

Two Sources of Uneven Development Under Advanced Capitalism: Spatial Differentiation and Capital Mobility

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ABSTRACT: Although capitalist penetration results in a certain regional convergence, uneven development does not disappear under advanced capitalist conditions. Two sources of geographic unevenness are spatial differentiation and capital mobility. Differentiation produces a spatial mosaic in which the pieces are neither equal, autonomous, nor properly considered "underdeveloped." Mobility of capital means that capital may use location as a strategy against labor, local development becomes more dependent on outside capital, development comes and goes over time ("Boomtownism") and capital generates a permanent reserve of stagnant places — a lumpengeography of capital. These processes of uneven development are not principally owing to flows of surplus value but to the structuring of places as use-values for capital, nor are the results particularly susceptible to traditional regional development policies. Labor's appropriate strategies are several, but must be aimed at finding an alternative to capitalist development not toward a misguided effort to redress geographic differences.

I.

INTRODUCTION

The geographic unevenness of capitalist development has many sources. Monocausal theories are no more apt — or in the spirit of Marx's analysis of capital — here than, for example, in the case of crisis theory (Mandel, 1975). Inability to distinguish among separate forces operating simultaneously is in no small part responsible for the confusion surrounding the question of uneven development. Equally to blame is a fixation on forms of uneven development associated with the failure of capitalism to revolutionize fully the relations and forms of production, which has prevented an investigation of forms more consistent with fully developed capitalism.

Capital did not spring full-grown onto the world stage. Capitalist production has extended its sway fitfully from its historical birthplace in England.¹ This tendency toward geographic generalization of capital has meant expansion of its various forms: a growing proletariat, extension of commodity relations, expanding financial flows, etc., (Harvey, 1975).² This is one meaning of the term "generalization of capital": pene-

tration at the extensive margin. Extensive penetration, moreover, corresponds to a certain convergence of regions, as pre-capitalist relations break down and the revolutionary impact of capital on the forces of production are felt.

Nevertheless, barriers to the penetration of capital and equalization of regional economics are enormous. First of all, the transformation to capitalist relations of production is by no means automatic. Semi-transformed social formations with unprogressive economies may persist for centuries. While it may come about in response to the impact of world capitalism, this form of underdevelopment is not internally based on capitalist production.³

A second form of underdevelopment occurs in cases where the transformation to a dominant capitalism has taken place but where, for reasons of history,⁴ the proletariat labors under adverse circumstances of productivity, wages, profits, in short, poor conditions for the accumulation of capital. In fact, regions and nations are typically defined by the very barriers which prevent a full penetration and regional equalization by capital: political boundaries, culture, monetary systems, etc.⁵ Because of this sort of uneven development we can frequently speak sensibly of different "capitalisms," e.g., Italian capitalism versus British capitalism. Similar, if weaker, distinctions exist between sub-national and supra-national regions.

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These two forms of uneven development have dominated thinking on the topic — to the point where the framework of development/underdevelopment is inappropriately applied to advanced capitalist conditions. It appears, however, that these forms are rapidly disappearing from the advanced capitalist nations and from much of the Third World as well. That is, the generalization of capital continually expands the realm of “one capitalism”.⁶ The American South is a case in point: while it makes sense to treat this region’s past in terms of slavery within a world market (Genovese, 1969), conquest followed by a sort of internal colonialism (Persky, 1974), and persistent disadvantages for the internal accumulation of capital, these conditions are being replaced by the “rise of the Sunbelt” and a catching-up with the North.⁷

II.

THE PROBLEM OF SPACE

Putting geography at the center of our analysis requires a word on the approach to space in historical materialism. Usable space is not a nature-given condition of human existence. Human beings must actively create effective spaces in which to operate — both a physical built-environment and a set of working relations in space (LeFebvre, 1974; Soja, 1978; Harvey, 1975, 1978). The construction of usable, or effective, space and spatial relations is clearly a *constitutive* process which is not to be relegated to an immaterial, reflective superstructure (Cf. Williams, 1977). Human practice contains an indissoluble spatial element; it is not simply acted out with “all the world a stage.” Of course, the social relations of a mode of production set limits and create pressures for a certain kind of appropriate spatial organization, but they do not determine spatial relations in a unique, uni-directional, non-contradictory — in short, non-dialectical — fashion. Indeed, space and spatial relations are part and parcel of the internally structured whole of a mode of production (or social formation),⁹ which, to use Ollman’s felicitous metaphor, provide one “window” through which we can look at the inner workings of the social process (Ollman, 1971).

