

# Re-scaling, ‘scale fragmentation’ and the regulation of antagonistic relationships

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**Abstract:** Recent years have seen the emergence of what might be called a ‘re-scaling’ literature. This paper tries to combine this literature with insights from regulation theory in order to identify some of the ways in which antagonistic relationships are regulated in the after-Fordist period. It is argued that re-scaling not only affects (anti-)regulatory forces by manipulating the power distribution among different agents but also manipulates the ways in which agents perceive their own positionality. The propositions are illustrated with evidence from The Netherlands.

**Key words:** after-Fordism, regulation, scale, scale fragmentation, The Netherlands.

## I Introduction

Recent years have seen the emergence of what might be called a ‘re-scaling’ literature. This literature explicitly takes into account the scalar organization of society in theorizing the dialectical relationship between social relations and space. While most authors writing within this genre are in some way affiliated with certain brands of neo-Marxist theory (e.g., Smith, 1993; 1995; Brenner, 1998; 1999a; 1999b), others have drawn in particular from regulation theory<sup>1</sup> (Swyngedouw, 1992a; 1997a; Collinge, 1999; Jessop, 2000). This paper seeks to contribute to the existing literature by evaluating the re-scaling literature from a regulationist standpoint and by identifying, and filling, some lacunae. With Jessop (2000) and Swyngedouw (1989; 1992a; 1997a), I believe that the regulationist analysis of the post-war economic growth period offers a good

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starting-point for investigating the processes that underlie contemporary, 'after-Fordist' processes of re-scaling. In the first section, therefore, there is a brief discussion of relevant features of the Fordist period. This section also suggests reasons why it could be fruitful to study the interrelationships between capital accumulation, regulation and re-scaling and indicates the possible effects of scalar reorganization for the mediation of antagonistic relationships, particularly between capital and labour. The third section reviews the re-scaling literature and highlights elements of relevance to this paper.<sup>2</sup> I suggest that the re-scaling literature has paid a great deal of attention to power relationships between different actors but has not yet fully explored the ways in which re-scaling can influence the perceptions and perspectives of those actors. In sections IV and V, some tentative comments are made with regard to the effects of re-scaling, respectively on the reproduction of capitalism on a 'global' scale and the attitudes towards capitalist development at the local level.

## II Fordism, its crisis and the rise of regions as 'motors of global economic growth'

The core of the Fordist model was that class interests were negotiated by representatives of capital and labour at the level of the nation state. Hence, class antagonisms did not become manifest at the scale of the workplace but were regulated by a complex series of trade-offs at the national scale (Lipietz, 1992). Generally speaking, the compromise meant that labour could benefit from rising corporate profits, while capitalists acquired responsibility for the organization of the division of labour within individual firms. The latter part of the compromise resulted in the progressive application of 'Taylorist' principles, meaning that economies of scale were combined with a rigid division of labour. Part of the labour surplus that was generated in this way was invested in further mechanization of the production process and another part was channelled into wage increases and government tax revenue for welfare expenditure. Resources were allocated in such a way that production could be expanded while ensuring demand. Importantly, consumption and production were also linked culturally and ideologically through specific kinds of lifestyles and world-views. For example, in the USA, effective demand was created through the shaping of a consumption norm based around the private car and the owner-occupied house (Aglietta, 1979: 116–21). The level of the nation state was absolutely central to the Fordist system; within a relatively stable international framework national governments had, at least to some degree, the power to steer economic processes. At the end of the 1960s this (inherently relative and temporal) equilibrium began to erode for various reasons (Lipietz, 1986; 1992; Swyngedouw, 1989; 1992a) and one of the consequences was that the role of the nation state had to be redefined.

While some authors argue that the politics and policies of neoliberalism have not delivered a way out of the after-Fordist crisis (e.g., Dunford, 1997; Crotty, 2000; Peck and Tickell, 1994), others (mainly those writing from a 'new regionalist' viewpoint<sup>3</sup>) argue that during the last 15 years the contours of a new period of capital accumulation are observable in the economic landscape (cf. Scott, 1998; Storper, 1997). Scott (1996) suggests that, while the Fordist period was strongly associated with the nation state, the 'region' is the prime geographical unit in the new round of capital accumulation. Selectively adapting concepts from the Regulation School, he argues that formal and

informal institutional structures at the regional level can enable companies to capitalize on positive externalities, thus fuelling a process of endogenous regional economic growth (Scott, 1995). While the 'powers of nation-states are being limited through a complex displacement of powers upward, downward and outward' (Jessop, 1994: 24), regions gain in importance and become the 'motors for global economic growth' (Scott, 1996). In the same vein, Brenner (1999a: 441) argues that a 'glocal' scalar organization arises out of a:

tendency towards a fusion of state institutions into the circuit of capital [that] is crucially enabled through strategies of state re-scaling, which in turn translate into reconfigured forms of local-regional regulation that enable capital to extract and valorise surplus. The resultant, re-scaled configurations of state territorial power are tightly intertwined with capital on differential spatial scales.

Swyngedouw has a somewhat different perspective, emphasizing that processes of re-scaling are the result of intense political struggle. While this indicates that the fusion of state structures into the circuits of capital is only one of many possible outcomes, he also talks in general terms about processes of 'glocalization' (Swyngedouw, 1992a; 1992b; 1997a).

While there are significant differences between authors writing on the re-scaling theme, they share the view that regions have acquired more importance as sites of regulation and accumulation. However, it is questionable how far a 'world of regions' is economically sustainable. Scott (1996), for example, points out several problems in a situation where regions compete with each other without the interference of (powerful) supra-local institutions. Some fundamental contradictions of capitalism (such as the threat of overproduction/underconsumption) seem hard to overcome when there is free and voluminous trade between regions without supra-regional coordination. This is, however, not the issue I want to address in this paper. Instead, I want to focus on another element that is central to any mode of regulation, namely the regulation of social interactions and social relations. I will focus in particular on the relationship between 'capital' and 'labour', but I think that many comments also apply to relationships between different fractions within the same class and relationships between social groups that are not defined along class lines.

My decision to focus on capital and labour arises partly from the idea that the regulationists have shown how class antagonisms were regulated during the Fordist period, but that subsequent analyses have not sufficiently dealt with conflict in the after-Fordist period. This focus is important since the material basis for interclass conflict<sup>4</sup> seems present within the current, neoliberal context, perhaps even more than during the Fordist period. In many countries that have experienced growing prosperity in recent years, traditional welfare provisions are continuously under attack (e.g., Peck and Theodore, 2001). In all but a few countries, there is no sign of income convergence, while in many of the most prosperous countries processes of polarization between households as well as regions are evident (Hills, 1995; Dunford and Perrons, 1994; Rodriguez-Pose, 1999).

