

10. Dorothy Rabinowitz, "Cronkite Returns to Airwaves," *The Wall Street Journal*, 9 December 1996, p. A12.
11. Penn Kimball, *Downsizing the News: Network Cutbacks in the Nation's Capital* (Washington, DC: Woodrow Wilson Center Press, 1994).
12. See, for example, Mort Rosenblum, *Who Stole the News?* (New York: John Wiley & Sons, 1993); Doug Underwood, *When MBAs Rule the Newsroom How the Marketers and Managers are Reshaping Today's Media* (New York: Columbia University Press, 1993); John McManus, *Market-Driven Journalism: Let the Citizen Beware?* (Thousand Oaks, CA: Sage, 1994); Dennis Mazzocco, *Networks of Power: Corporate TV's Threat to Democracy* (Boston: South End Press, 1994).
13. Elizabeth Lesly, "Self-Censorship Is Still Censorship," *Business Week*, 16 December 1996, p. 78.
14. G. Bruce Knecht, "Magazine Advertisers Demand Prior Notice of 'Offensive' Articles," *The Wall Street Journal*, 30 April 1997, p. A1.
15. Chris Petrikin, "Book Biz: Read It and Weep," *Variety*, 12-18 May 1997, p. 1.
16. Bruce Orwall, "Disney Chases Live-Action Merchandising Hits," *The Wall Street Journal*, 27 November 1996, p. B1.
17. Michael Schneider, "Brand name-dropping," *Electronic Media*, 26 August 1996, pp. 1, 30.
18. Mary Kuntz and Joseph Weber, "The New Hucksterism," *Business Week*, 1 July 1996, p. 82.
19. Raymond Snoddy and Alan Cane, "Full multimedia impact years away, says Murdoch," *Financial Times*, 12 May 1995, p. 1.
20. Tony Jackson, "MCI sees the future in 'one-stop' services," *Financial Times*, 8 August 1996, p. 15.
21. "Global Telecom Alliances," *Information Week*, 13 November 1995, p. 40; Michael Lindemann, "Telecoms operators launch global alliance," *Financial Times*, 1 February 1996, p. 16.
22. Robin Frost, "Web's Heavy U.S. Accent Grates on Overseas Ears," *The Wall Street Journal*, 26 September 1996, p. B4.
23. Calvin Sims, "A Web Entree for Peruvians Without PCS," *New York Times*, 27 May 1996, p. 25.
24. Don Clark, "Microsoft's On-Line Service Goes to a TV Format," *The Wall Street Journal*, 9 December 1996, p. B8.

(eds) R. W. McChesney Ellen
Meiksins Wood John B. Fols
Monthly Review Press 1988
from "Capitalism and the Information Age
The Political Economy of the Global
Communication Revolution"

Modernity, Postmodernity, or Capitalism?

ELLEN MEIKSINS WOOD

Since about the early 1970s, we are supposed to have been living in a new historical epoch. That epoch has been described in various ways. Some accounts emphasize cultural changes ("postmodernism"), while others focus more on economic transformations, changes in production and marketing, or in corporate and financial organization ("late capitalism," "multinational capitalism," "flexible accumulation," and so on). These descriptions have in common a preoccupation with new technologies, new forms of communication, the Internet, the "information superhighway." Whatever else this new age is, it is the "information age." And whatever other factors are supposed to have figured in this epochal shift, the new technologies have been its indispensable condition. All these factors—cultural and economic, with their technological foundations—have been brought together in the concept of "postmodernity" and the proposition that in the past two or three decades, we have witnessed a historic transition from "modernity" to postmodernity.

From Modernity to Postmodernity

I want to consider what is involved in periodizing the history of capitalism into these two major phases, modernity and postmodernity. Then I shall look more closely at what seems to me wrong with the concept of modernity itself. If *that* concept falls, it should follow that there cannot be much left of *post*-modernity. My main objective is to consider whether this periodization helps or hinders our understanding of capitalism.

I had better make one thing clear at the start. Of course it is important to analyze the neverending changes in capitalism. But periodization involves more than just tracking the process of change. To propose a periodization of epochal shifts is to say something about what is essential in defining a social form like capitalism. Epochal shifts have to do with basic transformations in some essential constitutive element of the system. In other words, how we periodize capitalism depends on how we define the system in the first place. The question then is this: what do concepts like modernity and postmodernity tell us about the ways in which the people who use them understand capitalism?

I had better explain, too, that I shall not be talking about the ideas of those people we loosely call, or who call themselves, postmodern-ists. My main concern here is the political economy of what some people, including Marxists like Fredric Jameson and David Harvey, are calling postmodernity. So let me sketch out very briefly what they have in mind.¹

According to theorists like Jameson and Harvey, modernity and postmodernity represent two different phases of capitalism. The shift from one to the other has not been a shift from capitalism to some postcapitalist or "postindustrial" era, and the basic logic of capitalist accumulation still applies. But there has nevertheless been a "sea-change" in the nature of capitalism, a shift from one material configuration to another, expressed in a transition from one cultural formation to a different one.

For Jameson, for instance, postmodernity corresponds to "late capitalism" or a new multinational, "informational," and "consumerist" phase of capitalism. David Harvey, following the Regulation School, would describe it as a transition from Fordism to flexible accumulation. A similar idea occurs in rather less nuanced form in certain theories of "disorganized capitalism."² Postmodernity then corresponds to a phase of capitalism where mass production of standardized goods, and the forms of labor associated with it, have

been replaced by flexibility: new forms of production—"lean production," the "team concept," "just-in-time" production; diversification of commodities for niche markets, a "flexible" labor force, mobile capital, and so on, all made possible by new informational technologies.

