Chapter 4

The Marxian Alternative: Historical-Geographical Materialism and the Political Economy of Capitalism

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"Revolution is not about showing life to people but making them live" (Guy Debord, in Bracken, 1997, p. 1)

Geography is an eclectic and fashion-prone discipline. The attention span in the discipline for major theoretical or methodological perspectives is rather short-lived. For many a geographer, it is very hard to keep up with the endless re-formulations of spatial or geographical perspectives and theoretical influences. In fact, the chapters of this reader illustrate this abundantly. Whims and preferences fade in and out in tune with the tumultuous re-ordering of tastes and interests in modern society. The relative absence in geography of a canonical mode of thinking that turns other disciplines into rather arcane and often idiosyncratic pursuits (think of classical economics, for example) is no doubt also a great advantage. It keeps geography alive and kicking and maintains a vibrant intellectual environment. However, it equally leads to often rather superficial dabblings with epistemological and methodological issues of intellectual traditions that are much more complex, variegated, and sophisticated than their customary cursory introduction into geography usually suggests.

Marxism is one such perspective that has infused geographical theory and practice over the past two decades (in the Anglo-Saxon world at least). While it was the most exciting approach around in the 1970s and early 1980s, today it seems that Marxist geographical enquiries have moved to the back burner of the academic agenda. Marxism in geography seems to be relegated to the status of a mere additional chapter in the intellectual history of geography. This partial blindness for Marxism has of course a lot to do with the fall of really existing socialism in Eastern Europe and elsewhere, the "victory" (however Pyrrhic it may turn out to be) over market-Stalinism by capitalism, and the systematic theoretical onslaught on Marxist modes of enquiry. Yet, even a brief glance at today's key social and geographical issues, such as uneven spatial development, socioeconomic

polarization and exclusion, economic and financial crises, geopolitical tension and conflict, environmental degradation, and so on, suggests that Marxist analytical and political perspectives may be more relevant than ever in understanding the world and in contributing to the formulation of political strategies for an emancipatory project (Harvey, 1984, 1998).

Marx and Geography

In the turbulent history of Marxist scholarship, geography and geographers have at best played a rather marginal role. In the Anglo-Saxon world, the academic attention to Marxist analysis emerged together with the critical social movements of the 1960s. Yet, by that time, there had already been a long and rich tradition of Marxist scholarship and activism, much of which was acutely aware of and sensitive to space and to the geographical dynamics and conditions of everyday life under capitalism (see Brewer, 1980).

Karl Marx (1818–1883) is of course the founding father of historical materialism. Drawing on a long intellectual tradition, starting with Aristotle and culminating in Hegel, and critically inspired by other great political economists like Malthus, Ricardo, and Adam Smith, Marx set out the beacons for a social theoretical approach and political practice that would infuse both the social theoretical and political course of modern times in a decisive fashion. As a German intellectual, who lived most of his life as an exiled refugee in Brussels, Paris, and London, he was an eminent scholar spending much of his time in the British Library studying classical theory as well as the conditions of everyday life in the capitalist world. But he was also a political activist who became the leader of the First Socialist International and engaged in political work with other socialists and communists of his time.¹ Although his work, and in particular his critical analyses of the dynamics of capitalist societies, is not explicitly geographical, many of his writings are eminently spatial. The Communist Manifesto (Marx and Engels, 1848), for example, a political pamphlet co-authored with his long-term friend and political comrade Friedrich Engels, is littered with deeply geographical insights, many of which offer astute and still very relevant insights into the geographical dynamics of today's global capitalism (see Harvey, 1998). Later Marxists, writing during the first decades of this century, like Lenin (1970), Hilferding (1910), or Rosa Luxemburg (1951), equally offer penetrating geographical understandings of the economic dynamics of capitalism (see Peet, 1991). And, of course, early geographers like Kropotkin (1885) or Elisée Reclus (Dunbar, 1979) were inspired directly or indirectly by the intellectual milieu and political projects of which Marx was part.

Most accounts would situate the introduction of Marxism into geography some time in the late 1960s (Peet, 1998). A growing counter-cultural movement (associated with anti-Vietnam and human rights activism in the USA), a call for democratization and structural social reform in Europe, emerging "Third World" movements contesting continuing postcolonial domination, and an ecological awakening, bred an intellectual environment that sought to find new ways of capturing and scripting processes of exclusion, repression, and exploitation. This new reading of the world would help formulate political strategies for social transformation and for the construction of a more just and inclusive social order. In Anglo-Saxon

