TIME, SPACE, FLEXIBILITY: UNEVEN DEVELOPMENT IN REGULATION THEORY

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When crises endure, orthodoxies fade (Boyer, 1990: xxiii).

Regulation theory has been enormously influential in recent years, providing as it does a means for interpreting - possibly even responding to - the present global economic malaise. Popularised in analyses of the breakdown of Fordism and, more controversially, the rise of a potential successor regime of flexible accumulation, regulation-theoretic approaches have been much used, though perhaps just as often abused. Certainly the *terminology* of regulation theory has passed easily into mainstream academic discourse. Devices such as regimes of accumulation and modes of social regulation are, however, more than labels. Too often they are casually applied, robbed of their underlying meaning and misleadingly divorced from the conceptual architecture of regulation theory, nowhere more so than in premature treatments of flexible accumulation.

Noticeably, that those writers who have remained closest to the underlying tenets of regulation theory have been amongst the most circumspect about the shape of Fordism's successor (compare Leborgne and Lipietz, 1988; Scott, 1988; Dunford, 1990; Jessop, 1990a; Lovering, 1990). Contrary to some of the more precocious analyses of flexible accumulation, regulation theory is not, in fact, predictive: the theory's criteria for admission as a regime of accumulation are highly stringent and most certainly are not met by pointing to the occasional flexible firm or Third Italy. While apologists for this approach continue to defend their 'high risk theoretical venture' (Scott, 1991: 133; cf Pudup, 1992: 191), it is important that such speculative work does not lead to the misinterpretation of contemporary restructuring processes.

But this is not just a plea to go back to the basics with regulation studies. This would be to imply that regulation theory is a fixed and finished conceptual edifice. In fact, it represents an on-going research programme, with a set of conceptual devices and an evolving methodology (Boyer, 1990; Jessop, 1990a). As such, regulation theory is engaged in a continuing dialogue with other approaches in what is becoming a very broadly-based movement towards a more institutionally-grounded political economy. This spans work as diverse as the US social structures of accumulation approach, the French *economie des* is a common concern with the intrinsically socio-political character of restructuring processes, with the role of social institutions in underpinning modes of economic development and with the historically- and geographically-specific nature of capitalist (re)production. Regulation theory, with its emphasis on *holding together* the twin processes of accumulation and regulation, has made a significant contribution to these debates.

Regulation theory, then, continues to develop. While by no means a completed theoretical project, regulation theory has nevertheless matured to the extent that its proponents now work from a well-established set of conceptual foundations. The theory holds that capitalist development proceeds through a succession of historically-specific phases of stability and crisis, sustained growth an intense restructuring. Emphasis is placed on the role of state forms, social mores, laws and habits - the so-called *mode of social regulation* (MSR) - in underwriting sustained phases of growth. These phases, in which the schema of reproduction (the complex of production, consumption and distribution systems) is broadly in synchronisation, are termed *regimes of accumulation*. This virtuous relationship between accumulation and regulation is at all times, however, a fragile and partial one, balanced as it is on the knife-edge of political compromise. MSRs provide only a temporary, medium-term means for containing those crisis tendencies which are seen to be endemic to the system. When these crisis tendencies exhaust the moderating potentialities of the MSR, regimes of accumulation collapse into crisis, periods characterised by haphazard and indeterminate searches for new institutional ways of organising and sustaining accumulation. There is, of course, never any guarantee how or where this new institutional 'fix' will be found, or indeed that it will be found at all.

Clearly vulnerable to accusations of functionalism, regulation theorists have been at pains to stress the relative autonomy of forces of social regulation and the indeterminacy of the political struggles and compromises which shape the course of accumulation: Lipietz (1987) characterises the process by which a system of accumulation stabilises with an MSR as a 'chance discovery'. In the present interstice, for example, it is far from clear which, if any, of the many competing regulatory strategies will exhibit the durability necessary to mature into a stable MSR, though it is now claimed that some of the leading neoliberalist projects have already reached their political and economic limits (Dunford, 1990; Peck and Tickell, 1992). Indeed, the distinctive growth patterns of many of the new industrial spaces, which some take to be emblematic of a new regime of accumulation, have already begun to falter (Amin and Robins, 1990). This suggests that we may be further from a new institutional fix than was earlier implied.

The preponderance of such failed, and failing, regulatory experiments does not undermine the regulationist project. On the contrary, it should drive home the importance of adhering to the precepts of the original regulation approach. If the head-long charge into premature, meta-historical theorising about the character of the emergent regime has taught us anything, it is that reality is more complex, more conditional (Rustin, 1989; Amin and Robins, 1990; Pudup, 1992; Tickell and Peck, 1992). Perhaps it is the case, as Pudup (1992: 191) has suggested, that the rapid ascendancy of ideas of flexible accumulation occurred because a certain theoretical vacuum had emerged around the question of contemporary spatial restructuring, 'because its proponents dared to enter the theoretical breach when existing theory ceased to explain contemporary industrial and regional realities'. This may be one of the reasons why some of the advocates of the new orthodoxy found it necessary to embrace a new theoretical eclecticism (Scott and Storper, 1990). But such accusations of redundancy in existing theoretical devices can be overdrawn; perhaps some of the established insights were jettisoned too quickly.

The argument developed here is that, building upon the foundations of regulation theory and drawing upon the well-established body of work on restructuring, a more robust theoretical framework can be constructed. In moving toward this goal, the paper will focus on two major silences in contemporary debates: first, the question of social regulation itself will be foregrounded - one curiously underplayed even in many regulationist accounts and largely absent from most studies of flexible *production* systems; and second, the issue of uneven spatial development will be revisited - one which is not explored explicitly within regulation theory itself, but which is being dramatically redefined in the flurry of work on new industrial spaces. It is argued that properly-formulated regulationist approaches can continue to yield significant insights into the nature and geography of the contemporary transition and that economic geography might do well to draw back from its almost exclusive preoccupation with the reorganisation of production, to consider the wider dynamics of accumulation and their interpenetration with forces of social regulation.

The paper is divided into three parts. The first critically examines the foundations of the regulation approach and establishes a set of principles for regulationist studies. This is followed by a discussion of the role of time and space in regulation theory. The third section begins to operationalise this approach in an examination of social regulation and regional economic restructuring in contemporary Britain.

