Workers’ struggles and strategies for the left: space, place and scale

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Abstract

This paper examines how geographical space is integral to contemporary political-economic strategies and hence to the struggles of workers. It considers the two political-economic strategies which are currently dominant, neoliberalism and neo-Keynesianism, and puts forward some ideas for the development of an oppositional socialist strategy. Neoliberal strategy seeks to dismantle spatial barriers to economic flows and to shift scales of regulation upwards, and in this way to impose sharper discipline of capital over labour. This strategy offers nothing to workers but subordination to capital accumulation. Productivist, neo-Keynesian or developmentalist strategies, in contrast, aim to enhance productive linkages within particular territories, whether world-regions, nations, regions or localities, in order to organise production more efficiently, increase productivity and competitiveness, and hence enhance profitability. It seeks to make economic governance within territories of particular scale more coherent. On this basis it often seeks some degree of cooperation between capital and labour within both firms and the territory as a whole. While this strategy is more appealing to workers than neoliberalism, it suffers from many tensions and failures, weakens workers’ autonomous organisation, and draws workers into ‘progressive’ competition with those in other territories. The paper finally examines alternative, left strategies and their use of scale. It argues that struggles at all scales, including the smallest, are important for socialist initiatives. Particular attention needs giving to ways of building solidarity at all spatial scales, and to overcoming (spatial) divisions produced by differences in employment relations and social identities. A key issue is how spatial flows of capital within industries can be monitored, made the subject of struggle, and ultimately democratically controlled.
1. Introduction: socialist strategy, geography and political-economy

In the last 20 years or so, the geography of political-economy has once again become a central concern of both left political activists and radical academic social scientists. Geography was, of course, absolutely central to the debates in the Second International leading up to the First World War and in the early Third International: the economic nature of imperialism (Hilferding, Lenin, Luxemburg), combined and uneven development on a world scale (Trotsky), the responsibilities of the proletariat in the imperial centres towards the masses in the colonies, the rights of oppressed nations and the nature of nationalism within them (Marx, Kautsky, Lenin), the possibility of the overthrow of capitalism in colonial and semi-colonial countries (Lenin, Trotsky), and the spread of revolution between countries versus the construction of socialism in one country (Trotsky, Stalin). These discussions involved sophisticated, deep and difficult explorations of the relations between geography and class relations.

But the enormous gains of these debates were largely lost between the 1920s and the 1970s. The reformist Second International, beginning with the catastrophic position taken by the German party in 1914, understood the fundamental interests of workers as being those of their own bourgeoisie: an interest in further accumulation within their nation and the extraction of profits from other nations. The Stalinist perspective of socialism in one country and peaceful coexistence between the post-capitalist and capitalist worlds implied opposition to active spreading of revolution to new countries, and an alliance between the working class and ‘progressive’ or ‘patriotic’ sections of the bourgeoisie in dependent countries (the eventual abolition of the Third International by Stalin was emblematic). In short, the politics of both the Second and Third Internationals, and of the intellectuals associated with them, came to focus on the construction of ‘progressive’ coalitions between workers and sections of the bourgeoisie, and sometimes sections of the peasantry, within each country.

Not coincidentally, this chimed with the strategies of dominant sections of the bourgeoisie during the same period. In the neo-colonial world, most of the national elites adopted strategies of internal development, focused on autonomous capital accumulation (and hence their own development as a class) and the development of modern public services and infrastructures. In the imperialist countries after the Second World War, national-intervention into industrial investment, restructuring and infrastructures, as well as Keynesian fiscal and monetary policies, were adopted. In both North and South, then, capital’s strategies were focused on organising the national economy to develop its coherence and productivity. This promised rising living standards for the masses; on this basis the bourgeoisie’s strategies drew in the great majority of the left.

Through these paths, a national framework for left politics – support for capitalist productivism within the nation - became taken for granted. This meant that any problematising of the geography of capital accumulation, class relations and class struggle was almost completely expunged from left political and academic discourse.

This situation has changed since the 1980s though, I shall argue, not sufficiently or adequately. The impetus from this change has come from the geographical restructuring of capital and the adoption of neoliberal internationalisation by the
dominant sections of world capital. Capital has continued its tendencies to deepening spatial division of labour, increasing trade as a proportion of output, concentration and centralisation of capital at a world level. But these tendencies are inherent in capital itself (Marx, 1972 ed.; Harvey, 2000: 53-72), and have been proceeding for at least two centuries (though with periodic retreats). More importantly, the political strategy of capital which has become increasingly dominant since the 1970s has been to reduce or demolish barriers to international economic flows and national forms of regulation which might block those flows. This is reflected in neoliberal regimes (US, Britain) or reforms in a neoliberal direction (rest of the EU, Japan) of the imperialist countries, but also in the precipitate decline of the strategy of ‘internal development’ in the neo-colonial world and its replacement by export-led development and opening to world markets. Workers in both North and South have thus been faced by increased international pressures from trade, movement of productive capacity and flows of money-capital (Harvey, 2003). But this has impinged not just as a series of geographical-economic facts, but as an increasingly dominant ideology: every worker is to see herself or himself as competing against workers worldwide. Workers’ struggles in production and around welfare services and benefits have increasingly had to face the argument that ‘international competition’ or ‘globalisation’ does not allow their demands to be met. For workers’ organisations and for left parties, geography has come home to roost.

There have been two principal reactions by the left, broadly defined, to these developments. The first, shared by the majority of the parties of the Second International, has been to proclaim that nationally-based social democracy is dead and that there is no alternative to strategies for increased competitiveness within a world of free international economic flows – that is, an acceptance of the majority of the neoliberal agenda. The second reaction of the left has been to reassert the national developmentalist or Keyensian strategy of the previous epoch, albeit in various reworked forms (for a survey see Zuege, 1999). Indeed, sometimes this renewed defence of territorial integrity has shifted down a scale to the sub-national region or locality: productive integration, economic governance and capital-labour collaboration may no longer be possible at the national level but it can be re-invented at the local level (Eisenschitz and Gough, 1993; Goetz and Clarke, 1993). These currents on the left do indeed see the contemporary, and changing, geography of capital accumulation and capital’s strategies as a problem; but the solution is the old one of class collaboration within a determinate territory.

