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

Richard A. Walker

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 zones are neither equal, autonomous, nor properly considered "undeveloped." Mobility of capital means that capital may act locationally in 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 hysteresis geography of capital. These processes of uneven development are not principally owing to flows of surplus value but to the structuring of places as site-values for capital, not are the crisis 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.

1. 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, 1995). 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 the 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. 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). This is one meaning of the term "generalization of capital": penetration 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 economies 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.

A second form of underdevelopment occurs in cases where the transformation to a dominant capitalist form has taken place but where, for reasons of history, the proletarian laborers under adverse circumstances. Because of this sort of uneven development, we can frequently speak sensibly of different "capitalisms," e.g., Italian capitalism versus British capitalism. Similarly, if worker, distinctions exist between sub-national and supra-national regions.

I would like to thank Ann Markusen and Kristin Nelson for discussing earlier version of this paper with me. David Harvey has sighted my problems of space and Elias Wodow, Mike Sweitzer and members of the National Urban Policy Collective in Berkeley for showing me into political controversies having to do with the issue of uneven development.
These two forms of uneven development have dominated thinking on the topic — to the point where the framework of development/underdevelopment is appropriately applied to advanced capitalist condi-
tions. It appears, however, that these forms are rapidly dis-sappearing from the advanced capitalist nations and from much of the Third World as well. That is, the generalization of capitalist continually expands the realm of "one capitalism." 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), it is more accurately analyzed by a sort of internal colonialism (Pensky, 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.9

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 on the space from such processes as spatial differentiation (the spatial division of labor), capital mobility, spatial concentra-
tion, and successive waves of accumulation in space. We will consider just the first two in this essay (but purpose is to accentuate new ways of seeing the un-even geography of advanced capitalism which do not rely on inappropriate images of regional development and underdevelopment, internal colonialism, exploita-
tion of place by place, and the like — without, however, abolishing the specificity of space, as many Marxists are wont to do).10

II.

The Problem of Space

Putting geography at the center of our analysis re-
quires a word on the approach to space in historical materialism. Usable space is not a nature-given condi-
tion of human existence. Human beings must actively create effective spaces in which to operate — both a physical built-environment and a set of working rela-
tions in space (Lefebvre, 1974; Siau, 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 unmediated, reflective superstructure (cf. Williams, 1971). 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 ap-
propriate spatial organization, but they do not deter-
mine 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) which, to use Oll-
man'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 repro-
duction. From the perspective of capital, concrete places contain a specific ensemble of the material of nat-
ure, 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

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

These concrete objects and specific social relations relate to capital as use-values, whose usefulness is al-
ways with respect to the value expansion process. Value relations, themselves abstract and spatial, 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 spa-
tial 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 fac-
tory. (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 subordinated moment of the relation, always necessary to the value-expansion process, and occasionally rising to become the dominant moment.12

Collapsing this dialectical relation into an identity is a common error. For example, the idea that places ex-
plot places is based on a fundamental confusion of use-
and (exchange-) value, similar to the mistaken no-
tion that "nature" is exploited in value terms. The con-
crete physical and social attributes of places operate like forces of nature and means of production to aug-
ment (or diminish) value production, not to create value.13 If value flows from one area to another, it is owing to the concretely different use-value circum-
stances of capital and labor-power operating in those places.14 Surplus value is still passing from workers to capitalists and from capitalist to capitalist.15

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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, 1974, 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. Suffice it to say that the place to begin such an analysis is with the social-functional 26 divisions of human activity which capitalist 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 division 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 actually use space as a factor for their advantage. 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. 26

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, 1973; 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 interregional 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 west 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.

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. 27 (Pred,
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.¹⁹

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 socio-values of places, sorted out systemically. 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 cleavage 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.²⁰

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 “undeveloped” 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.²¹

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 autoworkers or a transistor assembly plant? That judgment depends on some sort of summation of feature common to both: e.g., wage rates, levels of the force 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.²² 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 cf 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)²³ 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 intertwined, 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.²⁴ 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.”²⁵

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 calculation 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 not always 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, local savings may be lost and capital mobility may become easier despite the presence of costs. Eventually, the labor process is eroded and the distribution of income becomes dependent on external factors. The result is a "truncated" development in which only a small fraction of the population benefits, while the rest are left behind. The impact of this is that the economy becomes less stable and more vulnerable to external shocks. The result is a "truncated" development that has its roots in the structure of the capitalist system.

