Reflections on a Tale: The Marxist Foundations of the Concepts of Regulation and Accumulation*

ALAIN LIPIETZ

A Woeful Tale Once upon a time, in the land of our forefathers, Adam caught a salmon and exchanged it for deer slain by Smith. And, lo and behold, commodity exchange, value and prices came into being. Unfortunately, this simple tale, passed from father to son, does not tell the whole story.

The day after the first swap Adam, full of greed, returned with a salmon for Smith. After finding Smith in bed, suffering

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from indigestion, Adam travelled the length and breadth of the land, seeking aficionados of salmon. But the search took time, the salmon began to reek, and Adam found no takers. Hobbes, the tribal chieftain, learned of Adam’s dilemma. He thought about it carefully and opened a fish market. While customers for fish appeared, none were hunters, so Adam’s taste for deer was unfulfilled.

An old sage with somewhat weird ideas suggested that Adam accept as payment coconuts which he could later exchange for deer. And it came to pass that one day Smith and his friends did return from the hunt with a surfeit of game. Unfortunately they had consulted a different sage, who counselled them that if no salmon were available, they should insist on being paid in elephant tusks.... Hobbes decided this confusion had gone on long enough. He gathered all the Elders together and they proclaimed:

*Article 0:* As of this moment, knuckle-bones must be accepted in exchange for anything and everything.

The next morning half of the village set off to hunt deer. Everyone who had a collection of knuckle-bones waited patiently at home to buy game when the hunters returned. At the end of the day, the hunters had knuckle-bones, but no salmon. The following morning everyone stayed home. Troubled by this, the Elders gathered again and decided that one-third of the village should fish, one-third hunt, and the rest could choose what they wished to do.

From that moment all went well in the happy village... until the day Adam invented the fish-net. That night he was rich. Exchanging his astounding catch at the rate of one knuckle-bone for one fish, he carried off all the knuckle-bones. But even when he invited all his friends and relations, he could not eat more than three deer. As for the other fishermen, they sold nothing. Despite having no knuckle-bones, they had sought out the returning hunters, hoping to arrange a barter. They were sorely disappointed. The hunters proclaimed: “No knuckle-bones, no deer.”

Meanwhile, Adam and the hunters had their own problems. The next day, having an immense catch and virtually all the knuckle-bones, Adam could not find anyone to buy his fish
because there were not enough knuckle-bones to go around. As for the deer, they were hanging and rotting in the huts because the hunters had no customers either. Everyone would have held fast to these ridiculous positions had an emergency meeting of the Elders not proposed a radical solution. They ordained:

Article 1: When deer and fish poison the air they must be burned, with great ceremony.

Article 2: As of now, all the shells strewn on the beach will be promoted to the status of knuckle-bones.

And, in fact, by the next evening things had improved for Adam and the hunters. All his catch and the hunters' whole bag were sold. After several days, the situation was going so well for Adam and the hunters that fish and deer became somewhat scarce, while the supply of shells swelled with each tide. Noticing these changes, Adam became quite particular and would only accept elephant tusks, rather than the shabby trinkets which already filled his hut. Two days later the hunters followed suit. An unbridled speculation in ivory was unleashed. People wheeled barrows full of shells around the village in search of even one tusk.

The other poor fishermen were very unhappy. No one was buying their fish, and therefore they could not eat game. An ingenious idea then struck Adam. He proposed that if three or four fishermen would weave him a new fish-net, he would give them ivory. He offered a similar deal to another crew if they would take his place fishing. The net weavers accepted this assignment gladly. The fishing crew, however, was somewhat uppity. In weighing the offer, the crew concluded that Adam had a right to only the number of fish equivalent to his ivory payments; the crew intended to keep the balance for itself. Adam, by now rich and well-connected, convinced Hobbes to send in the marines.

The Council of Elders, much troubled by these discords and disputes, met together and enacted the following:

Article 2 revised: Elephant tusks will serve as a substitute for the knuckle-bones and shells mentioned in Articles 0 and 2.
Article 3: Anyone who agrees to do a job in exchange for tusks must give up the whole yield to the person who commissioned the work.

The next day those who had ivory sought out those who did not. By evening, the village had fifteen new nets, no fish, and no deer. Memories are very dim about what happened next, but it appears that a hare-brained young woman named Rosa told everyone about her absurd idea that the villagers should gather each morning and divide up the work, share the catch and the hunters' bag each evening, and always make sure that the nets were in good repair for the morning. The owners of ivory (they were now "Captains" and they had taken over the Council of Elders) put on the brakes; they burned Rosa at the stake.

Years passed. In the fullness of time the number of Captains — specializing either in hunting, fishing, or net manufacturing — and the composition of their crews did not change much. Things went on and on. Of course, there is little need to point out that the women looked after the children and the cooking and cleaning in all the huts, but they got no ivory for this.

After a while, however, people began to notice something curious. As the Captains became more experienced, they re-organized their hunting and fishing crews so that they brought in more and more. The fish market, especially, was glutted. Of course the Captains held enormous feasts for all their friends and relations. Sometimes, too, they used the extra fish to feed bigger crews of net weavers, but the new nets only aggravated the problems. The situation in the village soon became very grave. The Council of Elders reactivated Article 1, but this was not enough. Many Captains realized it made no sense to keep paying their crews when the deer and fish could not be sold; they laid off the hunters and fishermen. Because of that, the other Captains also lost their customers and so they did the same thing.

This was a time of troubles throughout the land. There were reports that a neighbouring tribe had rallied around the partisans of Rosa's ideas, which were also spreading in the village at the same pace as the surplus fish. Another tribe used its extra crew members to mount an army and attack the village. The war was tough. Crew members were drafted.
Women came out of the huts and started hunting and fishing when the men went off to fight. The world seemed topsy-turvy, but all the time the Council of Elders was making its plans for the future.

When the war was won, the Council of Elders arranged a very complicated scheme for redistributing surplus fish to all villagers, while promising that everyone could join a crew (except of course the women, who had to go back to the huts). The Captains carried on terribly against these arrangements. They tore their hair. They recounted how they and their children had gone hungry to pay for the nets and how they had bled themselves dry so the hunting, fishing and weaving crews could work. The noise was awful, but after a time the captains had to admit, when they got together at their feasts, that things were not so bad. There were few snags in the markets, the nets were bigger and stronger every day, and the crews worked together better. In fact, hunting, fishing and net manufacturing all prospered.

