

CHAPTER 5

PRODUCTION, CLASS, AND POWER IN
THE NEOLIBERAL TRANSITION*

A CRITIQUE OF COXIAN ECLECTICISM

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The transition from Keynesianism to neoliberalism¹ is a significant concern in neo-Gramscian scholarship at two closely related levels. First, this historical process is associated with the profound transformation of key features of the contemporary political economy. For example, the transition is associated with the transnationalization of production, the rise of finance, the end of the cold war, the renewal of U.S. imperialism, and other political economy shifts that must be accounted for by any aspiring school of thought in the field of international relations. The importance and intellectual complexity of these historical processes help to explain why the transition to neoliberalism is central to neo-Gramscian literature.² Relatedly, analyses of this transition offer important ground for examining the explanatory adequacy of much neo-Gramscian literature through the methodology and key assumptions within such accounts, for example, concerning the internal relationship and relative importance of classes, states, and nations in social theory; the nature and role of empire and imperialism in contemporary political economy; the relationship between changes in the labor process and broader sociohistorical transformations, and so on. These are some of the reasons why, in his magnum opus *Production, Power, and World Order*, Robert Cox chooses to examine “the world economic crisis that began in the 1970s...to see what transformations in structures of production, states, and world order they portend.” Cox rightly identifies the historical conjuncture of the late 1970s and the world economic crisis as “a threshold—a phase of transition between the definable

structures of the recent past and the as yet unclear structures of the emerging future.”³ This “threshold” refers to the transition from the Keynesian to the neoliberal state and world order (or, in Cox’s particular terminology, from “neoliberalism” to “hyperliberalism”).

This chapter reviews Cox’s writings on the neoliberal transition, particularly that elaborated in *Production, Power, and World Order*, together with several closely related works in the neo-Gramscian tradition.⁴ It shows that Coxian scholarship has contributed to an understanding of the social world as more open and context-dependent, enabling a greater openness to diverse empirical and theoretical influences within the social sciences. Nevertheless, this chapter criticizes Coxian accounts of the transition to neoliberalism because of their insufficiencies at four levels. First, they tend to be excessively abstract and methodologically eclectic. These accounts draw upon a methodologically flawed juxtaposition of interpretations of this transition, including selected insights from Marxism, regulation theory, institutionalism, and evolutionary political economy, among other schools of thought, and from diverse disciplines including International Relations (IR), political science, sociology, and economics. These attempted syntheses tend to be overambitious and, almost invariably, superficial. Second, the Coxian deployment of class analysis is largely categorical, bypassing the dynamics of dispossession, exploitation, resistance, and competition at the core of technological progress and political change in capitalist societies. Third, and related to the previous point, Coxian studies generally offer an inadequate theorization of social and historical processes and the material and social relationships between them. Fourth, they rely excessively on the purported “autonomy” of the state as a catchall explanatory factor undergirding processes of systemic change.

In addition to explaining and illustrating these shortcomings of Coxian studies, this chapter sketches an alternative analysis of production, class, and power in the transition to the neoliberal system of accumulation in the “center.” In this account, material processes and shifts in class relations play the essential role, and state policies both express and respond to class and other interests acting upon and through the state. It is shown that neoliberalism emerged gradually and tentatively as the outcome of the capitalist search for solutions to fundamental problems of accumulation, social order, and political legitimacy. The neoliberal system of accumulation has largely replaced previous systems in different countries, including Keynesianism in the rich countries, developmentalism in the poor countries, and Soviet-style socialism in the former Eastern bloc.

The examination of the material basis of neoliberalism and its vulnerabilities in this chapter points toward one additional shortcoming of Coxian studies of the neoliberal transition, which affect its policy conclusions. It is shown, later in this chapter, that internationalized finance is the main instrument for the imposition of the project of accumulation and social domination associated with neoliberalism. In this project, industrial capital (*both* domestic and transnational) and finance are inseparably linked. The material

integration between “finance” and “industrial capital” (and between foreign and domestic capital) is such that the presumed “contradictions” between them cannot be used to support progressive alternatives to neoliberalism, as proposed by most Coxian studies.

COXIAN ACCOUNTS OF THE NEOLIBERAL TRANSITION

Cox calls the postwar U.S.-led hegemonic order *Pax Americana* or (somewhat confusingly, for contemporary readers) “neoliberalism.”⁵ This era was characterized by national, mixed economies based on a tripartite corporatism including capital, labor, and the government, basic social security, limited redistribution, and a liberal international economy supported by the Bretton Woods System. The relations of production were typically Fordist, comprising an intensive regime of accumulation based on mass production and mass consumption. The *Pax Americana* was bound together by a U.S.-led security structure validated through anticommunist ideology.⁶

In Coxian analysis, the crisis of *Pax Americana* is said to have occurred as a result of a combination of factors, including, at an immediate level, the collapse of the Bretton Woods system, rising inflation, and falling investment and manufacturing profits due to higher wages, higher input costs, and intensified competition.⁷ At a further remove, the internationalization of production and the transition from Fordist to post-Fordist accumulation played a determining role in this systemic transition. These processes increased the power of transnational capital and finance at the expense of the state and the trade unions. In particular, “finance has become decoupled from production to become an independent power, an autocrat over the real economy.”⁸ These structural shifts compelled governments to recognize that growth has become dependent on disciplining the workers and the government itself, especially through restrictive labor laws and the abandonment of fiscal activism.⁹

These pro-business policies have helped to consolidate a post-Fordist structure of accumulation. This structure is distinct from Fordism because it includes greater capital mobility, the displacement of human labor by equipment, the systematic use of cheap labor both in the rich countries and internationally through the shift of production to poor countries, and faster turnover of capital. These policy changes have also internationalized the state, turning the national states into “transmission belts” from the global to the national economy (although Cox reviews this metaphor in 2002).¹⁰ Correspondingly, power has shifted toward a transnational managerial (capitalist) class that has seized the opportunity to create globalized production systems.¹¹ The transition has been secured through the imposition of a “new constitutionalism” locking in the neoliberal reforms.¹²

In Coxian literature, the neoliberal order is limited by two key contradictions. The first contradiction is between production and finance. Since finance is concerned primarily with short-term gains, its growing influence tends to induce a macroeconomic “roller-coaster” of ups and downs, which is destructive to jobs and productive capacity.¹³ The second contradiction is between national and transnational capital. Specifically, national capital may oppose the internationalization of production because it relies on national or regional protection to remain competitive.¹⁴

