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The Changing Face of Factory Regimes under Advanced Capitalism

This chapter has two targets and one arrow. The first target is the under-politicization of production: theories of production that ignore its political moments as well as its determination by the state. The second target is the over-politicization of the state: theories of the state that stress its autonomy, dislocating it from its economic foundations.

The arrow is the notion of a politics of production which aims to undo the compartmentalization of production and politics by linking the organization of work to the state. The view elaborated here, as in the preceding chapter, is that the process of production contains political and ideological elements as well as a purely economic moment. That is, the process of production is not confined to the labour process — to the social relations into which men and women enter as they transform raw materials into useful products with instruments of production. It also includes political apparatuses which reproduce those relations of the labour process through the regulation of struggles. I call these struggles the politics of production or simply production politics.

Although organization theory has recently begun to pay attention to micropolitics, there has been a failure to theorize, first, the difference between the politics of production and the political apparatuses of production that shape that politics; second, how both are limited by the labour process on one side and market forces on the other; and third, how both politics and apparatuses at the level of production differ from and relate to state politics and state apparatuses. The purpose of this chapter is to specify the form of politics at the levels of production and the state, and to examine their interrelationship through a comparison of an English and an American factory. The first part of the chapter develops the concept of production politics and the associated political apparatuses of production in the context of the dynamics of capitalism and its labour process. The second part uses the two case studies to highlight national variation in the form of production politics. The third part explains those variations in terms of the relationship between apparatuses of production and apparatuses of the state — a relationship decisively determined by the combined and uneven development of the capital–labour relationship. The final part considers the emergence of new forms of production politics in the latest phase of capitalist development.

1. From Despotic to Hegemonic Regimes

The Marxist tradition offers the most sustained attempt to understand the development of production within a systematic analysis of the dynamics and tendencies of capitalism, as well as the conditions of its reproduction. Production is at the core of both the perpetuation and the demise of capitalism. The act of production is simultaneously an act of reproduction. At the same time that they produce useful things, workers produce the basis of their own existence and that of capital. The exchange value added through cooperative labour is divided between the wage equivalent, which becomes the means of the reproduction of labour power, and surplus value, the source of profit which makes it possible for the capitalist to exist as such and thus to employ the labourer.

How is it that labour power, the capacity to work, is translated into sufficient labour, application of effort, so as to provide both wages and profit? Marx answers, through coercion. In his analysis, the extraction of effort occurs through a despotic regime of production politics. Although Marx never conceptualizes the idea, he in fact describes a particular type of factory regime which I call market despotism. Here despotic regulation of the labour process is constituted by the economic whip of the market. Workers' dependence on cash earnings is inscribed in their subordination to the factory Lycurgus.

Marx does not recognize political apparatuses of production as analytically distinct from the labour process because he sees market despotism as the only mode of labour process regulation compatible with modern industry and the pressure for profits. In fact, as we have seen in Chapter Two, market despotism is a relatively rare form of factory regime whose existence is dependent on three historically specific conditions. First, workers have no means of livelihood other than the sale of their labour power for a wage. Second, the labour process is subject to fragmentation and mechanization, so that skill and specialized knowledge can no longer be a basis of power. The systematic separation of mental and manual labour and the reduction of workers to appendages of machines strip workers of the capacity to resist arbitrary coercion. Third, impelled by competition, capitalists
continually transform production through the extension of the working day, intensification of work and the introduction of new machinery. Anarchy in the market leads to despotism in the factory.

If history has more or less upheld Marx's anticipation that competitive capitalism could not survive, it has not vindicated the identification of the demise of competitive capitalism with the demise of capitalism per se. What Marx perceived as the embryo of socialism — in particular the socialization of production through concentration, centralization and mechanization — in fact laid the basis for a new type of capitalism, monopoly capitalism. The distinguishing objective of twentieth-century Marxism has been to dissect the politics, economics and culture of this new form of capitalism. Curiously, it is only in the last decade that Marxists have begun to reconsider Marx's analysis of the labour process, in particular its transformation over time.

These studies have generally sought to locate historically the second and third conditions of market despotism: deskilling and perfect competition among firms. As we have seen, in Labour and Monopoly Capital Harry Braverman argues that deskilling really established itself only in the period of monopoly capitalism, when firms were sufficiently powerful to crush the workers' resistance. Andrew Friedman's analysis in Industry and Labour of changes in the labour process in England counters Braverman's unilinear degradation of work by underlining the importance of resistance in shaping two managerial strategies: direct control and responsible autonomy. Direct control corresponds to Braverman's process of deskilling, whereas responsible autonomy attaches workers to capital's interests by allowing them limited job control, a limited unity of conception and execution. In the early period of capitalism, responsible autonomy was a legacy of the past and took the form of craft control, whereas under monopoly capitalism it is a self-conscious managerial strategy to pre-empt workers' resistance.

In Contested Terrain, an even more far-reaching reconstruction of Braverman's analysis, Richard Edwards identifies the emergence of three historically successive forms of control: simple, technical and bureaucratic. In the nineteenth century, he argues, firms were generally small and markets competitive, so that management exercised arbitrary, personalistic domination over workers. With the twentieth-century growth of large-scale industry, simple control gave way to new forms. After a series of unsuccessful experiments, capital sought to regulate work through the drive system and the incorporation of control into technology, epitomized by the assembly line. This mode of control generated its own forms of struggle and, after the Second World War, gave way to bureaucratic regulation, in which rules are used to define and evaluate work tasks and to govern the application of sanctions. Although each period generates its own prototypical form of control, all nevertheless coexist within the contemporary US economy as reflections of various market relations. In a more recent formulation, Gordon, Edwards and Reich have situated the development of the three forms of labour control in three social structures of accumulation corresponding to long swings in the US economy.

While all these accounts add a great deal to our understanding of work organization and its regulation, they are unsatisfactory as periodizations of capitalist production. We know that the period of early capitalism was neither the haven of the craft worker, as Braverman implies, nor confined to simple control, as Edwards maintains. Thus, Craig Littler and Daniel Clawson underline the importance of subcontracting, both inside and outside the firm, as an obstacle to direct control by the employer. Nor can the period of advanced capitalism be reduced to the consolidation of deskilling. New skills are continually created and do not disappear as rapidly as Braverman suggests. Finally, Edwards explicitly recognizes that each successive period contains and actively reproduces forms of control originating in previous periods. All these works point to, but do not actually enunciate, a distinction between the labour process conceived as a particular organization of tasks, and the political apparatuses of production conceived as its mode of regulation. In contrast to Braverman, who ignores the political apparatuses of production, and Edwards, Friedman, Littler and Clawson, who collapse them into the labour process, I treat them as analytically distinct from and causally independent of the labour process. Moreover, these political apparatuses of production provide a basis for the periodization of capitalist production.

While not denying the importance of historically rooting Marx's second and third conditions of market despotism — competition among firms and the expropriation of skill — I want to dwell here on the first condition: workers' dependence on the sale of their labour power. In this connection we must examine two forms of state intervention which break the ties binding the reproduction of labour power to productive activity in the workplace.

First, social insurance legislation guarantees the reproduction of labour power at a certain minimal level independent of participation in production. Moreover, such insurance effectively establishes a
minimum wage (although this may also be legislatively enforced), constraining the use of payment by results. Piece rates can no longer be arbitrarily cut to extract ever greater effort for the same wage.

Second, the state directly circumscribes the methods of managerial domination which exploit wage dependence. Compulsory trade union recognition, grievance machinery and collective bargaining protect workers from arbitrary firing, fining and wage reductions, and thus further enhance the autonomy of the reproduction of labour power. The repeal of Masters and Servants laws gave labour the right to quit, undermining employers' attempts to tie domestic to factory life.