The left currents which have reasserted the importance of national or regional territory have found their echo in radical academic writing. In particular, many post-Keynesian and institutionalist economists have sought to argue that much of the literature (from the left as well as right) has exaggerated the extent of economic globalisation, and that national and even regional and local levels retain their importance as units of economic organisation. Thus Hirst and Thompson (1996) have argued that international flows are, by and large, lower in contemporary capitalism than at the start of the 20th century. A veritable new academic industry has developed which analyses economic linkages within regions and localities, starting off from the concept of the industrial district developed by Marshall: the literature on flexibly-specialised industrial centres, industrial clusters, and ‘learning’ or ‘knowledge’ regions argues that the relations between firms, institutions and labour within regions are of crucial importance to their productiveness and hence competitiveness and
growth (Piore and Sabel, 1984; Scott, 1998; Storper, 1998). This is said to be true not only of industrial regions comprised of small and medium firms but also of the mode of organising of large and transnational firms (Sabel, 1989). Even finance may still be substantially regionally-organised and regionally-specific (Martin, 1994). The local thus retains its economic logic within a globalising world. These arguments for the continuing economic importance of national and local levels have been closely linked to arguments that national or local states or agencies can and should politically intervene into economic restructuring. Thus it has been argued that national monetary and fiscal policy can still be used to create jobs and improve funding of public services (Costello, Michie and Milne, 1989), or that monetary policy can be used for reflaction, at least at the world-regional level (Grieve Smith, 2000). States can intervene to increase the coherence of national industries (Porter, 1990; Krugman, 1991). States can adopt policies to regulate the relation between finance and production, thus stabilising finance with benefits for, for example, pensions (Blackburn, 1999). If we descend a scale, many institutionalist analysts of the ‘new regional economies’ argue that it is both feasible and necessary to strengthen regional economic governance. It is argued that such intervention not only is compatible with (relatively) free global markets in commodities, money and production but in fact can benefit from such free markets (Hirst and Zeitlin, 1989; Castells, 1996; Amin and Thrift, 1995; 2002; Cooke and Morgan, 1998); this can be so even in the Third World (Storper, 1991). These theorists thus lend support to the left strategy of working with capital within particular territories to enhance its productiveness.

This rediscovery of nation and region, economic, political and cultural, by radical academics tends to have certain lacunae, however. Firstly, their analysis of economic internationalisation and of the neoliberal strategy which promotes it does not appreciate their logic in class relations (Clarke, 1988; Bonefeld and Holloway, 1995; Gough, 1996). As I shall argue, the internationalising moves of firms and states have a profound logic for capital during a long wage of low profitability, as a way of changing that most important relation of capital, its relation to the working class. Hurst and Thompson’s critique of the quantitative extent of economic internationalisation, then, misses a more important point: the effects of this internationalisation on capital-labour relations, and the role of capital-labour relations in powering internationalisation. Secondly, radical academics’ elaboration of schemes for national or local economic governance does not address their class relations, or rather, address them only schematically: they assume that a productivist strategy will elicit cooperative relations between capital and labour within the territory (Best, 1990; Cooke and Morgan, 1998). The possibility of serious class conflict within such productivist arrangements is not entertained. This school of radical economic work, then, is economistic in its focus on economic patterns, in reading off political strategy from economic logic, and in neglecting the nature of the capital-labour relation as a form of power.

This paper attempts to address some of these weaknesses in geographical-economic analysis and geographical-political strategy found among both left activists and radical academics. I consider three political-economic strategies as projects for reshaping class relations. In this way, I seek to show that the use of space is integral to these strategies not merely in the sense of the geography of linkages between firms and institutions but in the inherent spatiality of class relations. In section 2 I analyse neoliberalism as a geographical strategy for reimposing capital’s domination of
labour. In section 3 I consider left strategies aimed at strengthening productive linkages within territories, and argue that the class relations inherent in these strategies are deeply problematic for labour. This critique implies the need for a different geographical strategy for labour. In section 4 I discuss some geographical aspects of labour’s struggles, in particular of labour’s attempts to gain control over the allocation of capital investment. My overall theoretical argument, then, is that geography is always central to strategies for class relations of whatever political hue. Accordingly, geography should not be taken for granted by left activists and academics but should be subjected to serious critical analysis.

2. Neoliberalism and spatial mobility

Neoliberalism emerged in the 1970s and 1980s as the dominant strategy - or better, direction of change (Peck and Tickell, 2002) - of capital in the imperial centres. It was subsequently adopted by the majority of states in the neo-colonial world, in many cases under instructions from the international agencies (IMF, WB) controlled by the imperialist states using debt or under military-political pressure. The genesis of this strategy needs to be understood at different levels of abstraction.

At the highest level of abstraction neoliberalism addressed a crisis of accumulation of value as capital. This had two aspects (Mandel, 1978a; 1978b; Armstrong, Glyn and Harrison, 1991):-

(a) A crisis of surplus value extraction

At the quantitative level, the rate of profit on industrial capital in the imperialist countries had, over the previous 25 years of the boom, gradually fallen to very low levels. At the qualitative level, capital’s effective rule was brought into question by workers rebelling against capitalist discipline within production and the employment relation (Glyn and Sutcliffe, 1972) and citizens demanding better public and urban services (Lefebvre, 2003; Castells, 1978). The first aim of neoliberalism was to address this crisis of surplus value extraction. The control of capital over labour within both production and reproduction spheres was to be reasserted. This would enable the rate of surplus value (surplus value divided by the value of labour power per worker per time period) to be increased, tending to raise the rate of profit on capital (total surplus value per time period for given total capital stock employed).

