PART ONE

THE THEOREY OF SOCIAL STRUCTURES
OF ACCUMULATION
ONE

The State of the Art of Social Structure of Accumulation Theory

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This chapter provides an overview of the state of the art of the social structure of accumulation (SSA) literature produced since 1994. Any such project must start with David Gordon’s last contributions before his untimely death in 1996. In addition, there have been a number of contributions from the academic discipline of sociology including the founding of a “spatialization” school extending the work of Gordon, Edwards, and Reich’s original *Segmented Work, Divided Workers*. There have been a number of works extending the geographic reach of the SSA framework to new areas, most prominently to developing countries. Several authors have applied the SSA framework to the history and analysis of specific institutions. Such an overview is supplied in the first section below. Following that section we will assess the theoretical contributions made by these works in the last ten years or so. Finally we will discuss the debate over whether a new SSA was consolidated after the stagflation crisis of the 1970s and early 1980s.\(^1\) If an SSA was consolidated, the current economic crisis results from the disintegration of that SSA. If an SSA was not consolidated, what we are witnessing today is the continuation of the unresolved collapse of the postwar SSA.

An Overview of the Last Decade

*David Gordon’s Last Works*

David Gordon’s continuing contributions were primarily in the area of building econometric models that drew on the insights of SSA analysis

\(^1\) Just where such a new SSA is located, whether in the United States or at the global level, is unclear in the literature. See subsequent text.
to provide an alternative representation of the dynamics of the U.S. economy in the postwar period. Gordon and long-time collaborators Samuel Bowles and Thomas Weisskopf extended and deepened their analysis of the relationship of capitalist power, profits, and investment (Gordon et al. 1998 [1994]). Gordon (1994) then incorporated this work in building a comprehensive macroeconomic model of the U.S. economy in the postwar period. Gordon (1997) also applied his modeling skills to the question of locating the transition between different regimes of labor control and discipline during the 1930s and 1940s.

Gordon, Weisskopf, and Bowles use an SSA-inspired model to explain the trajectory of accumulation in the postwar period. In this model, investment depends primarily on expected profitability, and expected profitability depends substantially on an index of underlying capitalist power. Their work shows that the stagnation of investment in the 1970s and 1980s is explained by a decline in underlying capitalist power and a monetarist “cold bath” aimed at restoring that power (Gordon et al. 1998 [1994]: 254):

We have applied this approach to the postwar United States, providing evidence that the sustained sluggishness of US aggregate investment since the mid-1960s has resulted from both the erosion of the social structure of accumulation (SSA) which initially fostered postwar prosperity and from the high indirect costs of the conservative economic policies which sought to revive the economy in the 1980s.2

David Gordon had long sought to operationalize the SSA analysis of postwar growth and decline in the United States through constructing a macromodel, which might both illustrate and test the dynamic features of the analysis over time. Much of the preliminary work was carried out in collaboration with Bowles and Weisskopf. Nevertheless, the culmination of this work was carried on alone in the end. He sometimes referred to this work as David’s Folly (Boushey and Pressman 1997) and planned to call the full operational model the LAPSUS model after the dictionary definition of lapse as “to fall into error, heresy, or sin” (Gordon 1994: 160).

2 In this quotation, Gordon implies, consistent with much of his argument at the time in works coauthored with Bowles and Weisskopf, that conservative economic policies only served to deepen the crisis. In the years since many have argued that these policies contributed to the creation of a new SSA, which has been good at least for capital if not the economy as a whole. This is an emerging consensus in the SSA literature and is congruent with the views of this author. See the section on the new SSA below.
Gordon was planning a book comparing several heterodox macro-models with more conventional neoclassical approaches. In Gordon (1994), he published a portion of this work in advance, comparing four nonorthodox models. One of the models was post-Keynesian in emphasis, another a Kaleckian variant of the post-Keynesian, and a third model was Marxian. The fourth was the above-mentioned LAPSUS model that he described as social structuralist after the SSA approach. This model was consistent with the SSA framework in combining both Marxian and Keynesian insights. Gordon was not interested in using such a model to engage in *ex ante* forecasting. Rather he sought to compare the accuracy of the dynamic interrelationships that characterized the various models. He was undoubtedly gratified that the social structural model performed well.