Corresponding to these shifts, according to these theories, there have been major cultural changes. One important way of explaining these changes, notably in Harvey's account of postmodernity, has to do with a "time-space compression," the acceleration of time and the contraction of space made possible by new technologies, in new forms of telecommunication, in fast new methods of production and marketing, new patterns of consumption, new modes of financial organization. The result has been a new cultural and intellectual configuration summed up in the formula "postmodernism," which is said to have replaced the culture of modernism and the intellectual patterns associated with the "project of modernity."

The project of modernity, according to these accounts, had its origins in the Enlightenment, though it came to fruition in the nineteenth century. The so-called Enlightenment project is supposed to represent rationalism, technocentrism, the standardization of knowledge and production, a belief in linear progress, and in universal, absolute truths. *Post*-modernism is supposed to be a reaction to the project of modernity—though it can also be seen as rooted in modernism, in the skepticism, the sensitivity to change and contingency, which were already present in the Enlightenment. Postmodernism sees the world as essentially fragmented and indeterminate, rejects any "totalizing" discourses, any so-called "metanarratives," comprehensive and universalistic theories about the world and history. It also rejects any universalistic political projects, even universalistic emancipatory projects—in other words, projects for a general "*human* emancipation" rather than very particular struggles against very diverse and particular oppressions.

What, then, are the implications of dividing the history of capitalism into these phases, modernity and postmodernity? The first important thing to keep in mind is that modernity is identified with capitalism. This identification may seem fairly innocuous, but I shall argue that it is a fundamental mistake, that the so-called project of modernity may have little to do with capitalism.

The second point is that this periodization seems to mean that there are really two major phases in capitalism and one major rupture. First, modernity seems to be everything from the eighteenth century until (probably) the 1970s

(Harvey actually gives it a very precise date: 1972). We can subdivide the long phase of modernity into smaller phases (as both Jameson and Harvey do); but postmodernity seems to represent a distinctive kind of break. People may disagree about exactly when the break took place, or about its magnitude. But they seem to agree that this break is different from other epochal changes in the history of capitalism. It seems to be a break not just from some immediately preceding phase but from the whole preceding history of capitalism. At least, that seems to be the inescapable implication of tracing modernity back to the Enlightenment. So there is a major interruption in the history of capitalism somewhere between modernity and postmodernity. I shall argue that this interruption, or at least this way of looking at it, is problematic too.

Let me take each of these points separately: first, the concept of modernity and the identification of modernity with capitalism; and then the question of the historic rupture in the latter half of the twentieth century. I shall argue that the theory of postmodernity which emphasizes the discontinuities *within* capitalism is based, explicitly or implicitly, on a theory of history that downplays the discontinuities *between* capitalist and noncapitalist societies, a theory that disguises the historical specificity of capitalism.

Modernity and the Non-History of Capitalism

Let us look first at the identification of modernity with capitalism. For that, we have to begin at the beginning, with the *origin* of capitalism.³ The main point I want to make is this: in most accounts of capitalism, there really is no beginning. Capitalism seems always to *be* there, somewhere; and it only needs to be released from its chains—for instance, from the fetters of feudalism—to be allowed to grow and mature. Typically, these fetters are *political*: the parasitic powers of lordship, or the restrictions of an autocratic state; and these political constraints confine the free movement of “economic” actors and the free expression of economic rationality. The “economic” is identified with exchange or markets; and the assumption seems to be that the seeds of capitalism are contained in the most primitive acts of exchange, in any form of trade or market activity. That assumption is typically connected with another one, namely that history has been an almost natural process of technological development. One way or another, capitalism more or less naturally appears when and where expanding markets and technological development reach

the right level. Many Marxist explanations are fundamentally the same—with the addition of bourgeois revolutions to help break through the fetters.

The effect of these explanations is to stress the *continuity* between non-capitalist and capitalist societies, and to deny or disguise the *specificity* of capitalism. Exchange has existed since time immemorial, and it seems that the capitalist market is just more of the same. In this kind of argument, capitalism's need to revolutionize the forces of production is just an extension and an acceleration of universal and transhistorical, almost *natural* tendencies. So the lineage of capitalism passes naturally from the earliest merchant through the medieval burgher to the Enlightenment bourgeois and finally to the industrial capitalist.

There is a similar logic in certain Marxist versions of this story, even though the narrative in more recent versions often shifts from the town to the countryside, and merchants are replaced by rural commodity producers. In these versions, petty commodity production, released from the bonds of feudalism, more or less naturally grows into capitalism. In other words, petty commodity producers, given half a chance, will take the capitalist road.

What gets lost in these narratives is a perception of the capitalist market as a specific social form, the product of a dramatic historical rupture. The capitalist market looks more like an *opportunity* than an *imperative*, a *compulsion*, the imperative of accumulation and profit-maximization, which is rooted in very specific social property relations and which creates its own very specific drive to improve labor productivity by technical means.

The concept of modernity as commonly used belongs to this standard view of history, the one that takes capitalism for granted as the outcome of already existing tendencies, even natural laws, when and where they are given a chance. In the evolutionary process leading from early forms of exchange to modern industrial capitalism, modernity kicks in when these shackled economic forces, and the economic rationality of the bourgeois, are liberated from traditional constraints.

This concept of modernity, then, belongs to a view of history that *cuts across* the great divide between capitalist and noncapitalist societies. It treats specifically capitalist laws of motion as if they were the universal laws of history. And it lumps together various very different historical developments, capitalist and noncapitalist. At its worst, then, this view of history makes capitalism historically invisible. At the very least, it *naturalizes* capitalism.