Although many have pointed to the development of these social and political rights, few have explored their ramifications in the regulation of production. Now management can no longer rely entirely on the economic whip of the market. Nor can it impose an arbitrary despotism. Workers must be persuaded to cooperate with management. Their interests must be coordinated with those of capital. The despotic regimes of early capitalism, in which coercion prevails over consent, must be replaced with hegemonic regimes, in which consent prevails (although never to the exclusion of coercion). Not only is the application of coercion circumscribed and regularized, but the infliction of discipline and punishment itself becomes the object of consent. The generic character of the factory regime is therefore determined independently of the form of the labour process and competitive pressures among firms. It is determined by the dependence of the workers' livelihood on wage employment and the tying of the latter to performance in the workplace. State social insurance reduces the first dependence, while labour legislation reduces the second.

While despotic regimes are based on the unity of the reproduction of labour power and the process of production, and hegemonic regimes on a limited but definite separation of the two, the specific character of both types of regime varies with the forms of the labour process, competition among firms, and state intervention. Thus, the form of despotic regime varies among countries with the patterns of proletarianization: where workers retain ties to subsistence existence, various paternalistic regimes with a more or less coercive character emerge to create additional bases of workers' dependence on their employers (see Chapter Two). Hegemonic regimes also differ from country to country according to the extent of state-provided social insurance schemes and the character of state regulation of factory regimes. Furthermore, the factors highlighted by Braverman, Friedman and Edwards — skill, technology, competition among firms, and resistance — all give rise to regime variations within countries. Thus, variations in deskilling and competition among firms created the conditions for very different despotic regimes in nineteenth-century Lancashire cotton mills: the company state, patriarchal despotism, and paternalistic despotism (see Chapter Two). Under advanced capitalism the form of hegemonic regime also varies with the sector of the economy. In the competitive sector we find the balance between consent and coercion tilting further toward the latter than in the monopoly sector, although where workers retain considerable control over the labour process forms of craft administration make their appearance. Notwithstanding the important variations among despotic regimes and among hegemonic regimes, the decisive basis for periodization remains the unity/separation of the reproduction of labour power and capitalist production.

Exceptions to this demarcation further illuminate it. Thus, California agribusiness offers an example of monopoly industry with despotic control. There are two explanations for this anomaly. First, agriculture has been exempt from national labour legislation, so that farm workers are not protected from the arbitrary despotism of managers. Second, as workers are frequently not citizens, and are often illegal immigrants, they are unable to draw any social insurance and must constantly live in fear of apprehension. In effect, California agribusiness has successfully established a relationship to the state reminiscent of early capitalism in order to enforce despotic regimes. Urban enterprise zones — selected areas in which lowered taxes and relaxed protective labour legislation encourage capital to invest — are similar attempts to restore nineteenth-century market despotism. However, they remain exceptional.

As others have argued, attempts to dismantle what exists of the welfare state can achieve only limited success. More significant for the development of factory regimes in the contemporary period is collective labour's vulnerability to capitalism's national and international mobility, leading to a new despotism built on the foundations of the hegemonic regime. That is, workers face the loss of their jobs not as individuals but as a result of threats to the viability of the firm. This enables management to turn the hegemonic regime against workers, relying on its mechanisms of coordinating interests to command consent to sacrifice. Concession bargaining and quality of work-life programmes are two faces of this hegemonic despotism.

The periodization just sketched, from despotic to hegemonic regimes to hegemonic despotism, is rooted in the dynamics of capitalism. In the first period the search for profit led capital to intensify exploitation with the assistance of despotic regimes. This gave rise to
crises of underconsumption and resistance from workers, and resolution of these conflicts could be achieved only at the level of collective capital — that is, through state intervention. This took two forms — the constitution of the social wage and the restriction of managerial discretion — which gave rise to the hegemonic regime. The necessity of such state intervention is given by the logic of capitalism’s development. But the mechanisms through which the state comes to do what is ‘necessary’ vary over time and from country to country. Here we draw on an array of explanations that have figured prominently in recent debates about the nature of the capitalist state: the state as an instrument of an enlightened fraction of the dominant classes, the state as subject to the interests of ‘state managers’, the state as responsive to struggles both within and outside itself. There is, of course, nothing inevitable or inexorable about these state interventions; nothing guarantees the success or even the activation of the appropriate mechanisms. Thus, although we have theories of the conditions for the reproduction of capitalism in various phases, and therefore of the corresponding necessary state interventions, we have only ad hoc accounts of the actual, specific and concrete interventions.

Nevertheless, the form and timing of capitalist development frame the nature of state interventions as well as shaping the factory regime. As will be discussed below, we can begin to locate the rapidity and unevenness of state interventions in the context of capitalism’s combined and uneven development at an international level. Moreover, in the contemporary period the logic of capital accumulation on a world scale entails that state intervention is less relevant for the determination of changes and variations in the form of production politics. This is the argument of this chapter’s final section. The very success of the hegemonic regime in constraining management and establishing a new consumption norm leads to a crisis of profitability. As a result, management attempts to bypass or undermine the structures of the hegemonic regime while embracing those of its features which foster worker cooperation.

2. Factory Politics at Jay’s and Allied

To highlight both the generic character and the various specific forms of the hegemonic regime, we will compare two workshops with similar labour processes and systems of remuneration situated in similar market contexts but different national conditions. The first company, Jay’s, is a Manchester electrical engineering company with divisions overseas. In 1956, Tom Lupton was for six months a participant observer in a department which erected transformers for commercial use. Jay’s was part of the monopoly sector of British industry, dominated by such giants as Vicker’s. It was a member of an employers’ association which barred competition from smaller firms and engaged in price fixing. The other enterprise, Allied, was the engine division of a multinational corporation whose primary sales ventures were in agricultural and construction equipment. For ten months, in 1974-75, I worked in the small parts department of this South Chicago plant as a miscellaneous machine operator. Donald Roy had studied the same plant thirty years earlier; at that time, before it was taken over by Allied, it was a large jobbing shop known as Geer.

The Labour Process

Allied’s machine shop was much the same as any other, with its assortment of mills, drills and lathes, each operated by a single worker who depended on the services of a variety of auxiliary workers: set-up men, who might help set up the machines for each new ‘job’; crib attendants, who controlled the distribution of fixtures and tools; the forklift ‘trucker’, who transported stock and unfinished pieces from place to place in large tubs; the time clerk, who would punch operators in on new jobs and out on completed ones; the scheduling man, who was responsible for the distribution of work and the chasing of materials around the department; and the inspectors, who would have to approve the first piece before operators could continue turning out work. Finally, the foreman, who would coordinate and facilitate production where necessary, signing the ‘double red cards’ which guaranteed a basic ‘anticipated piece rate’ when operators were prevented from getting ahead by circumstances beyond their control, and negotiate with auxiliary workers on behalf of the operators.

The labour process at Jay’s was similar in that workers controlled their own instruments of production and were dependent on the services of auxiliaries. In the section in which Lupton worked, operators used hand tools such as soldering irons, wire-clippers and spanners. There was no mass production sequence: each electrical assembly was completed by an erector, or by two and sometimes even three ‘working mates’. ‘There were fewer auxiliary workers than at Allied: the floor controller (scheduling man), the inspector, the charge hand (set-up man), the storekeeper (crib attendant) and the time clerk. There was less intra-section tension and conflict than at Geer and Allied, which sprang from the piece-rate operators’
dependence on day-rate auxiliary workers. The basic lateral conflict at Jay’s was between sections requiring delivery of the right parts at the right time and in the right quantity. Thus, the erectors at Jay’s formed a relatively cohesive group based on antagonism toward and dependence on other sections and departments.

