
Review Article

Going Global: Futures of Capitalism

Jan Nederveen Pieterse

Ash Amin (ed.), *Post-Fordism: A Reader*. Oxford: Blackwell, 1994. viii + 435 pp.

Paul Q. Hirst and Grahame Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance*. Cambridge: Polity Press, 1996. 227 pp.

Group of Lisbon, *Limits to Competition*. Cambridge, MA: MIT Press, 1996. xxi + 167 pp.

Marie Jo Griesgraber and Bernard G. Gunter (eds), *Promoting Development: Effective Global Institutions for the 21st Century*. London: Pluto Press, 1995. xv + 147 pp.

Marie Jo Griesgraber and Bernard G. Gunter (eds), *Development: New Paradigms and Principles for the 21st Century*. London: Pluto Press, 1996. xviii + 171 pp.

Capitalism? One would think that since nowadays everything falls under this heading it would be destined to fade out as an organizing problematic. Alternatively it could be argued that it is now more prominent than ever. If we would try to find a common theme among the disparate debates that are taking place — such as those on post-Fordism, globalization, the Bretton Woods institutions, development policies — capitalism remains the single framework that would be able to organize them. The debate on post-Fordism is explicitly concerned with the futures of capitalism — with structural changes in technologies and practices of production, the form of enterprises, and modes of economic regulation. Globalization concerns spatial logics of the spread of capitalism but in the process involves a much wider agenda; it might clarify globalization debates if they were to be conducted as debates on the futures of capitalism. The debates on the IMF and World Bank concern the spearpoints of megaeconomic management in action. It would be intriguing to cross-reference these debates precisely because of their different theoretical resources, because what is background in one debate figures as foreground in another, and in order to detect the overlaps and gaps among these various perspectives and policy horizons, and thus generate new

problematics. Ash Amin's outstanding collection on post-Fordism, Hirst and Thompson's provocative book on globalization, the Group of Lisbon's programmatic work on competitiveness, and the recent series on Rethinking Bretton Woods provide an opportunity to cut-'n'-mix these debates.

Post-Fordism

Ash Amin's collection *Post-Fordism* distinguishes three theoretical approaches to post-Fordism: neo-Schumpeterian, regulationist, and flexible specialization. Generally the crisis of Fordism is attributed to changes in consumption patterns, which have become more volatile and fluid, and the rise of flexible manufacturing technologies and work practices, along with the slump in demand since the 1970s. Beyond this common ground, each theoretical approach has different takes on the crisis: neo-Schumpeterians point to technological changes, regulationists to the breakdown in regulation, and proponents of flexible specialization to geographical fragmentation.

Neo-Schumpeterians analyse industrial divides in terms of technology-driven innovations. Contemporary and future capitalism are viewed as knowledge-intensive, centred around information technology and concerned with economies of scope rather than scale. The type of policy interventions neo-Schumpeterians typically advocate are supply-side strategies of training, education and skill-upgrading, identifying emerging technologies and promoting their diffusion. This approach is closest to mainstream policy thinking and one readily recognizes this profile in the widespread concern with national strategies of innovation, attempts to establish technopoles and 'centres of excellence', and co-operation between firms and universities.

The *regulation* approach views industrial systems as part of wider regimes and modes of accumulation and 'societal paradigms', in which production systems are embedded in institutional settings that organize economic behaviour. Thus it is argued that 'the crisis of Fordism was a crisis of Fordist accumulation (based on mass production and mass consumption) and Keynesian regulation (based on the welfare state and demand management) ... the crisis in *both* spheres must be resolved, and the two successfully recoupled, if sustainable growth is to return' (Peck and Tickell, in Amin: 283). Among regulationists there is little consensus on the character of present and future capitalism. It is variously analysed as 'neo-Fordism', 'post-Fordism' (suggesting a resolution to the crisis of Fordism) or 'after-Fordism' (merely indicating a period following Fordism) (Amin: 18). Regulationists signal a wide variety of tendencies and scenarios, including automation, lay-offs, industrialization of services, social polarization, individualization and pluralization of life-styles, weak trade unions and new corporatist settlements. Precisely because of the importance of institutional arrangements, the most salient trend is towards different *local solutions*,

ranging from neo-Taylorist, Californian (Silicon Valley) and Swedish (Kalmarian) options. If there is a general understanding among regulationists it is that ‘good times’ are to be expected only for certain localities. There is no general regulationist position on policy interventions either, but among the interventions proposed, e.g. by Alain Lipietz, is neo-Keynesian demand management at the international level. Other expectations concern the future of the welfare state. One likely course of development according to Jessop (in Amin) is towards the Schumpeterian workfare state (i.e. welfare made conditional upon work arrangements which are in turn connected to retraining); another scenario is welfare pluralism, in which non-state actors come to play a greater role (see Mishra, 1996).