Gordon’s (1994) modeling abilities were also applied in 1994 for locating the period of transition between regimes of labor control, a crucial component of production relations, and hence of their respective social structures of accumulation. Gordon was able to model both the capital-labor accord of the postwar SSA and the drive system which had characterized the earlier prewar monopoly SSA. Using rolling regressions, each model accounted well for changes in productivity growth in their respective periods and a gap opened up between them in the 1930s in which neither model performed well (Gordon 1994: 154):

> The transition between these two productivity systems, as far as such quantitative narratives can take us, appears to provide a resonant illustration of the historical process of institutional restructuring. With all due respect for Alfred Marshall, history does indeed “take leaps.”

This tradition initiated by Gordon and his coauthors has been carried forward by Eric Nilsson. Nilsson (1996, 1997) uses a model related to the one developed by Gordon et al. to more closely investigate both the proximate and ultimate causes of the breakdown of the postwar “capital-labor accord.” He finds that the breakdown was precipitated by employer attacks on the accord motivated by stagnating profitability. The analysis finds that the loss of U.S. hegemony was the largest single cause of stagnating profitability and by extension the breakdown of the capital-labor accord.

Americans had stagnated in recent years. He also contended that the managerial layers in U.S. firms had become bloated, growing to roughly three times the size of management in comparable firms in Europe and Japan. Centrally, Gordon argued these two developments were related. An intensive “fat” approach to supervision was pursued to compensate for declining economic incentives for workers due to the “mean” approach to pay. In concentrating on these two related aspects of the political economy, Gordon was not concerned in this work to develop a broader analysis of the SSA. Nevertheless this work prompted a response from within the SSA framework.

In 1997 and 1998, Michael Reich responded to Gordon’s last work in two successive articles. In one, Reich (1998) accepted Gordon’s “mean” argument, but raised several questions about the scale of U.S. corporations’ managerial bloat relative to other countries. Reich concluded that this argument had validity but had been overstated. In the other article on SSA theory in “retrospect and prospect,” Reich (1997) undertook a more wide-ranging response to Gordon’s later work. Reich discussed the literature that had influenced, both positively and negatively, the writing of _Segmented Work, Divided Workers_, including the historians’ discussion of the failure of socialism among U.S. workers, U.S. industrial relations literature emphasizing the continuity of peaceful labor relations, and the neoclassical argument about the relationship of low wages to low productivity. He also gave a detailed account of the political context of the 1970s and of stage theories of American capitalism circulating in the left academy at the time. Finally, he identified qualitative shifts in the direction of forming a new SSA. All of this was framed by a concern to emphasize that SSA theory is primarily concerned with the qualitative distinctions that demarcate different stages of capitalism and to criticize an over-reliance in some later work on standard econometric techniques. This emphasis is taken up again later.

**Enter Sociology**

Interestingly, with the exceptions described above, the recent detailed application of the SSA framework has taken place outside of the field of economics proper and within the academic discipline of sociology. Within the field of sociology, SSA theory has acquired its first “school” in the emergence of a literature on “spatialization” as a new form of labor control, which is one of the important underlying institutional factors conditioning the construction of a new SSA in the United States. Working from Gordon, Edwards, and Reich’s identification of three
historical periods in the structure of work and the organization of labor markets as proletarianization, homogenization, and segmentation, Grant and Wallace (1994) identify a fourth period as spatialization. This process of spatialization centers on employers’ use of threats of relocation and actual relocations as a key form of labor control strategy from the 1970s. This observation immediately links the mobility of capital to the question of labor control in a restructured capitalism. This new strategy of labor discipline became viable at this time due to “the increased fragmentation of work tasks into simpler components and a highly integrated division of labor that allows different work tasks to be performed in different locations.” This is also made possible by advances in telecommunications and transportation, which allow capitalists to “coordinate and control diverse pools of labor in far-flung corners of the US and the world.” (Grant and Wallace 1994: 37).

To these factors Brady and Wallace (2000: 95) add geopolitical arrangements, such as NAFTA and the WTO, which facilitate economic liberalization and globalization. Grant and Wallace reason that by the very nature of this strategy it should have differential impacts on different spatial locations. In this new SSA, the local state becomes a critical economic location because states must compete with one another to create the impression of a favorable business climate to either attract or keep increasingly mobile capital. This argument is backed by additional empirical studies in Grant (1995, 1996) and Grant and Hutchinson (1996).

Several authors in the field of criminology have employed SSA analysis. A series of articles by Carlson and Michalowski (1997) and Michalowski and Carlson (1999, 2000) examine the impact of changes in the SSA and changes in phases within the SSA of the strength and direction of the relationships among unemployment, crime, and imprisonment. Barlow and Barlow (1995), through an examination of U.S. federal criminal justice legislation, find that mechanisms of social control intensify during the stagnation period following the decay of the SSA. This extends an earlier study by Barlow et al. (1993), which traces changes in social control strategies over the course of U.S. capitalist history. The authors find that innovations in social control institutions cluster primarily in the contraction period that follows SSA disintegration.