It is important to notice, too, that even *anti*-modernism can have the same effect of naturalizing capitalism. This effect is already visible in the sociological theories of Max Weber: modern history, he says, has been a long process of *rationalization*, the rationalization of the state in bureaucratic organization and the rationalization of the economy in industrial capitalism. The effect of this process—the progress of reason and freedom associated with the Enlightenment—has been to liberate humanity from traditional constraints; but at the same time, rationalization produces and disguises a new oppression, the “iron cage” of modern organizational forms. Much of this argument depends, of course, on assimilating the various meanings of “reason” and “rationality” (which Weber is famous for distinguishing, though his analysis of modern history arguably relies in large part on their conflation, so that the instrumental “rationality” of capitalism is by definition related to “reason” in its Enlightenment meaning). The paradoxical implication here is that capitalism and bureaucratic domination are just natural extensions of the progress of reason and freedom. In Weber’s theory, we can already see one of the characteristic paradoxes of today’s postmodernism: in antimodernism there is often no great distance between lament and celebration.

Modernity and the “Enlightenment Project”

I have suggested that the conflation of capitalism with modernity has the effect of disguising the specificity of capitalism, if not conceptualizing it away altogether. Now let me turn briefly to the *other* side of the coin. My point is not just that *capitalism* is historically specific; if this so-called modernity has little to do with capitalism, then the identification of capitalism with modernity may disguise the specificity of modernity too.

I shall illustrate what I mean by going straight to the fountainhead of this so-called modernity: the Enlightenment. Here, again, are some of the main features of modernity which are supposed to go back to the Enlightenment: rationalism and an obsession with rational planning, a fondness for “totalizing” views of the world, the standardization of knowledge, universalism—a belief in universal truths and values, and a belief in linear progress, especially the progress of reason and freedom. These features are supposed to be associated with the development of capitalism, either because early capitalism, in the process of unfolding itself, created them, or because the advancement of these principles—like rationalization—brought capitalism with it.

As we all know, it has become the height of fashion to attack the so-called Enlightenment project. These Enlightenment values I have just been enumerating are supposed to be—and here I quote one of the milder indictments—“at the root of the disasters that have wracked humanity throughout this century”⁴; everything from world wars and imperialism to ecological destruction. There is no space here to pursue all the latest anti-Enlightenment nonsense, which by now far exceeds the reasonable insights that may once have been contained in such critiques of the Enlightenment. So I shall just make one simple point: the conflation of “modernity” with capitalism encourages us to throw out the baby with the bathwater, or, more precisely, to keep the bathwater and throw out the baby.

Postmodernists are inviting us to jettison all that is best in the Enlightenment project—especially its commitment to a universal human emancipation—and we are being asked to blame these values for the destructive effects we should be ascribing to capitalism. Marxist theorists of postmodernity like Harvey and Jameson generally do not fall into this trap, but their periodization does little to avoid it. What I want to suggest here is that it might be useful to separate out the Enlightenment project from those aspects of our current condition that overwhelmingly belong not to the “project of modernity” but to capitalism. This might, by the way, be useful not just in countering anti-Enlightenment postmodernism but also capitalist triumphalism (though maybe they come down to the same thing). Anyway, the obvious way to start is to look at the question historically.

My own argument, to put it baldly, is that much of the Enlightenment project belongs to a distinctly *non*-capitalist society, not just *pre*-capitalist but noncapitalist. Many features of the Enlightenment, in other words, are rooted in noncapitalist social property relations. They belong to a social form that is not just a transitional point on the way to capitalism but an alternative route out of feudalism.

Here is a quick and very incomplete sampling of the kind of thing I have in mind. First, a quick sketch of the relevant historical context, the absolutist state in eighteenth-century France. The main thing about the French absolutist state was that it functioned not just as a political form but as an economic resource for a substantial section of the ruling class. In that sense, it represents not just the political but the economic or material context of the Enlightenment. The absolutist state was a centralized instrument of extra-economic

surplus extraction, and office in the state was a form of property which gave its possessors access to peasant-produced surpluses. There also were other, decentralized forms of extra-economic appropriation, the residues of feudalism and its so-called parcelized sovereignties. These forms of extra-economic appropriation were, in other words, directly antithetical to the purely *economic* form of *capitalist* exploitation.

Now think about the fact that the principal home of the so-called project of modernity, eighteenth-century France, is a predominantly rural society (something like 85 to 90 percent rural), with a limited and fragmented internal market, which still operates on noncapitalist principles, not the appropriation of surplus value from commodified labor-power, not the creation of value in production, but rather the age-old practices of commercial profit-taking—profit on alienation, buying cheap and selling dear, trading typically in luxury goods or supplying the state—with an overwhelmingly peasant population which is the antithesis of a mass consumer market. As for the bourgeoisie which is supposed to be the main material source, so to speak, of the Enlightenment, it is *not* a capitalist class. In fact, it is not, for the most part, even a traditional commercial class. The main bourgeois actors here, and later in the French Revolution, are professionals, office-holders, and intellectuals. Their quarrel with the aristocracy has little to do with liberating capitalism from the fetters of feudalism.

Where, then, are the principles of so-called modernity coming from? Are they coming out of a new but growing capitalism? Do they represent an aspiring capitalist class struggling against a feudal aristocracy? Can we at least say that capitalism is the unintended consequence of the project of modernity? Or does that project represent something different?

Consider the class interests of the French bourgeoisie. One way of focusing on them is to project forward to the French Revolution, the culmination of the Enlightenment project. What were the main revolutionary objectives of the bourgeoisie? At the core of their program were civil equality, the attack on *privilege*, and a demand for “careers open to talent.” This meant, for example, equal access to the highest state offices which the aristocracy tended to monopolize and which they were threatening to close off altogether. It also meant a more equitable system of taxation, so that the burden would no longer be disproportionately carried by the Third Estate, for the benefit of the privileged

estates, among whose most cherished privileges were exemptions from taxation. The main targets of these complaints was the aristocracy, but also the Church.

