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Neoliberal Globalization: Workfare without Welfare

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ABSTRACT This article presents a critical review of capitalist variants, their historical foundations and functional perspectives, and the way they have been co-opted by contemporary neoliberalism. This is related to the twin strategies of industrial paths and social policies which set the scene for the different models and strategies to promote capitalism. Subsequently, the analysis attempts to provide a coherent understanding of the historical and contextual embeddedness of the differences between the various forms of capitalism. The focus is on the interactions of state, capital and labour in advanced societies in the context of the international system. The article contributes to establishing a specific typology by identifying differences and similarities between the two most successful variants of modern capitalism: the welfare state and the developmental state models. Finally, the counter-attack of neoliberalism and the need for alternatives to both the workfare and welfare models of capitalism are discussed.

The great beauty of capitalist production consists in this—that it not only constantly reproduces the wage-worker as wage-worker, but produces always, in proportion to the accumulation of capital, a relative surplus population of wage-workers.

(Marx, [1887] 1961, p. 769)

The concept of ‘globalization’ is used by critical theory to describe the intensification of the universalization process of capitalist relations associated with neoliberalism as its ideological discourse. Acceptance of its guidelines for policy-making implies that efforts should be directed toward the retrenchment of state intervention in the socio-economic sphere of welfare capitalism as well as national industrial strategy by the capitalist developmental state. Carried out to their...
logical consequences, this indeed represents a radical departure from the formerly prevailing common sense.

Concerning the welfare dimension, the aim of the new doctrine is to transform the former orthodoxy, which had contributed through its theoretical conceptualization and political practice to the most productive phase of capitalism, by a radical critique that makes the Keynesian macro-economic model responsible for the difficulties which arose by the early 1970s. Riding on the back of the ideological offensive of neoliberalism, as implemented during the reign of Margaret Thatcher and Ronald Reagan, it set out to undo the socio-political compromises which characterized post-World War II liberal capitalism and introduced a neoliberal counter-revolution (Toye, 1987). According to the new discourse, ‘What were until recently measures of capitalism’s achievements were redefined as responsible for the end of the golden age and as unaffordable barriers to capital accumulation’ (Gindin, 2002, p. 6).

A similar paradigmatic shift took place with regard to the interpretation of the East Asian capitalist developmental state model. The conventional interpretation concerning the successful experiences of the new industrialized economies was that they were the result of the adoption of an export-oriented strategy with low levels of ‘price distortion’ through state intervention with market mechanisms. This was, however, challenged within mainstream development economics by the institutionalists. According to the latter, the state had in fact interfered by ‘getting the prices wrong’ (Amsden, 1992) and by ‘governing the market’ (Wade, 1990) in order to gain a better position in the world economy. However, influenced by the neoliberalism of the so-called Washington Consensus, the international institutions adhered to the position that the market mechanisms had proved their strength in spite of government interference all through the high growth period. Nevertheless, after having grudgingly acknowledged a certain positive role of the East Asian state, when the crisis hit the region in the latter part of the 1990s it was ascribed to cronyism—that is, a form corruption and market distortion made possible by the political system. The suggested remedy was the neoliberal medicine whereby the role of the state would be retrenched—not only with regard to development strategy but social policymaking as well.

While the anti-statist premises of neoliberalism have been accepted by ruling elites (willingly in the West European arena and more reluctantly in the case of East Asia) differences in adjustment can still be perceived with regard to the speed and scope of this deconstruction. Consequently, in order to understand the roots and nature of these differences, attention must be paid to the variety of historical experiences behind the distinct forms of capitalist construction as well as the specific socio-political balance of forces between societal agencies and actors. Thus, although neoliberal globalization aims at creating social policy convergence, existing differences reflect the persistence of societal arrangements which were implemented in the various prototypes of industrial capitalism as well as explaining the unevenness in the degrees and scope of the deconstruction processes which can be observed. The varied background notwithstanding, given the difficulties facing the models of industrial capitalism, the adoption of the discourse of neoliberalism has resulted in a convergence of economic and social policies.

The article attempts to outline the varieties of capitalist models, their historical and functional perspectives and how they have become tenants and finally been coopted by contemporary neoliberal globalization. This is done by focusing on the twin strategies of industrial paths and social policies which set the scene for the different models and strategies and political layers to promote capitalism; subsequently, the analysis is based on the attempt to
provide a coherent understanding of the historical and contextual embeddedness of the differences between the various forms of capitalism. The focus is thus put on the interactions of agencies such as state, capital and labour in advanced industrialized societies in the context of the international system. The inspiration for this approach is found in the proposed analytical framework set forth by the ‘regulation theory’ of the so-called French school (Aglietta, 1979) and the theory of ‘social structures of accumulation’ (SSA) as proposed by Bowles, Gordon and Weisskopf (1984). Common for both theoretical constructs is the premise that societal contradictions in capitalist societies are contained and regulated at different stages by specific structural arrangements that, according to the SSA approach, exist both at the domestic and international levels. In an analysis of the faltering post-World War II boom in the 1970s, David Gordon (1988) concluded his discussion of the difficulties facing the capitalist world economy at the time by pointing out that inflation and chaos in international currency markets made capital accumulation dependent on certain institutional foundations. The heuristic value of this approach deserves attention to the extent that it opens for comparisons and understanding the variation in the types of societal arrangements in the different examples of capitalist societies. Consequently this contributes to establishing a specific typology and to pinpointing differences and similarities between the two most successful variants of capitalism, found in the welfare state and the developmental state models. The last part of this article discusses the counter-offensive of neoliberalism as well as the need for alternatives to both the welfare and workfare models of capitalism and the adjustment strategy to neoliberal globalization.

**Historical Capitalism: Industrial Paths and Social Strategies**

The state owes to every citizen an assured subsistence, proper nourishment, suitable clothing, and a mode of life not incompatible with health—whether it is to prevent the people from suffering, or whether it be to prevent them from revolting. (Montesquieu, in Gindin, 2002)

Understanding the welfare state politically reveals very important aspects which relate industrial capitalism to the fundamental relationship between agencies and actors. According to Karl Polanyi ([1944] 1957), the economic sphere of human societies was historically embedded in social relations, while under modern industrial capitalism the market has become a separate and dominating entity. Based on the experience of the Great Depression and World War II, whose origins could be traced to the generalization of economic liberalism following World War I, Polanyi warned against the liberal utopia of the self-regulating market which if generalized is a prescription for disaster.