**SSAs outside the United States**

One of the major critiques of SSA theory is that it has drawn its source material too narrowly from the U.S. experience. Nevertheless,
the area of its application has steadily if somewhat slowly expanded. Hamilton (1994) models real wages, prices, and productivity for specifically Caribbean-type economies. Jeong (1997) identifies a distinct state-capitalist SSA in South Korea dating from 1961. Jeong argues that this SSA underwent decomposition in the late 1980s. James Heintz (2002) answers earlier criticisms of the application of SSA analysis to the postwar period in South Africa through a detailed description of the institutions of the apartheid state. His analysis deepens previous studies through the inclusion of a systematic investigation of the impact of institutional and political stability on fixed capital accumulation in South Africa. Mihail (1993, 1995) uses a framework drawn from the work of Bowles, Gordon, and Weisskopf to model the rise and demise of the postwar SSA in Greece.

Harriss-White’s (2003) *India Working* breaks new ground on a number of fronts. It specifically targets what Harriss-White refers to as the India of the 88 percent. This is the proportion of the population that lives outside of the major metropolitan cities in small towns and rural areas. In her work, the SSA framework is applied to specifically peripheral areas within a Third World economy. Partially because of the nature of its subject, the book deals much more explicitly than previous efforts with less formal institutions and their impact on the accumulation process. Harriss-White extensively uses the methodologies of field economics and economic anthropology. The book is not concerned with tracing dynamics over time but seeks to create a finely grained picture of institutional relations at a point in time. We will return to this issue later.

Also in 2003, William Robinson’s *Transnational Conflicts: Central America, Social Change and Globalization* used the SSA framework to situate recent changes in the social structure of five Central American States. While treating them in depth, Robinson places these changes in the context of a more far-reaching thesis concerning the replacement of postwar nation-state-centered social structures of accumulation with a new globalized social structure of accumulation which reorganizes and incorporates preexisting national structures. According to Robinson, this new global SSA is the class project of an emergent transnational bloc within capital – the transnational capitalist class. Robinson suggests that this transition to a transnational class structure and transnational capitalism is manifest in numerous nationally located transitions. In the developing world, for example, the transition is away from an import

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3 Nicaragua, El Salvador, Guatemala, Honduras, and Costa Rica.
substituting industrialization (ISI) regime and its associated political and social institutions and toward a specific form of export orientation.

Specific Institutions within the SSA
An essential insight of the SSA framework is that the history of specific institutions has to be understood within the dynamic process of SSA formation and disintegration. Indeed, the framework was first fully developed in *Segmented Work, Divided Workers* in order to provide a historical context to the analysis of changing shop floor relations. This has been carried forward by Harland Prechel (2000) in his *Big Business and the State: Historical Transitions and Corporate Transformation, 1880s–1990s*.

This work is concerned with transformations in the basic form of the corporation as well as change in the management strategies practiced within the corporation. Prechel argues that basic transformations in the corporate form are undertaken when corporations find it difficult to gain access to sufficient capital from internal sources to meet the challenges they face. Challenges become more acute and internal capital becomes more difficult to obtain in the crisis period following the decay of an SSA. In these circumstances, corporations seek to reorganize and/or are pressured to reorganize by their financiers. In these periods the capitalist class will also mobilize political support for facilitating changes in state regulation. Corporations often change the accounting terms for the information on which decisions are based during these transformations.

Within this framework, Prechel identifies three periods of SSA decay and exploration as arenas within which to look for relatively rapid corporate transformation. The 1870s to the late 1890s saw the emergence of the limited corporation and ultimately the holding company form. In the 1920s to the 1930s, corporations moved to the multidivisional form. Financial return on investment became the criterion of internal success. The third period, from the 1970s to 1990, was characterized by firms restructuring their divisions as subsidiaries and the emergence of the multilayered subsidiary form. Abandoning aggregate financial controls, corporations sought to make decisions based on disaggregated data concerning costs and quality.

In their textbook, *The Economics of the Modern Construction Firm*, Stephen Gruneberg and Graham J. Ive (2000) undertake an SSA based analysis of the U.K. housing industry under the rubric of the social

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4 Prechel refers to this as capital dependence theory.
structure of housing provision. Daniel Saros (2009) details a case study of the iron and steel industry in the Progressive Era in the United States. He is particularly concerned with understanding the nature of an example of adversarial labor relations in an otherwise regulated institutional structure.