At this glorious moment, too, they solved the long-standing problem of the elephant tusks. Ivory had become a cumbersome medium of exchange, heavy to carry and in short supply. In its place, the Council of Elders distributed beautifully clipped palm leaves to any Captain who wanted to buy a net or hire a crew. These palm leaves circulated, coming back to the Captains when they sold their fish or game. Eventually the Captains returned the leaves to the Council, although they were never in as good condition as when they first got them.

But some years later, the situation was much less glorious; new troubles plagued the village. It was harder to find fish and game, despite bigger fish-nets and more complicated traps. These nets and traps required more and more crews to manufacture them and even women had to work at it. Then, too, the hunters began to complain about never being able to fish; fishermen complained about never being permitted to hunt; and they all complained about the long weeks away from the comforts of home. Despite the Council devoting almost all its time and energy to cutting leaves, so the Captains could buy nets and traps and the crews could buy fish and game, the problems continued. And, sadly, all the palm leaves only raised the prices of nets, traps, fish and game. No one can yet tell us the end of this woeful tale...
A Science of Society is a Science of Social Relations

Such tales are what they are; we might invent many others. Nevertheless, each one is important because it puts before us the story-teller's perception of reality. What is recounted and what is ignored (Adam's discovery but not Rosa's; fishing but not cooking) show us what the story-tellers think is important in their lives and their history. Most people, of course, make a sharp distinction between such fables and a theoretical text, yet the connection between the concepts and the reality is basically the same; it is like a flashlight which shines into the darkness of a cavern. This relationship is as true for The Fable of the Bees as for The Wealth of Nations, Das Kapital, or the writings of the French regulation approach. This article represents my efforts to consider the concepts we have available to understand social relations.¹

The place to begin is by refuting a crucial element of the classical tales: the "illusion of the natural." Even when the myth of original exchange is made extremely sophisticated — employing Lagrangian equations or algebraic topology — it remains trapped by an unacceptable assumption. According to this myth, the social world consists of individuals, monads endowed with needs, preferences and patterns of behaviour. It is as if these individuals inhabit an ethereal world which establishes connections between their objectives and their means which are "technically" determined. Supposedly exchanging goods until an equilibrium is reached, individuals can thereby hope to optimize their satisfaction.

Aside from its obvious rationalization that ours is the best of all possible worlds, this myth contains an assumption that is even more pernicious. Society (or the "commerce" of men, as we used to say) is nothing more than a by-product of the actions of fundamental natural units — individuals. But, returning to the woeful tale, it is obvious that there was nothing in the behaviour of Adam or of Smith that was not already dictated by their lives in village society or that can be isolated from the social relations within which they lived. That fish is good to eat; that by fishing one will ultimately obtain game; that people can be expected to accept knuckle-bones tomorrow — these are all notions that have no meaning except within an ongoing society. But even the methods of fishing and hunting are far more than mere techniques. Whether one
fishes alone or co-operates with others; whether one hunts with traps or guns, alone or in bands — all are techniques that are but a social form of man's relationship to nature.

What is at issue here is not the question of anthropological dogmas, of opposing one set of assumptions about what is "natural" in mankind to another about what is "natural" in \textit{homo oeconomicus}. It is more basic than that. Let me, at this point, simply assert the following: man is a social animal, but he lives in conflict; man designs projects which mediate between his desires and their satisfaction; man creates his own history on the basis of conditions inherited from the past.

But these assumptions in and of themselves do not explain anything; they simply establish the parameters for investigation. The notion that man is a social animal requires a description and analysis of \textit{social relations} and a clarification of their dynamic. If life is a state of nature, \textit{contradictory} social relations are the result. They unite as much as they divide; they create unity through struggle and this struggle is the very essence of the social bond. Hence, struggle is the basis of everything, even that which we observe in seeming stability. This \textit{stability in struggle} is not simply a mirage but is also partly real; if there were no stability at all within conflict, there would be no regularity, no object for us to observe and describe. But neither is society a collection of automatons linked in a deterministic way. Individuals' motives and interests are never simply programmed or mechanical responses to constraints and felt needs, given in advance. Rather, people can respond to their needs only by means of a \textit{project}, inspired by their motives and interests. With a perception of the social environment, and taking into account what they have learned from social experiences, people carefully construct projects for the future which they hope will allow them to reach their objectives. Some projects may be the routine repetition of tried and true actions. Others, however, may be true innovations, initiated either by individuals or collectivities, and may range from simple local modifications of well established actions to radical challenges to long-standing social relations.

In these ways, the unity underlying contradictory social relations is either reproduced or transformed. Moreover, the evolution or disruption of such social relations generate an assymetrical history, in which neither the present nor the
future can be reduced to being a consequence of the past, even if the dead weight of the past does weigh heavily on the resources and motives of the living. To study social relations is, then, to study a history of regularities derived from past struggles and a new history in the making; it is to examine simultaneously the reproduction of social relations, their evolution, their crisis, and the invention of new social relations.

This article deals with only a small portion of such an enormous project. First, it does not consider all social relations, but only those that can be comfortably labelled "economic," even though, as the latter part of the article demonstrates, this isolation of "the economic" is typical of only some configurations of social relations and is, therefore, a social construction itself. Second, of all possible configurations, this article focuses only on social relations in capitalism. Within this limited purview, I will demonstrate the utility of the concepts of accumulation and regulation and the links between these concepts and the similarly labelled ones developed by Marx and some of his followers.

From Reproduction to Regulation The problem of the regulation of the capitalist economy resurfaced with the crisis of the 1970s, after a long hiatus. There was a need to understand why things no longer worked, a need which first required an understanding of what had previously worked, and why. This logic pushed towards an examination of the conditions under which the configuration of social relations in capitalism was reproduced in stabilized ways. To do this, the concept of regulation of a social relation was developed and used to help understand the conditions of the real world. We say that the regulation of a social relation is the manner in which this relation is reproduced, notwithstanding its conflictual and contradictory character. As a result, regulation can only be fully understood by exploring a constellation of related ideas: social relation — reproduction — contradiction — crisis.

Someone might very well ask, at this point, what the notion of a social relation can mean. That people live in relationships, or in contact with each other, is commonly understood, but to speak of a social relation implies that there is some continuity in the manner in which people enter into relationships. The notion of social relations points to the regularity and repetitiveness
of certain practices, despite the multitude of daily activities in which everyone engages.