It is often forgotten that capitalism’s fundamental mechanism of ‘creative destruction’ (Schumpeter, [1943] 1996, ch. VII), involving treating human labor power and nature as expendable commodities and sources of profit, requires (in a dialectical relationship) social measures to remedy the destructive imperatives while at the same time demanding circumscriptions of these same social limitations for the system to unfold. This dichotomy was present from the beginning of (industrial) capitalism, where the damage to the social fabric had to be remedied. With the breakdown of traditional agricultural economies and communities confronting the establishment of capitalist market relations involving the expropriation of people’s former livelihood, a need arose for dealing with the problem of relief for the destitute. In this connection, public arrangements to cushion the social consequences of the societal mutation led to the emergence, in Northern Europe and England, of what has been

This solicitude on the part of the authorities was self-serving, that is associated with the concern for social order as well as for the reproduction of the labour force:

Seen from that vantage point, the Tudor system of poor relief was the beginning of a long series of measures, including the welfare state, which have been adopted at various times throughout the history of capitalism to compensate for its own destructive, and self-destructive, logic. (Wood, 1998, p. 28)

Thus, in a comparative historical context, protection from the vagaries of market capitalism is no innovation of golden age welfare capitalism. During the process of capitalist industrialization in Europe, revolts or class wars became a concern of the political elites, turning social policy into pre-emptive strikes against the working class movement (Offe, 2000, p. 68). As Asa Briggs describes, Bismarkian welfare concerns were more than mere philanthropy:

It has been suggested that Bismarck was influenced by Napoleon III’s successful handling of social policy as an instrument of politics. He certainly spent time seeking ‘an alternative to socialism’ and it was this aspect of his policy which gave what he did contemporary controversial significance throughout Europe. (Briggs, 2000, p. 24)

Economic history shows that the institutional arrangements and social policies which were historically established in the context of the evolving specific capitalist societies depended, to a large extent, on the socio-economic and political background of each. External possibilities and constraints of course also played a major role. Inherent differences in the trajectories notwithstanding, the common denominator for industrial capitalism was the concern for creating an environment conducive to a synergy between capital accumulation, economic growth and industrialism. The variation of societal arrangements was initially determined by the fact that ever since the Industrial Revolution in England, the so-called ‘late developers’ were forced to innovate, not only with regard to industrial and trade strategy, but equally with regard to social policy. This was related to the fact that capitalism, being an international system from the very beginning, compelled national capitalist systems to emerge in opposition to the leading nation’s intentions.

The German economist Friedrich List, who played an important role in the formulation of his country’s late development, described this mechanism in the following manner: ‘It is one of the vulgar tricks of history that when one nation reaches the pinnacle of its development it should attempt to remove the ladder by which it had mounted in order to prevent others from following’ (Clairmonte, 1960, p. 47; Chang, 2002, p. 4).

While the state played a decisive role in the evolution of Britain as the leading industrial and trading power, the significance of the politics of capitalist development later became obscured by the doctrine of laissez-faire and free trade, i.e. what Friedrich List called the ‘cosmopolitan economy’ of Adam Smith (List, [1885] 1977). Realizing the importance of politics, the ideology and strategy of the political economy of ‘catching-up’ came to build on the ideological foundations of ‘economic nationalism’ rather than on liberalism. Although the theoretical framework of ‘late development’ evolved within the framework of the Listian conceptualization, the concrete example of the United States protecting its ‘infant industries’ from Britain’s trading relations was a determinant in tracing the path of ‘catching-up’. From the perspective of ‘late development’, the teachings of what came to be known as the German school had perhaps an even more profound impact on the industrialization processes of nations in Europe and Asia than either the teachings of Karl Marx or Adam Smith (Lind,
1998). In fact, during the nineteenth century, the strategy of ‘late development’—which in contrast to the ideology of economic liberalism relied to a larger extent on the role of the state—spread from Europe (including Russia) to extra-European nations like China, Japan, Korea and other countries, while Indian nationalists readily drew inspiration from the same source (Szporluk, 1988).

The purpose of bringing to mind the historical experience of a variety of paths to industrialization is to indicate that differences among societies adhering to capitalism have been due to what, within the Marxian tradition, has been described as the ‘law of uneven development’. The mechanisms behind this process were related to the capacity of societies to establish socio-political arrangements capable of mobilizing internal human and material resources while constraining the negative impacts of world market forces, without missing conjunctural and structural opportunities which the international economy might offer at specific moments. Understood in this manner, the centrality of capitalism is comprehended as more than an unembedded economic system. Capital formation, accumulation and absorption are thus not only processes leading to the establishment of economic institutions, but from the outset depend on the political and ideological arrangements in society. In the last instance, capital is a (politically mediated) social relation.

The form of political interference in the socio-economic sphere during the industrialization process has traditionally depended on various internal and external factors. Thus Polanyi reminds us that the struggle between agrarian capitalism and industrial capitalism in England gave rise to the paradox that it was through social legislation in the manufacturing sector that the ruin of agriculture was postponed for an entire generation. It was thus Tory socialism and the conservative landlords of England which pushed through more humane conditions for the industrial labourer. ‘The Ten Hours Bill of 1847, which Karl Marx hailed as the first victory of socialism, was the work of enlightened reactionaries’ with workers having little say in their own fate (Polanyi, [1944] 1957, p. 166). This is not to underestimate the impact of the working class struggle as evidenced in Scandinavia, Germany and England, where socialist and social democratic parties, trade unions and the Chartist movement simultaneously pushed for social reforms.

On the European continent, where industrialization took place in the context of a process of national unity formation, such as in the cases of Germany, Italy and smaller Eastern European states, the working classes were deemed to be an important political factor for the project. The result was that proto-socialist measures concerning social legislation and nationalizations were introduced in order to mobilize the support of the working population for the centralization of the state and imperial unity. As Polanyi ([1944] 1957) notes: ‘Bismarck made a bid for the unification of the Second Reich through the introduction of an epochal scheme of social legislation’ (p. 177). In contrast to Anglo-Saxon conservatism, European conservatives believed in the responsibility of the state for the socio-economic well-being of the nation. Ramesh Mishra, who makes the above point, notes the following paradox: ‘Thus it is worth emphasizing that this the world’s first welfare state was initiated in 1889, not by socialists but by Conservative statesmen in order to secure economic and social stability and to protect the community from the social consequences of laissez-faire’ (Mishra, 1996, p. 321).

Awareness that nascent capitalism was both morally limited and politically vulnerable very early brought to the fore the issue of responding to this challenge. Social responsibility combined with the realization of the miseries inflicted by industrial capitalism was not the monopoly of anti-capitalist politicians.
Typology of Industrialized Capitalist Societies

It is commonly recognized that by the mid-twentieth century three ideal types of industrial capitalist societies had emerged which can be analyzed on their own merits in spite of the hegemonic position in the policy-making institutions which neoliberalism has achieved.