Capital, too, must create or appropriate effective space as a condition of its own production and reproduction. From the perspective of capital, concrete places contain¹⁰ a specific ensemble of the material of nature, a built environment, labor power, members of other classes, various commodities, etc., as well as the specific constellation of social relations into which these spatially-situated people have entered among themselves and with their environment.¹¹ These social relations are conditions and forces of production as far

The kind of uneven development operating throughout the United States today is not chiefly a consequence of barriers to capitalist transformation, development, and convergence, but of capital’s own internal logic working itself out in space. It stems from such processes as spatial differentiation (the spatial division of labor), capital mobility, spatial concentration, and successive waves of accumulation in space. We will consider just the first two in this essay.⁸ Our purpose is to accentuate new ways of seeing the uneven geography of advanced capitalism which do not rely on inappropriate images of regional development and underdevelopment, internal colonialism, exploitation of place by place, and the like — without, however, abolishing the specificity of space, as many Marxists are wont to do.

as capital is concerned, i.e., they affect labor-productivity, time of circulation, and so forth.

These concrete objects and specific social relations relate to capital as use-values, whose usefulness is always with respect to the value expansion process. Value relations, themselves abstract and aspatial,¹² operate behind the scenes, as it were, to structure the concrete existence and relation of people and objects occupying space. The *specificity* of space and of spatial relations pertains *only* to the use-value side of places. Hence the problem of uneven development arises only on this side of things. Uneven geography is in essence no different than the “uneven” character of a forge and a lathe, of a steelworker and a textile worker, or more to the point, of an office center and a factory. (But it is not reducible to the sum of the lathe, the steelworker and the factory set down together in one spot.) As in Marx’s analysis, use-value is generally the subordinant moment of the relation, always necessary to the value-expansion process, and occasionally rising to become the dominant moment.¹³

Collapsing this dialectical relation into an identity is a common error. For example, the idea that places exploit places is based on a fundamental confusion of use- and (exchange-) value, similar to the mistaken notion that “nature” is exploited in value terms. The concrete physical and social attributes of places operate like forces of nature and means of production to augment (or diminish) value production, not to create value.¹⁴ If value flows from one area to another, it is owing to the concretely different use-value circumstances of capital and labor-power operating in those places.¹⁵ Surplus value is still passing from workers to capitalists and from capitalist to capitalist.¹⁶

III. UNEVENNESS THROUGH SPATIAL DIFFERENTIATION

Even a cursory look at the apparent "rise of the Sunbelt" and "decline of the Snowbelt" reveals no uniform regional pattern. Most of West Texas's economy is deteriorating in a fashion no less depressing than in the Bronx, while midtown Manhattan has an economic vitality which belies predictions of the demise of New York City. In the Midwest, fast-growing suburbs like Chicago's Schaumburg contrast with destitute steel-towns, while in the South New Orleans contains the highest poverty rate of any big city in the country right next to Delta refineries and petrochemical plants which pulse with economic vitality. In other words, regional trends give way under closer inspection to a vast and intricate *mosaic of unevenness* within the geography of capitalist development in the United States today.

1. Urban Spatial Differentiation

Spatial differentiation is a familiar object of study in American urbanization. The spatial separation of residence from workplace, of worker and capitalist, of factory and office is an omnipresent feature of urban capitalism in the U.S., one which has been evolving for over a century (Walker, 1977, 1978, ms). No critical observer would imagine that there is something less than systematic in the nature of capitalism producing the inevitable juxtapositions of poverty and wealth, growth and stagnation, and diverse functions in the capitalist city.

It was shown above that uneven development within advanced capitalism is essentially a matter of uneven location of use-values in space. Beyond this initial insight it is necessary to realize that the spatial organization of use-values is not a random matter, but a systematic product of capitalist development, varying only in form and in degree among advanced capitalist nations. For specific reasons of history and culture, urban spatial differentiation is most highly accentuated in the United States. This is not the place for a full analysis of it, however.¹⁷ Suffice it to say that the place to begin such an analysis is with the social-functional¹⁸ divisions of human activity which capital itself generates. Thus analysis of capitalist spatial relations parallels an analysis of capitalist social development — with space a subordinate but not merely reflective element.