How did these bourgeois interests express themselves ideologically? Take the example of universalism, the belief in certain universal principles which apply to humanity in general in all times and places. Universalism has certainly had a long history in the West, but it had a very special meaning and salience for the French bourgeoisie. To put it briefly, the bourgeois challenge to privilege and the privileged estates, to the nobility and the Church, expressed itself in asserting universalism against aristocratic *particularism*. The bourgeoisie challenged the aristocracy by invoking the universal principles of *citizenship*, civic equality, and the “nation”—the nation as a universalistic identity which transcended particular and exclusive identities of kinship, tribe, village, status, estate, or class.

In other words, *universality* was opposed to *privilege* in its literal meaning as a special or private law—universality as against differential privilege and prescriptive right. It was a fairly easy step from challenging traditional privilege and prescriptive right to attacking the principles of custom and tradition in general. And this kind of challenge easily became a theory of history, where the bourgeoisie and its organic intellectuals were assigned a leading role as the historic agents of a rupture with the past, the embodiments of reason and freedom, the vanguard of progress.

As for the bourgeois attitude toward the absolutist state, it is rather more ambiguous. As long as the bourgeoisie had reasonable access to lucrative state careers, the monarchical state suited it well; and even later, it was the so-called bourgeois revolution that completed the centralizing project of absolutism. In fact, in some ways the bourgeois challenge to the traditional order was simply extending rather than repudiating absolutist principles.

Take, again, the principle of universality. The monarchical state even in the sixteenth century had challenged the feudal claims of the nobility—often with the support of the Third Estate and the bourgeoisie in particular—precisely by claiming to represent universality against the particularity of the nobility and other competing jurisdictions. The bourgeoisie also inherited and extended other absolutist principles: the preoccupation with rational planning and standardization, for example, something pioneered by the absolutist state and its leading officials, like Richelieu and Colbert. After all, even the standardization of the French language was part of the state’s centralizing project—a

project of "rationalization" which had its classic cultural expression in the formal gardens at Versailles.⁵

Let me introduce an interesting footnote here: people like David Harvey (and Marshall Berman⁶), who have given us some of the most important treatments of modernity and postmodernity, like to emphasize the *duality* of the modernist consciousness. The modernist sensibility, they say, combines universality and immutability with a sensitivity to ephemerality, contingency, fragmentation. They suggest that this dualism goes back to the Enlightenment. The argument seems to be that the preoccupation with universality and absolute truth was actually an attempt to make sense out of the fleeting, ephemeral, and constantly mobile and changing experience of modern life, which they associate with capitalism.

Berman quotes some passages from Rousseau's *New Eloise*, as one of the earliest expressions of the modernist sensibility (he calls Rousseau "the archetypal modern voice in the early phase of modernity"⁷). The most telling passage comes from a letter in which Rousseau's character St. Preux records his reactions on coming to Paris. What Berman sees here is the modernist sense of new possibilities combined with the unease and uncertainty that comes from constant motion, change, and diversity. It is an experience that Berman associates with an early phase of capitalism.

But something rather different occurs to me when I read the words of St. Preux in the *New Eloise*, or even when I read Berman's own account of the "maelstrom" of modern life: not so much the experience of modern *capitalism* but the age-old fear and fascination aroused by the *city*. So much of what Rousseau's St. Preux, and Marshall Berman himself, have to say about the experience of "modern life" could, it seems to me, have been said by the Italian countryman arriving in the ancient city of Rome. It may be significant that Rousseau himself expresses a special affinity for the Roman philosopher Seneca—quoting him on the title page of *Emile*, on a theme that is central to the *New Eloise*, and to Rousseau's work in general: the need to restore the health of humanity by a return to natural principles. For all Rousseau's so-called romanticism, the sensibility of the *New Eloise* may indeed have more in common with ancient Stoicism than with capitalist modernism. But in any case, it may be no accident that these so-called "modernist" literary tropes—Rousseau's and those of other European writers—come not from a highly urbanized society but from societies with a still overwhelmingly rural population.

At any rate, my main point is that the ideology of the French bourgeoisie in the eighteenth century had not much to do with capitalism and much more to do with struggles over *non-capitalist* forms of appropriation, conflicts over extra-economic powers of exploitation. I have no wish to reduce the Enlightenment to crude class ideology; but the point is that in this particular historical conjuncture, in distinctly noncapitalist conditions, even bourgeois *class ideology* took the form of a larger vision of general human emancipation, not just emancipation for the bourgeoisie but for humanity in general. In other words, for all its limitations, this was an emancipatory universalism—which is, of course, why it could be taken up by much more democratic and revolutionary forces.

Modernity vs. Capitalism

To see the complexities here, we need only compare France with England. England is not generally seen as the main home of "modernity" in the currently fashionable sense of the word, but it certainly *is* associated with the rise of capitalism. England in the eighteenth century, at the height of "agrarian capitalism," has a growing urban population, which forms a much larger proportion of the total population than in France. Small proprietors are being dispossessed, not just by direct coercion but also by economic pressures. London is the largest city in Europe. There is a far more integrated—and competitive—internal market, the first national market in Europe, or the world. There already exists the beginning of a mass consumer market for cheap everyday goods, especially food and textiles, and an increasingly proletarianized work force. England's productive base, in agriculture, is already operating on basically capitalist principles, with an aristocracy deeply involved in agrarian capitalism and new forms of commerce. And England is in the process of creating an industrial capitalism.

What, then, are the characteristic and distinctive ideological expressions of English capitalism in the same period? Not Cartesian rationalism and rational planning but the "invisible hand" of classical political economy and the philosophy of British empiricism. Not the formal garden of Versailles but the irregular, apparently unplanned and "natural" landscape garden. Certainly there is an interest in science and technology shared with England's European neighbors. And, after all, the French Enlightenment owed much to people like Bacon, Locke, and Newton. But here in England, the characteristic ideology

that sets it apart from other European cultures is above all the ideology of "improvement": not the Enlightenment idea of the improvement of *humanity* but the improvement of *property*, the ethic—and indeed the science—of *productivity* and profit, the commitment to increasing the productivity of labor, the ethic of enclosure and dispossession.

