

INFLATION AS RESTRUCTURING

A Theoretical and Empirical Account of the U.S. Experience

By

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ABSTRACT

The thesis offers a new framework for inflation as a process of restructuring. Contrary to existing theories of inflation, which tend to take structure and institutions as *given* for the purpose of analysis, we argue that inflation could be understood only in terms of ongoing structural and institutional *change*. In the modern context of large-scale business enterprise, inflationary restructuring arises as an integral part of capital accumulation. On the aggregate level, inflation appears as stagflation, with the expansion of pecuniary values in the 'business' sphere depending on the strategic limitation of productive activity in the 'industrial' realm. This stagflationary interaction between 'business' and 'industry' is, in turn, linked (on the disaggregate level) to the dynamic formation and reformation of 'distributional coalitions' and the process of aggregate concentration. An empirical analysis of the U.S. experience between the early 1950s and the late 1980s reveals two regimes of inflationary restructuring: the first, which lasted until 1970, involved rapid increases in aggregate concentration with relatively modest stagflation, whereas the second, post-1970 regime consisted of stable (or even declining) concentration amidst severe stagflation.

RESUMÉ

La these propose une nouvelle approche vis-a-vis de l'inflation en tant que processus de restructuration. Contrairement aux theories existantes sur l'inflation, qui ont tendance à considérer structure et institutions comme *données* dans le but d'analyse, nous pensons que l'inflation ne peut être comprise qu'en termes de *changement* structurel et institutionnel continu. Dans le contexte moderne d'entreprises à grande échelle, la restructuration inflationnaire se dresse comme une partie integrale de l'accumulation de capital. Au niveau global, l'inflation se présente comme la stagflation, avec l'expansion des valeurs pécunières dans le domaine des affaires dépendante de la limitation stratégique de l'activité productive dans le domaine industriel. Cette interaction stagflationnaire entre affaires et industrie est à son tour liée à la formation et à la reformation dynamique de 'coalitions de distribution' ainsi qu'au processus de concentration globale. Une analyse empirique de l'experience américaine entre le début des années 50 et la fin des années 80, révèle deux régimes de restructuration inflationnaire: le premier, qui dura jusqu'en 1970, inclut des augmentations rapides dans la concentration globale avec une stagflation relativement modeste, alors que le second, après 1970, est composé de modestes avances dans la concentration au milieu d'une sérieuse stagflation.

To Geneviève and Elvire

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