The basic divisive force behind spatial differentiation is the *division of labor*, including its social, detail and class aspects. The main lubricant of separation is the geographic generalization of capital; that is, it makes separation possible, but does not demand that it

take place. The main forces translating social divisions into spatial divisions are capitalist competition and class struggle, in which the actors in the capitalist drama actively use space as a factor for their advantage.¹⁹ Historically, urban spatial differentiation has steadily increased as part of an evolving urbanization process, and so, as a consequence, has the form of uneven development associated with it.²⁰

2. From City to Region: Interpenetration and the National Mosaic

Regional insularity has been steadily broken down by the same forces that have allowed capital to expand geographically: improvement of transportation and communication, growth of national market and the social division of labor, evolution of the modern diversified corporation, improvement of financial institutions, etc., (Cf. Pred, 1966-1977). Capital not only extends its sway outward, but penetrates more thoroughly into space and society all the time (Harvey, 1975; see also below, part IV).

Allan Pred provides some insight into this process of interpenetration of regions in a series of illuminating diagrams demonstrating the growing maze of inter-organizational linkages between American cities in different regions of the country. He does so in terms of jobs controlled in other cities from headquarters in one city (Pred, 1977; cf. Hymer, 1972a). Pred's findings are in stark contrast to conventional notions of a pyramidal structure of regions, with an internal hierarchy of city to city and city to hinterland. In fact, New York-based corporations are as likely to control jobs in east Texas as are Houston-based corporations, and Houston-based capital has a very good chance to be exploiting workers in the Bronx. In other words, spatial proximity has come to be a very poor index of economic interconnectedness. Conversely, distance is not a good indicator of regional autonomy. Looking at Pred's diagrams it is hard to see anything which could be called an autonomous economic region within the United States.²¹

As a result of regional interpenetration, it would be a mistake to consider the checkered mosaic of regional development in the Sunbelt, for instance, as something qualitatively different from that which occurs in urban development. Indeed, under advanced capitalism regional development and urban development are virtually synonymous, i.e., regional development means the springing up of a system of cities largely replicating the integrated with the system of cities of the previously developed core area.²² (Pred,

1977) The expansion of capitalism means the geographic generalization of the capitalist urbanization process. And as this happens, the spatial differentiation of the metropolis is writ large on the national landscape.²³

3. Differentiation, Regional Development and Spatial Hierarchy

Spatial differentiation necessarily means that places within capital's realm have different social components, and are therefore unevenly developed. This unevenness is, once again, not the result of exploitation of place by place but of the differing use-values of places, sorted out systematically. Nor does it rest on the distinction between development and underdevelopment. It is, rather, a case of different kinds of development for different purposes. This is clearest at the micro-level and within a contiguous region. For example, the relation between a central business district and an urban ghetto is an expression of the chasm of circumstances between people in different classes performing different roles in the division of labor, i.e., cheap labor in sectors with low productivity versus corporate management.²⁴

At the macro-level, the apparent level of development depends on the particular mixture of pieces of the capitalist mosaic embedded in a region. We tend to think of regions or nations having similar complements of capitalists, workers, factories, offices, etc., as

being "equal" but when confronted by areas with differing mixtures we call one "developed" and the other "underdeveloped" instead of seeing them as two unequal branches of the same tree. A more accurate label in such cases would be "truncated development" instead of underdevelopment.²⁵

The geographic unevenness caused by spatial differentiation is often discussed in terms of spatial inequality or spatial hierarchy, and while, for example, hierarchization of residential districts is clear enough, this way of looking at things can easily lead to confusion in cases of functional differentiation. There we are typically dealing with incommensurable characteristics. Which is "higher," an autoworks or a transistor assembly plant? That judgement depends on some sort of summation of features common to both: e.g., wages, rates, levels of the forces of production, or class make-up.

The most fundamental force for spatial inequality is class inequality. But beyond this, the notion of spatial hierarchy is notoriously imprecise or else trivial. That latter is the case with geographers' rank-size orderings of cities, based on simple indices of concentration, e.g., population.²⁶ We should not throw out the idea of spatial hierarchy cavalierly, of course, since it speaks to a real aspect of experience under capitalism. But it must be used cautiously, since the elements to be ranked are several, they are frequently mutually incommensurable, and the spatial whole is more than the sum of the social parts which it contains.

IV.

