

Review Essay/Note de lecture

## A NEW INDUSTRIAL GEOGRAPHY

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**Production, Work, Territory: The Geographical Anatomy of Industrial Capitalism.** Edited by Allen J. Scott and Michael Storper. Boston: Allen & Unwin, 1986; xix + 344 pages; cloth \$39.95; paper \$17.95.

Until recently, industrial geography has stubbornly resisted change. Instead of participating in the sophisticated methodological and theoretical discussions occurring in human geography over the last fifteen years, many industrial geographers simply employed the methodology and theory current when the sub-discipline emerged in the 1950s—a simple empiricism, buttressed by the abstract formalism of neoclassical economics. Of course, along the way there were dissenters [3;5], but these critics did not fundamentally disturb industrial geography, because they failed to provide comprehensive and workable alternatives. In the late 1970s and early 1980s, however, a new group of industrial geographers, often coming from a radical tradition, began developing a full-blown alternative to orthodoxy. This group had two goals: first, to present a satisfactory theoretical and empirical account of the rapidly changing landscape of industrial capitalism (a task, in part, prompted by the debilitating consequences of such changes); and second, to provide a broader methodological framework in which such an account could rest—one that reflected the wider debates occurring within contemporary human geography. The essays contained in *Production, Work, Territory*, edited by Allen Scott and Michael Storper, represent what is to date the most successful fulfilment of these two objectives.

The book itself contains fifteen essays, including an introductory overview and final summing up by the editors. Before examining the individual contributions, one must say something about the broader

methodological and theoretical framework, for it is this that links the individual papers, sets the tone for much of the discussion, and, most important, establishes the nature of the argument as the contributors wrestle with the problem of "... elucidat[ing] the geographical underpinnings of modern industrial capitalism" (p. vii).

Pivotal to the book are two related sets of methodological questions, both recently discussed in human geography. The first concerns the relationship between agency and structure, and the consequent implications for a determinist account of human behaviour. Economic geographers tend to present one of two models of human action. On the one hand, those inspired by the neoclassical school emphasize the autonomy of the individual decision-maker (agency), represented by the free-wheeling, rational entrepreneur who is driven to maximize profits. On the other hand, marxist geographers employ a structural account. Here the individual drops out of the analysis, because human behaviour is set by some wider structural imperative; for example, the "law of value". In both cases one is presenting a deterministic account of human action. In the neoclassical view, humans are impelled to act by the logic of rational choice-making, whereas in the marxist view, humans become mere dupes of the structure. In the last few years, however, human geographers have tried to find a middle ground between these two methodological extremes and, in so doing, have emphasized the importance of contingency rather than determinism. Specifically, most participants in the so-called "agency versus structure debate" agree that the relationship between agency and structure is a reciprocal one: individual behaviour shapes the nature of the social structure but, one shaped, that structure then influences how individuals behave [7]. In adopting this view one is led to emphasize context, and hence contingency, for if there is no neat, single relationship between agency and structure (structure is a result of more than individual actions, and individual actions are a result of more than the structure) the details of the specific context must be examined to establish how the two are linked. The wider implication is that grand theories that seek to account for everything, such as neoclassicism or marxism, are unsatisfactory because they are predicted upon universals. The twin themes of the open-ended nature of human activity and the inadequacy of grand theory repeatedly recur in this collection.

This leads to the second issue. In emphasizing the open-ended context in which action occurs, economic geographers are rediscovering the importance of place. "Place matters", as Doreen Massey [4] writes. Economic and social processes are always grounded in a particular locale, and that locale makes a difference to how such processes are manifest. Scott and Storper recognize this and attempt to deal with place theoretically through the concept of a "territorial complex".

Such a complex represents the fusion of production relationships and a set of social practices. The subsequent melding of the two produces a geographical region with a distinctive identity, one that shapes both the present and future activities of that territory (p. vii). Apart from a means to introduce the particularities of place, the territorial complex is also a unit of analysis, one that Scott and Storper call the meso-level. On the one hand, there are the macro processes of industrial capitalism, and on the other, the micro activities of individual industrialists and consumers. For Scott and Storper the two scales are linked at the meso-level of the territorial complex. More broadly, and returning to the discussion above, it is at the level of the territorial complex that we watch individuals effect, and respond to, wider structures. Furthermore, we also begin to understand the rather grand claim made in the preface that the book is "... a stepping-stone to a proleptic theoretical human geography" (p. viii). Through the territorial complex we are able to deal simultaneously with methodological issues (agency versus structure) and theoretical issues (the nature of industrial capitalism and the individual's response to it), as well as retaining the geographer's traditional concern with understanding the particularities of individual places.