(b) Overaccumulation of capital

During the previous long boom, the ratio of fixed capital to variable capital in production had risen (Hargreaves Heap, 1980). Moreover, increasing quantities of investment in social and physical infrastructures, with long turnover time (long period of repayment), had become necessary, financed by both private capital and the state (Harvey, 1982); this tended to further increase invested capital relative to surplus value being realised per unit time (Gough, 1991a). Accordingly, the second aim of neoliberalism was to allow and encourage devalorisation of capital assets. This devalorisation would tend to increase the rate of profit on capital by reducing its denominator.
These processes, at the highest level of abstraction, are aspatial, in the sense that they are (potentially) realised in every firm, locality and country in the capitalist world (ubiquity) and need to take place in most of the capitalist world to be effective (world aggregate). At a slightly more concrete level of abstraction, however, these processes are realised through social relations in which space plays an intrinsic role [1]:-

(i) Raising the rate of surplus value in production

Neoliberalism centrally involves an offensive by individual firms and by collectives of firms, supported by the state, to intensify work and to diminish the rate of real wage rises or to cut wages in real terms (two forms of absolute surplus value extraction). Individual firms are compelled to go down this path by changes in the geographies of commodity, money and productive capital. Reducing barriers to trade erected by states means that firms face sharper competition in final markets. Reducing states’ regulation of the movement of money capital and of the uses to which it can be put places pressure on each productive capital (each industrial or commercial firm) to raise its rate of profit. Reducing state-imposed conditions on productive investment (for example, rules on nationality of ownership of assets) increases the number of potential places where productive investment in a given industry can be made, thus intensifying competitive pressure across the industry. These pressures on firms are then transmitted down to pressures on workers: firms can demand intensification of work or wage cuts using the threat of closure on the grounds that the workplace is not sufficiently competitive in the changing geographical-industrial conditions. Moreover, firms which open new production sites in territories where the industry has not previously existed can often operate them with a high rate of exploitation. Neoliberalism organises this ‘race to the bottom’. A further element is to enhance the geographical mobility of workers. In particular, migration from low to high wage areas can act to hold down wages in the latter and to feed expansion of lower wage sectors. Neoliberalism is thus, in principle, in favour of removing immigration controls, though this is fraught with political, social and ideological difficulties (Harris, 1995).

(ii) Cutting the ‘social wage’

An increased rate of exploitation requires that the transfer of income to workers via the state be cut back. The state holds down or decreases spending per head on welfare services and on transfer incomes. This enables cuts to business taxation, directly raising retained profits; it may also enable cuts to taxation of workers, which business may be able to bargain away in the form of lower wages (O’Connor, 1973). There is thus a net transfer from the working class as a whole (including those who are not in work) to business. Geography enters here, too: the increased mobilities of capital, (i), put pressure on states to help to increase the rate of exploitation if they wish to maintain or increase the rate of profit of production operating in their territory or of firms headquartered in their territory. The state thus mediates pressures from the geography of capital.

(iii) The state disciplines firms

Neoliberalism weakens state industrial policy, so that firms lose certain types of protection or ‘padding’ against pressures of value. Tightened monetary policy tends
to raise interest rates and reduce the volume of loans to non-financial firms. Both these changes compel non-financial firms to attack their workforces, (i). In particular, monetarist policy is a key form of discipline of the working class (Bonefeld, 2001). Neoliberal state policies also result in the writing down of asset values, scrapping of capacity and outright bankruptcies, (iv) below. Geography operates at two scales here. Firstly, a national disciplinary regime is imposed on all firms operating within the nation irrespective of their profitability, line of business or local circumstances (this ‘national’ space can be the Eurozone, or the zone of currencies pegged to the US dollar); money, the most abstract form of value, abstracts from the local particularities of production. Secondly, states are forced to undertake this disciplining of individual capitals by the international competition of capital. Devalorisation and attacks on workers’ conditions, while they are to be carried out worldwide, are carried out competitively by nation states in order to improve the conditions of accumulation within each country.

(iv) Devalorisation of capital and flows into new investment paths

Devalorisation, as we have seen, is necessary to eliminate overaccumulated capital. It also has the beneficial effect for capital of throwing workers out of work, swelling the ranks of the unemployed, and thus (it is hoped) putting further downward pressure on wages (a process for which Milton Friedman argued strongly). The elimination of capital values is inevitably a process which is highly uneven spatially because of spatial uneven development in profitability and in indebtedness. But this can have advantages for capital: the least profitable capitals are eliminated; these may be ones where labour has been well-organised, or ones where industrial arrangements had become burdensome for capital; thus previous constraints of socialisation, built up in earlier periods, are thrown off. Capital is then free to flow into new investment paths – new industries, new locations. Devalorised assets may also be bought up cheaply, often by capitals from outside the country or region. Moreover, neoliberalising states provide new, profitable investment opportunities by seeling off their assets, often at devalued prices. These latter two processes have been referred to by Harvey (2003) as ‘accumulation by dispossession’.

All this appears as (takes the concrete form of) the freeing of markets, although, as we have seen, it is capital accumulation rather than markets as such which is the key. And this is how neoliberalism presents itself ideologically: not as a renewal of capitalist power, but a freeing of markets from artificial constraint by labour, states and monopolistic firms.

Within the neoliberal strategy, then, geography figures as wider spatial flows and easier mobility. Space is fragmented, even pulverised, and thus (tendentially) made homogenous (for this process in capitalism in general see Lefebvre, 1991; Harvey, 1989b: Ch.15). In the ideological representation of neoliberalism, the elimination of barriers to economic flows is pictured as a necessary aspect of creating genuinely free markets: if barriers to trade, production or money exist, then how can the corresponding markets be really ‘free’?