The System of Remuneration

The systems of remuneration were also organized on similar principles in the two shops. Operators at Allied were paid according to a piece-rate system, such that the methods department attached a rate to each job stipulating the number of pieces to be produced per hour — the ‘100 per cent’ benchmark. Operators were expected to perform at 125 per cent of the ‘anticipated rate’, defined in the contract as production by a ‘normal experienced operator working at incentive gait’. Producing at 125 per cent would earn the operator an extra 25 per cent on the base earnings established for the particular labour grade. In terms of total earnings, producing at 125 per cent brought in about 15 per cent more than did producing at 100 per cent. When operators failed to make out at the 100 per cent level, they nevertheless received earnings corresponding to 100 per cent. An operator’s total earnings were thus composed of base earnings; an incentive bonus, based on percentage output; override, a fixed amount for each labour grade; a shift differential; and a cost-of-living allowance.

The weekly wage packet at Jay’s was made up of three items. First, there was the hourly rate or guaranteed minimum — either a time rate, for day work, or a piecework rate. Second, there was a bonus, which was itself composed of three elements: a bonus of 45 per cent on the piece rate for time spent working for materials or inspection, or wasted on defective equipment; a negotiated percentage bonus for jobs that did not have a rate (known as ‘covered jobs’, as at Allied); and the piecework bonus itself. The third item of the wage packet was a group productivity bonus based on the entire section’s output for the week.

The piecework bonus was derived as follows. Each job was given a rate in terms of ‘allowed time’. A job completed in the allowed time obtained a bonus of 27½ per cent of the rate. Rate fixers were supposed to set the allowed times so that the erectors could, with little experience, earn an 80 per cent bonus. Workers were content when they could produce at 190 per cent. Thus, the anticipated rate of 125 per cent at Allied corresponded to the 180 per cent rate at Jay’s. In monetary terms, then, the expected earnings from piecework relative to base rates were significantly higher at Jay’s than at Allied, where the 140 per cent output was the collectively understood upper limit.

Making Out

The similarity in systems of remuneration and labour process at the two factories gave rise to similar operator strategies. At both Allied and Jay’s, piecework was constituted as a game, called ‘making out’ in both plants, in which operators set themselves certain percentage output targets. Shopfloor activities were dominated by the concerns of making out, and shopfloor culture was couched in the successes and failures of playing the game. It was in these terms that operators evaluated each other. The activities of the rate fixer and the distribution of ‘stinkers’ (jobs with difficult or ‘tight’ rates) and ‘gravy’ (jobs with easy or ‘loose’ rates) were the subjects of eternal animation and dispute.

The rules of making out were similar in both shops. Workers engaged in the same forms of ‘restriction of output’. That is, there was a jointly regulated upper limit on the amount of work to be ‘handed in’ (Allied — 140 per cent) or ‘booked’ (Jay’s — 190 per cent). Higher percentages invited the rate fixer to cut the rates. Holding back work completed after these ceilings were reached was called ‘banking’ (Jay’s) or ‘building a kitty’ (Allied). This practice enabled workers to make up for earnings lost on bad jobs by handing in pieces saved from easy ones. However, such ‘cross-booking’ (‘fiddling’ at Jay’s, ‘chiselling’ at Allied) was easier and more legitimate at Jay’s. Allied had clocks for punching on and off jobs — which made cross-booking more difficult — while there was no such constraint at Jay’s. Moreover, cooperation from auxiliary workers in making out and fiddling by pieceworkers was more pronounced at Jay’s.

This form of output or ‘quota’ restriction, in which workers collectively enforce an upper limit on the amount of work to be handed in, affects the second form of restriction. ‘Goldbricking’ occurs when operators find making the rate for a certain job impossible or not worth the effort. They take it easy, content to earn the guaranteed minimum. Goldbricking was more common at Allied than at Jay’s, for two reasons. First, as already stated, it was much easier to cross-book at Jay’s, so that a bad performance on a lousy job could often be made up with time saved on easier jobs. Second, the percentages earned on piecework were much higher at Jay’s, and the achievement of 100 per cent was virtually automatic. Accordingly, the bimodal pattern in which output levels clustered around the upper and lower limits,
observed by Roy at Geer and still discernible at Allied, could not be found at Jay's. These differences suggest that workers at Jay's had more control over the labour process, and therefore more bargaining power with management, than at Allied.

**Rate Fixing**

In broad outline, there are close resemblances in the patterns of conflict and cooperation as they are played out in the two shops. However, the continual bargaining and renegotiation at Jay's contrast with the broad adhesion to a common set of procedural rules at Allied. This is particularly clear in the relationship between rate fixers and operators. The Allied rate fixer was an 'industrial engineer' who retired to distant offices. Rather than stalking the aisles in pursuit of loose rates, as he had at Geer, he had become more concerned with changes in the organization of work, introducing new machines and computing rates on his pocket calculator. At Jay's, where piecework earnings were a more important element of the wage packet, the rate fixer was still the time-and-motion man with stopwatch in hand. His presence, as at Geer, created a 'spectacle' to which all workers in the section were drawn.

But the air of tyranny that pervaded Geer — the sly attempts of time-study men to clock jobs while they had their backs to the operators — was absent at Jay's. First, unlike at Geer and Allied, operators at Jay's had to agree to new rates before they were introduced. Second, the conflict which brought the rate fixer and the operator into opposition obeyed certain principles of fair play which both observed. The shop steward in particular maintained a constant vigilance to prevent any subterfuge by the rate fixer or hastiness by the operator. On those rare occasions when industrial engineers came down from their offices at Allied, shop stewards were usually far from the scene. They shrugged their shoulders, denying any responsibility for rate busters who would consistently turn in more than 140 per cent.

Bargaining over 'custom and practice' rather than consent to bureaucratically administered rules shaped production politics at Jay's. Thus, jobs without rates became the subject of intense dispute between foreman and worker, whereas at Allied such jobs were automatically paid at the 'anticipated rate' of 125 per cent. In the allocation of work, operators in Jay's transformer section were in a much stronger position to bargain with the foreman than were the operators at Allied. Indeed, this was the basis of much of the factionalism in the section, intensified by the absence of well-defined procedures.

These differences exemplify a more general distinction between the two workshops. At Allied the balance of class forces was inscribed in rules which, though determined in three-year collective agreements between management and union, were essentially stable in form. For the duration of the contract, all parties agreed to abide by the constraints it set on the realization of interests. Strikes broke out when the contract under negotiation was unacceptable to the rank-and-file. At Jay's, in contrast, the balance of class forces was continually renegotiated on the shop floor, and 'unofficial' short strikes were part and parcel of industrial life. In the one, the political apparatuses of production were severed from the labour process; in the other, the two were almost indistinguishable. The differences between the two patterns can be clearly discerned in the operation of the 'internal labour market'.

**The Internal Labour Market**

We speak of an internal labour market when the distribution of employees within the firm is administered through a set of rules defined independently of the external labour market. At Allied it worked as follows. When a vacancy occurred in a department, any worker from that department could 'bid' for the job. The bidder with the greatest seniority usually received the job, and his old position became vacant. If no one in the department was interested in the opening, or if management deemed the applicants unqualified, the job would be posted plant-wide. Only if there were still no acceptable bids would someone be hired from outside the plant. Generally, then, new employees entered on those jobs that no one else wanted, usually the speed drills. Similarly, workers facing redundancy could 'bump' others whose jobs they could perform and who had less seniority. An internal labour market presupposes not only some criteria for selecting among bids — in this case a heavy emphasis on seniority — but also some hierarchy of jobs based on basic earnings and looseness of piece rates. Otherwise workers would be in constant motion. Efficiency in the organization of the plant depends on a certain stability of job tenure, particularly where more sophisticated machines require a little more skill.

