

The Possibilities of Economic Difference? Social Relations of Value, Space and Economic Geographies

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INTRODUCTION

“Craft Fair[s] ... are all over the place ... this year. Every school and church hall is hosting one, for which – geographically and horologically bounded as I am ... – I am very grateful.

A craft fair feels like the optimal level for capitalism. I’m happy that we’ve moved away from barter – because ... I have very short arms and there’s a very definite number of piglets I could carry to market ... – but ... anything bigger than a market stall is too much concentration of capital ... how much better we’d all be (literally and metaphorically) if money still came in gold coins and got stored in boxes and leather bags until it was time to spend it again ...

Think how much happier we’d all be if business was conducted face to face.”
(Lucy Mangan 2011: 10)

In this passage, from an article in the weekend magazine section of a UK national newspaper, the journalist Lucy Mangan writes an economic geography of difference: different spaces, different times, different money. Idealistic but also unrealistic, it captures many of the contradictions of localized and apparently utopian economies. The advantages of accessibility and face-to-face transactions in localized

economies are clear but questions of production do not figure and of finance only by ignoring the advantages and convenience (geographical and horological) of an effective financial, to say nothing of a credit-system. Above all – and as with so many popular and business-press accounts of capitalism – it treats capitalism as an unproblematic, even natural, given or, at least, as a given with only superficial contradictions.

In this it is not unusual. Idealism tends to trump realism in discussions of economic difference. So a first step in developing a hopefully more convincing account of the possibilities for economic change is to recognize some of the realities of all economies and the particularities of capitalist economies. This paper considers the nature of, and the possibilities for, alternative forms of economic geographies. It does so by pursuing a number of arguments concerning the simultaneous sociality and materiality of economic geographies and the inescapable significance of both in any consideration of economy/economic geography, the political significance of the mutual formation of territorial and relational space and the notion that economic change is necessarily profound and becomes possible, perhaps, only through crisis.

The permanence of economic geographies (however dynamic that permanence/those economic geographies may be) is difficult to transform beyond materially, socially and spatially narrow limits. This is due not least to the material infrastructure and relations necessary to enable economic activity and, even more significantly, to the entrenched power relations which shape both the nature of economic geographies and the material landscapes through which they take place. And the inescapable significance of these material and social relations raises, in turn, questions of the extent to which economic geographic difference is sustainable and generalisable across space and through time. One such question provides the primary focus of what follows: Is it possible to avoid parochialist economies and politics in the construction of economic alternatives?

However, the chapter offers very few answers to this question and is restricted merely to one possible frame through which some answers

may become possible. Central to the argument in what follows is the notion of what I like to call ‘the ordinary economy’ (Lee 2006, 2010a). And it is the ideas which shape my understanding of the ordinary economy that inform much of what follows here. But before considering these arguments and their consequences, a more immediate question concerns the question of diversity, alternatives and otherness in economic activity.

DIVERSITY, ALTERNATIVES AND OTHERNESS IN ECONOMIC ACTIVITY

These three words are often used interchangeably in discussions of what J.K. Gibson-Graham (1996 2006) refers to as thinking the economy otherwise. However they have distinct if overlapping meanings and the order in which they are listed here indicates an ascending degree of difference. Diversity implies the co-presence of various strands of difference. The notion of variegated capitalism has been explored by Peck and Theodore (2007) and they point up a long history of, for example, the recognition of diverse forms of capitalism and of arguments around the superiority of one or the other. These debates illustrate very effectively the issue of the permanence and the limited possibilities for change in economic relations alluded to in the introduction to this paper. Clearly, the alternatives identified in such debates are real and they produce real economic difference but they are all variations on a theme (of capitalism) and so indicate limited difference.