UNEVENNESS THROUGH CAPITAL MOBILITY

The question of regional interconnectedness leads to the whole issue of intensified capitalist penetration of space already within the "frontier" of capital and the effects of the consequent increase in the mobility of capital.

1. Intensification of Capitalist Penetration and Increasing Capital Mobility

A general aim of capital is to lower its time of circulation, i.e., the speed of self-expansion of capital. (Marx, 1967, Vol. II; Harvey, 1975). Geographic movement of capital is one aspect of the circulation problem as a whole. The most specifically *geographic* problem for capital is in overcoming the barrier which (absolute)²⁷ space presents, and the primary way capital overcomes this barrier is by what Marx called "the annihilation of space by time"—i.e., speeding up physical movement, especially through the development of transportation and communication systems. But the physical and non-physical aspects of improving capital mobility and circulation are deeply interwoven,

such that anything which contributes to speedier circulation of capital, from more effective sales effort to reduced turnover time of fixed capital, contributes to geographic mobility of capital (Harvey, 1975).

Capital has steadily improved its geographic mobility through investment in fixed capital, technical innovation, organizational change, i.e., by applying all means of developing the forces of production and circulation. This implies an *intensification* of capital's presence and penetration of space.²⁸ It further means an improvement in capital's ability to move freely within its effective space, to be in any or all places with equal facility. This capability not to be bound to one locale, to be less geographically specific, adds a second dimension to the concept of "the generalization of capital".²⁹

2. Mobility and Development

Decreased geographic specificity has profound implications for local regional development, because

capital is less tied to any given area in terms of circulation of value, use-value linkages and clear control of both. The consequences of this are frequently referred to in the literature on Third World dependency, but are mistakenly identified with a state of "underdevelopment" instead of with the process of capitalist development itself. If, for example, local finance becomes linked to national capital markets, locally generated savings more easily slip away to be invested elsewhere (Cf. Harvey, 1977). Factories, too, become less attached to any one spot, not only due to improved transport and communications, but also because they relate increasingly to a network of distant producers, distant markets, and distant commands, rather than to the local economy³⁰ (Cf. Pred, 1966-1977). Owners and managers today are rarely of local origin or locally situated; skilled workers are typically imported; political ties are not with the community. Even the one biggest contribution to the local economic base, employment and wages, is a diminishing factor of production in the capital-intensive, high growth industries.³¹ Capital also generalizes itself through changes in the corporate form of organization.³²

The impact of capital mobility coincides with that of spatial differentiation, as the two develop together over time. Capitalist development means not only growing fragmentation but decreased attachment of capital to any one place. Together they imply fewer internal linkages, greater externalization (to use Amin's (1977) term), more leakage of surplus value, less identification of capital with the welfare of a given locale — in short, less local or regional autonomy, more "truncated" development. This brings us back to the impossibility of a single piece of the capitalist mosaic generating economic development of a rich, self-sustaining sort. Furthermore, development increasingly assumes a "top-down" character based on decisions of national corporate capital to move into one locale or another, rather than a "bottom up" character based on regionally self-generated growth. Under such conditions, localities typically compete for the privilege of being "struck by the lightning" of outside capital (Cf. Widdess and Storper, 1977; Chernow, 1978).³³ "Development" of a region comes from securing the right pieces of the mosaic or from having a concentration and balance of spatial uses.

3. Spatial Optimization, Shifting Mosaic and Lumpengeography

What capital hopes to realize through increased mobility is a kind of geographic optimization of investment opportunity. Optimal exploitation of labor requires mobility: one must be in a position to capitalize on transitory advantages and to avoid entrapment in losing activities. Hence capital moves in and out of its

effective space in search of the best opportunities for accumulation. And as capital flows from place to place and its components are altered in keeping with the changing character of the accumulation process, the pieces of the capitalist mosaic are constantly reshuffled.³⁴ Truncated development thus has an additional temporal component.³⁵

Boomtowns are a classic problem in capitalist development: the quick thrust followed by hasty withdrawal (Cf. Markusen, in this issue). The kind of development they bring is notoriously ephemeral: sudden prosperity followed by premature stagnation. Gillette, Wyoming, the coal capital of the West, has been through this experience three times in the last century. But the "boom" phenomenon is more general than its extreme cases in natural-resource based economies far from the metropolitan centers. It applies, for example, to the case of many small towns in the South which are today experiencing rapid growth around textile and other low-overhead manufacturing.³⁶ People are forced to ride this crazy roller-coaster of uneven development over time. Its effects are clearer, perhaps, in places with a lower degree of integration and concentration of activities, such as Gillette, than in urban neighborhoods, but they are normally no less devastating. And, given our conclusions as to the increase in capital mobility, we should expect an increase in ephemeral, transient development and the rate of change in the geographic mosaic.