What the Amin volume terms the *flexible specialization* approach, which is followed by industrial sociologists rather than economists, hinges on the distinction between mass production and craft production. In this analysis the crisis of Fordism provides an opportunity to revive craft production by small firms, for it favours small batch production and annuls the advantage of large firms. In this reading, then, crisis is interpreted as *opportunity* and the future of capitalism lies in localization: in locally integrated and self-sustaining regional economies, operating on the basis of proximity and relations of social solidarity and trust (e.g. Sabel in Amin). The policy interventions advocated are strengthening local and regional public spheres, and synergies between local government, firms and civil society. This takes the form of moderately optimistic scenarios of ‘new regionalism’ and ‘new urbanism’ based on participatory democracy (Mayer in Amin). This contrasts with another reality that is also signalled: the Los Angeles scenario of urban segmentation, exclusion and privatization of public space (Christopher in Amin; cf. Deare, Schockman and Hise, 1996).

Flexible specialization, then, does not generate unanimity either. The terminology of ‘flexible specialization’ is somewhat confusing because it refers to a shift in production methods which is variously interpreted and in the main carries no progressive implications, as with David Harvey’s (1989) ‘flexible accumulation’ and equivalents such as Toyotism, lean production and just-in-time capitalism. But here it is given both a productivist and normative content (a pioneering work is Piore and Sabel, 1984). In effect, what is a liability in the eyes of regulationists — the absence of macroeconomic regulation leading to fragmentation of local institutional fixes — is viewed as an asset in the framework of flexible specialization, where the absence of macroeconomic regulation frees up local arrangements. What is not adequately addressed is the *sustainability* of regional or local fixes in view of macroeconomic and megaeconomic dynamics and the evolving interrelations *among* local arrangements. Thus one might question to what extent this is an enclave strategy, the success of which depends on other regions and localities *not* succeeding, i.e. competition is built-in. The craft production argument represents as it were the upside of down-sizing — a positive take on a cost-cutting exercise which is at best a neo-Schumpeterian innovation

strategy, while the overall dynamic remains one of downward convergence. What should be made explicit then, beyond the conditions for local fixes to be successful, is the overall framework.

Localities in the *after*-Fordist crisis have, to borrow a phrase from Marx, become ‘hostile brothers’, flinging themselves into the competitive process of attracting jobs and investment by bargaining away living standards and regulatory controls. . . . What is striking about local strategies at the present is just how *unlocal* they are. Workforce training, the erosion of social protection, the construction of science and business parks, the vigorous marketing of place and the ritual incantation of the virtues of international competitiveness and public-private partnership seem now to have become almost universal features of the so-called ‘local’ strategies. In this sense, the ‘local’ really has gone global. (Peck and Tickell in Amin: 280–81)

The focus of this collection is ‘the uneven geography of post-Fordism’ (Amin: 5): ‘the development of global geographies, rather than local agglomeration, is considered to be a key driving force beyond Fordism’ (ibid: 25). Geography, however, is precisely the limitation of post-Fordism discussions, for they tend to be confined to the advanced industrial economies in the West. Despite occasional excursions, particularly to Japan and East Asia, the horizon in this volume is Western. Thus, Ash Amin and Anders Malmberg (in Amin) criticize the localization thesis and argue for ‘global geographies’ and ‘global localization’ instead, but these they contextualize in Europe. This limitation comes with post-Fordism as problematic of advanced industrial countries; but then it also follows that ‘the uneven geography of post-Fordism’ extends *outside* post-Fordism.