How is it that capital accumulation can proceed while so many individuals and groups are (partially) excluded from growing prosperity? Why don't these individuals and the organizations that represent them (labour unions, political parties, interest groups) try to/succeed in negotiating or forcing another balance? In other words, how is it that the current round of capital accumulation and its accompanying *status quo* are

not undermined by substantial conflict despite the fact that the material basis for such conflict seems to be present? My aim in this paper is to offer a partial answer to this question by discussing some of the spatial dimensions of the ideological and political regulatory framework. I will focus in particular on the actions of the state (central to the Fordist class compromise) and on the potential consequences of its re-scaling.

What I put forward could be seen as a small part of what might be called a 'geography of regulation'. Some useful research has been carried out recently in this area, for example on particular local or national regulatory systems. The focus has usually been on differences rather than similarities between different localities or nations (cf. Goodwin *et al.*, 1993; Goodwin and Painter, 1997; but see Collinge, 1999, and Swyngedouw, 1997a, for general accounts on regulation and scale). While I do not think that re-scaling has the same effects on every locality, I do think that there are some universal features. In order to identify these features, it is important to realize that the geography of regulation is closely connected to the geography of capital accumulation because the specific characteristics of a regime of accumulation dictate which institutional organizations and practices are considered (labelled) as regulatory or anti-regulatory. This does not mean that capital accumulation and regulation are functionally related, i.e., capitalist accumulation does not 'produce' regulation. Instead, while social institutions (in the widest sense of the word) can or cannot facilitate capital accumulation, capitalist accumulation depends crucially on the existence of a regulatory framework. Hence, a process of capital accumulation that derives part of its strength from the qualities of regional production systems can only be maintained because such a configuration allows certain regulatory forces to operate. In my search to identify some of these forces, I draw upon recent literature on 're-scaling'. This literature is of particular relevance since, in contrast to most of the new regionalist writings, it gives the opportunity to address the reorganization of space, not only as the outcome of the demands of capital, but also as a process that affects power relations and, as a consequence, (anti-)regulatory forces.

### III The politics of re-scaling

Jonas (1994: 257) notes that '[m]any of the social objects that geographers encounter in research, such as neighbourhood groups, urban growth coalitions, regional business associations, and multinational corporations, have well-defined scales of operation'. Even if a social entity does not have an adjective with an explicitly spatial connotation, it is clear that its attributes are affected by its scale of operation. 'Scale organization,' is then considered as 'an attribute of agents (individuals or institutions, capitals or noncapitals) and concerns the behaviour of each in planning and acting throughout an area' (Collinge, 1999: 564). The 'scale of operation' is not only determined by the 'nature' of a social entity (a multinational, for example, typically operates at the international level), but also by how the space in which it operates is organized. For example, as a neighbourhood action group normally operates optimally at the neighbourhood level, it follows that a political reorganization that transfers powers from the level of the neighbourhood council to the level of the city council has a disempowering effect. From this simple example, and many others in the recent literature, it becomes clear that processes of 're-scaling' have important political implications. Recent

literature on re-scaling has argued convincingly that the scalar organization of economic and political processes should not be regarded as 'natural' or 'given' but as the contested and temporal outcome of struggles between social entities with differential capacities to vertically and horizontally 'jump scales' (Smith, 1993; 1995; Swyngedouw, 1996; 1997a; 1997b; 2000). Swyngedouw (1997a: 140) summarizes what I consider to be the core arguments of these contributions:

... [S]patial scale is what needs to be understood as something that is produced: a process that is always deeply heterogeneous, conflictual and contested. Scale becomes the arena and the moment, both discursively and materially, where sociospatial power relations are contested and compromises are negotiated and regulated. Scale, therefore, is both the result and the outcome of social struggle for power and control.

Processes of re-scaling thus determine the ability of agents to exercise political influence: '... [S]cale redefinitions alter and express changes in the geometry of social power by strengthening the power of some while disempowering others' (Swyngedouw, 1997a; see also Swyngedouw, 1989; 2000: 70–71).

The way in which processes of re-scaling alter the distribution of power, and the more general idea that re-scaling affects social relations, are interesting from a regulationist perspective. If it is recognized that (anti-)regulatory forces consist of social relations, it becomes clear that processes of re-scaling have important implications for the (anti-)regulation of capitalism. Thus, with every instance of re-scaling, we can investigate not only who wins and who loses but also what consequences there are for the regulation of capitalism. Later in this paper I discuss a specific type of re-scaling – scale fragmentation – and I will indicate how this process can constitute one of the reasons that conflicts, which arise out of the process of capital accumulation, are diverted or kept latent. First I pay attention to the relationships between regulation, re-scaling and the redefinition of the role of the nation state. This discussion provides an overview of some of the connections between re-scaling and the reproduction of capitalism and also suggests directions for further inquiry.

## 1 Re-scaling and power

Smith's (1995) remark that the configuration of scales should be seen as the framework that determines the options for cooperation and what interests are mutual or contradictory is particularly relevant when we consider the redefinition of the role of the nation state. For a long time, it was clear that 'the boundaries of the nation-state represent a geographical bounding between those places and actors who are prepared to co-operate *vis-à-vis* certain social requirements and those with whom competition is the determining relationship' (Smith, 1995: 61). However, the fact that national borders have become increasingly porous, as well as the increase in the economic and political importance of supra- and subnational geographical entities, undermines the privileged position of the nation state as the 'natural' scale for negotiating and compromising. The re-scaling of political and economic processes has eroded the hegemony of the nation state as a platform where capital and labour come to a stand-off. Through the altering of the scale of social relations (in this case the relation between capital and labour) the ingredients of Fordism were altered in such a way that they could no longer function as a coherent whole.

When analysing the consequences of this process for the reproduction of capitalism,

it is useful to distinguish between capital accumulation and regulation. The processes of globalization and regionalization that have been described and analysed by the new regionalist authors can be considered as a 'reterritorialization' of capital accumulation (Brenner, 1999a). I want to emphasize that this new 'spatial fix' (Harvey, 1982; 1985) is *necessarily* accompanied by a new 'geography of regulation', i.e., the reasons that capital accumulation occurs in a particular kind of spatial pattern lie not only in the fact that such a pattern presents new possibilities for the valorization of capital but *also* in the fact that it allows the formation of an institutional framework that regulates its contradictions (see above). The re-scaling literature gives several leads towards the aspects of such a framework.