geography, where quantitative revolutionaries calculated away and tried to erode the still hegemonic framework of a largely idiographic discipline, the calls for a socially more relevant perspective (pioneered by Bill Bunge (1971, 1973), David Harvey (1973, 1977), Doreen Massey (1973), Bob Colenutt (Ambrose and Colenutt, 1975), Keith Buchanan (1966, 1973) or Jim Blaut (1970, 1975), among many other activists, scholars and students) drove a new generation of scholar-activists to explore social theoretical perspectives that apparently had been written out of geography. What linked this generation together were a passion and a commitment to make life and work relevant and meaningful at both the personal and wider social level. Passion and desire, commitment and solidarity, were the emotional driving forces. Exploring Marxism then was an exciting, liberating, and passionate affair. Obscure and less obscure groups of academics and activists strategized away in solidarity to transform a discipline that seemed to have outlived its useful shelf-life, and a society that seemed to generate exploitation, repression, and domination both locally and globally.

I am always slightly amused (but more often infuriated) when I read the proliferating number of textbooks in geography that treat Marxist geography as a pure academic–theoretical perspective or epistemology alongside the other great "-isms" that have infused geography and inspired generations of geographers. The passion of commitment that was an integral part of the lives of those who introduced Marxism in geography, and their drive to produce a truly humanizing geography (in the sense of a lived everyday experience – not as a merely discursive practice), has been largely scripted out of its intellectual history, and practice. Marxism has undoubtedly had a major influence in the discipline and most of the current debates have the specter of Marx haunting them. Ironically, while texts by Marx or Marxists (and notably Harvey's work) have been among the most quoted and referenced, it is remarkable that very little of their research program, both theoretically and empirically, has been pursued actively.

It would of course be impossible in this context to trace comprehensively the origin, contribution, and resonance of Marxism in current geographical practice. I would rather explore how and why Marxism still has a place not just in maintaining geography as a vibrant and exciting discipline, but – perhaps most importantly – in contributing to the production of a truly humanizing geography.

Historical-geographical Materialism

In the social and political environment of the 1960s, in which questions of social justice were high on the agenda, it became abundantly clear that justice (however conceptualized) is a deeply geographical affair, and that emancipatory or empowering politics and strategies are necessarily geographical projects – in much the same way as capitalism is an inherently geographical process (Merrifield and Swyngedouw, 1997). What Marx and Marxism offered was a comprehension of why, where, and how deep and perverse injustices and inequalities persist. It was, in fact, the gut feeling that "space mattered," both in terms of explaining injustice and inequality and of developing strategies for social change, that prompted this feverish search for alternative formulations. For most, it was not just a matter of radicalizing geography, but first and foremost the search for a politics of transformation and the

scripting of a "social science" that would support and develop in tandem with a progressive and emancipatory political commitment (Peet, 1977).

Marxism seemed to offer the epistemologically and substantively most coherent attempt at unraveling how the dynamics of political economic relations were both space-dependent and space-forming. Processes of empowerment/disempowerment, domination/subordination, appropriation/exploitation were not only seen as inscribed in space and spatial configurations, but space was theorized as an active and integral moment and arena expressing and embodying the struggles that unfold along the above dialectical pairs (Gregory and Urry, 1985). Space is deeply political (in the widest possible sense of the word) from the very beginning, and politicizing space became the *leitmotiv* of much of Marxist and related radical geographical research.² Marx and Engels' writings were littered with implicit and explicit references to the spatiality of capitalism and spatial strategies of resistance (see Lefebvre, 1968, 1989; Smith, 1984; Harvey, 1982, 1998). It would, of course, be Harvey's academic project not only to excavate how space was produced under capitalism and entered as part of an historical-geographical process into the perpetual transformation of capitalism, but also to push the theory further and fill in some of the gaps and inconsistencies that Marx himself had left open or incomplete.³

For Marx, the basis of historical geographical materialism resides in the ontological (foundational) view that "production" is the basis of all social life and of history. "Production" has to be understood here in the broadest possible sense. It refers to any human activity of formation and transformation of nature and includes physical, material, and social processes as well as the human ideas, views, and desires through which this transformation takes place. In this sense, human beings produce (change) their own lives as well as their social and physical environment. It is, more exactly, "the production of his own means of existence, an activity at once personal and collective (transindividual) which transforms him at the same time as it irreversibly transforms nature and which, in this way, constitutes 'history'" (Balibar, 1995, p. 35) and – I would add – geography as well. The "economy" for Marx is, therefore, much broader than what classical economists usually understand by the term. While the latter restrict their analysis to the study of the production and exchange of commodities, Marxists would see this narrow activity as an integral part of a much wider social, political, and environmental process (Benton, 1996; O'Connor, 1998).

