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## THE TERRITORIALIZATION OF POLITICS AND WHAT HAPPENED IN WESTERN EUROPE

by

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### **Introduction**

“At one time the Conservatives had more than 60 MPs in the North of England, but now the party has just 19. It has invested heavily in new campaign centers in Bradford, Newcastle and Salford in an effort to rebuild its strength on the ground in parts of the country where it has all but disappeared from local councils. It has also identified transport as an area where voters in the North East feel they are missing out. Mr. Cameron accused Labour of unfairly favoring London in transport investment, spending £1,637 per head in the capital since 2000 compared with £577 in the North East.”<sup>1</sup>

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<sup>1</sup> Story from BBC NEWS (“Hague woos North with roads pledge”): [http://news.bbc.co.uk/go/pr/fr/-/1/hi/uk\\_politics/7298342.stm](http://news.bbc.co.uk/go/pr/fr/-/1/hi/uk_politics/7298342.stm). Published: 2008/03/15 13:11:59 GMT.

What is new here, and why this is such an interesting quote, is the way in which the major political parties in the United Kingdom are trying to gain electoral advantage from perceived territorial inequalities, perceived injustices regarding who gets what where. Likewise at the last mayoral election in the Greater London Authority, every candidate claimed that London was being exploited by the rest of the country: that the taxes it was contributing to the national exchequer far outweighed public expenditures there while elsewhere in the United Kingdom, the reverse applied. In other words: Welcome to the territorialization of politics in the United Kingdom and, I am going to claim, in the rest of Western Europe too. So exactly what has happened?

My particular interest is the politics of local and regional development. This has undergone marked changes in the last thirty years or so. There has been a shift from a dominantly top-down policy emanating from central branches of the state; to initiatives of a more bottom-up character, though this has been complicated by the creation of one market through the EU. At the same time, and in response to broadly similar conditions we have witnessed the growth of support for regional parties; in some cases these have called for radical changes in the territorial structure of respective states, in some cases going all the way to the creation of entirely new states.

What I want to offer in this paper are some guidelines with respect to how we might understand these developments. These guidelines in turn are set within a framework of more general claims about the conditions for the territorialization of politics. I start by some brief remarks on the territorialization of the politics of local and regional development in Western Europe: what exactly it amounts to, and bearing in mind the dangers of overgeneralization. Attention then shifts to more general arguments about how we might understand territorialization in general and this one in particular. My arguments are framed throughout by a historical materialist understanding of the tensions proper to the capitalist mode of production as it both unfolds in a geographical context and in turn, constructs it.

## **The Territorialization of Politics in Western Europe**

For approximately thirty years after the Second World War, measures aimed at a geographic redistribution of employment were an important feature of policy across the Western European democracies. For the most part these aimed at bringing new investment to areas of relatively high unemployment. In some cases restrictions were placed on the expansion of office and industrial employment in those areas regarded as experiencing pressure on labor and housing markets: areas like the Ile de France or the Midlands and Southeast of England. New Town policies were mobilized towards the same ends of enhancing employment in the depressed areas through the concentration of labor supplies (Hudson 1982); and taking pressure off the labor and housing markets of nearby agglomerations. Central governments dispersed some of their office employment. This was the explicit side of regional policy.

There were also regional policies of a more implicit nature. These came first in the form of public ownership of industries that happened to be, not always fortuitously, in areas vulnerable to relatively high rates of unemployment. The willingness to support what were often sunset industries in coal, iron and steel and shipbuilding meant a subsidy to these regions. Less noted were the redistributive effects of the national fisc: commitments to territorial equality in the provision of public services along with a progressive national income tax meant some redistribution from wealthier and / or more rapidly growing regions to poorer and lagging ones (Mackay 2001).

For the most part, these policy initiatives and structures proceeded without much controversy and allowed some mitigation of geographically uneven development. Over the last thirty five years, though, they have been challenged in various ways and replaced to some degree by an alternative approach to local and regional development. This is one that relies more on local and regional initiatives. It is not one that has necessarily been contrived from the center down. Rather the impetus has often come from the localities and the regions. But in any case, it has been accompanied by a politics in which sharp territorial cleavages have been exposed to view. It is a politics which often crosses

international boundaries and contests not local or regional policy but national policy. This territorialization is registered in a number of different ways. By way of example:

- Those local initiatives designed to enhance the flow of value through a particular locality or region: These can range from the subsidies offered by smaller cities in France to secure low fare airline services; all the way to a revamping of metropolitan governance in Greater London in order to facilitate a mitigation of the city's housing cost problems.
- Conflicts around claims of territorial exploitation: These are typically fiscal in character and typically originate in regions or localities that are constructed as paying more in taxes than they get proportionally in return as services. Some of this is relatively harmless stuff. London has long argued a case like that with respect to the rest of the United Kingdom as I indicated above. The disputes in Germany between the more rapidly growing *länder* in the south and the rustbelt ones in the north and east have been a little more serious (Jeffrey 1999). Even more so are those in Italy and Belgium.
- So a third symptom of the new politics of local and regional development in Western Europe has been the rise of regional parties. These include the Scottish and Welsh Nationalist movements, Italy's Northern League and the parties pushing for an independent Flanders. More interesting because of its left-radical edge has been the Left Party in Germany: essentially a left wing vision of how to cope with a geography of uneven development that has left the *länder* of the old East Germany out in the cold.
- In some instances bottom-up development initiatives have been facilitated by some devolution of responsibilities to local or regional bodies. In France inter-communal mergers have been encouraged in order to build up the administrative and fiscal base for such initiatives. There has also been some delegation from DATAR to the regions (Pinson and LeGalès 2005). In the United Kingdom there is the example of the Regional Development Authorities or RDAs (Morgan 2001).

In other cases it is the EU that has brought pressure directly on national governments to devolve power.<sup>2</sup>

- Finally, there is the emergence of something at the level of the EU which approximates increasingly to the American politics of regional development. The individual member countries act more and more like the American states, providing financial assistance to localities bidding for major international investments and provoking accusations from other members of ‘social dumping.’ In the first place, this territorial competition is inseparable from the single market, allowing firms to reasonably select from locations in different countries;<sup>3</sup> and in the second place, and despite the surface fluff of financial incentives, there is the fact that states still vary a great deal in their labor laws and regulatory procedures, or what the Americans would sum up as ‘business climate.’ Not surprisingly, the subsequent competition has greatly intensified following the expansion of the EU into Eastern Europe.

### **Understanding Territorialization**

In discussing anything of the social and political life of capitalist societies I take the accumulation process as the fundamental point of reference. The bare bones version of this is the process through which capitalists lay out values for production, extract surplus value from the working class and then, having retrieved them through the realization of the value of the commodities produced, lay it out, along with those values, for production on an expanded scale. It is a process which has the capital-labor relation as its precondition, and this is a relation that the accumulation process reproduces. It is emphatically ‘bare bones’ however, for the same logic which propels capitals to produce on an expanded scale also impels dynamism in all areas of the social process: technology, modes of cooperation, institutions and not least, geography.

Geography becomes a condition for profitability. Profitability comes to depend in part on a particular, locality-, region- or country-specific ensemble of forces and relations of

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<sup>2</sup> For the Irish case, see Boyle (2000).

<sup>3</sup> There has been a flurry of rationalizations in the location patterns of the multinationals as they seek out economies by serving the EU from fewer sites.

production. On the one hand, capitalist development promotes a socialization of production in particular places: a transformation of the division of labor and of associated physical infrastructures in ways that enhance worker productivity. On the other hand, it is a particular set of relations of production that facilitates the development of these geographically specific forces of production. Workers enter into exchange with capitalists and that is the sine qua non for capitalist production. But the terms on which they enter, their expectations, their militancy, can vary tremendously over space.

But like other conditions of profitability, in order to stay ahead of firms in other localities or regions these place-specific advantages need to be worked at, and embellished. Urban infrastructures have to be redeveloped and expanded to cope with growth. Balance between different sectors in the regional economy can become an issue and require intervention; this is particularly likely in the housing sector where shortages result in upward pressure on wage levels. As a result, metropolitan governance initiatives, bridging the public-private divide, can assume significance. There may also be a politics of scale in which localities either individually or in collaboration with each other, push for central state financial support.

It is, on the other hand, an ensemble that can lock agents into a particular locality or region and its future. The particular division of labor among firms may be one that would be hard to replicate elsewhere. Firms and workers can comprise a knowledge community that is non-portable. The same applies to the various urban infrastructures: not just industrial, commercial and residential real estate but also the various items of public infrastructure. This fixity is of limited significance during periods of growth in the national or global economy as the market experiences vigorous expansion. Any territorial tensions that might result from changes in the regulatory environment favoring one region over another or in the allocation of central government finance for public works, or indeed from the interregional transfers occurring as part of the welfare state, tend to be subdued. There are variations in the rate of growth between localities and between regions, but virtually everyone is making money, getting a job, paying the mortgage. The underlying geography of accumulation may be shifting but it is not yet having serious

localized effects in terms of challenges to the class relation, increased rates of bankruptcy, unemployment or downsizing.