These are the methodological issues that lie behind *Production, Work, Territory*. In addition, there are theoretical and empirical questions, questions incisively laid out by Storper and Scott in their overview, "Production, Work, Territory: Contemporary Realities and Theoretical Tasks". Perhaps the most important of the theoretical issues is their assertion of the primacy of production. Of course, such a position is not new. It originated in classical economics (especially with Ricardo), was later taken up by Marx, and most recently was reaffirmed by the neo-Ricardian school (a school with which Scott, in particular, aligns himself). The significance of the centrality of production for Scott and Storper is that it provides a theoretical anchor to secure their broader analysis. The nature of work, the relationship of labour to capital, the significance of technical change, the nature of social class formation, and the nature of place itself gain significance from, and are informed by, "... the central processes of industrial commodity production" (p. vii). It should be noted that the corollary of Scott and Storper's position is the "... reject[ion of] the widespread idea that the contemporary world has now entered into a 'post-industrial phase'" (p. vii). Such a view does not hold up, because the post-industrial thesis accords theoretical primacy to services rather than commodity production.

From the perspective of production, Storper and Scott then trace the roots of the contemporary industrial scene to "... a crisis of profitability ... in the developed nations" (p. 8). Although the date of such

crisis varies by country, the response is the same: experimentation by firms in terms of location and production organization. The consequence is a growing internationalization of production as companies seek to rationalize and integrate at a global scale. Within this "... articulated but decentralized international system . . ." (p. 8), the contributors discuss the changing nature, and geographical implications, of production, work and territory.

Following Storper and Scott, Allain Lipietz provides his own provocative overview from the perspective of the French regulationist school ("New Tendencies in the International Division of Labour: Regimes of Accumulation and Modes of Regulation"). Lipietz's target is grand theory, whether proposed by the right (Rostow) or the left (Frank). Instead of designing theories that explain everything, Lipietz urges researchers to recognize the contingent nature of the development process. The prospects for development of any given country can be read neither from Rostow's scheme of stages nor from Frank's chain of satellite-metropole relations. To understand why a nation develops, or does not develop, we must look at the empirical details of the particular case. This does not deny the importance of theory, but the theory must accommodate the particularities of concrete situations. Specifically, Lipietz argues for the twin concepts of the regime of accumulation and mode of regulation. The first represents a viable division (in the sense that the economy is reproduced without crisis) of net product between consumption and investment. The second is a body of rules and norms that ensure that individuals behave in such a way that the economy is reproduced. Contingency enters this scheme, because there are a number of potentially compatible combinations of modes of accumulation and regimes of reproduction; to know which goes with which one must examine the specific details of the case study.

The second section of the book, *Industrial Production Systems*, is perhaps the least satisfying of the collection. Apart from one exception, the authors seldom tap into the broader agenda proposed by Scott and Storper. This is exemplified in John Urry's "Capitalist Production, Scientific Management and the Service Class". His research question is straightforward: why has a scientific management class emerged in the United States but not in Britain? Although Urry's answer is satisfactory, we never understand the broader implications of it for commodity production. Specifically, Urry never makes clear in what way the U.S. economy is different from the British one because of the rise of scientific management. Edward Malecki's "Technological Imperatives and Modern Corporate Strategy" argues that within the corporate world there are two kinds of competitive strategies: "overall cost leadership" concerned with reducing costs of production for

