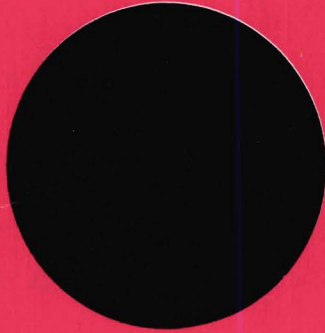


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# INTERLINK



Capitalism is moving so fast, it seems that socialism no longer fits. Yet despite the new look, the exploitation of humanity and nature are real enough. So what do we make of socialism?

## What, Next?

- SEAFARERS' STRIKE: One Year on, how safe are the ships?
- POST FORDISM: What's in a name?
- SCOTLAND: Goodbye Tories?
- LABOUR'S POLICY REVIEW: Will it help women?
- TURKEY: Transformation and torture?
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INTERLINK

● Is capital changing its spots? If so, what's in it for socialists? Economists Swasti Mitter and Robin Murray discuss the animal with **Sheila Rowbotham**.

## A step ahead: Combining economic strategy with vision

ROBIN MURRAY believes that capitalism has changed significantly and that this opens up new social and organisational possibilities.

A developmental economist, he was profoundly influenced by his work as Chief Economic Adviser to the Labour Group at the Greater London Council between 1982 and 1986. It became apparent that decisions on socially conscious public investment to save jobs could not ignore the 'post-Fordist' organisation of production which new technology made possible.

In 1982 Swasti Mitter stumbled upon the decentralised homeworking of Bangladeshi women in east London. New technology was dispersing production. A Third World was growing within the First. She describes this fragmentation on a world scale in 'Common Fate, Common Bond. Women in the Global Economy' (Pluto Press 1986).

Involved in initiatives to link casualised women workers internationally, she stresses the partiality of economic analysis which neglects the exploitation of this invisible, precarious multitude.

Here, with Sheila Rowbotham, they debate and follow through issues raised by Robin Murray's article, 'Life After Henry (Ford)' in the New Times edition of *Marxism Today* (October 1988).

**Sheila Rowbotham:** *Could you explain the economic changes which are described as 'post-Fordism'?*

**Robin Murray:** The changes were induced by the crisis of the 1960s and 1970s which came from the barriers of Fordism. There were many gaps and problems or, as the Japanese call them, wastes, in the Fordist system.

The Japanese in particular had been developing a system since the 1940s to conquer waste. The most famous example is Toyota, who got his idea from going to an American supermarket in 1937. He saw how the supermarket was supplying the shelves just after people bought things – they'd quickly ring up and get someone to restock it. That was one of the origins of the 'just-in-time-system'. He thought, 'if we could do that in manufacturing we would be in business.'

Then he realised that the machines Ford devised were made for one particular model. He got his workers to think how they could be made more flexible.

The new systems of production which overcame these Fordist problems of waste were developed for historical reasons by the Japanese. They had very few raw materials, so obviously they didn't want to use them up. They had a relatively small home market, so they couldn't have these great production runs.

In the 1970s they could take on the *whole* market. Conditions for the old Fordist mass products were unfavourable; markets were going up and down. American and European businessmen went to Japan because they couldn't see how they were out-competed. They were driving the workers ruthlessly, and yet they were being undercut.

The head of Matsuchita – this great big Japanese firm – said: 'We will always win against you Anglo-Saxons because you are so deeply infected with Taylorism'. He added that the only way to develop is by getting the workers to contribute their intelligence and skill to the way in which technology is operated and improved.

The Japanese don't want to have the labour turnover of a Fordist firm. They want to keep the workers. Therefore they bind them with jobs for life, private health, schools, and pensions. But there are a lot of jobs which are subcontracted in the most appalling conditions.

The Japanese inversion of Taylorism on the shopfloor is a very big change. They are also much more flexible in their products. Before employers put all their money on 'number thirty six' the capitalist roulette wheel. The link with the suppliers has to be very close to operate these just-in-time systems and improve them. Consistent innovation on a wide scale has become the key competitive edge of capital.

Capitalists have found that their old Fordist systems of organisation are really most unsuitable for rapid innovations. They were about orders given from above – through the NCOs down to the foremen and forewomen, to the privates on the shopfloor.