The Current State of SSA Theory

Work within the framework of the SSA theory has to some extent returned to its roots in the past ten years. Kotz et al. (1994b) identified several related theories evolving in parallel and exercising an influence on SSA theory. These included a number of developments within broadly orthodox microeconomic theory. By 1997, Reich (1997) was arguing that the wing of the theory most concerned with these issues had departed from the original intent of the theory. Reich sought to reemphasize the qualitative and institutional nature of SSA theory. He identified the original theoretical perspective as emerging from Marxian insights concerning class conflict over production, distribution, and politics and from Marxian and Keynesian macroeconomics. He contended strongly that “hypotheses concerning periodization or the relative causal or the endogenous character that we attach to various political and economic forces should emerge from the institutional analysis, not simply from econometric inquiries (p. 2).” Subsequent work within SSA theory has generally taken this position as its starting point. In comparing the Regulation School with the SSA approach, Kotz (1994) concluded that the Regulation theory was the more materialist and closer to its Marxian roots. That situation has now been reversed.

As for theoretical innovation within Marxism, the very flexibility of the SSA approach somewhat militates against the necessity of innovation. Harriss-White (2003: 14) summarizes this characteristic of the approach:

At the core of this ambitious intellectual agenda is the question of how such a continually changing set of institutional structures ensures or undermines stability by shaping both class conflicts and conflicts between competing concentrations

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5 Inquiries into the historical background to the SSA approach have given it a much more explicitly Marxian pedigree (see McDonough 1995, 1999).

6 While the SSA theory has been emphasizing its Marxian and Keynesian heritage, the Parisian school of Regulation Theory has been searching for a new and innovative microfoundation, which has led in the direction of exploring various forms of institutionalism. See Boyer and Saillard (2002).
of capital … A great range of mechanisms relate accumulation to its institutional matrix … No general hypothesis is advanced about the relative importance of the different elements of the structural matrix, there is no privileged list of ‘crucial’ institutions or forces.

This flexibility allows for the application of specific arguments to specific locational or historical circumstances without the elaboration of new and universal concepts. This is often criticized as a theoretical weakness but it is also a potential strength. The framework has proven flexible enough to provide a guide to the analysis of a wide range of situations and institutions.

Nevertheless, Victor Lippit (2005) does undertake a discussion of the basics of the SSA framework in his *Capitalism*. Invoking the concept of overdetermination, Lippit contends that the structural integrity of an SSA is created and sustained by the interrelationships among its component parts. Taking issue with this author, Lippit argues that both the length of the period of expansion conditioned by an SSA and the length of the subsequent crisis period are not contingent but rather will definitely tend to be long. This is because the sustaining interrelationships within an SSA, supported as they are by institutional inertia, will tend to change only slowly. Successful expansion creates beneficiaries who actively seek the continued stability of the SSA. Similarly the complex interrelationships that will characterize a succeeding SSA can only be assembled over an extended period of time prolonging the crisis period.

Lippit (2004: 27–8) is also more concerned than previous authors with explicitly defining what he means by the concept of institutions:

We can think of an institution in two principal ways. The first is essentially as an organization, like the World Bank or a university. The broader sense of an institution refers to the habits, customs and expectations that prevail in a particular society. While both senses of the term are used in SSA analysis, it is this second usage that is emphasized. The second usage, moreover, can be employed narrowly or broadly, and it is the broader form that is usually more helpful. A union for example, is an institution in the first sense. Collective bargaining would be an example of an institution in the second sense, employed narrowly. A national system of labor relations would also be an example of an institution in the second sense, but one employed broadly.

This definition serves to make the concept of institution clearer and to emphasize the contribution of the tradition of American institutionalist economics to the SSA framework.

Further innovations involve the application of the concept at various geographical and temporal scales. The framework has been applied over
several intervals of time shorter than the “long swing.” In addition, it has been applied to spaces at the subnational and the global levels.

Hamilton (1994) finds the approach still useful in analyzing a 15-year period of Jamaican economic history. Much of the work within the spatialization school is done over a similar time frame. Harris-White (2003) uses the framework synchronically taking a kind of cross section of Indian society at a point in time, or as she puts it herself “statically, as a way of imposing an analytically useful order on the immense complexity of the Indian economy, rather than with a view to developing a thesis about its historical evolution through eras or stages” (p. 239).