standardized products; and "differentiation" based upon innovation and research and development. Activities of the first type end up in the Third World or peripheral locations at home, while those of the second type are found in "world cities". Although this is a plausible argument, it never takes us much beyond Hymer's [2], and later Westaway's [8], work on the spatial separation of control and production functions. In contrast, John Holmes's "The Organization and Locational Structure of Production Sub-contracting" very successfully tackles a subject area that few industrial geographers have examined. Furthermore, with the emergence of homeworking, sweated-labour workshops, and vertical disintegration, subcontracting is a topic that demands attention. What is particularly interesting is the link that Holmes makes between production organization and the labour process. The technique of production (in the widest sense) clearly stems in part from the inter-class tension between labour and capital. Holmes, however, is loath to present a comprehensive theory of subcontracting, because there are a host of contingent factors that bear upon that decision. The question of how far one can take theory is raised explicitly in Andrew Sayer's "Industrial Location on a World Scale: The Case of the Semiconductor Industry". Sayer argues that researchers too often forget the difference between "abstract" and "concrete" research. In particular, researchers cannot directly read from, say, an abstract theory of accumulation to what happens on the ground in the concrete. This is because the necessary relationships of abstract theory are mediated by specific contingent factors that are not predictable. Using the semiconductor industry as an example, Sayer fleshed out this argument by criticising Froebel *et al.*'s [1] "runaway industry thesis" for ignoring all the contingent factors that might modify it. Although Sayer's paper is clear, one would have liked an essay that more directly addressed the positive possibilities of the new industrial geography.

Part III, *Work and Labor Markets*, is the best section of the book. Furthermore, Gordon Clark's essay, "The Crisis of the Midwest Auto Industry", that starts the section, is the best single essay in the collection (alongside the editors' introduction and summary). After criticizing traditional regional crisis theories of both the right and the left for failing to provide an adequate account of human agency, Clark lays out the lineaments of an alternative theory through his examination of the Midwest's auto industry. His argument is that until the mid-to-late seventies, auto unions, organized at a local level, had secured for their members advantageous wages and working conditions. However, when profits fell, the web of existing labour agreements prevented any *in situ* changes. As a result, retrenchment and lay-offs ensued. The longer term consequence has been intra-class conflict as

one locally-based union competes with another in terms of the concessions offered to management.

The importance of Clark's paper is in indicating the potential for synthesizing issues of class, locale, and power within a broader theoretical framework. Kristin Nelson's paper, "Labor Demand, Labor Supply and the Suburbanization of Low-wage Office Work", which follows, focuses on what she calls back offices; that is, offices that carry out routinized internal corporate services. In the San Francisco Bay area Nelson finds that back offices are increasingly moving to the suburbs to tap an educated, but geographically immobile, female labour force. The immobility (a result of the need for suburban women to be close to home to fulfil their role as homemakers) inevitably leads to low wages and poor working conditions. In presenting her findings, Nelson neatly shows the link between corporate organization and the wider issues of local labour markets, power in the market, and the reproduction of class and gender roles. Ray Hudson and David Sadler's "Contesting Work Closures in Western Europe's Old Industrial Regions: Defending Place or Betraying Class" tries to explain the apparent intra-class conflict between spatially separated factions of labour. Rather than uniting to oppose capital *en masse*, workers in the industrial regions of Western Europe, at least, are squabbling among themselves by "defending place". By this Hudson and Sadler mean that workers' attachments to their local communities ultimately override their responsibilities to their own class. This argument, however, is not presented very subtly. "Sense of place" seems simply another variable brought in to account for a theoretical anomaly. One would like a more nuanced and textured conception of place.

Part IV, Territorial Organization and Regional Development, consists of a series of case studies of territorial complexes, often referring to the role of the state. Michael Webber's "Regional Production and the Production of Regions: The Case of Steeltown" examines the Hamilton economy from the perspective of the "logic of accumulation" (p. 203). Webber's argument is that once fixed capital has accumulated at a certain point in space, forces such as depreciation and ossified labour/capital relationships eventually lead to declining profitability and finally employment loss. What is interesting here is that, through a remarkable dexterity in calculating profit rates, Webber is able to ground his recent neo-marxist theoretical work in a given locality. Despite this achievement, however, one would have liked an even richer *geographical* account; one that fleshed out the unique political economy of Hamilton. A stronger sense of locality is given in Michael Dunford's "Integration and Unequal Development: The Case of Southern Italy, 1951-73". The first part of the paper uses a simple narrative to describe the peculiarities of Southern Italy as a place, while the final

quarter of the essay provides the conceptual framework. Unfortunately, though, the conceptual framework is never clearly linked to the specifics of Southern Italian underdevelopment. For example, Dunford suggests in his conclusion that the Italian economy is best explained by reference to a regime of intensive accumulation and a system of monopolistic competition. However, he neither defines the terms, applies them directly to Southern Italy's plight, nor explains why the wider system is in crisis. Coming from a similar theoretical perspective, but much more careful in presentation, is Diane Perron's paper on "Unequal Integration in Global Fordism: The Case of Ireland". Initially an internal colony of Great Britain, Ireland is now home to multinational corporation branch plants as such firms use Eire as a platform to enter the lucrative EEC markets. Using the theories of the French regulationist school, Perron argues that although Ireland may be modernized (firms there employ neo-fordist production techniques) it is not developed. Ireland has become a global factory with its owners always absent.