The internal labour market has a number of important consequences. First, the possessive individualism associated with the external labour market is imported into the factory. The system of bidding and bumping elevates the individual interest at the expense of
the collective interest. Grievances related to the job can be resolved by the employee simply bidding on another job. Second, the possibility of bidding off a job gives the worker a certain autonomy vis-à-vis first-line supervision. If a foreman begins to give trouble, an operator can simply bid off the job into another section. The possibility and reality of voluntary transfer deter foremen from exercising arbitrary command, since turnover would lead to a fall in productivity and quality. The internal labour market is therefore much more effective than any human relations programme in producing supervisors sensitive to the personalities of their subordinates. Indeed, the rise of the human relations programme can be seen as a mere rationalization or reflection of the underlying changes in the apparatuses of production since the Second World War.

The third consequence of the internal labour market is the coordination of the interests of workers and management. Because seniority dictated the distribution of rewards — not only the best jobs but also vacation pay, supplementary unemployment benefits, medical care and pensions — the longer a person remained at Allied, the more costly it was to move to another firm and the more he or she identified with Allied’s interests. From management’s standpoint, this not only involved greater commitment to the generation of profit but also reduced uncertainties induced by changes in the external labour market. Thus, voluntary separations were necessarily reduced, particularly among the more senior and therefore more ‘skilled’ employees. And when layoffs occurred, the system of supplementary unemployment benefits retained hold of the same labour pool for sometimes as long as a year.

At Jay’s the distinction between internal and external labour markets was harder to discern. There was no systematic job hierarchy, such a central feature of the organization of work at Allied. All piecework operators in the erecting section, except those undergoing training, were on the same piece or time wage. There was no system of bidding on new jobs and the issue of transfers never seemed to come up. Opposition to management could not be resolved by ‘bidding off’ the job. Grievances had to be lived with or fought out — or, as a last resort, workers could leave the firm. Thus, in contrast to Allied’s organization of rights and obligations in accordance with seniority, a radical egalitarianism pervaded the relations among workers. Factional squabbles within the section frequently arose from the foreman’s supposedly discriminatory distribution of work. As others have argued, English workers are acutely aware of differentials in pay and working conditions. Conflict on the shopfloor often arises from attempts by specific groups to maintain their position relative to other groups, rather than from an implacable hostility to management. Technological innovations that upset customary differentials are bitterly resisted by those whose positions are undermined. At Jay’s, instead of a pursuit of individual interest through the manipulation of established bureaucratic rules, production politics revolved around notions of social justice and fairness. These differences are reflected more generally in the system of bargaining.

Systems of Bargaining

Formally, the internal labour market at Allied was an administrative device for distributing employees into jobs on the basis of seniority. By promoting individualism and enlarging the arena of worker autonomy within definite limits, it was also a mechanism for the regulation of relations between workers and management. It was similar in its effects to two other apparatuses of production, the grievance machinery and collective bargaining. Here, too, bureaucratic regulations dominated. Union contracts were renegotiated every three years by the local and the management of the engine division. Once the contract was signed, the union became its watchdog. The processing of grievances was regularized into a series of stages which brought in successively higher echelons of management and union. Grievances would always be referred to the contract. Workers would approach the shop steward as a guard rather than an incendiary. The shop steward would pull out the contract and pronounce on its interpretation. The contract was sacrosanct: it circumscribed the terrain of struggle.

Production politics at Jay’s followed a very different course. There was no bureaucratic apparatus to confine struggles within definite limits. There the ‘collective bargain’ was a fluid agreement subject to spontaneous abrogation and continual renegotiation on the shopfloor. ‘Custom and practice’ provided the terrain of struggle, and diverse principles of legitimation were mobilized to pursue struggles. Rules lacked the stability, authority and specificity they had achieved at Allied. The engineering industry, of which Jay’s was a member, did have a regularized machinery for handling grievances, but there was no clear demarcation between disputes over ‘rights’ and those over ‘interests’ that is, between issues pursued as grievances and as part of collective bargaining. The results are clear. Whereas the grievance machinery at Allied dampened collective struggles by constituting
workers as individuals with specific rights and obligations, grievances at Jay's were the precipitant of sectional struggles which brought management and workers into continual collision.  

We can begin to interpret the differences between the two firms in terms of the structure of relations between management and union in the two countries. At Allied (and more generally in the organized sectors of US industry) a single union (in this case, the United Steelworkers of America) had exclusive rights of representation at the level of the plant. It was a union shop, so that after fifty days' probation all employees covered by the contract had to join the union. Collective bargaining took place at plant level, although the issues were usually borrowed from negotiations between the union and the largest corporations, such as the United States Steel Corporation — a system known as pattern bargaining. Rank-and-file had to ratify the agreement struck between management and union, but once signed the collective bargain was legally binding on both sides of the industry.

At Jay's, and more generally in England, formal collective bargaining took place not at the level of the plant but at the national or regional level of the industry, and established only minimal conditions of employment. Shopfloor bargaining was therefore the adjustment of the industry-wide agreement to the local situation — which also explains why the wage system was much more complicated at Jay's than at Allied, despite the latter's graduated job hierarchy. The adjustment to the conditions of the particular firm or workshop explains why it is necessary to amend national and regional agreements, but why are 'collective bargains' not struck first at plant level?

One set of explanations concerns the differences in union organization and representation in the two countries. Until recently, only a few British industries, such as coal mining, had exclusive representation at plant level. At Jay's, for example, two unions, the Electrical Trades Union and the National Union of General and Municipal Workers, competed for the allegiance of workers in the transformer section. In the United States not only is there exclusive representation, guaranteed by a union shop, but disaffiliation of a local from its international is notoriously difficult. Attempts by some Allied workers hostile to the United Steelworkers to change affiliation to the United Auto Workers were effectively smothered by union and management. Furthermore, the exclusive rights of representation, union dues check-off systems, and the greater number of paid officials enjoyed by unions in the United States contribute to a more placid local. This complacency dovetails well with the union's role as night watchman over the collective agreement.

Not only do different British unions compete for the allegiance of the same workers, but a geographical region rather than the plant forms the basic organizational unit. These factors tend to foster shop-steward militancy, which is further encouraged by the branch's limited financial ability to pay union officials and by the union's need to collect its own dues. Finally, union rivalry and the legacy of a powerful craft unionism in Britain continue to lead to demarcation disputes and struggles to protect wage differentials, thereby threatening collective agreements. In the United States the struggles for union representation in a given plant — jurisdictional disputes — are no longer as important as they were when industrial unionism was in its expansionary phase.

A second set of reasons for the contrasting status of 'collective bargains' in the two countries revolves around the relationship between apparatuses of production and apparatuses of the state. Thus, in England the collective bargain is not legally binding; it is a voluntary agreement of no fixed duration which either side can break. Strikes may be 'unconstitutional' (in violation of the collective agreement) or 'unofficial' (in opposition to union leadership) but only under exceptional circumstances are they illegal. In the United States, on the other hand, collective bargains are legally binding, and no-strike clauses can lead to legal action against a striking union. Unlike its British counterpart, the US trade union is a legal entity subject to legal provisions: it is legally responsible for the actions of its members. The law is one mode through which the state can shape factory politics, one expression of the state regulation of factory regimes.

3. Production Apparatuses and State Apparatuses

We have now dealt with our first target by showing that factory regimes both vary independently of the labour process and affect shopfloor struggles. But how do we explain the differences between the hegemonic regime at Jay's based on fractional bargaining and the one at Allied based on bureaucratic rules? As we have controlled for labour process and market competition, these cannot be the source of the differences. A more promising variable is the form and content of state intervention. Confirmation that some such national variable is at work comes from the industrial relations literature dealing with the post-war period, which suggests that fractional bargaining has been
typical of the manufacturing industry in England just as bureaucratic procedures have been typical of the corporate sector of the United States.

