

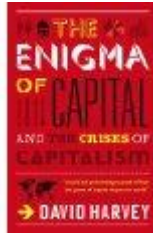
Uneven Development: Nature, Capital and the Production of Space

Neil Smith

Third edition with a new afterword and a foreword by David Harvey

Verso Books: London and New York, 2010. ISBN: 9-781844-676439

323 + XVII pages.



The Enigma of Capital and the Crises of Capitalism

David Harvey

Updated version

Profile Books: London, 2011. ISBN: 978-1846683091

312 + VIII pages.

Reviewed by John Walsh, Editor, *SIU Journal of Management*, School of Management, Shinawatra University, Thailand.

In its recently released 2011 World of Work report,¹ the ILO observed that the ongoing economic crisis that broke in 2008 has led to a shortfall of some 80 million jobs and that the previous level of employment would not be regained before 2015. Only one country among the developed nations, however, had produced a national plan for jobs – the USA, where of course ideologues are doing their best to obstruct any improvement in the national economy as a means of undermining the situation of the president. Just about everywhere else, especially in Europe, the vicious idiocy of austerity was being dressed up as the responsible solution to the crisis, as if the cure for a patient who has just lost one leg would be to amputate the other. The crisis was provoked by the banking crisis: under-regulated finance industries found new ways to raise ever more money by ratcheting up

¹ Available at: http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_166021/lang--en/index.htm.

the risk inherent in their complex instruments while simultaneously pretending to themselves that the risk had somehow disappeared through the power of numbers: this inevitably exploded. If it were just a case that a few banksters had got their fingers burnt, then that would be something with which most people could live. However, that was not the case since not only has a globalised world meant that ownership and risk are spread throughout the world but also more and more unwitting individuals have been induced to take part in the scheme by being convinced to buy mortgages they could not afford under, often, what appear to be false pretences. How has all of this happened?

There are two issues, according to Smith and Harvey. The first relates to the uneven development of space under capitalism and the second relates to the need for surplus capital absorption. Uneven development relates to the differences evident in the world and, hence, the different types of activity that might flourish in various places. This might appear on the face of it (and is described as such by technological determinants among others) to be a 'natural' process and part, therefore, of a natural order which should be obeyed. However, as Smith points out at length, there is precious little left in the world which can be considered 'natural' in the sense that it has not been created or manipulated by humanity over the years. Indeed, the process of capitalism itself acts to change nature – as Lefebvre has it, it is complicit in the production of space as a commodity and that commodity is then exploited for whatever profits may be available. Smith describes the processes by which this happens at three scales: the global, the national and the urban level. Given globalization, it is probably easier to imagine the processes at the level of a city. Capital is sloshing around, moving from place to place where profits are for the time being highest and transforming the space as it goes. This can be seen in the large cities of just about every developed country of the world: small governmental centres become transformed into industrial powerhouses and then recreated by the process of gentrification. In

each case, creative destruction ends up in driving out the residents of the place where profits are available, using force if necessary.

Meanwhile, Harvey argues that, from historical data, a compound annual growth rate of 3% is necessary for capitalism to continue on its relentless way – and it must be relentless because capital only exists in the form of movement or as a process. Money sitting in a sock under the bed is not capital because it is not doing anything. It must be continually reinvested and reused, ever more rapidly. This is, after all, the distinction usually drawn between capitalism and between earlier forms of economic activity: capitalism requires the ceaseless accumulation of more capital. It does not cease and, indeed, it must not cease or else predatory competitors will seize the day to usurp the position held as part of the endless struggle of creative destruction. Harvey argues that the efficiency with which capital accumulation has become so high, propelled by technology, globalization and compliant political regimes, that an important problem has now become the need to find productive new uses for all of the capital obtained. After all, money not in use is not capital. This is why the poor and working people of America, so long ignored by the capitalist investors whose only interest was in getting them out of the way if they were not active in their factories or mines or slaughterhouses, have become useful targets for the circulation of capital: they were sold mortgages they could not possibly repay and their debts shuffled off the books and on to somewhere else, where that might be no longer mattered as long as the game of musical chairs continued.

Smith and Harvey are very much related in their arguments and in their professional relationship. Harvey provides a foreword to the new edition of Smith's work and goes further with the theory of uneven development than he does. Both share certain ideological assumptions rooted in Marxism that represent a powerful challenge to the existing capitalist system. Curiously, however, despite their mutual interest in the way that capitalism creates new forms of space for exploitation, neither really engages with the concept of cyberspace or its new divisions and configurations. Harvey's work is more rooted in the

desire to bring about social change and to provide suggestions as to how and in which ways opposition to capitalism might come about – in which way he is prescient given the emergence of the Occupy Movement mushrooming around the world. Smith's is more conceptual in nature. Both offer a great deal of ammunition for those interested in constructing a coherent critique of the contemporary economic order. However, one cautionary note is necessary: those of us approaching these subjects from other disciplines will be surprised by the apparent lack of evidence and chewing over past research and literature involved in these books. They are not works of invention, of course, but they do come from a different tradition of production.