4 Regulation in the Context of Regimes of Accumulation and Modes of Regulation

As with De Bernis, the expressed intention of Michel Aglietta was to develop a comprehensive alternative to general equilibrium theory. Aglietta argued that the latter failed to express the social nature of economic relations and to analyse the historical dynamics of economic processes because of its reductionist assumption that economic subjects are defined by rational conduct allegedly inherent in human nature (Aglietta, 1987, p. 13; 1976, p. 11). Since the theory is fundamentally flawed, an alternative cannot seek to answer the questions it raises or adopt its assumptions. The break with this framework requires a ‘theory of the regulation of capitalism which isolates the conditions, rhythms and forms of its social transformations’ (Aglietta, 1987, p. 15; 1976, p. 12).

For Aglietta the social relations that structure society are organised in a hierarchy, where a determinant relation, a structural invariant, secures social cohesion. Under capitalism the structural invariant is the wage relation (rapport salarial). Central to Parisian theory is the thesis that society tends to develop in a manner that simultaneously reproduces the structural invariant and entails qualitative change, or even rupture. For this reason the study of the regulation of the capitalist mode of production seeks to uncover the determinant relations that are reproduced in and through social transformations, the changing forms in which these are reproduced, and the reasons why this reproduction is accompanied by ruptures at different points of the social system (Aglietta, 1987, pp. 12–13; 1976, p. 10). Although the alternative to general equilibrium should embody a theory of ‘social regulation’, Aglietta’s major concern is the regulation of the capitalist mode of production. Regulation

denotes the need for an analysis encompassing the economic system as a whole…. The object of economic theory [is] the study of the social laws governing the production and distribution of the means of existence of human beings organised in collective groups. (Aglietta, 1987, pp. 15–16; 1976, pp. 13–14)
In a capitalist society the process of regulation involves the emergence of structural forms that are the product of social struggles:

The study of capitalist regulation … is the study of the transformation of social relations as it creates new forms that are both economic and non economic, that are organised in structures, and themselves reproduce a determinant structure, the mode of production. (Aglietta, 1987, p. 16; 1976, p. 14)

In his book Aglietta decided to study the economic history of a nation as a 'segment of the world economy' (Aglietta, 1987, p. 22; 1976, p. 19). Initially he justified this move as a matter of convenience: to develop a theory of regulation drawing on world economic history would be 'beyond the capacity of a single individual'. But he also adduced substantive reasons for taking a single country as a starting point. Even if 'the international expansion of capital forms a part of [its] expanded reproduction [that is, accumulation]', the study of international expansion should be based on a 'knowledge of the general tendencies of capitalist development within different nations'. Moreover the expanded reproduction of society as a whole requires the organisation of the capitalist class within the bourgeois state (Aglietta, 1987, p. 22; 1976, pp. 19–20). A final reason for the focus on the nation is apparently specific to the United States,

[where] the extension of the wage relation brought about a unification of the nation by its own internal dynamic alone. Capitalism developed on the basis of commodity relations without having to combine with archaic social structures. (Aglietta, 1987, p. 23; 1976, p. 20)

Paradoxically it is the specificities of US capitalism which make it ideal for understanding regulation:

they express the most adequate structural forms for perpetuating capitalist relations of production that the class struggle has yet created any where…. The study of US capitalism, therefore, affords the best vantage point for developing a theory of capitalist regulation. (Aglietta, 1987, p. 23; 1976, p. 20)

In brief the challenge for regulation theory is twofold. First it must explain stability and ruptures in capitalist accumulation without relapsing into