Should places that boom and fade into obscurity be called underdeveloped? I believe that we need a concept which is more consistent with the general problem of temporal unevenness of development and the shifting capitalist mosaic. Places as different as Gillette and the Bronx are at one moment "employed" by capital and at another moment "in surplus" with respect to the needs of accumulation, and so are the workers, resources, etc., located there. But when such places "de-develop" in terms of activity they do not immediately do so in terms of social relations, infrastructure, and so forth.³⁷ It appears, then, that capital invariably creates for itself in its process of geographic generalization a "reserve" of places, in a fashion analogous to the creation of an industrial reserve army of workers (Marx, 1967, I, Ch. 25). Just as more workers than necessary are potentially available to capital, in order that the reserves may be thrown into the breach as needed or that workers' wage-demands may be kept in check, so more places than necessary are potentially available to capital. Such places might be called the "lumpengeography" of capital.

To a large extent the two phenomena are the same, i.e., the latter is a reflection of the former. Nevertheless, since excess places contain other things besides workers, the two cannot be said to be identical. But the reasoning here is essentially the same as Marx's argu-

ment concerning the industrial reserve army. The relative surplus lowers the cost of capital (including variable capital) and/or raises the rate of surplus value. Pockets of unemployed labor obviously perform this role, but so, too, does local stagnation which helps capital to secure land and resources more cheaply, to rent

buildings at lower cost, and even to secure the services of the local petite bourgeoisie and government at more favorable rates. It also helps capital find a "better business climate" in political, social control terms (Cf. Widess and Storper, 1977).

IV.

POLITICAL IMPLICATIONS

What do the preceding observations mean to labor? There is both an ideological problem and a strategic one. Generalization of the capitalist mosaic means that workers in seemingly "underdeveloped" areas are not confronted by a problem of "development" but of their functional role in the internal ordering of people and places, of capital's own internal inequalities showing up as a hierarchy of places. But an ideological fetishism of places — a form of commodity fetishism — obscures the reality of a national network of capital which exploits workers in all places. This ideology is partly a product of experience, in that workers do not see the "capitalist next door" — who certainly does not inhabit their neighborhood and may not even operate from their city or region — as their oppressor. Worse yet, relations of exploitation seen at a distance are easily mystified, becoming relations of place versus place. This is one of the biggest barriers to class consciousness and political organization. Nonetheless, geographic fragmentation of experience also allows a possibility of harnessing local sentiments for political action. The contradiction of community organizing versus class action is a real one at one level, but not a permanent one if it can be transcended in the theory and strategy of political leaders and through the experience and learning of successful mass mobilization. Real contradictions cannot be wished away but they can be overcome.

At the same time, how should workers deal with their locality's plight as a result of uneven development, short of abolishing capitalism? Pursuit of a traditional regional development policy of the kind popular in planning schools is of marginal use. It is absurd to speak of creating multipliers, generating linkages, or stopping economic leakage in the context of the spatial mosaic of advanced capitalism, since the individual fragments of the system are simply not going to develop fully or equally; development is necessarily partial and unequal. A strategy of attracting new industry, for example, has decidedly mixed results, since the benefits of income, profits, linkages, etc., are generally lost to neighboring middle class suburbs, another city's financial district, or another region's suppliers (Pred, 1977). Nor is it wise to rely solely on an alliance with small capitalists in a local development strategy, since their room to maneuver economically and control over growth is small, and weakening steadily.

Better yet is to make an end run around capital whenever possible, instead of relying on it to bring development on its terms. Local savings, pensions funds, federal seed money, and so forth can be harnessed under local control to undertake local investment; factories closing down can be transferred to worker control; etc. Of course, such tactics within a capitalist context are sharply limited and cannot substitute for, only complement, other forms of political struggle. Their main benefit seems to be in teaching people to seize control of their own economic circumstances, while making certain tangible improvements in their lives.

