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Uneven Development

Nature, Capital, and the Production of Space

Third Edition

With a new afterword by the author and a foreword by David Harvey

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more directly determined at the international scale as part of the new international division of labor.[25]

But capital attempts continually to reinforce spatial integration despite self-imposed geographical barriers (in this case the national boundaries hindering regional expansion). And at this point the contradiction spills out. First, to the extent that capital escapes one set of spatial barriers, it reimposes them at a different scale. New supranational regions require political institutions to match, and the development of the EEC in particular owes much to this process. The new spatial fixity brings back the old contradictions in spatial integration and is no spatial fix. But more important, the tendency toward the internationalization of capital is severely restrained by the necessity of the nation-state as a means of political control. This too is evident from the experience of the EEC. Thus at this scale too we have a geographical version of Marx's diagnosis that the means of capital accumulation run inescapably toward contradiction with the conditions of accumulation; the necessary means to regulate and control the political basis of capital—the wage-labor relation—contradict the ability of capital to expand.

In summary, the drive toward universality under capitalism brings only a limited equalization of levels and conditions of development. Capital produces distinct spatial scales—absolute spaces—within which the drive toward equalization is concentrated. But it can do this only by an acute differentiation and continued redifferentiation of relative space, both between and within scales. The scales themselves are not fixed but develop (growing pangs and all) within the development of capital itself. And they are not impervious; the urban and national scales are products of world capital and continue to be shaped by it. But the necessity of discrete scales and of their internal differentiation is fixed. This provides the last element of the foundation of the theory of uneven development.

III. A Seesaw Theory of Uneven Development

In a remarkable passage from volume 3 of *Capital*, Marx integrates a number of themes lying at the center of his analysis of capitalism. Increasing the mass of profit entails a slower rate of profit, he says, but also the wholesale centralization of capital, "i.e. the swallowing up of the small capitalists by the big and their deprivation of capital":

> It is again but an instance of separating—raised to the second power—the conditions of production from the producers to whose number these small capitalists still belong, since their own labour continues to play a role in their case. The labour of a capitalist stands altogether in inverse proportion to the size of his capital, i.e., to the degree in which he is a capitalist. It is this same severance of the conditions of production, on the one hand, from the producers, on the other, that forms the conception of capital. It begins with primitive accumulation . . . appears as a permanent process in the accumulation and concentration of capital, and expresses itself finally as centralisation of existing capitals in a few hands and a deprivation of many of their capital (to which expropriation is now changed). This process would soon bring about the collapse of capitalist production if it were not for counteracting tendencies, which have a continuous decentralising effect alongside the centripetal one.[26]

In a more geographical vein, Marx noted that "capital grows in one place to a huge mass in a single hand because it has in another place been lost by many."[27] If in the light of the previous discussion of equilibrium and spatial scale, we translate the former exposition into the geographical perspective of the latter, then we have the rudiments of the theory of uneven development.

Behind the extant pattern of uneven development lies the logic and the drive of capital toward what we shall call the "seesaw" movement of capital. If the accumulation of capital entails geographical development and if the direction of this development is guided by the rate of profit, then we can think of the world as a "profit surface" produced by capital itself, at three separate scales. Capital moves to where the rate of profit is highest (or at least high), and these moves are synchronized with the rhythm of accumulation and crisis. The mobility of capital brings about the development of areas with a high rate of profit and the underdevelopment of those areas where a low rate of profit pertains. But the process of development itself leads to the diminution of this higher rate of profit.

profit surface

We can see this not simply by appeal to Marx's conclusion that there is a tendency toward the equalization of the rate of profit—although this has a clear geographical expression—but also concretely at each spatial scale. At the international and national scales, the development of the productive forces in a given place leads to lower unemployment, an increase in the wage rate, the development of labor unions, and so forth, all of which help lower the rate of profits and thus take away the very reason for development. Likewise at the urban scale, the development of underdeveloped areas leads to a rapid increase in ground rent and the frustration, after a point, of further development.