If we view these processes from the point of view of the working class, the immediate results are to intensify work, put downward pressure on wages and conditions, and raise unemployment. At a deeper level, workers worldwide are increasingly stripped
of their territorial economic, social and cultural specificity; the world proletariat is tendentially rendered as undifferentiated, *abstract* labour power, as Marx predicted. From the point of view of workers’ consciousness and hence organisation, this could potentially have the effect of unifying workers against capital across geographical boundaries. Such an outcome can be reinforced in some industries by the centralisation of capital at ever-larger scales, thus making workers in far-flung locations employees of the same firm (Herod, 1998; Went, 2000; Amoore, 2005).

However, the possibilities for developing workers’ unity are contradicted by three powerful counter-tendencies. Firstly, the relative immobility of workers compared with the mobility of capital means that they experience pressures on their employment conditions and security as a *local* threat; and this appears to have a *local* solution, namely, for them to accept deterioration of working conditions, thus raising local competitiveness and, in the long term, securing their employment (Clark et al, 1992). This apparent localism militates against consciousness of common interests with workers at larger spatial scales. Secondly, and connectedly, devalorisation, and hence the degree of pressure on workers, is, as we noted above, highly spatially uneven. Threats to jobs and working conditions appears to be the consequence of particular local workplaces and/or workers not being sufficiently productive (even though it is in reality due to the *increasing* productivity of labour at higher spatial scales: Cole, 1995: 147-8). Workers are thus encouraged to blame themselves. Underlying both these two processes is the fetishistic nature of markets: deterioration of working conditions and employment prospects appears as the result of ‘impersonal’ (non-class) markets, set against the ‘mere’ particularity of the individual worker (Cox, 1997). Also underlying them is extreme alienation: the social nature of labour embodied in value and capital - which is, as we see in section 4 below, the potential basis for workers’ collaboration - appears as an alien force. A third divisive process is that, in the absence of pre-existing organisation and consciousness at wide spatial levels, workers often fall back on their social particularities – ‘race’, ethnicity, nationality, age, gender, and so on. Workers thus try to resist their reduction to abstract labour power by appealing to more concrete social traits which distinguish them from others. Geography is an important aspect of these divisions (exclusion of workers from abroad; exclusion of women because ‘their place is in the home’).

For workers, then, neoliberalism means sharpened discipline within the workplace and deterioration of employment conditions. The effect on workers’ political-spatial consciousness is contradictory. By treating all workers in the world as potentially equal and interchangeable, capital creates the potential for consciousness of unity at higher spatial scales than previously. But ‘the world economy’ is made to appear to workers as an alien and unstoppable force, and uneven development means that their problems are *appear as* local ones, even as ones which they themselves are responsible for. These spatial contradictions in workers’ position and consciousness mean that the left needs to consider very carefully the *spatiality* of capital and of workers’ demands and their organisation, a task to which we return in section 4.

### 3. **Productivism and territorial integrity**

Since the reigns of Reagan and Thatcher in the 1980s, neoliberalism has been the dominant direction of change in political economy in nearly every country in the world. But what I will call the ‘productivist’ strategy, which in important ways
contradicts neoliberal strategy, has by no means been eliminated. At the highest level of abstraction this is because the capitalist mechanisms which neoliberalism deepens and seeks to use therapeutically are themselves contradictory. In particular:-

(a) Devalorisation of capital assets often gets out of hand. It eliminates not only weak capitals but productive ones. It can spill over into an uncontrollable wave of destruction, as during the late 1990s ‘Asian and Russian financial crises’ (which, of course, did not originate in Asia or Russia nor in finance). In particular, physical and social infrastructures (particularly those in state ownership) across whole territories can be rendered useless by (private) devalorisations.

(b) Industrial and commercial capitals tend to feel the discipline of neoliberalism more acutely than financial (money) capitals. This is partly because neoliberal monetary policy tends to raise interest rates, thus effecting a transfer of income from non-financial to financial firms (Dumenil and Levy, 2001). Moreover, if a particular state carries out a more stringent monetary policy than others, the exchange value of its currency will rise, benefiting holders of money assets denominated in its currency. Moreover, the speculative or fraudulent operations in financial markets encouraged by neoliberalism often seriously destabilise productive capital, as the Wall Street scandals of recent years show (see also Fagan, 1990).

(c) Workers can fail to be reproduced as labour power useful for capital, that is, as a real ‘reserve army of labour’. The spatial unevenness of devalorisation and accumulation means that the unemployed or partially employed may be located in places where accumulation is weak, and they may be in short supply or absent in places where accumulation is strong. They may be unable to migrate from the one to the other because of social ties, living costs, or other workers’ hostility. Workers’ skills may be inappropriate for employers’ needs. Workers’ habits and attitudes to work – that is, attitudes to capitalist discipline – may be poor from employers’ point of view, especially where workers or their communities have previously suffered at the hands of neoliberal employers.

(d) Neoliberalism fails actively to construct new forms of productive socialisation which can provide new investment opportunities reaping surplus profits; yet such surplus profit sectors are necessary to capitalist growth and capital accumulation (Freeman et al, 1982; Mandel, 1978a). High productivity and, especially, high innovation production cannot be created alone by single firms, as neoclassical economics assumes. In modern industry, particularly, ‘high road’ production relies on complex inter-firm collaborations, various types of support from states, and, often, relatively harmonious, collaborative and stable relations with workers, in short, strong socialisation of production. Devalorisation, with its risks and unpredictable spill-overs and purely disciplinary regimes of labour, militate against the construction of such forces of production.