Foundations and principles of the regulation approach

Regulation theory was initially developed as a means of understanding the long-run stability of capitalist macro-economic structures, and aims to construct a 'rigorous periodization of capital according to its own logic' (Davis, 1978: 212). Regulation theory seeks to explain the fundamental contradiction of the capitalist mode of production: how, despite its many contradictions and subsequent instability, does capitalism as a system remain stable (Dunford, 1990)? The Althusserian roots of the early regulation theorists (see Jensen, 1990) have been retained in the view that 'crisis, understood as a process that brutally restores the contradictory unity of the various stages of the accumulation process, ought to be the rule, not the exception' (Boyer, 1990: 35).

Regulation theory holds that, over a period of decades, the destabilising processes embedded within capitalism are stabilised under a regime of accumulation. The two elements of the regime, the accumulation system and the MSR are accorded equal theoretical weight, although in practice it is possible to identify a subordination of the MSR to the accumulation system (Jessop, 1991). This is evident in the fact that regulation theorists have tended to use the term 'regime of accumulation' to mean both the coupling of the accumulation system with the MSR and the accumulation system alone (Peck and Tickell, 1991).

An accumulation system is a macro-economic structure which sustains reproduction through a virtuous relationship between production, consumption and distribution. Lipietz (1988: 31) defines it as

> a way of dividing and systematically reallocating the social product. Over an extended period of time there is a certain convergence between the transformations of production (amount of capital invested, distribution among the branches, norms of production) and transformations in the conditions of final consumption (habits of consumption of wage earners and other social groups, collective expenditures ...).

The accumulation system consists of five key components: (i) the organisation of production and the workers' relationship to the means of production; (ii) the speed of capital circulation and valorisation (which influences the development of management principles); (iii) the distribution of value (which allows for the reproduction and development of different social classes); (iv) the composition of demand; and (v) the manner of articulation with those non-capitalist forms which hold an essential place for an economic formation, such as the household (Boyer, 1990). Emphasis on these aspects of economic organisation allows regulationists to show how accumulation within the capitalist mode of production is temporally and geographically variable. It is this argument which underpins the rejection of 'uniform' Althusserian Marxism. Regulation theorists insist that there is not one paradigmatically successful accumulation system, rather the specific shape of capitalist accumulation can vary considerably over both time and space (Lipietz, 1987).

However, the stabilisation of an accumulation system is not guaranteed by its economic components. Regulation theory explains such stabilisation by reference to 'institutional forms' and the MSR. Institutional forms are defined as the codification of social relations (see Aglietta, 1979: 382; Boyer, 1990). Regulationists argue that the medium-term stabilisation of institutional forms depends upon the social context in which accumulation occurs. This can make reproduction possible through the development of habits, customs, social norms, institutionalised compromises and enforceable laws. The MSR serves both to reproduce social relations, and guide and stabilise the processes of accumulation, by mitigating the conflict inherent in capitalist social relations (Lipietz, 1987, 1988; Dunford, 1990; Jensen, 1990).

Capitalism can only stabilise in the medium-term if the accumulation system and the MSR complement one another. Eschewing some Marxisms of the 1970s, regulationists argue that it is not legitimate to construct a dichotomy between the economy (or base) on the one hand and the social (or superstructure) on the other. Rejecting economic determinism, regulationists claim that the MSR is not determined functionally by the needs of the accumulation system. Lipietz (1987: 15) argues that accumulation systems and MSRs are

> *chance discoveries* made in the course of human struggles and if they are for a while successful, it is only because they are able to ensure a certain regularity and a certain performance in social reproduction. But, just as nature is full of oddities like duck-bills and toucans ... so the history of capitalism is full of experiments which led nowhere, aborted revolutions, abandoned prototypes and all sorts of monstrosities.

Furthermore, there is not only one 'correct' MSR for each accumulation system. In theory, similar systems of production organisation may have different MSRs, although in the long-term this will lead to differences between their economic dynamics (Boyer, 1988b, 1988c).

Periodising capitalism: accumulation in the twentieth century

Regulationist concepts have been mobilised most effectively in analyses of the economic history of the twentieth century, a period witnessing two regimes of accumulation which were both globally hegemonic and hegemonic within the core industrial nations. Each regime of accumulation was succeeded by a period of structural crisis. These phases are illustrated in Table 1.

Table 1: Phases of regulation and accumulation

Period	to 1914	1918-1939	1945-1973	1974- present
Accumulation system	Extensive	Emerging intensive	Intensive (Fordist regime)	Emerging flexible? Protracted crisis?
Mode of social regulation	Competitive	Crisis of competitive	Monopolistic (Fordist-Keynesian mode)	Crisis of monopolistic. Emerging neo-competitive? neo-conservative? neo-corporatist?

(Source: Tickell and Peck, 1992)

Aglietta (1979) argues that between 1873 and the start of the First World War, a coupling of 'competitive' regulation and an 'extensive' accumulation system was dominant. Economic expansion during this period was achieved through the insertion of additional productive factors into the capitalist circuit. Thus, for example, capitalist relations were extended into new industrial sectors (through 'commodification') and new geographical areas (through spatial expansion). During this period, the leading industrial sectors - the capital goods industries - were the only significant beneficiaries of technical progress. Consumer goods production experienced few technical improvements, in either the production technologies or the labour processes (de Vroey, 1984a; Noël, 1987; Lipietz, 1987).

The extensive accumulation system was coupled with a competitive mode of social regulation. At the level of the nation-state, the MSR was economically liberal and non-interventionist. The state had no significant role in regulating industry, for example wages were negotiated by individual firms and subsequently were subject to market fluctuations. The international MSR was characterised by British hegemony and the gold standard.

The extensive-competitive regime of accumulation was not stable in the long-run. The French regulation theorists argue that after the First World War technological progress spread to consumer industries. 'Fordist' techniques, which involved sweeping changes in the labour and production processes, were adopted in consumer-orientated industries which, consequently, began to increase productivity and production. Initially, demand for consumer goods was provided by the 'new middle classes', sustaining boom conditions between 1919 and 1926. However, the competitive MSR was unable to form a social framework in which aggregate wages could sustain the demand necessary for expanded consumer goods production. Between 1926 and 1929 aggregate demand stagnated, culminating in the Wall Street Crash of 1929, and unleashing a cataclysmic financial and productive crisis. The initial response of individual capitalists was to speed up their investment programmes, in the false expectation of future valorisation, sustaining this investment on the basis of bank credit which created heavy indebtedness (Aglietta, 1979). The crisis of extensive accumulation was thus expressed in the financial system, engendering structural problems which reached their climax during the 1930s. In order for this crisis to be resolved, the systems of accumulation and regulation had to be transformed and recoupled.