At least three meanings of ‘alternatives’ overlap in economic discourse. The first suggests the possibility and/or the presentation of choice of economy/economic geography. This is, as just suggested, not a notion that the permanence of economies can embrace very easily – except, perhaps, over the long term. A good example would be the constraints on the implementation of even self-serving environmental modifications to economic behaviour. More conventionally – and, for some (e.g. Harvey 2000), more realistically – the idea of ‘alternative’

refers to a mutual exclusivity. This is a form of critique which J.K. Gibson-Graham (1996; 2006) rightly rails against in her ever more profound exposure of the simplistic and unquestioning acceptance of the defining norms of capitalism which, once accepted, then shape all ensuing argument. A third notion of alternative – one which, arguably, informs much of the work in this field (see, for example, Fuller et al 2010b) – concerns the formulation of lifestyles, culture, art forms ... considered as preferable to those of contemporary mainstream society. These alternatives often involve less conventional, less materialistic and less institutionalised economies more in harmony with nature. And they are often localised in scale.

The question of economic otherness raises the possibility of the most profound critique of mainstream accounts and practices of economy. At its weakest, however, otherness may refer simply to a remainder, what is left over – those features of economy hardly considered fundamental to its ongoing dynamic and so open to experimentation without any great threat to mainstream ideas. It may also refer to additional/further possibilities arising from existing arrangements. Such might include, for example, extensions or minor modifications like notions of regulation or the insertion of democratic possibilities into economic behaviour. Much conventional economic debate revolves around this notion of other including, for example, arguments for the greater/lesser involvement of the state in shaping economic activity. However, both these aspects of other are necessarily defined by what is not other. That is to say, they usually refer to a benchmark given by mainstream economic relations and so fall foul of the Gibson-Graham critique in failing to get beyond existing relations and concepts. But otherness can also refer to much more powerful notions of the delimitation or constitution of a superior self as distinct from an inferior other. An example of such might be an economy defined and practised with people as its subjects rather than its objects.

However, leading on from this idea of a self defined by an other, otherness may refer to a definition of difference and to the social construction of boundaries of social inclusion and exclusion rigorously po-

liced in both ideological and material terms. Despite the apparent power of economic ‘globalisation’, geo-political examples of such distinctions abound in the contemporary world. A particularly pernicious example of the contemporary neo-liberal geographical imagination is the increasingly oppressive terms of contemporary norms and policies around immigration balancing neuroses associated with fears of the other with the practical benefits for capital of cheap labour. And within the neo-liberal state, the ideology which constructs poverty as fault and blame allows the demonisation of the poor and supports their exclusion from the welfare norms of a civilized society.

It also leads to nonsensical (not to say immoral) economic policies. If growth is considered a worthwhile objective, capital must be subsidized – via tax breaks and avoidance, for example – in order to offset the lack of demand emanating from the failure to pay at least a living wage to large swathes of the working population. But, of course, provided that the marginalisation and increased vulnerability of the poor is considered to be an adequate means of social discipline and control, this is an excellent policy for the further enhancement of the economically powerful – both a tiny minority of well-paid workers and, more especially, certain forms of capital (which, given the nature of such policies, would exclude retail capital and large portions of production capital).

STRATEGIC ESSENTIALISM AND THE CELEBRATION OF DIFFERENCE

Clearly, notions of economic diversity, alternatives and otherness cut both ways. They do not necessarily lead in progressive directions. And, insofar as they do, they are frequently constrained in size and geographical and temporal reach. As indicated above, one objective of this paper is to query this apparent stalemate and to ask whether there are ways of (re)thinking economy which might have greater purchase in extending and sustaining progressive difference. One way into this

may be via notions of strategic essentialism and their problematic relations with the celebration of difference – as advocated by, for example, Iris Marion Young (1990).

Of course, an immediate problem here is that pernicious notions of otherness are encouraged by a political economy designed to increase inequality not only further to benefit the self of capital and privilege but to marginalise the other of low paid and under-valued engagement in economic activity or of no engagement at all. Gender, race, religion, the immigrant other etc. are used not only to divert attention from the social relations of capitalism as the crucial drivers of poverty, inequality and power(lessness) but to prevent or obstruct the possibilities of the practices of strategic essentialism in exploiting what is common to all the oppressed in opposing the systematic processes of uneven development which generates their oppression in the sustenance of capitalism.