As business enters a long term secular decline, such as that starting in the early 'seventies, this changes. Inter-local, inter-regional, possibly international, differentials in growth rates are widened as unemployment, downsizing and bankruptcy start to bite, but always in a highly variable manner. Capital avoids lagging regions in favor of more speculative growth elsewhere, sometimes triggering off local speculative bubbles. In the lagging regions the fact of various fixities, both public and private, can make that sort of adjustment difficult. As a result, one can expect diverse strategies on the part of local coalitions of business and the state designed to recapitalize (Harvey 1985). These can include pressures for regulatory relief from the central state, along with more substantial fiscal transfers, even some devolution of powers over local development so long as they come with money; but also a search for a new class settlement that would work to local or regional advantage.

In their turn, though, these initiatives can provoke resistance from regions that are continuing to grow, perhaps even accelerating in their growth, as local speculative booms occur in the midst of the gloom elsewhere. A reordering of central government grants can threaten the public works necessary to their own continued growth. The changes in national regulatory policy sought by the emergent rust belts can be defined as undermining the new growth areas. As a result, labor, welfare and trade policy, among other things, can be bitterly contested. The tensions can be further intensified by the tendency of a financially beleaguered state to back so-called 'winners,' defined both sectorally and regionally, and to reduce its support for the lagging regions. These effects can emerge at all manner of scales. So while in the United Kingdom London might be regarded as a 'winning region' that has received strong central government support, there are areas within the metropolitan area which have clearly suffered from the displacement of manufacturing by financial services.<sup>4</sup>

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<sup>4</sup> Some of the London boroughs have some of the highest unemployment rates in the United Kingdom.

What this suggests, therefore, are strong territorializing effects in the politics of local and regional development; effects which are likely to be magnified during long economic downturns. Even so, and emphatically, the subsequent politics can be highly variable. What I am particularly interested in here is the way territorialization has articulated with a politics structured more along the lines of the class cleavage that is dominant in capitalist societies. Hitherto my discussion has been primarily from the standpoint of capital. Dependent on particular localized ensembles of forces and social relations of production for its profitability, at least in part, it has stakes in enhancing those place-specific assets. But labor finds itself in an analogous situation of local dependence, albeit a dependence that in concrete terms is quite different. For a start, the interest here is a specifically working class interest: employment, housing conditions, wages, and all those policies that fall under the heading of the welfare state. But again, it is an interest that, as with a significant fraction of capital, can only be realized within particular geographic areas. Among other things, this owes to the localness of job markets for the vast majority of workers; their investments in housing; and a vaguely defined but powerful 'local attachment.' The interest may be a class interest, therefore, but it is also and always a territorially structured interest.

How this factors into the politics of local and regional development can vary. For a start, one can imagine two polar extremes. One is defined by as pure a class politics as one can imagine without abstracting from geography. Workers organize across space through the various organs of the labor movement, particularly labor unions and social democratic parties. This provides some protection against wage competition between firms in different localities. Through party political organization at the national level regulatory reforms and welfare policies can be pursued to the advantage of all workers in all localities. In some of these initiatives there is a clear geographic risk spreading strategy at work. Quite what the future shape of the space economy will be cannot be anticipated. But the risk can be offset to some degree by the way the welfare state, in effect, redistributes fiscal resources from the regions that have benefited from growth to those that have been disadvantaged. The manner in which regional policy worked in the postwar period had some of the same appeal; no-one knew exactly where the

unemployment would fall, but there would be a regional safety net of sorts in place. In consequence, this is a politics that privileges interventions at the level of the central state.

At the other extreme is a politics which displaces conflict between labor and capital in favor of one of cross-class alliances, and around rhetorics of territorial competition and conflict. As a result it privileges local arenas though not to the exclusion of a role for central government, particularly to the degree that various forms of subsidy and regulatory or fiscal relief are in question. This is a politics with which we have become more familiar in Western Europe recently but it is itself quite varied. The common denominator is that in all cases, it is conditioned by the reorganization of the geographic division of labor, in both its technical and its social sense.

In the latter instance, it occurs particularly at an interregional scale and pits those regions that are growing, those in which growth or sunrise industries are well represented, and those that are in decline: areas which are losing their economic base, possibly to overseas competition.<sup>5</sup> This is a politics which is likely to retain something of a class flavor. The areas affected were often the crucibles of the labor movement in the late nineteenth century up until at least 1960. The clarion calls remain those of safeguarding the welfare state, protecting full employment and minimum standards, even if they clearly work to regional advantage, sometimes to the disadvantage of workers elsewhere, and are able to secure the support of local employers.

