INTRODUCTION

Managerialism and “the Market” Are Not Forever

With strong, confident voices, the managers of American government and corporations hailed their Cold War victory over the Soviet foes of the market economy. After 1991, the celebration was joined by eager allies in the Western media and the universities. But no sooner was victory proclaimed than the Pentagon and the rest of the U.S. government installed a five-year planning and budgeting system. Not to be outdone in the quest for common ground, Moscow opened a stock exchange for the convenience of Russia’s new investor class.

Meanwhile, in the face of the high-decibel trumpeting of the market system as a virtual “end of the line” for economy and society, America’s workers have maintained a mostly quiet but unrelenting struggle for their own empowerment. They have responded to a great parade of alienations that have long diminished their power over their lives both within and beyond the workplace.* Largely unnoticed, they have joined workers around the world in resisting alienations that have made possible unprecedented accumulations of capital and managerial power. This ongoing struggle for workplace democracy, to invent a new kind of economy, is the focus of this book.

*I appreciate that alienation is a term that frequently connotes “the process of rendering a population powerless.” In the usages of sociology and psychology, various feelings are also said to be linked to rendering such acts. These emotions are said to include: hopelessness, isolation, meaninglessness and estrangement.

In the present work, alienation is used only to describe the process that renders people powerless to affect their own work, or powerless to prevent their removal from their occupations and communities. The psychological reactions that often accompany alienation are not dealt with here.

Disalienation describes, on the other hand, workers’ actions to restore power to affect their work, and their places in occupations and communities. This term was coined by Lawrence B. Cohen to encompass the procedures and results of worker decision-making on production, as detailed in Part IV.
For businessmen, the main objective has always been accumulating capital for investment and the successful growth of enterprise. If the drive toward accumulation requires alienating their workers, so be it. For state managers, notably during the latter half of the twentieth century, successive alienations, spearheaded by military power and accelerated by technologies produced on command, have opened the prospect of unrivaled hegemonic control.

Yet despite aggressive public education to induce compliance with the domestic and international programs of the state/corporate managers, workers have continued and even intensified their efforts to disalienate, to reconstruct elements of their decision power.

Since 1991, the rulers of Washington and Moscow have joined in a consensus that the managerial/hierarchical mode of organization is the best one for carrying out modern production. For every nation, the working of "free markets" has been hailed as the preferred way to set the prices of goods and the prices of work. American textbooks in economics have been translated into Russian and introduced as the last word to secondary schools and universities. In American society, the commitment within popular culture to managerialism and the market economy is so strong as to virtually exclude even the discussion of the possibility of present or future alternatives. This allegiance is bolstered by an array of "cover stories" that serve to reassure the populace about its economic prospects. Under the rubric of "globalization," U.S. state and corporate managers have constructed the ultimate worldwide cover story for their neoliberal ideology.

That central cover story proclaims that there is, above all, no alternative to managerialism, the market economy or state capitalism. This book aims to challenge that claim, and to identify an alternative that is already being shaped by economic and social developments that are under way.

There can be little doubt that the dominant ideology in matters economic is the idea that the market and market relations are the governing factors in economic function. At the heart of the idea of the market economy is the unshakable belief that prices (and wages) are set with perfect rationality—as the automatic effect of the rational decisions of many perfectly informed buyers and sellers.* In fact, "the market" is commonly referred to as though it were an object, a thing quite separate from the interactions of the people whose activity in buying and selling constitutes a market. Thus it is completely ordinary to see or hear news reports about

*Professor Yehuda Don, at Bar Ilan University, has brought my attention to the strident (and unproven) claims of the neoclassical economists' market mechanism that sets prices and wages at precisely their true value. Thereby, he said, "capitalism has expelled God!" Such perfection makes God superfluous.
“what the market is telling us,” or about “what the market will (or will not) sustain.”

In reality, “the market” is not a thing or an animate being; to ascribe such decision power to it is to indulge in a form of fetishism. This kind of fallacious thinking involves a displacement of categories in which human behavior is described in a way that shields the identity of the real decision-makers, whether they are individuals or social groups—like the managers of corporations or the executives of the federal government. In the process, responsibility for organizational actions and decision-making is displaced: endless numbers of decisions are imagined as stemming from an object, the market, rather than from the decision-power relations of managers, corporate and governmental.