In such a context, the question which lies at the heart of what follows is simply ‘can the ordinary economy act, somehow as a (partial) resolution of this contradiction?’ This paper does not pretend to offer an answer to this question but considers (at least some of) the circumstances in which an answer may be sought. A first step is to acknowledge the non-reducible material features of economic geographies whilst at the same time recognizing the inseparability of their material and social relations and the decisive role of the latter in the practice of economic activity.

SPATIALITIES OF CIRCUITS OF VALUE

There is something irreducibly material, irreducibly social and irreducibly geographical about economies/economic geographies (Lee 2006, 2011). And these three features are closely linked. Economic geographies are the geographies constructed by people in their struggle to make a living. They are the essential and inescapable geographies through which economies take place. Constituted of circuits of value –

which necessarily involve the incessant movement and transformation of value from consumption via exchange to production and then via exchange to consumption – economies/economic geographies are simultaneously territorial and relational. Not only do they all exist within particular territorial geographical settings but they create relational geographies in order to exist. Such relational geographies both shape and are shaped by territorial geographies of place.

Thus these geographies – places and spaces – are not only the essential conditions of existence of economies but also the objectives (the expansion, extraction and recirculation of value) of the movement and transformation involved in circuits of capital (hence my insistence on the term ‘economic geographies’ rather than mere ‘economies’ which cannot exist (see Lee 2002). Upon the possibilities of such spatial and temporal repetition is all social life materially predicated. And the material coherence and effectiveness – autonomy – of economies/economic geographies is inescapable if social life is to be sustained. All genuinely autonomous (that is to say self-maintained) economic geographies must at minimum maintain such material sustenance. This involves the repeated production, circulation and consumption of adequate quantities and qualities of value to sustain human being across space and through time. Indeed, it is this requirement of material sustenance across space and time which offers the most significant criterion for defining what economic geographies might be. This is what, following Stuart Hall (1998) and Dave Featherstone (1998), I call “determination in the first instance by the economic”. It is de-termination in the first instance because it is inescapable. But – and this is crucial socially and hence politically – it is not the last word.

Circuits of value cannot be understood in merely material terms. They are simultaneously both social and material. Whilst they may take on the appearance of material flows of value through consumption, exchange and production, the nature, trajectory and purpose of these flows are shaped – and their sustainability defined as much by social relations of value (compare Figures 1 and 2) as by their material coherence and logistics. Social relations of value are the shared, con-

Figure 1: Circuit of Value

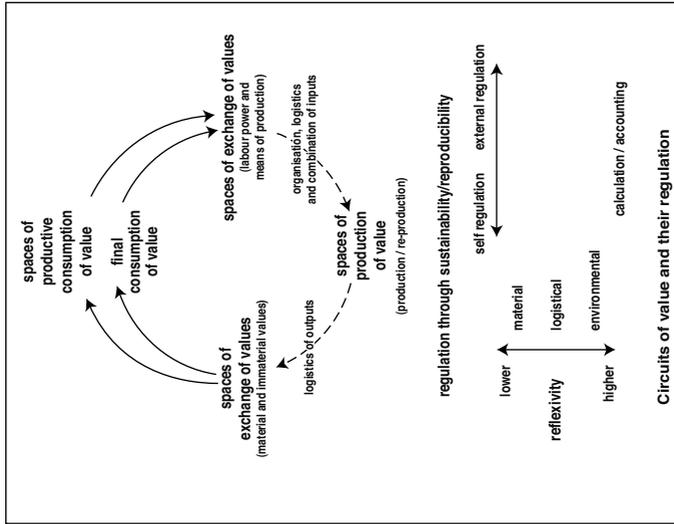
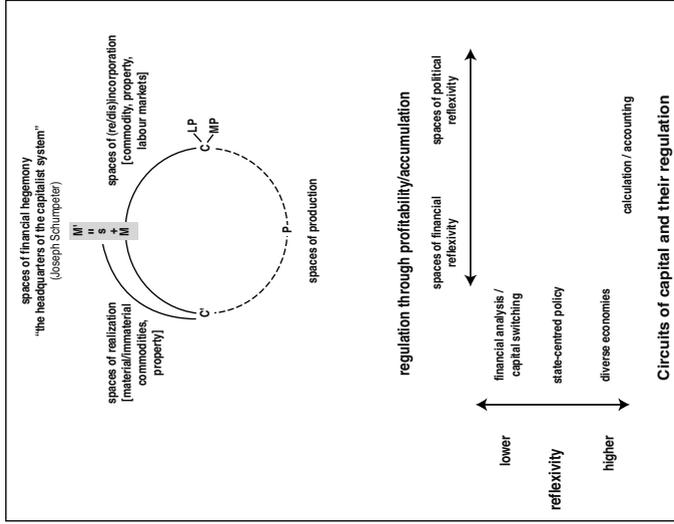