At the opposite pole, that of underdevelopment, the lack of capital or its persistent overflow leads to high unemployment rates, low wages, and reduced levels of workers' organization. Thus the underdevelopment of specific areas leads, in time, to precisely those conditions that make an area highly profitable and hence susceptible to rapid development. Underdevelopment, like development, proceeds at every spatial scale, and capital attempts to move geographically in such a way that it continually exploits the opportunities of development without suffering these economic costs of underdevelopment. That is, capital attempts to seesaw from a developed to an underdeveloped area, then at a later point back to the first area which is by now underdeveloped, and so forth. To the extent that capital cannot find a spatial fix in the production of an immobile environment for production, it resorts to complete mobility as a spatial fix; here again, spatial fixity and spacelessness are but prongs of the same fork. Capital seeks not an equilibrium built into the landscape but one that is viable precisely in its ability to jump landscapes in a systematic way. This is the seesaw movement of capital, which lies behind the larger uneven development process.

In *The Communist Manifesto* Marx and Engels state in the context of geographical expansion that capital "creates a world after its own image."[28] This is nowhere clearer than in the geographical contradiction between development and underdevelopment where the over-accumulation of capital at one pole is matched by the over-accumulation of labor at the other. Mandel expresses this succinctly when he says that from "the Marxist point of view . . . underdevelopment is ultimately always under-employment, both quantitatively (massive unemployment) and qualitatively (low productivity of labour)."[29] Reaching back to the discussion of the ideology of nature in chapter 1, we asked with Sohn-Rethel the general rhetorical question: "How can the truth of the bourgeois world present itself other than as dualism?"[30] In the context of uneven development where developed and underdeveloped spaces are produced as geographic opposites, the question takes on a more concrete and more profound significance.

The point here is not just that capital creates a fixed geographical world after its own image, where development and underdevelopment are geographical mirrors of the capital-labor relation, but that the dynamism of geographical space is equally an expression of the image of capital. The seesaw from developed to underdeveloped space and back again is none other than the geographical expression of the constant necessary movement from fixed to circulating capital and back to fixed. At an even more basic level, it is the geographical manifestation of the equally constant and necessary movement from use-value to exchange-value and back to use-value.

With everything it can muster, this is what capital strives to do: it strives to move from developed to underdeveloped space, then back to developed space which, because of its interim deprivation of capital, is now underdeveloped, and so on. If it can but move with sufficient alacrity, capital can remain one step ahead of the falling rate of profit. To the extent that it can realize this geographical seesaw, capital can indeed realize some sort of spatial fix. Yet there is no omnipotence to capital, and what it can do in reality—albeit a reality of its own making—is much more limited.

Insofar as uneven development resulting from the seesaw movement of capital depends on the ready mobility of capital, we would expect to find the furthest development of this pattern where capital is most mobile—that is at the urban scale. And indeed the most developed pattern of uneven development does occur at the urban scale. The geographical decentralization of capital in the construction of the suburbs led to the underdevelopment of the inner city. Capital was attracted by the rapid increase in ground rent that accompanied suburban development, and so the inner city with already high ground-rent levels and therefore low rates of return was systematically denied capital. This led to the steady devaluation of entire areas of the inner city, whether obsolete port, commercial, and warehousing land uses or residential neighborhoods. At some point, the devaluation of capital depresses the ground-rent level sufficiently that the "rent gap" between actual capitalized ground rent and the potential ground rent (given a "higher" use) becomes sufficiently large that redevelopment and gentrification become possible. The inner city, which was underdeveloped with the suburbanization of capital, now becomes a new locus of development (or rather redevelopment).[31] The contemporary restructuring of North American and to a lesser extent European cities involves the concentration in the inner city of recreational and upper-middle-class residential land uses, together with professional and administrative jobs, and the increased suburbanization of industrial and routine office activities.