Under capitalism, which is a historically and geographically specific form of social organization, the individual and collective form of this transformation (metabolism) of social and physical nature is characterized by a fundamental social division between those owning the means of production (capitalists), and those only owning their labor, which they need to sell as labor force to capitalists in order to secure their own short- and medium-term survival. The dynamics of these social class relations take particular geographical and ecological forms and lead to a series of processes, contradictions (tensions), and social struggles that render capitalism geographically and historically dynamic, but inherently unstable. In addition, these capitalist social relations – by virtue of the unequal power relationship embodied in the above class relations – produce systematic conditions of repression, social and ecological exploitation, uneven development, disempowerment, and social exclusion for many, as well as immense wealth, power, and freedom for a few.

In sum, the particular social form through which nature is transformed in order to permit the continuation of individual and collective human life constitutes the field of inquiry of historical–geographical materialism. The tensions, contradictions, and conflicts that arise from this constitute an arena for social action and struggle. In wrestling with a dialectical and historical–geographical materialist understanding of the world, Debord (1967), Lefebvre (1989), Harvey (1973, 1982), Massey (1984, 1994) and Castells (1977), among many others, rediscovered the deep ontological premise of the role of space-as-process in the unfolding of these capitalist social relations. All lived geography is historical and political, contested and contestable. In what follows, I shall explore some of the key insights raised and developed by Marxist geographers, themes that still infuse vanguard debates in the discipline.

The Concept of Space: A Dialectical Perspective

The theoretical and epistemological thinking on space from a historical-geographical materialist perspective is at times arcane and complex, yet surprisingly simple in its basic formulations. Historical-geographical materialism starts from the premise that things (as objects and phenomena) exist, but that these objects or phenomena are the embodiment of (they interiorize) relationships; things become the outcome of processes that have themselves ontological priority. The latter means that an object or phenomenon (think of, for example, coffee, a romantic idea of nature, or a stock market issue) is the end result of a process. The coffee I sip in the morning reflects and embodies relations between peasants and landowners, between merchants and producers, shippers and bankers, wholesalers and retailers, etc. These relations and processes are more important in terms of understanding the objects/phenomena than the characteristics of things/phenomena themselves. "Coffee" is then no longer just coffee, but also a whole host of other things that are part and parcel of what constitutes "coffee" as coffee. The characteristics of coffee as a thing can only give me clues to what is hidden underneath. The excavation of these relational processes is at the heart of historical-geographical materialist inquiry. If I were to reconstruct the myriad social relations through which coffee becomes the liquid I drink, I would uncover a historical geography of the world that would simultaneously provide powerful insights into the many mechanisms of economic exploitation, social domination, profit-making, uneven development, ecological transformation, and the like.

In other words, everything flows; the flow or the process constitutes the phenomenon, subject, or object. Those relationships shape and define flows and processes precisely because they are heterogeneous or dialectical (Levins and Lewontin, 1985; Harvey, 1996). This means simply that relationships are constituted through differences that produce some sort of tension which, in turn, generates a dynamic and becomes as such the "motor" of historical–geographical change. For example, whenever I desire a good for my use (such as a Walkman), I cannot any longer use it as a commodity for profitable sale on the market. Or if I sell my labor on the labor market, I surrender my personal time and hand over control over part of my time to someone else. The necessity to do so for many people, then, brings in the importance of "free" time, the meaning of which can only become transparent in a context in which part of the time of people's lives is bought by others. And, of

course, this leads to all manner of conflict and struggle over time, its value, and its use. These are all examples of contradictory relationships. As Ollman (1993, p. 11)⁵ puts it:

Dialectics restructures our thinking about reality by replacing the common sense notion of "thing", as something that has a history and has external connections to other things, with a notion of "process", which contains its history and possible futures, and "relation", which contains as part of what it is its ties with other relations.

Dialectics, combined with a materialist "ontology," provides the intellectual ferment for Marxist inquiry. For example, money as a thing can only be understood in terms of the socio-spatial relationships through which it flows. Money does not make sense if abstracted from ownership, value, the production of exchange values, and the social relations through which monetary exchanges takes place (Castree, 1996; Swyngedouw, 1996a). Similarly, space-as-a-thing acquires meaning, significance, resonance, and even a particular geographical form in and through the multiple relations with which it is infused and through which it becomes produced. For example, the making of the built environment or the cutting down of the Amazon rain forest is realized in and through socio-spatial processes of appropriation, capital accumulation, and the imagineering and scripting of people, place, and nature. It has been the staple of Marxist geography to disentangle the socio-spatial processes through which, particularly - but not exclusively - under capitalism, spatial configurations are produced (in their economic, political, social, cultural, and ideological instances) and transformed. Places or concrete geographies become then a moment in the perpetual dialectical dynamics of socio-spatial processes (Merrifield, 1993).⁶ In other words, historical-geographical materialism turns all geography into a historical socio-environmental geography (not just of the past, but also of the present and the future).

