The End of Organized Capitalism was one of several books that appeared in the 1980s and early 1990s using sweeping theoretical claims and catchy labels to capture the changes in society and the political economy. Compared to the books on 'the end of history', 'the network society', or 'globalization', Lash and Urry's book was unusually detailed in its review of evidence and unusually eclectic in its theoretical influences. Drawing on literature from the UK, US, France, Germany, and Sweden, Lash and Urry engaged with debates in sociology, cultural studies, comparative political economy, and economic geography. The book was important when it came out, and it is important now.

The book's central image, disorganization, frames a contrast between the capitalisms of the 1980s and the mid-20th century. The introduction's two 14-point lists define this concept in terms of changes to industries, firms, banks, states, classes, occupations, collective bargaining, work organization, political parties, laws, social movements, culture, lifestyles, time, space, cities, regions, and the global economy. Although the book discusses national differences, its treatment of common trends became more influential, and the book became an important alternative to the rigid institutional determinism of the Varieties of Capitalism school, which came to dominate comparative social sciences.

Under disorganized capitalism, they argue, industrial relations patterns change due to the dissolution or weakening of ‘corporatist’ arrangements. By corporatism they mean a system in which organized employers and workers reach agreements trading off control of their membership against influence in policymaking and implementation. Lash and Urry
argue that corporatism came about wherever a national trade union movement formed that was from the beginning inclusive of the unskilled and synchronized with a working-class political party. Corporatism was undermined by the internationalization of the world economy, the decline of mass production industries, the decline in working class collective identity, and squeezes on real incomes due to oil shocks. These trends led to a mobilization of radical workers (especially in the public sector) and social movements starting in in the 1960s that undermined working-class unity and (along with attacks from capital) made it impossible to re-impose corporatism or Keynesian macro-economic policies. In turn, there was the decentralization of industrial relations: the breakup of encompassing collective bargaining arrangements and the shift of power within unions from national headquarters to the shop floor. Decentralization had gone further in France, the UK, and US than in Germany or Sweden, they argue, because of the greater importance of organized labor in the latter two countries in the creation of organized capitalism in the 19th and early 20th centuries.

The story is in turns dated and prescient. Most of us who write about changes in capitalism are more interested in material outcomes than Lash and Urry were (their outcome of interest was 'postmodern' culture). Now comparative social scientists look mainly at outcomes such as economic growth, union power, welfare state retrenchment, and inequality. Furthermore, the architecture of industrial relations has changed. Tripartite governance arrangements have emerged in some countries because of, and not despite, economic internationalization; the formal decentralization of collective bargaining is less important than the informal behavior that can coordinate it; and most unions no longer have the problem of a militant membership. But in some ways the disorganization image applies more than ever. In Germany, for example, attempts to brake certain disorganization processes by building more flexibility into social protection arrangements have contributed to disorganization by undermining the egalitarian character of welfare and industrial relations institutions.
Disorganization provides a clear contrast to the images of mainstream comparative political economy, such as institutional embedding, path-dependency, and complementarity, that no longer fit important cases like Germany.

The main problem with this book is its almost baffling complexity. The disorganization image leads to many lines of argument in the book, and could have led to more. Causes of disorganization, for example, include the ‘powers’ of the ‘new service class’ (including Taylor-inspired industrial engineers and militant public-sector workers), industrial changes (the internationalization of firms, flexible specialization, and the tertiarization of employment), financial changes (the internationalization of banks, the breakdown of the Breton Woods arrangements, and the expansion of international money markets), and political changes (the decline of class voting, the rise of small parties, constraints on government spending, and so-called new social movements). Each point contains several sub-points, adding up to some leads for further reading but no coherent explanation of change.

The disorganization image, however, remains powerfully suggestive. 25 years after its publication, the book’s arguments inform the political economy literature on institutional change and actor responses to it, as well as neoliberalism and market-making changes to industrial relations institutions and welfare states. Theory has moved beyond the negative image of disorganization, to examine the establishment of a new regime through marketization and the institutionalization of market rules, with clear winners and losers. But Lash and Urry’s arguments continue to shape our thinking about the disruptiveness, discontinuity, and unpredictability of capitalism.

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