1. The market-led type of capitalism principally identified with the United States and the United Kingdom is generically speaking seen as ‘neo-American’ or ‘Anglo-Saxon’ capitalism (Albert, 1993). The basic characteristic, as related to the accumulation of capital and societal arrangements, is that economic decisions are overwhelmingly left to the discretion of private actors who are given the space and opportunities of maximizing the short-term profitability of the enterprise and to raise needed capital in available financial markets. As far as the socio-political dimension is concerned, labour enjoys, in this type of society, limited legal industrial and social rights, with workers’ livelihood depending on the wage they can negotiate with employers in a more or less unregulated labour market. With regard to state involvement in the economic sphere, it is primarily centred on creating and protecting a favourable environment for industrial and financial capital markets. In these societal arrangements, politics, morality and ideology lean towards promoting individualism and liberalism. In the laissez-faire model of US capitalism, the role of the state with regard to social protection is one of minimal allocations to low-income groups. Private insurance schemes are worked out at the place of employment. In contrast, the British system has had a more social democratic form of social provision, which however has been undermined ever since the era of Margaret Thatcher.

2. The second model is what has been categorized as state-led capitalism. Also in this type of society, decision-making at the micro-level of accumulation is understood to be the privilege and responsibility of the private enterprise. But in contrast to market-led capitalism, strategic business decisions are made in collaboration and contact with public agencies and often indirectly arrived at through the administrative guidance of central planning organs and state leadership of the banking system. In these capitalist societies, labour organizations and movements lack political and social rights as well as institutionalized representativeness. While the space for labour bargaining ties some workers to large private corporations through enterprise-based welfare benefits, employment conditions in family and medium-sized factories are more precarious. The ideological hegemony of the ruling elite, which influences the management of society, is most likely to be based on some variant of economic nationalism. Socially and politically, there is an alliance between the bureaucracy, industry/business and the governing political party. Having excluded the participation of organized labour at the macro decision-making level, this is regarded as ‘corporatism without labour’. The rationale for this arrangement is based on the imperative of late industrialization and ‘catching-up’ that legitimize the social control posture of semi-authoritarian or authoritarian regimes. The prototype of state-led capitalism in the aftermath of World War II has been that of Japanese society and that of South Korea after the Korean War. These cases, together with Taiwan, were later joined by countries in Southeast Asia and are considered to be representative of a particular variant of capitalism known as the model of ‘East Asian capitalism’ or the ‘developmental state’ form.

3. The third type of industrial capitalism can be referred to as negotiated or consensual capitalism. Its basic characteristic is that, whereas the degree of direct state regulation of capital accumulation may be limited, the political system allows a series of workers’ rights and
social welfare; organized labour is accepted as a market actor that to some extent has participated in macro decision-making. Thus in comparison to the aforementioned state-led variant of capitalism, the corporatism of consensual capitalist society does include labour. Culturally and ideologically, these capitalisms have tended to be either social-democratic or Christian-democratic. These types of political parties had to compete for the allegiance of the working classes and, aside from a strong anti-communist bias internally, they have been antagonistic towards the Soviet Union and pro-American externally. Although differences are discernable—especially with regard to income equality or gender equality—the Scandinavian ‘welfare state’ models as well as the West German ‘Sozialmarktwirtschaft’ have been considered exemplars of this capitalist variant under the label of ‘European welfare capitalism’ or the ‘Rhineland model’ (Albert, 1993).

**Welfare State and Developmental State: Similarities and Differences**

Determining for the economic strategy and social policy implemented in the different postwar types of capitalism has been the manner in which the decision-making processes took societal pressures into account. In the European context, the response was influenced by the need to rekindle economic growth after the hardships of the Great Depression and the destructions of World War II. This had to be done in a manner capable of neutralizing the militancy of the postwar working class generation, whose frame of reference of capitalism was precisely the costs these two events had wrought on the populations. In addition, the example of the Soviet Union and other state socialist formations played an influential role at the time, going through, as they were, a dynamic recovery period while paying attention to employment and the welfare of their populations.

In the case of Asia, Japan was submitted to internal pressures more or less similar to those experienced by European nations. At the same time, the political and economic elite was driven by the ambition of ‘catching-up’. In the rest of that continent, after having achieved decolonization through political mobilization led by anti-capitalist national liberation movements, the normalization of conditions favourable to capitalism had to be different. After the United States, during the military occupation of Japan followed by direct and indirect interventions on the Asian continent, had succeeded in neutralizing the socialist thrust, which was perceived as especially serious after the victory of the Chinese Communist Party, the task of the pro-American regimes of the region was to evolve economic and industrial strategies that could pacify the demands of the populations and the aspirations of the political elites in order to achieve a degree of ‘catching-up’ (Hersh, 1993). This was especially the case for South Korea and Taiwan, which in the 1950s and 1960s were exposed to the examples of socialist construction in Asia that at the time demonstrated an undeniable relative vitality (Brun and Hersh, 1976).

It is often erroneously assumed that in contrast to Western social formations, East Asian countries have been inherently low conflict societies. Such an interpretation, which tends to give priority to cultural factors, shows a lack of respect for historical facts. It should not be forgotten that social peace in modern Asia was achieved through a mix of foreign military interventions and internal authoritarianism. Economic growth served to legitimize political repression. There are of course significant variations between these societies, making the term ‘East Asian model’ somewhat of a misnomer. Furthermore, the economic and financial crises that hit the area in the second half of the 1990s revealed fundamental weaknesses of Japan and most of East Asia, with the political fallouts still in gestation.
The contrast between welfare capitalism and developmental capitalism, as two types of capitalism having made a virtue of state intervention in the workings of the socio-economic system, is thus a function of the differences in their socio-political backgrounds. The European countries implemented Keynesian macro-economic management, supplemented by a welfare dimension, in order to satisfy the expectations of the populations and rehabilitate the credibility of capitalism after the traumatic experience of World War II. In Asia, the choice was made whereby the strategic intervention of the state in the economy would be more radical than European Keynesianism and serve to promote a constructed ideology of the national interest. Under these conditions there was limited concern for the welfare aspect. As Ankie Hoogvelt points out, the differences between the two strategies revolved around the tackling of the market and the social question:

the developmentalist state has a role different from that of the Keynesian welfare state in the already advanced countries. The Keynesian welfare state serves to restrain market rationality by measures to protect groups vulnerable to the consequences of market rationality. By contrast, the developmentalist state restrains market rationality in order to pursue a policy for industrialisation per se. (Hoogvelt, 1997, p. 206)

This interpretation of state intervention in each type of socio-economic arrangements influencing their specific Social Structures of Accumulation needs to be moderated in order to encompass the differences in social policies which have characterized the exemplars of capitalism. Although it is necessary to keep the distinction between social democracy and social authoritarianism in mind, both may be seen through the prism of politics as forms of social control. Viewed in this manner, Western welfare states are far from uniform in the way they administer the social dimension and have to be defined according to the class politics characterizing the different types (Esping-Andersen, 1990).