But things are so complicated now that even the best technicians, even the best people up at the top can't possibly know what's going on at the bottom. They realised that you can't have a system of draconian dictatorship in the factories. Systems of much looser associations emerged out in different forms.

In what is called 'Third Italy' similar processes have come in some sectors. In clothing, furniture, ceramics, very specific circumstances of culture, politics, history have allowed them to be extremely creative. You've got this decentralised form because of the creativity that is required.

Once you've got the prototype then capital wants to mass produce it and sell it all over the world in the most Fordist fashion. It wants to conquer everything.

**Swasti Mitter:** Robin has a more optimistic vision than I have. There has been a tremendous trend towards centralisation of market power and decentralisation of production. There are two aspects. One is technological innovation; another organisational innovation.

Stockless production is to an extent a way of producing efficiently without waste. But you see that capital, to combat the crisis it was facing in the late 1960s and 1970s is trying to reduce the power of production. Even in the age of computer integrated manufacturing systems you are dealing with *people*. And people mean hassle; people mean problems and people can even mean strong unions.

So capital is trying to decentralise manufacturing and skills. Technology has made it possible because the machines have become smaller. You can produce in modules rather than in old fashioned assembly flow lines.

People don't talk about multinational companies anymore, there is the rise of 'hollow corporations'. You find these big powers trying to control the markets and decentralise production and in many cases the workers become invisible. In Calcutta the Usha factory is gone but Usha fans are being produced from workers who are invisible. This subcontracting is happening on a large scale in a country which is not in the First World. I was talking to some of the managers in the Indian textile industry. They used a recent strike in southern India to dismantle the factories and put in newer European machines in small units. 'Ancillarisation' is not only a phenomenon of the rich part of the world. The innovations are primarily to undermine the power of the working class.

Third Italy is a very interesting experiment in dispersing production. It has worked because of history, culture, and because of the regional support of the Communist Party. It's highly unlikely it could be replicated somewhere else.

But Third Italy has many disturbing aspects. The people who are at the wrong end of the experiment are either women or migrant workers. In Milan, one of Italy's richest cities, the official statistics of per capita income is one of the lowest. That's partly because the majority of products come from the black economy. Three quarters of a million migrant workers are working within it. Most of them are illegal, and they are frightened.

In 1985 I was in Turin and I was taken to the Fiat factory. I was very impressed with the almost manless production. The professor who took me there showed me round the city and I was surprised to see little sweat-shop units, producing components.

I asked the professor how, in a place where cars are made by robots with multi-skilled workers, there were all these Italian mamas producing components in sweatshop units. He said, 'It is very easy Dr Mitter, because women make the most flexible robots of all.' For these women, working for a pittance, Turin's prosperity may not mean very much. A society, or an economy, whose prosperity depends on a large number of frightened workers should not be a model for us to emulate.

**Robin:** 'I'm not talking about a model. As socialists we oppose exploitation of people who are piteously plundered. In the south east of England prosperity also means nothing to large swathes of women and northern migrant workers. But I don't think a strategy which solely looks at them is adequate because

there's a deepening split institutionally and geographically between the core workers and the casualised.

As socialists, one of the problems has been developing an alternative form of production. Basically the eastern European model and the Stalinist one have been based on Ford and Taylorism. Lenin himself was in favour of Taylorism.

We'd all like to resist the market, to take the market out of this, to have an alternative form of planning. But we haven't got to the stage of having a planned economy which can be innovative and therefore supportive – and outwitting the capitalist world market as Trotsky used to put it. At the GLC we hated the market. We tried to insulate ourselves from it but the only way we could do that was to produce more efficiently.

**Swasti:** I hope I don't give the impression of being a Luddite and not having enough faith in technology and efficiency. Capitalist or socialist, if you are to survive you have to be efficient. But when I listen to you I want to ask – this efficiency, this quality control, this great urge for technological innovation – who is it for?

There are two objectives of this discussion. One is to analyse the trend; another is to see what we can do about it. It is not only a question of efficiency, of technological fix. People are very frightened, Robin, and this is part of the flexibility in the workforce. Not only in Brick Lane but, say, women in Sainsburys or part-time lecturers at the polytechnic who are terrified of losing their jobs.