That such regularities can and do exist is not self-evident, in either practice or theory. A social relation apparently as straightforward as barter — axiomatic to neo-classical economics — is so improbable in actual fact (that Adam with his salmon would easily fall upon Smith with his stag) that it has not stabilized anywhere except at the borders of two communities. Monetarized commodity relations, so widespread today, started as experimental affairs which, as the tale tells us, involved much trial and error before they settled into orderly patterns. Theorists can, at best, try to identify ideal-typical social relations (that is, a characteristic set of social practices) to which are linked, more or less neatly, less typical ones. In other words, theorists must examine the articulation of modes of production, the relationship among systems of social relations, which we can call a socio-economic formation.

The identification of social relations is, then, a theoretical act and not an empirical one, undertaken at the theorist's own risk and peril. We label as "commodity relations" and "wage relations" a set of practices that appear similar only over time. Moreover, these relations only fully take shape once they have been labelled, albeit perhaps in different ways, in the discourses of collective actors, theoreticians and/or legislators. Some times, fundamental social relations have not been recognized for what they really are, and seemed to be something else. Wage payments, for example, always appeared as monetary, commodity exchanges in Roman law, until social legislation, itself the product of nineteenth-century workers' actions, established a difference between wage relations and commodity relations.

The act of naming social relations can never be socially neutral, then, because it influences the way we represent society to one another. Labelling social relations can contribute to the legitimation of, or actions against, the relations themselves. In other words, the social acknowledgement of a relation is part of that relation itself. Obviously the name any theoretician or any reformer gives to a social relation is not necessarily what society already recognizes in that relation. Indeed, much of politics is conflict over the naming of social relations.
Thinking this way, we must recognize that the act of labeling social relations contains an element of uncertainty. This is because, as has already been noted, people incessantly invent relations as well as new ways of living the same relations. Adam’s crew at first understood that they were selling him a portion of the catch, and they disputed the number of fish he had earned with his outlay of ivory. Article 3 soon taught them, however, that they were exchanging their labour power for ivory, and all the catch belonged to Adam. Then, after the time of troubles and the war, they understood something else yet again — that everyone had a right to a minimum number of fish, whether they were part of the crew or not. Thus the meaning of the same relationship changed over time as a result of political struggles. This malleability of social relations, despite their continuity across time, is an essential characteristic of the conceptualization of social relations used here. There are two results of this malleability that have immediate political consequences. First, new forms of an ongoing social relation may not be recognized or labelled in the same way as that which went before. Second, reality may become incomprehensible if social relations change and labels do not keep up with the innovations.

The heart of any discussion of social relations is the way social practices are reproduced with such regularity — despite being conflictual and contradictory — that they form social relations and systems of relations. Adam and Smith’s barter did become a market; the crews did regularly exchange their labour for the Captains’ ivory; the net makers did weave in crews every day. So far, this discussion had suggested a preliminary conceptualization: the social acknowledgement of a relation contributes to its perpetuation. Yet, while this notion is crucial, we must underscore that a social relation cannot be acknowledged before it can reproduce itself through practices. Practices have two results: they reproduce the material existence of social agents and they create the conditions for the renewal of the social relation by them. Adam did eat game and fish and have fish-nets and ivory. The crews also ate fish and game, but they had neither nets nor much ivory. The practices that grew out of their fishing and hunting experiments could eventually be said to constitute a social relation.
Presented in this way, the results of the practices of any social relation seem one and the same as the circumstances of the constitution of the relationship. Such an interpretation is, however, too “stroboscopic”; it sees relations in movement as if they were static. Nevertheless, many social scientists in the 1960s and 1970s employed such a stroboscopic vision. Many did not go beyond demonstrating the existence of theoretical conditions sufficient for the reproduction of social relations; they ignored the processes by which social relations were constituted and reconstituted. These analytic propensities have hidden too long the conflictual, contradictory, improbable, and risky character of the reproduction of practices. That some practices are necessary for social stability, or even succeed in satisfying agents’ interests, is not a sufficient reason for their reproduction.

That agents can reproduce social relations, or even that they have an interest in doing it, is not enough to explain how they do so. For reproduction to occur, agents must first be aware that a social relation exists and the relation must appear normal, or natural. Thus, in our tale, the crew must have a notion of the “sale of labour power,” even if that notion is a mystification of the reality of labour-capital relations. Social relations are embodied in individuals as customs, or learned routines, which form the accepted rules of the game, even if some would prefer to improve the cards they hold. Even production — including the choice of products and methods — results from custom, being social norms about production and consumption. Yet custom and routines do not come into being randomly; they are based upon the distribution of power that social relations encapsulate. Thus, we can call hegemony the capacity of a dominant group to organize a game that works to its advantage. Even more generally, we can think of hegemony as the constitution of a version of social relations that serves as a model for a community, and even for communities that it has not yet organized.

The existence of custom and routine does not mean that social relations are static or harmonious, however. Individuals’ or collectivities’ autonomy, creativity or simple dissatisfaction (brought about by the contradictory character of social relations) prompts them to advocate new norms, based on new social relations, or simply, within the existing game, to demand
a new deal. That routine and custom operate does not exclude the possibility that variations can also exist, and these may cumulate to deviation from the norm. Thus, the presence of custom and norms cannot assure reproduction by itself: the various groups brought into being by social relations necessarily relate in conflict. Adam wanted deer when no hunters were buying fish. Adam demanded ivory when only shells were legal tender. With his net, he alone produced all the fish needed. In each case there was a mismatch between his interests and practices and the on-going social relation. The presence of such conflict did not mean that the social relation was in collapse, however. If we are able to identify a social relation, it means that despite — and even through — struggles among its agents, the social relation reproduces, at least for a time and until a crisis. How? This is the question of regulation.

Beyond the mere possibility of reproduction, there must be procedures — mechanisms of conflict resolution — that guarantee its actuality. The norms carried by individuals are an important factor in the process. Yet since new projects and conflicts may upset norms, it is necessary to regulate their transformation. If a new technology (the fish-net) permits a vastly expanded production, it is necessary either to modify the distribution of the product (sell two fish for one knuckle-bone) or to have some producers change their work (give up fishing and become part of a crew for manufacturing nets). The social procedures and the authorities that ensure both the compatibility of norms and their joint modification constitute several forms of regulation, which come together as a mode of regulation.

The most important of these forms is the one that a society, as conflictual as it is, asserts to sustain itself — sovereignty. In modern history sovereignty has been embodied in the state, but it has been present in some form since the beginning of time, if only as the legitimacy of a Council of Elders. The state, as a terrain of struggle, does not make conflicts disappear, but it does protect the hegemonic configuration of social relations, so that individuals and classes do not consume themselves in endless struggle. In our woeful tale, it was the Council of Elders that intervened at each time of trouble and that, in effect, organized a new set of social relations, whether through setting up market-places, choosing knuckle-bones, substituting
shells, or redistributing fish. Adam and his friends could not arrange these things alone, and the results certainly did not emerge automatically. Thus, no matter their “private” appearance, it is political authority that designates markets, money and wage relations and thus gives legitimacy and permanence to systems of social relations.