The city, uneven geographical development, and the environment were not surprisingly the central processes that were thoroughly examined by Marxist geographers. The geography of uneven development and the tumultuous re-orderings that characterize the contemporary city are indeed arenas around which many social movements crystallize. They are also the central loci where the dialectics and contradictions of capitalism and its associated socioeconomic inequalities are most acutely expressed. The power relations embodied in the things through which capitalism operate reveal systematic differences in positions of social power which, given their socio-spatial constitution, result in an uneven geography of change at all spatial scales. Whether at the scale of the body, the city, the region, the nation or, indeed, worldwide, the dialectics of socio-spatial power geometries produce geographical difference, heterogeneity, and socio-spatial inequalities, characterized by systematic mechanisms of empowerment/disempowerment, oppression/subordination, and appropriation/exploitation. Great debates have developed over the exact formulations of these dialectical twins and over the exact location(s) of the sources of power, but general agreement was reached that the spatiality of capitalism was profoundly heterogeneous and uneven; a differentiation that was historically and geographically - hence socially - produced, and that could be rendered visible and changed.

Marxist Political Economy: The Contradictions of Capitalism

Marxist political economy should be understood from the vantage point of the above dialectical and historical–geographical materialist perspective. Its basic premises are fairly simple. Production, defined as the social metabolization of nature, is the starting point. The dynamics of the particular social relations under which this takes place in a capitalist market economy are associated with a particular temporal and spatial organization of society. This territorial structure of capitalism is contradictory (that is, full of tensions and conflict), and the sociospatial dynamics of capitalism are inherently unstable. Since this is not the place to give an exhaustive account of these dynamics (for a detailed analysis, see Harvey, 1982, 1985), it will suffice in this context to summarize them briefly (see also Swyngedouw, 1993).

- A capitalist society is based on the circulation of capital, organized as an interlinked network of production, exchange, and consumption processes with the socially accepted goal of profit-making as its driving force. Accumulation of capital (or economic growth) is the correlative of this circulation process. Put simply, in a market economy, economic agents invest with the intention of appropriating surplus (profit) after the successful completion of a production and marketing process. Such successful circulation of capital is predicated upon the organization in space and the movement over space of money, commodities, and labor. In the process, concrete geographies (of production, consumption, and communication) are actively produced.
- The above suggests that a capitalist market economy is necessarily expansionary
 or growth-oriented. Zero growth (let alone negative growth) cannot be sustained
 for other than a very short period of time without threatening the fundamental
 social and economic order on which capitalism rests.
- The expansion of the system is based on living labor. Without the application of productive and actual labor, no production and consumption system along the lines outlined above can be maintained.
- As surplus is generated by living labor, but appropriated by the owner of capital in the form of profit (or transferred to the state in the form of taxation, to landowners in the form of rent, or to financial institutions in the form of interest), the above condition suggests that accumulation is based on an exploitative relationship. That is (if stripped from its emotive connotation), accumulation is of necessity the result of the application and appropriation of unpaid living labor. Put simply, the labor power put to work in the production process produces more value than the value the worker receives for his or her effort (salary or wage). The difference between the two constitutes surplus value (which goes to the owner of capital) and this is the source of profit.
- Consequently, the circulation of capital through which accumulation takes place
 implies antagonistic social relationships, i.e. the entrepreneur/capitalist needs to
 safeguard his/her accumulation condition, while the worker wants to assure his/
 her reproduction (short and medium-term survival). In other words, there is a
 fundamental contradiction between the requirement to make profit and the

