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## РАЗНОВИДНОСТИ КАПИТАЛИЗМА: АНАЛИЗ С ТОЧКИ ЗРЕНИЯ ПРОИЗВОДСТВА

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## VARIETIES OF CAPITALISM: THE PRODUCTION-BASED APPROACH

*Эссе задумано как диалог с широко признанным в научном сообществе пониманием современного социально-экономического порядка. Автор рассматривает постиндустриальный капитализм как радикально новую рыночную систему, формирующуюся в условиях расширения нематериального производства и глобализации. В качестве ключевых элементов новой общественной организации перечислены следующие: «бережливое производство», управленческие инновации, развитие отношений обслуживания и трансформация принципов обучения. Анализ данных элементов позволяет высветить трансформации сущности труда и капитала в эпоху постфордизма.*

*The paper is designed as a dialogue with widely accepted perspective on the contemporary socio-economic order. It presents post-industrial capitalism as a radical variation of a market system shaped by expansion of immaterial production and globalization. The key elements of the new societal organization are listed as following: lean production, novelties in organizational form and management, development of relationships of service, and transformation of training principles. These features are showed to be a reflection of change in the essence of both labour and capital, and their relationships. The leading role of technological progress in fashioning of upcoming socio-economic formation is acknowledged.*

**Ключевые слова:** *постиндустриальный капитализм, разновидности капитализма, рынок, нематериальное производство, глобализация, технологический прогресс.*

**Keywords:** *post-industrial capitalism, varieties of capitalism, market, immaterial production, globalization, technological progress.*

With the collapse of the Soviet Block in the end of passed century, it appeared obvious for many scholars that capitalism is the only historically approved economic design for modern civilization (Fukuyama 1992). Impressive intellectual efforts were put in exploring contemporary experiences with market-oriented systems around the world. It eventually resulted in the indication of two major types of capitalism, i.e. regulatory capitalism developed, for instance, in Germany, and liberal capitalism represented by the American case (Hall, Soskice 2001). The related discussion emphasized on the issue of “convergence versus divergence” living apart the fact that Keynesian approach was firstly introduced in the United States at the turn of 1950s and only later adopted in Europe. This historical perspective allows understanding possible versions of socio-economic formation as to be distributed between state-leading and business-leading models. In other word, all advanced capitalist countries employ both approaches but at different times, with distinctive particularities and diverse effects. This paper makes an attempt to present radical variation of an entrepreneurial society. It looks upon the dominating mode of production rather than on the prevailing type of distribution as it was assumed in previous studies. I stress on socio-political transformation brought about by expansion of post-industrialization and globalization. Arguments developed by postmodern Marxists and contemporary public critical intellectuals are supposed to provide a theoretical framework of the conversation.

The mode of production has been traditionally considered as a foundation of socio-economic organization and operation (Marx 1986). The last decades were marked by various attempts from the side of economists and social sciences scholarship to analyze and conceptualize the transformation of existing social order towards so-called post-Fordism, post-industrialism, “new economy”, “new capitalism,” “dis-organized capitalism,” the order of “flexible accumulation” (Hall 1988; Bell 1973; Harvey 1988; Harvey, Scott 1989; Lash, Urry 1993; Urry 1988; others). The new economic paradigm is described in terms of shift from the rigid mass production of standardized material goods to flexible smaller-scale manufacturing of high quality diversified items, various services and information. This change is associated with a set of correspondent novelties in economic logic more general and in organization/management of individual enterprises which eventually affect several other social domains, including public politics and education (Ritzer 2000, 2004). Additionally, post-industrial age of production is said to manifest itself in decomposition of class structure and modification of the occupational system (Florida 2002; Hard, Negri 2000). Let us have a close look to the main features of post-Fordism which are often associated with rapid progress in technology and communication (Castells 1996; Ritzer 2000; others).

First, flexible and highly adaptive “just-in-time” or *lean* strategy based on the principle of increasing efficiency in management of the “needed parts to a manufacturing operation” tends to replace former Fordist “just-in-case” system stacked with problems of stiffness and overproduction (Ritzer 2004: 34). As believed by scholars, lean production is supposed to become one of the crucial elements of the new economy allowing pluralization of created values and overcoming previously inescapable treat of crises. Hard and Negri (2000) explained the principle of the lean production by confronting Fordist and Toyotist models employed in automobile industry. According to the

scholars, Toyotism claims to change relationships between production and consumption in terms of improvement of producer-consumer interactions and prioritization of the demanding side over suppliers. “[P]roduction planning will communicate with markets constantly and immediately. Factories will maintain zero stock, and commodities will be produced just in time according to the present demand of the existing markets. This model thus involves not simply a more rapid feedback loop but an inversion of the relationship because...the production decision actually comes after and in reaction to the market decision. In the most extreme cases the commodity is not produced until the consumer has already chosen and purchased it” (Ibid: 289–290). In the same vein, other scholars agreed on the mutation of interconnection between production and consumption (and, correspondently, between producer and consumer) in post-industrial economy facilitated by increased role of communication, language and knowledge (Lazzarato 1996; Scarfone 2001; Virno 2001).