At the scale of the locality, however, the material basis for the territorialization of the politics of development is typically different. What is at stake is the future of a branch plant town, perhaps a one-branch-plant town. These were and remain the creations of Massey's new spatial divisions of labor: the separation off of routine assembly or back office work from the more skilled activities, research and development and headquarter functions, and their location often in small towns where union traditions are weak and

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<sup>5</sup> Quite what is 'regional', however, is undergoing redefinition. It is now less likely to be the highly specialized areas which were the object of post-war regional policy: the old coalfield areas, certainly, and more rural areas like Western France in which changes in agricultural productivity were releasing workers; and more likely to be an area focused on a particular city – Silicon Valley and San Jose, Toulouse and the aircraft industry, the Seattle region with its growth in software and formerly aircraft, etc.

where perhaps monopsony works against organization anyway. At one time they would have been low wage locations and they remain so; but they are no longer the *lowest* wage locations and so must contend with one another, and with China, Eastern Europe, and the like, by renegotiating wage and benefit bargains. These are the places most vulnerable to local growth coalition rhetoric calling for some worker sacrifice in order to consolidate the town's future. It is here that a territorialized politics is typically most clear, though it will also be found in declining regions as small towns there, having lost one economic base now find that they have to compete for another.

### **The Western European Case**

Much of this will be recognizable from the West European instance detailed earlier in the paper. Conflicts between growth regions and regions in decline are common. These have dominated the territorialization of development politics in Belgium, Germany and the United Kingdom. In all instances regional parties or parties with a strong regional base, as with the German Left party, have been central to arguing the case; this is so whether it might be one of neglect or, in the Belgian instance, of an albatross that supposedly weighs down growth elsewhere. This is not to argue that tensions necessarily give way to this sort of expression. In England the charges have been ones of interregional exploitation and marginalization. In France territorialization has been much less explicit. It bears noting, though, that the FN has found strong representation in areas of relatively high unemployment, testifying, perhaps to the appeal of a territorial rhetoric at a national scale;<sup>6</sup> the appeal, that is, of limits to immigration and to the expansion of the EU into the low wage areas in Eastern Europe. And indeed, as the last reference indicates, the battle is also joined at the level of Europe as a whole; a battle between regions in decline in the West and growth regions, like Slovakia with its burgeoning automobile industry, in the East.

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<sup>6</sup> In England the BNP has found fertile soil in similar sorts of rust belt environments.

On the other hand a competition between localities around bargaining down local wages and work conditions and the offering of various financial incentives has been less clear.<sup>7</sup> In the US this is a common theme in the politics of local and regional development. In Western Europe it may have been inhibited by the residual strength of the labor movement, if only at the discursive level, and by the fact that local government has much less of a stake in the outcome than in the American instance. In addition European Union rules place severe limits on what localities can offer. What competition there has been of this nature has been largely at the national level. Concerns about ‘business climate’ are beginning to creep into national development rhetoric. There have also been some well publicized cases of competition for major investments as in the case of the Toyota factory that went to Valenciennes.

So, and bearing in mind the general guidelines I offered for understanding the territorialization of development politics, how might we understand what has happened in Western Europe? I want to suggest two possibilities here, depending on time scale but in both cases I want to foreground the importance of class. Over a shorter time span it can be situated with respect to what Robert Brenner (1998) called ‘the long downturn’ and responses to it on behalf of the major agents: capital, the state and the labor movement. Over a longer time period – much longer, going back to the turn of the century – the changes have been of a more gradual but, I would argue, more fundamental character.

### *The Long Downturn and ‘Globalization’*

By the long downturn Brenner was referring to the decline in rates of economic growth and profitability that set in during the early ’seventies in the more advanced capitalist societies. In contrast to what has become known as capitalism’s ‘golden age’ during the ’fifties and ’sixties, rates of investment, of productivity and employment growth, all declined. Furthermore, they have yet to recover in any consistent way.

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<sup>7</sup> Though see Foster and Woolfson (1989) for an attempt which pitted the claims of territory very clearly against those of class; also Holloway (1987) on the circumstances under which Nissan came to Washington in England’s Northeast.