What is it about state interventions that creates distinctive apparatuses? The same two interventions that served to differentiate early capitalism from advanced capitalism also serve to distinguish among advanced capitalist societies. The first type of state intervention separates the reproduction of labour power from the process of production by establishing minimal levels of welfare irrespective of work performance. In the United States workers are more dependent on the firm for social benefits (although these may be negligible in the unorganized sectors) than they are in England, where state social insurance is more extensive. The second type of state intervention directly regulates production apparatuses. As we intimated at the end of the last section, in England the state abstains from the regulation of production apparatuses, whereas in the United States the state sets limits on the form of those apparatuses, at least in the corporate sector.

Our two case studies demonstrate the existence of different hegemonic regimes and point to the state as a key explanatory variable, but they present a static view in which, moreover, the relevant contexts appear only indirectly. We must now move away from Allied and Jay's themselves to examine state interventions in their own right — both their form and their origins. We must develop a dynamic perspective, situating the two factories in their respective political and economic contexts through a broader historical and comparative analysis. To do this we must first complete the picture of state interventions by adding two more national configurations of state regulation of factory regimes and state support for the reproduction of labour power. Our third combination is represented by Sweden, where extensive safeguards against unemployment — an active manpower policy and a well-developed welfare system — coexist with substantial regulation of factory regimes. In Japan, our fourth combination, the state offers little by way of social insurance, this being left to the firm, and is only weakly involved in the direct regulation of production apparatuses. The following table sums up the different patterns.

<table>
<thead>
<tr>
<th>Direct State Regulation of Factory Regime</th>
<th>High</th>
<th>Low</th>
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<tbody>
<tr>
<td>Sweden</td>
<td>High</td>
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<tr>
<td>United States</td>
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<tr>
<td>England</td>
<td>Low</td>
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<tr>
<td>Japan</td>
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These, of course, represent only broad national patterns. Within each country, there may be wide variations in the relationship of production apparatuses to the state. State interventions give rise to only the generic form of factory regime: its specific forms are also determined by the labour process and market forces.

But what determines the form of state intervention? We must now withdraw our arrow from the first target and point it in the opposite direction, at the second target: theories of the state that explain its interventions in terms of its own structure, divorced from the economic context in which it operates. Nor is it sufficient to recognize the importance of external economic forces by examining their 'presence' in the state, as in corporatist bargaining structures or the struggles of parties, trade unions, employers' associations, and so forth, at the national level. As Leo Panitch has argued, the effects of class forces cannot be reduced to their mode of 'internalization' in state apparatuses. State politics does not hang from the clouds; it rises from the ground, and when the ground trembles, so does it. In short, while production politics may not have a directly observable presence in the state, it nevertheless sets limits on and precipitates interventions by the state. Thus, the strike waves in the United States during the 1930s and in Sweden, France, Italy and England in the late 1960s and early 1970s all led to attempts by the state to reconstruct factory apparatuses.

Accordingly, just as the state sets limits on factory apparatuses, so do they on the form of state interventions. Examined statically, there is no way of giving primacy to one direction of determination over the other. Considered dynamically, however, as I will suggest below, the direction of determination springs from the substratum of relations of production. Capitalism's combined and uneven development — that is, the timing and character of the juxtaposition of advanced forms of capitalism and pre-capitalist societies — shapes the balance of class forces in production, setting limits on subsequent forms of the factory regime and its relationship to the state.

England

We can begin with England and its distinctive pattern of proletarianization. In the early stages of industrialization, workers either were expelled from the rural areas or migrated to the towns of their own accord. By the end of the nineteenth century all new reserves of labour had been exhausted. Although lack of access to means of subsistence weakened workers as individuals, it also impelled them to develop collective organization. In countries which industrialized later, wage
labourers often had access to alternative modes of existence, in particular subsistence production and petty-commodity production, which tended to undermine working-class organization.

Britain's second phase of industrialization (1840–95) was dominated by the search for outlets for its accumulated capital, which turned to exports based on the development of heavy industry at home. In addition, Britain's imperial expansion laid the basis of class compromise between labour and capital. As the erosion of the British Empire was gradual, so was the changing balance of class forces. As a result, British labour history offers no parallel to the powerful wave of strikes that swept the United States in the 1930s. Even the general strike of 1926 soon fizzled out and marked a definite weakening of labour through the containment of factory politics.

If the patterns of proletarianization and colonialism provided the impetus and conditions for labour to erect defences against the encroachment of capital, it was the development of capitalist production that provided the means. Located in the pioneer industrial nation, English capital traversed all the stages of development, from handicrafts through manufacture to modern industry. From the earliest beginnings capital and labour advanced together, strengthening each other through struggle. Capital was dependent on the skills of pre-industrial craft workers, as was apparent in the prevalence of systems of subcontracting. Competition among firms weakened capital and increased its dependence on labour. Thus, relative to other countries, English workers were often better organized to resist capital. We can see this in the early development of craft unions, although as Turner has persuasively argued, the sectionalism of craft unions would eventually retard the development of a cohesive labour movement, postponing the development of general unions until late in the nineteenth century.

In the manufacturing sector, in particular engineering industries, the strength of craft unions retarded mechanization and provided the basis of continuing shopfloor control, as we saw at Jay's. Only in the last decade has there been a shift from informal, fragmented workplace bargaining to plant-wide agreements. Particularly in the new industries with automated production, factory regimes more closely approximate the United States pattern (although comparisons with France suggest that this change should not be exaggerated).

In England the transition from despotic to hegemonic regimes has been gradual. Craft traditions led the labour movement to advance its position through the control of production and the labour market rather than through state-imposed regulations. Trade unions and the Labour Party aimed to keep the state out of production. Employers, concerned to protect their autonomy to bargain directly with labour, were equally mistrustful of state intervention. As the post-war consensus unravelled in the 1960s, Labour and Conservative governments tried to impose incomes policies, but with little success. As the Donovan Commission of 1968 underlined, workplace bargaining outside the control of trade union leadership undermined any centralized wages policy. Therefore, from the late 1960s governments sought to regulate production politics through legislative measures. Most famous of these was the Industrial Relations Act of 1971, which attempted a comprehensive restructuring of production politics by restricting the autonomy of trade unions. For three years the unions mounted a unified assault on the act, until the Conservative government was forced out of office. The new Labour government repealed the law in 1974 and, as part of the 'social contract', a spate of new laws was introduced. The Trade Union and Labour Relations Act of 1974 (amended in 1976), the Employment Protection Act of 1975, the Health and Safety at Work Act of 1974, and the Sex Discrimination and Race Relations Acts of 1976 all protected the rights of employees and trade unions, but within narrower limits. However, these statutory reforms did not of themselves have much impact on production politics. The really determinative forces at this level must be sought in the changing relations of capital and labour and in the broader economic changes of which they formed part. We shall return to this in the last section of this chapter.

The United States

Compared with England, in the United States capital moved through its stages of development more rapidly while proletarianization proceeded more slowly. The development of enclaves of black and immigrant labour combined with mobile white workers to balkanize and atomize the labour force, militating against strong unions. With the notable exception of the IWW, those unions that did form were usually craft unions. During the First World War unions enjoyed a short reprieve from the open-shop drive. Arbitrary employment practices such as blacklisting, imposition of 'yellow dog' contracts, and discrimination against union members were prohibited, and labour was protected from arbitrary layoff through the enforcement of the seniority principle. Employers renewed their offensive against independent unions in the 1920s, and company unions were created in their stead. This was the era of welfare capitalism, when despotic
factory regimes were combined with material concessions in the form of social benefits. Company paternalism collapsed with the Depression, however, as unemployment increased and wages and benefits were cut.\(^33\) Massive strike waves assaulted production apparatuses as the source of economic insecurity. Despite rising unemployment, workers were able to exploit the interconnectedness of the labour process and the interdependence of branches to bring mass production to a standstill. At the same time, the exhaustion of new supplies of non-proletarianized labour limited capital's ability to counter the strikes.\(^34\)

Only an independent initiative from the state in opposition to capital could pacify labour — an eventuality made possible by the fragmentation of the dominant classes in this period. The Norris-La Guardia Act of 1932 and the National Industrial Recovery Act of 1933 inspired union organizing efforts, even though both had uncertain constitutional validity and ineffective enforcement mechanisms. Nevertheless, the newly created National Labour Board pursued its mission with bureaucratic enthusiasm. Denounced by industry and ignored by the Roosevelt administration and the courts, but supported by the American Federation of Labour (AFL) and aided by a series of fortuitous circumstances, Robert Wagner manoeuvred the National Labour Relations Act through Congress in 1935.\(^35\) The National Labour Relations Board (NLRB) set about replacing despotic production politics with new forms of 'industrial government' based on collective bargaining, due process, compromise and independent unions.

