Reassessing private automobile ownership in a Post-Fordist world: Implications for the movement to Fleet AVs

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Movement to fleet vehicles/transportation services: Market Response or Social Change?

- Economics interpretation:
  - Market responses to changes in price/supply/quality, etc.

- Structuralism:
  - Broader social-structural/institutional changes

- Here, we investigate “post-private-car” from a social change perspective
Research Questions

1. How does the Fordist social structure work to foster automobile dependence?
2. How are these structures changing?
3. How has this affected demand for automobile ownership?
4. What are the opportunities for fleet vehicles in this context?
Research Approach

- Develop institutional model
- Develop set of indicators to reflect these institutional relationships
  - Census, labor, economic, transportation statistics
- Analyze changes over time
Understanding Social Structure

• The social organization of production and distribution is in constant flux – solving problems and creating new ones
  • Reveals temporary stable *regimes*
  • In the structuralist literature, these are known as a *Mode of Regulation* (e.g. Aglietta, Boyer), or the *Social Structure of Accumulation* (e.g. Gordon, McDonough)
• One recent *regime* of the U.S. economy, (1940s to the 1970s) is called “Fordism”
Marxian Political-Economic Model

Production (Capital) ————> Consumption (Wages)
Fordist Economy (1935 to ~1970)

Production
- Industrially-Produced
  - Luxury Goods
  - Export Goods
  - Consumption Goods

Consumption
- Consumption Goods
  - Housing
  - Transport
  - Food
  - Clothing

Labor \leftrightarrow Wages

Production-Fostering
- Subsidies
- Industrial Reorganization
- Inter-firm coordination

Wage Bargaining

Consumption Fostering
- Public Investments & Subsidies
The Solution: Mass Consumption

1959 American National Exhibition in Moscow
Key Fordist Relationships for Automobile Ownership

• Production
  • Auto production a key driver of the broader economy
    • Inter-firm coordination/collusion/concentration
      • Co-ownership and interlocking directorates
      • Non-price competition
  • Consumption
    • Patterned into reinforcing “bundles”
      • Auto-oriented suburban land use patterns / automobile / etc.
    • Identity formation from auto ownership
  • Public Policy
    • Consumption and production fostering
      • Highway Trust Fund guarantees steady funding
      • Re-engineering of streets, etc
The Automobile

The center of mass consumption
The Fordist City
Reconfigured for Consumption
Post-Fordist Disarticulating Economy (1970 to Present)

Downscaled
Globalized

Production
- Industrially-Produced
  - Luxury Goods
  - Export Goods
  - Consumption Goods

Loss in Bargaining
Lowered Wages
Productivity/Wage Bifurcation

Labor \leftrightarrow Wages

Consumption
- Consumption Goods
  - Housing
  - Transport
  - Food
  - Clothing

Weakened
Trends in productivity and real hourly compensation growth, manufacturing sector, selected periods, 1949-2011

Household income by quintiles

- Lowest fifth
- Second fifth
- Third fifth
- Fourth fifth
- Highest fifth
- Productivity Index (1967=1)

Dollars per year per household (2011 dollars)

Peak-auto: Indicators from Production
Declining importance of the domestic auto industry
Domestic Automobile Production as a Percent of GDP
Average New Car Price (2012 Dollars)
Industry re-focused on identity formation
Peak-auto: Indicators from Consumption
Drivers licensure rate declining overall
Total Auto Sales per Household (per year)
Replacing wages with debt to purchase vehicles
Changes in Housing Preferences?

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Rise in Car-Sharing

Current Membership Estimate: 750,000
Identity Formation: Questioning Mass Consumption
Conclusions

• Weakening of automobile ownership at the societal level
  • Shift is small compared to the significant weakening in general Fordist relationships
  • Large path-dependency/momentum behind auto
  • Replacing wages with debt? How sustainable?
• Spaces of innovation for alternatives to the private automobile are opening
• Identity formation a key battleground
Thanks!