All this is a good thing for the managerialists, as the decisions taken by government or business managers are not mentioned, and the results of their actions are ascribed to the anonymous workings of the market. There is, of course, a very large literature that describes the ways by which corporate managers have contrived to control the buying and selling of particular goods. Yet, this form of displacement of categories, onto the mysterious agency of “competition,” is one more version of fetishism. In reality, the conditions of the real world do not accord with the assumptions of a market economy concerning price and wages. Indeed, there is an elaborate history of collusive price-setting by managements. During other times, emperors and high priests led the people in worshiping idols. Our new idols of the marketplace are the big corporate players who seem to wield occult powers or knowledge over the mysterious workings of the market. At the close of the twentieth century, decision-making by readily defined managers was displaced by the market cover stories, thereby removing accountability or responsibility from the actual decision-makers.

The gross domestic product, which is the total output of goods and services produced in the United States, valued at market prices, has a leading role in the ideology of the market. According to the cover stories, a rise in the GDP is hailed as the prime measure of increase in the nation’s wealth and material well-being. In fact, the money values of weapons, research, development and investment for new nuclear warheads, training for wars, and the cost of building and operating prisons for two million people are all part of the GDP story, as are the outlays for making and broadcasting the Niagara of TV violence that affords entertaining models of destructive behavior. This all adds up to a very dubious kind of wealth.

Close cousin to the GDP myth is the idea that “money equals wealth.” In fact money is a socially agreed-upon representation of value, and its relation to actual material wealth is highly variable. This mystification
about the nature of money continues to foster the illusion that everyone benefits from the stock market's financial booms, when in fact the numbers show that the market bonanza significantly affects only the top 10 percent of society. The last decades of the twentieth century have seen an unprecedented concentration of wealth in the hands of a rich minority, while income levels for the majority of Americans have stagnated or even fallen. The discredited "trickle-down" economics of the 1980s have been replaced by another smokescreen: the myth of the high-tech financial boom of the 1990s, the so-called "new economy." The reality is that there is nothing new about the new economy.

These days, it seems, if you aren't "in the market," you hardly count at all.

Ironically, even if the wealth were spread around more equitably, this would not alter the social relations that underpin the vast gulf between the top 10 percent and the rest of society. As this book sets out to demonstrate, to really make a difference, the social relations that underlie the hierarchical control of economy must be changed. This would involve asking different kinds of questions: Who decides what is produced, and how are these products disposed of? By what rules? As I will argue, these social relations can be, and are in the process of being, changed. As workers all over the world have been demonstrating, there are alternatives to the endless cycle of alienation and accumulation that drives the "market."

The theory of the market economy was crucially tested as a predictive system in August–September 1998, when securities markets around the world became severely stressed. No part of "neoclassical economics," or the theory of the market economy, or any other conventional wisdom about self-correcting, perfectly rational price/money mechanisms, accounts for the government's moves with respect to the failures of Long-Term Capital Management that year. This was a straightforward political intervention—applying the government's political power to rescue the American financial superstructure, which could otherwise have been in danger of disarray and collapse triggered by the failure of this highly regarded investment-managing firm.

No textbook in economics prepared readers either for the international 1998 debacle in the value of many national currencies or for the collapse of Long-Term Capital Management. Around the world, major currency speculators moved their billions to gain short-term profits, or to minimize losses, while ordinary people of many countries watched the purchasing power of their money decline.

The fortunes of Long-Term Capital Management merited special attention by the financial press. For a moment, there was a readiness to look underneath the cover stories of the market economy. Beginning in
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1973, we are told, economists tried to “correlate interest rates, prices, volatility and time,” and thereby, “as would an insurance policy . . . put a price tag on uncertainty. Models had arrived.” Thereupon, “trading through computer models became the hippest and most lucrative thing to do on Wall Street.” Nevertheless, as one banking analyst put it,

They only model for whatever humans put into them. Are people putting in data that reflect the possibility of the financial equivalent of a nuclear meltdown? Usually not. And then they rely on computer models as if they’re the word of God.

Hence, in the euphoria of the 1990s, many economists violated a very elementary rule of computer, slide rule or pencil-and-paper modeling—GIGO: Garbage Input results in Garbage Output. So the elaborate computing modeling systems of Bankers Trust, Citicorp, Chase Manhattan, Goldman Sachs, JP Morgan, Merrill Lynch and Salomon Smith Barney proved to be flawed, incompetent to make forecasts about the main elements of the market economy. Switzerland’s UBS, the largest bank in Europe, suffered an unexplained $696 million loss in Long-Term Capital Management.