In discussing the potential role of the state in alleviating the kind of regional problems found in Ireland or Southern Italy, Ron Johnston provides a thoughtful essay on "The State, the Region, and the Division of Labor". Johnston argues that the state fulfils two roles: promoting accumulation, and legitimating capitalism to the broader population. Historically, regional policies serve the second function. With the international mobility of capital and the fiscal crisis of the state, however, national governments are no longer able to fulfil that legitimating role. Furthermore, there is no clear alternative to regional policies. A closed economic system is unrealistic; attempting to plan alongside multinationals is naïve; making government more authoritarian to enable greater concessions to be granted is politically unacceptable; and, providing there remains a common currency, dividing the national state into smaller, semi-autonomous regional bodies is ineffective. The final essay, Pedro Geiger and Fany Davidovich's "The Spatial Strategies of the State in the Political-Economic Development of Brazil", argues that since the 1930s the state in Brazil has actively influenced "... various aspects of the accumulation-space relationship ... ." (p. 295). However, their paper is largely a historical narrative of Brazilian state intervention in the economy. Compared to the other papers, this one is definitely undertheorized.

The final essay by Scott and Storper, "The Geographical Anatomy of Industrial Capitalism", is symptomatic of both the strengths and weaknesses of the wider collection. On the positive side, their paper, like the book, is coherent, concise, and provocative. Rarely do edited collections hang together so well as this one. There is a clear common purpose and a method for arriving at that goal. Furthermore, there is

a sense of excitement. All of the authors believe that their work is both new and important, and that it is fundamentally changing the practice of economic geography. In particular, the distinctive features of the approach offered are: First, it represents the espousal of a critical political economy (one that is more sensitive to issues of class, locale, and the individual than previous radical research in human geography). Second, it tries to unite the concerns of economic geography with those of social theory. It makes economic geographers recall that they are *social* scientists. Third, it emphasizes the importance of synthesis. In fact, it is this that makes the essays so geographical. To take into account the richness and texture of place, one must draw together a number of different elements and concepts. Place is more than just an argument of a utility function (the neoclassical view), or the embodiment of dead labour values (the marxist view).

This said, there are a number of tensions both within the broader collection and in Scott and Storper's own essay. The most obvious is the call for an open-ended approach, on the one hand, but the assertion of the primacy of production, on the other. An open-ended account is defined by the absence of explanatory bedrocks, but that is precisely what production represents in Scott and Storper's scheme. For example they write: ". . . territory [finds its] . . . immediate expression in various forms of production and work" (p. 301); or again, ". . . the logic of the production system [is] . . . analytically prior to everything else in human geography." Such a view, despite the qualifiers (p. 301), seems ultimately economistic. It is hard to see how culture, for example, might enter this scheme without being reduced to the logic of commodity production. Furthermore, this single emphasis on production leaves little room to discuss consumption. And even if consumption were explored, it presumably would be read directly from production relationships.

A second tension has to do with the nature of theory itself. Many of the contributors, including Scott and Storper, want to eschew grand theory. But it is not clear what we are left with when we do that. This does not mean that there are no alternatives, it is just that Scott and Storper do not discuss them. In this light, perhaps the editors might have said something about the implicit alternatives presented by the contributors. Thus Sayer, Holmes, and Urry seem to be offering some kind of "realist" philosophy, while Lipietz, Dunford, and Perrons are following the tenets of the French regulationist school. But are the two compatible? And if not, why not? Furthermore, where do the other contributors stand who do not make their methodological position clear? In that vein, it would also be useful to know what Scott and Storper think about more formal approaches to political economy. After all, Scott's [6] first paper from a neo-Ricardian

perspective was couched in formal terms. Finally, Scott and Storper might also have confronted more directly the question of technical change. It underlies their essay as well as many of the other contributors' papers, but is not explicitly explored.

In spite of the questions raised here, Scott and Storper's book is clearly an important one for both industrial and economic geography. It certainly should be read by specialists in the field, but also by anyone who wants a sense of the exciting possibilities emerging from a critical human geography.

### References

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