Fordist production techniques were unable to develop fully prior to 1945 because the competitive MSR was unsuitable. However, after the Second World War, a new 'monopolistic' MSR emerged, which removed the fetters on the productive forces and enabled reorganisation of both the labour and the production processes. In the United States, the roots of the MSR were argued to have lain in President Roosevelt's 'New Deal for the American people' and the growing *economic* militancy of trade unions (Aglietta, 1979; see Clark, 1992). In the United Kingdom, the 'hungry thirties' ended with a transformed political climate, more open to state intervention and underpinned by the consensual nature of politics in the wake of the Second World War. Technical changes and deskilling swept through consumer-goods industries. In turn, productivity growth facilitated large rises in real wages which was subsequently to stimulate the creation of mass markets for consumer goods. Within the productive sphere, monopolistic and oligopolistic conditions developed which enabled firms to maintain prices largely irrespective of demand. This latter factor contributed to creeping inflation which was beneficial to capital in the short and medium terms because it collectivised the costs of obsolescence (de Vroey, 1984a). The monopolistic MSR was characterised by interventionist nation-states, which developed welfare and social programmes, the effect of which was to underwrite levels of aggregate consumption. Wage levels were determined collectively, reflecting the increased bargaining power of workers and contributing to real wage rises. Elam (1990: 30) underlines the *regulatory* significance of such increased influence: 'the Fordist wage-labour nexus meant that workers won the recognition of their employers for not only embodying labour power but also purchasing power.'

The Fordist regime of accumulation represented, of course, no more than a temporary resolution of the tendencies towards crisis inherent within capitalism. In retrospect it is possible to see dysfunctioning within the regime begin during the late 1960s, although the structural crisis of Fordism did not manifest itself until the mid-1970s. While the precise causes of structural crisis are held to be nationally variable, a number of key features can be identified. During the second half of the 1960s, productivity in the core Fordist countries slowed as the propulsive sectors began to reach their technical limits and wages continued to rise. Investment and capital intensification in consumer goods industries initially began to slow down before falling. It is also argued that monopolistic and oligopolistic conditions reduced competitive pressures for technological innovation and the replacement of obsolete equipment. This produced a tendency for the conservation of past value and 'overcapitalisation'. Finally, resistance to Fordist labour processes grew and industrial relations problems exploded.

These developments led to falling profit rates and, in the short-term, to increased company indebtedness. Companies responded by internationalising production and shedding labour. In turn, cost burdens rose for welfare-states at the same time as aggregate demand fell, creating over-capacity and problems of corporate debt repayment. International production and the growing importance of the export sector resulted in high wages increasingly being seen as deleterious to economic competitiveness, rather than as a vital component in consumption. This provided the social context in which real wage rises could slow and then decline, compounding consumer demand problems.

The emerging crisis of Fordism was triggered, and exacerbated by, 'exogenous' shocks to the system (Aglietta, 1982; de Vroey, 1984a). First, Japanese economic growth began to threaten North American and European economies as Japanese imports fulfilled a growing proportion of consumer demand. Second, in 1973 there was a massive rise in the price of petroleum, bringing severe inflationary consequences. Decades of cheap oil had fostered a heavy dependence upon petroleum as both fuel and raw material. Third, international indebtedness began to grow and threatened a financial crisis. Initially, international credit supported export-based Fordist industries and enabled the international financial system to churn 'petrodollars'. However, as world interest rates rose in response to inflationary pressures in Fordist countries, the indebted countries found themselves unable even to service their loans. The financial system was thrown into turmoil and exports to Third World countries fell (Roddick, 1988; Lipietz, 1985; 1988).

Early regulation-theoretical accounts pointed to the emergence of a 'neo-Fordist' regime, characterised by further intensification and *more* socialisation of collective consumption (Aglietta, 1979; Lipietz, 1985). Regulation theory does not, however, attempt to determine the resolution to the crisis of Fordism (Amin & Robins, 1990; Lipietz, 1987; Jessop, 1990a, 1991). Nevertheless, regulation theory has become increasingly influential as speculation into the nature of Fordism's successor has intensified. Some argue that already it may be possible to identify a new regime, alternately termed post-Fordism or 'flexible accumulation' (Harvey, 1987; 1989b, 1991; Scott, 1988c; Schoenberger, 1989b; Storper and Scott, 1989; Scott and Storper, 1990; Oberhauser 1990), whilst others believe that we are in a period of protracted crisis (Clarke, 1988, 1990a, 1990b; Gordon, 1988; Amin and Robins, 1990; Lovering, 1991).

The nascent regime of flexible accumulation, it is argued, is characterised by capital's response to the crisis of Fordism. Falling profit rates in Fordist industries stimulated widespread job shedding, eroding, along with complementary changes within the political sphere the power of trade unions. In response to these developments firms have adopted flexible labour practices (Storper and Scott, 1990). These have taken three major forms. First, individual pay negotiation has replaced 'traditional' collective bargaining, a corollary of which is that wages are now downwardly adjustable. Second, Taylorist labour processes, characterised by a strict division of labour within the firm, are being replaced by cross-skilling and greater worker autonomy. Third, firms are increasingly willing (i) to use part-time staff whose hours may be adjusted in response to demand, (ii) to hire and fire staff and (iii) to increase the use of subcontractors.

For some regulation theorists, changes in labour relations were initially welcomed as having the potential to emancipate workers from the Taylorist labour process. This is extremely contentious. Flexible work practices do have the *potential* to empower labour. Yet they also have the - more often realised - potential to deskill and disempower. The erosion of trade union power in favour of individualistic solutions may favour employers within the firm (because their traditional power structures have been maintained) and employers within the overall economy (because the particularism of employed workers' interests prevents the identification of strategies which can unify all workers) (see Pollert, 1988; Mahnkopf, 1992). The recognition that new technologies of production have different potentials, the realisation of which depends upon the social context, has led to a more recent reassessment of new labour processes which stresses the development of an increasingly polarised workforce (Leborgne and Lipietz, 1988; see also Cooke, 1988).

It must be emphasised though, that tendentious analyses of flexible accumulation are presently some distance from satisfying the regulationists' criteria as a regime of accumulation. This is not just a matter of 'how much' flexibility there is in the economy, or even of the direction of change. As Haughton (1992) has demonstrated, much of the 'new' flexibility has been around for decades, changes representing a 'state of mind' as much as a coherent change in the production system. For regulation theory, the crucial silence in the flexible accumulation literature is its failure to specify how this putative flexible economy will be socially regulated (Tickell and Peck, 1992). Stated baldly, until there is an identifiable and sustainable post-Keynesian MSR, there can be no regime of flexible accumulation.