In the immediate aftermath, unions developed through the momentum of self-organization, but in the face of a renewed employer offensive in 1937-39, the NLRB helped to defend workers' gains. In 1939 the Board itself came under heavy attack for being too partisan and was forced to moderate its policies. Subsequently, the National War Labour Board (1942-46) guided the development of unions — establishing their security but curtailing their autonomy. Collective bargaining was confined to wages, hours, and a narrow conception of working conditions; grievance machinery defined the unions' role as reactive; and an army of labour experts was created to administer the law.\(^36\) Taft-Hartley was only the culmination of a decade-long process in which the pressure of class forces constrained factory politics within ever narrower limits. Over time the NLRB was moulded to the needs of capital: industrial peace and stability.

Nevertheless, the emergent labour legislation that governed the post-war period still bore the marks of the time in which it was created, reflecting in particular the response to despotic factory regimes and workers' dependence on capricious market forces. On the one hand, social and labour legislation offered, albeit in a limited way, the one thing workers strove for above all else: security. Welfare legislation, particularly unemployment compensation, although slight compared with other countries, meant that labour did not have to put up with arbitrary employment practices. As we saw at Allied, rights attached to seniority and union recognition did offer certain protections within the plant. On the other hand, dismayed with the initial legislation, capital has managed to reshape it to suit its own needs, containing conflict within narrow limits through restrictive collective bargaining and grievance machinery. Internal labour markets may have offered security to labour but, by the same token, they introduced a predictability to the labour market that corporate capital had already achieved in supply and product markets. Even the social legislation which boosted the purchasing power of the working class, reconstituting the consumption norm around the house and the automobile, steered capital out of its crisis of overproduction.\(^37\)

If, in the course of time, corporate capital would stamp its interests on the new labour legislation, small-scale competitive capital could not afford concessions to labour, and unionization in this sector faced greater obstacles. A distinctive dualism developed in which the gains of the corporate sector came at the expense of the competitive sector. In England, where unionization had developed before the consolidation of large corporations and across most sectors of industry, such dualism had been weaker.

In summary, the very success of United States capital in maintaining its dominance over labour through factory despotism simultaneously created crises of overproduction and unleashed massive resistance from labour, demanding state intervention and the installation of a new political order in the factory. The hegemonic regimes which established themselves after the Second World War, such as the one at Allied, undermined labour's strength on the shopfloor and led to its present vulnerability.

### Japan

It is difficult to penetrate the mythologies of harmony and integration associated with the Japanese hegemonic regime, but for that very reason the task is all the more necessary. It is easy to miss the coercive face of paternalism.\(^38\) Of our four cases, the Japanese most closely approximates the despotic order of early capitalism in which the state offers little or no social insurance and abstains from the regulation of
factory apparatuses. In the aftermath of the Second World War, Japan adopted labour laws similar to those of the United States, but these have not led to the same extensive state regulation of production apparatuses. In the early years of US occupation, trade unions expanded their membership from under a million in 1946 to over 6.5 million in 1949. However, the consequences of the top-down formation of unions through legislative acts were very different from those of the plant-by-plant conquests that shaped production politics in the basic industries of the United States. Where militant enterprise unions did develop, they were often replaced by management-sponsored 'second unions'. Labour legislation has not held back the development of an authoritarian political order within the Japanese enterprise.

The basic organizational unit of the trade union in Japan is the enterprise. Its leadership is often dominated by managerial personnel and provides little resistance to the unilateral direction of work. At best it is a bargaining agency for wage and benefit increases — and even then it is usually a matter of average increases, internal distribution being left largely to management's discretion. In the bargaining itself unions generally accept the parameters defined by management without reference to the rank-and-file. Moreover, the few concessions unionized (permanent) employees may obtain within large enterprises come, at least in part, at the expense of the temporary employees (up to fifty per cent of the total), of which a large proportion are women. There are few avenues for workers to process grievances. They must rely on personal appeals to their immediate supervisor, who is often their union representative as well. Moreover, in the absence of regularized procedures for moving between jobs, such as a bidding system, workers can exercise little autonomy in relation to their supervisors. The result is intense rivalry among workers. Undoubtedly Japanese 'paternalism' has its despotic side.

The unusually low level of state-provided social insurance compounds employees' subordination, making them dependent on the enterprise welfare system for housing, pensions, sickness benefits, and so on. Dore, for example, has calculated that receipts other than direct payment for labour were divided in the ratio of 4 to 1 in favour of enterprise as opposed to state benefits in Japan, whereas in Britain the division was roughly equal. In the corporate sector of the Japanese economy, where the nenko system of 'lifetime employment' has been most fully developed, the importance of enterprise benefits is correspondingly greater. Since benefits and wages are linked to length of service, the longer workers remain with a company the more costly it is to move to another, the more they identify with the company's interests, and the greater is their stake in company profits. This dependence on the enterprise, without the countervailing feature of the US system of internal labour markets and grievance machinery, leaves labour with fewer opportunities to carve out arenas of resistance.

One can begin to explain the Japanese system of production politics in terms of the timing of industrialization and the availability of reserves of cheap labour. Late development entailed that the early stages of industry — handicrafts and manufacture — were skipped, with direct entry into modern industry and large-scale enterprises. Recruitment from the rural reserves of labour compounded labour's defenclessness against capital. Japanese labour never developed job rights and job consciousness, so central in the United States, because industry never passed through an intensive phase of scientific management and detailed division of labour resting on careful job specification. The very concept of job is amorphous, and job boundaries are more permeable than in the nations that industrialized earlier. Instead of a system of rights and obligations there developed a more flexible system of work-group relations and job rotation which permits a limited collective initiative, carefully monitored from above. As in the United States, the corporate sector with its welfare regimes has advanced at the expense of the subordinate competitive sector. Dualism is, if anything, more marked in Japan than in the United States by virtue of the weakness of both labour and capital in sectors dependent on large corporations.

Just as welfare capitalism in the United States broke down with the Depression, so the Japanese 'permanent employment system' is also vulnerable to downturns in the economy. Cutbacks in production can be absorbed by transferring workers or expelling transient workers, but at the expense of increasing the proportion of permanent employees. The more general problem afflicting the nenko system, that of an aging labour force, is exacerbated in times of economic contraction, so that older workers are demoted, displaced into peripheral jobs, or encouraged to retire. None of the solutions to these problems is satisfactory, as all would increase the costs of production.

