wood, 1991, pages 163–164).

5.4 The closing of political choice

In one sense, then, the politics of FA is voluntaristic. But in another sense there is a closing off of political choice: FA, in some form, is regarded as the future; the left may pursue a distinct strategy—but it must be FA. Thus Storper (1989, page 242) writes that “it is hard to know ... to what material reality they address themselves” who criticise the “necessity to adapt to the new era of production flexibility” (also, see Murray, 1990).

The theoretical roots of this fatalism lie partly in the much criticised technological determinism of many texts on FA [Esser and Hirsch (1989) is a good example; for critiques, see Levidov (1990) and Hampson (1991)]. In institutionalist and ‘Californian’ work, fatalism results from reifying economic efficiency; Scott (1991, page 132), for example, specifies regulation as intervention “in the interests of economic coordination”. In regulationist theory, fatalism results from the structural-functionalist approach, leading to teleological reasoning. Moulaert and Swyngedouw, for example, write that under FA “the state will *have to* play an increasing part in guaranteeing ... markets” (1991, page 260, my emphasis), and that “the exigencies of *the* new accumulation regime ... *necessitate* flexibility in production processes, product development, and in the regulation of labor relations” (1989, page 334, my emphasis). But are these things possible, and what would be their contradictions?

For proponents of productivist FA, pressure from the left will be needed against neoliberalism. But this politics is necessary in order to bring economic regulation into line with a model which is already given by its evident economic efficiency (Fach and Grande, 1991; for further on this critique, see Gough, 1994; Hampson, 1991). This results in some striking contradictions in narratives of FA. In Leborgne and Lipietz (1988) the ‘good’ post-Fordism will need to be struggled for; yet there is “no doubt” that it “will exhibit higher performance [than other versions of FA]” (page 277), and indeed it is already “exemplified by Sweden” (this was written in 1988) and by “the industrial successes of Japan, West Germany and Italy” (pages 277 and 278). It does not look as if much struggle will be needed.⁽⁸⁾

This oscillation between choice and nonchoice is contained within the theoretical structure of regulationism. Regulation theory includes struggle as well as structural determination, an MR as well as an RA; but these couplets are developed as oppositions rather than as parts of a single process. Leborgne and Lipietz (1988, page 278), for example, counterpose “the pure ‘logic of capital’” to the struggle of the labour movement; in contrast, in the approach I have taken in these two papers, the logic of capital integrally contains struggle. Similarly, an MR, representing political choice, is *added on* to an RA which is seen as technologically and organisationally

⁽⁸⁾ Similarly, Leborgne and Lipietz (1992, pages 347–348) state that political struggle will determine future regimes, and yet they make detailed prognostications on countries’ evolution (pages 346–347) and predict that “As usual, reality will consist of ... a core–periphery structure along geographical, ethnic, and gender lines”. What happened to the political choice?

determined. Thus Moulaert and Swyngedouw (1989, pages 340–341) write:

“The global mode of development is the outcome of a combination of economic and institutional forms. Regulation refers to the mechanism of control in the production–consumption linkage; therefore, regulation is always functional in terms of organizing this linkage. This does not imply, however, that the institutional organization can be simply read off from the dynamics of capitalist accumulation; on the contrary, the dynamics of accumulation work through the combination of economic and institutional forms.”

Thus ‘economic forms’ (the RA) are a necessity, whereas ‘institutional forms’ (the MR) are freedom. Political conclusions, then, oscillate between fatalism based on the technical and ‘economic’ logic of the RA, on the one hand, and underdetermined political projects based on a ‘relatively autonomous’ MR, on the other (see Bonefeld, 1993; Bonefeld and Holloway, 1991). We have seen the same duality in the institutionalist approach of Hirst and Zeitlin (see part 1, section 3.3). The value relations I have analysed, by contrast, are inextricably ‘economic’ (work, money) and ‘political’ (class and gender relations, the state). Tickell and Peck (1992) argue that regulationism needs to develop a more coherent theorisation of the MR; but the problem is the very separation of the MR from the RA.

6 A political and theoretical alternative

My aim is not to propose opposition to every aspect of FA or to every reform dubbed ‘flexible’. In particular cases such changes can lay the basis for better quality of work or can strengthen working-class organisation. The context and dynamic of the situation give meaning to forms of production organisation and technologies dubbed ‘flexible’ (Gertler, 1989). But no form of FA on offer can be abstracted from its capitalist basis. Scott and Cooke (1988) propose a New Deal as the basis for a long wave of expansion based on FA, appealing to the example of the 1940–67 boom; but that boom was built on the defeats of the labour movement by fascism, and its propagation was inseparable from the Cold War, the anticommunist purges in the USA, and defeats of the trade-union movement in Japan (Armstrong et al, 1991; Mandel, 1978). One cannot abstract the productive forms of capital accumulation from its violence (Pelaez and Holloway, 1990; Wood, 1991).

Material bases for opposition to forms of FA, which Storper (1989, page 242) denies, lie, in the first place, in the ways in which they conflict with human needs in the labour process, in employment, in the family, and in urban problems. The crisis-prone nature of the phenomena of FA elicit resistance; gender relations are a striking example (see section 2.1). The contemporary tendencies to increase the socialisation of production provide labour with potentially strong means of opposition, not only in the workplace but also in regional and national spaces and in the reproduction sphere. Moreover, the potentials of contemporary technology and organisational knowledge could be used in quite different ways in socialist society from any of the variants of FA. With coordinated democratic control at each level, from enterprise to the whole economy, and without private property in the means of production (Devine, 1988), one would expect big differences in all the aspects dealt with in these two papers (Eisenschitz and Gough, forthcoming). FA is, then, not dictated by technical-organisational givens but is a specifically capitalist choice.

These two papers are, in the first place, a critique. However, from them a certain direction for research in economic geography is suggested: to relate technical-organisational change to value relations, money capital, and value flows. This is not to abandon concrete research. Abstract value-based theories of the labour process, of the reproduction sphere, and so on, are starting points; these can be developed

to the historically specific forms they take in particular spaces. Value theory also provides a way of theorising the aggregation of these spaces and articulations of aspects of the economy (labour process, reproduction of labour power, etc). At this concrete level, it may be useful to specify some relatively durable patterns of development or 'social structures of accumulation' (Gordon, 1980). But these are then understood not as stable models from which politics is to choose but rather as conjunctures with particular possibilities for popular struggle.

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