- necessity to invest on the one hand, and wages (the need for the worker to survive) on the other. With a deepening and expanding social and spatial division of labor, socio-spatial fragmentation increases while power relations and tensions multiply (along class, gender, ethnic, territorial, or other fractures).
- This antagonism is expressed in the struggle for the control and appropriation of the surplus produced through the circulation of capital. Given the territorial organization of this circulation process, this struggle too is inscribed in, and unfolds over, space. Social struggles of a variety of kinds alter pre-existing geographical configurations. This struggle over space can be exemplified by conflicts over land use, or over the distribution, allocation, and appropriation of natural or socially produced resources, infrastructure, and geographical arrangements.
- In addition, individual capitalists operate in a competitive context in which they
 engage in a struggle with each other over the conditions of surplus production,
 appropriation, and transfer. Consequently, all manner of struggles unfold for the
 control over spaces of production, and over the flows of commodities, labor, and
 money.
- The latter two conditions (inter- and intra-class struggle) render the capitalist economy inherently technologically and organizationally (and hence spatially) dynamic. The doubly competitive character of capitalism induces the need for continuous productivity increases, an expanding resource base, diminishing capital circulation times, lowering costs, and/or expanding markets. It demands continuous changes in the geography of production, consumption, and exchange and, hence, the perpetual production of new geographical land-scapes. A capitalist geography is a "restless landscape," subject to perpetual reconfigurations. In short, the sustainability of capitalism is based on a broadening and deepening resource base, and perpetual upheaval of the physical, ecological, economic, social, cultural, and political forms in which space is organized and controlled.
- This instability of the circulation process erupts from time to time in problems of over-accumulation or over-production. That is a situation in which capital in all its forms (commodities, money, productive equipment, and built environment) and labor lie idle, side by side. Dramatic examples of this include: the Great Depression of the 1930s, the stagflation (economic stagnation combined with high inflation) period of the 1970s, and most recently the 1998 financial crisis in Southeast Asia. These conditions of over-accumulation can take the form of high inflation, high unemployment, low or negative economic growth, idle equipment, un- or under-utilized infrastructure, over-production of commodities, and over-capacity in certain sectors. It is the moment when the perversions of capitalism are shown in their most brutal form. While capital is desperately seeking ways to maintain profitability, and ransacking the world's spaces in search of accumulation potential, unemployment increases and many human needs, both locally and globally, remain unfulfilled. Such crises become etched into the geographical landscape. Overaccumulated forms of capital are devalorized, and sometimes even physically destroyed. Forms of chronic or instantaneous devaluations of capital are: inflation (devalorization of the money-form of capital), debt defaulting and writing-off of debt, unemployment,

- stock market crashes, real-estate depreciation, physical destruction of productive, consumptive, or circulating capital, stockpiling of unsold commodities, falling currency exchange rates, and deindustrialization. Such devalorizations are always place-specific and affect different social groups in different ways, but can easily ripple over space and erupt in general regional, national, continental, or global crises.
- The perpetual threat of crisis is contained by means of a continuous restructuring of the capital circulation process. This takes the form of technological and organizational change (with all the related changes in the organization, requirements, qualifications, and the like of the labor force, of companies, of government regulations), and geographical change and relocation (in the form of foreign direct investment, re-location, and the search for new markets). While older socioeconomic and organizational forms of capital are devalued or become obsolete, others are created anew to reinvigorate the capital accumulation process. This can take the form of, for example, the radical transformation of devalorized city-centers (gentrification, large-scale urban re-development) or the mushrooming of new spaces of production (Southern California, the Third Italy). The dialectic of accumulation/devalorization produces a perpetually shifting mosaic of uneven geographical development (Smith, 1984; Storper and Walker, 1989).

The above socioeconomic geographical dynamics are always inscribed in a historically produced institutional, political, ecological, ethnic, and cultural landscape. This produces territorial configurations or coherences that are highly differentiated and give the geographical landscape its sweeping diversity, heterogeneity, and difference. The geographical dynamics of capital accumulation are faced with permanent struggle between capital and labor over the conditions of production and appropriation of the produced value, and between individual capitals, as well as between different forms of labor. In addition, the search for the "new," and for the production of new spaces of production and consumption, finds on its way all sorts of already existing communities, social ecologies, and geographies which are transformed and/or incorporated. All of these struggles are infused by a myriad non-class-based cleavages and conflicts such as ethnic, gender, or territorial conflicts or conflicts outside the realm of production, and take distinctive geographical forms.

While classical Marxist economists were mainly concerned with excavating the crisis-ridden and socially conflicting nature and characteristics of capitalism, and heroic intellectual fights unfolded over the interpretation of these crisis tendencies, capitalism proved remarkably robust as a socioeconomic and cultural system in the face of the alleged inevitability of crises. From the 1960s, a new generation of Marxists began to shift slightly the question from one that focused on the inevitability of the demise of capitalism to one that asked why capitalist social relations were so robust in the face of ongoing marginalization, exploitation, uneven development, and cyclical crises. In other words, Marxists began to concentrate on the "reproduction" of capitalist societies (Lipietz, 1988). They asked how and why capitalist social relations and accompanying institutions reproduced themselves despite the inherently conflicting nature of the system.

The Althusserian Legacy: Emphasizing Reproduction

One of the key interlocutors in this debate was Louis Althusser (Althusser, 1969; Althusser and Balibar, 1970). He was a French philosopher, Marxist and life-long member of the French Communist party who would exercise a major influence on Marxist thinking in the 1960s and 1970s. Much of the early Marxist geography was directly or indirectly inspired by Althusser's thinking (Lipietz, 1974, 1977; Castells, 1977; Massey, 1973; Peet and Lyons, 1981). His intellectual and political project was concerned with theorizing the importance of the non-economic moments of capitalist societies (culture, ideology, and the state) and identifying the mechanisms of social reproduction. He sought to de-economize the dogmatic economistic and teleological Marxism of earlier generations, who had concentrated on highlighting the structural economic crisis tendencies within capitalism to explain the inevitability of communist revolutions.