The customs that the state symbolizes are incorporated, subsumed and accepted by agents, whether by will or by force. When the new conflicts with the old, or interests are contradictory, the acknowledgement of social order is the equivalent of the acknowledgement of the state’s role as mediator. Be careful, however. Because the state exists, we cannot then assume that all is harmonious, and that there is no further reason for struggle. Violence is the state’s ultimate resort, but if violence were required for each repetition of social relations, we could no longer speak of the state! The state usually functions on the basis of hegemony, but hegemony armoured with coercion (as Antonio Gramsci tells us).

Alongside this archetypical form, regulation’s other elements are expressed in institutional forms, each of which is a phenomenological structure through which agents experience their relationships as the explicit rules of the game, although they may, of course, be quite different from the hidden and conflictual social relations. These forms are codified by convention and custom, sometimes even before they have received the seal of sovereignty. They are, then, the result of an institutionalized compromise. To agree to exchange fish for knuckle-bones when one really wants game is already a compromise. To make nets and receive ivory is obviously a compromise, as is the willingness to give up all the catch in exchange for some ivory. These institutionalized forms always have a history, being the outcome of struggles by individuals and classes. As such, the codification of the wage relation eventually takes place in collective agreements, as indirect salaries, or in some such manner, while changing commodity relations express themselves in successive reforms of money and credit.

**Crisis and Stabilization of Social Relations: The Social Mould** In order to understand how the social relations examined here cohere, three levels of analysis must be engaged.
The first is a theoretical analysis of the reproduction of social relations which explores both their needs and their dynamic. At this level the laws, or inherent tendencies, which lie behind the routine behaviour of agents in relationships, must be identified. The second level of analysis presents the institutional forms and social procedures that act as coercing forces (because they constrain individuals and groups to abide by the logic of existing social relations). The third level examines the interiorization, by individuals and groups, of a certain representation of social reality and of norms of behaviour, expectations, and choices which are compatible with reproduction of the whole system of relations. The totality of these levels of analysis constitute a sort of "social mould" which, taken together, accounts for the stability of social structures.

Among these levels there will inevitably be a build-up of disparities and contradictions, themselves the consequence of the conflictual and contradictory character of any social relation, which may lead to friction in reproduction of the social relations, and thus to crisis. In some of these cases the crisis is nothing but a reflection of incompatibilities between expectation and behaviour. In conformity with the institutionalized forms of the existing mode of regulation, coercing forces can restore everyone to their place, restabilizing relations according to their inherent logic. Such a situation might be considered a minor crisis or a crisis within regulation. There may, however, be cases in which the crisis reflects a mismatch between the behaviour induced by the operation of the mode of regulation on the one hand and the reproductive needs of the system of social relations in a socio-economic formation on the other hand. In addition, it may be that, following a change in the production process, reproductive needs no longer fit together anymore. In these two situations, we can speak of a major crisis, a crisis of regulation. In short, a crisis erupts when the stability of social structures can no longer be assured. In each of these situations, crisis is but the obverse of regulation. One expresses while the other represses the conflict embedded in social relations.

Nevertheless, despite knowing that a mode of regulation temporarily stabilizes the reproduction of social relations by overcoming the pressures towards crisis, it would be wrong to conclude that the mode of regulation exists for that reason,
that it developed in order to regulate particular social relations. It would be wrong to see the stabilizing effect of the mode of regulation as the cause of its existence. To do so would be to confuse the needs of a social relation, identified and theorized after it had already demonstrated it was reproducible, with the historical conditions under which it came into being. This is a dangerous teleological and functionalist way of conceptualizing the world, as if History had had as a goal the development of particular social relations.7

The next sections demonstrate the error of any tendency to use the concepts elaborated here for dogmatic or scholastic purposes. There are, of course, configurations of social relations that reappear and can be identified relatively easily in different times and places. We can, then, identify a kind of typical functioning and mode of regulation of social relations. But, it would be a serious mistake for analysts using these concepts to see the contradictions of capitalism always leading to the same resolutions or to attempt to locate each concrete case on a Procrustean bed of canonical concepts of accumulation and regulation. History has infinitely more imagination than we do about these matters. All social relations, and therefore the particular two examined in the next sections, are historical constructs, emerging as people make their history, although never under conditions of their own choosing.

Commodity Relations Commodity relations are basic to a society in which production for the whole is carried out by private units of production which act without a priori coordination. As Marx made very clear, it is not sufficient to produce; buyers must be found. Any contradiction is overcome by exchange. Exchange has two aspects: first, a commodity that is exchanged shows that the labour involved in its production has been socially validated; second, the owner of the unit that produced it acquires a right to an equivalent part of the social labour product, produced by others.

The neo-classical myth of barter assumes that these two aspects can be regularly combined by individuals acting alone.8 In reality, for a market economy to develop, production for others must already be customary, and the ability must already exist to satisfy needs with commodities produced by other people. Everyone must be aware that there is a range of
possible goods, no matter how changeable the catalogue. Producers will not invest labour in something unless it already has a recognized use value or they think their products can acquire use value.

For commodity producers, exchange involves the recognition of the social value of the labour invested in their products, because it gives them the right to make a claim on the labour of others. Money is a social institution that reflects this recognition/right and it is, therefore, necessary to the regulation of commodity relations. Any market economy worthy of its name is based on money which, as an institution, acts as the general equivalent. It measures the producers' right of access to social labour and it has an unconditional right to exchange on demand against other commodities. Nevertheless, a monetary constraint arises out of producers' need to validate their right to an equivalent part of social labour by extracting a recognition of the social validity of their own production through an exchange for money.

Social agents perceive that commodities have "value" — even a specific value — because they are aware that they can validate them by converting them into money. The "matter" of the value of any commodity (what it really is) is socialized labour, but the form of its value depends on the particularity of the social relation. Naturally, once the idea of value has become familiar, anything that can be obtained with money is perceived as "having value," even if it is not the result of socialized labour. In this way land, rights, and fidelity all come to seem valuable, while that which cannot be exchanged — a wife's domestic labour, for example — is perceived as without value. If social forms are the bearers of society's representation of itself, in market economies the institutional forms that stand in for money are themselves often borrowed from previously developed social relations.