LIMITATIONS OF COXIAN APPROACHES

Methodological Eclecticism and Levels of Analysis

In seeking to address questions of history and transformation in the global order, Coxian scholarship has advanced an understanding of the social world as open and context-dependent. This can be positive, for example, when it supports the incorporation of empirical and historical material, and it increases the analyst’s awareness of the potential contribution of diverse schools of thought for understanding the neoliberal transition. However, these outcomes depend heavily on the internal consistency of the analytical framework. As earlier chapters have noted, the methodological underpinnings of the neo-Gramscian tradition are problematic precisely because of its eclecticism. Cox’s work offers a clear example. As Schecter notes, “much ink has been spilled trying to classify Cox’s work,”¹⁵ with Cox having been variously classified as “a fairly conventional...Marxist-Leninist,”¹⁶ an exponent of “watery Marxism,”¹⁷ or as insufficiently Marxist.¹⁸

These ambiguities stem from Cox’s eclecticism, which is widely recognized in the literature. For example, Sinclair readily confirms that “Cox’s work reflects a willingness to sample from discordant intellectual traditions to create a method.”¹⁹ Despite his self-identification as an historical materialist,²⁰ Cox chooses to “take some things from Marxism without swallowing the whole package.”²¹ For example, in *Approaches to World Order*, Cox rejects theory, which he regards as theological, such as that of so-called “Theological Marxists,” together with those theorists he labels as “groupies.”²² More generally, Cox “seems to endorse the view that different methodologies can be selected legitimately to study different chronological periods.”²³

His disposition toward the selective incorporation of incompatible methodologies leads Cox to combine Marxist and Weberian approaches in his work, despite their notorious incompatibilities and Weber’s own sharp warning that “Marx is not a taxicab one can drive where one will.”²⁴ This methodological stance is not unique to Cox. As Hazel Smith has indicated, there is “controversy as to whether the concepts utilized by the neo-Gramscians can be considered as recognizably ‘historical materialist’ in the Marxist

sense.²⁵ Less charitably (and as noted in previous chapters), Peter Burnham has argued that neo-Gramscian literature “offers little more than a version of Weberian pluralism oriented to the study of the international order.”²⁶ For Cammack, these methodological shortcomings are due to the fact that Cox, together with other proponents of critical IPE, “have been more concerned either with pitching theory against theory, or with disputing the academic and institutional terrain of U.S. IR/IPE (dazzled, as it were, by the attributes and trappings of imperial power) than with pursuing their own project.”²⁷

Although Cox seems oblivious to the destructive implications of his eclecticism, it compromises his analysis at two critically important levels: its conceptual coherence and its ability to incorporate new material consistently, rather than merely arbitrarily, as an add-on. It is not obvious that analytical integrity should always trump the convenience of paradigmatic flexibility. The balance between them, and the shortcomings of eclecticism, can be examined more fully through the contrast between alternative interpretations of historical processes, see later in this chapter. In short, what is missing in Coxian analysis is a methodologically structured and systematic account of the nature of capitalist accumulation, and why it is unstable and prone to systemic changes. This can be supplied only through a systematic analysis of accumulation in specific historical periods, drawing upon the abstract relations of capitalism. Simply to replay historical generalities interpreted through eclectic lenses and ritually affirm the role of “mutual determination” is insufficient.²⁸ This analytical stance is prone to backslide into the truism that “everything is related to everything else” and, at a further remove, the claim that social history is irreducibly indeterminate and, therefore, that social theory cannot aspire to anything beyond description.

Class and Class Analysis

Cox claims to “make class analysis a principal feature of the study of historical change” because asserting “the centrality of production...leads directly to the matter of social classes.”²⁹ However, this bold promise is immediately watered down because, for him, definitions of class derived from mid-nineteenth-century Europe cannot be applied directly to a late twentieth-century world characterized by a great diversity of social class situations. For example, Cox claims that “the restructuring of world society...challenges the Marxist schema of the primacy of class-oriented identities.”³⁰ Rather, a fresh approach to the dynamics of class formation becomes necessary. This reworked interpretation claims to maintain an understanding of class “as a real historical relationship and not merely an analytical category.”³¹

Unfortunately, this ambitious goal cannot be achieved because, in Cox’s analysis, class is merely a static, positional, ideal-typical, and descriptive category, rather than a dynamic and historically specific relationship that *actually* shapes the capitalist system and its evolution. Thus, for Cox, class is “the way in which people are positioned in production processes.” This limited

conceptualization remains apparent in Cox's more recent writings,³² where he defines a class relationship as *any* relationship of domination and subordination, and argues that similar relations can be found in many forms, including those of gender, race, caste, and so on.³³ In this sense, the notion of class becomes undistinguishable from that of "identities," which informs the postmodern and poststructuralist literatures at odds with materialist analysis.³⁴

Despite his frequent references to class and class analysis, class relations are largely a rhetorical add-on in Cox's works, and class changes and movements have no determining influence on the collapse of Keynesianism and the rise of neoliberalism. In Coxian analyses, the collapse of Keynesianism was brought about by exogenous technological developments due to competition, and by sectional disputes between governments and the private sector, between finance and industry, and between industrial capital and the workers.³⁵ These conflicts are not explained. They are merely deployed to rationalize conflicts for shares of the national income, and they normally bypass completely the conditions of work and the distribution of power in the shop floor and in society. What we find in Coxian analyses—just like in mildly reformist Keynesian studies of the decline of the so-called Keynesian consensus—is a (more or less informative) description of conflicts *around* (the process of) accumulation, but not *about* (the nature of) capitalist accumulation.

The Social Relations of Production

Cox seeks to theorize development and transformation within the global order according to "modes of social relations of production." He identifies twelve such "modes," conceptualized as "monads," that is, as "self-contained structures," each with its own "developmental potential."³⁶ This peculiar approach provides—at best—a descriptive and largely arbitrary snapshot of sociohistorical realities that only exist as dynamic processes. In the specific case of contemporary capitalism, Cox's framework disables the causal status of accumulation and the shifting modalities of social conflict associated with it over time. In so doing, the historical specificity of capitalist sociality, capitalist relations of exploitation, and the different forms of resistance under capitalism are largely suppressed.³⁷ Because of these limitations, and the sketchy treatment of class outlined previously, rather than "a problematic of qualitative transformation, what becomes signal in *Production, Power, and World Order*, is a certain *positional* problematic of social forces."³⁸

The use of Weberian ideal types underpins Cox's "historical structures" that are said to comprise three categories of forces: material capabilities, ideas, and institutions.³⁹ These "juxtaposing and connecting" structures are arbitrarily placed into three interrelated "levels" or "spheres" of the social world, consisting of the social forces related to production, forms of state, and world orders.⁴⁰ Thus, Cox claims to confront the "ahistorical, essentialist epistemology" of neorealist IR/IPE and structural Marxism, insisting that "these levels are not in any fixed relationship to each other...just as the three categories of

forces identified by [him] exist only in relation to their historically endowed capacities.”⁴¹ In other words, “the task of the analyst is to specify the forces that interact in a structure, through the delineation of ideal types, and determine the ‘lines of force’ between these different poles, which is ‘always an historical question to be answered by a study of the particular case.’”⁴²

Readiness to confront the historical is always welcome, but this can be achieved only through the deployment of a consistent theory of capitalism. As the chapter by Lacher has detailed, Cox has none. In fact, while claiming to be a historical materialist, Cox explicitly rejects key elements of Marx’s theorization of capital. For example, Cox claims that “it is important to distinguish my usage from some of the ways in which [the] term *mode of production* has been used. One of the other ways has been to think of the mode of production as the discovery of the inner essence of capital, giving rise to notions like the ‘logic’ of capital or the ‘laws of motion’ of capital...[Instead,] my approach has been to infer structures from observable patterns of conduct.”⁴³ The shortcomings of this approach are critically examined elsewhere in this volume (see especially the chapters by Lacher and Joseph).

