Revisiting Regulation Theory for the Analysis of South Korean capitalism

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Abstract: Regulation theory became a popular framework for economic geography in the mid-1990s but lost favor before it became prominent in South Korea. This paper revisits regulation theory — in both its original (1990s) and the revised (2000s) forms — to consider its applicability to the case of Korean capitalism. We contend that the difficulties in applying regulation theory to Korea are, on one hand, indicative of certain fundamental limitations in the theoretical approach and, on the other hand, useful for clarifying the distinctiveness of Korean capitalism.

Keywords: South Korea, regulation theory, capitalism, variegated capitalism, cultural political economy

1. Introduction

This paper evaluates the strengths of regulation theory for the task of interpreting capitalism in South Korea. Regulation theory (RT) became a popular framework for Anglo-American economic geography in the 1990s, but lost favor before it became prominent in Korea. Over the past decade, the regulation approach has evolved in the sub-disciplines of economic sociology, economic geography, and cultural studies and, in the wake of the global economic crisis, is enjoying a renaissance (Jessop and Sum, 2001; Peck and Theodore, 2007). We revisit regulation theory — in both its original (1990s) and the revised (2000s) forms — to consider its applicability to the case of Korean capitalism. To be concise, we will refer to these two literatures as 'regulation theory version 1' (hereafter RT1) and 'version 2' (RT2). After a brief review of the emergence of RT1, we examine RT2 in the form of Jamie Peck and Nik Theodore’s ‘variegated capitalism’ and Bob Jessop and Ngai-Ling Sum’s ‘cultural political economy’. To conclude, we discuss both limitations and possibilities of regulationist approach in the analysis of South Korean (hereafter Korea)
capitalism.

Our central argument is as follows. There is much that is important and useful in RT1 and RT2 for interpreting capitalism, but any attempt to directly apply these theories to the Korean situation will be marked by serious difficulties. We claim that these limitations are, on one hand, indicative of certain problems with regulation theory and, on the other hand, useful for clarifying the distinctiveness of Korean capitalism. They therefore suggest room for further refinement of RT.

2. From Aglietta to RT1

The study of a mode of production will seek to isolate the determinant relationships that are reproduced in and through the social transformation, the changing forms in which these are reproduced, and the reasons why this reproduction is accompanied by ruptures at different points of the social system. To speak of the regulation of a mode of production is to try to formulate in general laws the way in which the determinant structure of a society is reproduced.

Aglietta (1979: 12-3)

Regulation theory was first developed by Michel Aglietta in *A Theory of Capitalist Regulation: The US Experience* (1979), which weaves an ambitious theoretical analysis of Marx’s value theory and the historical development of capitalism in post-Civil War USA. His fundamental aim was to bridge the gap between Marx’s analysis of capitalism, rooted in his value theory, with the concrete diverse conditions of regulated capitalist economies. His empirical case is that of the US economy from the end of the Civil War to the 1970s. Since this period is dominated by the rise of a relatively stable period of growth which Antonio Gramsci described as “Fordism” (1971: 279-280, Q6§49), much of Aglietta’s study centers on the conditions of possibility for US Fordism. In highly analytical and structural fashion, Aglietta offers a profound exposition on money, wages, value, and the stabilization of a particular political-economic arrangement.

Marx is not his only source of inspiration. Aglietta notes in the introduction that this work reflects an attempt to elaborate upon Gramsci’s theory of hegemony (1979: 29). Gramsci’s major intervention into Marxist analysis was to expand the analysis of politics beyond instrumentalist interpretations of class relations to include the complex factors that shape the politics of distinct social groups. His approach departed from earlier Marxists by rejecting a causal base-superstructure model and stressing the state’s historical relations with civil society. For Gramsci, the state is a site where hegemonic projects are made possible and a locus of struggle for hegemony: the state “urges, incites, solicits, and ‘punishes’ [to create] the conditions ... in which a certain way of life is ‘possible’” (1971: 247). This approach calls for a non-economistic analysis of the social relations through which hegemony is produced and practiced. In a Gramscian purview, the field of politics cannot be reduced to class struggle (or “concentrated economics” in Lenin’s words). Struggles between different classes are dialectically related to underlying class contradictions, but not determined by them in the last analysis.

Aglietta’s study drew on this tradition to