The impact of capital mobility coincides with that of spatial differentiation and, as the two develop together over time, capitalist development means not only growing fragmentation but also decreasing attachment of capital to one place. Together they imply lower internal linkages, greater externalization (to use the notion's (1979) term), more leakage of surplus value, less identification of capital with the welfare of a given locality — 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-generating 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, locaitons typically compete for the privilege of being "stripped by the lightning" of outside capital (C. W. W. Wins and Strupler, 1977, Chernow, 1978). "Development" of a region comes from securing the right pieces of the mosaic or from having a concentration and balance of spacial use.

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 re 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 pattern of the capitalist mosaic is continually reshuffled. A truncated development thus has an additional temporal component.

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ment concerning the industrial reserve army. The relative surplus lowers the cost of capital inculcating 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. Widins 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 opponent. 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 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 surfers (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 lumpen geography 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. And as capital loses 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. Complementing communities and regions prostrate themselves before capital politically and economically. Of course, communities usually discover 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. Maukse, in this issue). But there is always the distant chance of moving up the hierarchy of roles or of moving from rung 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 instability 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 lumpenproletariat 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 rate 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.

Richard A. Walker
Dept. of Geography
Univ. of California
Berkeley, CA 94720

NOTES

1. Immanuel Wallerstein notwithstanding, Marx held those who saw capitalism as already universalized by the 1860s: "Strange optical illusion to see nowhere a state of things, which has not existed on our earth." (Marx, 1867, Vol. 1, 517)

2. Geographic expansion of the realms of capital comes about for a variety of reasons, such as the desire to reduce the time of circulation and the search for outlets for surplus capital. (See Harvey, 1973.)

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 exploited region.

4. The myth 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 partitioning the division of labor and competitive pressures on local producers, the stage of entry into the world market, division of export 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, in the way a system of cities of a certain rank-size hierarchy gets started and tends to persist. (Pred, 1971)