Time, space and regulation theory

For Boyer (1990: 29) one of the principal goals of the regulation approach is to explain *'how economic and social dynamics vary over space and time'.* Time and space, however, are afforded rather different degrees of analytical priority in regulation theory. *In essence,* the theory is a historical one, as is revealed by Boyer's subsequent comment that the method of regulation theory is to be found at the interface of economic theory and economic history (*ibid*). It would seem, again, that economic geography must wait in the wings. But while regulation theory is certainly more *explicit* about the status of time and history in its theoretical architecture - the *periodisation* of capitalist development proposed by the theory being one of its most distinctive qualities - the theory has equally significant things to say about space and geography. It can be argued, given the avowedly realist ontology of regulation theory (Jessop, 1990a), that the philosophical basis of the approach requires attention to be paid to the historical *and* geographical specificities of capitalist development, that it requires a *simultaneous* treatment of time and space (Peck, 1992).

The regulationist treatment of time, which can be fundamentally counterposed to the pendulum analogy of equilibrium theory, is that capitalist development proceeds through successive phases of (relative) stability and change: regimes of accumulation are able to foster the conditions necessary for the maintenance of steady growth in the medium term, but these periods of comparative stability are subsequently disrupted by profound interstitial crises, phases of economic and political dislocation which undercut the uneasy harmony of the established regime. The precise timing of these phases is conditioned by the relatively indeterminate processes of institutional reform and political struggle, which shape the evolving form of the MSR: it is only when the dynamics and contradictions of the accumulation process exceed the moderating effects of the MSR, when this process of piecemeal adjustment is finally engulfed by the wider tensions in the accumulation process, that the regime will break down. This phenomenon of 'institutional exhaustion', wherein the ability of regulatory structures to accommodate the changing imperatives of accumulation, was one of the factors responsible, for example, for the ultimate undoing of the Fordist regime (Lipietz, 1986a).

These regulatory struggles vary not only over time, but also across space. Regulation theory recognises this in as far as it affords a significant analytical role to the nation-state. Thus, growth and crisis are seen to take different forms in different nations, even under the same regime of accumulation (Boyer, 1990), while the processes of struggle and institutional compromise are seen also to vary from country to country (Lipietz, 1987). Regulation theory can consequently be seen to build from foundations in *national* social formations: particular regimes of accumulation, defined in abstract terms, may become globally hegemonic, but their concrete forms, their dynamics of accumulation and regulation and their responses to crisis will all vary from nation to nation (Lipietz, 1986b). By implication, there is not just one single 'coupling' between the system of accumulation and the MSR - though its generic form may be sketched in the abstract - but a plethora of *national 'subcouplings'*, each exhibiting a different variant of the accumulation-regulation relationship and each occupying a different place within the global order (Tickell and Peck, 1992).

Time, crisis and regulation theory

Regulation theory was initially developed in order to understand the medium-term stability of capitalist accumulation and, as such, has been avowedly historical from the start. However, there are three problematics in the treatment of time by regulation theory which need to be addressed. These revolve around the following issues: the role of crisis in sectoral and national economic stability; the implications of treating time as 'real', rather than as cyclical; and the inadequate nature of regulation theory's treatment of transitionary periods. These are dealt with separately below.

Central to regulation theory is the understanding that regimes of accumulation are only able to *stall* the fundamental contradictions of capitalism - they are not capable of overcoming them. Consequently, *crisis* remains an inherent component of the system. Three major forms of crisis have been identified by regulation theorists (Boyer, 1988a, 1990; Lipietz, 1987; de Vroey, 1984a; Moulaert and Swyngedouw, 1989).

- Structural crises result from the long-term inability of a regime of accumulation to resolve capitalism's contradictory tendencies and occur when the MSR and the accumulation system no long complement each other. A structural crisis cannot be resolved within a given regime of accumulation. The CEPREMAP regulation theorists argue that there are two possible causes of structural crisis. First, when a *developing* accumulation system is inhibited by an inappropriate MSR (for example, the depression of the 1930s). Second, when an *existing* accumulation system is exhausted within the prevailing MSR (for example, the crisis of Fordism) (Aglietta, 1979; de Vroey, 1984a: Boyer, 1990; Lipietz, 1987). However, Dunford (1990) argues that there is only one cause of structural crisis. Basing his critique on an analysis of the crisis of the 1930s, Dunford claims that the differences are only superficial and that 'the general [Marxist] laws of motion of capitalist societies... seem to operate underneath all social and historical developments' (1990: 313).

- Conjunctural crises occur when the MSR and the accumulation system are temporarily out of synchronisation with one another. They are likely to be manifested as recessions. A conjunctural crisis must, by definition, be resolvable within a regime of accumulation, although the regime's internal structure may be modified in the process. Any adjustment will be relatively small, examples being changes in the spatial division of labour or some macro-economic fine-tuning. Conjunctural crisis, however, may be important for the overall longevity of a regime. By forcing minor changes to occur within a regime, conjunctural crises can 'restore the unity of the circuit [of capital]' (Lipietz, 1987: 34)

- Micro-crises are defined as crises which are not systemic in scale and can exist within a regime of accumulation. They are of least significance to the regime of accumulation because they only affect an individual unit or branch of capital which has failed to respond to changes in either the production process or consumption.

These forms of crisis have significant implications for the regulationist analysis of economic sectors and for the adequacy of regulation theory's analytical focus on the nation-state.

The timing of micro-crises in economic sectors is not always synchronised. Industries can become obsolescent during economic booms and firms go bankrupt even when their industrial sector is thriving. Micro-crises are of limited theoretical importance. However, micro-crises may develop into conjunctural crises, with attendant economic or regulatory restructuring, either if they are in leading economic sectors or if they demonstrate a failure in regulatory systems. For example, the crisis of the commercial real estate sector in London has been both a significant cause, and a contributor to the depth, of the current British recession. Similarly, the failure of the Johnson Matthey Bank in 1984 highlighted the broader failure of regulatory systems and resulted in changes in the system of bank supervision and regulation in the UK (see Clarke, 1986).