Michalowski and Carlson (2000) place great emphasis on distinguishing between phases within social structures of accumulation. Following terminology used by Gordon, Edwards, and Reich, they carefully periodize much of the U.S. twentieth century in the following (pp. 276–7):

(a) Exploration 1 from 1933 to 1947, (b) Consolidation 1 from 1948 to 1966, (c) Decay from 1967 to 1979, (d) Exploration 2 from 1980 to 1992, and (e) Consolidation 2 from 1993 to the present.

They argue that “each of these SSA phases consists of a distinct set of qualitative social relations between labor and the state that impact the strength and direction of relationships between measures of economic marginalization and patterns of crime and punishment” (p. 277). Consequently these types of factors “cannot be analyzed linearly across SSA phases because the sociological meaning of these variables may differ according to the qualitative character of each SSA phase” (p. 277).

Michelle Naples (1996) undertakes a detailed analysis of labor relations in the coal industry in the postwar period. One of her concerns in this context is to trace the impact of the construction and decay of the SSA on these labor relations at specific points in time. She draws several predictive generalizations from the SSA framework and investigates their possible expression in the postwar history of the coal industry. Among the hypotheses for which she finds evidence are the following phase-linked generalizations (Naples 1996: 112–13):

G1 Institutional innovation, change, and challenges to the meta-rules will be most widespread during the late expansion and into the long-wave crisis.

G3 Difference and challenges to the worldview are not tolerated under the newly hegemonic SSA in the early expansion.

These shorter period analyses assume a specified SSA is in place.
G7 Labor relations in one sector are not static. The logic of the new rules is applied on an extended scale so that the full system of national union/rank-and-file/management relations only becomes fleshed out over time.

As well as being applied to differing timescales, the SSA framework has been applied at differing spatial scales as well. The spatialization school has placed special emphasis on the manner in which the impact of the existence and construction of an SSA produces differential results at local levels in explainable ways. Much of their work takes state-level government within the U.S. federal system as the spatial unit across which institutions vary in a spatialization American SSA. Perrucci (1994) undertakes a related analysis of the “Midwest Corridor,” six contiguous U.S. states that have been the locations for Japanese inward investment in the auto industry. Perrucci identifies the emergence of an SSA here based on “embedded corporatism.”

Lobao et al. (1999) examine the effects of elements of the national SSA at the even lower level of counties within states. Specifically they look at the effect of core manufacturing employment and state support of citizen income on levels of income inequality within localities. They find that national level arrangements are reflected in local level relationships in 1970 but that national changes are less strongly evidenced in localities in 1990 due both to inertia and the complex way in which local institutions may adjust to changes in the larger institutional context. Arena (2003) uses the SSA framework as the backdrop to a discussion of the dynamics of class conflict within the Black Urban Regime in the single city of New Orleans, Louisiana.

While it has been most commonly applied at the national level, the SSA framework has been unclear whether or not it can be applied to larger, more global scales. The founders of the framework have frequently claimed no applicability beyond the United States for their particular institutional analyses. Kotz et al. (1994b: 4) argue that the SSAs in other countries in the postwar period are distinct. Nevertheless, the SSA school has often been lumped with long-wave and regulationist theories which do make international claims. Gordon (1988) does apply

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8 Perrucci departs from the spatialization theorists in identifying his subnational area as having an SSA rather than comprising an institutional arrangement within an overall SSA. Whether SSAs can be “shrunk” to fit a smaller than national territory must be controversial. Indeed, the spatialization school argues that under mobile capital the existence of local variation is an essential feature of the national SSA.

9 See the argument in footnote 8 about whether an SSA can occupy a subnational space, in this case, a city.
the framework to “the global economy.” The analyses of other countries discussed above confirm the warning of Kotz et al. The SSAs identified for Caribbean-type economies, South Korea, South Africa, Greece, and the India of the 88 percent are all quite distinct from that described for the United States in the postwar period. The question of whether these strictures will have to be maintained in analyzing the period running up to the current crisis constitutes part of the debate about the possible construction of an SSA in these years.

Was a New SSA Consolidated after the 1970s?

There is an emerging consensus within the current SSA literature that the period before the current economic crisis witnessed the consolidation of an SSA, although this position has not gone without a vigorous challenge (as is noted below). Several authors beginning with Houston (1992) have argued that the contours of a new SSA had become starkly visible (the spatialization authors; Lippit 1997; Reich 1997; Michalowski and Carlson 2000; Went 2002; McDonough 2003; Bowles et al. 2005). This new SSA was characterized by multiple institutional transformations over the period from 1973 to the present day. Each author puts forward a somewhat different list with different emphases, but the overall pattern is quite similar in each case.