The idea of improvement and productivity in this sense goes back to the seventeenth century and has its earliest theoretical expression in the political economy of William Petty, and in the writings of John Locke. *This* ideology, especially the notion of agricultural improvement and the improvement literature produced in England, is conspicuously absent in eighteenth-century France, where peasants dominate production and landlords retain their rentier mentality—as, for that matter, does the *bourgeoisie* on the whole. The exception here, by the way, proves the rule: in particular, the Physiocrats, those French political economists for whom English agriculture was the model.

Now if we want to look for the roots of a *destructive* "modernity"—the ideology, say, of technocentrism and ecological degradation—we might start by looking *here*, not in the Enlightenment but in the project of "improvement," the subordination of all human values to productivity and profit. Dare I say that it is no accident that the mad cow disease scandal has happened in Britain, the birthplace of "improvement," and not elsewhere in Europe?

An Epochal Shift?

So much for modernity. Now let me return to the larger question of periodization and to the shift from modernity to postmodernity. I have tried to situate the concept of modernity in a particular conception of history which I think is deeply flawed and which has the effect of obscuring the historical specificity of capitalism, neutralizing and naturalizing capitalism, if not actually conceptualizing it out of existence. But we still have to deal with the *changes* in capitalism. Capitalism by definition means constant change and development, not to mention cyclical crises. But was there a historic rupture of some special kind—perhaps in the 1960s or 1970s?

I have to confess straight away that I am only beginning to clarify my thoughts on this. But the one thing I *am* fairly certain about is that the concepts of modernity and postmodernity, and the periodization of capitalism in these terms, will offer little help in understanding whether there *has* been some historic rupture, and if there has, what exactly it is, how deep it is, how lasting

and decisive, or what consequences it might have for any political project. These concepts and this periodization invite us, I think, to look in all the wrong places.

I have been saying here that the concept of modernity as currently used is associated with a view of capitalist development that combines technological determinism with commercial inevitability, so that capitalism is simply an extension of certain transhistorical, almost natural processes: the expansion of trade and technological progress. What kind of periodization of capitalism would we expect from this kind of view? What would be the signposts of major epochal change? We might expect the milestones to mark some major change in the market and/or some major technological shift. That is, in fact, largely what we are offered by current theories of the transition from modernity to postmodernity. And while these theories may tell us many interesting things, they tell us little about any major historical ruptures in capitalism.

Take the so-called transition from Fordism to flexible accumulation. Let us accept, for the sake of argument, that these changes in the labor process and marketing strategies are as widespread as the theorists of "disorganized" capitalism say they are. What exactly is new about this shift? There are no doubt many new things; but what is *so* new that it justifies talking about an epochal transition from modernity to postmodernity, and even from the whole of capitalism up to that point to some really new kind of capitalism?

The old Fordism used the assembly line as a substitute for higher-cost skilled craftsmen and to tighten the control of the labor process by capital, with the obvious objective of extracting more value from labor. Now, the new technologies are used to the same ends: to make products easy and cheap to assemble (how else, for instance, would outsourcing be possible?), to control the labor process, to eliminate or combine various skills in both manufacturing and service sectors, to replace higher- with lower-wage workers, to "downsize" workers altogether—again to extract more value from labor. What is *new*, then, about this so-called new economy is not that the new technologies represent a unique kind of epochal shift. On the contrary, they simply allow the logic of the old mass production economy to be diversified and *extended*. Now, the old logic can reach into whole new sectors, and it can affect types of workers more or less untouched before.

To see these developments as a major epochal rupture, we must focus on the more or less autonomous logic of *technology*, whether the technology of

the labor process or the technology of marketing. My emphasis *here* is on the logic of *capitalism*, not some particular technology or labor process but the logic of specific social property relations. There certainly have been constant technological changes and changes in marketing strategies. But these changes do not constitute a major epochal shift in capitalism's laws of motion.

Or perhaps it is possible to say that Fordism itself did constitute some kind of epochal shift, at least in the sense that it represented the completion of the process that Marx called the real, as distinct from the formal, subsumption of labor by capital. In *that* sense, the new technologies represent not an epochal shift so much as an *extension* of Fordism. It is not just that the logic of capitalist accumulation still applies in some general sense to the new technologies or to new forms of production and marketing, but that they are following the logic of Fordism in particular.

On the whole, I am inclined to dismiss the "condition of postmodernity" as not so much a *historical* condition corresponding to a period of capitalism but as a psychological condition corresponding to a period in the biography of the Western left intelligentsia. It certainly has *something* to do with capitalism, but it may just be the theoretical self-consciousness of a generation of intellectuals who came to maturity in the atypical moment of the long postwar boom. For some in this generation, the end of the boom felt like the end of *normality*, and so the cyclical decline since the 1970s has had a special, cataclysmic meaning for them. Others, especially "postmodern-ists," still seem to be stuck in the prosperous phase of so-called consumer capitalism.

If there has been some special kind of epochal change in the latter half of the twentieth century, we have to look for it somewhere else. If we are looking for some change more profound than a change in technology or marketing strategies, then explanations having to do with flexible accumulation, consumerism, information technology, the culture of postmodernism, or any of the usual suspects, are just not good enough.