In liberal market regimes, such as in the United States, there is a residual (some would say minimal) participation of the state in disbursement of welfare benefits and a greater reliance on private, philanthropic activities of relief for the needy. In the Christian-democratic model, characterized by its conservative and corporatist vantage point, welfare benefits are derived from income-related insurance packages and entitlement to state provisions, through insurance contributions paid by the employees from their earnings; housewives and others who are not in the labour market find themselves in a more vulnerable situation. In the social-democratic ideal-type model, welfare provision is universalistic and encompasses all citizens (some call this welfare state maximalist). Under this system of social security, universal coverage of needs is funded through taxation. The trade-off between high taxes and a relatively high degree of generalized welfare entitlements and services revealed itself to be strongest at a time of high economic growth and weaker when unemployment becomes a problem. In Asia, there is a relatively underdeveloped welfare system, which differs considerably from the aforementioned varying mixes of private and public welfare arrangements. Here family support networks have fulfilled an important social function (see Esping-Andersen, forthcoming).

It would, however, be falling into reductionism to imply that all capitalist societies can be situated exclusively according to the socio-economic role of the state. Also needing to be taken into consideration, in order to comprehend the workings of the various types of capitalism, are the various synergies between the strategies of the economic units and the institutional and societal frameworks that make for similarities but also for differences between them. This is the position of Hall and Soskice (2001, p. 36), who note that ‘although the contrast between coordinated and liberal market economies is important, we are not suggesting that all economies conform to these two types’. Their analysis focuses on how firms coordinate their endeavours, elucidating the
connections between firm strategies and the institutional support available for them, and linking these factors to patterns of policy and performance. The new institutionalist approach promotes the view that differences of economic performance are fixed by the institutional complementarities that in return give particular economies comparative institutional advantages. However, the emphasis on how institutions combine should not detract attention from

the centrality of capital–labor tensions to the various capitalist models. The other is the manner in which the interaction between capitalist models, and their shared experience of common global trends, has latterly corroded the viability of the particular internal settlements between classes on which the contemporary models rest. It is those features of the contemporary economic condition which Marxist scholarship in this field privileges for analysis, inviting the new institutionalist scholarship as it does so to dialogue with a coherent and distinct paradigm of analysis to its left. (Coates, 2005, p. 21)

Globalization: The Revenge of the Market

The interaction of the forces pushing in the direction of freewheeling capitalism with the forces needing protection to a large extent not only determines the regime type but also the kind of welfare system. The importance of politics can hardly be overestimated. In the case of the Western variant of capitalism, the elite agreed in the post-World War II period to a compact with labour on the basis of the welfare state. Dominating concerns were the fear of social revolution, the availability of a disciplined labour force, perhaps a degree of social compassion on the part of the rich, and of course the competition for power between political parties and pressure groups. The balance of forces between social groups and the degree of working class consciousness and ethical solidarity explain the differences in the establishment of either the residual (minimal) or the institutional (maximal) welfare state (Titmuss, [1968] 2000).

Besides these political–sociological aspects, the environment of economic reconstruction during the ‘golden age’ provided greater possibilities for what appeared to be a compact between capital and labour based on Keynesian macro-economics. At the same time, the apparent success of this unprecedented dynamic period of industrial capitalism tended to obscure the impact of World War II and the postwar reconstruction period on recreating the conditions for productive activities and employment in contrast to the worldwide economic depression of the 1930s. Reintroducing this aspect into the discussion permits a more sober evaluation of the welfare state, which as a concept has tended to mystify the dynamism of this period by detaching it from its specific background (Magdoff, 1998, pp. 2–3).

The question of whether the social arrangement and compromise between labour and capital initiated the golden age of capitalism, or whether it was the release of economic growth in connection with World War II and the postwar recovery that created the economic boom which made welfare policies possible, has been a source of discord within the social sciences. Nor did welfare regimes in the West question the international division of labour which was based on the exploitation of the post-colonial world and access to necessary natural resources for industrial production. Consequently the critical appraisal of the Keynesian welfare state refo-
cuses the political and social significance of the construct by including the material and economic background for the evolution of capitalist industrial formations during the second half of the twentieth century. Such an approach allows for a more sceptical assessment of the golden age of capitalism. This notwithstanding, and without falling into the trap of ultra-radicalism, it has to be recognized that social and political pressures paved the way for a so-called social compact, albeit without challenging the dominant position of capital, whether in
the short run or the long run, neither internally nor externally. With hindsight, the opposite may be argued to have been the case. Thus, some analysts on the left reached the conclusion that the welfare aspect of postwar capitalism was merely a palliative or shock absorber in order to lure the working class away from its revolutionary vocation (Saville, 1957 in MacGregor, 1999, pp. 99–101). Seen in this light, the benefits attained by the workers were part of the price paid by the property-owning class for pre-empting a challenge to their privileged position. As noted by one scholar:

A distinctive feature of the welfare state has been its success in meeting both the accumulation needs and the legitimation deficits of post-Second World War capitalism . . . A major reason why business interests and the political right came to accept the modern system of welfare entitlements was that it helped to legitimize market capitalism. (Mishra, 1996, p. 325)

A more nuanced approach considered the social reforms as valuable gains in terms of improving the conditions of the majority. Viewed through this prism, the political weakness of the welfare strategy was not the attainment of benefits for the working classes but the relegation of the objective of socialism by the leading forces within organized labor and social democracy (Thompson, 1958 in MacGregor, 1999, pp. 99–101). On balance, however, the positive was seen as outweighing the negative. The basic argument behind this position was that ‘the provision of services on the basis of need rather than ability to pay is a profoundly anti-capitalist concept’ (MacGregor, 1999, p. 99).