The mobility of capital offers an important strategic advantage to capital in two respects. First, mobile capital can more easily escape political controls imposed by a mobilized working class and local populace and shift the accessory costs of accumulation onto others. Moreover, political mobilization takes time, because people need experience with the costs of development and with organizing themselves; consequently, investments may be withdrawn before mobilization has proceeded very far. And the fear of sinking again into the lumpengeography of capital is a disciplining force on political resistance.

The process by which capital seeks greater geographic "freedom of opportunity" for itself is not simply a consequence of development of the forces of production, but part of the historical struggle between capital and labor. An analogy can be drawn with the way capital has sought to free itself from any particular group of workers and their skills (Braverman, 1974). "Universal space," like universal labor, is a social product. By these means capital seeks to free itself from working class struggle and social control.³⁸ And as capital lessens its own spatial dependency, it makes more people and more places dependent on it.

The second strategy of capital is to play off the geographically bound segments of the working class and petty bourgeoisie against one another. Competing communities and regions prostrate themselves before capital politically and economically. Of course, communities usually discover to their regret that the promise of development is something of a mirage. Development comes as a truncated piece of the action, incurs great cost in the form of environmental damage and publically supplied infrastructure, social services, etc.,

and is often fleeting (Cf. Markusen, in this issue). But there is always the distant chance of moving up the hierarchy of roles or of moving from lumpen status to the ranks of the employed.

There is, therefore, undeniable pressure on workers to join in the local clamor to attract and retain development from above. Exploitation by capital may appear better than the alternative of stagnation. Migration is another time-honored strategy for workers seeking to improve individual chances. This is probably the most effective strategy as things stand today and cannot be dismissed out of hand. But it does have negative aspects: breaking the kind of local social ties that are so important in building working class cultural identity and organization and letting capital continue to call the tune.

Better to try and set the rules by which capital plays the game. Methods of restricting capital mobility, such as having companies post performance bonds or open their records to public scrutiny when seeking to move, can be very useful. Of course, any complete suppression of capital mobility and capital flight presupposes a revolution, since it is antithetical to the nature of capital. Another possibility was discussed above: promoting community development on a basis other than reliance on capital. Finally, it remains true that the working class remains the working class wherever you find it; it must organize broadly across localistic and regional lines in order fully to confront its common opponent, capital. The universalization of capital demands the universalization of the labor movement.

V. CONCLUSION

In this paper I have tried to begin an analysis and a vocabulary appropriate to the study of uneven development within advanced capitalist social formations. Two facets of the problem were investigated: spatial differentiation and capital mobility. As the geographic core of capitalism expands, it develops within itself new distinctions of place based on the internal differentiation and inequality of functional roles and at the same time increases its mobility within this sphere of action by intensifying its penetration of space and detaching itself progressively from specific places. The result of the former process is an uneven spatial mosaic of capitalist development — none of the parts may be said to be truly autonomous, "underdeveloped," or particularly susceptible to regional development policies. The result of the latter process is that capital gains a strategic advantage in its struggle against labor, local development chances become more dependent on outside capital, such external penetration is likely to produce only fleeting development, and capital generates a permanent reserve of stagnant places within its sphere of activity — a lumpengeography of capital.

Thus, although there is a certain evening up of development as the capitalist core expands, uneven development of a new kind necessarily emerges within what can be considered a fully developed capitalist space. This kind of unevenness is implicit in the use-value nature of capital's relation to space, in fragmenting tendencies of the capitalist division of labor and its class hierarchy, and in the tendency of capital constantly to reduce the time of circulation. It raises certain difficult theoretical and practical problems for working class political action, the answers to which will not be forthcoming if we cling to inappropriate models of regional autonomy and the need to "develop" regions and places. They are already developed and that is the problem.

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NOTES

1. Immanuel Wallerstein notwithstanding, Marx chided those who saw capitalism as already universalized by the 1860s: "Strange optical illusion to see everywhere a state of things which as yet exists only exceptionally on our earth." (Marx, 1967, Vol I, 517)

2. Geographic expansion of the realm of capital comes about for a variety of reasons, such as the effort to reduce the time of circulation and the search for outlets for surplus capital. See (Harvey, 1975).

3. As Brenner (1977) argues, we cannot infer that the impact of the world market necessarily brings about a transformation to capitalist production irrespective of the course of the class struggle inside the impacted region.

4. The main historical forces being, besides class struggle, the legacy of pre-capitalist social formations and their mode of dissolution, the impact of the world market in terms of structuring the division of labor and competitive pressures on local producers, the stage of entry into the world market, diversion of surplus value from local accumulation, and political impacts of imperialism.