Note that all these problems are strongly geographical. Due to uneven development it is particular territories which suffer. Problems spill over from one territory to another. Yet workers are typically unable to move to where the jobs are. And agents in one territory (for example financiers in the world financial centres) are able to save themselves at the expense of firms and workers in other territories (for example neo-colonial countries) (Harvey, 2003).
These problems are perceived more acutely by some sections of capital than others. We can hypothesise that they concern industrial and commercial capitals more than financial, and small and medium industrial and commercial firms more than larger ones since the latter typically engage in also financial activities. The former sectors of capital may then oppose at least some aspects of the neoliberal agenda. But, less obviously, this opposition may come from capital as a whole. The four types of problem above are, in the end, problems for the circulation and reproduction of capital as a whole. They thus constitute inherent contradictions for capital of the neoliberal project, posing dilemmas for capital as a whole.

Accordingly, capital or sections of it within particular territories or in particular conjunctures may push towards productivist strategies. In essence, these strategies seek to enhance the socialisation of production within particular territories. Corresponding to the problems just noted, productivist strategy seeks –

(a) to mitigate and manage the processes of devalorisation. It may seek to extend the life of productive assets, not only by revenue subsidy but by engineering reconversion. It may seek to channel new investment into territories with useful existing physical and social infrastructures, including housing stock. Examples are programmes undertaken by regional governments in ‘rust belt’ areas of the imperialist countries (Cooke, 1995).

(b) to mitigate and manage the uneven development between financial and non-financial capital. Some national and, particularly, regional states have attempted to set up new institutional mechanisms to channel finance to local industry. At a larger scale, during the late 1990s ‘financial’ crisis Malaysia re-imposed controls on the export of money capital, in the face of intense pressure from the US. The Agentinian state in early stages of outright crisis in 2002 also had to freeze financial assets in a (vain) attempt to stabilise productive assets.

(c) to support and steer the reproduction of effective labour power. States have undertaken programmes to socialise those who have never worked into the habits of capitalist wage labour; to train the unemployed in new skills; and to help workers or potential workers to relocate to higher demand areas. Again, these programmes have been strongly focused on the regional and local levels. More subtly, states, especially at the regional and local levels, have attempted to draw populations into actively promoting themselves as valuable labour power, or into various forms of formal or informal entrepreneurship. The latter programmes aim to reduce the despair, cynicism and incipient rebellion of ‘abandoned’ populations arising from neoliberalism.

(d) to orchestrate the creation of new forms of socialisation. Examples are programmes to stimulate and subsidise innovation, link universities to industry, transfer technologies to local firms, or to train in new skills. These typically involve levels of state and para-state agencies in dense (‘thick’) networking with firms and sometimes even labour unions (see references in section 1). The state may also directly provide new physical and social infrastructures or organise (and subsidise) their provision by private capital. These initiatives support a strategy of relative surplus value extraction.
Formally speaking, all these measures contradict the neoliberal agenda. Yet they may complement neoliberalism: firstly by ameliorating its negative impacts on accumulation, and secondly by containing workers’ rebellion both within and outside of production (to which I return shortly). The national and international neoliberal environment in which these productivist programmes are carried out also helps to limit (excessive) politicisation which they might otherwise spark (Gough and Eisenschitz, 1996; Gough, 2002). Because of the political-ideological dominance of neoliberalism since the 1980s, productivist strategists have usually sought to minimise their differences with neoliberalism. Ideologically, productivist initiatives often make themselves appear compatible, or even identical, with neoliberalism: productive interventions are carried out in the name of ‘increased competitiveness’ and of the territories concerned ‘being able better to operate in global markets’. This has had the effect of making debate on the options for capital inexplicit and mystifying. [2]

The spatiality of productivist strategy is, then, very different to that of neoliberalism. Rather than merely opening up territories to greater flows, it seeks to organise flows, exchanges, collaborations and networking within territories. Rather than treating all locations as essentially equal, differing only in their prices, it seeks to draw on the economic, social and cultural specificities of the territory. Rather than promoting cosmopolitanism, it seeks to draw on, and cultivate, historically-embedded local cultures. In short, it focuses on use values – the concrete forces and relations of production - rather than abstract exchange value; the former are necessarily territorially specific, while the latter is ubiquitous.

The conflicts and complementarities between the (spatial) logics of neoliberalism and productivism create enormous tensions for capital and divisions within it. Turkey provides a fascinating example in this regard. Since the 1960s, as part of the export orientation, Turkish capital has become more centralised, more integrated with foreign capitals, and, in parts, more capital intensive. These economic developments have had a political correlate in the form of the turn to neoliberal strategy by the Turkish state, decisively from 1980 (Ercan and Oguz, 2005). Capital’s discipline over the workforce has been strengthened; indeed, Ercan and Oguz argue that real subsumption of labour by capital has been achieved only in this period, motivated and enabled particularly by increases in capital intensity. At the same time, the Turkish state has oriented to eventual integration into the EU, as a means of strengthening trans-border centralisation of capital, increasing exports, eliminating backward sectors of capital, and strengthening discipline of the working class. Both the class content and the spatiality of neoliberalism are very evident here. However, the coming to power of the Justice and Development Party in 2002 has complicated this picture. This party may be taken as reflecting the interests of small and medium export-oriented capital. The latter has pushed for certain productivist measures to be implemented at the regional and local level, as one might expect from the account of productivist strategy given above. This was reflected in the government’s proposal of Regional Development Agencies with substantial powers to initiate and orchestrate such socialisation. But this legislation was greatly weakened by representatives of the centralist Kemalist state, defending a more purely neoliberal strategy. The JDP has, however, been able to pursue certain locally-based initiatives which aim, in productivist fashion, better to reproduce labour power economically and culturally (support for NGOs dealing with poverty, religious initiatives, and so on). We see here
the strategic tensions within capital, and how they can result in programmes which are significantly different both in economic-social content and, inextricably, in their spatiality. [3]