The inability of Cox’s static and arbitrary framework to meaningfully incorporate class and the social relations of capitalism (and, within capitalism, to distinguish structurally between systems of accumulation) lead him and other neo-Gramscians to simply plug social and historical processes into the narrative with little analytical or historical justification. Historical processes of various orders and at diverse levels of complexity are often juxtaposed, with little attention to the material relationships between them, except by reference to parallel literatures, for example, regulation theory. Although the cracks can be polished until they become almost invisible in descriptive studies, the analysis is hampered by its inability to capture the dynamics of capitalism in historically specific contexts.

The “Autonomy” of the State

Coxian accounts of the neoliberal transition rely too heavily on the “autonomy” of the state (as detailed by Bedirhanoglu), which, more often than not, functions as a *deus ex machina* explaining economic and social changes through its own disembodied rationality and its tensions with other (similarly disembodied) categories, especially industrial capital, finance, and the workers. This is essential for Coxian approaches because, having adopted a static understanding of class and capital, they require an exogenous explanatory factor to account for historical change. This is generally supplied by state policy and the conflicts associated with it, and by exogenous technological change, which can be called in whenever this becomes necessary.

This explains why, despite his vigorous attempt to transcend the state-centrism of orthodox IR/IPE, Cox’s analysis remains profoundly state-centric. For example, although *Production, Power, and World Order* flags up the fundamental issues of production and class right at the start, Cox meekly

concludes his treatise with the familiar contention that “the crucial role, it turns out, is played by the state...States...determine the whole complex structure of production from which the state then extracts sufficient resources to continue to exercise its power.”⁴⁴

The same limitations apply to Cox’s ambitious review of the rise and fall of the global monetary standards in terms of successive hegemonic orders.⁴⁵ His conclusions “seem disappointingly familiar given the lengthy expositions on method, ontology and episteme,” simply boiling down to a logic of state-led domination.⁴⁶ These disappointing outcomes lead Burnham to complain that the neo-Gramscian approach is “barely distinguishable from a sophisticated neo-realist account” which fails completely to confront “the estranged forms of appearance of capitalist social relations.”⁴⁷ By the same token, Hampton has shown that neo-Gramscianism constitutes merely “a radicalised political realism.”⁴⁸ At a further remove, the state-centrism of the neo-Gramscian literature shares profound similarities with the “political school” of the developmental state, which also privileges “state autonomy” as the prime mover of long-term social and economic change.⁴⁹

These limitations are not surprising. The neo-Gramscians “do not work with a sophisticated state theory...[their] understanding of the state is mostly a positivist one in the sense that nation state...[is] equated with formal institutions...[and] very often it seems that these institutions are ‘instruments’ of the ruling classes in order to pursue their interests.”⁵⁰ This is largely because the “social relations remain external to structures. These structures in turn become objects of struggle among classes,”⁵¹ but these conflicts are largely stylized and exogenously driven. This approach is insufficient at two levels. First, the Marxist literature on the state⁵² has consistently argued that the capitalist state “is not capitalist because it responds to the directives of the bourgeoisie, but because its very form of existence, as the locus of the abstractly political relations of domination, marks it out as part and parcel of a society in which exploitative powers have been separated from the political sphere. The capitalist state is thus the political form of existence of capitalist class relations.”⁵³ Second, the neo-Gramscians “have singularly failed to develop a theoretical, as opposed to descriptive, specification of the principal structures of the international system. For no amount of discussion of such themes as ‘hegemony,’ ‘historic blocs,’ and ‘transnational capital’ adds up to a theory of the modern state system or of the world market.”⁵⁴

Finally, Cox and other neo-Gramscians have also signally failed to challenge the Eurocentrism of mainstream IR/IPE (a theme explored further in other chapters in this volume, see especially Pasha, and Grovogui and Leonard). Since Cox’s account of world orders privileges the interstate system, it is necessarily grounded on the European state system that emerged from the Treaty of Westphalia. Agency is irresistibly drawn toward the center, and the periphery (just like class in the center) is emptied of motive power. For example, in barely three pages of analysis on “The Coming of the Liberal Order” does Cox reflect upon the impact of this “expansionist society”

upon the “periphery.” And, true to Eurocentric custom, this relationship is characterized as the “penetrated areas” being *impacted upon*: “politically structured global economic expansion had an *impact on* both production relations and forms of state in *the penetrated areas*.”⁵⁵

These limitations have considerable practical import. For, if the state is autonomous, a “good” government can rise above the sectional interests that have hijacked the neoliberal state, and implement policies that are more egalitarian and more in tune with the interests of (domestic) productive capital rather than (international) capital and finance. This proposition is politically appealing in its simplicity, but it is flawed both analytically and practically. First, if the state is “autonomous,” there is no reason why it should select policies that maximize the rate of accumulation, employment generation, or that avoid financial crises. In principle, anything goes, depending on the political balance of forces. However, the state, and the institutions comprised within it, is shaped by technology and ideology, and by class relations, conflicts, and material interests. Under these complex circumstances, it is naïve to expect that the social basis of the state can be transformed via the electoral process alone and through the agency of “progressive” elected officials. Second, given the strength of the material basis of neoliberalism (examined later), it is likely that the “progressive” policies advocated by the neo-Gramscians will *fine-tune* the current order, rather than fundamentally undermine it.

AN ALTERNATIVE ACCOUNT

By eschewing essential aspects of Marx’s method, neo-Gramscians, for the most part, have relinquished the opportunity to deploy a methodologically consistent account of the transition to neoliberalism. The following section offers an alternative analysis of production, class, and power in the shift to a neoliberal system of accumulation informed by Marxian analysis. In so doing, it shows that the earlier chapters in this volume do not engage with the vexed questions of method, ontology, and epistemology simply to demonstrate that Cox or others have deviated from an understanding of “what is proper to [certain] currents of thought.”⁵⁶ Instead, this alternative account confirms that methodological eclecticism compromises the ability of much neo-Gramscian analyses to explain shifts in the social relations of capitalism, and, therefore, the search for alternatives. This alternative also offers a glimpse of the potential implications of the deployment of Marxian analysis of systemic shifts in the international order.