Among ‘national variants of Fordism’ Peck and Tickell (in Amin: 286–7) mention in passing peripheral Fordism (Mexico, Brazil), hybrid Fordism (Japan) and ‘primitive Taylorization’ (Southeast Asia). Precisely in view of post-Fordism’s imbrication with global geographies, the geographical differentiations of capitalism are under-represented in this collection. New settlements in the making in NICs fall outside the frame. The actual options available and directions taken are likely to be more influenced by the *interactions* among different modes of capitalism than is indicated by merely examining Western varieties, as if these represent the front end of capitalism (which is not tenable in view of the rise of Pacific Asia) and as if the front end would not be affected by the rear. This brings us to the question of globalization — even though globalization itself is often read as the West-and-Japan writ large.

Futures of Globalization

By comparison to the post-Fordism debates, the ongoing debates on globalization are less sophisticated, less theoretically developed and more an arena of ideological posturing and stone-throwing, highly diverse and occasionally indulgent in the assessments they evoke. It is not that no serious

work is done under this heading, but that globalization straddles so many disciplines and terrains that even in combination with solid disciplinary scholarship wild assertions are not uncommon — arguing, for instance, that the impact of globalization is utterly destructive, *or* that it is the royal road forward, that it represents the way of the future, or that it does not exist. Key points on which most analysts of globalization across the wide spectrum seem to agree are the following: (1) globalization is concentrated in the ‘Inter-Linked Economies’ of Europe, North America and Japan; some speak of ‘truncated’ globalization; (2) the North-South gap is narrowing for a limited number of countries but widening for most others; (3) delinking is no longer a viable strategy. Beyond these points (which are not unproblematic) disagreement sets in.

The key questions are familiar. What scope remains for national sovereignty and strategy? Since globalization is led by the private sector some, troubled by the sway of uncontrolled market forces, oppose globalization. Key policy questions concern the international integration of markets, free trade and free capital movements, particularly as they are taking shape through the World Trade Organization. The question may be summed up as follows: *should one oppose globalization or try to shape its direction?* For instance, the International Forum on Globalization, a citizen organization based in San Francisco, started out as an ‘anti-globalization movement’ but now recognizes three streams — stopping globalization, slowing it down, reshaping it. David Korten (1996: 15) opposes globalization: ‘A global economy is inherently unjust, unstable and unsustainable’; while others identify with the slowing down option as a ‘third way’ (Cavanagh and Broad, 1996).

Among iconoclasts the ‘myth of globalization’ is an increasingly attractive theme, on the assumption that when a topic becomes highly prominent in social science it probably does not exist. (Most social science conferences now deal with globalization and will duly include papers on the ‘myth of globalization’.) There tend to be two variations to this position. One is that what is happening is not globalization but regionalization. This perspective has slipped into disuse not only because it is so uninteresting but also because it is fairly obvious that regionalization itself represents a form of globalization, precisely because it is a global dynamic. The second line of argument is that the international economy was more open before World War I than it is at present, for instance with respect to international trade. The American economist Paul Krugman has taken this position using Great Britain as his case; Hirst and Thompson take up the same line of reasoning in the volume under review.

Before going into the discussion it may be appropriate to digress and consider the sociology of globalization knowledge. Hirst and Thompson are explicit about the reasons why they take up their line of argument. The globalization talk peddled by management gurus has conservative implications. For globalization extremists such as Kenichi Ohmae (1992, 1995),

nation states nowadays are no more than what municipalities were in states heretofore and hence the result is ‘the futility of national social democratic reformist strategies’ (Hirst and Thompson: 176). ‘For the right in the advanced industrial countries the rhetoric of globalization is a godsend’ (ibid). Globalization talk has been politically disabling particularly in market-driven public climates such as the USA and UK, where it has prolonged the spell of Reagan and Thatcher economics, but also more widely where it is used to outflank trade unions, labour rights and environmental regulation. This problem is real enough. It is a *political* problem — as such it is addressed in post-Fordism debates (above) and in the Group of Lisbon’s book (below). It is a different matter to turn this into an *analytical* position, which is what Hirst and Thompson try to do.

Hirst and Thompson first narrow globalization down to economic globalization, next identify economic globalization with changes since the 1970s and with the most extreme globalization views, and then conclude that this globalization is a fiction. They summarize their position as follows.