The timing of conjunctural and structural crises points to a more substantial problem in regulation theory - the concentration on the nation-state as the arena of crisis formation and resolution (Lipietz, 1987). The national variants of the Fordist regime of accumulation all encountered major problems during the early 1970s. If each of these regimes began to break down as a result of *internal causes*, the only explanation for the synchronised nature of the collapse of national Fordisms that is permissible is that of coincidence. After all, each variant had a specific accumulation system and a specific MSR which was 'coupled' in a unique fashion. Although there were similarities between, say, Fordism in the USA and Fordism in the UK, there were also substantial differences.

However, the breakdown of Fordism on a global scale, and the increased synchronisation of the economic cycles of the OECD countries since then (see Walter, 1991), suggests that the global regimes of accumulation are increasingly *bound together* and are more than just the sum of national regimes. International trade and the international financial system provide powerful mechanisms for transmitting production and regulatory norms. Although trade and finance have become further internationalised in the last twenty years (Dicken, 1992; Thrift and Leyshon, 1988), even during the heyday of Fordism, international trading and financial systems provided powerfully integrative structures in the world economy (see, for example, Corbridge, 1988a).

Turning to the treatment of time itself, unlike 'cyclical' or neoclassical theories, regulation theory deals with real events in real time and has been most successful as a *post hoc* theorisation of different regimes of accumulation. This implies that regulation theory does not make any predictions about the future: there is no guarantee that the current crisis will be replaced by a period of future stability, that any resolution will last for several decades (as did Fordism) or that any resolution will be rooted at the level of the nation-state.

The regulationist conception of the world economy as consisting of a system of intersecting national economies is based to a significant degree upon Aglietta's (1979) analysis of the United States. This contributed to a theorisation of nation-states as credit money-based economies, over which governments are able to exercise considerable influence via the operation of monetary policy (Dymski, 1990). For example, in interpreting inflationary tendencies in capitalist countries from the late 1960s, Lipietz (1987) argues that monetary policy was designed to *fuel* inflation in order to prolong growth. However, such policies are not seen as a long-term panacea - the process of 'creative destruction' is impeded and

> 'Lame ducks' have been kept alive, productive structures have become rigidified and countries [adopting such policies] may have become less competitive internationally (de Vroey, 1984b: 396).

However, since the early 1970s the capacity of individual nation-states to determine an independent monetary policy has been reduced (although by no means eradicated) and, with it, the adequacy of the regulationist emphasis on the primacy of internal causes (Smith, 1989; Dunford, 1990: McMichael and Myhre, 1991). It will be argued below that this is a substantial weakness in the French regulationist perspective which reduces its applicability to the processes which structure national economies, particularly those of the international financial system.

The co-existence of different accumulation systems and MSRs in time and space also poses a problem for regulation theory. During the Fordist regime of accumulation, pre-Fordist accumulation structures existed side-by-side with Fordist structures (Hudson, 1989), while Davis (1990) has argued that in contemporary Los Angeles post-Fordist and 'Bloody Taylorist' systems co-exist. If regulation theory's stress on the need for complementarity of the accumulation system and the MSR is correct, then the co-existence of accumulation systems which 'require' quite different socially-regulative structures seems impossible. A potential solution to this is that social regulation is in fact fragmented and that the regulationist concentration on the nation-state is misconceived.

While this stress in regulation theory on the contingent outcomes of struggles at the level of the nation-state avoids teleology, it effectively means that regulation theory is a theory of regimes of accumulation, rather than transition, a theory of stability rather than crisis. Regulation theory has a very weak grasp on the nature of the transition, being unable to 'identify a single motive force to drive the transition from one regime of accumulation to another' (Gertler, 1991: 15). As Jessop (1991: 16) argues, the danger of this is that vulgar theorisations of post-Fordism can become blinkered in their analysis of change:

> The risk here is that, having constructed a paradigm of post-Fordism, we then assess everything in terms of its role in advancing (or else blocking) the transition to post-Fordism. But, if we cannot yet tell what the final form(s) of a post-Fordist labour process, accumulation regime, or mode of regulation will be, it is both foolhardy and fallacious to argue that specific structures or strategies must prove functional or dysfunctional in the transition.

Rather than attempt to characterise the transition on the basis of a putative future, it is necessary to develop an understanding based on emerging institutional structures and forms of production. The theoretical criteria for sorting potentially durable socio-economic structures from transitory experiments must be demonstrable *political and economic reproducibilty*. If this cannot be demonstrated, then considerable restraint is required in the process of analysis. Do emergent forms of social regulation have the potential to reproduce emergent forms of production? If not, what are the implications for emerging from interstitial crisis? In order to theorise these transitions, regulation-theoretical analysis requires a more sensitive appreciation of the spatial constitution of different forms of regulation.

Space, scale and regulation theory

Regulation theory has essentially two things to say about space: first, the nature of the coupling between accumulation and regulation varies from nation-state to nation-state, and second, for a regime of accumulation to stabilise, this coupling must be functional at the level of the nation-state (Peck and Tickell, 1992). A limitation of the theory, however, is that it contains no explicit conception of uneven spatial development, either at the subnational or the supranational scales. So, while regulation theory raises some interesting questions about uneven development, it is unable at the moment to provide the answers. While these are questions which some have now begun to explore in detail (Scott and Storper, 1990; Florida and Jonas, 1991; Moulaert *et al*, 1992; Peck and Tickell, 1992), there are several methodological issues which must be clarified before regulation theory can be comprehensively spatialised. These concern the problematics of internal causality, of functionality and of scale. Each of the these is now dealt with in turn.

Lipietz (1987: 21-22) asserts that 'struggles and institutionalized compromises tend to arise within the framework of individual nations', citing this as the reason for the methodological primacy placed on 'internal causes' in regulation theory. While there is evidence that the pre-eminent position of the nation-state is being eroded from both above and below, given the apparently increasingly significance of political struggles and institutional structures at the regional and supranational scales (see Moulaert and Swyngedouw, 1989), we would concur that these processes continue to be primarily *articulated* at the level of the nation-state, even if they are not exclusively *rooted* there (see *Capital and Class* 43). But having said this, it is essential that the relationships between these different spatial scales are theorised within the regulation approach. Regimes of accumulation, and the crisis phases which punctuate them, undoubtedly do take on different forms in different countries, but these processes do not operate in a vacuum. Rather, they each carry with them a particular form of subnational uneven development, while being embedded within a particular structure of international uneven development.