**Sweden**

Our fourth case, Sweden, is the polar opposite of Japan. Here we find
state regulation of production politics combined with one of the most highly developed welfare systems. Underpinning this pattern is the 'Swedish model' of class compromise, developed during the forty-four years of social democratic rule (1932-76) and revolving around the centrally negotiated 'frame agreement' between the employers' federation (SAF), the federation of industrial unions (LO) and the largest white-collar federation (TCO). Sweden is unique among the advanced capitalist countries in that 87 per cent of its paid labour force is unionized. LO organizes 95 per cent of all blue-collar workers, while TCO represents 75 per cent of salaried employees. SAF covers the entire private sector. Both LO and SAF exercise power, including significant economic sanctions, over their member organizations. 48

The central frame agreement provides the basis for both industry bargaining and plant-level collective bargaining. Two principles inform the central process. The first is an incomes policy which seeks to limit wage increases so as to guarantee Swedish industry's international competitiveness. The second is a 'solidaristic wages policy' which attempts to equalize wage differentials across sectors. Apart from the goal of social equity, the principle of equal pay for equal work irrespective of the employer's ability to pay is designed to encourage technological change and to force uncompetitive enterprises out of business. At the same time, the Swedish welfare system offers compensation for those laid off, and an active manpower policy redistributes workers in accordance with capital's needs. In short, while capital accepts the centralized wages policy, trade unions are expected to cooperate in the pursuit of efficiency.

Swedish central wage agreements are not determinate at the level of the firm, although they are more closely adhered to than in England. Wage drift — local deviation from central stipulations — has accounted for about half of recent increases in actual earnings. 49 Sectors of the labour force in stronger bargaining positions have been able to extract higher wage increases, binding workers more effectively to individual firms. The extensive use of locally negotiated piece rates has facilitated disproportionate increases in actual earnings while basic wages conform more closely to central agreements. Unofficial strikes, although not as frequent as in England, have nevertheless been another major force behind wage drift, indicating the independence of production politics from centrally imposed agreements. 50

Despite the centralized pattern of wage negotiations, production apparatuses assume a form quite similar to the hegemonic regime at Allied. 51 Hugh Clegg writes:

The work of Swedish and American workplace representatives, however, is determined less by union rules than by the procedure agreements under which they operate. In other countries the substantive collective agreements are tightly drawn to provide standards intended to be strictly followed within the plan. ... Consequently in both countries, but especially in the United States, the first and overriding job of the workplace organization is to supervise the application of standards set by the agreements and to raise 'grievances' where the shop stewards discover any kind of infringement. In both countries the procedure agreements prohibit the use of strikes and other sanctions so long as a grievance is in procedure, and since collective bargaining is binding in law in both countries, such strikes are unlawful. ... Consequently the agreements which give workplace representatives their authority also place limitations on their power. 52

Although plant-level policing of the collective agreement assumes similar forms in the two countries, there is a lower level of coordination of the interests of labour and capital in Sweden. On the one hand the extensive rewards to seniority are absent, while on the other hand social insurance and the active manpower policy offer workers greater independence from capital.

How are we to explain the distinctive combination of state regulation of production apparatuses and an extensive welfare state? Are Weir and Skocpol correct when they argue that the centralized character of the Swedish state accounts for the development of 'social Keynesianism'? 53 Certainly the form of the state shapes the solutions devised to meet specific economic problems, but this does not imply that the problems themselves are unimportant in determining public policy. Precisely because, for example, the Swedish and American states encountered different balances of class forces inscribed in different factory regimes, their responses to the Depression were bound to be different regardless of their state structure.

Industrialization came late and fast to Sweden. It occurred when labour movements on the continent were already influenced by socialism and linked to social democratic parties. Early craft unions sponsored the Swedish Social Democratic Party in 1889, which was soon active in promoting further unionization. The LO was formed in 1898, and a nationwide strike in 1902, demanding general suffrage, prompted employers to form the SAF. Late industrialization had led to highly concentrated industry dominated by the export-oriented engineering sector. 54 It was relatively easy for employers to form a powerful association. Following a major lockout, the first industry-wide agreement was signed in 1905. And in 1906 came the 'December
Compromise’, according to which employers recognized unions and, in return, the I.O. accepted management’s right to hire and fire and to direct work. Again, because of late development and the resulting mechanization of the labour process, craft unions were never strong and were soon subordinated to the industrial unions favoured by the SAF. These retained considerable power on the shopfloor while, in line with the customary strategy of industrial unionism, they pursued their interests through state politics — that is, through public regulation of conditions rather than exclusive controls over work and labour markets.  

In 1928 legislation made collective bargaining legally binding, and strikes over issues covered in existing contracts became illegal. When the Depression came, labour was widely organized into industrial unions and supported a relatively strong social democratic party. The major struggles during the Depression would therefore centre not on the reconstruction of factory regimes but on the extension of social insurance. Again we see how the form of factory regime is shaped by capitalism’s combined and uneven development, in particular by the concentrated and centralized character of capital resulting from late development and the legacy of weak craft traditions, as well as by capital’s relationship to the state.

4. The Rise of a New Despotism?

So far we have argued that the different forms of state intervention are conditioned by class interests and class capacities defined primarily at the level of production. The autonomous dynamic comes from the relations and forces of production which shape both the character of the factory regime and its relationship to the state. We periodized capitalism in terms of the transition from despotic to hegemonic regimes. Thus, we characterized early capitalism not in terms of competition among capitalists, not in terms of deskilling, but in terms of workers’ dependence on the class of employers, the binding of the reproduction of labour power to the production process through economic and extra-economic ties. This provided the basis for the autocratic despotism of the overseer or subcontractor.

Despotism was not a viable system from the point of view of either capital or labour. On the one side, workers had no security and therefore sought protection from the tyranny of capital through collective representation within production and social insurance without. An external body, the state, would have to impose these conditions on capital. On the other side, as capital expanded through concentration and centralization, it required the regulation of class relations in accordance with the stabilization of competition and interdependence among firms. At the same time, the success of despotic regimes had so reduced workers’ purchasing power that capital faced worsening crises of overproduction — it could not realize the value it produced. Individual capitalists therefore had an interest in boosting the wages of workers employed by all other capitalists, but not by themselves. Again only an external body, the state, could enforce for all capitalists mechanisms for the regulation of conflict and a minimal social wage. In short, both capital and labour had an interest in state interventions that would establish the conditions for a hegemonic production politics; the specific form of those interventions was influenced by the character of the state itself.

However, if the separation of the reproduction of labour power from the production process helped to resolve the crisis of overproduction and to regulate conflict, it also laid the basis for a new crisis of profitability. Thus, in the United States hegemonic regimes established in the leading sectors of industry placed such constraints on accumulation that international competition became a growing threat. First, in some countries, such as Japan, the hegemonic regime gave capital greater room to manoeuvre. Second, in semi-peripheral countries such as South Africa, Brazil and Iran, manufacturing industry did not install hegemonic regimes but relied on a combination of economic and extra-economic means of coercion. Third, in yet other countries with export-processing zones, women workers were subjected to an autocratic despotism fostered by the state.