We have pointed out the following problems for the globalization thesis: first, that few exponents of globalization develop a coherent concept of the world economy in which supra-national forces and agents are decisive; second, that pointing to evidence of the enhanced internationalization of economic relationships since the 1970s is not in itself proof of the emergence of a distinctly ‘global’ economic structure; third, that the international economy has been subject to major structural changes in the last century and that there have been earlier periods of internationalization of trade, capital flows and the monetary system, especially 1870–1914; fourth, that truly global TNCs are relatively few and that most successful multinational corporations continue to operate from distinct national bases; and lastly, that the prospects for regulation by international cooperation, the formation of trading blocs, and the development of new national strategies that take account of internationalization are by no means exhausted. (Hirst and Thompson: 195–6)

Hirst and Thompson provide valuable correctives to global babble and make an interesting case for national and international governance, but in my view their argument against globalization does not make sense. It is neither necessary nor logical in relation to their position on governance. The key problem is this: if the target is neoliberalism and the unfettered market economy, then why attack globalization? The case against globalization quickly becomes slippery and even contradictory.

First, the difference between *internationalization* and *globalization*, which is a matter of degree, is turned into a distinction between two models; a fantasy norm of what a ‘truly globalized economy’ would look like is then used as the basis for arguing that globalization (meaning ‘true globalization’) is not taking place. This is an odd position because globalization refers to a process, trend or direction, which should not be equated with an outcome.

Second, Hirst and Thompson are concerned with *economic globalization*, but obviously there is much more to globalization — technological, political, social, cultural dimensions and configurations such as global civil society. Non-economic literatures on globalization are entirely passed over in their

argument. Economists invariably view globalization as a process starting from the 1970s and Hirst and Thompson correct this narrow view by considering the period 1870–1914. But this in turn skips over the *political economy* perspective on globalization; in this view globalization would start in the sixteenth century, following Marx's dictum: the conquest of the world market is the beginning of modern capitalism. It follows that imperialism and new imperialism are themselves stages of globalization and the current period only represents an *accelerated* globalization.

Third, 1870–1914, the period of the new imperialism and *belle époque*, was shaped by territorial imperialism. Western countries then controlled as much as 96 per cent of the earth surface: no wonder that economies at the time seem highly internationalized and open. Since then, there have been the Depression, World War II and decolonization, and this is what contemporary economic globalization should also be measured against. In taking 1870–1914 as a yardstick, one is effectively measuring how internationalized the British Empire was (cf. Gallagher and Robinson's classic argument on 'free trade imperialism', 1982). This also conceals what is distinctive about contemporary globalization: that it is *not* territorial and imperialistic (in the classic sense).

Fourth, while Hirst and Thompson provide interesting data comparing trade, FDI and finance, what falls outside their picture frame is technology. Prior to and since 1914 there have been several technological changes (from transport to communication revolutions) which make higher levels of economic internationalization both possible and necessary (cf. Henderson, 1993). Fifth, the logic of Hirst and Thompson's argument is to defend the case of nation state regulation against globalization. However, taking a wider, interdisciplinary angle, the general understanding in sociology of globalization is that the formation of nation states as it became a global standard in the nineteenth century is itself a form of globalization (e.g. Robertson, 1992). Hence their position in effect argues for one *form* of globalization against another.

So far we could argue that this is a politically sensible but analytically weak and historically shallow case. The best chapters in the book are, in my view, the programmatic and not the critical chapters. The critique of globalization is superficial and only targets a caricature ideology of globalization without addressing — and in fact obfuscating — the main issues. In fact their book is not about globalization but about the (truly) 'globalized economy', an entity which indeed does not exist. The programmatic chapters (Ch. 6 on economic governance and Ch. 7 on the European Union) make a sensible case for economic regulation — international, macroregional and national. Yet, ironically, the case for international regulation assumes the very condition which the authors have just elaborately denied the existence of: if since the turn of the century there has been no significant degree of economic internationalization, then why argue that 'the dominant problems of economic governance are international' (Hirst and Thompson: 53)?

In the context of post-Fordism debates, Paul Hirst identifies with the localization thesis, in line with his position on associative democracy (Hirst, 1993). This suggests the character of the position taken in this book: a local–national regulation approach, in which wider macro-regional and global horizons are viewed only in terms of their disabling or enabling effects on local–national options. This parallels other programmes for ‘national’ fixes (e.g. Bowles, Gordon and Weisskopf, 1990 for the USA; Hutton, 1995 for the UK). All the same, denying the significance of globalization does this position no service; surely one can examine state options without discounting globalization (an example is Boyer and Drache, 1996).