Figure 2: Circuit of Capital



Source: author's illustrations

tested, or imposed understandings about the nature, norms and purposes of circuits of value. They make sense of, give direction to and, above all, define the parameters and the criteria of evaluation of circuits of value. Figure 1 is therefore a practical impossibility as it abstracts from the social relations which drive such circuits. Figure 2 represents a capitalist circuit of value in which the social relations of capital (labour-capital relations) and the evaluative capitalist imperative of the production of surplus value and its accumulation shape its trajectory.

Circuits of capital (circuits of value shaped and driven by capitalist social relations of value) are focused on accumulation and profitability measured relentlessly and dispassionately by what Schumpeter calls 'the headquarters of the capitalist system'. Despite the profound financial crisis which began in 2007, these headquarters are concentrated ever more influentially within the financial system and its loci within the major financial centres of the global economic geography. The concentrated and intensively developed financial division of labour enabled in these centres exerts the dominant and decisive influence on the trajectory of capitalist circuits of value. What matters is what is deemed necessary to maximize surplus value. This objective is imposed by the ability of financial centres to switch capital from one place to another, one time to another and one activity to another, often in the twinkling of an eye.¹

Figures 1 and 2 emphasise the movement and transformation of value across space and through time inherent to circuits of value and their economic geographies. But circuits also require at least temporary spatial fixity – at least of the movements involved – to enable the consumption, exchange and production of value to take place. It is this

1 Of course, I recognize that the financial crisis has exposed not only such power relations but also the ability to manipulate them to gain massive quantities of economic rent (often in a corrupt and certainly crazily risky fashion) on the part of the agents involved in the financial system.

complex of relationships between movement / relationality, fixity / territoriality, materiality / sociality and pitiless financial evaluation, along with the logistics of the material manifestations of economic geographies which lie at the problematic heart of the establishment of 'diverse', 'alternative' or 'other' forms of economic geography.

ECONOMIC GEOGRAPHIES OF ECONOMIC DIFFERENCE

Just as it is possible to discern various notions of difference, so too is it possible to distinguish between varying forms of difference in economic geographies. All circuits of capital, even the most apparently globalised (Dicken 2011) and virtual are founded in and through places and the territorial and relational geographies which constitute them. In this sense, then, all economic geographies (however defined and delimited) are different. And, as Peck and Theodore (2007) have shown, capitalist economic geographies are highly differentiated not least around the axes of regulation. More rare, at least in terms of spatial and temporal extent are genuinely democratised economic geographies – and this rarity illustrates the point stressed above that whilst it is possible to describe and think of economic geographies of difference, such as those postulated by Lucy Mangan, for example, it becomes extremely difficult to identify spatially and temporally large-scale instances of such economies.