The productivist strategy tends to be much more appealing for workers than neoliberalism. It promises to improve productivity and hence competitiveness, and thus secure jobs within the territory and improve their conditions. Productivist strategies often involve not only training schemes but improvements to social and physical infrastructures which are of direct benefit to workers both in production and in their social lives. Some productivist strategies give (or promise) a certain role for labour and community organisations within production and in social provisions. Culturally, productivism tends to celebrate at least certain aspects of the inherited (‘traditional’) culture of the territory, and in so doing lends dignity to the way of life of local working class people. (This may take the form of cultural reaction, as in the case of some Christian NGOs in the Third World and fundamentalist Islamic currents. But, to the extent that the productivist agenda is one of improved capital accumulation through relative surplus value and technological advance, productivism has to tread cautiously in its cultural representations; indeed, this tension is evident in the Turkish JDP.) In appearing to protect, if not insulate, the territory from the anonymous destructive powers of ‘globalisation’, productivism promises to protect workers both economically and culturally and to care for them in an ‘imagined community’. Thus the geography of productivist strategies is at the heart of their appeal to labour. On this basis, many currents on the left worldwide have supported productivist strategies. These have in some cases been national productivist strategies, as in Turkey (Ercan and Oguz, 2005) or within the Socialist and Communist Parties in France. Sometimes they are of regional extent, as with social democratic strategies within the EU (Gough, 2004), in particular the Labour Party in Britain (Eisenschitz and Gough, 1993, Chs 4 and 10; Gough, 2003b).

Despite these appealing elements, productivist strategies have major problems for the working class (Clarke, 1988; Albo, 1997; Zuege, 1999; Ercan and Oguz, 2005). Firstly, the jobs and employment conditions which the strategy promises are far from guaranteed. The territorial socialisations which the strategies attempt to construct are set on a neoliberal base. Projects to construct durable intra-territorial networks have to contend with the individualism of firms and their wish to be free of constraints which have been deepened by neoliberalism: free to change their suppliers and customers, free to change their working practices and workforces, free to switch between sectors and locations. It is hard for territorial agencies to persuade firms that their long term interests could be better served by renouncing these forms of flexibility. Competitive threats from lower cost locations incline firms to maintain a cost-cutting, short termist stance. Moreover, even long-established industrial clusters can face overwhelming competition from new clusters elsewhere (Storper and Walker, 1989: 83-93). When this occurs, even firms which have been strongly embedded in their local industrial milieux may shift their investment elsewhere (see for example the case of the fabled ‘Third Italy’ industrial districts, or the internationalisation and capitalisation of investment by the cooperative Mondragon network). Alternatively, locally-embedded firms under pressure may attack the employment conditions of their workforce in situ (Murray, 1987). Note that these instabilities of productive socialisation do not arise merely from the pressures of an external neoliberal world on the productively-integrated territory: the impulses to
mobility, flexibility and cost cutting are *internal* to all capital (Gough, 1991b; 2003a: 49-56; Ercan and Oguz, 2005: 8, 15).

A second major problem for labour with productivist strategies is the *class relations* which they foster. They are based on an assumption of a unity of interest between workers living in the territory and capital operating within it. Productivity and technological improvements and ‘continuous improvement’ are to be underpinned by cooperation of workers with their employers, and by workers’ flexibility in adjusting to ‘external’ market shocks. This imagined community of economic interest is constructed through opposition to an ‘Other’ which is competitor firms and their workers outside of the territory. Productivism thus encourages workers to see themselves in opposition to workers elsewhere, particularly workers in the same industries. We see here, then, a dialectic characteristic of exclusionary territorial community: unity within the territory constructed by opposition to those outside (Crow and Allen, 1994). These class relations are doubly disabling for workers. When workers are attacked by ‘their own’ firms (that is, those within their territory), they do not have the political culture which would enable them to resist since they are being attacked by their ‘collaborators’. Moreover, solidarity with workers elsewhere is hard to construct when they have long been regarded as outright competitors. Spatial uneven development across industries then comes to appear not as reason for resisting and controlling capital but rather as reason to make more concessions to the territory’s firms in order to boost competitiveness.

Thus the central problems for labour of the productivist strategy lie precisely in the *spatiality of its class relations*. Through collaboration under the rubric of ‘territorial competitiveness’, workers subordinate themselves to the demands of their employers. The latter may grant them good working conditions as long as local socialisation enables successful competition, but will withdraw these conditions and axe jobs if it does not. Meanwhile, any consciousness of common interests with workers elsewhere is expunged by the very terms of the productivist compact.

### 4. Socialist strategies for labour: what scales?

#### 4.1 Some general considerations

If both spatially-open neoliberal relations and spatially-enclosing productive relations function to control and disempower labour, what could be the spatiality of strategies which pursue the interests of the working class against capital without compromise, that is, socialist strategies?

Note first that, at a fundamental level of analysis, the capital-labour relation is ubiquitous and has no particular scale (Gough, 1991b). It operates and reproduces itself *within* workplaces, firms, neighbourhoods, regions, nations and across the capitalist world. To be sure, it is unevenly developed spatially. In the global South a large proportion of the population survive outside, or substantially outside, of the wage relation; but in every country the capital-labour relation is dominant politically, and also circumscribes non-capitalist production economically; thus wage labour is immanent even in the non-capitalist sectors. In capitalist production strictly defined, capital-labour relations take very varied forms, in particular on the axis of coercive versus collaborative relations (Friedman, 1986). But these differences are
developments of the same structure, developments which grow out of its inherent contradictions (Gough, 2003a: 29-30; 61-63).

This analysis may appear banal; but it leads to important conclusions for workers’ struggles against capital, which I shall put in the form of propositions:-

(i) The struggle of workers against capital takes place chronically at every spatial scale.