If the seesawing of capital is quite evident at the urban scale, it is less so at the scale of the nation-state. There is little doubt that the present crisis brings with it a restructuring of geographical regions[32] but whether this amounts to a seesaw movement of capital is not at all clear. Such underdeveloped regions as central Scotland and New England, for example, have certainly begun to attract new development, but so far the development of these regions as a result of this return of capital is limited in extent and type. The answer to this question of how far the seesaw will go is essentially empirical. But there is a further question here that can be refined in the context of the present discussion—the question of whether the differences are converging or diverging—and this in turn provokes the more basic question whether regional differences have not become irrelevant. To the extent that metropolitan growth pushes hard on the scale of regional definitions then indeed regional differences are rendered differences between different urban centers. And to the extent that the equalization of conditions and levels of production is actually accomplished, then the level of regional differentiation is diluted. Yet the development of supranational regions points in the opposite direction, toward a more accentuated division into regions. It could well be that the answer to this question lies in the relationship between the size of the nation-states involved, and the level of internationalization of capital. In any case, it is clear in the light of this uneven development theory that the apparent convergence of different regions, suggested by a number of authors,[33] can be explained in different terms. The development of the Sunbelt, for example, and the underdevelopment of the American northeast may not afford an illustration of developmental convergence but rather the first phase in the geographical seesaw. Rather than meeting each other on a common plain, as the convergence thesis implies, these regions may well pass each other in the night.

At the international scale, there is little hint of geographical seesaw in action. The capitalist wealth and development is concentrated within a few well-off nations, and capitalist poverty is likewise segregated, albeit at the world scale. The mobility of capital but especially of labor is restricted by the rigidity of nation-state boundaries and by the rigidly opposite conditions of development and underdevelopment. Certainly, there are a handful of so-called newly industrializing countries, from Mexico and Venezuela, Kuwait and Saudi Arabia, to the boom economies of East Asia. And there are so-called core states undergoing a dramatic and uncompensated devaluation, most notably Britain. But these are still exceptions. The newly industrializing nations remain only partly integrated into the world economy on the basis of a very well-defined division of labor.[34] And for all its problems, the British state remains financially and militarily alongside the United States at the center of the world capitalist order.

That the seesaw movement of capital is evident at the urban scale but hardly at all at the international scale suggests the limits to this theory of uneven development. While indeed capital strives to realize the seesaw movement, as a means to counteract the falling rate of profit, the more absolute the geographic spaces that capital must create to push accumulation and localize devaluation, the greater are the barriers to the mobility necessary to realize the seesawing of capital. As capital stares into the future and runs from the past, it is tempted continually to embrace mobility or fixity as alternative versions of the spatial fix. Insofar as neither of these can work, yet each respectively brings a tendency toward equalization and differentiation of the geographic landscape, the result is an uneven development of capitalism which itself varies between the more stable unevenness of the global scale to the more fluid unevenness of the urban. And whatever the limits placed upon it, the uneven development of capitalism will continue to be driven on by the opposing tendencies of equalization and differentiation, and the seesaw movement of capital that results.

IV. Conclusion

To borrow an image from Nigel Harris, capital is like a plague of locusts. It settles on one place, devours it, then moves on to plague another place.[35] Better, in the process of restoring itself after one plague the region makes itself ripe for another. At the very least, uneven development is the geographical expression of the contradictions of capital. The geographical fixation of use-value and the fluidity of exchange-value translate into the tendencies toward differentiation and equalization. The distinctions, disproportionalities, and disequilibria through which Marx analyzes the overall structure and development of capital translate into so many sources of geographic differentiation within the universalizing tendency of capital. The historic mission of capital is the development of the forces of production via which the geographical equalization of conditions and levels of production becomes possible. The production of nature is the basic condition for this equalization, but equalization is continually frustrated by the differentiation of geographic space. Differentiation as the means to a spatial fix becomes itself the problem to be fixed.