Limits to Competition

Of course it is not necessary to ‘reject’ globalization in order to make a case for regulation and governance, and indeed doing so is counterproductive. Many analyses do not dismiss or oppose but start out from globalization in order to take a forward step and make a case for global governance. An example is the book of the Group of Lisbon. Its title, *Limits to Competition*, refers implicitly to the Club of Rome’s ‘Limits to Growth’. The Group of Lisbon (hereafter: GoL) consists of social scientists from Europe, the USA and Japan who originally came together under the aegis of the Portugal 2000 project, chaired by the economist Riccardo Petrella, then head of the Forecasting and Assessment in Science and Technology programme (FAST) of the European Commission. Like ‘The Limits to Growth’, this book seeks to be a global policy intervention. There is a growing literature about the excesses of capitalism, neo-liberalism and the ‘free’ market; what is distinctive about this book is its focus on competition and its proposals for change in the form of global social contracts.

Competition in itself contributes to innovation but the ‘ideology of competition’ has turned it from a means of economic development to its goal. The overriding ‘imperative of competitiveness’ results in distortion and the sacrifice of the interests of the most vulnerable in society. Such criticism of competitiveness is not unfamiliar (e.g. Krugman, 1994). If competition is an important social force, so is co-operation, and present trends show a lack of balance between competition and co-operation. GoL notes several structural limits to excessive competition: growing inequalities within and among nations, ecological damage, and concentration of power in unaccountable economic units.

At the turn of the century the excesses of capitalism led to the adoption of national social contracts including anti-trust laws, labour protection laws and social welfare programmes. The welfare state has become unhinged due to the impact of globalization and new competition, particularly from NICs in Asia, so that nowadays ‘Social justice and competitive economic success are considered irreconcilable objectives’ (GoL: 38). In contrast to this

conventional wisdom, GoL argues that ‘an efficient system of competitive markets requires a cooperative framework among nations at the global level, that is, socially accountable and politically democratic forms of global governance’ (ibid: 100).

Three major scenarios of global development over the next twenty years are envisaged: competition for survival, *pax triadica*, and global governance. Unrestrained competition for survival leading to ‘global apartheid’, on the one hand, and sustainable global integration, on the other, are both viewed as extreme scenarios which are unlikely to materialize. Regional co-operation and social contracts are an intermediate scenario, but ‘the development of regional integrated political unions will be slow and modest’ (ibid: 118) and there is a further risk of interregional bloc competition becoming a major dynamic. Still it is argued that ‘The regionalization approach for codevelopment represents a crucial opportunity for common learning’ and will be an important stepping stone toward global organization (ibid: 120).

Global organization, according to GoL, should take the form of global co-operative governance towards an efficient world economy, universal social justice, cultural diversity and advanced forms of political democracy. Like others — such as UNDP (1994) and the Independent Commission on Population and the Quality of Life (1996) — the GoL adopts the *global social contract* as a formula for constructive transformation. ‘A contract is the appropriate choice when the parties involved are numerous, the problems are complex and multidimensional, and the solutions are of a long-term structural nature’ (GoL: 110). Specifically it proposes four global social contracts: on basic needs, democracy, culture, and the environment.

This position is obviously different from books such as that of Hirst and Thompson in that the target is not globalization but the unfettered market economy — what Susan Strange called casino capitalism. This is a more intelligent and politically enabling problematic: the problem is not globalization *per se* but how to *shape* globalization towards co-operative and effective forms of global governance. Hirst and Thompson follow a national agenda; implicitly their book reads as a briefing to a re-emerging Labour Party for an interventionist national policy. By contrast, GoL argues that ‘In an epoch characterized by growing complexity, the principle of national sovereignty is becoming outdated’ (GoL: 9) and it adopts a regional–global approach to political construction. The current situation is about ‘managing a higher level of complexity’ (ibid: 9), not about seeking islands sheltered from the storm.