Seeing welfare regimes as the outcome of economic and political imperatives for the functioning of capitalist industrial societies under specific conditions does not automatically signify that their scope and reach are predetermined. The differences in benevolence and inclusivity as well as democratic foundations of these regimes have to be explained as functions of societal agencies and social actors who are also influenced by their existing (political) cultures. Although social control is inherent to this type of industrial society, it can take various forms. While the end result of social well-being may very well involve neutralization of dissent and dissatisfaction, it might be preferable for the populations compared to more coercive regime types. Given its adaptability, under specific conditions the ruling class may well be willing to impose its hegemony by means of consensual corporatism whereby labour is also included. As Susanne MacGregor points out:

The problem with condemning welfare states as being only about regulating the poor is that such theories fail to distinguish between social democracy and social authoritarianism. There are harsher alternatives to welfare states, as the US move towards the incarceration of the poor and young blacks demonstrates. (MacGregor, 1999, p. 100)

Another case in point is to compare the Western welfare state to the Asian workfare state as it developed under the catching-up process of the East Asian societies. However, even prior to the launching of the notion of globalization in the beginning of the 1990s, it had become obvious that the trade-off between welfare benefits and capital accumulation was in difficulty due to the faltering of the postwar boom, the recovery of the Western European and Japanese economies as well as the emergence of the new industrial countries (NICs), especially of East Asia. The growing competition between the different industrial entities put the East Asian economies at an advantage because their type of SSA had relied on strong state guidance of the private sector and relatively low wage levels and limited public spending in the social sector. The special feature of life-long employment at the level of the large enterprises also served to atomize the working class, since employees at small or medium size shops did not have similar guarantees. Seen in the international context, the argument can perhaps be
made that the Western welfare state made the viability of the export-oriented workfare state of the East possible, and the ruling classes of both made use of the other’s societal construction in order to legitimize their own ideological hegemony. Not to be ignored, however, were the pressures of the class struggle domestically and the challenge of socialism externally.

In sum, as both the West European welfare states and the East Asian developmental states are two variants of capitalist society, their relationship to the market determines their socio-political strategies. While the Keynesian welfare state limits the social consequences of market rationality by implementing measures to protect weak groups, the developmental state curbs market rationality as part of an industrialization strategy which puts less emphasis on the less privileged (Hoogvelt, 1997, p. 206). In addition, the regime form in the two types of societies is to a certain degree determined by the balance of power between the socio-political actors. In the welfare state case, the strong labour force is co-opted in the democratic process, while the restive social forces in the developmental state were subjected to outright military regimes or soft authoritarianism. Whereas the welfare state can be analyzed as a form of ‘passive revolution’ (Gramsci, 1971) by the ruling classes, the developmentalist state did not offer similar opportunities for class compromises.

National Competition: Adjusting to Neoliberal Globalization

At the entrance to the third millennium, an interesting aspect of the international political economy is that all models of capitalist structures of accumulation now encounter a commonality of difficulties. The past high economic growth rates have given way to mediocre productivity increases, price competition, and relatively low profit margins on productive capital. The response of corporate capital has been unidimensional: achieve a better wage bargain or threaten to relocate where conditions for surplus extraction are more favourable as well as with fewer environmental regulations. This is a formula for increased competition by other means between different industrial capitalist groups as well as different working classes, not only at the national level but also on the international plane. This is done with the intention of (re)establishing the supremacy of capital over labour which, during the ‘golden age’, had achieved some improvements both at the workplace and also at the societal level generally.

In the words of an American labour activist:

Capitalism has been defined by both competition among capitalists and competition among workers. Workers regularly compete with one another for limited resources—specifically, for jobs and income. Capitalists initiate this competition to depress wages and working conditions and to insure that, in the struggle between capital and labor, capital is supreme. (Hassan, 2000, p. 60)

Followed to its logical conclusion, this course constitutes the backbone of what can be described as the preferred strategy of neoliberalism. Left to the vagaries of the market after the weakening of organized labour, especially in the West, this is a prescription which contains the elements of a ‘race to the bottom’ leading to a situation which exacerbates the inherent tendencies towards overproduction:

Indeed the spread across the capitalist bloc of neo-liberal policies of keeping wage increases below productivity growth and pushing down domestic costs has led to an unstable vicious circle of ‘competitive austerity’: each country reduces domestic demand and adopts an export-oriented strategy of dumping its surplus production . . . This has created a global demand crisis and the growth of surplus capacity across the business cycle. (Albo, 1994, p. 147)
Due to the dominance of the globalization discourse of neoliberalism within its own ranks and that of the political parties on the left, organized labour has shown a tendency of accepting the assumptions and prescriptions of the dominant ideology with no vision of an alternative. Simultaneously, however, ‘the models have stopped working. They have stopped working as engines of growth and capital accumulation; and they have stopped working as providers of secure employment and rising private and social wage for the bulk of their populations’ (Coates, 2000, p. 250). What we see is that the societal arrangements reached through the trade-offs during the ‘golden age’ are submitted to pressures calling for adjustment to the perceived or real demands of globalization. As a result, the former US capital–labour accord, the specific Japanese life-long employment system, and the European welfare state are all at risk. In the three models, workers have experienced similar fallouts from the implementation of neoliberal policies: frozen or decreasing real wage levels, increasing job insecurity, and intensification of work processes. Also, welfare entitlements have come under increased pressure and, depending on the political balance of power in the specific countries, these rights have been significantly reduced.

At the societal level, the political forces accepting the thesis of the ‘borderless world’ (Ohmae, 1990), which is a fundamental element of the globalization discourse including its policy recommendations as imperatives, have been instrumental in imposing ‘a standard framework of requirements on all national capitalism, so squeezing (to the point of oblivion) the space for a variety of capitalist models, and requiring that the remaining space be occupied by deregulated (that is, by liberal market) capitalism’ (Coates, 2000, p. 251).

The paradox in the present discussion of adjustment to neoliberal globalization is that welfare capitalism has given way to a variant of workfare capitalism in the West, while at the same time Western discourse has put welfare measures on the agenda for economic policy-making by the East Asian NICs and Japan. Neoliberalism thus reveals a Janus face in its contradictory recommendations to Western and East Asian governments. At present, however, no ideal-type growth model of capitalism manages to catch the imagination of governing elites or working classes. It is in this vacuum that a new hybrid of social policy-making is emerging within the Western social-democratic paradigm, i.e. the so-called Third Way between the welfare state and market fundamentalism. The basic assumptions behind its conceptualization is that unchecked laissez-faire capitalism increases disorder, criminality, poverty and inequality, demanding some form of state intervention. With regard to the proposed guideline of this approach to the regulation of welfare benefits is that the emphasis is put on the axiom of individual responsibility and the idea that rights involves duties. Although not entirely new in the context of welfare state paternalism it more forcefully imposes obligations on the recipients of benefits. To a certain extent, while the discourse is based on a critique of the paternalistic administration of welfare, this present emphasis on the individualization of responsibility nevertheless represents a strategy of social engineering. For, as MacGregor writes, it involves a transformation of the mentality of individuals as well as of the responsibility of society:

The main stress is on getting the poor and those receiving public services to change their behavior and act more responsibly. It is assumed that irresponsibility is the cause of their problems. The idea has been abandoned that the better-off might have obligations to the sick, and that the lucky should aid the unlucky. (MacGregor, 1999, p. 108)