If the essence of value is socialized labour and the form of commodities' value is their price (which appears as a quantity of money and which enables them to be exchanged), the link between the amount of labour usually invested in the production of any commodity and its price is not direct. Marxism's problems in establishing such a link have led several authors in recent years to question whether labour is really socialized through the price-form. It seems to me, however, that it is
impossible to construct an economic theory of any relevance that does not explore the link between the amount of labour utilized in the production of each commodity and the system of relative prices (and nominal revenues).

Yet, according to Marx, the amount of socially necessary labour only partially and indirectly influences the relative prices of any two commodities. Marx understood that other social relations are also involved. In setting a price, commodity producers lay claim not only to the rights coming from their own investment in labour, but also rights derived from other social relations, like ownership of land or capital. Taking into account a whole set of customs or norms, producers assess the surface connections among costs, expenditures on labour, and the subjective evaluation of rights, and set a supply price. The effective realization or non-realization of their products at this price — and thus the right to the product of the remainder of social labour — is the general form of regulation corresponding to market production and is called the law of value. Through it, producers test the validation of their private investments in labour, assessing the effective share they can reap of other social production. In this way, a continuing but hidden or invisible social relation that distributes social labour among both the productive branches and the productive units of each branch asserts itself over individual plans and claims on the labour of others. As our woeful tale teaches, stabilization of this distribution is not automatic. When the hunters could get no fish, they no longer hunted; their labour could not be validated. After time and experimentation a balance between branches was achieved, only to be upset again by Adam's invention of the fish-net; the labour invested by the other fishermen suddenly became worthless.

These surface connections depend in crucial ways on the set of social relations and forms of regulation in place in any socio-economic formation. Agents' social existence is represented to them as a set of constraints operating within their strategic realm of price setting and income generation. It is through these surface connections that agents experience limits on their actions. Among the different institutional forms that operate the surface connections, a particular place must be given to money.
For something to serve as money, two requirements must be met: it must be socially accepted as a representative of value and it must be unconditionally exchangeable. This means that money itself does not need to be validated; it has value a priori. But whether it is accepted as "representative of value" depends upon the customs of agents, on what they imagine value to be. We have already described the fetishism by which the labour embedded in commodities appears as "value." As people think about circulation, there is also fetishism. Just as it appears that the progression of a wave sets the molecules of water in motion (instead of the successive oscillations of molecules on the surface of water appear as waves), it seems as if one value circulates from commodity to commodity, reappearing periodically in the form of money. Marx called this "autonomous value" or "value-in-process." He also indicated that the representation of value could be based on either of these two fetishisms. Accordingly, a particular commodity (gold, for example) can represent value because it itself has value. But the representation of value-in-process (for example, a bill of exchange) can also play this role if this mode of representation of value is accepted by the traders. When they acknowledge that the production represented by the bill of exchange will be socially validated in the future, then the bill can serve as a claim on future income credited to someone. In our woeful tale the villagers first used a number of objects that were more or less difficult to obtain (knuckle-bones, shells, ivory), which were representative of value of the first type. In the end they used tokens which had no value but represented claims on value-in-process (clipped palm leaves). But there was always an authority that imposed the choice of which object represented value. When, in the beginning, Adam accepted coconuts and the hunters demanded elephant tusks, nothing but confusion resulted.

The requirement that money be unconditionally exchangeable does not necessarily require an effective political authority. In the case of commodity-money — where the commodity itself has a value — custom may be sufficient. Nevertheless, it would be a mistake to believe that gold can serve as money simply because of its physical qualities. In general, gold is money because the sovereign has stamped it with a seal, having decided that only this metal will be unconditionally exchange-
able. This commodity is the "elected" representative of value, and it is "excluded" from the realm of ordinary commodities, which must always be validated. As a result, the seal will add to the intrinsic value of the gold because it is the state that establishes the value of the coins which it mints. The complete disappearance of gold was germinating from the moment minting began until the substitution of paper money for gold.

The situation is the same for credit-money, which reflects confidence that a value-in-process will be socially validated. The bankers who extend credit on entrepreneurs' accounts anticipate the validation of investments in labour made by these particular producers (they "pre-validate"). General confidence and the ability of any banker (or a collectivity of bankers) to anticipate the appropriateness of the investments of their debtors is sufficient to make credit-money work, resulting in a fragmented system for issuing money. But here, too, the precarious stabilization of trustworthiness will quickly give way to the authoritative selection of bills worthy of the confidence of the sovereign's bank — the Central Bank. Only this bank has the authority to declare the validity of the certificates which it issues, because they are warranted by a flow of values that it declares to be validated (that it "pseudo-validates") and must be accepted as "real money." The Central Bank maintains a forced currency with legal tender. This election of the Bank's certificates to a privileged status demeans the others, which merely represent an anticipated conversion into official money that would permit the values-in-process represented in the certificates to be realized. The result of all this is a centralized system.

In reality, then, the monetary system is an incredibly varied combination of commodity-money and credit-money, of a fragmented and a centralized system. It is, thus, a hierarchical system. The certificates drawn on the Central Bank may represent the commodity-money it holds, with more or less convertibility. But the Central Bank can also issue certificates drawn on itself in exchange for certificates of the banking community (thus pseudo-validating private pre-validations). The monetary constraint can be loose or tight, such that in place of the simple couplet election/exclusion one finds a differentiated scale of acknowledged validity of certificates. It ranges from the Central Bank's money, which is imposed on everyone, to risky
loans for which the certificate represents only a bet, which lenders place at their own peril.

The existence of this hierarchy is a condition for the law of value to operate as regulation. The repayment of debts (from short- to long-term) represents the regular validation of commodities, while the non-validation of socially useless commodities becomes the selective devaluation of debts. If the monetary scale collapsed so that it was merely the stock of gold facing a wave of commodities, a liquidity crisis and dangerously deflationary conditions would follow, because the realization of commodities would depend on putting private hoardings back into circulation. The misfortune brought about by Article 0 in the tale resulted from such a situation, because once Adam invented the fish-net, there were no longer enough knuckle-bones to go around. If, in contrast, the Central Bank pseudo-validates simply anything (as it did with the shells of Article 2), the hierarchy shrinks and every producer obtains the monetary counterpart of those goods which cannot even be sold. Money quickly loses any credibility as the representative of socially validated labour. This produces a hyperinflationary crisis, unless it can be contained by forced savings and queuing for goods (as is done in the eastern countries of state capitalism). When this happens traders rush to find other — truer — representatives of value: real property, rare metals, foreign exchange. The convergence of such speculations confirms each individual's notion about the indisputable social validity of their purchases.