In each workplace capital attempts to extract more surplus value from its workforce, as relative or absolute surplus value or both; and labour resists the coercion which this inevitably involves. Within localities, regions and nations labour markets form, governed by social, cultural and political processes as well as ‘economic’ ones (Jonas, 1996), in which firms (and collectives of firms) and workers (and collectives of workers) bargain over employment conditions. Even national labour markets impinge on each other to some extent via migration. All the scales of labour markets from neighbourhood to the globe are structured by the (spatial) investment strategies of capital, and capital flows are often the direct object of struggle by workers. Note that struggles at smaller spatial scales are not merely a part of larger aggregate struggles, though they are that; they potentially have within them the substance of socialist politics, that is, an assertion of workers’ interests irrespective of capital’s plans. Socialist struggle against capital therefore needs to proceed at every spatial scale because they are congruent with each other (Gough, 1991b). For example, as I argued in section 3, workers in a workplace who submit passively to their particular employer’s demands cannot be part of a national offensive of labour. Thus in socialist strategy, no scale can be left out or regarded as qualitatively less important than others.

(ii) Because of the ubiquity and singular fundamental nature of the capital-labour relation, a socialist strategy can and should develop a consciousness that workers everywhere have fundamental interests in common.

The processes through which these common interests appear – through which they are realised - are complex and varied. They may appear through workers’ effect on labour market conditions: an offensive by one group of workers or workers in a particular area can push up wages and conditions for others within the same labour market (of whatever territoriality). The success of one group of workers can provide a political inspiration to others, showing the possibility of winning. Conversely, it may cow other employers into granting concessions or at least refraining from making attacks on their workforces. Offensives of particular sections of labour may lead to capital agreeing to politically-enshrined rights whether at regional, national or even international levels which then benefit other workers. Or workers may take solidarity action with others in a dispute which does not directly affect them. One task of a socialist strategy is therefore to stimulate all these forms of solidarity at higher spatial scales, whether the solidarity is conscious or not. These actions, rather than abstract propaganda about workers’ common interests, are the way in which consciousness of common interests can develop.
(iii) Because the fundamental capital-labour relation is developed with many variations, including over space, socialist strategy has to consciously address difference.

Important differences include (a) differences in the labour process, for example with regard to degrees of skill, worker autonomy, sociability, and so on; (b) differences in employment conditions, including security of employment and hours work as well as wages; and (c) the social sections of the labour force employed, distinguished by ethnicity, gender, age and so on. Workers’ struggles within a territory of given extent, (i), are often undermined by such differences (Gough, 2003a: 273-89). Solidarity between workers across space, (ii), is also often blocked by them; an obvious example is failure of solidarity of workers in the North with those in the South on grounds of their ‘race’ or the ‘exploitative’ or ‘primitive’ (i.e. low productivity) labour processes in which they are employed. Socialist strategy cannot ignore these differences, even if they are analytically more contingent than the fundamental capital-labour relation, since they are the form within which this relation is actually lived.

A further consideration relevant to the spatial forms of socialist strategy is that these need to consider, centrally, struggles beyond the production realm (Lefebvre, 2003; Harvey, 1989a). This is needed, if for no other reason, to counter the neoliberal offensive against labour through attacks on welfare services and incomes of non-workers (section 2, point (ii)), and because productivist strategies seek to integrate the working class through limited provision of welfare services in forms which embody conservative social relations (dependent on and reinforcing the family and gender distinctions, for instance: Gough and Eisenschitz, 2005 forthcoming, Chs 8 and 10). At a more analytical level, we may note that workers are reproduced, and reproduce themselves, through the nexus of production relations and relations of social life; while these are materially and ideologically separated within capitalism (especially developed capitalism), they are nevertheless intimately connected and internally related (Pain et al, 2002: Ch.2). Struggles for better social services, transport services and housing are generally conducted at a mixture of local, regional and national levels, depending largely on state arrangements, while struggles over state income benefits are mostly directed at the national level. The forms of consciousness developed in production and reproduction struggles respectively may spill over onto, and reinforce, each other at a particular spatial scale. For example, the enormous struggles around housing and transport which took place in northern Italian cities in the late 1960s were reinforced by, and reinforced, the high level of militancy and incipient workers’ control which existed in the large factories. This provides another reason (in addition to (i) above) for the importance of the local level in socialist politics.

### 4.2 The struggle to control investment flows

My conclusion from the preceding discussion is that the struggles of labour against capital need to proceed at all spatial scales, and that at each scale specific attention needs giving to forms of solidarity between workers with different employment conditions and different social characteristics. But this argument so far has not considered the greatest barrier to solidarity and the building of workers’ collective organisation and consciousness: the competition between workers arising from competition of capitals across space. We have seen that neoliberalism orchestrates
this competition in order to impose discipline on workers within the labour process and employment relation. We have also seen that productivism, while promising to protect workers from such competition, in reality promotes it through different means, and uses competition with capitals outside the territory to ensure control – either soft or not – over workers inside it. Thus the competition between capitals operating in different territories, mediated by either of these political approaches, reproduces workers’ relation of subordination to capital and pits workers against others. Note that this competition can be between workplaces owned by the same firm.

This spatial competition proceeds through shifts in investment within a given industry between territories, and through shifts in investment in and out of the industry. Decreasing competitiveness and declining profits of a workplace will be expressed, at some point, in a drying up of investment, the devalorisation of the workplace as an asset, and possibly its liquidation into money capital. Withdrawn capital may be invested within the same industry in another location, or may flow into other sectors (through the firm itself or through the financial system). Conversely, the actuality or prospects of good profits from a workplace tend to lead to new rounds of investment in it, and this is likely to reinforce its competitiveness at least in the short term. If final demand is strong, or if devalorisation of some assets in the industry is proceeding strongly, then this new investment may come from capital previously operating outside the industry. The problem for labour of competition with workers elsewhere is thus not simply a matter of spatially-uneven markets (different pay rates, different local final demand, and so on) but rather is an expression of capitalist control over investment and disinvestment, in particular decisions concerning its sector and its location. In other words, the key problem is the sectoral and spatial mobility of capital. A socialist strategy which builds solidarity between workers in different locations (whether these be localities, nations or continents) and thus addresses workers’ problems within each workplace therefore needs to influence, and ultimately control, these investment flows.