5. The persistence of modes of organization established in the early period of transition to capitalism is marked. A case in point is the way a system of cities of a certain rank-size hierarchy gets started and tends to persist. (Pred, 1977)

The kind of barriers involved here are the basis for the neo-

classical conception of "imperfections in factor movements" but are by no means external to the operation of capitalism, as the neo-classicals would have it, being frequently reproduced in the interests of domestic and international capital.

6. This is the implication of the growing literature on the "internationalization of capital." (Palloix, 1977; Hymer, 1972b)

Of course we are drawing clear distinctions where there often are none, for the sake of argument. The process of capitalist penetration and transformation of places and society is nowhere complete and will not be until capital subsumes *all* forms of human labor. The generalization of capital is an ongoing process. See below, part IV.

7. The postwar development of the Sunbelt and evening up of certain economic indices between North and South has been well documented. (See e.g. Sternlieb and Hughes, 1976; Sale, 1975) This apparent equivalence still holds some important distinctions, however, as is argued by Perry & Watkins, 1977.

8. Please note that simple cases of the phenomena under consideration in this paper are generally lacking since concrete situations are normally conjunctures of two or more of the sources of uneven development.

9. For a useful discussion of space and social formation, see Santos (1977).

10. The word "contain" is used advisedly, since it does not mean that space simply acts as a box to be filled up with people and objects. Speaking dialectically, concrete, humanly-created space itself contains the social relations around which it has been moulded.

11. The use-value of concrete places to labor is another matter. The creation of the built-environment and spatial contexts involves an ongoing struggle between capital and labor over the definition of useful space. (See Harvey, 1978)

12. This way of speaking is undialectical but convenient; there are no value relations "in themselves" but rather a value-moment of the use-value/value relation.

13. If, for example, capital abuses the physical powers of nature operating as use-values (conditions of labor), as in the case of soil exhaustion in agriculture, a crisis in value production and circulation can result. (See Perelman, 1975 and ms)

14. This criticism applies as well to the efforts of Ed Soja (1978), who, following Henri Lefebvre, wants to elevate "spatial relations of production" to a place alongside "social relations of production." Dialectical analysis already incorporates the spatial relations of the mode of production without abolishing Marx's insight as to the primacy of the social relations of production (under capitalism, value relations).

15. We need to be cautious, therefore, not to attribute uneven development to flows of value when it is really a matter of, e.g. spatial differentiation (capitalists in one place, workers in another: see below, part III) or of "two capitalisms" (labor operating under different conditions of labor in two regions; see above, part I). Of course, the flow of surplus value affects the reproduction of use-value relations (e.g. through reinvestment policies). But the point of value-analysis should not be merely to show that surplus value moves from one place to another, but to dissect the causes behind the particular use-value arrangements of places. (See above, note 4)

16. One must be cautious also about assuming that what takes place between unequal regions is a flow of value, when what is in fact happening is that labor is being squandered in the less productive region because it operates at less than average productivity. This is a *use-value* problem of overwork, starvation, etc. for the proletariat, as in the classic case of the English hand-loom weavers. (My thanks to Chuck Rosenberg for pointing this out to me). The criticism applies particularly to Mandel (1975), as well as to all unequal exchange theorists.

17. I have attempted such an analysis in Walker (forthcoming), on which the following summary statement is based. (See also Harvey, 1978 and Walker, 1978)

18. I use the term "functional" advisedly, given its hopelessly vague usage in bourgeois social science.

19. These are, I believe, the basic principles on which to base a Marxist location theory. To them would have to be added the processes of centralization/decentralization and waves of accumulation. (See Walker, forthcoming)

20. Recent evidence suggests that there is no imminent danger of a homogeneous geography of advanced capitalism, despite the efforts of fast-food outlets and tract home developers. But any such statement may ultimately be proved wrong, depending on the course of accumulation and class struggle. It is important to see that there are two opposing tendencies constantly developing under capitalism, one toward spatial differentiation and one toward homogenization; they exist in uneasy juxtaposition. At any given stage of accumulation, the two forces are in a kind of stand off which may be called "an equilibrium degree of homogenization/differentiation." (On the concept of balanced growth, see Harvey (forthcoming) and Walker (forthcoming, 1977, 1978)