Rather, economic difference tends to be associated with the local. Examples here might include what Raymond Williams (1989) refers to as militant particularism which, however militant they may be, frequently remain locked into capitalist circuits (e.g. Harvey and Hayter 1993) and rarely become autonomous economic geographies – at least in the terms in which such economic geographies are defined above. Whilst the militancy and the sheer uncomfortable, difficult and frequently reviled work involved in the construction of such geographies is aimed at the transformation of economic geographies into practices

for people rather than merely by people, the question which is frequently begged becomes whether it is possible to go beyond militant particularism to achieve genuine and genuinely autonomous economic difference. This paper concludes by exploring the possibilities presented by the ‘ordinary economy’ in contributing to and extending militant particularism.

THE ORDINARY ECONOMY AND THE RESOLUTION OF PAROCHIALISM?

Much of the work of David Harvey over the years has been directed at inserting geography into historical materialism, historical-geographical materialism. But this is a complex task not least because space itself is a dynamic process between the ongoing historical geographies of territories (places, cities, regions, nations etc.) and the relational geographies constructed, for example, as the often only fleeting means through which circuits of value might take place. And, as indicated above, territorial and relational geographies are mutually formative. Place is complex and forever changing especially given the high dynamics – seconds are an increasingly significant measure of time in finance capital – of capitalist circuits of value.

However, whilst Harvey’s critique of Williams’ notion of militant particularism – “[T]he concept of ‘place’ that Williams evokes turns out to be much more complicated than he imagined” (2000: 57) – is spot on and profound, Harvey is also unwilling to consider that geography may be more formative than he imagines. And yet, Harvey’s central concern for geography – “[We] have ... to recognize the geographical dimension and grounding for class struggle” (2000: 55) – underpins his long-standing concern to show “that there are ways to integrate spatialities into Marxist theory and practice without necessarily disrupting central propositions” (2000: 58). But this gets to crux of this debate around the significance of geography for Marxist theory and politics. Harvey’s willingness to see geography as a powerfully

formative force in class struggle but not to accept that geography might also begin to question and open up the ‘central propositions’ in a more fluid and open ended fashion – so implying that they are always and everywhere invariable – is problematic, inconsistent and unexplained. These lacunae open up the potential, at least, for a reconsideration of them.

Thus the argument which follows is that these ‘central propositions’ are not so foundational as to be fixed and permanent. Geography is too powerful a force for that. Indeed, it is precisely the dynamics and complexity of place and space that may lead to the questioning of such central propositions and so also question the notion that militant particularism should be dismissed as a potential ‘space of hope’.

Whilst David Harvey (1996: 324) argues

“anti-capitalist movements form a potential basis for that ‘militant particularism’ that can acquire global ambition, left to themselves they are easily dominated by the power of capital to coordinate accumulation across universal but fragmented space. The potentiality for militant particularism, embedded in place runs the risk of sliding back into a parochialist politics ...”,

Paul Routledge responds that “[u]niversal values are always embedded in, and emergent from, the local and concrete” (2003: 347). But the local and the concrete are never just that. In relational space, the reverse of this proposition is also true. Places (territories) are always in a process of formation from ever emergent relational geographies (of circuits of value, for example), just as they shape the emergence of such geographies. Thus local values may emerge from the universal. It is, then, not only the case that “ideals forged out of the affirmative experience of solidarities in one place have the potential to get generalized and universalized as a working model for a new form of society that will benefit all humanity” (Routledge 2003: 337), as universal working models may give rise to a diversity of new forms of society when subjected to the transformations associated with the mutual shaping of relational and territorial geographies.

One of the universal ‘central propositions’ to which Harvey refers is that of the predominance and determinative significance of capitalist social relations of value. If this notion of value is accepted unproblematically – and Gibson-Graham (2006) would argue that a capitalo-centric view of the world induces such an unproblematic acceptance – then the risk of ‘sliding back into a ‘parochialist politics’ is ever present as capitalism is always central and definitive. In contrast, the spaces of the ordinary economy (Lee 2006) enable the practice – often simultaneously – of different notions of value and, in this, they are transformative: capitalist social relations are always and forever limited. Indeed, the problem is less a ‘sliding back’ to capitalism/parochial politics form an economic geography of difference than the provision of further support for capitalism.