The question that began to gnaw was that if capitalism is such a crisis- and conflict-ridden system when analyzed from a purely economic perspective, why does it exhibit such a great resilience to fundamental change? For Althusser, the role of ideology and politics is central in explaining this. While ideology maintains some glue and cohesion in legitimizing the system, the political arena is pivotal in maintaining and organizing the state apparatuses (in particular education) that produce the ideologized visions that lead to the acceptance of capitalism as an apparently "natural" or inevitable social order. Moreover, the state plays a key role in containing and "managing" the tensions that exist within capitalism and in mitigating conflict. Althusser's most important insight is that the state does not function purely as an instrument in the hands of the elites (as the executive branch of the ruling class). Since the state in a democratic society embodies a series of different class fractions (including parts of the working class), state intervention is relatively autonomous from the immediate short-term interests of capital (Poulantzas, 1973, 1978). By intervening, the state contributes to maintaining cohesion in societies in which capitalist social relations of production are dominant. For example, state intervention in the form of social welfare, in the form of regional development assistance, or in the form of providing collective means of consumption (social housing, education, health services, policing, child-care, and the like), permits relatively socially peaceful development by providing functions the private capitalist sector cannot easily fulfil, but desperately needs in order to engage in successful accumulation. In addition, the absence of such services might undermine social cohesion in capitalist society and make tensions more acute, thereby rendering the social order more fragile. Particularly, the "regional problem" and the "urban question" would take an Althusserian perspective.

Although Althusser and his followers were often criticized for being structuralist⁸ – particularly in the Anglo-Saxon world – the great contribution of his work consists in arguing that capitalism cannot be understood without proper attention to the ideological (what is today often called "discursive") and political instances. The latter matter in important ways, and exercise a powerful influence over the course of development of capitalist societies. Again, the geographical foundation of political and institutional configurations is of central importance to the understanding of

political-economic change. Althusser's views would inspire one of the key theoretical developments in economic geographical theorizations in the 1980s, "regulation theory."

A Regulation Perspective: Economy and Institutions

When Western capitalism experienced the most serious economic crisis since the 1930s after the oil-shock of 1973, French Marxists began to ask why capitalism, despite its inherent instability and crisis-tendency, had been so remarkably successful during the boom years of the 1950s and 1960s, and why this virtuous cycle of growth turned into the vicious spiral of decline from the second half of the 1970s onwards. Aglietta (1979) introduced the "regulation approach" (as it became known). This perspective attempted to theorize the social and economic forms that maintained successful accumulation (or economic growth), and contained the contradictions and instabilities of the capitalist mode of production. "Regulationists" showed how and why the very economic and institutional forms that supported growth would eventually become contradictory or unstable themselves, and plunge post-war "Fordist" capitalism into a major socioeconomic crisis (Boyer, 1989; Dunford, 1990; Lipietz, 1986, 1987, 1992; Moulaert and Swyngedouw, 1989).

Fordism, a term coined by Antonio Gramsci (1971), refers broadly to the post-war period of expansion (up to about the mid-1970s). It is a "mode of development" that combines a "regime of accumulation" (the economic characteristics of capitalism during a particular historical period), with a "mode of regulation" (the dominant institutional and regulatory forms of the period). Under Fordism, the "regime of accumulation" took the form of mass production of standardized commodities in large vertically integrated production complexes that exhibited very detailed social, gender, technical, and spatial divisions of labor (Walker, this volume). Productivity increases through permanent technological and organizational innovations, combined with aggressive and costly advertising, became key competitive strategies, while continuously expanding markets provided a sound basis for the growth of the system. Fordist production systems were characterized by the expansion of the spatial scales of production while minimizing capital circulation times (by spatial expansion and/or further automation), and also by strategies of relocating production processes to places with a different regulatory mode (Swyngedouw, 1997b).

The pivot of "Fordist" regulation centered on the national state. During the postwar period the latter became the pre-eminent spatial scale where conflicts and tensions were negotiated (in corporatist states) and compromises settled (Altvater, 1993; Jessop, 1993, 1994a; Peck and Tickell, 1994). At the same time, the Keynesian view of macroeconomic policies, which defended an interventionist role of the state in economic affairs, constructed a precarious but increasingly important bond between the state and private capital. The state actively combined accumulation-supporting investments with a redistributional welfare system. The relative equalization across national spaces of a series of socio-economic aspects (wages, redistributive schemes, state intervention, socio-economic norms, rules, and procedures) was articulated with a highly uneven and differentiated local and regional development process.