The contention that the seeds of crisis are inevitably home-grown is consequently something of an oversimplifying one. The regulationists' central point here, however, is that regimes will ultimately break down as a result of their rising *internal* contradictions, and moreover, that these contradictions will be manifest in different nation-states in different ways. The observation that these national social formations are, at the same time, constituted of specific 'internal' regional structures and embedded within particular 'external' international relations stands not as a challenge to this position, but as a means of elaborating on it. Thus, while the crisis of Fordism was undoubtedly tied up with 'internal' causes, such as the productivity slowdown, rising class conflict and technological stagnancy, it was also conditioned strongly by the *geographical* contradictions of the regime of accumulation. Specifically, the cost-cutting drive to decentralise production - both globally and within nation-states - played a significant part in destabilising the regime, contributing as it did both to the mounting fiscal crises of local and national states and to the breakdown of the fragile social contract in the core Fordist countries.

The second methodological problem is that of functionality. Regulation theory holds that regimes of accumulation must be functional at the level of the nation-state, though it has to be acknowledged that this may partly reflect the historical particularities of the Fordist regime and the specifically French origins of the theory itself.[1] Given the strong trend towards the internationalisation of state structures, and the more piecemeal shift towards more regionalised state structures, this privileged role for the nation-state may no longer be assured. It is certainly true that the progressive internationalisation of production and finance has profoundly restricted the scope for national economic coherence. As it becomes increasingly difficult for nation-states to exercise real control over aggregate demand, one response may be to fall back solely on supply-side strategies. Such strategies endeavour to create an environment conducive to accumulation - through, for example, the manipulation of financial, fiscal and labour systems - and as such are at the mercy of the vagaries of global capital. Such means are increasingly being used by nation-states in the competitive struggle for mobile global capital. In this sense, the 'supply-side nation-states' of today are becoming more like local states in terms of the their purchase upon macro-economic levers.

The sense in which national economies exhibit functional couplings between accumulation and regulation is consequently changing, such that *national macro-economic coherence* - at least of the kind seen under the Fordist regime - *may itself be a thing of the past.* If regulation theory is to be spatialised, it must loosen its exclusive grip on the nation-state: while the nation-state will no doubt continue one of the most important arenas of struggle,

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[1] Thanks to Michael Storper for this point. There can be little doubt that origins of regulation theory were influenced by the French tradition of *dirigisme*.

this may not be the scale at which future institution-building is rooted. The question of functionality in accumulation-regulation relationships consequently needs to be opened up at other spatial scales (see Peck and Tickell, 1992: Table 1; Haughton, 1992; Moulaert *et al.*, 1992).

This leads us to our third methodological tension in the regulation approach, that of scale itself. Already, we have suggested that the relationship between the regional, national and global scales of accumulation is being reworked. This raises a crucial regulatory problem: for in sustainable regimes of accumulation the dominant form of uneven spatial development *itself* has to be regulated. The tensions inherent in core-periphery relations must be accommodated *within the MSR* if accumulation is to proceed. Again, this is an issue which has not been explored explicitly in regulation theory, but is one which represents a potentially fruitful line of analysis. It is interesting to note, for example, that many contemporary neoliberalist strategies are proving incapable of accommodating their internal geographical contradictions. As the case of Thatcherism below will illustrate, with the benefit of hindsight, such political strategies may be seen as part of the continuing crisis and restructuring of the Keynesian welfare state, rather than as the originators of a sustainable post-Keynesian alternative.

This question of the social regulation of uneven development is, of course, germane to contemporary debates around new industrial spaces. Work in this field has been justly criticised for prioritising the issue of regionally-indigenous growth dynamics over the wider question of uneven development and new global interdependencies (Amin and Thrift, 1991; Markusen, 1991). While we now know a great deal about how Emilian firms relate to one another, for example, we know comparatively little about how they articulate with the wider Italian, European and global economies. In addressing these silences, the basic conceptual building blocks already exist in established work on restructuring and uneven development (see Harvey, 1985; Allen and Massey, 1988; Massey and Allen, 1988; Storper and Walker, 1989). Established conceptual devices such as the spatial division of labour, territorial reproduction and urban structured coherence provide a sound basis for beginning to 'situate' new industrial spaces. These approaches provide a framework for understanding regions as part of a wider system of political-economic interdependencies and as unique conjunctures capable of mediating (and to a certain extent reshaping) processes of economic restructuring.

The remainder of the paper attempts to open up some of these issues by operationalising regulationist concepts in a sketch of the political economy of Thatcherism. Here, the issues of uneven development and social regulation are foregrounded in a preliminary analysis of contemporary regional restructuring in the UK.

The uneven development of Thatcherism

The definition of Thatcherism has perplexed political scientists for more than a decade now (see Jessop *et al*, 1988; Benyon, 1989; Kavanagh, 1990; Kingdom, 1992). Part of the confusion stems from the fact that Thatcherism was *at the same time* a regional, a national and an international political project. The social basis of Thatcherism was one rooted in the south of England, while 'national Thatcherism' can be seen as a variant, and an influential one at that, of the international movement towards neoliberalist and 'deregulationist' political strategies. The Thatcherite accumulation strategy, Jessop *et al* (1988) explain, combined a new authoritarian state form with a selective liberalisation of the economy, favouring the interests of multinational and finance capital. The strategy reasserted and attempted to re-cohere the interests of the capitalist class in a way compatible with winning a degree of popular acceptance. Thatcherism's well-developed antipathy towards trade unions, to local authorities and to the remaining remnants of the corporatist state was mirrored by the privileged place afforded the interests of business, the property-owning middle classes and, crucially for our argument here, the conservative heartland of the south east of England.

The south east entered the Thatcher era with the strongest regional economy in the UK, emerged relatively unscathed from the recession of the early 1980s (which accelerated the ongoing process of deindustrialisation in the north), and experienced strong growth during the remainder of the decade. While the boom in the south east was popularised as the product of the new enterprise culture, of indigenous growth dynamics, it was in fact underwritten by a raft of government policies and programmes. The south east has been shown to have been the main beneficiary of government R&D and defence spending, of mortgage relief and top-band tax cuts, of small firms and training policies and so on (see Hudson, 1986; Lovering and Boddy, 1988; Martin, 1988; Mohan, 1989; Thrift and Leyshon, 1992).

In effect, the Thatcher administrations pursued a 'limited hegemony' strategy, which underwrote the growth of incomes in the south at the expense of the withdrawal of public services in the north, a project predicated on the 'uneven impact of economic decline and growth ... and by a major redistribution of income from poor to rich (Jessop *et al*, 1988: 179; Jessop, 1990b). For many, this strategy became all too evident when, in the package of tax cuts announced in the 1988 budget, 60% of the benefit was seen to go to the south east, a region with 30% of the national population (*Guardian* 25 February 1988). The much popularised north-south divide consequently became a central plank in the 'two nations' hegemonic project of Thatcherism (Hudson and Williams, 1989).