It is argued that there has been a qualitative change in the globalization of economic activity. This globalization is not only one of trade but also significantly a globalization of production and investment. The global intensification of financial transfers has combined with the expansion of transnational investment and improved communication structures to give birth for the first time to a transnational, global capitalist class. The working class, too, is increasingly transnational because of the dispersal of the production process across the face of the globe, because they face a global capitalist class, and because they can be drawn into competition with one another through the hypermobility of capital.  

This process of globalization has perhaps its most important impact in strengthening capital in relation to labor. Corporations have restructured, downsized, and reengineered. Systems of lean production modeled on Japanese manufacturing techniques have been introduced. There

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This transnationalization of class relations is the essence of globalization from a distinctly Marxian perspective. Theorizing the rise of a transnational capitalist class in a social structure of accumulation context has been central to the work of William Robinson (2004).
has been a turn to restricted government consistent with the neoliberal vision of the desirability of unfettered markets. Supranational state organizations such as the EU, the WTO, and NATO have assumed increasing importance. The IMF and the World Bank have imposed the liberal agenda on borrowing countries predominantly in the Third World. Finally, the sudden restoration of capitalism in the former Soviet Union and its former Eastern European allies, followed by a more gradual capitalist restoration in China, have extended capitalist economic organization to virtually the entire world for the first time.

There is a considerable diversity of labels proposed for this SSA. A spatialization SSA is advocated by the spatialization school in that it emphasizes innovations in the method and scope of labor control. Michalowski and Carlson (2000) refer to the cybertech SSA focussing on the consequences of technological innovation. Went (2002) simply sees globalization as the new stage of capitalism. McDonough (2003) prefers global neoliberalism. Bowles et al. (2005) identify a transnational SSA.

This distinction in terminology is not entirely without significance. The spatialization school, Lippit, and Michalowski and Carlson confine the scope of the SSA discussed to the United States. This is also true of Bowles et al., although they argue that the integration of the U.S. economy into transnational economic relations is what primarily distinguishes the new SSA. Went and McDonough speak of the SSA in much broader terms but are not explicit about what geographical limits if any it might have. Robinson specifically argues in favor of the global character of the new SSA.

Is it possible to reconcile the latter view with the general consensus that SSAs are primarily national in character as confirmed by much of the work done within the tradition? Such reconciliation is possible if it is observed that this kind of transcendence of national boundaries is precisely one of the defining characteristics of the emergence of this SSA. Consequently to speak of an SSA that is larger than one national territory or region of the world is not to engage in theoretical innovation. It is rather an argument that the nature of the SSA has produced a transnational extension of the boundaries of the new social structure.

This does not require any revision of the national analyses set in the postwar period. In this (and earlier) periods, the social structures, which conditioned accumulation, took a predominantly national form. This conclusion stems directly from the insight that the economy was embedded in political, ideological, and cultural institutions that differed
sometimes substantially from country to country. Went and McDonough argue implicitly and Robinson explicitly that this condition has changed with the emergence of globalization. Robinson (2004: 74–5) characterizes the changed relationships in the following way:

As capital became liberated from the nation-state and assumed tremendous new power relative to labor with the onset of globalization, nation states shifted from reproducing Keynesian social structures of accumulation to servicing the general needs of the new patterns of global accumulation and the transnational capitalist class, involving a rollback of redistributive projects. ... As the social structure becomes transformed and transnationalized in each region of the world, a new global social structure of accumulation becomes superimposed on and transforms existing national social structures.

Robinson perhaps does not emphasize enough that this hypothesized transformation of national social structures does not necessarily result in uniformity. In fact it is provocative to extend the spatialization school’s argument about the role of state-level differences within United States to the global level. It is precisely the differences between nation states that are reproductive of capital accumulation when they are nested within a larger global structure.

The proposition that a new SSA was consolidated did not go without challenge. Phil O’Hara (2000, 2006) has argued vigorously that recent institutional changes do not add up to an SSA. 11 On the contrary (O’Hara 2000: 285), “they tend to deepen the extent of structural long-wave instability and crisis tendencies.” O’Hara pursues this argument on several fronts. He claims that some of the institutions, such as the movement toward deregulation of business and flexible production, have not been sufficiently consolidated or extensively implemented. Other institutions, most notably the deregulated financial system, are themselves sources of considerable instability. Still others combine to present the capitalist economy with new contradictions. O’Hara contends that the intensification of international competition has led to substantial overcapacity. When this is combined with constrained working class incomes, severe chronic problems of insufficient demand have been created. Much of this analysis is prescient, but O’Hara is not predicting a new crisis but arguing that this period is more correctly viewed as one of continuing crisis of the postwar SSA rather than the opening of a new social structure of accumulation.