In addition, the expansion of international investment and trade was supported by the national and international regulation of the various functions of money (see Swyngedouw, 1996a). The Bretton Woods agreement was such a compromise. It was anchored on the dollar-gold standard, which guaranteed the convertibility of the dollar to gold at a rate of \$35 for an ounce of gold. Other major currencies pegged their value to the dollar. This stabilized the international monetary system by providing a relatively secure container of value. However, while regulating the value of money was cemented in the rules of the Bretton Woods agreement and policed by the IMF (see Swyngedouw, 1992a, 1996a; Leyshon and Tickell, 1994), the regulation of credit or the issuing of money, for example, remained firmly at level of the nation-state. In short, different forms and functions of money were regulated at different scales.

Towards A New Global-Local (Dis)Order?

In this section, we suggest ways in which a political-economic analysis from a "regulationist" perspective can elucidate some of the key geographical changes that have happened over the past few decades. Needless to say, these changes are complex, variegated, and still on-going. We delve into this analysis from the vantage point of how the dynamics of change express important changes in the structure and relevance of particular geographical scales (like the regional, the national, or the international scale), and how the current process of profound re-shuffling of the importance of particular geographical scales alters power geometries between social groups. The so-called "crisis of Fordism" was paralleled by a significant geographical re-ordering of economic processes and regulatory practices (see Moulaert, Swyngedouw and Wilson, 1988; Peck and Tickell, 1992, 1994; Jessop, 1994a, 1994b; Swyngedouw, 1997b). It was characterized by the rapid introduction of new technological and organizational patterns, new forms of corporate organization, a de-regulation of social and economic procedures at every geographical scale, and a more market-oriented policy framework. The overall pattern is one that I have termed elsewhere "glocalization" (Swyngedouw, 1992a, 1992b), which refers to: (i) the contested restructuring of the institutional level from the national scale both upwards to supra-national and/or global scales and downwards to the scale of the individual body, the local, the urban, or regional configurations; and (ii) the strategies of global localization of key forms of industrial, service, and financial capital (see Cooke et al., 1992). This, in turn, changes social power geometries and produces rather disturbing effects in terms of democracy, accountability, and citizenship rights.

The "glocalization" of governance

The regulation of capital/labor relations shifted decisively from some kind of national collective bargaining to often highly localized or individualized forms of negotiating wages and working conditions. Of course, depending on particular political configurations, resistance to these movements toward downscaling has been more successful in some countries (such as Sweden and Germany) than in others (such as the UK). The "Schumpeterian Workfare State" (see Jessop, 1994b;

Peck, 1996), which combines a drive towards competitive innovation with an erosion of traditional redistributional social welfare systems, has abolished a series of institutionalized regulatory procedures to leave them organized by the market and, consequently, by the power of money. At the same time, other forms of governmental intervention are replaced by more local institutional and regulatory forms (where "local" can take a variety of spatial scale forms from local constituencies to cities or entire regions). For example, the restructuring of, and often outright attack on, national welfare regimes erodes national schemes of redistribution, while privatization permits a socially highly exclusive form of protection, shielding the bodies of the powerful while leaving the bodies of the poor to their own devices.

The interventionism of the state in the economy is equally restructured with a much greater emphasis on local (urban or regional) forms of governance, where public/private partnerships shape an entrepreneurial practice and ideology needed to successfully engage in an intensified process of inter-urban competition (Harvey, 1989b), or upwards to super-national arenas. The latter is manifested in the – albeit highly contested and still rather limited – attempt to create supranational quasi-state forms at the level of the European Union. In a different way, institutions such as NAFTA, GATT, and others are testimony to similar processes of scaling up of the state. Furthermore, a host of informal quasi-global political arenas has been formed: the G-7 or G-8 meetings, the Group of 77, the Club of Paris, and other "informal" gatherings of "world" leaders are examples of such forums that attempt (without much success) to regulate the global political economy.

In addition to the socially deeply uneven, socio-spatially polarizing, and selectively disempowering effects of this "glocalization" process, it is also characterized by disturbingly undemocratic procedures. The double re-articulation of political scales (downward, upward, and outward to private capital) leads to political exclusion, a narrowing of democratic control, and consequently a re-definition (or rather limitation) of citizenship. Local or regional public/private initiatives often lack democratic control of any sort, while supranational institutions are notoriously autocratic (Swyngedouw, 1996b).

The "glocalization" of the economy

The "glocalization" or re-scaling of regulatory or institutional forms is paralleled by a variety of spatial re-configurations of the circulation of various forms of money and capital. In production, local or regional inter-firm networks, deeply inserted in local/regional institutional, political, and cultural environments, co-operating locally but competing globally, have become central to a reinvigorated – but often very vulnerable and volatile – local, regional, or urban economy (Amin, this volume). A variety of terms have been associated with such territorial economies, including learning regions, intelligent regions, or innovative regions, while new organizational strategies have been identified (the "embedded" firm (Grabher, 1993), vertical disintegration, strategic alliances, and so forth). Surely, such territorial production systems are articulated with national, supra-national, and global processes. In fact, the intensifying competition on an ever-expanding scale is paralleled exactly by the emergence of locally/regionally sensitive production milieus.