As the economy of the south east expanded during the 1980s, it pulled the adjacent regions of East Anglia, the East Midlands, the South West and even South Wales into its vortex of growth. As Table 2 shows, these regions enjoyed an increase in the share of national GDP growth between 1980 and 1990, while every other region suffered a falling share. Income levels also exhibited widening regional disparities: the same set of regions each enjoyed increases in GDP per head during the 1980s, while *all* the northern regions suffered falling average income levels. By the end of the 1980s, the labour market across much of the south had come close to full employment (with unemployment levels of around 4%), while in the northern regions, unemployment remained between two and three times this level.

Table 2 Gross domestic product by region, 1980-1990

	GDP (UK =100)			**GDP per head (UK=100)**		
	1980	**1990**	**Change %**	**1980**	**1990**	**Change %**
South East	35.0	36.0	+2.9	116.1	118.3	+1.9
South West	7.2	7.7	+6.9	92.8	94.9	+2.3
East Anglia	3.2	3.7	+15.6	96.6	102.5	+6.1
East Midlands	6.6	6.9	+4.5	97.0	98.2	+1.2
Wales	4.2	4.3	+2.4	84.2	84.9	+0.8
West Midlands	8.6	8.4	-4.6	93.2	92.8	-0.4
Yorkshire & Humberside	8.1	8.0	-1.2	93.1	92.2	-1.0
North West	11.1	10.0	-9.0	96.2	90.5	-5.9
North	5.1	4.7	-7.8	92.5	88.2	-4.6
Scotland	8.7	8.2	-5.7	94.4	92.6	-1.9
Northern Ireland	2.1	2.1	0.0	78.3	75.4	-3.7

(Source: CSO Regional Accounts; *Economic Trends* 457)

In the midst of the late 1980s boom, as the growth of the south east region began to spread out into adjacent regions, politicians and economists began to talk of the 'Thatcher miracle'. Simultaneously, though, others began to point to the spiralling costs of living and doing business in the south. In 1989, for example, it was calculated that, for a Greater London household to enjoy the same standard of living as one in the northern region, a gross income *twice* that of the northern family would be required (Champion, 1989). A major component in these cost of living differentials were spiralling southern house prices: in 1985-87, house prices rose by 47% in the South East, compared to only 6% in the northern region. In 1988, 46% of gross domestic fixed capital formation in the south east was tied up in its housing stock (alongside just 21% in the region's manufacturing sector), compared to just 30% in the northern region and 33% in Yorkshire and Humberside (CSO, 1991). Although regional wage disparities were widening during this period, in much of the south they continued to lag the rising cost of living: as Reward (1989) showed, while the salaries of managers in Greater London were 17% above the national level, living costs for this group were 40% above the national level.

Firms too were starting to count the costs of economic growth. Skill shortages began to reach endemic proportions, constraining production in more than one quarter of manufacturing firms in the south east by the end of the 1980s (Employment Department, 1991). Recruitment difficulties were not, however, restricted to skilled manufacturing workers, but pervaded the entire occupational hierarchy - from catering workers from financial services professionals, from sales assistants to scientific technicians (IFF, 1991). These shortages, in turn, tended to fuel further wage inflation, and subsequently, further upward pressure on house prices. Alongside these rising labour costs, however, firms in the south east also encountered rising commercial property prices, increasing traffic congestion and accelerating environmental degradation.

Some, including the Treasury, saw these as the inevitable costs of growth, pointing out that - true to the nostrums of neoclassical theory - the rising costs of the south east would induce centrifugal forces in the economy, as workers and firms sought out cheaper locations outside the core (see Parry-Lewis, 1989; Johnson, 1991). Perhaps not surprisingly, this strategy failed to work: the south east became yet more congested, its physical and social infrastructure was further degraded and inflationary pressures continued to build. In the midst of its economic success, the south east was becoming a 'problem region'. The solution to this problem had to be sought, it was increasingly argued, not in the further 'deregulation' of the economy, but in a return to strategic planning and public infrastructure investment

(SEEDS, 1987; Massey, 1988a; Breheny, 1989; Murray, 1989; Shepley, 1989). Such suggestions, however, were antithetical to the prevailing government policy:

> There is an assumption in the attitude of the Government to planning: that the business community welcomes moves towards a non-plan regime. In the case of big business, there is ample evidence that this is not true in principal or practice. ... It is now beginning to dawn on many people that paradoxically the South East is facing strategic issues of an unprecedented scale and speed at the very time that the last remaining traces of the strategic planning system are being dismantled. ... The Government's new medicine has been greater deregulation: of the planning system, of infrastructure provision, of finance. If the South East is the Government's major test of this medicine, then the clinical trial has been a failure (Breheny, 1989: 15).

Deregulationist policies, it was becoming clear, were beginning to suffocate the growth of the south east economy. Nowhere was this more clearly illustrated than in the labour market.

Labour market deregulation

Here, the major thrusts of the government's deregulationist strategy had been to curb trade union power, to dismantle the 'corporatist' training system and to promote competitive pressures in the labour market (Robertson, 1986; Johnson, 1991). The desired goal, of a more flexible labour market devoid of restrictive practices and dominated by competitive wage-setting, was only ever partially realised. The 'floor' of worker rights was lowered, the training system was restructured in accordance with 'market principles' and the activities of trade unions were profoundly restricted - all with the aim of 'helping the labour market work better' (Treasury, 1984, 1986) - but the sought-for fall in wage settlements was not achieved. The problem, in essence, was that at the same time as a large group of workers - mostly in the north - were falling through the floor of the wages system, another group - mostly in the south - were bursting through the ceiling. The OECD (1986, 1987), for example, while conceding that anti-union legislation had played a part in making the UK labour market 'more flexible', noted also that wage inflation was continuing to be fuelled by the problems of recruiting and retaining skilled workers. A major source of these recruitment and retention difficulties were, ironically, the deregulationist policies of the Conservatives, as the case of training policy demonstrates.