The possibility that there can be an institutional form like credit-money, especially with a forced currency, seems to depend on the capacity of the whole market economy to estimate correctly the consistency of flows of values-in-process. On the other hand, it is also "functional" to a type of market society in which the purpose of circulation is the maximum expansion of values-in-process through agents' hands. This is the case in the most fully developed form of market economy — advanced capitalism. So, let us now turn to the social relation that truly characterizes capitalism: the wage relation.

**Wage Relations** In capitalism, labour power appears to be a commodity. This simple sentence contains, in fact, several complex notions. Here, "labour power" is the free capacity to
produce, and not the definite result of any particular work. Labour power "appears to be" a commodity, because the wage relation has taken the form of a commodity relation, even though it is not truly one. It appears to be "a commodity," which implies that labour power, which has a value, needs to be validated.\textsuperscript{14}

In the wage relation, producers are separated from the means of production; that is the wage relation. To understand this separation it is useful to distinguish two aspects, or even (depending on the theorist) two relations. The first aspect focuses on economic \textit{property}, and stresses the capacity to assign economic units to produce particular goods in a market economy and to dispose of the product. The second aspect reflects the social relation of possession, or of real appropriation of the means of production. This relation involves the capacity to organize and operate the apparatus of production.\textsuperscript{15}

With regard to the first separation (the property point of view), the connection between producers and the means of production takes the form of a \textit{wage contract} made between the owner of the means of production and the worker who sells labour. Its general framework is an institution shaped by judicial practices (the right to use and abuse; the notion of usufruct), while its everyday practices require both the capitalist and the wage-earner to agree on the price, the length of the working day, and any limits on the intensity of work. The means and norms (juridically sanctioned) for settling this contract have changed over time. Nevertheless, in an analysis of the fundamental contradictions of capitalism, we see that the wage contract continues to represent a double exchange. First, when they sell their capacity to labour to capitalists, wage-earners obtain a certain amount of money, which they can spend so as to achieve a certain standard of living, or consumption norm. The value of this sum is less than that of their production (the value-added), and we call the difference surplus value. Second, in return for the wage-earners' surrender of surplus value and submission (called formal submission) to the control of their labour by capital, capitalists assume the risks involved in the validation of the product of this labour by the market.

In other words, although the value of labour power is less than the value of the goods produced, it is nevertheless vali-
dated in advance. The wage (including the social wage, which came into being more recently) being the compensation for the sale of labour power, at each moment in time it appears as a monetary claim on commodity production. At the same time, surplus value, which is divided in a complicated way by competition among capitals in the form of profit, allows capitalists to accumulate capital. They can increase the size of the values-in-process which they already own by acquisitions of new means of production and additional hirings. The need to parcel out the share of value-added going to wages and to profits clearly creates a new contradiction whose unity is resolved through struggle. There might be excessive wage payments and insufficient profit, or excessive profits and insufficient demand. We will see soon that this is a major problem for accumulation.

But beyond this contradiction, there is an even more fundamental social relation at the heart of the labour process — the relation of possession. In contrast to craft production, capitalism tends towards a collective labour process that separates productive activity into conceptualization, or an intellectual component, and routine, or a manual component. This appropriation of collective knowhow gives capital control over the use and intensity of working time, which constitutes real submission. Such submission materializes in the forms of mechanization during which the worker goes from being a producer using a tool to being the operator of a machine.

As in all socialization of technique, this process tends to increase productivity. But unique to capitalism is the way social knowledge materializes as fixed capital that is beyond the control of producers and even seems opposed to them. This tendency has its counterpart in the development of the ratio between capital given over to the acquisition of the means of production (constant capital) and value-added. This ratio is the organic composition of capital. Its growth is subject to disturbances. Like earlier formulations, however, it too is subject to disturbances. Besides the fact that the technical composition (the number of machines per person) does not necessarily increase, the decline in the value of the machines themselves, with productivity, will counteract that tendency. Nevertheless, when and if this tendency develops, it leads eventually to a fall in profitability.16
As a result of these relations, new space for contradictions opens up. In expanding the gap between producers and the control of their activity, capitalists may gain greater direct control of the intensity of wage-earners' labour. But, refusing to allow wage-earners to exercise their capacity for initiative may lead to counter-productive effects — in terms of increased shop-floor conflict or poor-quality products, for example. Conversely, giving wage-earners some responsible autonomy means they can adapt and innovate, but capitalists lose control. The regulation of this contradiction materializes both through struggles in the workplace and through institutionalization of a structure of qualifications and norms of labour discipline which lead to a variety of work groups and labour market reserves. Thus, the issue of whether technical knowledge belongs to the wage-earners or to the machines (and thus the capitalists) is a profoundly social question, which is worked out through custom and norms and which changes through struggle.

Problems arise for accumulation from the variations in productivity and the organic composition of capital. There are, then, two main locales for the social validation of production by private economic units; capitalists' demand for the means of production (fixed capital and intermediate goods) is one, along with spending by wage-earners. There are, of course, state expenditures (financed by taxes or the creation of money drawn from taxes) and unproductive consumption by capitalists, but productive consumption (investment) is particular because it opens up future production. We can speak of extensive accumulation when accumulation operates via the simple expansion of processes of production, with given techniques. Intensive accumulation exists when the norms of production (that is, dominant techniques effectively imposed on everyone because of their superior productivity) are constantly improved in the process of accumulation.

How Can Accumulation Succeed? Accumulation results from the independent decisions taken by capitalists who invest in more social labour, hoping, of course, that it will be validated. Doing this, capitalists effectively contribute to the validation of the product at that point in time (by investing and by hiring), but in so doing raise the problem of future validation on an
even larger scale. This is, in effect, the fundamental issue for capitalist production. The capitalist is in charge of a value-in-process, partially rooted in a concrete process of production as fixed capital, hired labour power, and inventories, and in constant flux in the form of money. Capitalists aim to increase the speed with which value-in-process increases, and to do this they must guarantee the continuity of the productive processes invested in, and decide how much and where to reinvest capital. These decisions take place under conditions of radical uncertainty. Capitalists cannot know in advance what the market for their goods will be when they invest in labour. This uncertainty allows them to claim the pompous title of “entrepreneur” or “captain of industry” as the prize for the anxiety experienced. The realization of real profits is their reward for exploiting their producers and for their acumen in hiring.

