Resistance after the Spatial Turn

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Radical politics changed dramatically in 2009. No matter what Barack Obama does in office, his election removed the easy target supplied by the arrogant imperialism and neo-conservative excesses of the Bush-Cheney regime, while the global financial meltdown that helped Obama win provided a new easy target, the possibility that the end of capitalism, or at the very least of its neo-liberal variant, is near. Whatever happens in the aftermath of these epochal events, radical politics today is shifting its focus, moving away from an all-embracing anti-neo-liberalism towards a renewed hope that radical change is possible.

Although they have been around a long time, two diverging streams of radical political thought are becoming more clearly defined in these changing times. One tends to see the events of 2008 as a confirmation of core Marxist theories of the anarchy of capitalist production, the destructive consequences of greed-driven competitive behaviour, and the almost inevitable tendency for crises to emerge after long periods of expansive and super-exploitative growth. Believing that these persistent continuities with the past significantly outweigh all that is new and different in the present, the resurgent traditionalists see radical anti-capitalist politics as usual, modified perhaps to give greater emphasis to environmental and a few other issues, as the obvious and necessary response. Reinforcing this reaction is an undercurrent of I-told-you-so confidence.

A different political stream, one that I will follow more closely here, calls for greater flexibility, openness to diverse views, and cautious optimism. For this group, the events of 2008 do not affirm traditional Marxist arguments as much as they demand innovative departures, a search for new modes of radical political action that can more effectively take advantage of the opportunities the current situation provides. Continuities with the past persist, but the contemporary capitalist world...
economy is so different from what it was just twenty years ago that to react as if conditions are the same as they were is not likely to lead to significant results.

Backing this view is the unusual nature and timing of the current financial crisis. It is not the familiar crisis of capitalism that follows a long period of expansionary boom, as happened in the Great Depression and after the series of urban, oil, and other crises in the 1960s and early 1970s. It is much more like the period of intense instability and unpredictable change that have marked the end of a prolonged period of restructuring and reconfiguration. Over-accumulation, under-consumption, or simple falling rate of profit models do not get us very far into what is happening today. The crisis now is a product of a very different kind of capitalism than existed thirty years ago, a new variant of capitalism that has taken shape from the accelerated globalisation of capital, labour, and urban industrial culture; and the new technology-fed transition from Fordist mass production and mass consumerism to more flexible, post-Fordist, and information-intensive economic systems.

This suggests that radical politics, rather than smugly speaking of some culminating last stage of capitalist development, needs to build upon a deeper understanding of the current restructuring-generated crisis and its distinctive and different dynamics and contradictions, many of which do not fit powerful Marxist orthodoxies. Particularly unusual today is the behaviour of finance capital. Throughout the history of urban industrial capitalism, finance capital working with the state has served a disciplinary and regulatory function, reacting to problems of over-production, under-consumption and inefficiency. Over the past thirty years, with the rise of neo-liberal states and policies, it has not just lost much of its traditional regulatory function, it has formed itself into a propulsive and profitable centre.

What happened in 2008 revolved around the breakdown of this enormously expanded and distorted version of finance capital, defined best in the widely used acronym of FIRE, Financial services, Insurance and Real Estate. The FIRE sector’s contribution to the gross national product and to overall employment grew at an extraordinary rate in the past three decades, but what developed outside the normal limits of the real economy was even more amazing. A ballooning credit economy became bloated with trillions of dollars’ worth of fictitious exchange value in the form of hedge funds, credit default swaps, private equity funds and other electronically recycled forms of money and credit. The traditional banking industry, which had been so drastically restructured and reorganised over the previous twenty years as to be almost unrecognisable,