The Keynesian Compact

Keynesianism was the hegemonic system of accumulation and the most important structure of sociopolitical domination during the postwar “golden

age” in the center and the “age of developmentalism” in the periphery.⁵⁷ It evolved, tentatively, as a pragmatic response to the breakdown of its predecessor—liberalism—in the interwar period.⁵⁸

Keynesian economic policies were characterized, first, by fixed exchange rates, accommodating (“easy”) monetary policies, expansionary fiscal policies (especially through state-led investment and transfers), and “financial repression,” including regulations to stabilize the financial system, maintain low interest rates, and direct credit flows to priority sectors. Second, Keynesianism included a specific modality of social integration. In the center, especially in the core Western European countries, it was based on a social democratic settlement based on the postwar antifascist consensus, the expansion of working class entitlements through a welfare state funded by progressive taxation, the institutionalization of the downward rigidity of the nominal wages, and the workers’ right to a negotiated share of the productivity gains. This type of wage relation is stabilizing when output and productivity are growing steadily because it channels social dissent into negotiations around employment guarantees and salary demands bounded by the initial real income levels. Keynesian social integration also facilitated the integration of the reformist Left into the Keynesian compact, which helped to stabilize the center politically during the cold war and the traumatic retreat of traditional (colonial) forms of imperialism.⁵⁹

Third, the Keynesian era was also characterized by the international hegemony of the United States. This was based on U.S. control of the international accumulation through its unmatched levels of output and productivity, the availability of capital, financial system depth, and control of the development of technology, in addition to the comparatively vast U.S. gold reserves and military power. These structural advantages ensured that the dollar would be the international currency during this period and beyond. U.S. hegemony facilitated the expansion of (mainly) U.S. transnational companies around the world, which helped to harmonize technologies, cultures, and economic policies internationally.

The Bretton Woods System provided an institutional framework for the integration of the national Keynesian compacts into the U.S.-led process of international accumulation. The smooth functioning of the Bretton Woods System also required the United States to run regular balance of payments deficits in order to irrigate the international economy with dollars. These deficits allowed the United States to sustain higher levels of domestic consumption, foreign investment, and military commitment abroad than would have been possible under a more stringent international financial regime. Finally, the fixed exchange rate system created incentives for the other countries, both in the center and the periphery, to mirror U.S. policies in order to minimize the risk of exchange rate instability.

Limitations and Crisis of Keynesianism

The gradual unraveling of Keynesianism between the late-1960s and the early 1970s was the outcome of limitations in the three areas examined in the previous section. They included economic management problems, the weakening of U.S. hegemony, and widespread labor and social conflicts.

The economic limitations of Keynesianism were essentially due to its success ushering in a long international expansion—the “golden age” of capitalism. High levels of investment, sustained expansion of output, productivity and trade, and significant technological innovations in telecommunications, transport, and computing power fuelled the development and internationalization of production and finance, especially offshore banking and the Eurodollar market. In turn, financial development fostered the accumulation of financial assets by states, industry, and financial institutions bypassing the regulations imposed by governments, and independently of the immediate demands of industrial capital.⁶⁰ However, in the longer run, this process of financial deepening weakened the relationship between money and commodities, facilitated purely financial accumulation, stimulated speculation, and breached the financial restrictions that were essential for the stability of the Keynesian policies.

Keynesianism was also adversely affected by the erosion of U.S. hegemony. The rapid expansion of the world economy eroded the prominence of the United States in production and technology. By the same token, France, Italy, Japan, and West Germany, and, at a further remove, Brazil, Mexico, India, South Korea, and Taiwan, became alternative poles in the world economy. Their greater prominence was not due to the “failure” of the United States to keep permanently ahead of the pack, but to the *success* of the U.S.-led Keynesian system of international accumulation to achieve some of its stated goals, in this case, rapid growth in the world economy. At the same time, the USSR and China offered rival models that were appealing to weaker economies in Asia, Africa, and Latin America, which aimed to achieve rapid “modernization” and greater economic independence. In several countries, these pressures and incentives triggered demand for extensive economic intervention by the state and, at a later stage, for the reorganization of the global economy through a new international division of labor backed up by international producers’ cartels. These goals openly conflicted with the reproduction of U.S. hegemony.

These evolving difficulties and instabilities were magnified by the gradual destabilization of the U.S. economy because of its creeping fiscal and balance of payments deficits. These deficits were largely due to the combination of poorly funded expansionary social programs at home and spiralling military commitments abroad, especially during the Vietnam War. Destabilization fuelled inflation in the United States and around the world, as the United States flooded the world with dollars. Although these outflows supported the development of U.S.-led financial institutions, they impaired the

capacity of the U.S. state to convert dollars held by foreign central banks into gold at the official Bretton Woods rate of US\$35 per ounce. The instability of the system of international accumulation and the U.S. defeat in Vietnam created both the incentives and the policy space for other countries to search for domestic solutions to their accumulation problems, as had been the case in the 1930s.

The third limitation of Keynesianism was due to the spread and radicalization of social conflicts in most countries in the center and the periphery between the late-1960s and the mid-1970s. They were due, in part, to the increased economic power of the working class in circumstances of rapid growth and low unemployment and, in part, to the (closely related) emergence of a radicalized youth around the world. Their escalating demands fuelled antisystemic revolts that curtailed managerial control in the workplace and capitalist control of social reproduction, including the material and cultural levels, in a large number of countries. The erosion of the hegemony of capital at the interrelated levels of accumulation, class relations, and social reproduction turned the crisis of Keynesianism into a crisis of the *capital relation*. This crisis surfaced through rising inflation and declining profit rates in most economies, rising corporate debt, falling share prices, and investment ratios, the fiscal crisis of the state, and widespread social unrest.⁶¹

Austerity by Consent and Monetarism

The strategy initially adopted in the West to tackle these fundamental problems of accumulation, legitimacy, and international hegemony was “austerity by consent.” It included measures to stabilize the international economy after the collapse of the Bretton Woods System and initiatives to restore social discipline and the conditions for accumulation without head-on confrontations with the workers. This strategy included fiscal and monetary austerity, curbs to domestic credit, and “austerity” incomes policies negotiated between the state and representatives of capital and the trade unions, which primarily aimed to impose wage restraint. These policies achieved only limited success.

Their ineffectiveness compelled these states to manage social relations more aggressively, for example, through the manipulation of labor regulations, the limitation of welfare and employment benefits, and other initiatives to reduce industrial costs and promote “business confidence.” However, these policy changes eroded the legitimacy of the postwar consensus and contributed to the ideological disintegration of Keynesianism. The failure of “austerity by consent” was symptomatic of the exhaustion of Keynesianism. It also suggested that any lasting solution to the problems of the international economy within the parameters of capitalist reproduction would need to address, head-on, the crisis of accumulation in the United States.