In turn, this set in motion a search for a renewed basis for profitability by capital. This was vigorously supported by the state confronting its own problems in the form of what was defined as its 'fiscal crisis.' What was eventually hit on were a set of policy initiatives, loosely referred to in retrospect as neo-liberal, whose effects were to be a reordering of the central class relation, and to the advantage of capital. I am not arguing that this was deliberately thought out as grand strategy. A number of forces and conditions came together during the 'seventies for reasons seemingly having little to do with class struggle. The liberation of finance capital from central bank control that has proven to be so important had a prologue in the form of the Eurodollar market that emerged in London in the late 'sixties. The ultimate collapse of the Bretton Woods agreement can be traced to the challenges that the US faced in the global economy from West Germany and Japan. The liberation of finance capital that this heralded was then given a further fillip by the oil price shock of the early 70s: something initiated by the US in order to curb the pretensions of West German and Japanese capital; and also from which it hoped to benefit. The latter was through the role it foresaw for American banks in recycling petrodollars in the form of loans to countries suffering from balance of payments problems initiated by that same price shock (Gowan 1999). Nice work if you can get it!

Undoubtedly though, the lifting of capital controls, initiated by the US and then spreading to other countries, was a decisive move. Initially the long downturn was apparent in the form of stagflation. To reflate national economies the old Keynesian strategies were resorted to. But in a context of continuing strength on the part of organized labor and obstacles to accumulation lying outside limits to domestic markets, they were ineffective. Rather they resulted in a combination of slow growth and inflation. Unleashing finance capital and allowing its international movements to discipline macro-economic policy were to be the way out, but at the expense of a sharp reduction in domestic demand.

The policy mix hit on was actually twofold.<sup>8</sup> The determination of exchange rates through an international currency market would send signals to national governments as

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<sup>8</sup> The work of Ton Notermans (1997) is particularly helpful in elucidating what happened here.

to whether or not they were getting the so-called policy fundamentals correct: containing price increases, but also managing the employment relation in a capital-friendly manner, and reining in state expenditure, particularly anything that had to do with the welfare state. Failure would be punished by the sale of the national currency and pressure on the balance of payments as imports became more expensive relative to exports. The complement to this was monetarism: restricting increases in the money supply in accord with increases in production. This in turn would have the effect of curbing labor's demands since it would be impossible to fund them through an increase in the money supply. The overall effect, however, and to repeat, was one of macro-economic austerity (Albo 1994, 1996). Domestic markets were limited. One result was that international markets became much more significant in corporate calculations and along with that, direct foreign investment. The latter was seen as a way of achieving a toehold in those markets or, indeed, furnishing the home base with cheaper components. Ultimately, though this was not on the horizon at the time, this would serve to maintain wage discipline at home. This would be firstly through putting a squeeze on labor in those industries for which there were substitute sources in developing societies; and secondly through a supply of cheap, foreign consumer goods. This in turn, however, required not just making the dismantling capital controls more universal, but also some relaxation of barriers to trade; of which, of course, NAFTA and the EU, but also the negotiations carried out under the auspices of the WTO are major cases in point.

And so 'globalization' was born. It had a material reality in increasing international trade and foreign investment. It also had the discursive function of referring the disciplining of the labor movement in the developed world to forces beyond national control. As Mrs. Thatcher famously put it, 'There is no alternative.'

From our immediate standpoint of an interest in the territorialization of politics in Western Europe, and notably in the territorialization of development politics, an important effect of this has been a reordering of spatial divisions of labor. This has occurred at all manner of geographic scales: within and between cities, between regions and between different countries. What is often emphasized is the outsourcing of less

skills-intensive parts of labor processes to developing countries, particularly in the Far East. In addition there has been a reorganization of the social division of labor at the international level. Whole sectors in the advanced capitalist societies – inter alia, textiles and consumer electronics – have been run down in favor of their growth in developing countries; at the same time that same growth there has given an important boost to the demand for knowledge-intensive products from North America, Japan and Western Europe: notably machinery of all sorts, IT, medical and transport equipment, pharmaceuticals, media, financial services, specialty chemicals, and a wide range of consulting services – civil engineering, geological, agronomic and so forth. Not all of the changes in the international division of labor can be assimilated to a simple more developed / developing society dichotomy. British shipbuilding declined while its South Korean counterpart rose to prominence; but French and Norwegian shipbuilding were more effective in holding their own. Likewise the decline of coal mining in Western Europe is a complex affair involving not only cheap imports from South Africa, the US and Australia but also the substitution of natural gas and oil in the generation of electricity. Finally, the expansion of the EU has set in motion additional changes in the spatial division of labor amongst member countries.