Eric Hobsbawm, in his recent history of the twentieth century, talks about a monumental change in the mid-twentieth century, in fact what he calls "the greatest, most rapid, and most fundamental (economic, social, and cultural transformation) in recorded history."⁸ Its most dramatic symptom, he suggests, has been the massive decline of the world's rural population, and in particular the death of the peasantry. But what underlies this change, I think, is that this is the period when capitalism itself has become for the first time

something approaching a universal system. Capitalism, even in so-called advanced capitalist societies, has only now truly penetrated every aspect of life, the state, the practices and ideologies of ruling and producing classes, and the prevailing culture. In *The Pristine Culture of Capitalism* and elsewhere, I have suggested some of the ways in which even in Europe (and contrary to some conventions, more in Continental Europe than in Britain), capitalism has been slow to absorb the state and the dominant culture; but in the past few decades, the process has been all but completed. The issue here is not, for reasons I shall explain in a moment, what is generally meant by that rather tired formula, "globalization." I am speaking here about the universalization (or should I say *totalization*) of capitalism itself, its social relations, its laws of motion, its contradictions—the logic of commodification, accumulation, and profit-maximization penetrating every aspect of our lives.

Globalization or Universalization?

This distinction between "globalization" and the universalization of capitalism needs a bit more explanation. "Globalization" figures prominently in just about every account of the current epoch, but this now all-pervasive concept is problematic for several reasons. There are, first, empirical questions about how "global" the current economy really is. But beyond these specific empirical questions there are larger issues, having to do not only with the *answers* but with the questions themselves and with the assumptions on which they are based.

Here is one concise account of globalization, which nicely sums up the questionable assumptions on which the conventional notion is based and which neatly captures the role of the new technologies in that conventional conception. On the analogy of Marx's famous, and much misunderstood, aphorism that "the handmill gives you society with the feudal lord and the steam-mill gives you society with the industrial capitalist," this definition of globalization suggests that "the microchip gives you society with the global capitalist."⁹ The new technologies have inevitably given rise to a new kind of capitalist system, with "global assembly lines," an "international bourgeoisie" and freely mobile capital which can "walk to any part of the world where labor is cheap and captive and plentiful," bypassing the nation-state and leaving in its wake an essentially powerless working class (if, indeed, such a working class can still be said to exist at all).

This account needs first to be put into perspective with a few simple facts about the global economy. Foreign branches of multinational corporations account for about 15 percent of the world's industrial output, while 85 percent is produced by domestic corporations in single geographical locales.¹⁰ While finance capital moves freely across national boundaries by electronic means, industrial capital is less mobile; and such mobility as it does have, does not unambiguously conform to the conventional picture. For instance, in 1993, 78.9 percent of U.S. foreign direct manufacturing investment was in other advanced capitalist countries: Canada, Europe, Australia, and Japan. Investment in pursuit of cheap, unskilled, and unregulated third world labor certainly takes place, and I have no intention of underestimating the importance of this tendency—which, of course, follows the logic of capitalist exploitation as it has operated since the beginning. There may be evidence that this trend has accelerated more recently, but there are also signs that it can recede as well as advance, in accordance with prevailing economic conditions. Nor does even this type of investment neatly fit the “globalization” model. For example, the conventional model seems to assume that investment in cheaper and less regulated labor markets directly replaces production at home. But the majority of the goods produced in such labor markets as a result of U.S. direct manufacturing investment are for local consumption, not sold in the United States. And U.S. manufacturing production occurs overwhelmingly in the United States, on a much larger scale than several decades ago: domestic manufacturing production is five times greater than it was, say, in 1950.

None of this makes capitalism less vicious. Nor does it deny that new technologies, like earlier technological changes, can facilitate new methods of exploitation. And it certainly does not argue against the current crisis and stagnation of capitalism, the destructive effects of deregulation, downsizing, mass unemployment, increasing poverty, or the attacks on social provision. But it does mean that we may have to look elsewhere for an explanation of the long-term structural crisis of capitalism than in simplistic formulas about “globalization.” What people are calling “globalization” may be more an effect than a primary cause.

More politically important, however, are the assumptions about state and class power that are typically linked with propositions about the internationalization of production and the mobility of capital. Basically, these assumptions come down to this: the more “global” capital is, the less the state can do;

and, while the working class is ever more fragmented, power has passed to a transnational capitalist class united in a variety of supranational organizations. This new global order, the argument usually goes, has effectively ended the socialist project as anything more than a better and maybe more humane management of “flexible” capitalism.

Let me take the point about international capital first. It is true that there are now more giant corporations with a global reach than ever before, and there are now more international organizations like the IMF or the World Bank serving the interests of capital. But to acknowledge this is very far from saying that there exists a unified international capitalist class or any organization that serves as a kind of capitalist international.

After all, if anything has been “globalized,” if there is any truly international economic force, it is the market itself. What does this mean if not the internationalization of *competition*? Like all capitalist processes, this one is contradictory in its effects. “Globalization” in this respect may mean new forms of capitalist integration and cooperation across national boundaries, but it also means that a growing number of national and regional capitalists are compelled to enter into active competition with each other. It even means that, as national economies become more open to capital from outside, domestic capitalists are drawn into new forms of competition with each other, over the benefits to be derived from inward investment.

So the “global” economy if anything may mean less not more capitalist unity. Although it is far too early to make any confident pronouncements about the direction and consequences of “globalization,” it seems reasonable to say that, far from integrating capital, it is at least as likely to produce *dis-integrative* effects. At any rate, the internationalization of the market is hardly an unambiguous advantage to capital. The increasing exposure of capital to the international forces of the market is at least as much a point of vulnerability as a source of strength.

The propositions about the state associated with “globalization” take us beyond these empirical problems to more fundamental conceptual problems and to certain underlying assumptions that reveal the affinities between this concept and the historical models I was criticizing before. “Globalization” takes as its starting point the modern nation-state and the national economies associated with it. Globalization, in other words, is in the first instance concerned with geographic space and political jurisdiction. What defines the

present historical moment is supposed to be the breaching, transcendence, or obliteration of national boundaries by economic agencies, and, correspondingly, the weakening of political authorities whose jurisdiction is confined within those boundaries—manifest not only in the expansion of markets but in the transnational organization of corporations, the more or less free movement of capital across national borders, and so on.