11 The 2006 volume brings together and extends arguments from a number of articles and chapters published since 2002.
In a pair of articles, Kotz (2003) and Wolfson (2003) agree with O’Hara that the post-1970s institutional structure did not lead to a new period of rapid expansion. They use this observation, however, as the foundation of a somewhat different analysis. Wolfson (2003: 260) argues that neoliberalism is “neither a crisis of the old SSA nor a new SSA. … the old SSA is gone.” The key problem with neoliberalism according to both Wolfson and Kotz is that it was always unlikely to lead to a period of stable growth because of anarchic competition and problems of demand and realization.

Nevertheless, according to Kotz (2003: 263), neoliberalism is “a new, coherent set of institutions that impinge on the process of capital accumulation.” It cannot be an SSA, however, because it has not promoted sufficient growth, nor is it likely to do so. Kotz resolves the problem of the existence of a coherent set of institutions in the absence of strong growth by postulating the existence of two kinds of institutional structure (IS). A liberal institutional structure (LIS) is characterized by limited state regulation, aggressive dominance of capital over labor, high levels of competition, and liberal, free market ideology. A regulationist institutional structure (RIS) is characterized, by contrast, by an interventionist state, an element of cooperation and compromise between capital and labor, co-respective behavior by corporations, and recognition of the positive role of government and other nonmarket institutions. While both institutional structures foster the effective appropriation of surplus value, only an RIS promotes rapid accumulation and growth. Thus only an RIS can lay claim to being a true Social Structure of Accumulation, based on the traditional definition of an SSA. Kotz further hypothesizes that there is a tendency for Liberal Institutional Structures to alternate with Regulated Institutional Structures because the crises created by one type can be partially resolved through the construction and introduction of the other type of institutional structure.

12 It is important to note that the positions of both Wolfson and Kotz have evolved on whether a new SSA was consolidated in the neoliberal era. See Chapters 3 and 4 of this volume.

13 This formulation of regulated structures alternating with liberal structures has a certain appeal and can be defended at a theoretical and hypothetical level as it may indeed be true that each kind of structure addresses the contradictions inherent in the other. Whether this eventuates in the more complex world of actual SSAs is more questionable. In order to sustain the hypothesized alternation historically, Kotz is forced to separate the monopoly capital period after the turn of the century into two periods, a regulated one from 1900 to 1916 and a liberal one thereafter. In order to associate the 1920s with a slow-growth liberal period, Kotz is forced to extend the period into the
Especially in light of the global crisis that emerged in 2008, it would be hard to deny the reality of some of the crisis tendencies identified by O’Hara, Wolfson, and Kotz. It is possible to argue, however, that their impact was delayed long enough so as not to forestall a long period of expansion. Much of O’Hara’s discussion of the implications of these tendencies for long-run growth implicitly assumes that an institutional framework can only be said to be in place if it does not carry serious crisis tendencies immanent within it. It is true that some crisis tendencies in past institutional frameworks only became evident after a long period of expansion. On the other hand, however, the monopoly structure put into place at the turn of the twentieth century could be said to be carrying a tendency to underconsumption from its birth. This tendency originated in its suppression of working class living standards, monopolistic and oligopolistic domination of investment markets, and the imperial carving up of international markets. Further, as Lenin argued, this particular social structure carried within it a tendency toward radical international instability, a tendency that eventuated in a world war which was (at least from a North American point of view) only midway through its tenure. With this example in mind, we can see that the secure identification of crisis tendencies does not necessarily disqualify an institutional framework from underpinning a long period of expansion.

The overall tendency within the literature has been to argue that a new SSA is in place. For example, the work of Minqi Li (2004, 2005) within the SSA framework has implicitly assumed that the new neoliberal SSA was in place and has gone on to analyze the potential contradictions that may bring about its decay. In his view, the problem of inadequate demand would play a central role. The decline in the power of labor has damaged the capacity for consumer spending. This in turn encourages speculative financial activity as an alternative to investing and creating real investment demand. Neoliberal suspicion of the state and the unwillingness of capital to risk higher taxation have inhibited expansion of government demand. This has left the U.S. current account deficit as the major prop of world demand. The deficit is sustained by massive borrowing and debt that could not continue in the medium let alone the long run.