This reordering has been a major source of an intensified geographically uneven development, not least in Western Europe (Dunford 1994, 1997): a landscape of rustbelts like those of large parts of Northern and Midland England, the Ruhr, Wallonia and the Nord alongside new or revived growth centers such as London and its surrounding region, Aberdeen, Dublin, Toulouse, and Munich. It has been intensified by other effects of the new macro-economic regime. The way in which the long downturn was expressed at the level of the state was in the form of fiscal crisis. This is part of the background to the logic of privatization and the sale of industries in public ownership; but getting them ready for an attractive sale meant the scrapping of a good deal of plant and therefore labor shedding. The effects in some parts of Britain, particularly the coalmining areas and those dependent on iron and steel have been, with no exaggeration, quite devastating (Hudson 1986). It also helps to account for the dismantling of the old regional employment policies of the post-war period, though the logic there was reinforced by a

desire to back ‘winners’; so no longer could limits be placed on growth in the London and Paris regions with a view to persuading investors to look to areas of high unemployment. All these effects were intensified during much of the ’eighties by relatively high interest rates, which tended to hit the more marginal regions much harder, driving firms to the wall.

Interregional differences in life chances have widened, therefore. At the same time the labor movement has been greatly weakened. It is more complicated than simply an intensified competition between regions resulting in internecine conflict; it is the competition that needs to be explained rather than to be drawn on as a *deus ex machina*. Rather one effect of the reordering of geographic divisions of labor has been to run down employment in precisely those areas where the union movement had its greatest strength; while at the same time increasing it in those where it has yet to mount a successful recruiting campaign. There is a ‘new’ working class, less mindful of the old traditions of struggle, alongside a rapidly declining ‘old’ one. Crucially, though, the decay of the labor movement, its integration into the state, the dispersal of its more radical elements has been going on for a very long time: long before the long downturn and long before the so-called ‘golden years’ of the post-war period. The current territorialization of politics in Western Europe has therefore been long in the making. It is to that ‘long-in-the-making’ that I finally want to turn in this paper.

#### *From the ‘First’ Globalization to the ‘Second’*

“If the real organization of the Nation be by classes and interests – *and that is the alternative to organization by localities* – it is quite inevitable that the corresponding classes in neighboring nations will get themselves together, and that what has been described as the horizontal cleavage of international society will ensue ... the development of the modern struggle between capital and labor has led to the use of some international phrases and words which have carried a few key ideas into common currency; they correspond unfortunately to certain social Realities which were rapidly gathering importance when this War came upon us. International Combines of Capital were obtaining such power as to

overawe some of the smaller States of the world ... labor could only follow suit, and also try to organize internationally. So came the idea of class warfare between the international proletariat and international capitalism.” (Mackinder 1919: 239-40) (emphasis added).

One can argue that globalization has been ongoing with the rise of capitalism. This is certainly the view of the Manifesto. However, there have also been quite concerted bursts of expansion in international trade, investment, and migration. What we have experienced since the late 'seventies is only the most recent of these. For some observers it is the 'second globalization.' The 'first' occurred from about 1875 on up until the First World War. Lubricated by the gold standard, trade and international investment surged. It was also a period of renewed imperialism; notably the carve-up of Africa as the European powers pursued new sources of raw-materials, markets and new arenas of settlement. The politics that accompanied it, however, was quite different from that we have experienced recently in the context of the 'second' globalization. As the quote from Halford Mackinder indicates, rather than a tendency towards a more territorialized politics – which seemingly he would have preferred<sup>9</sup> – it was the class cleavage, unmediated and in the raw, which predominated.

Just how different the discursive environment was has been highlighted by Suzanne Berger's recent work (2003) on the French labor movement and this 'first' globalization. She points out that foreign investment was far less controversial than today. French Socialists and unions opposed tariffs which they saw as raising the cost of living of workers. Tariffs were also seen as antithetical to the socialist project of eliminating boundaries and assuring a decent standard of living for all. In the same way they refused to oppose immigration; instead the left pushed for legislation that would prohibit employers from employing immigrants at lower wages. As Berger goes on to argue the difference between then and now was a labor movement inspired by an intense

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<sup>9</sup> His advocacy of social organization by localities was part of a broader set of ideas about what he called 'balanced growth.' Devolution would be accompanied by increasing self-sufficiency within localities and regions so that dependence on the rest of the world could be reduced. In this way he hoped to see the international tensions resulting from, as he saw it, free trade, reduced.

internationalism;<sup>10</sup> the same internationalism which alarmed Mackinder. Class has declined as a touchstone of interpretation. Rather the goal of the labor movement, according to Berger, is now to protect its achievements in particular national arenas from destruction; to which we might add – “And in even smaller arenas than that.” Territorial fragmentation of the labor movement now rules.

What we are now experiencing, therefore, has conditions that have been in formation for at least eighty years – at least since the early 1920s and the defeat of the communist revolutions in Western Europe and such symbolic turning points as the General Strike of 1926. From that time on there has been a long term and quite complex political demobilization of the working class; one which made it increasingly and highly vulnerable to the sort of vigorous counter-attack that we have witnessed more recently. So what happened?