Thus, the subjectivity of entrepreneurs — their decisions endlessly to hurl themselves into the adventure of accumulation — plays a crucial role in the reproduction of this relation. Our captains can be thought of as gamblers. They set a supply price which is calculated according to costs and anticipation of their share of global surplus value. If nothing can be sold at this price, they can decide to wait or to lower margins, by selling less or selling for less. Such losses on the expected validation (the devalorization of capital) lead the captains — if they can — to accumulate elsewhere and otherwise. Such choices appear to capitalists to be the coercive effects of the law of value. Whether the game is played principally on prices (the margins sought) or on volume realized (with a fixed margin) will depend on the mode of regulation in place. But what of the wager itself and the chances it will succeed?

Socially, the reproduction of the whole system happens as follows: the values-in-process of capital parade one beside the other, seeking exchanges. How is it possible that this interlacing of autonomous processes weaves a coherent social product, in which all the private investments in labour appear to be validated? As in any social relation, the learned experience of the possibility of a solution is itself one basis of the solution. Depending on their resources (their earlier income) and their knowledge of the market (also acquired by prior experiences) capitalists wager that it is a good idea to invest in labour, and
to redeem constant capital. In this way they already contribute to the validation of their colleagues’ goods and the labour power offered by wage-earners. Thus, we see that conditions inherited from the past and the anticipation of similar conditions in the future are requirements for the operation of any current social relation. Continuities in accumulation, acquired habits of allocation among the different branches, and expectations about the social bases of changing norms of production and consumption all order the individual wagers of entrepreneurs (and their bankers). Together these establish a social mould, which we can call a regime of accumulation.

The regime of accumulation is 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, etc.).

Given the requirement that the expansion of Department I, (production goods) and Department II (consumption goods) match the expansion of investments in constant capital and the growth in the purchasing power of wage-earners, it is useful to indicate the coherence of a regime of accumulation by the notion of a schema of reproduction which describes, from one period to the next, the allocation of capital (and thus of labour) between these two fundamental departments of production. The schema of reproduction is a sort of skeleton of the regime of accumulation — the outline of its formal coherence.

There are several typical regimes of accumulation: extensive accumulation, intensive accumulation without mass production, intensive accumulation with mass consumption, etc. But, after making such a basic sketch, analysis of any concrete regime of accumulation requires nuancing, in the direction of both finer analytic distinctions and contextualization.

There are two ways every regime of accumulation is part of a larger context “external” to it. First, capitalist social relations do not organize all production in any social formation. For example, reproduction of the labour force depends, not only on wage relations, but also on the household division of
labour and gender relations. With time, capitalist commodity production may extend into household production, and this interlocking may ultimately bring the extension of wage labour and capitalist accumulation such that there will be a new articulation of household production and capitalist production. Similar points can be made about the articulation of capitalism and production that depends on other modes of production in any concrete social formation, like simple commodity production, or weak forms of feudal social relations (share-cropping, tenant farming, etc.). The second “external” context, is of course, that of the economic relations among different socioeconomic formations. The multiplicity of possible forms of such relations, including the articulation of markets and political situations, creates a large variety of regimes of accumulation. As we saw in the tale, during the time of troubles other tribes organized themselves quite differently than did Adam’s village. Moreover, as the effects of both Rosa’s ideas and the neighbouring tribe’s decision to absorb its extra crew members into an army were felt in Adam’s village, long-standing social relations — from the division of labour between women and men to forms of money — began to alter.

**Regulation in Capitalist Societies** The previous sections have provided an overview of the economic foundations of the “social mould.” From this examination we can see that regimes of accumulation do not create themselves, as if they were Platonic ideals fallen from a heaven of schemata of reproduction. Rather, they result from the specific coercive effects of institutional forms which manage to create a coherence of strategies and expectations among agents living in a capitalist market economy. This coherence — which is a social construction — assures the stabilization of reproduction.

In this way we return to the issue of regulation. In the capitalist mode of production, the institutionalized forms of regulation must simultaneously cope with at least:

*The regulation of the wage relation:* establishment of norms for the time and intensity of work, for the value of labour power, for the norms of consumption, for the reproduction of the hierarchy of qualifications and the segmentation of the labour market, etc.;
The regulation of the recommitment of cash-flow released by the validation of commodities, by branch and according to the degree of intensification of the organic composition of capital;

The reproduction and control of money: its creation, circulation, rules for loans to productive investment, etc.;

The forms of state intervention, from legislative to productive.

Notwithstanding the extreme variety of forms that regulation can take, it is heuristically useful to identify two polar opposite modes of regulation, differentiated by contrasting institutional forms. In one, the uncertainties of social validation of commodities and the supply of labour is simply noted after the fact. In the other, the high probability of validation is integrated, before the fact, into the behaviour of agents.

In the first case, values-in-process either make it through the successive hurdles of their metamorphosis into money, or they are eliminated. This mode of regulation could be symbolized by those primitive studies of cybernetics, in which electronic tortoises even more stupid than chickens managed only with great pain to get through a doorway. In such a mode of regulation, routine and lack of imagination are the most useful strategies. In the second case, in contrast, values-in-process, as they metamorphose into money, simultaneously integrate their own growth and the changing social norms of production and exchange.

The first case is an example of "competitive regulation," while the second is "monopoly regulation." In the most extreme forms of competitive regulation, labour power is sold from day to day, at a price varying strictly according to market conditions, and labour may not even reproduce itself. At the other extreme, in monopoly regulation, a minimum income is guaranteed to all labour power, which is then hired out to entrepreneurs with a multi-year contract that has already discounted changes in the economic situation. In the first case, whether the values-in-process offered as commodities in the market will perish or be transformed into money depends upon a division of labour imposed upon the producer. In the other case, financial groups shape even the evolution of the norms of production, financing the development of new products and procedures through the controlled amortization of
out-dated branches whose obsolescence they organize. In competitive regulation, there must already be money carrying value to exchange for commodities. In monopoly regulation it is enough that there be an acknowledgement that future revenues of a value-in-process for it to be granted the monetary signs allowing investment and purchases.

This stylized presentation of polar opposites is not meant to lead readers to search for exactly the same conditions in all cases, but rather to emphasize some of the basic points of the regulation approach. In using these concepts it is important to begin by stressing that not everything is possible, not all innovations are viable, not every configuration of social relations is stable. Nevertheless, configurations of contradictory social relations do reproduce and such stabilization is what regulation is about.

Analyzing a society as a social mould means following three steps to assess whether a mode of regulation has stabilized a regime of accumulation. To appreciate the situation we begin with a general examination of the mode of production, its contradictions and, therefore, the logical requirements for its stabilization. Then, there is the specific study of the solutions — always original and unintended — which History brings to these contradictions. Finally, there is a concrete analysis of the divergences and the maintenance of out-dated institutional forms which eventuate in a crisis. The situation remains in crisis until a new “solution” develops, but any such development is a chance discovery (although it may occasionally be a deliberate combination) which is the product of social innovations.