What lesson was learned from this financial/banking debacle? Not much. There was no lifting of the cover stories of the market economy to expose the underpinning assumptions, and the shakiness of those assumptions. The fraternity of economists did learn that

When, instead of just trembling, the financial system threatens to come unglued, model or no model, mere worries turn to migraines. And fast action is demanded: monetary policy shifts, IMF bailouts, or in the latest case, the Federal Reserve’s roping of Wall Street’s biggest houses into engineering the rescue of Long-Term Capital. Then the models can settle down again, ripe for a blindsiding by the next bolt from the blue.

When the crunch came, the computer models failed to anticipate the global crisis. In the United States, this crisis period was exemplified by the failure of Long-Term Capital Management.

Some financial writers did undertake a critical examination of the economic and financial models that had seemingly promised unquestioned reliability. It was noted, ruefully, that Long-Term Capital Management included as partners two Nobel laureates in economics. But in the post-mortem that followed the hedge fund’s collapse, nobody suggested that their Nobel awards be revoked or returned.
It is a purpose of this book to demonstrate that the normal workings of corporate and government managerial control over workers have set in motion a chain reaction that has resulted in grave production weaknesses in the U.S. economy, a process that will be outlined in Part II. Alongside these effects—unanticipated by conventional wisdom—a process of change has been set in motion that promises to supplant capitalism as we have known it. But such alternative possibilities are typically excluded by the network of popular justifications that serve as cover stories.

Why are alternatives to the market economy and allied control of production by managerial hierarchies so hard to recognize? For nearly five decades, Americans were mobilized in support of the Cold War. They accepted the cover story that the alternative to the market economy was Soviet-style central planning. The grip of this story was strong enough to make it seem outlandish even to raise the prospect of alternatives to managerial hierarchical control of enterprise and the corporate/state governance of the economy. With the end of the Cold War, the marketeers declared, we have reached the end of the line.

Neoliberalism purports to be a general theory about society in which the individual is the unit of decision-making and behavior. But in actual fact, the functioning of corporate management, government management and workers during the latter half of the twentieth century was in each case a form of group behavior—of many people acting in concert in accordance with the accepted rules and goals of their respective endeavors or occupations. In none of these spheres is there a collection of individuals whose actions are in concert just by chance. The concert is a group process, not a collection of individually determined actions.

Independently of particular merits or demerits, the neoliberal market economy has been dubbed an “end of history.” Indeed, this dogma proclaims that no new major developments should be desired or expected in economy or society. Accordingly, the agenda of cover stories includes seductive categories like the “postindustrial society,” or “the information society.” The postindustrial idea carries the implication that a condition has been (or is about to be) reached in which production is no longer a problem—because abundance is upon us. Accordingly, the citizens of the postindustrial society, drawing upon the full powers of “global” information technologies, are encouraged to see themselves as though natives in idyllic locations where hunger can be satisfied simply by plucking the “fruit” that is abundantly present, or by waiting for the coconut to fall while merely maintaining a prudent distance from the landing point.

But the invention of capitalism, and the subsequent rise of state capitalism, has failed to provide prospects for work-free abundance. All told, it is prudent to understand that managerialism and market economy, as sys-
tems of ideas, have standing primarily as dogma, but not by the ordinary test of predictive power that is conventional in scientific discourse.

Everyone with access to the Internet (or even TV) can see that information can now be spread at hitherto unimaginable speed. Usually overlooked, however, is the parallel concentration of control over the content of press, radio, TV and the Internet. As we will see in Parts II, III and IV of this book, vast fields of information, though nominally accessible, are usually not portrayed and explained so that a nonspecialist can use them. The much-vaunted information society then becomes an information-control society. An illusion is created: Information quantity is celebrated, even as the selective editing of information conceals the scale and quality of ideological controls and alienation operations that harness ordinary people in the service of profit/power accumulation.

In order to make sense of the status quo behind the cover stories, it is necessary to understand what is really new about capitalism at the beginning of the twenty-first century.

During the past three centuries, capitalism went through several major alterations, even as the core processes of alienation that served capital accumulation were kept in place. What began as a drive for profit translatable as capital was later transformed into an accumulation of profit and power over people.