I think that there are two underlying transformations that we need to take into account if we are to come to terms with this long decline. The first is the way in which working class people have been integrated into the state as citizens, and passive citizens at that. The second is the way in which the family, not least the working class family, has been reconstructed around consumption. This is clearly related to the first change. Integration has occurred partly through welfare state legislation and this to some degree opened up new possibilities of expanding working class consumption. At the same time identity as a consumer has extended, as Macpherson (1977) pointed out, to how people relate to politics: a set of alternatives over the formulation of which they have had little say but between which they passively choose. Both of these movements – integration into the state and the redefinition of the working class household – have been highly complex.

With respect to integration into the structures of the state, and as Mann has underlined, it is hard to comprehend the sense of exclusion felt by the working class at the beginning of

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<sup>10</sup> Compare Michael Mann (1995: 17) commenting on the labor movement at the turn of the last century: “Militants’ images of society were ... essentially global, modern and evolutionary. Socialism, they believed, was the future of the world, the class enemy was reactionary, feudal, backward, particularistic, local.”

the last century. As he has written, “Most union struggles involved ‘recognition.’ Thus socialism depended on the dense working class community for the normative solidarity to withstand persecution. Yet this also had macro-sources, especially the hostility of its opponents – employers, governments, the press and most churches” (1995:17). Nevertheless the franchise was extended, working class parties were formed and eventually elected to office. Yet this proved to be a slippery slope. So what went wrong? Why did party politics, and by extension incorporation into the structures of the state, turn out to be so corrosive of the ideals of the labor movement?

As Przeworski (1980) has outlined, the parliamentary route entailed a number of serious, interrelated, pitfalls. In the first place, it meant forsaking long term structural change for short term improvement in the condition of the working class. Long term changes in the very structure of society required a continued and sustained period in office; something that could not be guaranteed under parliamentary conditions. In the second place, and diminishing the possibility of that sort of long term rule that would permit structural change was the fact that in practice seeking office meant that socialist parties had to appeal to a constituency outside of their core in mining, heavy industry and transportation. The self-conscious working class did not expand as they had expected, and this meant that appeals had to be nuanced: instead of the appropriation of capitalist wealth on a large scale and a dramatic leveling, albeit upward, of life chances the focus had to be on the effects of capitalism rather than the beast itself: issues like mitigating poverty and unemployment and inequalities of opportunity; all of which, of course, played into the later emphasis on the welfare state.<sup>11</sup> What came to be emphasized was less the creation of a new world and more the satisfaction of what were increasingly defined as the rights of citizens; and not citizens of the world but *national* citizens.

At the same time the very structure and susceptibilities of a parliamentary political party led to a distancing of the mass base from the leadership: a further demobilization which meant that fighting the drift to reformism became even more difficult. It wasn't just that

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<sup>11</sup> Something the foundations of which were, significantly enough, being laid before any seriously left-leaning party gained office in the democracies of the advanced capitalist societies.

party leadership in a parliamentary context required certain skills of articulateness that tended to exclude most of the working class and privilege the more professional element of (e.g.) lawyers and school teachers (Hindess 1971); it was also that the securing of advantage in parliamentary deliberation, horse trading perhaps, required some degree of secrecy. The mass base had to delegate to the leadership the power to negotiate on its behalf, to put forward more concrete policies, without constantly having to refer what it was doing to the membership for approval and so risk a dilution of its ability to bargain.

In his book *The Future of the Welfare State*, written in 1967, Gunnar Myrdal celebrated the achievements of the welfare state. He also expressed his disappointment at its national limits: how it legitimated the national at the expense of the international; the national working class rather than the *international* working class. But to blame the welfare state and its structure would be short sighted. The integration of the working class into the state had been long in the making.

And so too has been the reconstruction of the working class family around a shared consumption. “You’ve never had it so good,” Harold Macmillan is said to have proclaimed in a bit of pre-electioneering for the Conservative Party in 1957;<sup>12</sup> but in so doing, he announced something that rather than a simple product of eight years of Tory rule, had roots of very long standing. People might ask the question, as they did at that time subsequent to the Conservative election victory two years later, ‘Must Labor Lose?’<sup>13</sup> just as at the same time American political sociologists were asking the question, ‘Does increased suburbanization mean a Republican majority?’ But both questions problematized the significance of working class consumption and had conditions that had been in preparation for a very long time.