How can labour unions and popular organisations move in this direction? One feasible starting point is monitoring by workers within an industry of the shifts in productive capacity within it. Unions, in association with sympathetic researchers, could track flows of investment into the industry and disinvestment from it, trends in rundown of capacity and of closures of sites, and trends in investment in capacity and opening of new sites. This would involve also monitoring the productivity of labour (output in dollars per worker) within the industry as a whole, its change over time, and its uneven development between sites; this determines the relation between jobs and final demand. In this way workers across the industry could develop a picture of aggregate capacity and its relation to final demand; this would show whether there was over-capacity (with a likelihood of imminent closures or rundown of capacity some locations) or under-capacity (with a likelihood of new investment in new or existing sites). They could also develop a view of the geographical shifts which capital was carrying out within the industry. The impact of changes in the labour process, whether absolute or surplus value extraction, and their relation to productivity and number of jobs could also be understood. This kind of tracking of capital could be carried out within industries whose competition for final markets and capital flows occur at any scale. Thus it could be done within localised industries (for example many service industries), national industries, or internationalised ones (for example most manufacturing sectors).
The process of monitoring could in itself have important organisational and ideological gains: it could create networks of workers’ organisations spanning different locations, and develop a consciousness of their common situation. This might then lead to workers’ organisations putting demands on capital with regard to industry investment and disinvestment and their geography. For example, workers faced with disinvestment motivated by their strong union organisation could be in a better position to demand that reinvestment took place in their workplace (or locality). Where capital was seeking to impose a higher intensity of work than the existing industry norm by investment in greenfield sites, unions at the new site might bargain for a better labour process. These demands could be directed either to a single multisite firm or to different firms.

The tendency of such bargaining would be for the development of workers’ plans for the industry. These would comprise targets for aggregate investment and disinvestment; the quality of this investment, that is, the kind of labour processes it embodies; and the location of investment and disinvestment. This points towards the type of planning of investment which would be possible in a socialist society, that is, one where investment funds were owned and controlled by a democratic state. A model of such planning has been put forward by Bob Devine (1988). Socialist planning would consist primarily not of central planning of prices nor of planning of interchanges (inputs/outputs) between workplaces. Rather, he argues, the crucial requirement is the planning of investment: its quantity, its quality, and its location. Thus the kind of monitoring, bargaining and planning of investment sketched above feeds naturally into Devine’s model of a socialist economy.

The socialist strategy outlined here thus involves a particular articulation of space. It aims to develop solidarity between workers across a determinate scale, by addressing the flows of investment which capital is carrying out at that scale. Depending on the industry, the scale could be local, national or international. This type of struggle always draws on organisation at the workplace and local level; but it would often seek to connect workers’ organisations at these levels with others in wider spaces. It potentially articulates struggle at scales from the very local to the global, thus fitting with the discussion of socialist strategy in general given in the previous sub-section.

5. Conclusion

The discussion of this paper suggests the need to return to insights of Marxist discussion of class relations and space from the 1890s to the 1920s (see section 1). Central was the insight that the geographical spread of capital and capitalist social relations throughout the world tendentially creates a world proletariat with common interests. The mobility of capital in its money, productive and commodity forms tends to eradicate spatial barriers and to render workers as abstract labour power, abstracting in particular from place. Socialist politics seeks to realise this potential identification of workers across geographical boundaries and develop common actions. These processes and potentials are far more developed now than a hundred years ago.

Yet these spatial flows of capital lead to profoundly uneven development and deep inequalities of workers’ situation between territory. These can lead workers in a
given territory to see their interests as different from, and even contrary to, those of workers elsewhere. Moreover, capital’s productivist strategies may actively draw workers into compacts which exacerbate uneven development and cement a territorial unity of capital and labour against capital and labour elsewhere. This is a political trap for labour, since it always prevents workers from fighting for their own interests against capital. The classical Marxist idea that workers have no country (and, one needs to add nowadays, no region) has never been more important and urgent. In particular, the classical notion that workers in the imperialist countries should side with the masses in the (neo-)colonial countries and not their own bourgeoisie is urgently relevant today in both economic and political senses. There may be circumstances, in the neo-colonial countries in particular, which workers need to make temporary, tactical agreements for precise aims with progressive sections of capital, as in the notion of the ‘united front’ put forward by the first few congresses of the Third International; this may be necessary, for instance, in fighting for democracy against dictatorship. But for workers in a territory to make long term, strategic compacts with capital divides them from workers elsewhere and prevents them from defending and advancing their own (economic) interests.

Some of the theorists of the early Marxist movement (Lenin in particular) were clear that workers need to fight every kind of exploitation and oppression, not just within production. This implies struggles at a wide variety of scales, including, for example, the scale of the daily living space and the international scale of imperialist operations. This is one reason that I have argued that socialist struggle needs to be multi-scalar. Finally, leaving aside some of the schemas of Kautsky and Bernstein, the early movement aimed not merely to steer capital into more ‘progressive’ paths but to seize control of capital. I have argued that this is necessary in order to control the spatial relations between workers, and thus be able to create a society which is genuinely collective – and thus socialist – across space.

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Notes

1. For a discussion of levels of abstraction in the roles of space in the capitalist economy see Gough (1991b; 1992).

2. It has also confused many academic commentators, who describe as ‘neoliberal’ programmes which are actually productivist in their immediate forms and aims. The error is the assumption that all policies which might benefit capital are neoliberal, neglecting the existence of contradictions in capital’s ‘needs’ and strategies.
3. This passage relies on a personal communication from Ibrahim Gundogdu. Any inaccuracies in it are my responsibility, not his.
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