In this regard, Swyngedouw's (1992a; 1997a) analysis on the relationship between elements of a regulatory framework and different scales is the most explicit and concrete.<sup>5</sup> Swyngedouw shows how the erosion of a Fordist regulatory framework triggered the reconfiguration of scales and created a new geography of regulation. In this analysis, Swyngedouw primarily pays attention to the way in which monetary and financial crisis tendencies are temporarily kept latent through regulation at different scales. Yet some attention is also given to the way in which conflicts between labour and capital are settled so that capital accumulation can proceed. He observes, for example, how the regulation of the capital-labour relationship was consolidated on a national scale during Fordism and how it has been geographically dispersed during the subsequent period. 'Quite clearly, this scaling is of key importance in terms of defining relative power positions between capital and labor, but also shapes competitive strategies, degree of solidarity and co-operation within the labor movement, and so forth' (Swyngedouw, 1997a: 149–50). Here, as well as in several other places in his work, Swyngedouw touches upon the interrelationship between re-scaling and such 'soft' issues as perception, mentality, ideology and solidarity. Usually, the re-scaling literature leaves the 'softer' issues aside and focuses on the 'hard' issue of power. However, both of these issues are equally important with regard to regulation, since it could be argued – drawing upon a Gramscian (1971) distinction – that the material conditions that could potentially lead to the manifestation of conflicts can be counterbalanced principally in two ways: through consent or through coercion. While coercion could be considered as a strategy that disempowers, represses and subjugates those who could potentially resist, creating consent prevents, through manipulation, discourse and ideology, conflicts that arise 'naturally' out of material conditions from becoming manifest. Changing the focus this way implies that we should pay attention to the effects of re-scaling on the balance of power in formal institutional settings (e.g., meetings of the World Trade Organization) *as well as* to the effects processes of re-scaling can have on institutionalized behaviour – the way actors talk to each other, what options are considered viable, how people interpret particular events, and so on.

Given the immense importance of interscalar mobility for exercising power, it is no surprise that many publications link the issue of scale to coercion – indeed, Bauman (1998: 9) asserts that 'mobility has become the most powerful and most coveted stratifying factor; the stuff of which the new, increasingly world-wide, social, political, economic and cultural categories are daily built and rebuilt'. Usually the link between power and scalar reorganization is established by pointing out how re-scaling relates to what Massey has termed 'power geometry', i.e., the variable degrees to which people

are able to move from one place to another and the degree to which they can initiate and shape flows and interconnections over space (Massey, 1993: 61). Extensive theorizing on the relationship between power geometry and re-scaling can be found throughout the re-scaling literature, but I would like to elaborate on it by referring to some aspects of the formation of the European Union.

## 2 Power, scale and the formation of the European Union

That those who have more financial and political power have disproportionate influence on the formation of the scalar organization of society continues to be exemplified by the efforts of a political and economic élite to build a (selectively) united Europe. These efforts occur despite disagreements among many constituent parties and social movements. Some numerical minorities control the political and economic assets that are necessary to alter and shape the scalar organization, and this allows them to build an institution like the European Union in their 'own image'. By this I mean that the neoliberal agenda of the European Union protagonists is reflected in the way politics at this 'new scale' are organized. Several commentators (e.g., Dunford and Perrons, 1994; Swyngedouw, 2000) have noted, for example, that redistributive mechanisms are hardly present at this scale, while national governments were 'forced' to take all kinds of neoliberal measures (ranging from privatization programmes to public austerity at the cost of welfare) in order to qualify for membership.

The physical introduction of the Euro at the beginning of 2002 and the complete separation of political and monetary<sup>6</sup> institutions illustrate how continuous efforts to facilitate 'market forces' and 'free trade' have to some degree been fruitful. Furthermore, the fact that a plethora of relatively small nation states now form a more or less coherent economic unit and fall under one large quasi-state represents an important geopolitical goal: the formation of a supra-national entity that is able to negotiate on an equal basis with Asian and American power blocs.

While the economic unification of Europe has proceeded at a great pace, however, the political unification lacks behind. So far all kinds of grassroots organizations and national movements have not been able to realign their organizational structure and political programmes in such a way that they can operate at the same level as international corporations, investment funds and employer collectives (Smith, 1995). One possible exception could be the labour movement, which over the past years has endeavoured to create international linkages and partnerships. Doing so seems nothing less than a survival strategy, since some commentators have argued that the labour movement is bound to lose its already shrinking importance if it does not succeed in organizing itself on a European scale (Visser, cited in Sadler, 2000: 141). However, while some successes could be mentioned, the overall picture is rather bleak. Employers, for example, refuse to recognize labour unions as a party in some crucial discussions, notably those on the 'social dimension' of the European Union – an attitude that can only be maintained because labour unions have not, so far, been able to establish themselves as powerful agents on a European scale (Devos, 2001: 91). There are some signs that this picture is changing; but, in the mean time, capital seems to control the European agenda through its effective control of space, and, more specifically, its ability to dictate the scale of decision-making. While it is true that labour unions have not been

able to effectively confront capital on the European scale, it is even truer that many other social movements are suffering from their inability to jump scales. As a consequence, the influence of these social movements on European decision-making processes, and in particular their ability to set the political agenda, remains rather limited.

Besides this rather subtle type of coercion there is the more overt type. Swyngedouw (1996; 2000), for example, links processes of re-scaling to outright repression and state violence. In the same vein, Peck (1998; see also Peck and Theodore, 2001) shows how a decentralization of responsibilities is an integral part of compulsory welfare-to-work programmes in the USA, the UK and Canada. These examples indicate that processes of localization are not by definition empowering. Instead, handing down responsibilities to the local level can increase 'the power of those that can jump scales vertically and horizontally at the expense of those trapped in the confines of their local, community space' (Swyngedouw, 1997a: 157).