Whether it was in the form of Young and Willmott’s (1975) ‘symmetrical family’ or a shift from what Rosser and Harris (1965) called ‘coherent to mobile society’ there was

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<sup>12</sup> The actual statement: “Let’s be frank about it; most of our people have never had it so good. Go around the country, go to the industrial towns, go to the farms, and you will see a state of prosperity such as we have never had in my lifetime – nor indeed ever in the history of this country. What is worrying some of us is ‘Is it too good to be true?’ or perhaps I should say ‘Is it too good to last?’”

<sup>13</sup> Abrams, Rose and Hinden (1960).

widespread social science recognition in the 'sixties and 'seventies that working class life had significantly changed.<sup>14</sup> As Alt (1976) discussed in the context of the US, there had been a shift in the balance between labor and consumption. Social relations and consciousness were now increasingly mediated by the experience of privatized, family-based, consumption: television, the 'family' car, the 'family' vacation, the fact of home ownership. Working place exploitation, he claimed, was now legitimated by increasing incomes. Alt's description closely matches that of Rosser and Harris in their discussion of family change in the Swansea area of Wales.<sup>15</sup>

The long-in-the-making effects of this change have been utterly corrosive of working class consciousness. Again, I want to emphasize just how long. The idea of being 'respectable working class', more skilled, a craftsman, goes back at least to the end of the nineteenth century and, alas, it is from these groups that positions of leadership in the labor movement were often filled.<sup>16</sup> Anxiety about paying the mortgage and meeting payments for the family car, the consumption of commodities as measures of social worth, now compete with longer-term, more structural objectives that can only be won by sustained working class pressure at the level of both workplace and state, regardless of short term consequences. Maintaining current consumption becomes a priority. It also divides one fraction of the working class from another in the form of what Patrick Dunleavy (1979) called 'consumption sectors.' The extension of home ownership has been of huge importance here giving the idea of consumption sector a sharp territorial significance, at the same time as it seduces owners into a false unity with those who own the property that really matters: productive property.

I am not arguing that this is a capitalist conspiracy. The logic of the accumulation process has been a vital precondition for these changes. As worker productivity has increased so

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<sup>14</sup> This is also something that was also recognized in the US a little later by John Alt (1976).

<sup>15</sup> Raymond Williams' later idea of 'mobile privatization' is also highly suggestive: In his own words: "It is an ugly phrase for an unprecedented condition. What it means is that at most active social levels people are increasingly living as private small-family units, or, disrupting even that, as private and deliberately self-enclosed individuals, while at the same time there is a quite unprecedented mobility of such restricted privacies." (Williams, 1983:188)

<sup>16</sup> These were the ones then patronized by the political right as 'safe' partners in governing the country. For examples see John Foster (1976) and Robert Moore (1979).

the working class bargained for and eventually achieved a reduced work week and vacation time, both of which have subsequently been, for the most part, legitimated. In other words, time for consumption has been created. On the side of capital, the attitude to working class consumption has been thoroughly ambivalent. It has certainly seen the production of an ever-growing stream of new consumer goods and their culturally contrived obsolescence as an outlet for an overaccumulated capital. But a major reason for that same overaccumulation has been its downward pressure on wage levels and resistance, eventually conceded on its terms, to raising them.<sup>17</sup> The same contradictory resistance to altering the balance between work time and non-work time has also been apparent.

### **Concluding Comments**

So what general conclusions might we draw from all this? I offer two. In the first place, the accumulation process has to be the fulcrum of our analysis if we want to understand the way in which politics gets territorialized. It brings the class relation into the center of our analysis, along with those necessary conditions for it like geography and the state. Accumulation is a highly contradictory process and it is through attempts to suspend those contradictions that transformation occurs. At the same time, contradictions build up over time and erupt in serious crisis for the global economy: which is what happened in the early 'seventies and paved the way for neo-liberal policies which secreted in their turn, what has come to be known as globalization. We should see territorialization as part of the fallout from those policies.

Second, changes such as that we have witnessed in the form of a territorialization of the Western European politics of development are long in the making: very long. Class may be central to the accumulation process as it struggles to transform its necessary conditions but that relation is a highly sedimented one. The consciousness of labor, as Suzanne Berger emphasized in her discussion of France and the 'first globalization' is of key importance but it changes at a pace which if not glacial, is certainly very gradual. So a

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<sup>17</sup> I am persuaded by Simon Clarke's (1990) argument that capital does indeed have strong tendencies to overproduction and that is why it periodically enters into severe crisis.

more general point still would be this: All explanation in human geography has to be historical and it is hard to overestimate just how far back we have to go to grasp the essential conditions for some changing set of geographical relationships.

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