The kind of barriers involved here are the basis for the neo-
clinical conception of "imperfections in factor movements" but are by no means external to the operation of capitalism; as the neo-classi-
classical would have it, being frequently reproduced in the interests of
domestic and interregional capital.
6. This is the implication of the growing literature on the "inter-
nationalization of capital." (Falleen, 1975; Hymen, 1972.) Of course we are
seeing clear distinctions where there often are none, for the sake of argument. The process of capitali-
ization and transformation of places and society is nowhere complete
and will not yet until capital-gains become all forms of labor. The
generalization of capital is an ongoing process. See below, part IV.
7. The postwar development of the Sunbelt and evening up of cer-
tain economic indices between North and South has been well docu-
mented. (See e.g. Sternlieb and Humphs, 1976; Yale, 1975.) This apparent equivalence still holds some important distinctions, how-
ever, as argued by Perry & Watkins, 1975.
8. Please note that simple cases of the phenomenon under consider-
ation 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
Santon (1977). 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.
Spacially directed, consciously created space itself contains the
social relations around which it has been moulded.
10. The use-value of concrete places to labor is another matter. The
creation of the built-environment and spatial contexts involves an un-
going struggle between capital and labor over the definition of useful
space. (See Harvey, 1978.)
12. This way of speaking is indubitable but convenient; there are
no value relations "in themselves" but rather a value-relation of the
use-value/value-relation.
13. If, for example, social classes share the physical powers of nature
operating or use-values (futurities of labor), as in the case of soil ex-
haustion is agriculture, a crisis in value production and circulation
can result. (See Perelman, 1975 and re).
14. The creation of such conditions of value is the effects of Ed Soja (1978),
who, following Henri Lefebvre, wants to speak "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 thought as to the prim-
acy of the social relations of production under capitalism, value rela-
tions.
15. We need to be cautious, therefore, not to attribute uneven
development to flows of value where it is really a matter of, e.g., spatial
differentiation (capitalists in one place, workers in another; see below,
part III) or of "two capitalists" (labor operating under different
conditions of labor in two regions; see above, part I). of course,
the flows upon which this is based are 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 discuss the causes behind the particular use-value arrangement, 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 re-
region because it operates at less than average productivity. This is
a use-value problem, not a labor shock, etc., for the proletariat, as
in the short-run case of the English bread-bread. Only thanks to
Chuck Rosenberg for pointing this out to me. The criticism applies
particularly to Maudel (1975), as well as to all unequal exchange
theorists.
17. I have attempted such an analysis in Walker (forthcoming), on
whom the following summary statement is based. (See also Harvey,
1978 and Walker, 1978.)
18. I say the term "functional" advisedly given its hopelessly vague
usage in bourgeois social science.
19. Those are, I believe, the basic principles on which to base a
Marxist location theory. To them would have to be added the proc-
cess of "centralization/decentralization" and waves of accumulation.
(See Walker, forthcoming.)
20. Recent evidence suggests that there is no inherent danger of a
homogenization of geography of advanced capitalism, despite the efforts of
fast-food outlet- and tract home developers. But any such statement may ultimately be proved wrong, depending on the course of accumu-
lation and class struggle. It is important to see that there are two op-
posing tendencies constantly developing under capitalism, one toward
spatial differentiation and the 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 bal-
anced growth, see Harvey (forthcoming) and Walker (forthcoming,
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 Conference, 1971.)
23. It is more meaningful, therefore, to speak not of distinct regions,
such as Sunbelt and Stonebelt, but of a national system of specialized
sub-regions. 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 swashbuck, or the Gulf coast as a national effi-
cency/chemical belt.
24. Owing to regional integration this micro-located nation is no more of
a unified whole than the photo is in Houston and the headquarters
in New York that both are in New York.
25. This is true for many Third World regions as well, although
the mixture of capitalists and pre-capitalist elements of true under-
development 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 formalism of the
geographic distinction between such commercial rankings are based ultimately proven illusory. A good example is Bose, which has a share of corporate
headquarters and hence of capital power greatly disproportionate to its
population size. (Pred, 1977)
27. For the distinction between absolute, relative and relational
status, see Kogan (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-environ-
ment of cities is obviously the most intensive and thoroughly capital-
ized space within the capitalist trains.
29. The tendency of capital is not all in one direction, towards
greater mobility, but also, however, because of the countervailing force of fixed
and immobile capital increasing with the development of more
capital-intensive (and hence production) industry in the develop-
ment of large cities. Capital frequently finds itself trapped by the
very built-environment and fixed capital which is its crowning glory.
(Harvey, 1975). Capital struggles against this entrapment, of course,
and does so win a great measure of success by improving its mobility
in other ways.
30. What Amott (1971) calls "externalization" is barely confined to
the Third World and underdeveloped economies. In fact, the externaliza-
tion in more recent advanced countries is strate-
gistically high (over ninety 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 agrochemical complex today.
(Conversation with Tony Mazzucchetti, Vice President of the Oil
Chemical and Atomic Workers International.)
32. Major corporations are now multi-locational, as well as
multinational. The corporation is, in fact, becoming increasingly a sys-
35
term 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 forests off risky ventures while keeping control of
overall management and research. (Conversation with Allan Priti)
33. This is the case for virtually all suburban development, extra-
metropolitan small town growth, western energy booms, and sun-
belt recreational/reirement developments today.
34. On the other hand, since generation of capital is never com-
plete, the possibility of development from below is never wholly
blocked. It does exist to be increasingly unlikely over time, however.
Certainly Houston generate a good deal of its development independ-
ently of the old centers of accumulation in the Northeast, through
Latin American trade, oil and gas celebrities, cheap labor, and new
corporations.
35. Such restructuring is tax easily away for capital, nor is it smooth
owing to the problem of capital and capitalist practice materializing in
space as fixed capital, in local culture, as political boundaries, etc.
The future must always deal with the geography of the past frozen in
done and in human practice, either by restructing it (a potentially
easy and politically sensitive process) or by extending it and altering
space elsewhere. This process is best tested, however, as part of the
warrant of accumulation problem. (See Walker, forthcoming; also
note 29, above)
36. The apparent spatial hierarchy also constantly changes with this
reshuffling.
37. Such places tend to lose their new-found industry in as little as
five years, when the initial investment is amortized. Short-term advan-
tages can disappear rapidly, as labor costs go up or market patterns
change.
38. It takes a long time to revert to truly capitalist relations of
production (not temporary expeditions such as workers taking up sub-
stantial farming, in which they can turn to the regions of non-wage
labor any time). The same is true of the determination of infrastructure,
changing character of local class relations, etc.
39. That is, capital costs to stay mobile and more generalized than
the working class and in organizations.

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