The disempowerment and repression of groups that in other spatial configurations could have posed a considerable burden to capital accumulation clearly functions as a regulatory force: opposition to neoliberal policies is simply ruled out ('scaled out') or repressed. However, in the next two sections I try to outline why the relation between re-scaling and the creation of consent also deserves further scrutiny. Part of the reason for investigating this aspect of regulation comes from my impression that nowadays, at least in western Europe and the USA, neoliberalism is becoming more rather than less hegemonic (for Europe, see Dijkink, 2000a). Even social movements, political factions and some segments of the population that traditionally were hostile to the demands of capital do not seem willing to use their powers for emancipatory, progressive change (Harvey, 2000). Of course, only a small part of the explanation for such passivity and resignation can be related directly to the organization of space, but I want to show that capital accumulation can partly be sustained through the effect a particular type of re-scaling has on the way actors perceive their own positionality. I argue that re-scaling not only alters the 'geometry of power' but also affects the perspective of actors, the way in which alternative options are envisaged and, consequently, the way in which actors use their powers. I would like to discuss this issue in two parts that are separated, somewhat arbitrarily, for reasons of presentation. After rearranging some concepts, I first pay attention to the relationship between scale fragmentation and the reproduction of capitalism on a supra-local level. Then I discuss how a process of scale fragmentation relates to the acceptance of and consent with capitalist development at the local level.

#### **IV Scale fragmentation and global capitalism**

Before proceeding, it is first necessary to discuss the conceptual tools that are usually used in the analysis of re-scaling processes. Besides the concepts 'power geometry' and 'jumping of scales' referred to above, a term that was (first?) coined by Erik Swyngedouw – 'glocalization' – is increasingly gaining currency.<sup>7</sup> As the concept is used in many different ways (e.g., to depict certain marketing strategies or to draw attention to the [increasing] importance of 'the local' in an era of 'globalization'), glocalization is in danger of losing its meaning and functionality as an analytical tool. My interpretation is that Swyngedouw's reasons for introducing a new concept were

mainly strategic: it reflects his conviction that one scale should not be privileged over others as the starting-point for analysis and that scale should be considered as a process rather than an ontological entity or a pre-given outcome of social processes. Glocalization should not be considered as a concept that summarizes recent changes in the scalar organization of society (i.e., localization, globalization); rather, it serves as a concept that draws attention to the problems of other concepts and is therefore functional as a starting-point for more detailed analysis. Thus, glocalization serves as an umbrella term that covers the wide variety of re-scaling processes that should be scrutinized in further analysis. It is my objective to draw attention to a process that often forms an integral part of re-scaling or glocalization processes: scale fragmentation. Since scale fragmentation is always part of a more heterodox and intricate process of reorganization, it can only be described in abstract terms. Basically it refers to a *transformation of the scalar organization in such a way that economic and political processes that were first contained within/located at one more or less clearly defined institutional geographical entity, are subsequently contained within/located at several institutional geographical entities*.<sup>8</sup> For example, a process of scale fragmentation has occurred if the political process of law-making was first located at one site (such as the nation) and subsequently at several sites (such as different localities; or the national *and* the supra-national level). This abstract definition and hypothetical example are supplemented by more concrete examples in three steps. First, some relevant features of the Fordist regulatory framework are highlighted. Second, there is a discussion on the potential impacts of scale fragmentation on political debates around the issue of wealth distribution and on how it could affect the way in which politics of individual organizations relate to the reproduction of a supra-local system. Third, I discuss some of the features of the after-Fordist period and suggest how scale fragmentation has changed the discussion about the allocation of resources in such a way that capital accumulation is only to a small degree hindered by the anti-regulatory forces of class conflicts.

## 1 The Fordist compromise

During the Fordist period, the (relative and temporal) fixity of capital on the scale of the nation state made it relatively difficult for capital to play off against other different, territorially bound factions of labour. In addition, the rise of Keynesianism undermined the discursive power of capital. The recognition of the importance of aggregate demand for stable economic development provided labour with an important ideological tool: supply-side economic policy that typically favoured capital was no longer the only possible route to promoting the general interest (Przeworski, 1987). Investing in education, health care and welfare was thus no longer seen predominantly as a moral duty or as a necessity to prevent revolts but also gained some sense of economic logic. Localities played an important role within the Fordist state, but more as appendages of the nation state than as entities that actively pursued a politics that was aimed at altering the (geographical differentiation in) allocation of resources. Localities were relatively passive when it came to attracting businesses and affluent households since the nation state to a large degree compensated localities that faced a large financial burden. As a consequence, political processes (e.g., those related to the allocation of resources) and economic processes (e.g., transactions) were contained mainly at the

national level. An important side-effect of this condition was that struggles over wages were not detrimental to capital accumulation: higher wages flowed back to capital in the form of increased demand. It is also important to point out that the shape of the Fordist spatial fix had major implications for the perspective of actors and the nature of discussions around the distribution of wealth. Since different class fractions negotiated over the distribution of wealth, the position of individuals within the production process was an important determinant of individual wealth. As a consequence, when a social entity in a certain locale sought to increase its material well-being, class politics was a likely way to achieve such a goal. Political struggles between different class factions – at all scales but most importantly at that of the nation state – were (partly and temporarily) pacified through the incorporation of factions of labour into state institutions (Neocleous, 1996). In this way, it was recognized, and reflected by the structure of the state, that there was such a thing as antagonistic relationships between different class fractions.

In addition, Keynesian logic and the relative unimportance of international competitiveness contributed to a situation in which the total amount of resources and the distribution of those resources were not connected directly. In other words, the discussion on the distribution of resources – *in concreto* the rate of economic growth – was centred to a relatively high degree around notions of class and social justice, and less around the effects that the distribution of resources might have for future economic growth. In short, and somewhat oversimplified, a situation where economic and political processes were contained within one scale contributed to (1) the existence of a clearly defined platform for negotiations between labour and capital, (2) the relevancy of the logic of Keynesian economics, (3) a relatively strong and uncomplicated notion of citizenship based around the Keynesian welfare state, and (4) the importance of the notion of class in political negotiations over the distribution of wealth. Central to these four elements was the idea that it was possible to think in terms of antagonistic interests.

## 2 The potential effects of a process of scale fragmentation

The erosion of the Fordist system has its own scalar dynamics. Before outlining the effects of these dynamics on the regulation of capitalism in the after-Fordist period, I want to elaborate on the mechanisms that could theoretically be triggered by a process of scale fragmentation. One important aspect concerns the relation between local dependency and class awareness. I want to take a quote from Kevin Cox (1989: 86; see also Cox and Mair, 1988) as a starting-point:

[A] spatially fragmented pattern of local authorities . . . provides a condition for a discourse which . . . plays a significant role in overcoming opposition. This discourse, heavily laced with spatial imagery, relates labor's life chances in a particular place to movements of capital and labor through a spatial hierarchy of localities, and to the structuring of those movements by place competition. Within this context it is then possible to convert class issues into distributional struggles among fractions of labor organized territorially.