Second, fluidity, blurred division of labour, decentralized and semi-democratic working cooperation which mirror computer-based network interactions tend to champion over the traditional fixed and hierarchical organizational structure secured by coercive management (Castells 1996; Hall 1988; Hardt, Negri 2004; Scarfone 2001; Virno 2001). This innovative form of enterprise provides individual workers with wide range of activity, creativity and self-navigation resulting in the productivity increase (Ross 2004; 2008).

Third, informatization of various spheres of work and life accompanied by ongoing marketization of care and assistance, duties previously associated with unwaged home labor or informal economy, stimulated the development of service segment of contemporary market. According to Hard and Negri (Hard, Negri 2000: 285), measured by portion of workers involved or by portion of value produced, service sector claims to become a leading sphere of economy in advanced countries. An activity based on manipulation with knowledge, information and effect, service is said to invent a new logic of production in general (Ibid). That is what Lazzarato (Lazzarato 1996: 142) called a development of the *relations of service* which are driven on extension of sociality and extracting surplus value from communication and reproductive aspects of human life. Service economy exploits subjectivities of involved actors as “raw materials” for its operation. In this respect, Hardt and Negri (Hardt, Negri 1994: 19.0) introduced a notion of a *socialized worker* to stress the transformation from industrial system of socio-economic relationships towards “computerized and autonomous and cooperative labor.” The new condition invents distinctive requirements for work which valid general sociability of a laborer as to be almost equally important as specific professional knowledge and skills (Lazzarato 1996).

At the same time, several scholars stress that high-tech, previously associated with the intellectual elite, have become a reality for industrial workers. The sophistication of labour have caused an advancement of proletarian self-consciousness manifested itself by what is called *mass intellectuality*, or *General Intellect* (in terms of Marx), the feature viewed to be one of the key elements of postindustrial society (Lazzarato 1996; Hard n.d; others). Hardt (n.d.) develops our understanding of the contemporary mode of General Intellect stating that the symbiosis of labour, knowledge, and communication creates necessity of constant transformation of one’s spheres of expertise due to

flexibility of worker's position within the system of production. In this context, cultural consumption is considered to be a crucial source for the postindustrial labour force swift self-updating with valuable information and competences.

Forth, the very essence of labour and capital and their relationships are viewed to be re-fashioned in the post-industrial age of market economy. The concept of *immaterial labour* has emerged to describe new form of production resulting in no material objects, but rather in various cultural artifacts, intellectual and linguistic patterns (Hardt, Negri 1994, 2000, 2004; Lazzarato 1996). As explained by Lazzarato (Lazzarato 1996), the particularity of entities produced by means of non-manual labor is constituted by facts that they are normally been consumed in the very moment of creation and that the act of consumption itself does not lead to the destruction of a product instead profiling its effect in a form of specific ideological atmosphere. The immaterial commodities then embody an attempt of maintaining of social relationships which serve as a general source of valorization. As interpreted by Hardt and Negri (Hardt, Negri 2000: 290), "immaterial labor' simply means labour-as-service".

In a course of development of immaterial labour concept, Hardt and Negri (Hardt, Negri 2000: 293) identify three forms of its appearance in new economy, including industrial manufacturing organized as a service, knowledge production based on intelligent manipulations, and affective labour driving on human interactivity and "bodily mode." What is stressed, however, it is not laboring practices and exploitation which are non-corporeal, but rather the outputs of working actions are supposed to be insubstantial surpluses (Hardt, Negri 2004).