Limits to Competition differs from the broad stream of books about the excesses of capitalism and the extremes of neoliberalism because it devotes as much space to the excesses as to constructive potentials and proposals for transformation — a balance lacking in most treatments. While many other proposals for global transformation are tilted toward one sphere or other, the GoL approach is multidimensional and more or less evenly developed in terms of economics, politics, culture, ecology. Its outlook parallels the

lineage of international reformism and New International Economic Order proposals and overlaps with the various Commission reports on North–South problems, but its position differs in that it goes beyond the North–South framework: it distinguishes ‘five Souths’ as well as ‘new Souths in the North’ and ‘new Norths in the South’. In addition, while the Commission reports used to be directed at governments and international institutions, and phrased in bland, intergovernmental language, the GoL addresses wider constituencies with bold proposals. It is pitched at a pragmatic progressive level, avoids ideological posturing and theoretical snakecharming, in a style appropriate to broad coalition building and to bringing in the mainstream.

There are overlaps with other progressive projects such as the World Order Models Project and Richard Falk’s *On Humane Governance* (1993). GoL’s strength is in economics while Falk’s strength is in normative international law and ‘world order’. In both works, ideas about cultural diversity and local/global interrelations remain relatively sketchy and more formulaic than other elements. The key social forces for global change identified in both are similar: global civil society, international institutions, enlightened politicians. Global civil society (organized social groups, voluntary associations, NGOs), according to GoL, acts as an emerging planetary moral consciousness, gives expression to ‘global social demand’ and offers ‘a global capacity for politically innovative behavior’. Beyond this there are marked differences. While Falk counts on ‘globalization from below’, GoL relies on regional co-operation as a stepping stone towards global governance. While Falk tends to be ‘third worldist’ in orientation, GoL relies on the Triad of Europe, Japan and the United States as the key force for progressive change and acknowledges the role of business in progressive change — an element that is often absent in progressive programmes. The ‘new global enlightened elites’ which according to GoL are part of global civil society, include ‘industrialists, business leaders, and managers’ (GoL: 13), for instance the Business Council for Sustainable Development in Switzerland.

If we consider this in terms of the post-Fordism debate, GoL shows elements of all three theoretical positions. Its emphatic concern with the impact of new technologies is neo-Schumpeterian — but it eschews technological fixes; its concern with governance shows affinity with the regulation approach — but instead of the regulationist preoccupation with ‘societal paradigms’ (read: national arrangements) it concentrates on global regulation, and its concerns are more normative than analytical. GoL’s concern with democracy and civil society reflects similar concerns as the ‘flexible specialization’ approach — but while the latter adopts a productivist approach to civil society empowerment, GoL’s concerns are merely normative; on the other hand, GoL’s outlook is global rather than local.

Like others, GoL views globalization as ‘triadization’; unlike others, GoL also considers the progressive potential of ‘trilateralism’. A welcome test for such an approach is to scrutinize the actual megaeconomic policies of the Triad countries, in particular the IMF and World Bank. Should global

reform be expected from the G7, then the Bretton Woods institutions (BWI) should be reformed and their policies overhauled (see GoL: 136–9). This is the agenda of the ‘50 Years is Enough’ campaign against the present policies of the BWI.

Futures of Bretton Woods

Globalization is at a crossroads. There is a widening hiatus between, on the one hand, the growing global consensus on the importance of social and environmental concerns, as reflected in the programmes adopted at the various UN world summits and, on the other, the conservative policies followed by the BWI. Related to this is a profound debate about the nature of development. Development thinking is at a crossroads, torn between conventional development-as-growth and human and social development. This crossroads parallels the divide between the UN institutions and ILO on the one hand, and the IMF on the other, with, arguably, the World Bank uncomfortably straddled somewhere in-between. The Washington-based Center of Concern, which is affiliated with the international ‘50 Years is Enough’ campaign, is publishing five volumes on the theme of *Rethinking Bretton Woods*, of which the first two are considered here. The first concentrates on institutional reform of BWI (Griesgraber and Gunter, 1995, hereafter G&G) and the second on development paradigms (G&G, 1996).

Reviewing BWI from a historical perspective, Hans Singer (in G&G, 1995) notes that the BWI were originally conceived as part of the UN system, but they drifted apart due, among other things, to their different voting systems and methods of decision making — one-country one-vote for the UN system and one-dollar one-vote for the IMF and World Bank. Accordingly the UN reflects to some extent a global majority, while the BWI are de facto an instrument of OECD and G7 countries. A division of labour has developed in which BWI deal with the ‘hard’ facts of development (finance, economic strategies, balance of payments) and the UN with the ‘soft’ parts (social concerns, emergencies, relief). This division goes ‘against the grain of a rising consensus that relief and development must be treated as a continuum or a seamless web’, which ‘also requires an institutional seamless web’ (Singer in G&G, 1995: 13). Singer proposes bringing the two system together again by adjusting their voting systems in one another’s direction.