Cox was writing from a North American perspective, but it seems likely that recent scalar reconfigurations make his observation increasingly relevant for the European Union. While Keynesian policies were disbanded and national welfare systems were increasingly pressurized by political and financial forces, local and regional entities gained importance as loci for economic growth (cf. Harvey, 1989). Thus a process of

scale fragmentation has occurred; some individuals, public officials, politicians and capitalists are now dependent upon regional labour markets, whereas others are dependent upon the national, European or global level. The less mobile members of a class faction are, the more likely they will consider their interests antagonistic towards those who belong to the same class faction but reside in other places. One aspect of scale fragmentation is that it becomes more likely that locally dependent social entities will relate their material well-being to the relative economic performance of the locality in which they reside. As a consequence, improving the position of a locality within the capitalist system of uneven geographical development will become increasingly attractive as an alternative to class politics. In addition, a simultaneous upscaling of political decision-making makes it relatively less efficient for locally embedded organizations to pursue class politics since an enlargement of the relevant area increases problems of mobilization and organization.

Harvey's (1996) distinction between 'global ambition' and 'militant particularism' is very relevant in this regard. The choice between the two presents a dilemma for those who are dependent upon a local context and who feel they are disenfranchised by processes that occur at various higher scales. Theoretically there are two options: to change supra-local structures or alter the local effect of supra-local processes in such a way that particular demands are met. It is important to realize that, in the end, both options frustrate the reproduction of a supra-local structure – the difference is mainly that global ambition is directly aimed at progressive change whereas militant particularism is often conservative and reactionary. However, a process of scale fragmentation not only makes it more likely that locally dependent social entities will resort to some form of militant particularism, it also makes it more likely that they will pursue a 'if you can't beat them, join them' strategy.

For example, if a local labour union<sup>9</sup> tries to serve the material interests of its members, again two theoretical options can be distinguished.<sup>10</sup> The first option is that, in collaboration with other local (regional, national) labour unions, it tries to negotiate a wage increase for the sector as a whole on a supra-local (supra-regional, supra-national) level. The second option is that it tries, in collaboration with locally dependent capital, to increase the attractiveness of its own locality in order to attract inward investments. Typically, choosing the second option only affects the geographical distribution of resources, while choosing the first option alters the trade-off between capital and labour in general. Choosing the first option thus implies accepting that, at least on a supra-national scale, 'market forces' decide over the allocation of resources.

In summary, scale fragmentation opens up the possibility of 'place politics' as an alternative to class politics. Where scale fragmentation also entails a reorganization of political and economic processes onto a higher scale, the opportunities for class politics are further limited, because this would require the organization of members of a class faction across a larger surface. In such a case it not only becomes less self-evident to practice class politics, but also less efficient as a strategy to alter the allocation of resources. I will now try to illustrate how in practice the reproduction and acceptance of a supra-local system (i.e., the allocation mechanisms in the current, neoliberal context) is related to the substitutability of class politics and place politics. This discussion focuses in particular on how (scalar attributes of) state actions in the after-Fordist period are instrumentally tied to specific discourses and practices that serve to disqualify class politics as a force for societal change.<sup>11</sup>

### 3 The after-Fordist paradox and the after-Fordist compromise

In the after-Fordist period, processes of scale fragmentation have more or less affected all nations and localities. The net result has been, as I try to show, that economic well-being is more related to place and that class politics has become increasingly problematic. The effect is that the actions of actors who try to alter the allocation of resources to their advantage neither hinder capital accumulation nor lessen the material basis for conflicts. Consider, first, the growth of trade between nation states. Institutions that operate on a global scale (International Monetary Fund, World Trade Organization, World Bank) seem so far to be operating mainly on the basis of neoliberal principles. Even if these institutions have recently announced that they will 'open up' for criticism and will reconsider some of their policies, it is clear that they have so far facilitated competition between different nations (mainly through so-called 'restructuring programmes'), for instance by requiring national governments to refrain from protectionism. One could say that the level of the nation state has been 'localized', i.e., the nation state is more than hitherto being perceived as part of a wider system in which it has to compete with other entities.

Probably because of its relatively small size, corporatist tradition and open economy, The Netherlands was one of the first countries in which the effects of such a shift in perception became apparent. The Netherlands is also an interesting case because the praises for the so-called Polder Model – notably from Bill Clinton, Tony Blair and Gerhard Schröder – might indicate that other countries will try to reorganize their institutional structures along Dutch lines.

In The Netherlands, so it is often argued, a culture of negotiation and compromise, together with a highly corporatist institutional structure, facilitates both social peace and economic growth (Delsen, 2000). While this is true to some extent, at least two critical comments need to be made. The first relates to the social contract, which stipulates that citizens can count on state support in times of hardship and that is the basis of the Dutch model (Thrift, 1994). The social contract can only be maintained because Fordist welfare mechanisms are still in place. More than in other countries with strong welfare regimes – such as Scandinavian countries and France (see Esping-Andersen, 1990) – neoliberal reforms were carried out with vigour and met little opposition during the 1980s. In fact, the gradual erosion of welfare arrangements was an integral part of the policies that were implemented after the Accord of Wassenaar in (1982). On this occasion, labour unions recognized that high wage demands, an extensive welfare state and strikes could frustrate future growth. In order to guarantee future job opportunities – within The Netherlands, that is – they agreed to be lenient in negotiations with capital (Dijkink, 2000b; Terhorst and van de Ven, 1998). This relates to the second criticism which can be made of the Polder Model, namely that its success is predicated upon the subordination of labour and, in fact, all those parties which could undermine social harmony. The culture of negotiation and compromise is crucially related to the dominant view that holds that all parties need to be aware of their common interests and, as a consequence, that conflicts are not only avoidable but also have no functionality when it comes to furthering the interests of the parties involved.

What we see, then, is that a new kind of pacification has taken place that is not predicated upon a stand-off between capital and labour but upon the subordination of labour to the demands of capital. The Dutch case also shows that general re-scaling

processes intersect with (national) cultural and institutional structures in intricate ways. The concept of the Polder Model, for example, is quite misleading, since – as Terhorst and van de Ven (1998: 467) point out – the Dutch institutional structure is continually evolving in a path-dependent fashion: it is not a ‘model’ that can be implemented at any time and in any place. However, the Dutch case also exhibits some features that, I think, are also becoming apparent in other countries. The Accord of Wassenaar illustrates that, at this time, the total amount of resources that was considered to be available for redistribution became (in the minds of the negotiators at least) intimately related to the way in which resources were distributed. If labour unions had insisted upon higher wages and better working conditions, so it is argued, they would have undermined the long-term interests of the workers they represent. For the national labour unions, the well-being of their members was more connected to the position of The Netherlands within an international capitalist framework than with the position of labour *vis-à-vis* capital. The consequence was that conflicts did not become manifest, and it seems safe to assume that some wealth that would otherwise have been created in other places has now been generated within Dutch borders.