Quite clearly, "glocalizing" production cannot be separated from "glocalizing" levels of governance. The re-scaling of the regulation of wage and working conditions or the denationalization of important companies throughout Europe, for example, simultaneously opens up international competition and necessitates a greater sensitivity to sub-national conditions.

Perhaps the most pervasive process of "glocalization" and re-definition of scales operates through the financial system. The hotly contested and recently implemented introduction of the European Common Currency (euro) exemplifies this, but the chaotic and wildly fluctuating financial system that moves erratically from place to place in the global financial market place also illustrates how local and global processes intersect in often very disturbing ways (Swyngedouw, 1997c).

In sum, the regulation approach attempts to theorize and clarify the perpetual reorderings of capitalist production and social regulation and the emergence of new territorial or geographical configurations as the processes of change unfold. The emphasis here is, of course, on the dynamics of social relations and the regulatory or institutional forms in which they are embodied and expressed. The "regulation" approach, therefore, permits thinking through alternative socioeconomic trajectories, and the development of political–economic strategies that permit the imagining, if not the construction, of alternative trajectories. While Marxist perspectives have often been criticized for their deterministic, economistic, and teleological analysis, the central tenet of the Marxist intellectual agenda remains not just to interpret the world, but to change it.

Post-Marxism, or Imagining Possible Futures

"The philosophers have only interpreted the world, in various ways; the point is to change it" (Marx, *Theses on Feuerbach*).

Whatever the failings of a Marxist critique, few other perspectives seem to be equipped to grasp persistent inequalities and exploitation here and in the rest of the world with the power of insight and the passion of commitment brought by Marx's original formulations and elaborated by a century of dedicated scholars and activists. In particular, Marxism has never shied away from asking Big Questions.

The genocides in Central Africa and in former Yugoslavia are still in full swing; fascist parties and activists rear their ugly heads all around the world; the Southeast Asian economic–financial bubble has imploded, throwing the lives of many women, men, and children into misery and despair; while the social and ecological disintegration of big cities is turning some urban neighborhoods back to the conditions described so effectively by Engels more than 100 years ago (Engels, 1844). Marxist geography, from its crudest early formulations to later more sophisticated perspectives, has always sought to see and to address the "Big Issues," even in the smallest of places or events. In today's fledgling post-postmodernist and post-deconstructionist world, a re-invented modernity that is sensitive to heterogeneity, solidarity, and emancipation in the construction of a pre-socialist vision for genuinely humanizing lived geographies is where the agenda should be. This may be a rather grand agenda, but the current conditions in many parts of the world demand no less

from a self-respecting discipline. In particular, the search for possible different futures, for a social economy embedded in a truly humanizing geography of every-day life at the scale of the body, the urban, the region or the globe, requires urgent attention. The forging of strategic political alliances with those who struggle for freedom from repression and for emancipation from domination is where Marxist geography and geographers still have an important contribution to make. This contribution lies not only in a permanent critique of the conditions and dynamics of capitalism, but also in pushing the frontiers of the imagining of geographical trajectories in which difference, heterogeneity, and the unrepressed expression of desire coincide with a just and inclusive socioeconomic and political order (see Harvey, 2000).

Endnotes

- 1. For easy introductions to the life and work of Karl Marx, see Eagleton (1997), McLellan (1986), Singer (1980).
- 2. These themes were developed and presented primarily in *Antipode: A radical journal of geography*.
- 3. See also Brewer (1980), Peet (1991, 1998), Kasinitz (1995).
- 4. There is also an important strand of non-dialectical Marxism, usually referred to as Analytical Marxism or Post-Sraffian Marxism (Roemer, 1986; Cohen, 1978). In geography, key contributors to the debate from this perspective are, among others, Sheppard and Barnes (1990) or Webber (1989, 1997).
- For a detailed account, see Ollman (1993), Merrifield (1993), Castree (1995, 1996), Harvey (1996), Balibar (1995).
- See, for example, Carney et al. (1981), Corbridge (1986), Davis (1991), Hecht and Cockburn (1989), Watts (1983), Dunford and Perrons (1983), Dunford (1988), Hudson (1989), Harvey (1989a), Swyngedouw (1997a, 1999).
- 7. Mainly in the pages of Antipode and the International Journal of Urban and Regional Research.
- 8. Structuralism is a mode of thinking that argues that social structures unfold and develop largely independently from conscious individual action or agency.

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