21. The argument is overstated for effect. There still remain patches within the U.S. that are poorly integrated to the developed, urbanized core of the country. (Pred, 1977)

22. The phenomenon of the expanding urban-industrial core is nothing new in U.S. history, which has witnessed a steady expansion to the southwest. (See Pred, 1966, 1977 and maps in Ward, 1971 and Urbanism Committee, 1937)

23. It is more meaningful, therefore, to speak not of distinct regions such as Sunbelt and Snowbelt, but of a national system of specialized subregions: Long Island as a middle-class residential area, parts of Florida and Arizona as a national retirement centers, the Rio Grande valley as a national sweatshop, or the Gulf coast as a national refinery-petro-chemical belt.

24. Owing to regional interpenetration this micro-level relation is no more of a regional problem if the ghetto is in Houston and the headquarters in New York than if both are in New York.

25. This is the case for many Third World regions as well, although the mixture of capitalist and pre-capitalist elements of true underdevelopment makes the question more complex.

26. Concentration is a separate issue, which we are not prepared to discuss here; but it should be said that the apparent firmness of the ground on which such empiricist rankings are based ultimately proves illusory. A good example is Boise, which has a share of corporate headquarters and hence of capitalist power greatly disproportionate to its population size. (Pred, 1977)

27. For the distinction between absolute, relative and relational space, see Harvey (1973).

28. In the case of fixed capital formation and the creation of the built-environment, this intensification literally means greater capital intensity in the conventional economic sense. The built-environment of cities is obviously the most intensive and thoroughly capitalist space within the capitalist realm.

29. The tendency of capital is not all in one direction, towards greater mobility, however, because of the countervailing force of fixed and immobile capital increasing with the development of more capital-intensive (and hence productive) industry and in the development of large cities. Capital frequently finds itself trapped by the very built-environment and fixed capital which are its crowning glory. (Harvey, 1975). Capital struggles against this entrapment, of course, and does so with a good measure of success by improving its mobility in other ways.

30. What Amin (1977) calls "externalization" is hardly confined to the Third World and underdeveloped economies. In fact, the externalization of urban economies in developed countries is characteristically high (over fifty percent of commodity flows) and rising. (Pred, 1977)

31. It is said that even a small town cannot survive economically on the basis of employment from a large petrochemical complex today. (Conversation with Tony Mazzocchi, Vice-President of the Oil, Chemical and Atomic Workers International.)

32. All major corporations are now multilocational, as well as multiproduct. The corporation is, in fact, becoming increasingly a sys-

tem for the management of production systems, particularly in high-technology industries. It no longer simply buys and sells commodities but buys and sells entire companies in order to secure component parts, gain diversification, increase liquidity or secure tax write-offs. It also sub-contracts risky or short-term production to smaller, spatially far-flung firms; a good deal of present small-town development is based on this kind of employment. By such strategies the corporation lowers costs and foists off risky ventures while keeping control of overall management and research. (Conversation with Allan Pred)

33. This is the case for virtually all suburban development, extra-metropolitan small town growth, western energy boomtowns and sunbelt recreational/retirement developments today.

On the other hand, since penetration of capital is never complete, the possibility of development from below is never wholly blocked. It does seem to be increasingly unlikely over time, however. Certainly Houston generate a good deal of its development independently of the old centers of accumulation in the Northeast, through Latin American trade, oil and gas industries, cheap labor, and new corporations.

34. Such reshuffling is not always easy for capital, nor is it smooth owing to the problem of capital and capitalist practice materializing in

space — as fixed capital, as local culture, as political boundaries, etc. The future must always deal with the geography of the past frozen in stone and in human practice, either by restructuring it (a potentially costly and politically sensitive process) or by avoiding it and starting again elsewhere. This process is best treated, however, as part of the wave/stage of accumulation problem. (See Walker, forthcoming) (See also note 29, above)

35. The apparent spatial hierarchy also constantly changes with this reshuffling.

36. Such places stand to lose their new-found industry in as little as five years, when the initial investment is amortized. Short term advantages can disappear rapidly, as labor costs go up or market patterns change.

37. It takes a long time to revert to truly pre-capitalist relations of production (not temporary expedients such as workers taking up subsistence farming, in which they can return to the legions of wage-labor any time). The same is true of the deterioration of infrastructure, changing character of local class relations, etc.

38. That is, capital tries to stay more mobile and more generalized than the working class and its organizations.

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