Following this method, it is immediately clear that no one example of a perfect system of competitive or monopoly regulation is likely to exist. It is plain that there may be large discrepancies in the time at which forms of regulation which will ultimately form the system are actually institutionalized, and there may be a time gap between the appearance of a regime of accumulation and its mode of regulation. Also obvious is the possibility of extreme variation across social formations of institutional forms and networks that perform the same “function.” Finally, this method allows us to see that the hegemonic position of one mode of regulation does not eliminate the possibility that other forms may continue to exist for specific markets.
The mode of regulation that stabilized after 1945 combined, depending on the social formation, more or less well a number of innovations. Some of these were based upon quite familiar social relations, while others were particularly innovative in order to meet the needs of the new circumstances. All of them together contributed to the construction of a system, which means they temporarily resolved the contradictions of which a general analysis of the capitalist mode of production has made us well aware. This mode of regulation was not created in order to resolve these contradictions, but it continued for a time because it could contribute to their resolution. In this sense, and this sense alone, we might speak of "a posteriori functionalism, ex post." But... the solution was only temporary and, as the woeful tale teaches us, the glorious system could not be sustained and no one can yet tell us the end of the story.

Notes

Many thanks to Jane Jenson and Margie Mendell for suggestions and improvements to the original manuscript.

1. Even those who work within the regulation approach do not always agree on the nature of their "flashlight," particularly as it relates to the one already used by Marx. This article is, then, only my reflection on these two concepts and their connection to Marxist theory.

2. That economic relations may be singled out and detached from all others is not "natural," but part of a specific configuration of social relations. In the tale of Adam and Smith, no one told us how they lived and produced before each began to produce (albeit it alone) for the other. The fable singles out the activities of production and exchange from all their other practices. Perhaps earlier they sang in unison while fishing, as part of a religious ritual, by which they simultaneously obtained their food. Obviously it has always been necessary to make an effort to assure material existence, but the identification of some acts as "economic" is a characteristic of only some configurations of social relations.

3. This vision was particularly widespread among the structuralists. For a critique of the Althusserian Marxist version, see Alain Lipietz, Crise et inflation: Pourquoi? (Paris, 1979).

4. These notions are derived from Bourdieu's concept of habitus. See Pierre Bourdieu, Questions de sociologie (Paris, 1978).

5. This is a generalization of the term used by Delorme and André in their study of state/society relations. See R. Delorme and C. André, L'État et l'Économie (Paris, 1983).
6. In the second instance, we might call this a case of exhaustion of the regime of production.
8. Faced with the obvious improbability of such a solution, another — and diametrically opposed — myth is based on the idea of a centralizing agent (the auctioneer) who organizes all exchanges simultaneously. This Walrasian myth is slightly more realistic and it has the advantage of suggesting that exchange is a social phenomenon.
10. Aglietta and Orléan, for example, replace socialized labour as the substance of value with another substance, *la violence acquisitive*. See Michel Aglietta and André Orléan, *La Violence de la monnaie* (Paris, 1982). Other writers, including some using the categories of the regulation approach, adopt a more “agnostic” position. For a critical overview of the recent debates on this question, see Alain Lipietz, *The Enchanted World: Inflation, Credit and the World Crisis* (London, 1985), apps. I-III.
11. Marx clearly disagreed with Ricardo on this point.
13. Many authors differ over the content of the substance value. This reflects the autonomy of a form and should not surprise us any more than the differences of grammar relative to semantics. After all, value is the language of commodities. See Lipietz, *The Enchanted World*, app. IV.
14. However, labour power may not be validated, as those who are unemployed well know.
15. These are the terms proposed by Charles Bettelheim, *Calcul économique et formes de propriété* (Paris, 1970), and by Etienne Balibar in Louis Althusser et al., *Lire le Capital* (Paris, 1965). The Althusserians, like Italian *operaista* analysts and the American radicals, showed that the capitalist labour process was not simply a technical form determined by the degree of development of the productive forces (as a superficial reading of Marx led some to conclude). Rather, the labour process was itself a social relation that influenced the forms by which technical knowledge was incorporated into the labour process.
16. For an elaboration of these ideas, see Alain Lipietz, "Behind the Crisis: The Exhaustion of a Regime of Accumulation," *Review of Radical Political Economics* 18: 1 & 2 (1986).
17. Perhaps because of its links to the workers' movement, Marxist theory has thus far been more preoccupied with relations of exploitation and the permanence of such social relations, rather than with the social relations of entrepreneurship.
18. Alain Lipietz, *Mirages and Miracles* provides several examples of such global systems, as well as methodological considerations of the articulation of the national and international. (See n. 7 above.)
doesn't injure any one, and that what they do is their "own business."

Many homosexuals, because they cannot procreate, must recruit—often the young. They promote recruiting "straights." With new legislation such seduction becomes permissible and acceptable."

While the Coalition campaign against Bill 7 was gathering steam during the summer and early autumn, the work of the organizations supporting the bill was proceeding very slowly and in a low-key manner. The Right to Privacy Committee and the Coalition for Gay Rights in Ontario had formed an Alliance Committee in the spring, which was focussing on making informal contacts with Liberal MPPs and with supportive aides to crucial Liberal ministers. The Alliance Committee developed a network (later to be considerably expanded) that contained some seasoned lesbian and gay activists, and a number of other people not usually associated with the gay political movement—including a number of "straight" feminists (ranging from liberal to socialist) who believed in the cause. CGRO undertook some of its work independently of the Alliance, continuing to prepare its extensive brief to the Legislature, and sending out calls to its member groups to make representations to their own MPPs.

The low-key style adopted by CGRO and the Alliance was dictated to some extent by a widely shared view that mass mobilization of the gay community was unrealizable. Some activists involved in these early stages also believed that the low-key traditional lobbying of Liberal MPPs was the strategy most likely to shore up support for the amendment. Lobbying had particularly slowed down during the summer, and was frustrated by the difficulty in gaining access to Liberal MPPs most crucial to the success of the bill. Activists were also demobilized to a certain extent by inside informants with ties to the Attorney-General's office. These informants offered assurances that the government intended to proceed with Bill 7, its sexual orientation amendment intact.

Throughout September and October, the New Democrats pressured the Liberals to introduce the bill early in the full Legislature's fall session, but to no avail. So persistent was the Liberal House Leader's delaying that the New Democrats believed that the Liberals might well scuttle the whole bill. That