The demand for the restoration of the conditions for stable accumulation coalesced intellectually around the Austrian liberalism associated with Friedrich von Hayek and the monetarist economic theory developed by Milton

Friedman.⁶² Liberalism rejected social democracy and Keynesian interventionism in the name of individual freedom and the “rationality” of the market. In turn, monetarism offered a critique of the propensity of Keynesianism to generate economic inefficiency and foster high inflation because of macroeconomic mismanagement and the accommodation of the workers’ demands. This approach legitimized government neglect of unemployment, validated the alignment of the state with the interests of capital as if it represented society as a whole, and set the stage for a state-led offensive against the working class.

Monetarism also offers a straightforward remedy to the problem of inflation: governments simply have to limit the growth of the money supply to a rate compatible with long-run price stability (money supply targeting). The abolition of Keynesian macroeconomic fine-tuning should expand the scope for automatic (overtly nonpolitical) market processes, and reduce the ability of the working class to deflect the costs of adjustment. In sum, under Keynesianism, monetary policy supported the subordination of the working class *indirectly*, through politically engineered processes of rapid accumulation and income growth. In contrast, for the monetarists, monetary policy should discipline the workers *directly* but, paradoxically, through overtly nonpolitical means. Finally, capital (“the market”) was expected to resolve the problems of accumulation spontaneously.

Despite its ability to partially dismantle Keynesianism and defeat the working class in several countries, the success of monetarism was limited. GDP growth rates in the center did not significantly recover between the mid-1970s and the mid-1980s, and unemployment increased in most countries. Even worse for the monetarists, money supply targeting in West Germany, Switzerland, the United Kingdom, and the United States did not vindicate the claims that this strategy was either feasible or conducive to rapid and costless inflation stabilization. In sum, although monetarism was part of a successful project of social domination, it did not provide the basis for a viable system of accumulation.

The Political Economy of Neoliberalism

Neoliberalism offered a stable solution to the problems of capitalist reproduction after the exhaustion of Keynesianism.⁶³ Neoliberalism is not simply a set of economic and social policies imposed by “autonomous” states or, perversely, the outcome of the takeover of the state by self-serving coalitions, as is implied by Coxian analyses. It combines an accumulation strategy, a form of regulation of social and economic reproduction, and a mode of exploitation and social domination based on the systematic use of state power to impose, under the ideological veil of nonintervention, a hegemonic (class) project of recomposition of the rule of capital in each area of social life. This project is guided by the imperatives of the international reproduction of capital, represented by the financial markets and the interests of U.S. capital.

The rise of neoliberalism is closely related to the perceived failure of Keynesianism, developmentalism, and Soviet-style socialism in the 1980s, the rise of conservative political forces in the United States and the United Kingdom, and the recomposition of class relations in the center. These social, economic, and political shifts spread to the periphery through persuasion (including misleading images of “success” beamed by the international media and the slanted development of fashionable economic and political theories), and coercion. For example, center governments routinely used the international financial institutions, the United Nations system, and the General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO) to justify the imposition of neoliberal policies on the periphery as a condition for access to funds, international markets, and aid flows.

Neoliberal economic policies are based on three main planks, none of them identified clearly in Coxian studies. First, at the microeconomic level, the assumption that the market is efficient and the state is inefficient. Therefore, relative prices should be determined by resource availability and consumer preferences, and the market should address such economic problems as employment creation, industrial development, and international competitiveness. The state should essentially provide legal and economic infrastructure for the development of markets, mediate between social groups in order to expand market relations, and defend the country against foreign aggression.

Second, at the macroeconomic level, the world economy is presumably characterized by capital mobility and the relentless advance of (an ill-defined process of) “globalization.” Although they offer the possibility of rapid growth through the attraction of foreign capital, this can be achieved only if domestic policies conform to the short-term interests of the (financial) markets; otherwise, foreign and domestic capital will be driven elsewhere. These assumptions have been used to justify the transfer of state capacity to allocate resources intertemporally (the balance between investment and consumption), intersectorally (the allocation of investment funds and the composition of output and employment), and internationally (the pattern of international specialization) toward an increasingly integrated and U.S.-led financial sector. These policy reforms support the recomposition of the system of production at a higher level of productivity (at least at the level of large or international firms) through the transnationalization of production and finance and the integration of local capitals into global capital circuits. This new relationship between domestic capitals, foreign capitals, and the state requires the liberalization of foreign trade, domestic finance, and the capital account of the balance of payments, as local platforms for the restructuring of processes of production and finance in each country.

Third, neoliberalism institutionalizes the preeminence of financial market imperatives on the key aspects of macroeconomic policymaking. This is evident in the neoliberal claims for the superior efficacy of monetary policy. In particular, interest rate manipulation is considered to be the most important tool for economic management and the imposition of social discipline under

neoliberalism. Presumably, in a liberalized economy, the “correct” interest rates can deliver balance of payments equilibrium, low inflation, sustainable investment and consumption, and high growth rates in the long term.

These claims are not simply due to the subjective overestimation of the potential of monetary policy to deliver its stated aims. The rise of liberalized finance and the prominence of monetary policy under neoliberalism evince the growing material articulation between the processes of economic and social reproduction across the world, and the trend toward the integration of international production and financial systems. This growing articulation also tends to escape the attention of Coxian studies because of their descriptive understanding of class and narrow focus on state policy.

The processes of liberalization of domestic finance and the capital account of the balance of payments associated with neoliberalism promote the integration between industrial and interest-bearing capital and between domestic and international capital. In this sense, the inability of the neoliberal reforms to support higher levels of investment in most economies is hardly relevant. The primary purpose of the neoliberal reforms is not to promote high rates of economic growth, reduce inflation, or increase the portfolio choices of the financial institutions. Their primary aims are to subordinate domestic accumulation to international imperatives, promote the microeconomic (firm-level) integration between competing capitals, mediated by finance, and expand the scope for financial system intermediation in the financing of the state.

The transfer of the main levers of accumulation to (international) capital, mediated by (U.S.-led) financial institutions, and regulated by (U.S.-controlled) international organizations, especially the IMF and the BIS, has established the material basis of neoliberalism.⁶⁴ In this system of accumulation, stable capital flows are essential not only to close the balance of payments, but also to finance domestic activity and the public sector. In turn, the stability of these flows is conditional upon compliance with the neoliberal prescriptions. Internationalized finance is the main vehicle for the imposition of this project of accumulation and social domination, in which production and finance are inseparably linked. At a further remove, the prominence of finance expresses the subsumption of sectoral interests by the interests of capital as a whole. In policy terms, it ensures that accumulation is not regulated by sectoral coalitions, but by the capitalist *class*. This conclusion is sharply at odds with Coxian analysis of the implications of neoliberalism, examined in the previous section.