The managers of business organizations have long sought advantage by disarming workers and competing managements—the better to exploit them. From the very outset of capitalism, when competing managements and hired workers were strategically weakened, larger profits could then be assembled, as capital, for further investment. Business management led the field in this phase of capitalist development, which endured to the end of the twentieth century. And throughout, despite the endless free-market rhetoric, government has moved to protect and facilitate the capital-accumulation process.

The logic of the accumulation of capital for ever-expanding investment, as a core element of business, was neatly defined by Karl Marx in *Capital*. Marx held that

The development of capitalist production makes it constantly necessary to keep increasing the amount of the capital laid out in a given industrial undertaking, and competition makes the immanent laws of capitalist production to be felt by each individual capitalist, as external coercive laws. It compels him to keep constantly extending his capital, in order to preserve it, but extend it he cannot, except by means of progressive accumulation.
Marx did not hesitate to drive his point home with colorful language. He wrote:

Accumulate, accumulate! That is Moses and the prophets! "Industry furnishes the material which saving accumulates." Therefore, save, save, i.e., reconvert the greatest possible portion of surplus-value, or surplus-product into capital! Accumulation for accumulation's sake, production for production's sake.6

During the twentieth century, even as business thrived, a major alteration in the dynamics of capitalism took place. In the new regime of state capitalism, alienation and accumulation continued and became more powerful, for these processes were, and are, managed by a collaborative business/government partnership.7 This partnership has profoundly altered the accumulation process, and the militarization of the U.S. economy has been essential to its success.

After World War II, the military economy of the United States was enlarged as the primary instrument of government/business power, finally commanding more than half of federal budget funds for 2000.8 This was done in ways that served both the accumulation of capital via business profit, and the accumulation of power over people—the "profit" of government.

While profits continue to be maximized by managements of business, state managers—besides lending a helpful hand to big business—have specialized in accumulating power, not only at home but abroad as well. The state managers continue to spur worldwide operations for global power extension, for hegemony over other states. Direct American capital investments that give control over foreign enterprises and resources are facilitated and encouraged by a worldwide network of specialized attachés in American embassies. Foreign aid, heavily militarized, plays a major role in this campaign of accumulating power.


†Career military officers play an important part in the unfolding of militarized state capitalism. Here the veterans of long military service perform a series of functionally diverse roles. Men and women imbued with the traditional values of the officer corps may find their way to military academies and think tanks. Others realize professional futures in enterprise managerial posts. Industrial firms also absorb a quota of technically skilled officers for design and evaluation/testing functions. And politically oriented officers find open doors in and around the federal Executive, and the Congress as well. The military is an invaluable training ground for the state and corporate managers of the permanent war economy.
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The development of America's state capitalism is mirrored particularly in the evolving relationship between business-managed industrial capitalism and the newer, state-managed and permanent military economy, administered by the Pentagon. As I argued in an earlier study, the development has gone through three main phases.

The World War II military economy consisted of a collaboration between business and government. War production was directed by battalions of industry managers on temporary loan to war agencies that were largely dismantled by 1946. Not surprisingly, the major firms emerged from the four-year U.S. war experience with large additions to their assets, having been favored as purchasers of government-financed plant and equipment.

This function was carried out in ways that also served the enlargement of the American territorial and economic empire (for example, by trading old U.S. destroyers for British islands).

The second phase in the development of American military power was the Cold War period 1950–60, from the Korean War to the close of the Eisenhower administration. . . . This decade saw rapid development of nuclear weapons. . . . Intercontinental missiles and nuclear-powered submarines were invented and put into large-scale production.

By means of an intricate network of agreements, U.S. military bases were established in thirty-five countries—to "contain" the U.S.S.R. and serve as a constant threat to anti-U.S., anti-business-economy movements.

This second phase of the development of military economy featured implementation of the doctrine of government-business partnership as formulated by the U.S. Army Chief of Staff, General Dwight Eisenhower, in 1946. His policy memorandum that defined this relationship was first published in my Pentagon Capitalism. It constituted the charter for what Eisenhower, as the outgoing President in January 1961, christened the "military-industrial complex."