Questions have been raised about the degree to which the increasingly “global” economy really has weakened the nation-state or diluted local and regional particularities. These are certainly important questions; but equally significant is the fact that the debate is taking place on this terrain at all. What is striking, among other things, is how faithfully the concept of globalization reproduces the question-begging assumptions and procedures associated with the traditional non-history of capitalism.

The traditional models of capitalist development, as we saw, took for granted the logic of capitalism. They concerned themselves simply with its liberation from constraints and its quantitative expansion. Capitalism was simply the extension of a perennial “economic” rationality, a rationality inherent in every act of exchange, even the most rudimentary and primitive. This economic logic inevitably worked itself out, coming to fruition in “commercial society,” wherever it was liberated from external constraints, especially from the political parasitism of lordship and the dead hand of autocratic states, advancing in tandem with technological progress. And once certain artificial barriers to the spread of markets were removed (barriers erected, say, by “barbarian” invasions of the Roman Empire, or—as in the “Pirenne thesis”—by the closing of East-West trade routes as a consequence of Muslim conquests), these economic principles moved along a growing network of trade to embrace more and more of the world.

In these accounts, then, the rise of capitalism represents little more than a quantitative expansion of trade, effected in large part by technological advance and the casting off of political fetters. It was only a matter of time before a theory emerged that would do for the current historical moment what old theories of capitalist development had done for the transition from feudalism to capitalism. “Globalization” is just another step in the geographic expansion of “economic” rationality and its emancipation from political jurisdiction. In the long geopolitical process that has constituted the spread of capitalism, the

borders of the nation-state appear to be the last frontier, and national-state power the final fetter to be burst asunder.

“Globalization” even has in common with the old non-history of capitalism a kind of technological determinism. Just as in old theories of economic development the ultimate cause of capitalist expansion was an almost natural process of technological progress, now the new information technologies seem to represent not only the necessary conditions of possibility for globalization but its causal *explanation*. Just as capitalism emerged when—and because—it was technically possible, so it has been “globalized” by the simple realization of technical capacities.

This conception of globalization as a kind of territorial imperative and/or an inexorable impulse for liberation from political constraint, driven by the natural laws of technological progress, is ill-equipped to deal with some of the most notable features of today’s world order. For instance, by definition “globalization” entails a weakening of the nation-state; and however much this conception may permit us to acknowledge the incompleteness of the globalizing process and the residual powers still left to the state, it has far greater difficulty in accommodating the simple fact that the global economy—the transnationalization of markets and capital—not only *presupposes* the nation-state but relies on the state as its principal instrument.¹¹ If anything, the new global order is more than ever a world of nation-states; and if these states are permeable to the movements of capital, that permeability has as its corollary, indeed as its condition, the existence of national boundaries and state jurisdictions.

The contrast between today’s “global” economy and earlier forms of colonial imperialism should suffice to illustrate the point: the old-style colonies were what they were precisely because they presented no effective geopolitical barrier to imperial power. The movement of capital across colonial boundaries was, of course, not just a matter of paper transfers or electronic transmissions but the bodily movement of coercive force. Geopolitical borders, in other words, were not only notionally but physically permeable. Today, transnational capital may be more effective than was the old-style military imperialism in penetrating every corner of the world, but it tends to accomplish this through the medium of local capital and national states. It may ultimately rely on a new kind of military imperialism—in fact, the military power of a single nation-state, the last remaining “superpower”—to sustain

the sovereignty of the market; but it depends on many local political jurisdictions—on, say, the Indian or Chinese state—to maintain the conditions of economic stability and labor discipline which are the conditions of profitable investment.¹² And every new opportunity for transnational cooperation is matched by opportunities for new kinds of inter-imperialist rivalry—in which the nation-state is still the principal agent.

“Globalization,” then, is imperfect even as description, but it is more profoundly vacuous as explanation. Really to explain the origins of capitalism it was necessary to give up the habit of assuming the very thing that needed explanation, and to account for the origins of a new historical dynamic—the historically unprecedented imperatives of capitalist accumulation—by explaining the transformation of social property relations that set it in train. Similarly, we must now talk about the new world order not just in essentially geographic terms, nor simply as the liberation and spatial expansion of some perennial “economic” logic, but as a continuing process of social transformation—a social transformation that increasingly subjects human beings, their social relations and practices, to the imperatives of capital accumulation.

For that reason, I prefer to talk about the *universalization* of capitalism—the increasing imposition of capitalist imperatives, a capitalist “logic of process,” on all aspects of social life—rather than about “globalization.” This means, among other things, that while the process of *globalization* may be limited in various ways, it does not follow that the determinative and transformative effects of *capitalism* are correspondingly limited. For instance, the nation-state may survive, local and regional specificities may persist, and yet the imperatives of accumulation, competition, commodification, and profit-maximization may be no less universal for that.

The universalization of the “economic” logic of capitalism certainly has a geographic dimension, in the sense that parts of the world formerly outside its orbit, or subject to its pressures externally through the medium of imperialist coercion, are now directly governed by it, as it were from within. The substance of yesterday’s “interimperialist rivalries” was the division and redivision of a largely noncapitalist world; and classical theories of imperialism seem to have taken it for granted that, the imperatives of capitalist expansion notwithstanding, this would always be so—until capitalism itself had suffered its terminal crisis. Today, the former objects of that rivalry are likely to be not only sources of cheap labor, resources, or growing markets, but capitalist competitors themselves.