This is just one example, and a relatively simple one at that. In reality, the scalar organization (especially of Europe) has been totally reorganized in the after-Fordist period. The result has been a complex collage of scales. For example, a citizen of the neighbourhood Cool in the city of Rotterdam resides under at least five governance scales: the neighbourhood development unit, the city of Rotterdam, the Randstad/Deltametropool,<sup>12</sup> The Netherlands and the European Union. Conditional upon the specific context, these scales are governed by different types of compositions of public and private parties; but they are all for some part (in comparison to the Fordist era relatively large) dependent upon the revenues they acquire in the marketplace. Thus, at each of these scales growth coalitions are formed that try to attract geographically mobile resources (investment capital, subsidies, affluent households and so on). In this case, the institutional crowding is partly caused by the fact that poor neighbourhoods are assigned funds by the city to alleviate their problems, while big cities in The Netherlands can retain funds from the national government on the basis of their relatively weak economic track record. These funds are in large part used by growth coalitions (often formed as a direct response to the subsidies) to make the geographical area in question more attractive to consumers and investors.

In line with this situation, making use of ‘opportunities’ usually forms the cornerstone of the politics of neighbourhood-based ‘growth coalitions’ (Uitermark, 2000a; Loopmans and Uitermark, 2000). So, in contrast to the Fordist era, subsidies that flow to economically backward areas are no longer used primarily to deal with ‘social problems’. Policies aiming at a redistribution of resources come under pressure since they allegedly do not make optimal use of market potential. Discussions around issues of distribution become inseparable from the amount of disposable resources. As a consequence, a paradox arises that is typical for the after-Fordist period: it is necessary for any geographical unit to be attractive for mobile capital, since otherwise there would not be enough disposable resources available to provide for needs or alleviate blight, but the notion of a competitive ‘territory’ is not compatible with spending money in the socially most desirable way. Thus, redistribution becomes problematic, even if abundant resources are present. This is not to say that social issues are not important any more. In fact, there are still many redistributive mechanisms in place and

from time to time new ones are being created, albeit on a modest scale. But the new redistributive mechanisms do not have the same characteristics as the old ones and the old mechanisms themselves are often subject to revisions and adaptations. Instead of totally dismantling the distributive mechanisms that formed an integral part of the Fordist system, the paradox leads to a 'compromise' that is typical of (but not exclusively related to) the after-Fordist period. Funds that are meant to solve 'social problems' are assigned on the basis of not only economic blight but also market potential. This compromise has a clear geographical expression. Typically, poor neighbourhoods, large cities, backward regions or deprived nations are first assigned funds by higher-scale authorities on the basis of social distress. These funds, however, are often – usually due to explicit demands of higher-scale authorities – in large part appropriated on the basis of market potential. This pattern is evident in many places, from the neighbourhood scale to the global scale, and is often the result of the specific kind of relationship between different scales. The provision of funds for backward nations, regions and urban neighbourhoods by the World Bank, the European Union or The Netherlands is conditional upon the way the money is appropriated. In all this, it is remarkable that redistribution at the household level has become relatively less important than redistribution to geographical entities on several scales.

The European Union, for example, does not redistribute resources directly to households but to institutions operating at a neighbourhood or regional level. While this may seem obvious for organizations that operate at such high scales, it is illustrative that recent social and urban policies (as briefly outlined above) show that the Dutch nation state (like many other nation states) is actively engaging in territory-based policies in a period in which welfare provisions are under pressure and subject to continuous revisions. What is the rationale behind these territory-based policies? Many problems of backward areas can be related to the presence of a relatively high share of people who are unemployed or earn a low wage. Instead of correcting the market through redistribution on the household level, policies are designed to make use of market potentials in the areas with a relatively high share of people whose labour is not (highly) valued by the market. Often these policies hardly have any direct effect on local or regional levels of unemployment (e.g., Lovering, 1995), but it can be anticipated that policies will be effective for (selectively) alleviating some social problems if they ensure the competitiveness of the area as a whole in the longer term, something considered essential by policy-makers and politicians alike. On several scales, government and governance coalitions are searching for market niches to secure necessary investments in the long term. Of course, to some degree, living in an area with a viable economic structure can be beneficial for disadvantaged groups. Yet the important point is that, over all, policies that are aimed at advancing the position of backward areas by using market potentialities will be rather ineffective when it comes to diminishing the total number of people who occupy a marginal position within the capitalist production system. After all, policy measures that succeed in attracting job opportunities often do so at the expense of other areas.

Scale fragmentation in general and territory-based policy in particular lead to a situation in which the material well-being of individuals is less attributable to their position (as labourers) within the production process and more to the position of the multiple geographical entities they inhabit within a capitalist system. Thus, the exclusion of less mobile actors from decision-making processes that operate on a high

scale is only one side of the coin. The other side is the effect scale fragmentation has on the perception of individuals: a process of scale fragmentation contributes to a situation in which struggles among different class factions are transformed into struggles among different localities; a situation that fits neatly within the uneven development of capitalism (cf. Harvey, 1985: chapter 6). As the political process operates at a lower scale than the economic process, strategies aimed at altering the distribution of resources to one's own advantage are likely to assess the position of a certain locality (region, nation) within the capitalist system. Politicians, social movements and policy-makers can only hope to internalize a small part of a supra-local process of resource distributions; the grounds on which resources are distributed in the first place (market forces instead of social needs) are not discussed because processes operating at a large scale are regarded as 'natural' or out of reach.

## V Scale fragmentation and local opposition

In the previous section, I outlined how a process of scale fragmentation can facilitate the reproduction of capitalism on a global (or at least supra-local) scale. As I have suggested, this can also involve the active participation of territorially dependent actors in the process of uneven development. The focus in the previous section was how stimuli for local actors were changed by a process of scale fragmentation, but I would like to argue that a mechanistic reaction to changing stimuli is not the only way in which anti-regulatory forces are regulated. In many places there are movements engaged in some form of militant particularism (Harvey, 1996). These cannot be regulated through the stimulating effect of scale fragmentation on the pursuit of territorially based growth strategies, since many movements engaged in militant particularism do not at all, or only to a limited extent, pursue strategies that are aimed at increasing wealth. This section tries to highlight some of the factors underlying the relative weakness of these movements by showing how a process of scale fragmentation can prevent militant particularisms from gaining popular support. Even more than in the previous section, the focus is on the way in which a process of scale fragmentation could potentially influence the perception of actors, provide neoliberal discourses with credibility, and play a role in undermining the legitimacy of alternative political strategies. In short, I try to show how a process of scale fragmentation can contribute to co-optation, persuasion and creating consent for neoliberal policies on the scale of the locality.