With regard to the role of the state in the economy, this approach does not entirely rely on cutting back all forms of market interference such as tax reduction, relaxation of labour rights and
capital controls. Taking its cue from the former US secretary of labour, Robert Reich (1992), the strategy towards labour has been one of upskilling the work force in the most productive sectors by investment in human capital formation and technological research, with the aim of achieving a shaped advantage in trading relations with other economies. While unaltered competitive austerity resulting from the implementation of neoliberalism as an economic strategy leads to a race to the bottom, the proposed strategy of progressive competitiveness (Panitch, 1994, pp. 81–86; Albo, 1994, pp. 144–170) as developed by moderate social democracy aims at creating the conditions for a ‘race to the top’. Nevertheless the thinking behind this strategy is not without serious shortcomings and contradictions and will most probably lead to results similar to those of the competitive austerity of neoliberalism (Albo, 1994, pp. 144–170). The weakness of the progressive competitiveness approach, favoured by the proponents of the Third Way, is that it is based on the presumption that employment has become a primary function of skill adjustments to technological change and not a result of the difficulties created by the tendency toward surplus capacity and overproduction. According to Leo Panitch (1994, p. 83) some of the shortcomings of this strategy are related to the belief that employment growth in the high-tech sectors can be sufficient to offset the growing loss of jobs in other sectors. Internationally, the assumption presupposes a massive world demand to accommodate the need for markets which this strategy entails, especially if it is implemented by large economies. In addition this raises the issue of exporting unemployment to those who have failed to implement the same strategy. Finally, it does not take into account that capital can also adapt leading technologies to the conditions of low-wage economies, nor that the ensuing competitive pressures on the different capitals would lead to pushing wages down also in the hi-tech sectors as well as favouring limits on its contribution of the costs to the social adjustments which are so central to the logic of the strategy.

In contrast to the reaction of generalized protectionism by individual capitalist countries to the overproduction crisis of the Great Depression in the 1930s, which found expression in a ‘beggar-thy-neighbour’ economic strategy, the current defensive adjustment to the impact of globalization appears to be based on the acceptance of greater free trade at the expense of domestic working populations encapsulated in a ‘beggar-thy-working-class’ strategy (Albo, 1997, pp. 39–40). In other words, imposing the seeds of class struggle from above.

The Imperative of an Alternative

To the extent that the above argumentation corresponds to reality, it suggests that treating the difficulties of the different models of capitalism as temporary disorders in otherwise sound and viable trajectories of economic growth ignores history, which shows that it is the brief periods of sustained and rapid growth that constitute deviations from the norm. Furthermore it is legitimate to ask whether it is ‘realistic to expect a broad convergence of productivity and standard of living at the world level?’ (Boyer and Drache, 1996, p. 2).

The exceptionality of the golden age of capitalism and the East Asian NIC phenomenon appears to have been grasped neither by policy-makers nor by organized labour in the three exemplars of industrial capitalism. In addition, this particular period of general economic growth has become the point of reference for the future on the part of the populations in all types of societies. The accompanying revolution of rising expectations which emerged in the 1960s will be confronted with the limitations of economic performance which is affecting the international system of capitalism. This is bound to have unpredictable fallout and reserves
surprises for the unprepared and uninitiated political forces. As David Coates puts it in the conclusion to his analysis of the capitalist economic models:

> each of the major exemplars of that system’s postwar success face deeply rooted and structurally induced limits to their contemporary and future capacity to meet those expectations, in even the most modern form; and because they do, the one thing of which we can be certain is that the politics of the left in the first years of the new millennium will need to be significantly more determined, and more radical, if we are truly to prevent the legacy of the past sitting like a nightmare on the brain of the living. (Coates, 2000, p. 234)

The implication is to recognize the limits of capitalism as a universal and unavoidable socio-economic system which under the neoliberal globalization discourse promotes a ‘kind of organized irresponsibility’ (Beck, 2001). The imperative of a break with the ideological/political thinking behind the dominant ‘economysticism’ (Singh, 1996, p. 22) needs to become the focus of the necessary counter-hegemonic project to the present evolution.

While antisocialism was an important element behind Keynesian welfare capitalism and East Asian developmentalism, the need to rethink alternative visions and practices will demand to be placed ever more urgently on the agenda. Going ‘back to the future’ as proposed by neo-Keynesianism or neo-developmentalism simply will not do. The limitations of both the social democratic project and the economic nationalist project have to be understood—even were they implementable again, which is far from being the case—as obstacles to the emergence of a systemic alternative. Historical evidence shows that the implementation of Keynesianism as well as economic nationalism did not contribute to an overhaul of capitalism. Writing on the role of the left in Western democracies in resolving the great crisis of capitalism, John Kenneth Galbraith points out that ‘the survival of the modern market system was, in large measure, our accomplishment. It would not have so survived had it not been for the successful effort of the social left . . . Let us not be reticent: we are the custodians of a political tradition that saved capitalism from itself” (Galbraith, 1997, p. 5). In this relation, while not reducing the role of social democracy, we should be aware, as pointed out above, that the task was made feasible by the economic boom of reconstruction following World War II as well as the strategy of ‘passive revolution’ on the part of the European bourgeoisie in order to defuse the class struggle.

What is at stake for anti-systemic forces is first and foremost to acknowledge that what is at issue is not the removal of market failure or governing the market. In the last instance, such an approach re-legitimizes capitalism as a socio-economic system based on class differentiation and competition, thereby representing more of an alternance than an alternative to real existing capitalism. The need is to surmount Polanyi’s double movement between market liberalism and statism. As two economists from the New School for Social Research put it in their discussion of the lack of imaginativeness in the ‘dismal science’ of economics:

> For the Keynesian classical situation . . . was based on a vision whose central message was not so much the endemic dysfunctionality of the capitalist order . . . but the ensuing conclusion that the use of government powers of demand management would be the only remedy capable of setting the disorder to right. (Heilbroner and Milberg, 1995, p. 115)

It should not be forgotten that welfare under the golden era for both the macroeconomic regulatory state and the developmentalist state was based on a productivist workfare conceptualization of modern capitalism. In order to increase the aggregate demand for the absorption of production, as David Calleo put it, ‘Keynes favored state spending to fill the gap (if necessary, by projects that were the contemporary equivalent of building pyramids’ (Calleo, 1996, p. 2).
The point we are trying to make is that the proposed and implemented solutions to the problems facing capitalism have until now been premised on the modus operandi of the system ‘because the logic of capital necessarily generates crisis’ which capitalism can manage but not resolve. As Samir Amin states: ‘There will be no solution to the crisis unless and until the anti-systemic forces impose constraints on capital which are exterior and independent of the logic of pure capital’ (Amin, 1997, p. 96).