The global reach of capitalism in this sense is not, however, synonymous with “globalization.” To say that virtually the whole globe is now capitalist is not the same as saying that all capital is now “globalized.” It does not, for instance, necessarily imply the dissolution of the nation-state or even a declining role for it. “Globalization”—in particular, the withdrawal of the state from regulatory and social welfare functions in the interests of capital mobility and “competitiveness” in the world market—is the product of policy choices, not the working out of natural laws, not even the inevitable destination of history—however much these policies have spread from neoliberalism across the whole political spectrum.

“Globalization” in this sense is, to be sure, not simply a contingent and arbitrary choice. It is certainly a response to structural changes—in fact, a response precisely to the universalization of capitalism, representing policy choices adopted to meet the needs of capital in a global system where all significant economic actors are operating according to the logic of capitalism, just as old-style imperialism represented policy choices in the interests of capital in a largely noncapitalist world.

But if globalization is capital’s political response to structural conditions, it follows that there are alternative, socialist ways of responding to the same conditions. If old forms of political action like yesterday’s Keynesian regulation are even less adequate today than they were in a less “global” economy, this surely does not mean that the scope for political action of *any* kind has narrowed. It simply means that political action cannot just take the form of *intervening* in the capitalist economy but must increasingly take the form of *detaching* material life from the logic of capitalism. *That* is the kind of thing the left should be thinking about, instead of allowing itself to be paralyzed by the bogeyman of globalization.

To return, then, to the question of epochal shifts: if there has been a major epochal shift since the 1970s, it is not a major discontinuity in capitalism but, on the contrary, capitalism itself reaching maturity. This is indeed a major change—indeed a more substantial change than is encompassed by the idea of globalization. It may be that we are seeing the first real effects of capitalism as a comprehensive system. We are seeing the consequences of capitalism as a system not only without effective rivals but also with no real escape routes. Capitalism is living alone with its own internal contradictions. It has little recourse outside its own internal mechanisms to correct or compensate for those

contradictions and their destructive effects. Even imperialism, which was supposed to be the last refuge of capitalism, no longer is what it was when capitalist powers played out their rivalries and contradictions on *non-capitalist* terrain, in "extra-economic" ways, by means of colonial wars and territorial struggles. Now even *this* corrective mechanism has for the most part been replaced by purely *capitalist* mechanisms of economic domination and financial imperialism.

So this is not just a *phase* of capitalism. This *is* capitalism. If "modernity" has anything at all to do with it, then modernity is well and truly over, not created but destroyed by capitalism. The Enlightenment is dead. Maybe socialism will revive it, but for now the culture of "improvement" reigns supreme. And if *this* is what the story is about, we really have no need for the idea of postmodernity. The only concept we need to deal with this new reality is *capitalism*. The antithesis to that, of course, is not postmodernism but socialism. The universality of capitalism, then, is not grounds for abandoning the socialist project, as capitalist triumphalists would like to believe. On the contrary, the "totalization" of capitalism also means its increasing vulnerability to its own internal contradictions and to oppositional politics.

Notes

This essay began as a talk presented at the Socialist Scholars Conference in April 1996, for a panel organized by Monthly Review. A somewhat different version was presented a few weeks later at a conference at the University of Sussex on "The Direction of Contemporary Capitalism." A revised and expanded version was published in Monthly Review 48, no. 3 (July/August 1996). It was further revised and substantially expanded for a special issue of the Review of International Political Economy, based on the Sussex conference. (I am very grateful to Andrew Chitty and Hannes Lacher for their very helpful criticisms and suggestions on that version—though I am sure they will feel I did not do enough to meet their trenchant objections.) Finally, some sections of the present article are based on my contribution to "Globalization and Epochal Shifts: An Exchange," Monthly Review 48, no. 9 (February 1997), in which I replied to A. Sivanandan's criticism of my MR article cited above.

1. See, for example, Fredric Jameson in "Five Theses on Actually Existing Marxism," *Monthly Review* 47, no. 11 (May 1996); and David Harvey, *The Condition of Postmodernity* (Oxford and Cambridge, MA, 1990).
2. For the theory of "disorganized capitalism," see S. Lash and J. Urry, *The End of Organised Capitalism* (Oxford, 1987).
3. I have developed some of the arguments in this section in "From Opportunity to Imperative: The History of the Market," *Monthly Review* 46, no. 3 (July/August 1994).
4. Roger Burbach, "For a Zapatista Style Postmodernist Perspective," *Monthly Review* 47, no. 10 (March 1996): 37.
5. I have discussed some of the points in this paragraph at greater length in *The Pristine Culture of Capitalism: A Historical Essay on Old Regimes and Modern States* (London, 1991).
6. Marshall Berman, *All That is Solid Melts into Air: The Experience of Modernity* (New York, 1982).
7. *Ibid.*, p. 18.
8. Eric Hobsbawm, *The Age of Extremes: A History of the World, 1914-1991* (New York, 1995), pp. 8, 289.
9. A. Sivanandan, "Globalization and Epochal Shifts: An Exchange," *Monthly Review* 48, no. 9: 20.
10. See Robert E. Lipsey, Magnus Blomstrom, and Eric Ronstetter, "Internationalized Production in World Output," National Bureau of Economic Research, Inc., *Working Paper* 5385, December 1995.
11. See Leo Panitch, "Globalisation and the State," in R. Miliband and L. Panitch, eds., *Socialist Register 1994: Between Globalism and Nationalism* (London, 1994).
12. Aijaz Ahmad has made the latter point in an interview published in *Monthly Review* 48, no. 5: 16-18. For a discussion of the "structural dialectic" of today's imperialism, which includes both the global expansion of capital *and* the "intensification of the nation-state," see also his "The Politics of Literary Postcoloniality," in *Race and Class* 36, no. 3 (1995), especially pp. 10-12.