I feel a bit disappointed, if not irate, when people talk about the waning of the working class. It is all nonsense. In fact its nature is *changing* and we have to take this clearly on the agenda.

**Robin:** In the 1960s and 1970s there was a great theoretical discussion of this decomposition of labour by capital. The Italian groups, Lotta Continua and Potere Operaio interpreted technological development in terms of capital's strategy of constantly fragmenting and weakening labour. They showed us labour finding some new ways of reuniting itself against capital, resisting the power of the state and asserting its own power in new ways.

We have to look at each stage of the production process to see how it is changing. Some people say, 'We've had all this before. All this is just another trick of capital. This is nothing new, it's the sweatshop economy.'

The point is it isn't. The changes that are there at the centre are of a different order. They are another stage in the development of capitalism. Unless we see that, we cannot do what we want to do, which is to improve the conditions of the peripheral workers.

**Sheila:** *How extensive are these changes in Britain? How far could they be described as dominant?*

**Robin:** I think post-Fordism is probably less developed in Britain because the culture and institutions of Fordism are still strongest here. But there are areas where it does dominate; the cultural industries, also in engineering design, software, the 'business services'.

One thing we haven't discussed is the authoritarian structure of Fordism, a standing army rather than a guerrilla army. A feature of post-Fordism is more open, decentralised structures, but at the same time more unified.

**Sheila:** *But there are quite contradictory tendencies. Deregulation and privatisation of services and the fear this engenders are resulting in more overtly coercive and authoritarian ways of controlling labour. By focusing only on post-Fordism you miss these out.*

**Robin:** You're quite right. Privatisation is about breaking labour above all. They haven't been able to improve productivity. I don't call that post-Fordist.

**Swasti:** Corporate organisations are being structured in dif-

ferent ways. But that doesn't mean that they are progressive. Instead of having hierarchical division within a company you are creating a different kind of hierarchy: those who are part of the company and those *distant* workers.

I feel – and I think it's my age perhaps – that in this world there is nothing good and nothing bad in itself. It depends very much on the equal or unequal relationship of power. The question is, once we have understood the trend, how can we use it to achieve our vision of society? Are we setting our priorities right? Unless we do that the same trend could take us to three or four different scenarios. It is possible to formulate a vision which would be acceptable and not too dogmatic. Flexibility could be a strength as well as a source of weakness.

**Robin:** But Swasti, all this is very abstract. If you were involved with clothing workers in reorganising their industry under a progressive regime, what changes would you make? How would you be facing Third Italy, or the upgraded Hong Kong?

It's not enough to have social policy or redistributive policy, or labour market policy. You've got to have a sector by sector strategy because that's where the competition runs, that's the way capitalism organises.

The GLC experience taught us that. The London Industrial Strategy tried to show there are alternative ways to develop, with very different implications for labour, for the core – periphery distinction and for users as well.

I don't believe in efficiency in itself. I'm thinking of the political power of the market. It is important to learn what is happening in order to decide alternative strategies. How on earth do you have a more human form of production while the international law of values chatters at the gates?

Socialism has been extremely weak on this. It's been much stronger on equality and social policies and even on the problems of democracy. But in terms of industrial production socialism has been way behind. In eastern Europe as well as in Third World countries people invite in the multinationals sometimes because of the sheer shambles of socialism.

Trade unions, in the defensive tradition of not just resisting but bargaining about the wage packet, leave the labour process out. That's the Faustian bargain of Fordism. The employers can control production; the unions bargain over the wage packet. Far more significant for workers is the *path* taken by that industry. German workers have been much more interested in looking at that; the way in which print can be restructured, for example.

**Sheila:** *Can we end by talking about priorities, vision and strategy?*

**Swasti:** I think sectoral analysis is important but it doesn't lead you very far. As you say, flexibility could be an enormous strength to any country, city, community, but my vision of socialism is a society where there is less fear. We have to find a new balance.

I don't think I implied that just because you look at Japan and Third Italy you are mesmerised by their glory. But I think the distinction between the *analysis* of the trend and what programme you are *offering* as a socialist doesn't come out clearly.