A third phase of development of America's war economy began in 1961. A government-based central administrative office designed by Robert McNamara was made the master of business-operated military industry. (This was accomplished by means of the managerial-control organization that I diagnosed in my Pentagon Capitalism.) Once the new state-managerial control system was set in motion, it exhibited the normal managerial impera-
tive for enlarging its organization, and the scope and intensity of its decision power.7

The latest phase of the U.S. war economy has involved a basic change in the mechanisms of capitalist economy by which capital investment is translated into power over decision-making. Under business capitalism, this decision power is accomplished by a cycle that includes investment, marketing products to regain the investment plus a profit, and ordering new investments with the enlarged capital fund that results.

The state-controlled military economy also invests capital. Here, however, it is translated directly into the instrumentalities of decision power—military organizations and their equipment. Since capital has only a one-time use in the military sphere, the application to decision power is direct.

By 2000, the government side of the corporate/state top management showed a familiar pattern. Federal cabinet members, their principal aides, and officials in key economic, national security, domestic political, military and technological commissions were drawn from among corporate and finance managers, career military officers, professors and lawyers with a mix of corporate and government administrative experience. This professional mix represents government and corporate activity across a broad spectrum of industry, politics, technology and finance. They are, functionally, the top management layers of what is touted as the “new economy.”

The emergence and growth of state capitalism during the latter half of the twentieth century have been accompanied by severe alienations of populations both within the United States and abroad. Nevertheless, the calculations of American state and corporate managers did not anticipate the development of countering movements against their alienation operations. These were to become, as we shall see in this book, important components of workers’ movements that effectively invented an economy after capitalism—the ongoing fruits of a struggle that creates a prospective replacement for the state/corporate-operated capitalism.

The central focus of this book is on the transformation of both the employers’ and the workers’ sides of employment relations (Parts II and IV). For changes in employment relations constitute changes in decision-making about production. Such moves thereby define much of the nature of economy and society; they are visible not only in the transition from feudalism to capitalism (Part I), but also in the developing mechanism of a shift from capitalism to workplace democracy (Part V).

Employment relations have been the dominant way of organizing
decision-making on production during the entire three centuries of industrial capitalism. The employer decides on every major aspect of production, and workers perform as directed.

In exchange for a wage, workers acquiesce to the employer's decisions on the organization of work, division of labor, work time, standards of work performance and compensation. The employer has had great advantage for imposing his will as long as workers have been powerless to implement alternatives to the employer's preferences.

A diverse body of critical thought has developed around employment relations. The range of assessment has extended from viewing the employer as not only acting for his own profit and power, but thereby also benefitting the wider community by raising the productivity of the workforce. Employment relations have also been critiqued as the core of a system of exploitation that keeps a working class subdued.

The evolving mechanism and effects of the employer's role as a decision-maker on production is the focus of Part II. Part IV centers on the development, by workers, of a new decision process on production. Such innovations are shown to be the core of a successor economy to capitalism that is based upon workplace democracy (Part V).

Now, at the opening of the twenty-first century, it is possible to define the shape of economy and society after capitalism.

Under state capitalism, decision-making about production is guided by the rules and practices of four key institutions, which are enforced by the state: employment, property, money and capital.

Rules of employment link producers and decision-makers. The producers may not do their work without orders from property owners or their representatives. The rules of employment also give rise to a unique occupation: the unemployed. Within these rules, the unemployed are persons awaiting the employers' call to produce. They cannot participate in the work controlled by the employer. Thus unemployment is an occupation integral to the decision process* of state capitalism.

Rules of property govern who may dispose of particular objects and under what conditions that may be done. These rules facilitate control of the means of production by the employer, for the state has the power to implement the legalized rules of property and to counter infractions of these laws.

*I use here the term decision process as well as decision-making, in order to emphasize the relentless expansion of decision power that characterizes the managerialist regime of state capitalism. As I argue throughout this study, workers have struggled constantly to create and operate an alternative, a disalienated form of decision-making that is at the core of workplace democracy.
Money, though conventionally referred to as an object, actually signifies a system of social agreements. The rules of money are commonly accepted: Units of measurement should be used for stating the relative worth of goods and activities; in addition, particularly designated parties (usually a government) should be empowered to issue and circulate symbols of relative worth (coins, currency). Other socially agreed upon and legally designated symbols of relative worth may be provided by legally empowered parties (checks, credit cards). All of these representations of relative worth should be accepted for exchanges of goods and work. They are also indispensable in the presence of an intricately specialized division of labor in production and other work. These rules of money allow for the allocation of goods and services constituting the real incomes of all persons, and they also facilitate the transfer of property rights.