In the same volume, the economist Reg Green makes a number of proposals for BWI reform looking ten to fifteen years into the future, within the framework of a global social security system. Specifically Green proposes: mutual gain cost sharing contracts on the environment and poverty; conditionality reworked such that it is user-friendly, developed in a dialogical way and involving mutual obligations; and better governance of BWI. Green also proposes regulation of foreign NGOs such that they support, rather than dominate, domestic social organizations in the South. A question that is

often not considered in such forward proposals, how they are to be financed, is taken up by Norman Girvan (in *G&G*, 1995) who discusses several international tax proposals: the Tobin tax on international financial transactions, an energy tax, a global income tax, and tax on trade surpluses.

The second volume places rethinking Bretton Woods within the context of the development debate. The organizing argument is that a paradigm shift is taking place in development thinking — from development-as-economic-growth to equitable, sustainable and participatory development; from development organization and accounting modelled on the corporate system to a communitarian model, according to Sixto Roxas. From growth-centred to human-centred, participatory development, according to Turid Sato and William Smith. From trickle-down to trickle-up economics, according to the ecological economist Hazel Henderson. Since ‘humans measure what they treasure’ (Henderson in *G&G*, 1996: 115), a paradigm shift requires using new indicators. Henderson proposes a Green GDP, in the context of a new institutional framework, a UN Security International Agency.

Accepting a paradigm shift is not a necessary condition for criticizing the BWI. Lisa Jordan (in *G&G*, 1996) distinguishes two types of Bretton Woods challengers: alternative normativists and structuralist reformists. The limitation of structuralist reform proposals is that their procedures are not participatory, and the limitation of alternative normativist proposals is that they hinge on local solutions without developing a vision on how different local solutions would relate to one another. This is a similar weakness as of the ‘flexible specialization’ sociologists in the post-Fordism debate.

Placing the BWI discussion in the framework of a discussion on fundamentals is a welcome move and the case for a paradigm shift in development is of profound interest. But is participatory, equitable and sustainable development adequate as a reorientation? Participation, as one of the contributions notes, can easily be co-opted as another ‘implementing technology’. The same applies to sustainability: ‘sustainable development’ is rapidly becoming another shibboleth around which an edifying but vague development consensus has been generated. That development must be ‘equitable’ has long been an article of faith that, like self-reliance, everyone agrees with and few do anything to implement. Thus the refrain of equitable, sustainable and participatory development as a new paradigm, is neither distinctive nor developed enough to mark out a new framework (cf. Nederveen Pieterse, 1996). What would be necessary, rather than a set of normative orientations, is a more fundamental rethink of development, also in light of the futures of capitalism.

Recombinations

These then are four prisms — post-Fordism, globalization, competitiveness, Bretton Woods institutions — on contemporary capitalism. It is interesting

to note, first, which position no longer figures in the debates. The *crisis of capitalism*, the great Kladderadatsch, a common position some fifteen years ago (in neomarxism, dependency theory, world system theory), no longer plays a significant part. The exit option of *delinking* from world capitalism (often related to the crisis hypothesis) — in variations such as dissociation, decoupling, going local — has lost much appeal but is still being reworked. It is being rearticulated mainly in three forms: strong versions of local economic development (as in new localism, the flexible specialization approach, and ‘municipal Keynesianism’); arguments for returning to national Keynesian management and ‘new protectionism’; and anti-development views. But with a difference. Such alternative proposals may be inward-looking but they are no longer as drastic as the radical delinking that used to be advocated by Samir Amin (criticized in Nederveen Pieterse, 1994). A limitation to many of these proposals is that they tend to *abstain* from considering what is happening *beyond* the preferred frameworks of settlement, be they local or national; the global sphere is bracketed and somehow fades into the background.