Advanced capitalist states have responded by carving out arenas in which labour is stripped of the powers embodied in hegemonic regimes. The urban enterprise zone is one such attempt to return restricted areas to the nineteenth century through the withdrawal of labour protection and the abrogation of minimum wage laws, health and safety regulations, and national labour relations legislation. In other countries, such as Italy and, to a lesser extent, the United States, one finds the re-emergence of artisanal workshops and small-scale manufacturing from some of the largest cities, such as New York, has been followed by the creation of small-scale manufacturing based on low-paid immigrant labour servicing the expanding service industry and the ‘gentrified’ life styles of its employees.
Peripheralization at the core, although growing, is still a marginal phenomenon, subordinate to the (albeit declining) manufacturing core. In the old manufacturing industries such as auto, steel, rubber and electrical, a changing balance of class forces is giving rise to a new despotism. Two sets of conditions, in particular, are responsible for this new political order in the workplace. First, it is now much easier to move capital from one place to another, as a result of three phenomena: the generation of pools of cheap labour power in both peripheral countries and peripheral regions of advanced capitalist societies; the fragmentation of the labour process, so that different components can be produced and assembled in different places (sometimes at the flick of a switch); and the metamorphoses of the transportation and communications industries. All these changes are connected to the process of capital accumulation on an international scale; a second set of changes is located within the advanced capitalist countries themselves. The rise of hegemonic regimes, tying the interests of workers to the fortunes of their employers, embodying working-class power in factory rather than state apparatuses, and the reinforcement of individualism have left workers defenceless against the recent challenges of capital. Even industrial workers in England, the acme of shopfloor control, find themselves helpless before job loss through rationalization, technological change and, particularly, the intensification of work. The new despotism is founded on the basis of the hegemonic regime it is replacing. It is in fact a hegemonic despotism. The interests of capital and labour continue to be concretely coordinated, but where labour used to be granted concessions on the basis of the expansion of profits, it now makes concessions on the basis of the relative profitability of one capitalist vis-à-vis another — that is, the opportunity costs of capital. The primary point of reference is no longer the firm’s success from one year to the next; instead it is the rate of profit that might be earned elsewhere. At companies losing profits, workers are forced to choose between wage cuts — even zero-pay plans have been introduced — and job loss. The new despotism is not the resurrection of the old; it is not the arbitrary tyranny of the overseer over individual workers (although this happens too). The new despotism is the ‘rational’ tyranny of capital mobility over the collective worker. The reproduction of labour power is bound anew to the production process, but, rather than via the individual, the binding occurs at the level of the firm, region or even nation-state. The fear of being fired is replaced by the fear of capital flight, plant closure, transfer of operations, and plant disinvestment.

The pre-existing hegemonic regime established the ground for concession bargaining. Alternatively, management may bypass the hegemonic regime. Recent fads such as Quality of Work Life and Quality Circles signify management’s attempt to invade the spaces created by workers under the previous regime and to mobilize consent to increased productivity. There have been concerted attempts to decertify unions and fire workers for union activities. At the same time, states and communities are pitted against one another in their attempts to attract and retain capital. They outbid each other in granting tax shelters and relaxing both labour legislation and welfare provisions. Labour’s response has been conditioned by pre-existing hegemonic regimes and their relationship to the state. Thus, in the United States debates in the labour movement have revolved around whether or not to make concessions, symptomatic of the confinement of production politics to the level of the plant. Occasionally, plant closures have been followed by worker buy-outs, but it is hard to see these as more than attempts to contain the level of community devastation. In England, there were attempts to extend the sphere of production politics from the regulation of the labour process to the regulation of investment, with workers either taking over plants or producing alternative plans. This was a short-lived movement during the last Labour government, which dissolved before the unleashing of market forces when the Conservative Party took office.

More ambitious and potentially more effective strategies aim at state control of the flow of capital, involving a range of measures from plant closure legislation to rationalization and indicative planning. The state’s ability to do this varies from country to country. Thus, in both the United States and Britain, but particularly in the former, labour has supported the export of capital as part of the post-war economic expansion. In both countries the state is unaccustomed and ill-equipped to regulate flows of domestic capital. These two hegemonic powers have maintained their dominance through the free movement of financial and industrial capital. In other countries one finds an inverse relation between the constraints imposed by production politics on state politics and the capacity of the state to regulate investment. In Sweden, where the welfare state reflects the constraints of production politics, the state has not had much success in controlling investment, whereas in Japan production politics poses weaker constraints and the state has been more effective in regulating the movement of capital. In Sweden the working class has supported attempts to collectivize the investment process through the establish-
ment of 'wage earner funds' from the taxation of company profits. But in a country so dependent on the export sector such gradual attempts to expropriate capital are bound to meet with powerful resistance, even when the Social Democrats are in office.

Irrespective of state interventions there are signs that in all advanced capitalist societies hegemonic regimes are developing a despotic face. Responses may reflect the different relations between production apparatuses and state apparatuses, but the underlying dynamics, the changing international division of labour and capital mobility, are leading toward a third period: hegemonic despotism. One can anticipate that the working classes will begin to feel their collective impotence and the irreconcilability of their interests with the development of capitalism, understood as an international phenomenon. The forces leading to working-class demobilization may also stimulate a broader recognition that the material interests of the working class can be vouchsafed only beyond capitalism, beyond the anarchy of the market and beyond despotism in production.

Notes

1. Definitions are not innocent. I have defined each politics by its characteristic arena, so that state politics involves struggles in the arena of the state, production politics struggles in the arena of the workplace, and gender politics struggles in the family. For others, such as John Stephens, politics is always state politics and what distinguishes one form from another is the goal (The Transition from Capitalism to Socialism, London 1979, pp. 53-54). Thus, production politics aims to redistribute control over the means of production, consumption politics focuses on the redistribution of the means of consumption, and mobility politics involves struggles to increase social mobility. These differences in the conception of politics are not merely terminological; they reflect alternative understandings of the transition from capitalism to socialism. Whereas Stephens sees the transition as a gradual shift in state politics from consumption and mobility issues to production issues, I see it in terms of the transformation of production politics and state politics through the reconstruction of production apparatuses and state apparatuses. What Stephens regards as the driving force behind the transition to socialism — the 'changing balance of power in civil society', in effect the organization of labour into trade unions — I regard as the consolidation of factory regimes which reproduce the capital—labour relationship more efficiently.


3. A notable exception is the recent work of Paul Edwards, who also tries to link workplace relations and state activities through a comparative study of Britain and the United States. In explaining the differences between the two countries' industrial relations systems, Edwards underlines the critical role of employers ('The Political Economy of Industrial Conflict: Britain and the United States', Economic and Industrial

7. Erik Olin Wright and Joachim Singelmann, 'Proletarianization in the Changing American Class Structure', in Michael Burawoy and Theda Skocpol, eds., Marxist Inquiries, Chicago 1983, pp. 176-209. See also Larry Hirschhorn (Beyond Mechanization, Cambridge, Massachusetts 1984), who argues that technological developments in the 'post-industrial' era require a new type of skilled work and a new reification of conception and execution. Wright and Singelmann argue that while deskilling may be occurring within sectors, there is an overall shift of the labouring population to less proletarianized sectors. Mike Davis, however, offers the bleak prognosis of an increasing polarization of conception and execution ('The Political Economy of Late Imperial America', New Left Review, no. 143, 1984, pp. 6-38).
15. Maitland, op.cit.
17. Ibid., p. 115.
18. R. Etting, Job Control and Union Structure, Rotterdam 1972, pp. 267-70.
21. Although the focus here is on differences between societies, the existence of variations within societies cannot be overemphasized. Thus, in the United States the marked difference in factory regimes between sectors is a product not merely of market factors but of different relations to the state defined by Taft–Hartley provisions, exclusion of up to half of the labour force from the NLRB, state right-to-work rules which outlaw union shops, free speech amendments favouring employer interference in organizing campaigns, disenfranchisement of strikers in union elections, and so on.
33. Brody, Workers in Industrial America, chapter 2.
36. Harris, op.cit.
38. Because few ethnographic studies of work in Japanese factories have been available in English, the translation of Satoshi Kamata’s account of his experiences as a seasonal worker at Toyota is particularly welcome (Japan in the Passing Lane, New York 1981). Kamata presents a rich and detailed description of the factory regime: the company union is inaccessible and unresponsive to the membership; outside work, life in the dormitories is subject to police-type surveillance; on the shopfloor workers face the arbitrary domination of management, whether in the form of compulsory transfers between jobs, speed-ups, overtime or the company’s carefree attitude toward industrial accidents. Regular employees face equally oppressive conditions but have more to lose (in terms of fringe benefits) by quitting than do the seasonal workers. As one of Kamata’s co-workers put it, life-time employment becomes a life-time prison sentence.
In his introduction, Ronald Dore tries to explain away the coercive features at Toyota in the early 1970s as atypical, but the fact that they exist at all in such a large corporation says a great deal about hegemonic regimes in Japan.
42. Ibid., p. 230.