The restructuring of the training system has involved the abolition of the strategic body for labour market planning (the Manpower Services Commission), the disempowerment of the network of the industry training organisations (the Industry Training Boards) and the establishment of a voluntarist and market-driven system of privatised Training and

Enterprise Councils (TECs). The result has been that state support was effectively withdrawn for all but the most basic, transferable-skills provision for the unemployed (Finegold and Soskice, 1988). Employer-led TECs, launched in 1988 to develop locally-tuned training responses, lack the financial or organisational resources to respond to anything but the most basic skill needs and still cater to a predominantly unemployed client group. Ironically, because the TECs inherited from the government the responsibility for unemployment programmes, they are at their weakest in buoyant areas of the country were unemployment levels have been historically low (Peck, 1991). As a result, the south east contains some of the most organisationally and financially weak TECs, despite suffering from the highest levels of skills shortage. The absence of any legislative or organisational framework for intermediate and high-skill training in Britain has left firms dependent upon internal structures of skill formation (where feasible) and the haphazard process of poaching. Accelerating skilled labour turnover, deepening skill shortages and spiralling wage inflation have been the predictable consequences, particularly in sectors which - due to product market conditions - are unable to sustain internal labour markets, such as the construction industry and parts of the financial services. These difficulties had by the late 1980s reached endemic proportions in the booming local economies along the M4 and M11 corridors (Murray, 1989).

Certainly in as far as skill formation is concerned, the deregulationist approach of the British government was always doomed to failure for, as Streeck (1989) has explained, such strategies fail to recognise the character of skills as 'collective goods': firms pursuing their individual 'rational' self-interest will tend to under-invest in skills because they cannot be assured of realising the full value of training investments (particularly when they are surrounded by other firms who have made the same calculation and concluded that poaching is the solution). Therefore, far from helping the labour market to work better, the 'reregulation' of the British training system was inevitably going to exacerbate problems in skill formation. Symptomatic of the wider problem of over-exploitation of the region's social, economic and physical infrastructures during this period, this training crisis was part and parcel of the wider crisis of regulation which was eventually to suffocate the south's growth pattern (Leadbetter, 1991; Peck and Tickell, 1992).

Notwithstanding the internal contradictions of deregulationist training strategies themselves, then, such policy programmes also contributed to the wider problem of the mismanagement of uneven development. This is because deregulationist policies tend to produce chronically uneven regional effects, such that the same deregulationist policy programme produces different consequences in different regions (Peck, 1992). Deregulationist training policies, for example, despite being conceived and applied nationally, produce very different regional effects. These policies have played a role in the polarisation of the skill and wage structure in the expanding economies of the south east by underwriting secondary sector recruitment, induction and employment and by exposing the higher echelons of the primary sector to external labour market forces, labour poaching and wage inflation. The same policy package unleashed a different set of forces, however, in the high-unemployment areas of the north, where the principal impacts occurred in terms of the containment of unemployment and the unpicking of the welfare safety net. Our argument here, then, is that labour market deregulation strategies are unable to contain their internal tendencies to exacerbate uneven development. Significantly, when these strategies begin to falter in the *core* region, questions are inevitably raised over their *national* efficacy.

Thatcherism as a failed regulatory experiment

Our contention here is that Thatcherism failed as a regulatory experiment because it was unable to *sustain* economic growth, even in the privileged southern core region. Thatcherism's temporary tenability lay in a particular way that it exploited the historical conjunctures of mass unemployment, de-industrialisation and class de-alignment. The great irony, of course, is that Thatcherism was more effective in subordinating the periphery than in sustaining the core: more effective in containing decline and poverty than in underwriting reproducible growth and wealth generation.

Thatcherism proved incapable of sustaining the late 1980s growth pattern in the UK because it has not been able to contain its internal contradictions. Significant amongst these are the *geographical* contradictions of Thatcherism, popularised in the 'North-South divide' debates of the late 1980s, but materially manifest in the collapse of the south east economy in the present recession. Thatcherism's failure, then, was first, a generalised failure of social regulation and, second, a specific failure to establish appropriate institutional forms for the regulation of uneven development.

In this sense, the mode of national growth fostered in the UK in the 1980s, and centred so strongly on the south east was a *fragile* one (Massey *et al*, 1990), one destined to break down because appropriate mechanisms for the regulation and reproduction of the economy had not been set in place. One of the reasons for the spectacular collapse of this growth pattern in 1990 was, we would argue, 'regulatory deficit'. This has wide connotations for neoliberalist strategies in other parts of the world, which on the basis of the British experience, seem incapable of riding the roller-coaster of the economic cycle. Contrary to previous experiences of macro-economic mismanagement, however, the Thatcher roller-coaster left the rails at the top of the cycle not at the bottom.

Conclusion

This paper has deployed, in a critical way, a regulation approach to explore both the theoretical status and the concrete form of uneven development in contemporary capitalist restructuring. The key strengths of the regulation approach lie, first, in its ability to account systematically for the evident historical and spatial discontinuities in capitalist development and, second, in the emphasis which is placed upon the role of social, political and institutional factors in the analysis of these development processes. It must be emphasised that regulation theory is not a theory of post-Fordism, but a conceptual framework for understanding the historical and geographical evolution of processes of capitalist growth and crisis. Indeed, adherence to a regulation approach necessitates a degree of restraint in the interpretation of contemporary restructuring processes, one which has been lamentably absent in some of the recent contributions to the flexibility debate. In particular, the emphasis in regulation theory on macro-economic coherence and on medium-term reproduction can be seen as something of an antidote to the tendency to read off regime-wide conclusions from emergent forms of production organisation.

This said, regulation theory itself is an incomplete project. Here we have explored the conceptions of time and space implicit in the regulationist approach, arguing that the theory's purchase on the question of temporal change is rather more developed than its grasp of spatial restructuring processes. The theory remains rooted, first and foremost, at the national social formation, containing no explicit conception of the notion uneven development at either the subnational or the supranational scale. Building upon established conceptualisations of uneven development, however, the paper has argued that processes of social regulation need to be seen as operating a variety of spatial scales. Thus, regulation theory can, and indeed must, be spatialised. This is essential if the theory itself, with its implicit methodological emphasis on the nation-state, is to avoid the indignity of being tossed into the dustbin of Fordism.

We wish to maintain, however, that carefully-formulated regulationist approaches can continue to yield insights into the nature of the contemporary transition. Regulationist concepts, themselves still developing, can usefully be extended to both sub-national and supra-national scales of analysis. On the basis of a preliminary analysis of the political economy of regional restructuring under Thatcherism we have argued that a potentially fruitful line of analysis is the social regulation of uneven development itself. As the case of Thatcherism illustrates, the priority in regulationist research must be to establish which features of the contemporary phase of political-economic experimentation are *reproducible*. Novelty *per se* is no basis on which to construct an explanation. Flexibility *may* be new, but is it *sustainable?*

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