In your *Marxism Today* article you talk about the importance of fashion and design, particularly now the computer-aided design makes it easy to have Mickey Mouse on your T-shirt today and Donald Duck tomorrow. But in this world where ecological problems are becoming so serious, I think the stress on fashion changes could be very wasteful. We are making a lot of these products unnecessarily obsolete.

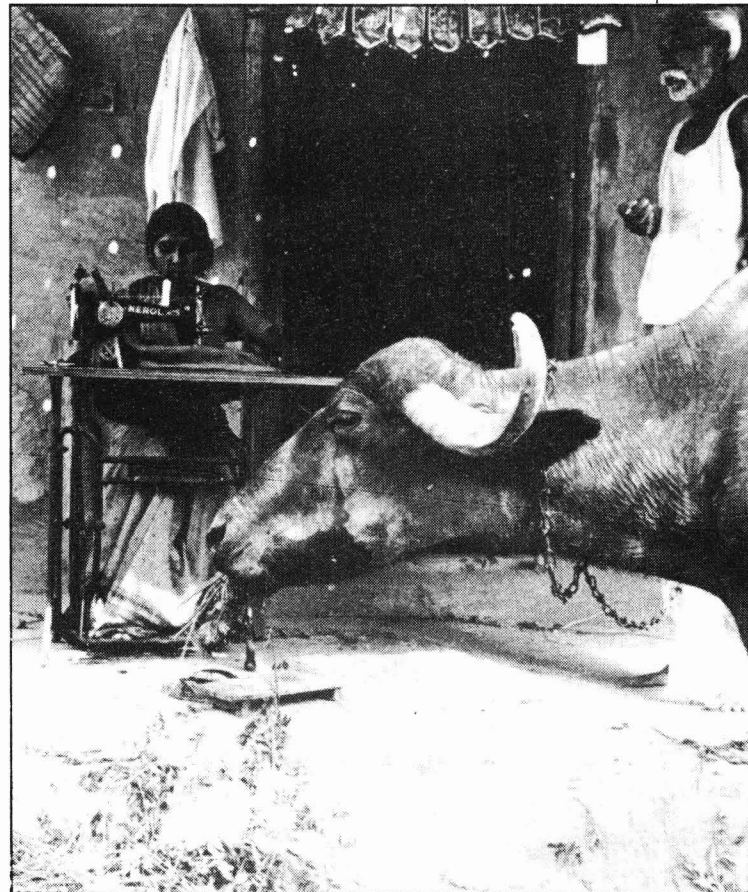
**Robin:** In dress you can express yourself. Of course it's a social self. You are affected by who you are and what you are and what you want to be. I think there is a male puritan

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**Capital is highly international  
and I think those who  
understand that best are at  
the wrong end of the labour  
movement.**

**Swasti Mitter**

PHOTO: PETER THORSUD



*Producing for the export trade*

tradition on the left which I was brought up in which denies it.

**Swasti:** But, Robin, that is only one aspect. These changes in fashion and design are also for purely commercial reasons. It's wonderful to have fashion and design, but in this programme for socialism, we'll have to curb the possible waste one may run into by putting too much emphasis on diversity. There are countries where other things are very important. Some of the Phillipine women workers I've talked to ask why in the west we have to have electronic products when all they want is rice? A country which used to be the biggest exporter of rice cannot live without importing rice now. They say: 'Why do you have to have nuclear power? All that we want is shelter for our children.' It sounds terribly simple but it makes sense. It's very commonsensical.

Trotsky may have had this vision of international compe-

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titiveness, but I feel very strongly, the world over, including the United Kingdom, we have to have our priorities right. **Robin:** We have to hold on to what material power is at hand at the moment, rather than just dreaming of power. It may be that we decide that some sectors are not important, for example, defence or parts of the drug industry. How you produce health decides how the particular industry transforms itself.

On the wider questions certainly, the ecological thing is very important. Also the tyranny of commodities. Only the things that can be sold, and sold individually, are created. All the forms of public and collective social relations are minimised.

To come back to the core and peripheral workforce: if the fragmented, peripheral workforce is growing, along the American and Japanese model, how are we to stop this? Here is a central issue for the trade union movement. In the south of England core workers are being given a whole set of private pension schemes, help with their mortgages. There is this private corporate welfare state growing up.