However, to paraphrase Susan Smith (2005: 17)

“... the politics and ethics of economic geographies can be challenged ... by making a bid for them; by embracing a thousand tiny ordinary economic geographies [in which notions of] value are not given but made ... the diversity of actually existing ordinary economic geographies and the multitude of normative ideas and practices that are, or could be built into them, is not just a new economic geography, or a social curiosity: it is a far-reaching political resource”.

In this way – as Harvey (2001: 186) suggests –

“The return of theory to the world of daily political practices across a variegated and hierarchically structured geographical space of social and ecological variation can ... become both the aim and the reward of a particular kind of theoretical practice”.

However, this is not so easy and begs the kinds of questions concerning the autonomy of diverse/alternative/other economic geographies raised earlier in this paper. As Dave Featherstone (1998: 24, 23) has pointed out, Harvey sets his argument up in such a way that it is im-

possible to enable such a return to ‘daily political practices’ in opposition to capitalism:

“Harvey ... cannot ... seem to imagine anything which can oppose it except a meta-socialism ingrained with its own iron mask of totality ... [and] ... seeks to prescribe how the struggle should evolve without really discussing or seeking to understand its own creative and organic evolution

Are, then, these quotidian practices merely celebrations of difference incommensurate with strategic economic-geographical essentialism? Or are they materially and socially sustainable, able to act as an effective and strategic mobilising force for wider and more profound change?

Featherstone (1998: 24) suggests that what is needed to engage productively with notions of militant particularism is “to imagine open ways of putting local-scale politics in tension with other scales in a way which creates spaces where identities and ideas can be squeezed through each other’s pores”. But the ordinary economy is neither global nor local but both: it concerns the values at play in the practices of circuits of value. In this sense it is an integral part of all forms and place of economic activity. And it is present and practised by all economic agents in all forms of economy. So, then, the question becomes can the power of the ordinary economy be used and its diversity/otherness generalised to enable coherent political mobilisation around multiple non-capitalist social relations and values?

TOWARDS SOME CONCLUSIONS (AND SOME OTHER FUTURES?)

Any answers to these questions can only be suggestive and tentative. The intent of this paper is simply to provide some discussion around such questions rather than to assert a definitive answer. Such would, in any case, be impossible given the open-ended way in which territorial

and relational geographies interact to create new spaces – not only of accumulation but of hope as well.

Central to any discussion of economic geography must be the nature of value. That is, after all what circuits of value are about. And here arguments around the diversity of value in the ordinary economy may be helpful. Value is, it is argued,

“socially constructed through the formative intersection of values and the ... practice of Theories of Value ... Economic geographies are, therefore, never monistic ... [and] ... constantly interrupted by alternative conceptions of value and social relations of value ...” (Lee 2006: 427, 428).

In all economic geographies multiple notions of value operate at all times. Indeed, even in the most hard-headed practices of capitalism, a range of values (not least associated with cooperation, for example) are, in practice, essential to its sustainability. In consequence, the possibilities of diverse/alternative/other economic geographies are ever present – and ever practised – and their relevance and sense continuously demonstrated in the quotidian activities involved in circuits of value. In this way, “the notion of diversity is ... integral to a potentially transformative politics of economic life ...” (Lee 2006: 429). And this is precisely why financial markets are such critically important regulators in the survival of the current phase of capitalism and why the massive abuse of their power has so enraged those adversely affected by the ongoing financial crisis.

The issue then becomes that of the political consciousness of the reality and potential of social construction of alternative/diverse/other economic geographies. And here Harvey’s critique of static and partial senses of place in the formulation of difference become centrally important. Without a well-developed notion of the dynamics of the territorial and relational construction of place and space, othering can all too easily become a negative and dismissive gesture. Rather than opening up possibilities, it closes them down and replaces a sense of generosity and an ability to think and act differently with acts of rejection. In

this way, an openness to the different values that do and may shape economic geographies becomes closed off and the realisation of transformation becomes impossible.

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