Great Depression. At the end of the day, arguing that the Roaring Twenties are central to a period of slow growth seems problematic. It is also unclear whether the Progressive Era can be unambiguously regarded as a regulated period, especially in its labor relations. See Saros (2009), despite his acceptance of this general dating scheme. While the transition from liberal to regulated institutional structures and vice versa may be suggestive in particular periods, it is not established that this dichotomy is universally sustainable or an exhaustive typology.
Li also identifies “green” concerns as some of the prime areas of threat to the continuation of the SSA. The globalization of growth and consumerist lifestyles will lead to the rapid depletion of oil reserves after production reaches a peak. Even in the absence of a peak in physical supplies of oil, the prospect of global warming will demand a reduction in energy consumption with similar consequences. The run-up in world oil prices prior to the financial crisis that broke out in 2008 and the ongoing collapse in world demand and trade have certainly lent credence to Li’s analysis.

Conclusion

The last decade has seen the culmination of the joint work of Gordon with Bowles and Weisskopf in econometrically analyzing the decline of the postwar SSA. It has also seen the diffusion of the SSA perspective into American sociological studies, most particularly, and perhaps not surprisingly, in the fields of labor control and the social control mechanisms studied by criminologists. In this context, the notion of a phase within a social structure of accumulation has been further developed and investigated. At the same time that SSAs have been studied over shorter time scales, the impact of SSAs on local structures has also been investigated. SSA analysis has been extended to new geographic areas. New institutional histories have been produced. A lively debate has been conducted over whether neoliberal institutions should be characterized as the consolidation of a new SSA.

On a theoretical level, the social structure of accumulation framework has largely returned to its roots in Marxism. While this has recreated a certain theoretical coherence, several issues remain unresolved. The biggest unresolved issue is the nature of the post-1970s period. Was it an extension of the crisis period, a new SSA, or something different, perhaps an LIS? While this is partly an empirical disagreement, it poses an underlying theoretical question. How rapid and consistent must accumulation be to qualify a particular institutional structure as a specifically social structure of accumulation? A related question is the degree to which all the inherent crisis tendencies of capitalism must be securely moderated over the medium to long term.

The identification of subnational structures that influence the business climate of particular localities and the postulation of the emergence of

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14 This is leavened by a certain Keynesianism.
a transnational SSA in global neoliberalism raises the question of how institutional structures relate to one another on different geographical scales. In the postwar period, different national capitalisms shared a common international environment that conditioned accumulation in each of them. Nevertheless, concrete analyses have shown that their SSAs differed from each other. Different national SSAs sharing certain common international institutions is one possible model of this relationship. On the other hand, the spatialization school analyzes regional variation within an emerging spatialized SSA in the United States. Indeed, the particular character of the new SSA conditions and even demands regional variations.

Consequently, differing local institutions can be seen to be nested within an overarching national SSA. This nesting of local variation within a singular overarching SSA is a second model of the geographical relationship of differing local structures. The question immediately arises as to whether differing national manifestations within the context of global neoliberalism can be seen in this way.

A third set of theoretical questions has also been tentatively posed. The return to Marxian roots has been accompanied by a recent interest in the application within the SSA framework of the Gramscian concept of hegemony (Arena 2003; Harris-White 2003). Grant and Martinez (1997) argue that changes in institutional structure between SSAs and phases within SSAs alter the interpretive frames through which people understand the injustice of a situation, their own efficacy within the situation, and the nature of their opponents. These forays raise the question of the nature of the institutions that make up the SSA. The SSA framework has generally emphasized the differing character of the institutions that make up successive SSAs and the differing ways in which they condition the profit rate and the accumulation process. This tendency has preserved the flexibility of the approach in dealing with new areas and new eras. Nevertheless, it has left several questions unanswered. Are there some relations between institutions that are relatively invariant across SSAs in different times and places? Are there certain invariant principles of institutional construction, consistent with the Marxian dynamics of class conflict and capitalist competition, such as the striving for hegemony, that are more specific than the need for general state support of the accumulation process? Symmetrically, are there necessary common principles of institutional decay that are more specific than the working out of the Marxian contradictions and crisis tendencies?
Writings within the SSA framework over the past decade or so indicate that the approach is intellectually lively and is evolving in its outlook as new developments pose unexpected challenges. It is inevitable that future work will focus on placing the current economic crisis within the context of the long waves of growth and stagnation predicted by SSA theory.\(^{15}\)

References


\(^{15}\) It is too early to undertake a comprehensive review of already extant efforts. For a good example, see Kotz (2009).