### 1 New urban politics

Cox (1993; 1995) advances the thesis of a 'new urban politics' (NUP). Again, the focus is mainly on the mobility of different class factions, since Cox (1993: 434) argues that the NUP centres on the notion that '... [T]he mobility of capital has made (immobile) communities vulnerable to capital's demands'. This notion facilitates the idea that local communities have to conform to capital's demand in order to materially reproduce themselves. However, Cox nuances this idea on three counts. First, the idea of a coherent community is highly problematic; communities are, for example, divided

along class lines. As mentioned above, an increase in the wealth of one class faction does not automatically lead to an (proportional) increase in wealth for other class factions. Second, Cox points out that the 'new regionalist' literature provides plenty of evidence that capital is to a large extent dependent upon its local and regional context; reputation, networks of material and immaterial interaction with other firms, knowledge structures that are not easily transported to other areas, dependence upon localized labour markets, investment in the built environment, and so on, all contribute to the high opportunity costs associated with relocation. Third, he argues that capital has to find a spatial fix in a certain place and at a certain scale (see also Harvey, 1982). Here state structures come into play. A process of scale fragmentation that leads to place antagonisms within a formerly relatively uniform territory, or (in the case where upscaling is part of the process) a larger political territory, could increase the mobility of capital. As the first two points indicate, scale fragmentation does not imply that capital is completely relieved from its territorial bonds. While the mobility of capital is, as Cox emphasizes, often overestimated, scale fragmentation further strengthens the idea that, within the present era of high technology and 'globalization', capital's demands must be met.

At this point, we arrive at the first factor that contributes to local consent I want to highlight: scale fragmentation contributes to a situation in which giving in to the interests of capital, in contrast to the post-war period (Przeworski, 1987), is essential for serving the 'general interest'. A related issue, scale fragmentation leads to a situation in which the 'general interest' is more often formulated on a local level. This affects what strategies are considered as 'rational', 'viable' or 'legitimate'. Keynesian economic logic is undermined because the high share of extra-local products in consumption patterns would lead to an outflow of capital. Conversely, stimulating production leads to an inflow of extra-local capital. By undermining the economic logic of Keynesianism, those who spend a high share of their resources (low-income households) are disadvantaged relative to those who save or invest a large share of their resources (affluent households, businesses).

Scale fragmentation, in summary, is one of a set of interrelating factors that provide the material basis for a discourse that combines the 'myth' of a coherent community that has uniform interests with the exaggerated notion of 'hypermobile' capital in such a way that 'there is no alternative' from meeting capital's demands. This discourse provides a powerful tool in overcoming opposition. The two other ways in which opposition can be overcome derive more or less from the general point made here, namely that meeting capital's demands is more likely to become equated with the general interest due to a process of scale fragmentation.

## 2 Privatizing decision-making

In the previous section it was mentioned that new governance structures have been established on diverse scales, such as the street (e.g., Uitermark, 1999), neighbourhood (e.g., Loopmans and Uitermark, 2000; Uitermark, 2000a), city (e.g., Hall and Hubbard, 1998; Leitner and Garner, 1993) and region (e.g., Halkier *et al.*, 1998; MacLeod, 1999). These semi-political/semi-economic organizations aim to spur economic growth within their own jurisdiction. They differ in several ways from 'traditional' public administrations. For my purposes, it is important to note that their range of tasks is

often rather limited and that they do not have to account for their actions directly to the public. In a way, their structure epitomizes the idea that 'there is no alternative': since the general interest is served by spurring economic growth, it is legitimate to redirect resources to entities that are created for this purpose and that have no, or only limited, restrictions on how they use their resources. Nevertheless, I feel that it is important to address explicitly a second way in which scale fragmentation can play a role in overcoming obstacles for capital accumulation. Once 'territorial development agencies'<sup>13</sup> are called into existence, decisions over the allocation of resources are partly privatized. Business Improvement Districts (BIDs) in the USA form a quintessential example, in part because they symbolize the inability or unwillingness of the after-Fordist nation state to provide for its cities. BIDs acquire their funds from a special-purpose tax that is collected by the city administration. By law the majority of the board of directors of these organizations has to represent property owners. Thus, money that is collected by public authorities is spent to increase property value. Despite the fact that it is also decided by law that BIDs have to serve a 'special and limited purpose' (Garodnick, 2000), their operations overlap in large part with those of public agencies. They are now involved in such diverse activities as street-cleaning, policing, marketing and furnishing 'public' space. At some point, the director of four Manhattan BIDs, who primarily serves the interests of interest capital, was known as the 'mayor of Midtown', indicating that he had acquired more power in the most important part of town than the mayor of New York who (at least in theory) serves the public interest. Generally speaking, it is hard or impossible to dismantle BIDs (Vallone, 1995; Uitermark, 2000a). So, even if citizens decide that their interests are not served by the actions of BIDs, they do not have the opportunity to address this issue; their voting behaviour will make little difference and there is no accountable public official. BIDs may be an extreme example, but they share characteristics in common with other governance structures, such as regeneration agencies (Swyngedouw, 1996; Uitermark, 2000b) or development agencies (Jones, 2001). A process of scale fragmentation indirectly triggers the (partial) privatization of decision-making at one point in time and therefore limits the opportunities for citizens or public authorities to interfere with the actions of capital at other points in time.

### 3 Altering stimuli

In the previous section, scale fragmentation was related to the 'necessity' for governance institutions to make use of opportunities, whereas addressing problems becomes less of a priority. For local public officials and locally dependent capital (e.g., local newspapers) alike it becomes necessary to emphasize the qualities of their own locality (neighbourhood, region) so that capital is attracted. Similarly, it is important that problems (such as homelessness, crime) do not interfere with the intentions of consumers and corporations to bring their business into the locality in question. This obviously has an effect on the language that is used in newspapers, policy documents, political campaigns and so on. For example, in the jargon of some officials, Dutch deprived neighbourhoods recently transformed into 'areas of opportunity' (note the parallel with Neil Smith's (1996) rent-gap theory). Yet, indirectly, the negative effect 'problems' could have on the accumulated wealth in the area as a whole also leads to a

restructuring of the urban landscape. Zukin (1995), among others, shows how the struggle between localities over mobile resources stimulates local governance institutions to create a coherent and attractive landscape filtered from signs of inequalities and contradictions. The increased competition between locally dependent growth coalitions thus indirectly leads to a situation in which the urban landscape becomes less expressive of social antagonisms and serves less as an arena for social struggles. The deficiencies of the social structure are kept out of the sight of a large part of the population and the relative deprivation of some parts of the populations have no negative effects (e.g., crime) on the more privileged part. If large parts of the population know little of the social problems that exist within their locality, are told that there are few problems and many opportunities or are not confronted with the negative 'externality effects' of poverty and deprivation, an important stimulus for questioning the way in which social structures function disappears.