The transformation of labour in post-industrial society is accompanied by the change in its relationships with capital. Drawing on the initial Marx's idea, Hardt and Negri (Hardt, Negri 1994: 14.5) describe *formal* and *real* subsumption of labour under capital to identify the contemporary socio-economic order. According to this approach, formal subsumption is a process of extension of capital by means of incorporation of previously free of entrepreneurship forms of production such as agriculture and craft manufacturing ("leftovers from the precapitalist era"). In earlier industrial times, these activities were adopted and transformed under an organizational structure of large factories and manufactures. In contrast to this extensive trend, real subsumption, which has been championing since mid twentieth century, brought an intensification of capitalist relationships in terms of proliferation of hegemony of capital into all aspects of human lives. "In the phase of the real subsumption, capital no longer has an outside in the sense that these foreign processes of production have disappeared. All productive processes arise within capital itself and thus the production of the entire social world take place within capital" (Hardt, Negri 1994: 14.5).

In the age of real subsumption, market-oriented relationships tend to transform society into what Hardt and Negri nominated as a *social factory* or *factory without walls* (Hardt, Negri 1994; see also Hardt, Negri 2000). This order arose on the definition of all types of workforce and laboring activities as essential sources of valorization, which means blurring of boundaries between production and reproduction, and between work and life. As recently specified by Caffentzis (Caffentzis 2005), in post-industrial economy not only human corporeal force, but also human subjectivity, intellect and sociability are put into work.

The notion of *biopower* invented by Michael Foucault to identify “a strategy of power... which attempts to control and regulate the life of the population in general” (Foucault as cited in Trott 2007: 211) is viewed to be relevant for description of foundation of the social factory. In the post-industrial era, biopower manifests itself in a particular form of *governmentality* (term invented by Foucault, see Foucault 1991) which no longer can be reduced to the state management and control (Lazzarato 1996; Lorey 2006). As explained by Lazzarato (Lazzarato 1996: 135), “[c]apital wants a situation where command resides within the subject him- or herself, and within the communicative process. The “restricted” worker is to be responsible for his or her own control and motivation within the work group without a foreman needing to intervene, and the foreman’s role is redefined into that of a facilitator.”

Building of a factory-society starts with the exercising of biopower at the working place. As showed by social anthropological studies, the particular mode of non-visible regime of exploitation and discipline developed during last decade serves to utilize creative, communicative, and affective components of worker’s personality for benefit of capital (Cohen 2008; McRobbie 2002; Ross 2003).

The transformation of labour-capital relations in post-industrial era manifested itself in a decline of measurability of value. As stated by Hardt and Negri (Hardt, Negri 2000, 2004; see also Negri, Hardt 1999), in the context of contemporary globalizing socio-political and economic order, traditional approaches to the comprehension of value have become irrelevant. Nowadays (economic) value is *immeasurable* and *beyond measure*. The main scholars’ arguments rise, first, on the understanding of intensive absorption of the entire society under capitalist command, and, second, on the acknowledgement of the role of cognitive and communicative components of contemporary living labour. As specified by Hardt and Negri, “‘outside measure’ refers to the impossibility of power’s calculating and ordering production at a global level, ‘beyond measure’ refers to the vitality of the productive context, the expression of labour as desire, and its capacities to constitute the biopolitical fabric of Empire from below” (Hardt, Negri 2000: 357).

Thus value is *outside measure* meaning both as an essential use-value and a monetary equivalent (Negri, Hardt 1999: 81–86). If one considers well-known Marx’s formula  $W = v + m$  in the context of post-industrial society, stress Negri and Hardt, it appears that variable capital has become unfixed due to re-location of labor-power in a *non-place*. In earlier stage of market relationships (i.e. formal subsumption), labor-power had had to be brought from the outside of capital (i.e. private sphere of individuals’ life providing reproduction of workforce) to animate capitalist mode of production. Consequently, the value of labor-power (an average price of its reproduction) and related exchange-value were determined by the logic and resources of this external domain. Later on, in the period of real subsumption fully realized during second part of twenties century, reproduction has become totally grasped and increasingly exploited by capital. Consequently, any objective measurement of value disappeared. In this context, exchange-value represented by monetary indicator claims to offer a helpful substitute. But money has becoming virtualized or detached from the real goods and lost capacity to index anything. As shown by the scholars on the analysis of flexibility of stock markets and daily change of the commodity prices, in the age of artificialization of capital and rise of its manipulability, no strict relevance can be found in contemporary economic

statistics; power continuously re-defines measuring methods which now appear to be open and conventional (Hardt, Negri 2000: 355–356; see also Negri, Hardt 1999).