The neoliberal restructuring of social and economic reproduction has drastically curtailed the scope for alternative economic policies. The main task of the economic authorities is no longer to fine-tune the process of accumulation and arbitrate between competing claims over the national product, as was the case under Keynesianism. Their main job under neoliberalism is to ensure that the signals emitted by the financial market operators—expressing the interests of capital in general—are read by the state institutions and by

individual capitals with as little distortion as possible and implemented as promptly as technology allows.

Outcomes and Limitations of Neoliberalism

The neoliberal transition includes three main elements—the restoration of capitalist social domination, the restructuring of production after the collapse of Keynesianism, and the recomposition of U.S. hegemony through the pivotal position of U.S. financial institutions in global accumulation, the restoration of the role of the dollar, and the U.S.-led integration of the international elite. The transition has led to a significant worldwide shift in power relations away from the majority. The political spectrum has shifted toward the Right, Left parties and mass organizations have imploded, and many trade unions have been disabled. The working class has been disorganized and disciplined through a range of mechanisms of control, including higher unemployment, labor turnover and personal debt, greater international competition, and legal changes, including cutbacks in the wages, benefits, and entitlements systems built under Keynesianism. Neoliberalism has facilitated the concentration of power and wealth, increased the rate of exploitation of the workforce, and demoralized and suppressed the alternatives.

Having emphasized the strengths of neoliberalism, it is also important to briefly point out five of its contradictions and limitations, which also tend to escape Coxian studies. First, neoliberal policies are overtly guided by the imperative of “business confidence.” This is inconsistent because confidence is intangible, elusive, and self-referential, and it is subject to sudden and arbitrary changes. The advocates of neoliberalism invariably overestimate investment and growth that can be generated through the adherence to the neoliberal demands. Second, these policies systematically favor finance and large capitals at the expense of smaller capitals and the workers. The ensuing transfer of resources to the rich and the global growth slowdown triggered by the neoliberal obsession with low inflation have increased unemployment and fostered the stagnation of wages and the concentration of income in most countries. Third, economic “deregulation” disintegrates the established systems of provision, reduces state policy-making capacity and the degree of coordination of economic activity, creates undesirable employment patterns, and precludes the use of industrial policy instruments for the implementation of socially determined priorities. “Market freedom” increases economic uncertainty, volatility, and vulnerability to crisis. Fourth, the neoliberal reforms introduce mutually reinforcing policies that destroy jobs and traditional industries that are defined, often *ex post*, as being inefficient. The depressive impact of their elimination is rarely compensated by the rapid development of new industries, leading to structural unemployment, greater poverty and marginalization, and a more fragile balance of payments. Fifth, the neoliberal policies are not self-correcting. Failure to achieve their stated aims generally leads to the *extension* of the

reforms, with the excuse of ensuring implementation and the promise of “imminent” success compounding their adverse implications. Finally, neoliberalism is inimical to economic democracy, whilst it hollows out political democracy, making neoliberalism vulnerable to political challenges.

CONCLUSION: LIMITATIONS OF COXIAN ANALYSIS OF THE TRANSITION TO NEOLIBERALISM

The examination of the material basis of neoliberalism and its vulnerabilities in this chapter points toward two significant shortcomings in Coxian analysis. First, the Coxian approach is wrong to claim that contradictions between “finance” and “industrial capital” (or between foreign and domestic capital) can be used to support progressive alternatives to neoliberalism. *Pace* Cox, finance is not an independent sector competing against industrial capital under neoliberalism. In advanced capitalist economies with developed financial systems, finance is the pool of liquid capital held in common by the financial and industrial sectors. The liberalization of domestic finance and the capital account of the balance of payments promotes the material *integration* between industrial and interest-bearing capital and between domestic and international capital. Moreover, stable capital flows become essential not only to close the balance of payments, but also to finance domestic activity and the public sector. In turn, the stability of these flows is conditional upon compliance with the neoliberal policy prescriptions. Internationalized finance is the main instrument for the imposition of this project of accumulation and social domination in which industrial capital (*both* domestic and transnational) and finance are inseparably linked.⁶⁵

Second, the Coxians—exactly as the modern-day Keynesians—argue that macroeconomic instability and frequent financial and balance of payments crises show that neoliberalism is fundamentally flawed. This is true, but only in the same abstract sense that economic crises show that capitalism is a flawed mode of production. However, just as crises offer the opportunity to restore balance in capitalist accumulation, crises play a constructive role under neoliberalism because they impose policy discipline on governments and compel capitalists and workers to behave in ways that support the reproduction of neoliberalism. In this sense, financial crises fine-tune neoliberalism and make it work “better.”

The persistent failures of governments elected with the promise of seeking alternatives to neoliberalism show that transcending this system of accumulation is costly. They also show that moving beyond neoliberalism is not primarily a subjective or electoral problem of selecting adequate industrial, financial, or monetary policies. Transcending neoliberalism will involve economic and political transformations that can be addressed only through the construction of an alternative system of accumulation. This project will

require a driving force, which can be only the politically rearticulated working class: it would be profoundly misguided to expect “domestic capital” (or some of its fractions) to play a decisive role in the transition from neoliberalism.

In sum, the Coxian account of the decline of Keynesianism and the rise of neoliberalism is too abstract and indeterminate, and it fails to contextualize the transformations in capitalist production and in economic and state institutions taking place between the mid-1940s and the late 1970s. Instead, Coxian analysis focuses uncritically on excess competition, distributive conflicts between rival states and social groups, and the (largely unexplained) drift from “Fordism” to “post-Fordism,” while ignoring the disabling criticisms of these regulationist categories that are readily available in the literature.⁶⁶ These tensions and displacements are normally not explained in detail. Distributive conflicts, in particular, are usually merely described as disputes over shares of the national (or, in the case of states, global) income. This is insufficient because the Coxian account largely reports what is immediately apparent, while eschewing the explanation of these tensions and displacements through a systematic reconstruction of the contradictions of Keynesianism and the internal structure and dynamics of neoliberalism, the contemporary form of capitalism. These limitations dampen the explanatory power of Coxian theory, and debase its potential to inform the search for alternatives.