In this context, finding a way of transgressing the capital–labour nexus, which is the fundament for the accumulation process, can be said to be the precondition for the most radical break with history in contrast to the experience of socialist states. These experiments have shown the limitation of the abolition of private property to the means of production in order to create a classless society. The state socialist formations were characterized by a structure of ownership conducive to the emergence of a kind of managerial-party functionary class which could benefit from their functions without having direct property rights to the means of production (Bettelheim, 1975). In effect, while the social democratic project in essence aimed at some form of ‘socialism with capitalists’, state socialism represented a prototype of ‘capitalism without capitalists’. This latter notion was formulated by Engels in his critique of the Second International but can also be applied to the Soviet case (Amin, 1997, p. 15). Related to the problematique of the emancipation project, this experience signifies that the transgression of the capital–labour relationship needs to go beyond the vision of the Communist Manifesto where Marx and Engels emphasized the ownership question: ‘The Communist revolution is the most radical rupture with traditional property relations; no wonder that its development involves the most radical rupture with traditional ideas’ (Marx and Engels, [1848] 1958, p. 53). Although the abolition of private ownership to the productive apparatus may be a necessary measure in order to transcend capitalism, it may not in itself represent the most radical break with capitalist accumulation and exploitation.

Consequently, the question that has to be resolved in order to surmount the dichotomy of welfare and workfare concerns the conflict between the expropriation of people’s means of subsistence and the continuous dependency of labour power as a market commodity. The commodification of work has been a determinant component of primitive accumulation which made and makes industrial capitalism possible. As noted by, among others, Karl Polanyi, this relationship puts workers at the mercy of the demands of capital. The human commodity has little control as to where, why and how it will be used or not used, a condition which is exacerbated under neoliberal globalization.

Although the ideological discourse of modern capitalism has sought to embed work as an individual psychological need, it overlooks the subsistence nexus which forces workers to sell their labour power. It is an irony of history that the ‘Right to Work’ has been celebrated as a great victory by the labour movement and socialist forces in industrial societies. But having imposed this right, workers landed in a ‘prisoner’s dilemma’ situation whereby the essence of capitalist exploitation of labour was cemented politically and ideologically. Thus, the defensive struggle for the protection and betterment of the conditions of the working class could not be anything but a ‘guerrilla war’, without possible victory as long as the struggle did not raise the battle cry of the abolition of the wage system altogether. Voices within the socialist movement were aware of this impasse. In an address to the ‘General Council of the International Working Men’s Association’ in London in 1865, Karl Marx made the following remark, which however did not have much impact either on the Second Socialist International or on the Third International:

They [labour organizations] ought, therefore, not to be exclusively absorbed in these unavoidable guerrilla fights, incessantly springing up from the never-ceasing encroachment of capital or
changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the material conditions and the social forms necessary for an economical reconstruction of society. Instead of the conservative motto, ‘A fair day’s wage for a fair day’s work!’ they ought to inscribe on their banner the revolutionary watchword, ‘Abolition of the wages system!’ (Marx, [1898] 1958, p. 448)

The other side of the coin was the degeneration of anti-capitalist forces and the corruption of the proletariat by capitalist morality. Voicing outrage at this state of affairs within the workers’ movement, the son-in-law of Karl Marx, Paul Lafargue, published Le droit à la paresse ([1880] 1969) in order to mobilize workers and give them a vision beyond selling their work and themselves.

In the second half of the twentieth century, while wage labour was internalized by the working classes, social protection in the West and economic nationalism in East Asia sought to mediate the relationship between capital and labor by making the burden more bearable for workers and their dependants or mobilizing their nationalist sentiments. Both the productivity of the work forces in the industrialized countries and the exploitation of the Third World permitted an explosion of consumerism—which also has the function of strengthening the ideological hegemony of the ruling classes. Although the production levels were never higher than during this period, neither welfare capitalism nor developmentalist capitalism sought the emancipation of labour from the insecurity related to capitalist production relations. Seen in this light consumerism is a double-edged phenomenon. While it can be seen as a capitalist response to militant labour struggle for more income and less work, it became a mechanism of ‘the capitalist colonization of working class independence’ (Cleaver, 1989, p. 4).

The dilemma facing anti-systemic forces searching for paths to post-capitalism is not only related to the material and ideological legacy of centuries of industrial capitalism, but is also a function of the difficulty of breaking out of the prison of language which has elevated wage labour to being a component of ‘human nature’. In the context of the present dangers and opportunities which neoliberalism has in store for humanity, the challenge is one of preparing the subjective forces for the possible objective transformation of the system. Discussion of alternatives may play a useful role in mobilizing opinion and forces in the critique of the capitalist mode of functioning. But, as Zygmunt Bauman points out, the search for alternatives will not be encouraged by ideological hegemony of systemic forces which includes both social democratic parties and labour organizations:

many people will dismiss any alternative to the present-day drift as ‘irrealistic’ and even ‘against the nature of things’, whatever they may mean by that. Imagining the possibility of another way of living together is not a strong point of our world of privatized utopias, known for its inclination to count losses when already made and for substitution of crisis management for political vision. (Bauman, 1998/1999, p. 94)

Before tackling the questions of what is to be done and how it is to be done, it is necessary to develop a realistic conceptualization of the perceived evolution of the objective world and how subjective forces can contribute to counter the process. It would not be sufficient at this time to advocate sweeping changes, however desirable, through revolution, if the chances of implementation are zero. What is needed, according to Arthur MacEwan, is to distinguish the feasible short-term possibilities of improving the conditions of people without demobilization for the tasks ahead. ‘If the goal is to alter the nature of the system and make a real difference in people’s lives, then we need to formulate and implement practical programmes that both improve economic conditions and challenge the structure of social–political power’
The reformism implied is close to the notion of ‘non-reformist reforms’ or ‘revolutionary reforms’ in contrast to ‘reformist reforms’. In his book *Miserè du present-Richesse du possible*, André Gorz attempts to elaborate a body of political steps in rupture with salarial society which could contribute to open the way for a society of multi-activities and culture. First, it is necessary to liberate the thinking and the imagination from the dominant discourse of no alternative and bring awareness of all the experiments with non-capitalist based productive cooperation, exchange, solidarity and ways of life which already take place. Secondly, to perceive the disintegrating society in contrast to the society and economy that can be discerned in the horizon. Thirdly, to enlarge in every way possible the difference between society and capitalism (Gorz, 1997, pp. 131–132).