## VI Conclusion

In the Fordist period, redistribution, negotiations and national class compromises contributed to a relatively coherent social formation that was compatible with a certain mode of capital accumulation. However, today's economic situation in some sectors and areas shows that capital accumulation is not incompatible with neoliberalism. This raises questions about how the current round of capital accumulation is regulated. In this paper I have given only a small part of the explanation by pointing out some of the ways in which spatial processes, in particular scalar reorganizations, are related to the regulation of antagonistic relationships. In addition to established re-scaling literature – which focuses mainly upon the relationships between power, mobility and scale – I have emphasized that the scalar organization has an influence on what political decisions are regarded as 'legitimate' or 'rational' and can have profound effects on the way agents perceive their own positionality. One common element in the different, yet interrelated, processes described above is that they affect the notion of citizenship. I would like to argue that what we are seeing is a gradual erosion of 'social citizenship'. I do not take social citizenship to refer to particular rights (as in Marshall's (1963) use of the term) but to the acknowledgement (or awareness) that different social groups of people can have conflicting interests, and the acknowledgement – as expressed, among other things, in the institutional structure of the state – that these groups have legitimate reasons to further those interests *vis-à-vis* other social groups within a particular jurisdiction. In the sense that it facilitates this development – which is of course incomplete and not without countertendencies – scalar reorganization not only changes the relative power position of different agents but also affects the way in which powers are applied. Somewhat polemically stated, one could argue that scale fragmentation, via diverse routes, prevents the latent class struggle that could arise from (rising) material inequalities from becoming manifest.

For good order, this does not mean that class struggle, or political struggle generally, can no longer interfere in important ways with the process of capital accumulation. I have identified a number of developments that have made this kind of friction less likely, but it needs to be stressed (again) that these regulatory mechanisms are inherently relative and temporal. It is moreover already becoming apparent that new

scalar configurations offer new opportunities for contesting the status quo. There is not enough space here to give these opportunities the attention they deserve, but this point can be illustrated with reference to one example. Although the day-to-day operations of major 'global' organizations, such as the World Trade Organization or the European Union, are situated on scales that are not yet readily accessible for subaltern groups, it is clear that, on certain occasions, they have to localize their activities. As witnessed by the controversy about WTO and EU policies generated by demonstrations during recent summits, these occasions provide ample opportunities for organizations that usually operate on lower scales to express their concerns and to contrast existing and newly conceived policies and discourses with their own ideas about the organization of society. Although these and (many) other new opportunities for contestation have not yet crystallized into new institutional structures, where the dominance of neoliberalism can be effectively challenged, I think their potential importance in the future justifies paying close attention to them, from a practical as well as an academic point of view.

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### Notes

1. Jessop (1997) and MacLeod (1997) give overviews of regulation theory.
2. There is no attempt to give a comprehensive overview. Instead, those aspects of the re-scaling literature that are of direct relevance to the overall aim of the paper are singled out. Howitt (2002), MacLeod and Goodwin (1999) and Marston (2000) give more reviews of the literature on scale.
3. See Lovering (1999) and Jones and McLeod (1999) for critical discussions.
4. It is also possible to distinguish between those who are satisfied with or privileged by the current state of affairs and those who are not. The first group would include those people and organizations that oppose the existing order on ethical or moral grounds, rather than on the basis of their own material circumstances. This group would include some environmental groups, left-wing academics, religious organizations and so on. Although it would perhaps be more accurate to make such a distinction, I think that this would raise even more practical and normative objections than a 'traditional' focus on class.
5. Collinge (1999) offers an orthodox regulationist account to understand processes of re-scaling. However, since Collinge does not concern himself explicitly with the regulation of antagonistic relationships in the after-Fordist period, Swyngedouw's work is more relevant for the purposes of this paper.
6. Of course, the distinction between political and monetary institutions is problematic, in the sense that it could suggest that some institutions are not political. 'Political' in this paper basically means democratically 'contestable'.
7. Swyngedouw mentions that Andrew Mair introduced the term to him.
8. It is useful to point out that scale fragmentation, defined in this manner, does not *necessarily* entail the reorganization of political space; it, for example, also occurs if economic relations at some

point transcend existing political boundaries.

9. This example can also be worked out for local governmental departments or organizations that serve the interests of territorially dependent capitalists (e.g., an employers' association).

10. Herod (1997) reaches some conclusions about spatial/scalar strategies of labour unions from his empirical research.

11. Perhaps it is important to make three qualifications at this point. First, I aim to show how the scalar restructuring of the state affects attitudes, behaviours and so on, and my argument is that they are likely to disqualify class politics as a force for societal change. This does not rule out that there are perhaps more powerful counterforces that reinvigorate class politics. A second and related point is that, as scale fragmentation – and, for that matter, any other form of re-scaling – is always part of wider process, it is difficult to *prove* its effects empirically. Instead, we can only point out the *plausibility* of certain relationships. Third, the distinction between class politics and place politics is somewhat problematic, since it might well be argued that the second is merely one possible expression of the first. However, I think it is possible to make an analytical distinction between class politics *per se*, connected with certain ideas about the fundamental conflict of interest between those who own the means of production and those who do not, and a place politics which seeks to further the interest of some class faction in collaboration with the property-owning classes.

12. Big cities in general and the Randstad in particular have since been considered as engines of economic growth by the national government (Thrift, 1994; Terhorst and van de Ven, 1995). Recently, the aldermen of spatial planning of the four major cities, some factions of capital and some civil organizations have formed an organization called the Deltametropool, a governance structure that covers the space of the Randstad. Although it is still in its embryonic stage of development, it seems likely that this organization will play an important role in boosting the competitiveness of the region in the future.

13. This is a paraphrase of the term 'regional development agencies' (see, for example, Halkier *et al.*, 1998).

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