**Swasti:** If you really want to recruit these hidden workers, home workers and all the rest into the mainstream of the labour movement, you have to address time management. Distributive justice includes distribution of time, as well as income. And then you have to say on whose terms? There are differences of interest between men and women workers about a shorter working week or a shorter working day.

**Sheila:** *Could you conceive of there being areas of converging interest between the core and peripheral workers nationally or internationally?*

**Swasti:** Increasingly, very heavy demands are made on the core workers because they are looking at four different machines and doing five different tasks. If you do that continuously you can't have a proper domestic life. I think that's a great shame for men as well as women workers.

**Robin:** It's a conflicting rhythm as well. The creation of split shifts and rostering is very stressful. People have no regular life, they just can't relax. The issue of working time would make us think about sabbaticals as a demand, holidays, transport, and the time and misery spent in queues. Also even the core workers can be insecure because of the constant tendency in the Taylorist firms to deskill while there's a labour shortage.

**Swasti:** It's even more important than ever to have an international dimension because the multinational workforces are not so visible as they were in the 1970s. And I stress again I don't believe their power is on the manufacturing side. Workers are not producing for only one company. They are difficult to find. Yet the control of the market is centralised.

Older forms of international trade unionism and company based labour links do not meet this new situation. The nature of internationalism has to change.

Casualised women workers have been meeting and exchanging their experiences. It is perhaps not earth-shattering but they are empowering themselves, providing countervailing power. The labour movement has to take note of that. Capital is highly international and I think those who understand that best are those who are at the wrong end of the labour movement.

**Robin:** The danger is that we just stick to the old things that we are sure of – which are still deeply true and still move us. We must steer into problems and not away from them.

**Swasti:** My vision is inevitably coloured by where I stand in society. There is a need for diversity in vision, and flexibility in vision as well. So long as we can produce something concrete out of it all.

**Robin:** Post-Fordist socialism!

**Swasti:** (laughs) Post-Fordist socialism – that's right. ●

● **Mary Kaldor** argues that how capital shifts from one economic era to another is partly shaped by political struggle.

## Time for choice

CAPITALIST DEVELOPMENT has always proceeded in fits and starts, through periods of rapid progress and periods of confusion. We face now a new period of transition, from Fordism to post-Fordism. The key features seem to be flexibility, specialisation, diversity and decentralisation.

There has been a revolution in information technology both because of the astonishing increase in the possibilities for storing and processing information and the improvement in communications. Most people argue these are the consequence rather than the cause of new kinds of work organisation developed in Japan to cope with shortages of resources, and lack of space. Improved information enabled a reduction in waste, better planning of labour time and speedier reactions to change in taste.

However post-Fordism is by no means established. It has taken quite different forms in various countries. It has developed unevenly throughout the advanced capitalist world. It has led to a substantial but uneven expansion of productive capacity and a widening global imbalance primarily between the US and Japan.

In some countries, as in Britain it has involved an attack on unions. In other countries, as in Sweden, West Germany and Italy, it has been accompanied by an increase in unionization. In others, for instance, Japan and Italy, it has meant a bifurcated labour structure, with a tenured core of work-

ers and a part-time, sweated periphery of female and migrant workers.

In Sweden and Germany traditions of worker participation have led to more democratic and satisfying forms of work organisation. In some countries surplus productive capacity has led to pressure for increased military spending. In others citizens groups are demanding a redirection of government spending towards the environment and welfare.

The point is that periods of transition are periods of choice.

Is post-Fordism just a capitalist con? Does it give rise eventually to fantastical forms of military technology and to the fragmentation and atomisation of political and economic power as we sit at home?

Or does the new technology offer more leisure, a greater respect for nature, less tedious work, more harmonious international relations? Does the new productive system make us more or less reliant on technology?

The answers are not predetermined. They depend on political discussion and action, on the forms of government intervention, on the role of multi-nationals, the power of trade unions, of peace and ecology groups, the stance of women and minorities.

Understanding the varying experiences of the decline of Fordism and exploring different political possibilities is essential if we are to develop a post-Fordist strategy for socialism and democracy. ●