In the case of immaterial production, value is also *beyond measure* because it has become a *social labor* or a “general social activity” of multitude, a “common power to act” that cannot be fully registered by any objective approach (Negri, Hardt 1999: 86). Since immaterial labor tends to involve a productive subjectivity as a whole (“loving, transforming, creating”), value should be considered rather as a *value-affect* and an “investment of desire” (Negri, Hardt 1999: 87). In this context, not surprisingly that the world of service economy is to the large extent guided by non-monetary benefits such as respect, interconnection, recognition and other social capitals irregularly translated into the economic benefits. Consequently, there is no common standard of measurement in service industries; one could rather find a variety of approaches to the value determination in this sphere.

The immeasurability of value has established a condition characterized by collapse of the index of exploitation. Determined in classical literature as a ratio of socially necessary labor and surplus labor, the rank of exploitation can no longer be calculated while it remains a reality in the local and global contexts (Negri, Hardt 1999: 74).

Informatization put an impact to the existential format of capital as well. As described by Bauman (Bauman 2000: 149–150): “[C]apitalism has become exterritorial, light, unencumbered and disembodied to an precedential extend...Having shed the ballast of bulky machinery and massive factory crews, capital travels light with no more than cabin luggage — a briefcase, laptop computer and cellular telephone.” In this flexible and easy movable form, capital has developed innovative approaches to the self-reproduction and extension in the age of technological progress. Caffentzis (Caffentzis 2005 n.d.) identified a new phenomenon, *relative surplus value*, which nowadays is widely employed for economic stabilization. According to the scholar, the main idea consists in an attempt of redirection of surplus produced in labour-intensive sectors towards low-labour (and, consequently, surplus-free) industries. This compromise secures appropriate profitability and thus the very existing of the high-tech economic segments. “[T]he computer requires the sweat shop, and the cyborg’s existence is premised on the slave” (Caffentzis n.d.: para 15). In fact, notices Caffentzis (Caffentzis 2005), already Marx described this mechanism in *Grundrisse* as to be a matter of technologized future: “prices of the commodities produced in many branches of production with relatively little labor have a mathematically determined character: their price of production includes surplus value created in other branches of production of lower organic composition in proportion to the capital invested in the industry” (Marx as cited in Caffentzis 2005: 106). Such scheme has become possible due to the substitution of factual value of commodities by their *prices of production*.

Another approach allowing compensation of low rate of profit in the fixed capital dominated sectors is colonization of enclaves of living labour in the Third World countries (Caffentzis n.d.; Hardt, Negri 2000; Wright n.d.; others). In this respect, Caffentzis (n.d.) concludes that in the discussion on the post-industrial capitalism one should take into consideration global division of labour and new geography of exploitation. Additionally, the scholar points to the increasing asymmetry between

working class of advanced and developing societies leading to the destruction of international solidarity.

Driving on imperatives of flexibility and innovations, post-industrial mode of production tends to inform the entire society in terms of fluidization, continuous reconfiguration and following decrease in certainty (Bauman 2000; Bourdieu 1999; Scarfone 2001). New shared experience of “reinvention” of social institutions constitutes a sense of unfixity as to be passages between appropriated and prospective time frames; fractured sociality and non-linear definition of progress become essential condition for elevation of productivity (Bauman 2000). In this context, some fundamental elements of social system, including universal rights and basic guarantees, face radical challenge (Scarfone 2001). This fact is especially notable since flexibility, mobility and technologically-mediated nature of labouring activities put demobilizing impact to the post-industrial labor force which has become highly diversified in needs, interests, lifestyles and attitudes (Fantone 2007; Gill, Pratt 2008; Ritzer 2000). In this respect, the scholars indicate a decline of trade unions and labour political parties due to the lack of representational potential and decomposition of collective identities. As was also mentioned above, class solidarity and cooperation appeared under attack in the context of widening of geographies of employment.

To close current conversation, in this essay, an effort has been made to present an alternative vision on dissimilarities of contemporary market economies. I grounded my arguments by the acknowledgement of leading role of technology in socio-economic development. This approach corresponds with the understanding shared among representational part of the scholarly community, including researchers whose papers we had as the compulsory reading during our course (e.g. Eichengreen 2007). Even if there is no agreement on the issue of final instillation of post-industrial order, it promises to celebrate a fundamentally new form of a market-driven society. As was discussed in the paper, the change in ontology and phenomenology of both labour and capital triggered by informatization of various sides of social life tend to create a unique condition when entire society in its productive and reproductive aspects is turned into a resource of capital extension. Supported by widely spread neo-liberal ideology and politics, this innovative order of power nowadays claims for the global expansion and hegemony.

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