The assessment that emerges from most discussions is that local and national fixes are precarious and vulnerable, so that it is necessary to widen the political horizon. The major options for doing so are macro-regional and global settlements. In the books considered here the regional option does not receive much coverage (for a general treatment, see Oman, 1995; a case for regional governance is provided by Hettne, 1996). The Group of Lisbon both acknowledges the importance of regional settlements and considers them limited, so it opts for a two-track approach: regional settlements as a component of and stepping stone toward global governance. Since to many the prospect of global governance is as attractive as facing a blind wall, what is encouraging is the resolute choice for going global in several texts.

The general argument is that global problems ultimately require global remedies. The crossroads of capitalism — either casino capitalism or the social market — are reflected in the crossroads of globalization — either a global casino or some form of global regulation. This dilemma runs through the BWI. Presently the IMF, at the behest of G7, represents international bankers’ conservatism and monetarism, while the UN institutions and ILO articulate the social agenda. Macroeconomic policies and social agendas are presently disarticulated. The way several authors handle this fork in the road is by proposing a new overarching institution, i.e. a global institutional fix: a UN Economic Security Council (ul Haq, 1995; UNDP, 1994), a UN Security Insurance Agency (Henderson in G&G, 1996), a global social security system (Green in G&G, 1995), or a World Social Development Organization. It is striking how many proposals centre on the United Nations considering its current weakness.

The futures of capitalism are global, not because all and everything is going global but because any local or regional settlement is exposed to global dynamics. Social and ecological dumping are a case in point. The future on offer from unregulated global capitalism is that of a winner-takes-all world

(cf. Frank and Cook, 1995), a world of growing social polarization and political instability in combination with narrowing technology gaps in relation to the means of violence, a Mafia world in which protection comes at a price. The *social* case for global regulation is by and large clear enough. The factor of political risk is frequently addressed in mainstream sources. The ecological case is a question of global ecological hazard (e.g. Daly and Cobb, 1994). International financial instability is also frequently discussed. It is the *economic* case for reform, not only with respect to international finance, that needs to be made more thoughtfully and pro-actively. Without this case being clear to significant actors, public and private, proposals for institutional reform and regulation stand little chance to find sufficient social and political basis to be implemented. The failure to make a constructive economic case for reform tends to be a limitation of reform proposals centred on civil society initiatives (Nederveen Pieterse, 1997).

A shortcoming in most debates is that they do not sufficiently address the *diversity* within contemporary capitalism, the variety of *capitalisms*, in view of diverse historical itineraries, geographical locations and cultural antecedents. Thus, the post-Fordism debate remains limited to the West. But actual policy discussions go beyond this; a case in point is the dispute on labour standards which have recently been discussed in the WTO. ‘We live in a world in which competition is not only a feature of inter-firm relations, but of the relations between different capitalist economic systems’ (Applebaum and Henderson, 1995: 3). These differences translate into diverse interest positions which need to be carefully analysed if proposals for global reform are to make sense and be equitable. Clearly the old North–South framework is no longer adequate.

The more constructive engagements with the futures of capitalism, then, hinge on some form of global regulation. Let me close by briefly indicating some of the limitations to many proposals currently made in this direction. (1) They often seem to have something out-of-context about them; thus, it is often not clear how the reform proposals relate to ongoing transformations. In part this is a matter of institutional lag in a fast-changing world. (2) More generally, this reflects weaknesses of institutional analysis — for instance, in relation to global social contracts, which institutions are supposed to be the contractors? (3) There is a tendency to go global while paying little attention to lower levels: in other words, how do global reforms relate to reforms at regional, national, and local levels; and how can constructive articulations among these levels be developed? ‘Tools are needed to link all kinds of community-based needs to global-oriented issues’ (Boyer and Drache, 1996: 21). (4) There are limitations of economic analysis and perspectives: a case for reform should not be conservative but innovative. A global institutional fix should both involve novel analytics and new ways of combining diverse interests.

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Jan Nederveen Pieterse is Associate Professor at the Institute of Social Studies, PO Box 29776, 2502 LT The Hague. He is the author/editor of many books, including *White on Black* (Yale) and *Empire and Emancipation* (Praeger, Pluto), which received the 1990 JC Ruigrok Award of the Netherlands Society of Sciences, as well as edited volumes on *Christianity and Hegemony* (Berg Press), *Emancipations, Modern and Postmodern* (Sage), *The Decolonization of Imagination* with Bhikhu Parekh (Zed) and *World Orders in the Making: Humanitarian intervention and beyond* (Macmillan, in preparation).