NOTES

- * We are grateful to Branwen Gruffydd Jones, Jonathan Joseph, Stephen McBride, and Robbie Shilliam for their comments on a previous version of this manuscript, and to Sebastian Sajda and Jenny Kennedy-Pannett for their invaluable research assistance.
- 1. In this chapter, Keynesianism, monetarism, and neoliberalism are understood as both economic theories and economic policy paradigms. Keynesianism was typical of the period between the mid-1930s and 1973 and, more specifically, of the postwar “golden age.” Neoliberalism is typical of the period after 1979 (all dates are approximate).
- 2. See, for example, Bastiaan van Apeldoorn, “Transnationalizing the Restructuring of Europe’s Socioeconomic Order,” *International Journal of Political Economy* 28, no.1 (1998): 12–53; Stephen Gill and David Law, “Global Hegemony and the Structural Power of Capital,” *International Studies Quarterly* 33, no.4 (1989): 475–99; Stephen Gill, *American Hegemony and the Trilateral Commission* (Cambridge: Cambridge University Press, 1990); Stephen Gill, “Globalisation, Market Civilisation and Disciplinary Neoliberalism,” *Millennium* 24, no.3 (1995): 399–423; Adam D. Morton, “Structural Change and Neoliberalism in Mexico: ‘Passive Revolution’ in the Global Political Economy,” *Third World Quarterly* 24, no.4 (2003): 631–53; Mark Rupert, *Producing Hegemony: The Politics of Mass Production and American Global Power* (New York: Cambridge University Press, 1995); Mark Rupert, *Ideologies of Globalization: Contending Visions of a New World Order* (London: Routledge, 2000); Mark Rupert and M. Scott Solomon, *Globalization and International Political Economy: The Politics of Alternative Futures* (Lanham, MD: Rowman & Littlefield, 2005); Kees van der Pijl, *The Making of an Atlantic Ruling Class* (London: Verso,

- 1984); and, especially, Robert W. Cox, *Production, Power and World Order: Social Forces in the Making of History* (New York: Columbia University Press, 1987); Robert W. Cox, "Production, the State and Change in World Order," in *Global Changes and Theoretical Challenges: Approaches to World Politics for the 1990s*, ed. Ernst-Otto Czempiel and James N. Rosenau (Toronto: Lexington Books, 1989), 37–50; Robert W. Cox, "Global Perestroika," in *The Socialist Register: New World Order?* ed. Ralph Miliband and Leo Panitch (London: Merlin, 1992), 26–43.
3. Cox, "Production," 2.
 4. The chapter adopts the terminology "Coxian" to refer to Cox's scholarship and some closely related work in the neo-Gramscian tradition. It recognizes that other writers within the "school" do not necessarily share the methodology and key assumptions of Coxian explanatory frameworks.
 5. Cox, "Production," 211–72.
 6. Cox, "Production"; Cox, "*The State*"; Cox, "*Perestroika*"; for other neo-Gramscian analyses in the same mold, see Andreas Bieler and Adam Morton, "A Critical Theory Route to Hegemony, World Order and Historical Change: Neo-Gramscian Perspectives in International Relations," *Capital and Class* 82 (2004): 93–94; Gill, *American*, 96; Gill and Law, "Global Hegemony," 478.
 7. Cox, "Production," 220–21; Cox, "The State," 45; Bieler and Morton, "A Critical Theory Route to Hegemony," 94.
 8. Cox, "Perestroika," 29; see also Gill and Law, "Global Hegemony," 479; van Apeldoorn, "Transnationalizing the Restructuring," 12–13.
 9. Cox, "Perestroika," 28–29.
 10. Robert W. Cox and Michael G. Schechter, *The Political Economy of a Plural World: Critical Reflections on Power, Morals and Civilization* (London: Routledge, 2002).
 11. Rand Morton, "A Critical Theory Route to Hegemony," 94–96; Cox, "Production," 253; Cox, "The State," 46–47; Cox, "Perestroika," 30; Gill, *American*, 98; for detailed studies of the transnational capitalist class, see van der Pijl, *The Making of International Relations* (London: Routledge, 1998).
 12. See, for example, Isabella Bakker and Stephen Gill, "Ontology, Method, and Hypotheses," in *Power, Production, and Social Reproduction*, ed. Isabella Bakker and Stephen Gill (London: Palgrave Macmillan, 2003) 17–42; Stephen Gill, *Power and Resistance in the New World Order* (London: Palgrave, 2003); Gill, "Globalisation."
 13. Cox, "Perestroika," 28–30.
 14. Bieler and Morton, "A Critical Theory Route to Hegemony," 95.
 15. Michael G. Schechter, "Critiques of Coxian Theory: Background to a Conversation," in *The Political Economy of a Plural World*, 3.
 16. Chris Brown, *International Relations Theory: New Normative Approaches* (Columbia University Press, 1992), 202.
 17. John Adams, review of *Production, Power, and World Order*, by Robert W. Cox, *Annals of the American Academy of Political and Social Science* 501 (January 1989): 224–25.
 18. See, for example, Peter Burnham, "The Politics of Economic Management in the 1990s," *New Political Economy* 4, no.1 (1999): 37–54; Hazel Smith, "The Silence of the Academics: International Social Theory, Historical Materialism and Political Values," *Review of International Studies* 22 (1996): 191–212.
 19. Timothy J. Sinclair, "Beyond International Relations Theory: Robert W. Cox and Approaches to World Order," in *Approaches to World Order*, ed. Robert W. Cox with Timothy J. Sinclair (Cambridge University Press, 1996), 9; see also Susan

- Strange, "Cox is an eccentric in the best English sense of the word, a loner, a fugitive from intellectual camps of victory, both Marxist and liberal" in her review of *Production, Power, and World Order* by Robert W. Cox, *International Affairs* 64, no. 2 (Spring 1988): 269–70.
20. See Cox, *Approaches*, 58.
 21. *Ibid.*, 27.
 22. *Ibid.*, 176–78.
 23. Burnham, "The Politics," 39.
 24. In Derek Sayer, *The Violence of Abstraction: The Analytical Foundations of Historical Materialism* (Oxford: Basil Blackwell, 1987), ix–x.
 25. H. Smith, "The Silence of the Academics," 202 and 202f.
 26. Peter Burnham, "Neo-Gramscian Hegemony and the International Order," *Capital and Class* 45 (1991): 77.
 27. Paul Cammack, "RIP IPE," Papers in the Politics of Global Competitiveness No. 7. Institute for Global Studies, Manchester Metropolitan University, e-space Open Access Repository, 2007, 16. <http://e-space.openrepository.com/e-space/bitstream/2173/12264/1/ipe.pdf>.
 28. See Bieler and Morton, "A Critical Theory Route to Hegemony," 88–89; Cox, *Production*, 29.
 29. Cox, *Production*, 2.
 30. Cox, *Plural World*, p.85.
 31. Cox, *Production*, 3–4, 355.
 32. *Ibid.*, 355; for example in later works, see Cox and Schechter, *The Political Economy of a Plural World*, 84.
 33. See Cox, *Plural World*, 30
 34. For a detailed critique of the latter, see Ellen M. Wood, *The Retreat from Class: A New "True" Socialism* (London: Verso, 1998).
 35. Cox's (*Production*, 314–16) provocative remarks about the social and political determinants of technology are dropped as soon as they have been uttered, and play no role in the remainder of his work.
 36. Cox, *Production*, x, 32–34; see also Bieler and Morton, "A Critical Theory Route to Hegemony," 89.
 37. See Hannes Lacher, "Making Sense of the International System: The Promises and Pitfalls of Contemporary Marxist Theories of International Relations," in *Historical Materialism and Globalization*, ed. Mark Rupert and Hazel Smith (London: Routledge, 2002), 147–65; and Robert Shilliam, "Hegemony and the Unfashionable Problematic of 'Primitive Accumulation,'" *Millennium: Journal of International Studies* 33, no.1 (2004): 59–88.
 38. Shilliam, "Hegemony and the Unfashionable," 83; emphasis in original.
 39. Cox, *Production*, 4.
 40. Robert W. Cox, "Social Forces, States and World Orders: Beyond International Relations Theory," *Millennium: Journal of International Studies* 10, no.2 (1981): 126–55.
 41. Sinclair, "Beyond International Relations," 11–12.
 42. Sinclair, "Beyond International Relations," 10, citing Cox, "Social Forces," 136.
 43. Cox, *Production*, 396.
 44. *Ibid.*, 399.
 45. Cox, "Gramsci," 170–71.
 46. Matt Hampton, "Hegemony, Class Struggle and the Radical Historiography of Global Monetary Standards," *Capital & Class* 89 (2006): 133, 136.