Last, capital. The rules of employment, property and money, taken together, constitute capital. From the vantage point of social relations, capital is not an object, but rather the combined system of rules under which the fabrication and operation of the means of production of goods can proceed. Whole factories and their machinery, transportation and communication facilities, dwellings and waterworks—all of these play a part in the investment and exchange mechanisms of capitalism. The rules of capital are also involved in the infrastructure—the social capital like schools and water supply—essential for the life of a community.

The rules of employment, property and money do not separately suffice to constitute capital but must operate in combination.

While these institutional arrangements have a major presence and support from the legal system, at their core they represent social rules of behavior—notwithstanding the fact that property and money are conventionally referred to as objects rather than as systems of rules. These rules also represent more than social consensus, for in state capitalism government plays a crucial part in interpreting, adjudicating and enforcing them.

The social rules that constitute capital are a guide to decisions on production as managerial calculation predicts acceptable profit/power for the employer. But these very rules that can command production to go forward also shape and restrain the use of physical capital, the instruments of production that multiply the production that is achievable by human hands and hand tools. Thereby the conventional businesslike, undemocratic concentration of decision power over the use of physical capital holds back the potential of the means of production. Workplace democracy, on the other hand, can enhance the productivity potential of twenty-first-century society. Democratic control over the marvelous physical capital of the economy can release productive potential that is now restrained and channeled to serve corporate and state managers' striving for profit and power.
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Without such a clear understanding of the system that has transformed society and economy, and unless we know the rules underlying the hierarchical controls exercised by this partnership of government and corporate managers, we are left in the fog of illusions that masks the reality of state capitalism. If you don’t see these social relations as social relations, you can’t uncover their alteration.

After all, the state managers say to justify their ascendancy, we won the Cold War. Just what such brave words mean is not clear. In fact, as the account of state capitalism and the comparisons of the United States and Russia in the chapters of Part II suggest, we in America are much closer to the enemies of market freedom than we have been taught.

American adherents to their version of the market economy propose a very active role for what is called globalization. In their view, direct foreign investment by the United States and other forms of American influence in other countries have the inevitable effect of making for a more cohesive, and friendlier, pattern of international relations among all the states involved. Relentless enlargement of American control has been made to sound perfectly reasonable.

Finally, the agenda of cover stories has at its heart the claims of the doctrine of neoliberalism. Again, "market economy," "free trade" and "free investment" are confidently advocated as a way of bringing the peoples of the world closer together. Unstated by its advocates, the neoliberalism dogma in practice gives major advantage to the richest of the great powers. Thus they, and only they, are best able to pursue corporate/state control.

Nevertheless, as we shall see in this book, neither a global market economy nor neoliberalism can promise a smooth ride. The very concentration of state/corporate managerial efforts along those lines promises not only an unending succession of international crises, but a rough ride of wars without end. But it also ensures unceasing efforts by the already alienated to disalienate, as they struggle to reverse the historic disempowering of the worker classes out of which capitalism was born.

In sum, this book will identify:

- In Part I, the main organizing characteristics of state capitalism, inherited from the twentieth century, that dominate the American economy at the start of the twenty-first (Chapter 1);
- How the classic business-capitalist process was born in the great alienation of the feudal peasantry and the development of an employer class that introduced employment relations in place of feudal obligations, and sponsored industrialization—
as in England, the mother country of industrial capitalism (Chapter 2);

- In Part II, the way that the larger community (and workers in particular) have been alienated and weakened by the sustained deindustrialization and militarization that have served capital accumulation by business, and power accumulation by government (Chapters 3 and 4);

- How capital/power accumulation processes corrode production capability, both in Russia and the United States, even while world hegemony (globalization) is pursued (Chapters 5 and 6);

- In Part III, the effort of corporate managers, in particular, to weaken workers and unions while state capitalist accumulation processes proceed;

- In Part IV, how blue- and white-collar workers—who operate production, communication and transportation—respond to alienation by inventing rules and institutions that disalienate (reempower) their work, and herald the prospect of workplace democracy in place of managerial hierarchy;

- and finally, in Part V, the characteristics of the processes that afford a predictable exit path from state capitalism toward an alternative economy that is based on organization of production by means of workplace democracy.