As the balance of power is not in favour of subjective forces wanting social transformation, it is necessary to realize that the objective world is not static and may reserve surprises for both partisans of the system and anti-systemic forces. It is thus necessary, to the best of our abilities, to discern the contours of the evolution. Consequently, it is an advantage to have a conceptual position of whether going beyond capitalism will involve a crisis in the sense of being conjunctural, structural or systemic. According to Samir Amin, the issue of determining the type of crises has always been a concern for anti-capitalist conceptualization:

Critical social thought – that type of thought characteristic of utopian, reformist, and Marxist socialist movements – has taken a special interest in this question, based as it is on the distinction between this sort of crisis of the system and the crises within the system. (Amin, 1998, p. 24)

In the world of real existing capitalism, the dichotomy between the position of crises of the system and the position of crises within the system expresses itself in the confrontation between a conservative problem-solving political tendency and a radical project based on a longer view of critical transformation. The second approach looks beyond the system for a solution. In the past decade, there have been discussions concerning the conceptualization and implementation of a strategy—applicable especially in advanced industrialized societies—which would break the capital–labour nexus. Tied to this radical perspective is the realization that a return to a situation of full, or nearly full employment is not a realistic prospect given the structural features of the mode of functioning of neoliberal capitalism and the universalization of production under the impulse of globalization. The emergence of China as well as India as major actors in the world economy will, besides accentuating pollution fallouts on the environment and increasing the scramble for raw materials and foodstuffs, threaten workplace security in many places. It is in this context that a new agenda based on the idea of decoupling individual income entitlement from actual income earning capacity is being discussed in certain circles (Offe, 1996, p. 210; Bauman, 1998/1999, p. 95).

In addition to the argument that a return to full employment is a self-defeating strategy, adherents of the breaking up of the labour–capital logic consider this to be a path of surmounting the absurdity of working and living in societies characterized by over-consumerism without though having overcome the insecurity and alienation which is a consequence of the organization of labour power as a commodity. According to this way of thinking the inherent tendency of economic overproduction together with the challenge of ecological crises related to the globalization of capitalism make it imperative to develop a radical alternative to the capitalist mode of functioning not based on capital accumulation. This is where the concept of ‘citizen wage’ or ‘living wage’ offers a possible path to emancipation which productivistic ideologies and strategies have ignored. In essence this idea, whose time has come to be put on the agenda, may represent ‘the most radical rupture with traditional ideas’ and consequently challenges both the traditional
labour movement as well as capitalist market forces (Brun, 2000). Gaining access to the means of subsistence would open the gates to a type of society where the self-valorization of the individual could truly blossom. There are of course no blueprints as to what kind of societal arrangement would be conducive to such a development. It is often forgotten that the visions involved in such a project can be found in Marx ([1939] 1973, p. 708), who considered ‘disposable time’ as the true measure of wealth. The weakness and strength of Marxism in the elaboration of a societal project beyond capitalism is due to the scepticism of Marx toward utopianism. However this did not imply that he did not develop ‘concepts which emphasize a fighting alternative to the subordination of life to capital’. As Harry Cleaver (1989) put it:

Unlike capital, which imposes work as an end in itself, as the meaning of its social order, Marx’s post-capitalist society has no telos, no predetermined end, but is both a refusal of any one telos and an openness to a multiplicity of simultaneous futures. (p. 6)

While caution with regard to post-capitalism is recognized as having been part of Marx’s framework, this does imply that there is no heuristic inspiration in his legacy. The problem of another type of society has nevertheless been botched up by actors who appropriated Marx in order to construct or strive for a socialism which fundamentally would resemble capitalism. The resulting misunderstanding or misrepresentation of the essence of Marx can be ascribed to both opportunism and the lack of imagination in liberating policies and strategies from the constraints of the capitalist worldview. As Erich Fromm (2004) pointed out in his presentation of Marx’s conceptualization of human emancipation:

While Marx’s theory was a critique of capitalism, many of his adherents were so deeply imbued with the spirit of capitalism that they interpreted Marx’s thought in the economistic and materialistic categories that are prevalent in contemporary capitalism. Indeed, while the Soviet Communists as well as the reformist socialists, believed they were the enemies of capitalism, they conceived of communism—or socialism—in the spirit of capitalism. (p. 4)

In the present context, the search for an alternative to the capitalist mode of production can be seen as a rejection of the misinterpretation of Marx and which is essential to his emancipatory project. This notwithstanding, simultaneously with the beyond capitalism strategic aim of putting a discourse of ‘guaranteed basic material security’ on the agenda, it is nevertheless necessary to engage in the struggle of confronting neoliberal globalization in order to politically motivate and activate the populations living under its sway. In other words, the struggle for ‘non-reformist reforms’ or ‘revolutionary reforms’! In this context, the approaches suggested by Gregory Albo seem appropriate by being politically grounded and aiming at confronting the non-transparency of the global market mechanisms and the politics of decision-making. In this optic, democracy is more participatory than the Western model of ‘polyarchy’ (Robinson, 1996) which limits participation to elections in choosing which party of the elite will rule. The promotion and struggle for participatory democracy, in the view of Albo, would open the way for opposition to neoliberal globalization:

The opposite to globalization is democracy, not only in the crucial sense of civil liberties and the right to vote, but also in the no less crucial sense of the capacity to debate collectively as social equals about societal organization and production, and to develop self-management capacities in workplaces and communities. (Albo, 1997, p. 28)

Confronting the logic of the global market’s imperatives would demand besides the expansion of democracy a reduction of the scale of production. This would also be a way of alleviating the environmental damages created by unbridled productivism. Most important of the ten
suggestions made by Albo to surmount the destructiveness of the global market and move the political agenda towards a socialism beyond capitalism are his reflections on the ‘politics of time’. The argument that the conceptualization of labor time should be revised if not abandoned is close to the above argumentation concerning the abolition of wage labor. In the optic of Albo, the notion of ‘work without end’, which has been the history of capitalism, the objective of ‘endless consumption’ under Fordism, and the Keynesian conviction that expanded output should always have precedence over work-time reduction should all be superseded. The reduction of work-time would create the administrative framework for workplace democracy (Albo, 1997, p. 37).

It would be more than gratifying to end on the feasibility of a beyond capitalism visionary project. But realism dictates some caution. While the crisis of productive capitalism may give an opening to the forces striving for a progressive alternative, it should be realized that other political forces sensitive to the symptoms of capitalist decay may equally be eager to turn back the clock to a period which was thought to have been buried in the dustbin of history. Ramesh Mishra reminds us of the dangers facing anti-systemic forces: ‘given the deficit on the left, it is rightwing populism and extremism that are likely to benefit from economic and social dislocations. Discontent and insecurity may therefore be channelled into racist, economic protectionism and other forms of national chauvinism’ (Mishra, 1996, p. 328).

This is a sobering warning to forces on the left. Although mobilized around the slogan of ‘Another World Is Possible’, the anti-globalization movement still lacks a strategic perspective concerning a viable alternative to real existing capitalism!

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