47. Burnham, "The Politics," 37–54; Peter Burnham, "Capital, Crisis and the International State System," in *Global Capital, National State and the Politics of Money*, ed. Werner Bonefeld and John Holloway (London: Macmillan, 1995), 95–96.
48. Hampton, "Hegemony, Class Struggle," 157.
49. For devastating critical reviews of the "political school" (associated with Evans, Rueschemeyer, and Skocpol, 1985), see Paul Cammack, "Bringing the State Back In?" *British Journal of Political Science* 19, no.2 (1989): 261–90; Ben Fine, "The Developmental State and the Political Economy of Development," in *The New Development Economics after the Washington Consensus*, ed. K. S. Jomo and B. Fine (London: Zed Books, 2006), 101–22.
50. Ulrich Brand, "Hegemony and Spaces for Resistance: Neo-Gramsci, Neo-Poulantzas and an Outline of a Critical Theory of International Politics," *La Jiribilla* 174 (2004): http://www.lajiribilla.cu/2004/n174_09/174_16.html.
51. Hampton, "Hegemony, Class Struggle," 136–37.
52. See, for example, Bob Jessop, "Bringing the State Back In (Yet Again): Reviews, Revisions, Rejections, and Redirections," *International Review of Sociology—Revue Internationale de Sociologie* 11, no.2 (2001): 149–73; Bertell Ollman, "Why Does the Emperor Need the Yakuza? Prolegomenon to a Marxist Theory of the Japanese State," *New Left Review* 8 (2001): 73–98.; Derek Sayer, "The Critique of Politics and Political Economy: Capitalism, Communism and the State in Marx's Writings of the Mid-1840s," *Sociological Review* 33, no.2 (1985): 221–53; Sayer, "Violence of Abstraction"; Ellen. M. Wood, *Democracy Against Capitalism: Renewing Historical Materialism* (Cambridge: Cambridge University Press, 1995).
53. Lacher, "Making Sense," 151.
54. Simon Bromley, "Rethinking International Political Economy," in *Boundaries in Question*, ed. John Macmillan and Andrew Linklater (London: Pinter, 1995), 232.
55. Cox, *Production*, 144–46; emphasis added.
56. Cox and Schechter, *The Political Economy of a Plural World*, 1.
57. For an overview of Keynesian policies and experiences in the center, see Simon Clarke, "Overaccumulation, Class Struggle and the Regulation Approach," *Capital & Class* 36 (1988): 59–92, and Stephen A. Marglin and Juliet Schor, ed., *The Golden Age of Capitalism: Reinterpreting the Postwar Experience* (Oxford: Clarendon, 1990).
58. See, for example, Giovanni Arrighi, *The Long Twentieth Century. Money, Power and the Origins of Our Times* (London: Verso, 1994), and Eric Hobsbawm, *The Age of Extremes* (New York: Vintage, 1994), chap. 3–4, 8–9.
59. See Richard Saull, *The Cold War And After: Capitalism, Revolution And Superpower Politics* (London: Pluto, 2007).
60. Leo Panitch and Sam Gindin, "Finance and American Empire," in *Socialist Register 2005: The Empire Reloaded*, ed. L. Panitch and C. Leys (London: Merlin), 46–81.
61. See, for example, Gérard Duménil and Dominique Lévy, *Capital Resurgent: Roots of the Neoliberal Revolution* (Cambridge, MA: Harvard University Press, 2004); and "The Neoliberal (Counter-)Revolution," in *Neoliberalism: A Critical Reader*, ed. A. Saad-Filho and D. Johnston (London, Pluto, 2005), 9–19.
62. See Ronaldo Munck, "Neoliberalism and Politics, and the Politics of Neoliberalism," in Saad-Filho and Johnston, *Neoliberalism*, 60–69.
63. For a review of neoliberalism, see the contributions in Saad-Filho and Johnston, *Neoliberalism* (especially "Introduction").
64. See Chris Rude, "The Role of Financial Discipline in Imperial Strategy," in *Socialist Register 2005: The Empire Reloaded*, ed. Leo Panitch and Colin Leys

- (London: Merlin, 2005), 82–107; Robert Wade, “A New Global Financial Architecture?” *New Left Review* 46 (2007): 113–29.
65. See Vivek Chibber, “Reviving the Developmental State: The Myth of the ‘National Bourgeoisie,’” in *Socialist Register 2005: The Empire Reloaded*, ed. Leo Panitch and Colin Leys (London: Merlin, 2005): 144–65; Leo Panitch, and Sam Gindin, “Global Capitalism and American Empire,” in *Socialist Register 2004: The New Imperial Challenge*, ed. by L. Panitch and C. Leys (London: Merlin, 2004): 1–42.
66. See, for example, Robert Brenner and Mark Glick, “The Regulation Approach: Theory and History,” *New Left Review* 188 (1991): 45–119; Clarke, “Overaccumulation”; Ciaran Driver, “Review Article: A Theory of Capitalist Regulation—The U.S. Experience,” *Capital & Class* 15 (1981): 150–68; Stavros Mavroudeas, “Regulation Theory: The Road from Creative Marxism to Post-Modern Disintegration,” *Science & Society* 63, no.3 (1999a): 311–37; Stavros Mavroudeas, “Periodising Capitalism: Problems and Method—The case of the Regulation Approach,” *Research in Political Economy* 17 (1999b): 310–37; Hugh Ward, “The Co-evolution of Regimes of Accumulation and Patterns of Rule: State Autonomy and the Possibility of Functional Responses to Crisis,” *New Political Economy* 8, no. 2 (2003): 179–202.